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State of Metropolitan Housing Report



**Metropolitan
 Housing Coalition**

2003



This publication sponsored by Fifth Third Bank



Dedication

In 1988 the Metropolitan Housing Coalition was formed by a group of local housing and community leaders to develop a collective strategy and to pool resources in order to affect local affordable housing programs and policies. The group met for one year at the Highland Presbyterian Church before it applied for funding for staff. In 1989, the Bingham Foundation granted the group \$100,000 to last three years until the organization became self-sufficient. With this grant MHC hired its first Director, Suzy Post, a civil rights and civil liberties advocate who led the organization from its humble beginnings to create one of the largest and most diverse housing coalitions in the country.

From 1989 until she stepped down as MHC's director in the spring of 2002, Suzy brought to the task of building this coalition her boundless passion for justice, her considerable charm, and her love for community organizing. It was under her leadership that the MHC board first conceived of the *State of Metropolitan Housing Report*. Therefore, we dedicate this first report to you, Suzy. Thank you for your 12 years of leadership and your continued service to the cause of ensuring housing opportunities for all people in the metropolitan area.

This publication sponsored by Fifth Third Bank



Terminology

The *State of Metropolitan Housing Report* examines nine measures of housing well-being in the Louisville metropolitan area. Throughout the report, readers will see references to terms and language commonly used among people who work in housing and community development, but which require some explanation to make the report valuable to most readers. These include:

CDBG – The Community Development Block Grant program (CDBG) is a federal program aimed at creating prosperous communities by providing funds to improve housing, living environment, and economic opportunities, principally for persons with low and moderate incomes. The CDBG program was established in 1974. At least 70 percent of the CDBG funds received by a jurisdiction must be spent to benefit people with low and moderate incomes. The remaining 30 percent can be used to aid in the prevention or elimination of slums and blight or to meet an urgent need such as earthquake, flood, or hurricane relief.

Emergency Shelter – Emergency shelter is basic, overnight accommodation provided for persons and families. The shelter is generally for one night only, and provides a cot for sleeping and perhaps a meal. Shelters typically provide service referrals to clients.

HOPE VI – The Housing Opportunities for People Everywhere VI grants allow a public housing authority to eliminate severely distressed public housing. Under the program, demolished housing is expected to be replaced with mixed-income housing. Market-rate housing may be built alongside housing for households with varying income levels, financed through other programs such as Low Income Housing Tax Credit or elderly housing. Often the density of the housing is lower than before. The program also encourages the development of amenities such as schools, stores, parks, and community centers. The Louisville Metro Housing Authority has been awarded two HOPE VI grants: one to revitalize the former Cotter and Lang projects in Park DuValle, and one – which will begin in 2003 – to revitalize the Clarksdale public housing site.

HUD – The United States Department of Housing and Urban Development is the cabinet level department of federal government whose mission is to ensure “A decent, safe, and sanitary home and suitable living environment for every American.” HUD allocates federal funds for housing to states and local governments and public housing authorities.

Louisville MSA - The Louisville Metropolitan Statistical Area (MSA) is a geographic definition used to discuss regional trends. As of June 2003, and for the purposes of this report which examines data through 2002, the Louisville MSA comprised Bullitt, Jefferson and Oldham counties in Kentucky and Clark, Floyd, Harrison and Scott counties in Southern Indiana.

Low Income - HUD defines low income as being 80 percent or less of metropolitan area median family income. This figure is adjusted for the size of the family.

Low Income Housing Tax Credit - Created by the Tax Reform Act of 1986, the Low Income Housing Tax Credit (LIHTC) has assisted in the production of more than one million affordable homes for low-

Terminology (cont.)

income renters, by providing investors in eligible affordable housing developments with a dollar-for-dollar reduction in their federal tax liability. Developers, including nonprofit community-based organizations, typically do not have sufficient tax liability to use the tax credits, so they sell the credits to corporations. Corporations purchase 98 percent of all housing credits. Developers then use the cash they receive from the corporations to finance affordable housing. The Credit accounts for most new affordable apartment production and drives up to 40 percent of all multifamily apartment development.

Median Income – Median income is the midpoint of the income distribution; 50 percent of families are above the median and 50 percent are below the median.

Moderate Income – HUD defines those of moderate income as having income greater than 80 percent up to 120 percent of area median income.

Poverty Threshold – The U.S. Department of Health and Human Services defines the poverty threshold and, except for adjustments for household composition, it is the same across the 48 contiguous states. The original poverty thresholds were developed in the early 1960s and they have been revised annually by the Consumer Price Index since then. Poverty thresholds are significantly lower than the low-income thresholds defined by HUD.

Public Housing - The public housing program is the nation's oldest effort to provide decent and affordable housing for families, elderly persons, and people with disabilities who have very low incomes. Public housing was created in the 1937 Housing Act, and is owned and operated by public housing agencies (PHAs) that are chartered by the states in which they operate and governed by locally appointed or elected Boards of Commissioners.

Section 8 – Also called Housing Choice Vouchers, Section 8 is federal tenant-based rental assistance. It works two ways. One way is by providing certificates and vouchers, each with different rental payment formulas. Housing vouchers are one of the major federal programs intended to bridge the gap between the cost of housing and the incomes of low-wage earners and people on limited fixed incomes. The Housing Choice Voucher program provides flexibility and options by issuing vouchers to eligible households to help them pay the rent on privately owned units. Project-based Section 8 provides a housing subsidy directly to the leasing agent of buildings which are designated as Section 8 properties.

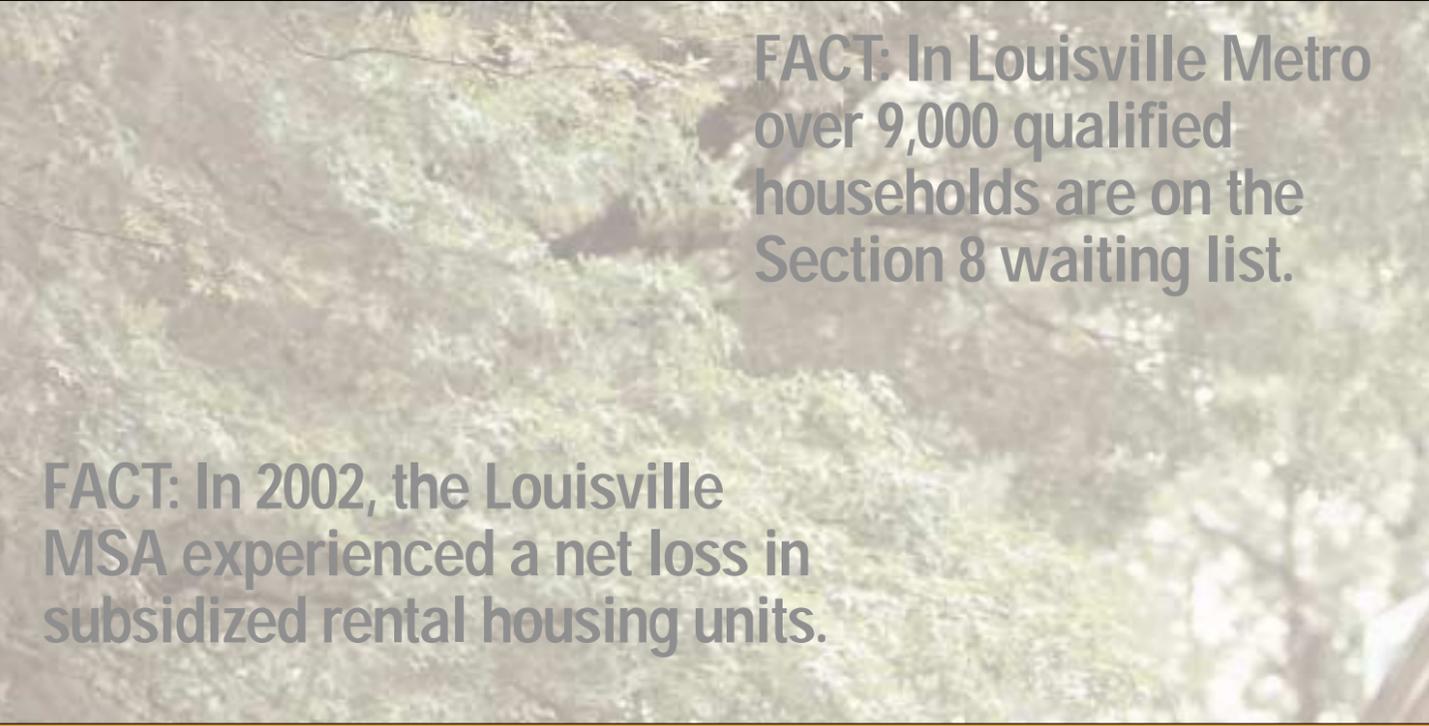
Subsidized Housing – The term subsidized housing refers to houses and multi-family dwellings (generally apartments) that receive some federal funding either in their construction, or in the form of assistance to families renting the units.

Supportive Housing – Supportive housing refers to housing that also provides support services for the residents of the housing. The goal of supportive housing is to keep people and families in housing for a longer time by providing the support systems they need to remain secure.

Transitional Housing – Transitional housing generally refers to housing provided for homeless persons and families for a period of 3 months to 2 years.

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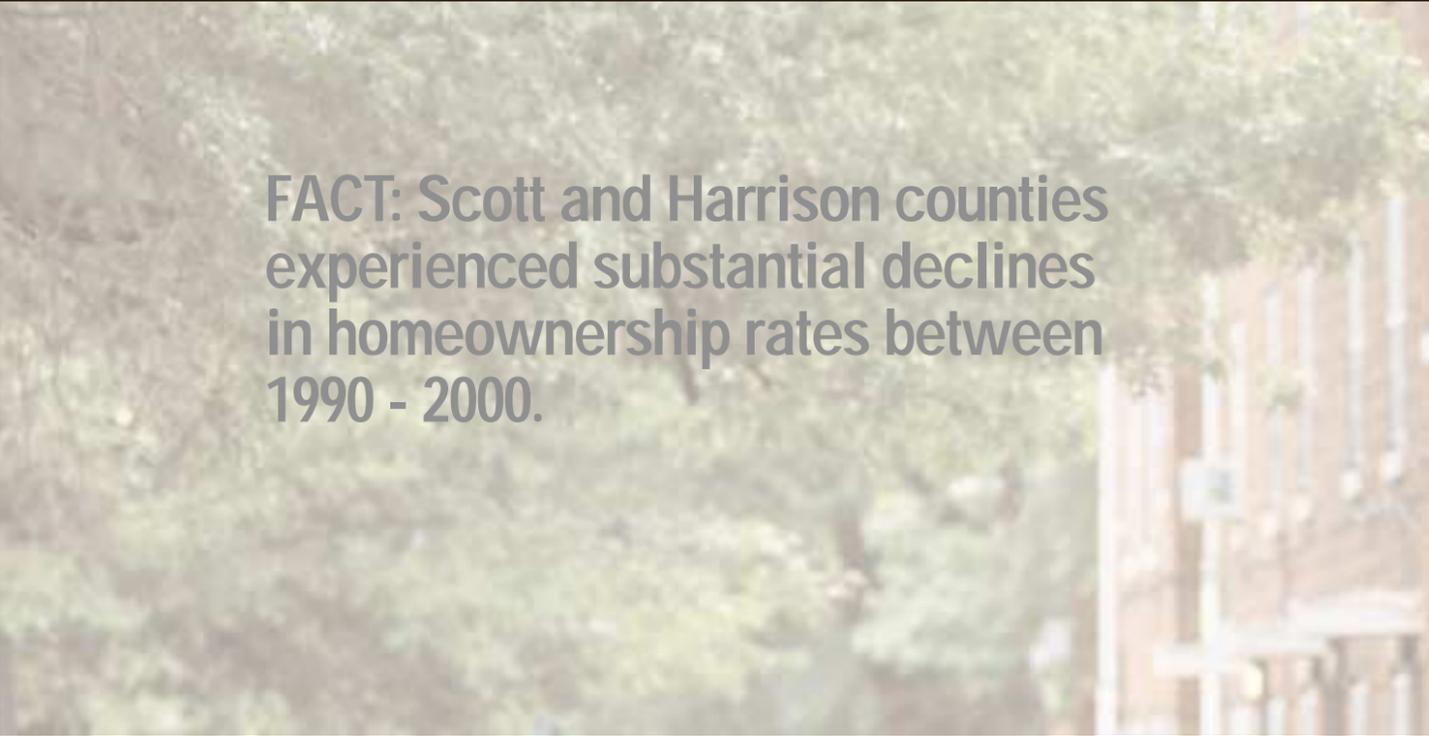
FACT: In Louisville Metro over 9,000 qualified households are on the Section 8 waiting list.

FACT: In 2002, the Louisville MSA experienced a net loss in subsidized rental housing units.



FACT: Nearly 12,000 people used Louisville area homeless shelters during 2002.

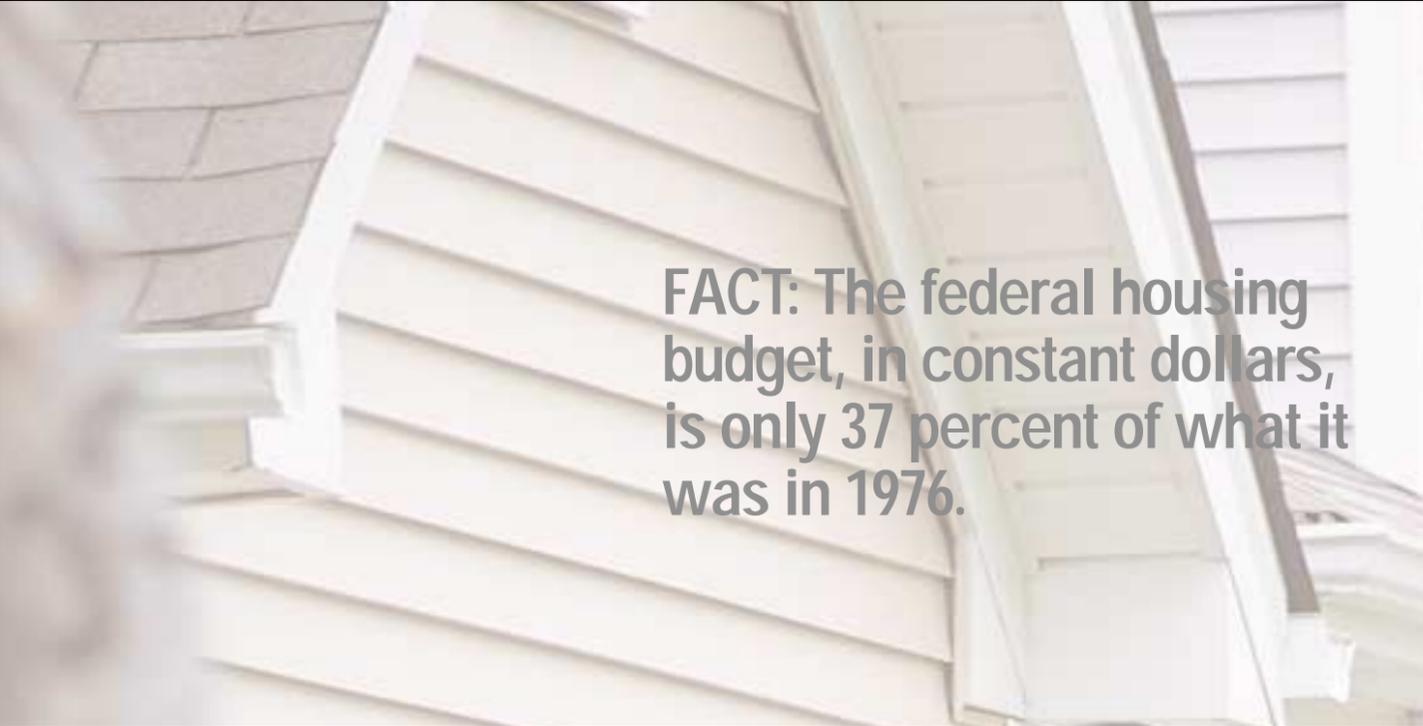
The Metropolitan Housing Coalition is on a mission. A mission to provide equitable, accessible housing choices for all people through advocacy, public education and support for affordable-housing providers.



FACT: Scott and Harrison counties experienced substantial declines in homeownership rates between 1990 - 2000.



FACT: The Mortgage Bankers Association reported that Indiana had the highest foreclosure rate in the nation for the third quarter of 2002.



FACT: The federal housing budget, in constant dollars, is only 37 percent of what it was in 1976.



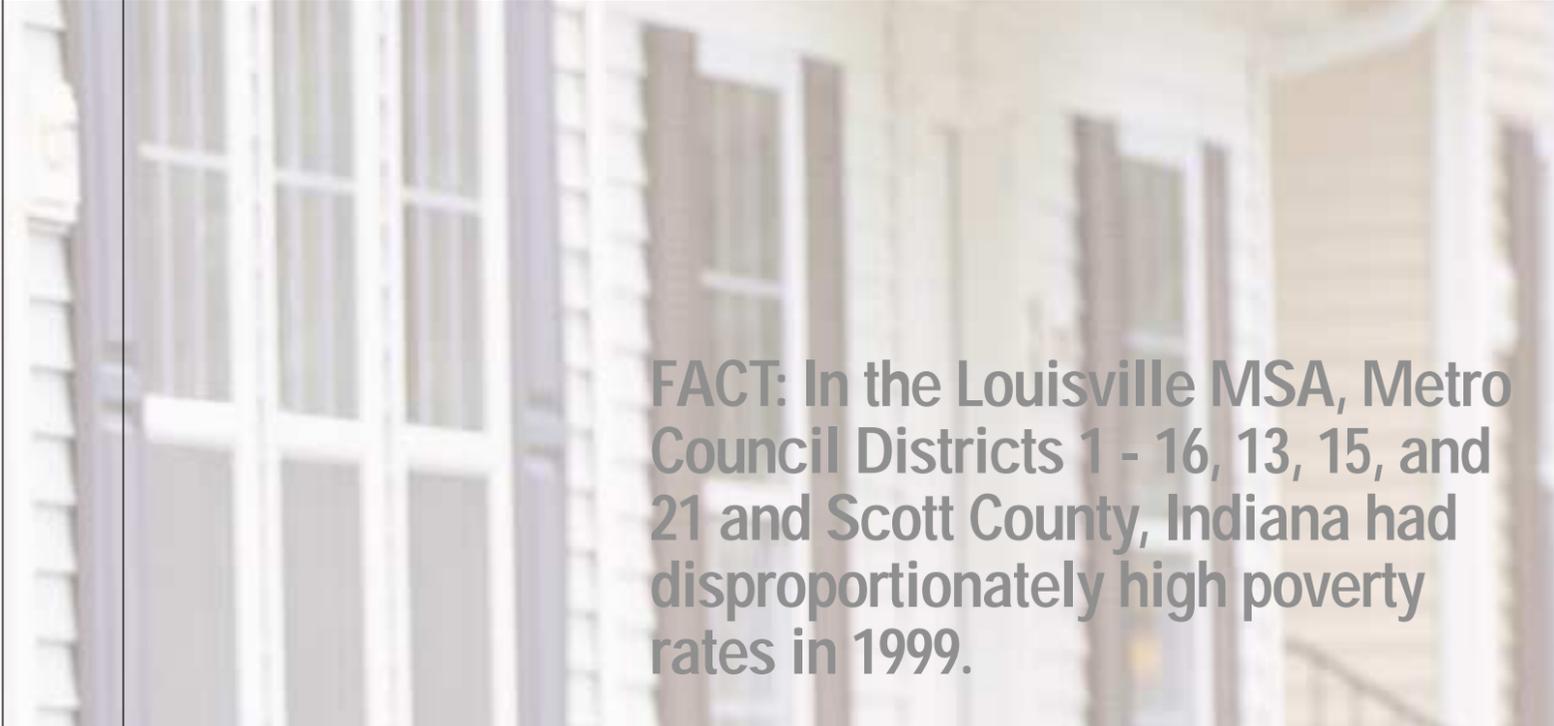
FACT: Within Louisville Metro, public housing is concentrated in three council districts - 4, 16, and 15.

FACT: In the United States 14.3 million households are spending more than half their incomes for housing.

The *2003 State of Metropolitan Housing Report* profiles nine measures of the housing conditions in the Louisville metropolitan region. The report will serve as a guide for the Metropolitan Housing Coalition as it advocates for fair, safe, decent and affordable housing for all people in the region.



FACT: In no jurisdiction in the United States does a minimum wage job provide enough income for a household to afford Fair Market Rent for a two-bedroom apartment.



FACT: In the Louisville MSA, Metro Council Districts 1 - 16, 13, 15, and 21 and Scott County, Indiana had disproportionately high poverty rates in 1999.



Steven Bourassa and Jane Walsh

Dear Housing Advocates,

Since 1988, the Metropolitan Housing Coalition has been the united voice for fair, safe, decent and affordable housing for people in the metropolitan region. Today, we are comprised of over 135 member organizations representing private and not-for-profit housing developers, service providers, local government, faith-based groups, labor unions, financial institutions, and neighborhood and advocacy groups. The strength of our work and our vision for the metropolitan region is in direct proportion to our large and diverse membership.

With the release of the *2003 State of Metropolitan Housing Report*, MHC profiles nine measures of the housing conditions in the metropolitan region. This year's report is the first, and will be followed by an annual report card that will track this region's housing challenges and successes.

The *2003 State of Metropolitan Housing Report* tells us that we have significant work ahead.

- We need to reverse a trend of concentrating subsidized housing while draining neighborhoods of potential assets and viability.
- We still face housing patterns that segregate our communities according to race and income.
- While the overall percentage of homeowners is growing across the region and the nation, it remains low in poor and minority neighborhoods. We need to create conditions in these neighborhoods to enable greater opportunities for homeownership.
- While more than 35% of renters in the Louisville region were facing excessive housing cost burdens, the production of affordable rental properties to meet that significant need remained stagnant last year. We must allocate more resources to the production of affordable rental housing.

- More programs than ever are working to provide affordable homeownership opportunities to low and moderate-income families. Also on the rise, however, is a startling rate of mortgage foreclosure. We need to study these trends to understand why so many homeowners are losing their homes.
- Nearly 12,000 people were homeless at some point last year in the Louisville metropolitan region. We need to address the gap between high housing costs and inadequate incomes.
- We need to work with local governments to ensure that our limited federal resources for serving the poor are used to create as many safe and decent housing opportunities as possible.

The publication of the *2003 State of Metropolitan Housing Report* sets MHC's agenda for the coming year. This report will serve as guide for the work of MHC's standing and ad-hoc committees as we form policy recommendations, facilitate community collaborations to address housing concerns, and provide education about housing to the broader community. MHC will follow this report with a series of Issue Papers that will illuminate finer points, provide data, and offer illustrations of policies that have worked in other communities across the country.

MHC's 2002 in Review

The year 2002 was a challenging one in many respects. Across the nation, as families began to feel the strain of economic recession, non-profits felt the strain too and struggled to maintain their services in this community. According to the *State of the Nation's Housing Report 2003*, published by the Joint Center for Housing Studies of Harvard University, the flagging economy was buoyed by record-setting levels in home sales and production. At the same time, home foreclosures, unemployment and poverty rates rose significantly for the first time in several years. Locally, the City of Louisville and Jefferson County governments prepared to merge. Residents of those entities voted in the first Mayor and Metro Council to lead the new government.

MHC also underwent a significant transition. Founding Director Suzy Post stepped down from her leadership role in the organization after 12 successful years of service and advocacy. In May of 2002, Jane Walsh was welcomed as the Coalition's Executive Director. The Board of Directors reviewed and revised its five-year strategic plan and set aggressive new goals for the Coalition; the release of this report was one of those goals.

In 2002, MHC received the financial support of over 135 organizations and nearly 200 individuals, the (former) City of Louisville, the (former) Jefferson County government, the Kentucky Housing Corporation, the Judah Foundation, and of corporations. This support allowed us to maintain a strong focus on housing.

In 2002, MHC also:

- Kept the community informed by providing free educational forums on a broad spectrum of housing issues including: rising energy costs and the effect on housing affordability; the *KHC Kentucky Housing Needs Assessment*; the new Land Development Code and Alternative Development Incentives; questions and concerns about city/county merger; the housing status of immigrants, migrants and refugees; and tenant-based organizing to address the dilapidated housing conditions at Lake in the Woods.
- Focused public attention on housing as the region prepared for merger by holding three Affordable Housing Educational Forums for candidates for Metro Council. Over 70 candidates attended.
- Worked to include a landmark regulation in Louisville Metro's new Land Development Code. This regulation, the Alternative Development Incentive, creates incentives for the inclusion of affordable housing in housing sub-divisions throughout the metropolitan city.
- Coordinated monthly Fair Housing Coalition Meetings and sponsored a panel discussion about predatory lending practices attended by over 100 people.
- Held our 13th Annual Meeting and dinner, which drew 500 members and supporters to hear then Secretary of the Executive Cabinet, Crit Luallen.
- Provided low-interest loans to non-profit developers who are members of MHC in order to facilitate the creation of more affordable housing in our community.
- Sent our housing newsletter to over 800 people each month.
- Welcomed 24 new member organizations.

We welcome and need your participation in this work. Your individual and organizational memberships are the foundation of our ability to produce meaningful change. Thank you for your support and we look forward to working with you to ensure that every person in the metropolitan area enjoys the basic dignity of a safe, decent, and affordable place to call home.

Steven C. Bourassa
 Steven C. Bourassa
 President, MHC Board of Directors and
 Director, School of Urban and Public Affairs
 University of Louisville

Jane M. Walsh
 Jane M. Walsh
 Executive Director
 Metropolitan Housing Coalition

Housing the Poor

In the 1949 Housing Act, the federal government made a commitment to decent housing for every American and has distributed financial subsidies to families in need to meet that commitment. In the metropolitan region, the subsidies provided to make housing more affordable have been concentrated in specific areas – a pattern that has led to increased poverty and neighborhood distress. MHC believes that it is past time to reverse a trend of using public funds and policy to encourage the concentration of poverty in the metropolitan region. Instead, local governments should use their resources to develop integrated housing, land use and transportation policies that provide housing choice for people of all incomes in all neighborhoods.

Clarksdale Public Housing



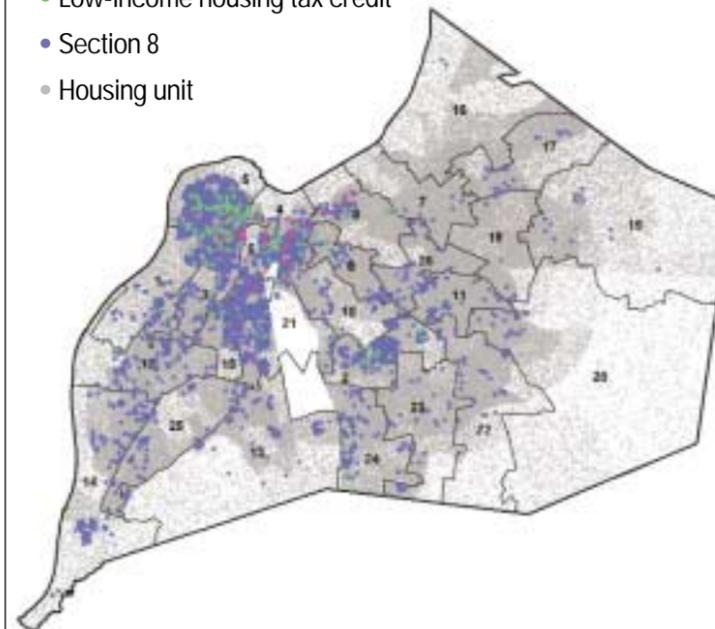
Measure 1: Concentration of Housing Subsidies

The federal government distributes housing subsidies through three programs. Public Housing, which most people think of as “housing projects,” tends to be located where there are high concentrations of low-income households, although there is a movement toward scattered-site Public Housing with a goal of providing subsidized housing in more diverse locations. The Housing Choice Voucher Program (known as, tenant-based Section 8) provides a voucher that can theoretically be used in any part of the metropolitan area, or country. The largest production program of affordable rental housing is the Low Income Housing Tax Credit program, which currently provides incentives for developers to build in high-poverty census tracts.

Within Louisville Metro, Public Housing is concentrated primarily in three council districts (Districts 4, 6, and 15), with a small number of units spread across several other districts. Units available to Section 8 voucher holders are more spread out, as would be expected, but they still tend to be concentrated in low-income areas (Districts 1-6 and 15). Across the Louisville Metropolitan Statistical Area (MSA), Public Housing and Section 8 together are disproportionately highly represented in Districts 1-6 and 15, and in Floyd County. In order to distribute subsidized housing units in a pattern that reflects actual population composition, nearly 45% of all Public Housing and Section 8 units would have to be relocated to other districts or counties.

Not surprisingly, Low Income Housing Tax Credit units are also highly concentrated, with disproportionately high numbers in Districts 1-6, 9, and 15, as well as in Scott County. Some 53% of Tax Credit units would have to be relocated to other districts or counties to be distributed in proportion to the population.

- Public Housing
- Low-income housing tax credit
- Section 8
- Housing unit



Phoenix Hill

Cindy Brown Kinloch, President of the Phoenix Hill Neighborhood Association, and Gordon Studemeyer, President of the Clarksdale Resident Association.

For at least a century, Phoenix Hill has been a neighborhood largely dominated by low incomes and renter-occupied housing. In 1938, the Municipal Housing Commission (which later became the local Housing Authority) declared that the Phoenix Hill neighborhood was “the one that was socially the sickest.” Over the past 65 years, Phoenix Hill has seen some of the most intense concentration of subsidized housing and of poverty in metropolitan Louisville. It has also been a neighborhood where residents have built meaningful communities in the face of substantial obstacles.

Over 60 years ago, some of Phoenix Hill's worst slums were demolished to make way for Louisville's first public housing project, Clarksdale. The 29-acre site with its 727 units scattered among 59 buildings became the centerpiece of the neighborhood. Public housing was considered “bootstrap” housing, a way station on a household's journey to a brighter future. In 1964 the Authority doubled the number of subsidized units when it developed 700 units for elderly householders at Dosker Manor, a complex of three high-rise buildings.

The housing policies of the 1980's significantly changed the role of public housing and the households it would serve. The result was an exodus of working class families from public housing, eventually replaced with low or no income households that had far fewer prospects for employment. As a consequence, median household incomes in Phoenix Hill decreased.

In 1984 the City provided subsidy to create the 280-unit Phoenix Place Apartment complex east of Clarksdale. After the Tax Reform Act of 1986, Phoenix Hill began to see a series of Low Income Housing Tax Credit projects. These include apartment complexes at the Cloister, the Friary, St Martin School and St John's Garden. The Section 8 program provided assistance to individuals who chose to rent in Phoenix Hill. Some of this subsidy was used at tax credit projects to further lower rental payments at developments such as Cain Center and Brown-Mackinnon apartments.

Over the century, subsidized housing and low family incomes have been dominant characteristics of Phoenix Hill. During that time, over-crowded, run down and often squalid tenements were eliminated in favor of standard housing provided through a wide mix of federal housing programs. The subsidies undoubtedly created better housing conditions for hundreds of families. The density of subsidies, however, also created an intense concentration of poverty, depleted the neighborhood of amenities and businesses, and contributed to a damaging public perception of a neighborhood many people call home.

In the winter of 2003, the Louisville Metro Housing Authority was awarded a HOPE VI grant from the U.S. Department of Housing and Urban Development to raze Clarksdale and initiate the first concerted effort to create a broader mix of household incomes. The neighbors welcome the effort, while recognizing the strengths that have always existed in Phoenix Hill. Cindy Brown Kinloch, President of the Phoenix Hill Neighborhood Association says, “The savior of this neighborhood . . . from a blighted neighborhood to a thriving neighborhood . . . has been the hard work of residents, businesses and a neighborhood association that is committed to this neighborhood.”



A House Divided

The Metropolitan Housing Coalition is concerned with segregation in the metropolitan area. While the concentration of poverty has grown less acute in the last ten years, the segregation of our neighborhoods by race has remained relatively constant. We still have work to do to overcome housing patterns which concentrate poor and minority households in struggling neighborhoods if we are to become a metropolitan area that offers safe, decent housing opportunities for all families.

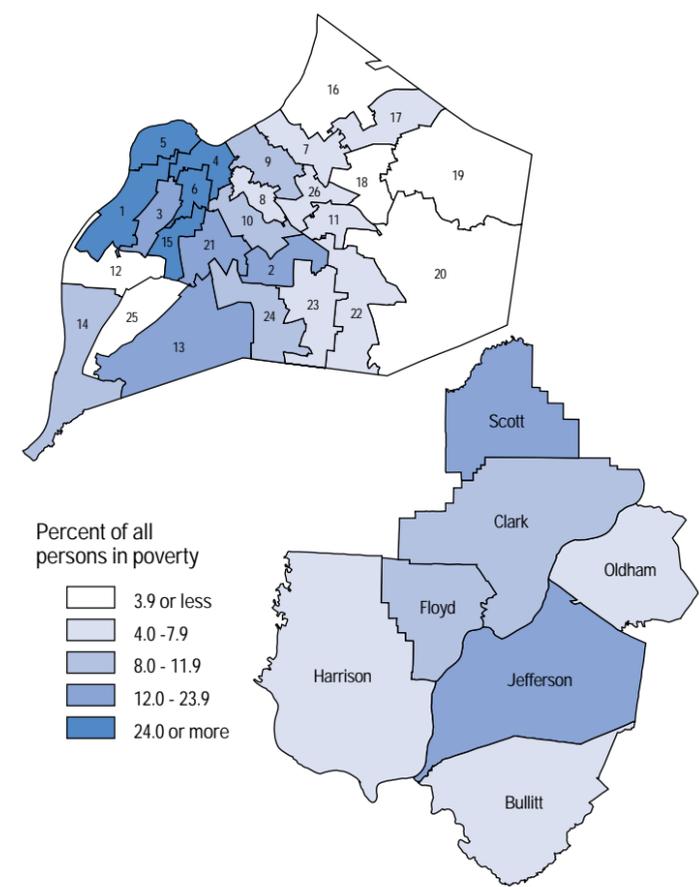
Measure 2: Housing Segregation by Race and Income

The concentration of poverty and minorities in parts of the Louisville MSA hinders access to employment, quality schools, services and shopping and yields negative results in educational attainment and the quality of neighborhoods. Research has shown, for example, that low-income children who live in areas with high concentrations of poverty are less likely to succeed in school than those who live elsewhere.

In the Louisville MSA, Metro Council Districts 1 through 6, 13, 15, and 21 and Scott County had disproportionately high poverty rates in 1999, while most of the other districts and counties had disproportionately low rates. The 2000 census showed a similar pattern for minorities: all of the high poverty areas except for District 13 and Scott County also had disproportionately high minority populations.

Overall, however, poverty became less concentrated during the 1990s, mirroring a national trend. To distribute poverty equally throughout the region, 7.3% of the MSA population would have had to move to another district or county in 1990. By the 2000 census (which reported incomes for 1999), this percentage had dropped to 6.4%. The corresponding percentages for minorities were about 14% for both 1990 and 2000. Thus the geographic relationship between poverty and minority status weakened during the 1990s.

Poverty in the Louisville MSA (1999)



Alternative Development Incentives

In March of 2003, the Louisville Metro Government implemented a new Land Development Code. The new code will address the goals of the Comprehensive Land Use Plan, Cornerstone 2020. Cornerstone 2020 represents ten years of work on the part of the Planning Commission and interested parties, and includes a truly landmark provision for those people committed to ending the region's economically segregated housing patterns: Alternative Development Incentives.

Affordable housing advocates, housing developers, and others began meeting in 2001 to discover how the Land Development Code could achieve the goals of Cornerstone 2020 and address the segregation of lower-income and upper-income families in this community. MHC members including representatives from the Home Builders Association of Louisville, the former Housing Authority of Jefferson County, the Housing Partnership Inc., Legacy Homes, the Louisville Community Design Center, Louisville Urban League, Neighborhood Development Corporation, and River Fields spent 18 months crafting regulations that would encourage the development of houses for sale that would be affordable to lower-income working families within new subdivisions.

Many communities across the country - Montgomery County, Maryland among the first - have used mandates within development regulations to ensure that enough affordable housing is constructed for those who need it. The MHC working group quickly concluded that, given the region's housing market, mandates would not garner the support necessary to be effective. Instead, the group developed comprehensive incentives that would provide real, economic benefits to developers of economically diverse subdivisions.

The result is the Alternative Development Incentives (ADI). ADI essentially provides developers reduced lot sizes and setback requirements when they agree to include key elements within new subdivisions. These elements include a commitment to ensure that at least 10% of units built are affordable to families at 80% of median income and below, building housing near major public transportation corridors, building on former brown fields, and/or preserving green space within the developments.

ADI represents the hard work of community collaboration among advocates, developers, and policy makers - and marks an important beginning for Louisville Metro Government. Because of the work of MHC members, people across the city will begin to see new homeownership opportunities, and an end to development patterns which have encouraged economic segregation in our community.



Cathy Hinko, Louisville Metro Housing Authority and Mark Isaacs, Legacy Homes. Members of the MHC working group.



Mrs. Smith and her son

Housing Out of Reach

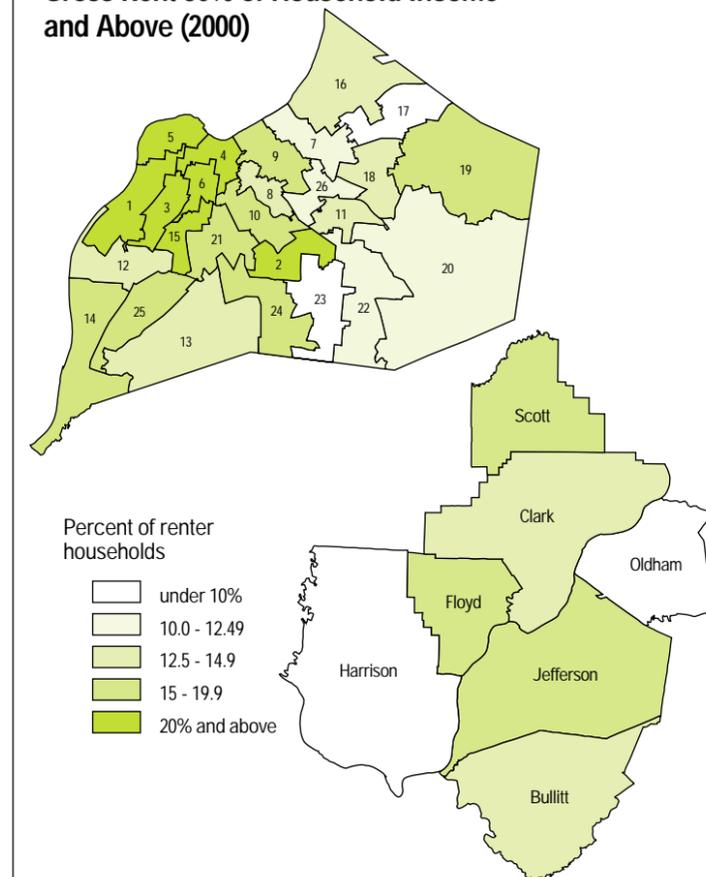
For low-wage workers, the disabled and elderly living on fixed incomes, affordable rental housing is out of reach. A minimum wage earner (earning \$5.15 per hour) can afford monthly rent of no more than \$268 in the metropolitan region, while fair market rent for a one-bedroom apartment is \$473. MHC advocates for increased funding for the creation of affordable rental property.

Measure 3: Renters with Excessive Cost Burden

According to the U.S. Department of Housing and Urban Development, a low-income household paying more than 30% of income on gross rent (which includes utilities) has an "excessive" housing cost burden. Those paying more than 50% of income on gross rent are considered to have a "severe" burden. Households falling within these categories have great difficulties making ends meet, in part because the high cost of housing does not leave enough for other necessities.

The 1990 census reported that 35.3% of renters in the Louisville MSA paid more than 30% of income on gross rent. By 2000, the percentage paying more than 30% had dropped slightly to 33.1%. Most of these renters were low income. For example, in 2000 excessive cost burdens were experienced by 64.6% of renters with incomes less than \$10,000 and 67.8% of renters with incomes between \$10,000 and \$20,000. The largest concentrations of renters with excessive cost burdens were in low income neighborhoods: Districts 1 through 6 and 15 each had more than 40% of renters paying more than 30% of income on gross rent. The map shows a similar pattern for households with severe cost burdens.

Gross Rent 50% of Household Income and Above (2000)



The Waiting Game

This story illustrates the devastating combination of low-incomes and the shortage of housing subsidies in the metropolitan Louisville region. In April of this year, "Mrs. Smith," her husband and 13-year-old son found themselves homeless. "I am worn out," she says. "You shouldn't have to fight this hard for a place to live. The strain is unbearable."

In September of 2000, Mrs. Smith collapsed at her job as a senior secretary for a local agency. She was taken by ambulance to the emergency room and diagnosed with Chronic Obstructive Pulmonary Disease, a condition related to asthma that makes breathing and any physical activity difficult, and sometimes impossible. Mrs. Smith's extended time away from work and her physical limitations due to the illness led to her dismissal from her job in October 2002. Her family struggled to survive on the smaller income provided by her husband, a seasonal construction worker.

As the economy soured, Mrs. Smith's husband also lost his job. The family's only income was his unemployment of \$600 a month. During this time, she learned how to navigate the "system." She applied for food stamps. She sought help with utility costs from the urban ministries, and joined the waiting list for Section 8- with 9,000 other households in Louisville Metro.

In the meantime, the family's rent of \$700 month simply exceeded their income. There were no safety nets to catch them and there were long waiting lists to endure. In April, unemployment payments ran out and the family was evicted. With only \$178 in food stamps each month, Mrs. Smith and her family began to move from place to place, friend to relative, trying to survive until housing subsidy becomes available to them.

Mrs. Smith says the experience is a "marital, mental and physical strain," but that the most painful element for her family is the uncertainty of her son's life. In June of this year, he lived with friends while Mrs. Smith and

her husband lived with relatives. "He's embarrassed," says Mrs. Smith, "He just wants his own room."

Even while she is uncertain where she will sleep day to day, Mrs. Smith is working to acquire a disability benefit, hoping that an SSI check will help the family secure housing. Her husband continues to look for work. They are on waiting lists for housing and public assistance. "Everything is a waiting game," Mrs. Smith reports. "I don't need a whole lot of money, I just need to say 'this is my living room.'"

Mrs. Smith's story is not an unfamiliar one. The cost of housing for low-wage workers, the elderly and the disabled is too often extremely high and leaves them vulnerable to hunger, illness and homelessness. In Mrs. Smith's case, she has experienced all three and is desperate for an opportunity to change her dire circumstances. "Just give us one shot," she says, "and we'll show you in six months we'll be a totally different family."



Amanda Kreps-Long, Louisville Tenants Association

Meeting the Need?

The need for rental housing that low-income households can afford is the most pressing housing need in the nation. Yet the Louisville metropolitan area has seen no growth in affordable, subsidized units in the past year. MHC believes that local and national resources must be allocated for the creation of affordable rental properties in order to provide families with safe, decent and stable housing. MHC supports the proposed National Housing Trust Fund, which would create a national funding source for affordable rental, and urges local governments to ensure adequate resources for the increase of affordable housing.

New affordable housing construction

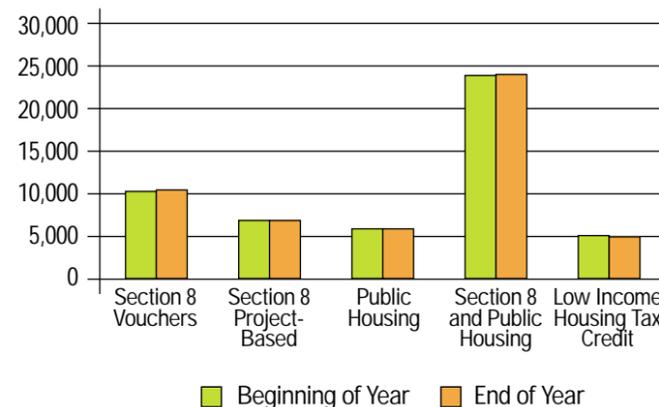


Measure 4: Production and Rehabilitation of Affordable Rental Housing

Currently, the largest low-income rental housing subsidy programs in the federal budget are the Section 8 existing-housing tenant-based voucher program, the public housing program, and the Low Income Housing Tax Credit (LIHTC), in that order. Here the focus is on these three programs plus project-based Section 8, which also supports a substantial number of units in the Louisville MSA. Because LIHTC units are often subsidized with project-based Section 8 or occupied by tenants with Section 8 vouchers, there is a significant, but unknown, amount of overlap between LIHTC and Section 8. For this reason, LIHTC units are tracked separately from units subsidized by the other programs.

According to the *Kentucky Housing Needs Assessment*, an estimated 17,000 low-income renter households in Bullitt, Jefferson, and Oldham counties lacked needed subsidies in 2000. Combined with unmet needs in the four Indiana counties, these numbers are quite high when compared to the numbers of vouchers and affordable units supplied. At the end of 2002, there were 24,079 public housing and Section 8 units allocated to the various housing authorities in the Louisville MSA. There were also 4,790 LIHTC units. As the chart shows, these numbers were virtually stagnant in 2002. There was a slight increase of 56 Section 8 units, mostly in Bullitt and Oldham counties, a small increase in public housing units in Jefferson County, and a decrease of 225 LIHTC units, due mainly to losses of units in Jefferson County that had reached the end of their 15-year commitment.

Numbers of Subsidized Rental Housing Units, Louisville MSA, 2002



Father Burke, Norma Mason Stites

Christ the King

Housing affordable to senior citizens is quickly emerging as a critical need across the nation. The senior population

has increased by 26% in the last ten years, and will increase by another 45% over the next ten years. At the same time, the median income for people over 65 years of age is \$15,033, which renders fair market rent in this area unaffordable to many seniors.

In the fall of November 2002, Catholic Charities, Christ the King Catholic Church and the Housing Partnership hosted the grand opening of a project designed to address the growing need for affordable housing for seniors in the metro area. Christ the King Senior Housing provides 24 units for seniors with rents which start at \$388 a month.

Planning for the project actually began in 1996, when Christ the King and Catholic Charities began holding discussions about housing that would serve the needs of the elderly in the Northwest communities of Louisville Metro. According to pastor Father John Burke, the Christ the King community wanted to use the "treasure" of their land to be good neighbors.

In 1999, Christ the King formed a planning committee to explore feasibility and gather community input. On the committee was congregation member Norma Mason Stites, a psychiatric nurse who had worked in senior services. She helped the congregation identify the growing need for safe and affordable housing for seniors. When the Housing Partnership, Inc. joined the team, the dream of supportive senior housing at Christ the King began to become a reality.

The Housing Partnership developed the project and arranged the complex funding necessary to make it work. MHC members Stock Yards Bank and Trust Company, First Capital Bank, and the Kentucky Housing Corporation joined the (former) City of Louisville and the Federal Home Loan Bank of Cincinnati to finance the project. "The future of affordable housing for seniors will depend on this type of creative financing," according to Maria Gerwing-Hampton, President of the Housing Partnership.

Today, at the corner of Broadway and 44th Street, an attractive brick building on the campus of Christ the King provides some of the affordable housing this community desperately needs. MHC member Neighborhood Development Corporation manages the property and Catholic Charities provides on-going social services for the nearly 30 residents. Norma Stites says, "To me, it was a community effort." Christ the King Senior Housing successfully met a critical need for housing by using the time and talents of a broad spectrum of community activists, service providers and housing experts.



Juan, Lili and family at home

Measuring the American Dream

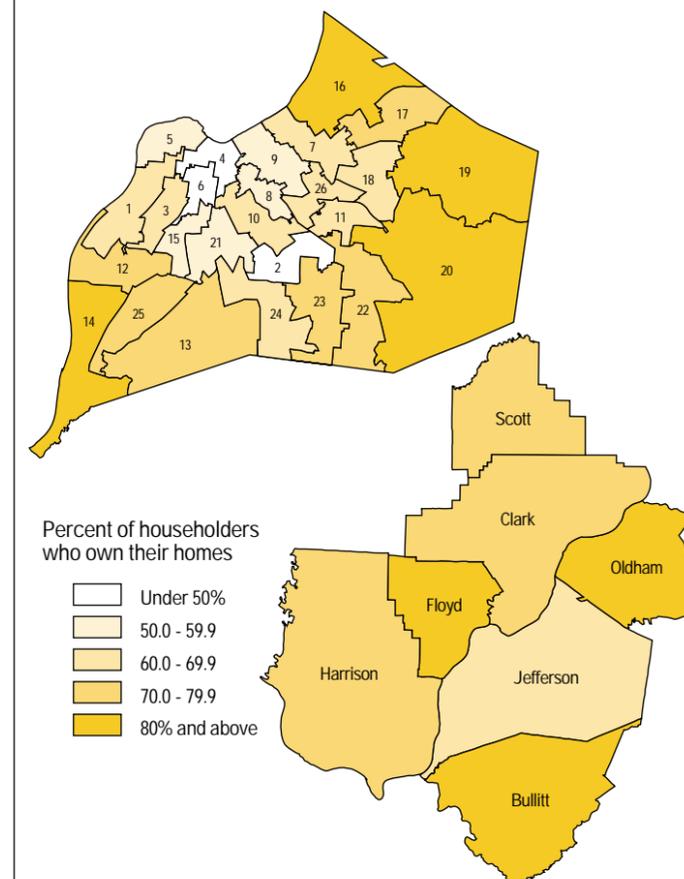
The percent of households who are homeowners is considered by many as the single best measure of access to the “American Dream”. Furthermore, neighborhoods in which the homeownership rate is higher generally experience greater stability. In the Louisville metropolitan region, the rate of homeownership mirrors the patterns of segregation and poverty in the area. Areas with higher rates of poverty are witnessing a decline in homeownership, and therefore those neighborhoods are threatened. MHC believes local governments must work to create conditions that encourage equal opportunities for homeownership, and its benefits, in every neighborhood.

Measure 5: Homeownership Rate

According to the 2000 census, the homeownership rate for the Louisville metropolitan area was 68.6%, representing a one percentage point increase over the rate for the same set of counties as reported in the 1990 census. The 2000 homeownership rate for the entire nation was 66.2%, representing a two percentage point increase over 1990. In Jefferson County, the ownership rate increased from 64.5% in 1990 to 64.9% in 2000. Annual survey data suggest that the metropolitan area homeownership rate has continued to increase since 2000, by about three percentage points. This is consistent with increases in the affordability of homeownership due to, among other things, declining mortgage interest rates.

As the map shows, there is a good deal of variation in homeownership rates in Jefferson County, ranging from a low of 25.9% in District 4 to a high of 85.9% in District 20. Of the outlying counties, Scott had the lowest rate at 70.0% and Oldham had the highest rate at 86.8%. Both Scott and Harrison experienced substantial declines in homeownership rates between 1990 and 2000—decreases of 7.2 and 12.8 percentage points, respectively. On the other hand, Clark and Floyd both experienced substantial growth in homeownership rates during the same period—increases of 7.4 and 12.3 percentage points, respectively.

Homeownership in the Louisville MSA (2000)



River City Housing

In the metropolitan area, the work of some community-based housing developers has been focused on increasing homeownership opportunities for low-wage working families. In April of 2003, Juan, Lilian and their children Laura and Kevin moved into their own home, with the help of MHC member River City Housing (formerly Louisville East Community Development Corporation).

River City Housing was formed in 1992 when Eastern Area Community Ministries, St. Matthews Area Ministries and United Crescent Hill Ministries joined forces to address the need for affordable housing options in the east end of Louisville. As of this year, over 200 people are living in more than 70 safe and attractive single-family houses constructed and sold through River City Housing, which is expanding its mission and scope to address the needs of the new metropolitan city.

In 1985, Juan began working part of the year in the United States and spending the rest of the year teaching in El Salvador. In 2001, his family joined him here and they became residents of the United States. Lili found a job teaching Spanish at Our Mother of Sorrows school, and began talking about the family purchasing their first home because, “If we are going to live in this country the children need to be part of something, to have their own home here.”

Juan and Lili knew they would need some assistance to become homeowners and contacted David Fleischaker, of MHC member Housing Associates. They learned that River City Housing could make homeownership more affordable. But when they applied for the program, they found that the family earned about \$1,000 too much annually to qualify. Because they did not earn enough money to purchase a market-rate house, and earned too much money to qualify for subsidy, affordable homeownership seem impossible to them. Shortly after learning the family did not qualify for subsidy, Juan’s employer told him the company was

eliminating his position. Juan immediately found a part-time job at Kroger, and called David back to learn that the decline in income meant the family could now afford to buy their own home.

David Fleishaker, of Housing Associates, and Lisa Hamilton, with River City Housing, worked with Juan and Lisa to help them purchase a four-bedroom, two-bathroom house in their own neighborhood of Lyndon. Juan and Lili and their children know that homeownership is an important part of their lives in the U.S. because, as Lili says, “it makes us feel part of here.”



Lisa Hamilton and Becky Roehrig of River City Housing



Tammy and her family at home

Expanding Homeownership Opportunities

In the metropolitan region, homeownership is considered affordable for first-time home buyers. Increasingly, federal resources are targeted at expanding opportunities for homeownership for low and moderate-income families. MHC believes that more public resources should be used to expand the affordable rental opportunities that help families achieve the stability necessary to take the next step to homeownership.

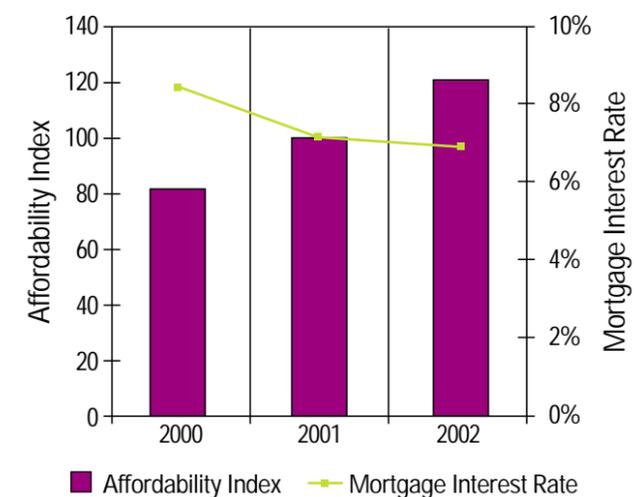
Measure 6: Affordability of Homeownership

Becoming a homeowner is a major milestone for many young households. However, not all households who want to make this transition are able to do so. Family incomes may be too low, "starter homes" too expensive, and financing costs too high. The index published by the Kentucky Real Estate Commission for the Louisville region tracks the affordability of homes to first-time buyers. The index makes a number of assumptions: median purchase prices for first-time home buyers are about 15% lower than the median for all houses sold; first-time buyers make a 10% down payment; consequently they must pay for mortgage insurance, which increases the cost of financing; and first-time home buyer incomes are about 30% lower than median family incomes.

The index reports the ratio (multiplied by 100) of typical first-time home buyer family income to the minimum income required to buy a typical starter home. Thus, higher ratios imply that homeownership is more affordable and lower ratios imply that homeownership is less affordable. Ratios below 100 indicate that a family at about 70% of median income cannot afford a home priced at 85% of the median for all houses sold.

The first-time home buyer affordability index for the Louisville area averaged 102 in 1990, increased to a high of 115 in 1993, and then dropped to an average of 82 in 2000. Subsequently, median incomes have increased and mortgage interest rates have dropped, while starter home prices have remained fairly constant. Thus the affordability index improved to 101 in 2001 and 121 in 2002.

First Time Home Buyer Affordability Index



Individual Development Accounts

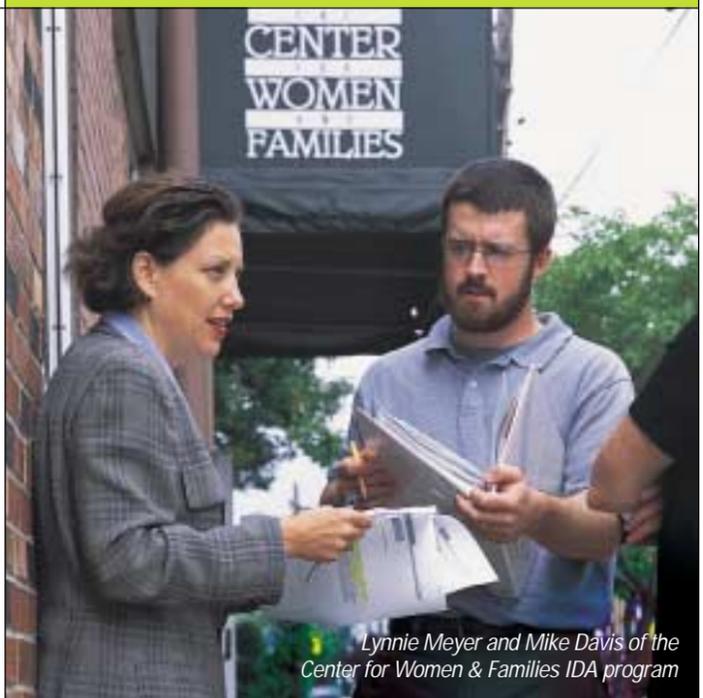
Across the country, IDAs are emerging as a powerful tool to help working families become homeowners and strengthen their financial skills at the same time. The Common Wealth Individual Development Account (CWIDA) Project is a collaborative of MHC members The Center for Women and Families, the Louisville Metro Housing Authority and Republic Bank and Trust, and is helping people locally realize their dreams of homeownership.

Through its programming, CWIDA increases the ability of low-income people to save money and purchase assets. The program is attractive to potential homeowners because it provides a \$2 for \$1 match on client savings in a special account at Republic Bank. Participants can save a grand total of \$6,000 towards the purchase of a home.

The CWIDA program combines the 2 to 1 savings match with a twelve month economic skills course and monthly individual budget counseling. It also provides participants with credit counseling to assure that they are not only able to obtain a mortgage, but obtain one with the best terms possible.

Finally, the CWIDA Project works to make housing affordable and sustainable. It encourages the education and lifestyle changes that are necessary for a person to purchase and maintain a home. The program focuses on creating a regular savings habit to protect against emergencies as well as to expand upon the home as a security vehicle for the future and for retirement. Tammy Bindner purchased her own home early this year using \$4,500 she saved and earned in the IDA program. While in the program, she learned about other programs to enable homeownership. She found she qualified for a soft second (forgivable) mortgage through the Louisville Metro Housing Department of \$9,000. Tammy and her two daughters now live in a brand new, three-bedroom, two bath house in Southern Farms, a subdivision developed by MHC member the Housing Partnership, Inc.

"I have wanted to have my own house since I was 20 years old," says Tammy. The financials skills classes helped her to budget her money more effectively, encouraged her to set up a "rainy day fund," provided information about the benefits of pre-tax savings. "If it wasn't for the IDA program, I never would have gotten where I am now," she says, "[this house] is something that is mine and I worked really hard to get it. Nobody can take it away from me."



Lynn Meyer and Mike Davis of the Center for Women & Families IDA program

Closing the Door on Opportunity

The increasing rate of mortgage foreclosures in the metropolitan area is startling. The reasons for the increase are not clear, but scholars and advocates suggest that predatory lending and increasing unemployment may be to blame. The expansion of mortgage lending to marginal borrowers during the 1990s may also be a factor. MHC is alarmed by the rate at which primarily low-income homeowners are losing their homes and advocates increased examination of causes in order to end this dangerous trend.

Fred Murphy at home.

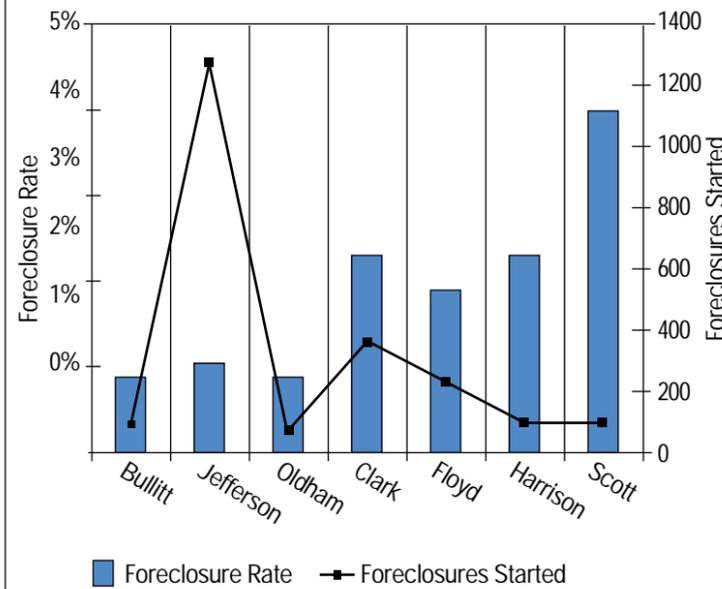


Measure 7: Mortgage Foreclosures

Kentucky and especially Indiana have experienced unusually high and increasing foreclosure rates in recent years. In fact, the Mortgage Bankers Association of America reported that Indiana had the highest foreclosure rate in the nation for the third quarter of 2002. New foreclosures in 2002 affected 2.42% of mortgaged homes in Indiana and 1.78% in Kentucky, compared with 1.48% nationally.

Within the Louisville metropolitan area, the rate of new foreclosures varies from less than 1% in Bullitt and Oldham Counties to 4% in Scott County. The Indiana counties are each higher than all of the Kentucky counties, consistent with Indiana's higher statewide foreclosure rate. Scott County, in particular, has suffered from a large increase in its unemployment rate over the past year. The overall foreclosure rate for the entire metropolitan area was 1.32% in 2002. As two-thirds of the area's owner-occupied units with mortgages are in Jefferson County, the MSA rate is driven largely by Jefferson County's rate. Statistics for Jefferson County show a dramatic increase in court-ordered foreclosures from a low of 438 in 1995 to 1,262 in 2002, implying that the MSA rate has also increased dramatically during that same period.

Foreclosures in the Louisville MSA 2002



Legal Aid

Fred Murphy, an 84-year-old homeowner in West Louisville, contacted MHC member the Legal Aid Society when he was threatened with mortgage foreclosure. At that time, he owed over \$47,000 on a home valued at \$20,000. His story is increasingly familiar to the Legal Aid Society, an organization providing civil legal services to low-income people. At any given time, Legal Aid has more than 30 pending foreclosure cases – and as many of 50% of those are the result of predatory and unscrupulous lending practices.

A retired City of Louisville sanitation department worker, Fred has owned his home for over 30 years. Like many older Americans on fixed incomes, he found that the cost of routine maintenance for the house became burdensome. The house began to decay in very visible ways. In early 2001, a building contractor came to Fred's door with a plan to address the repair problems in his home.

Fred discussed the financing of the repairs with a mortgage broker with whom he had done business for years. The broker, who was familiar with Fred's financial situation, advised him not to place any additional mortgage on his home and not to refinance.

However, when Fred informed the contractor that he could not complete the work because he had tapped out his available home equity – the contractor offered to fix him up with a mortgage company that could help him out.

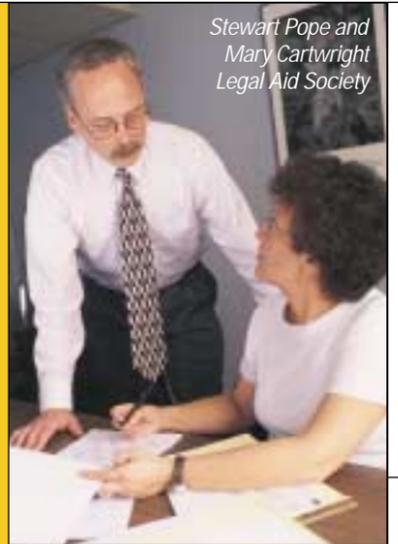
The contractor sent two representatives from Collateral One Mortgage to Fred's home in June 2001. Fred reports that when they arrived, he was in his front yard and had already decided he would not proceed with the new loan. The loan officers, however, told him it was "too late" to back out of the loan. When they became persistent, a neighbor came out and asked them to leave Fred alone.

Fred reports that about two hours later, the loan officers returned and found him in the house alone. He says that they called him names, threatened him, and that he eventually gave in and signed the documents with the letter "X" – because Fred can neither read nor write.

Attorney Stewart Pope, at the Legal Aid Society, says that this story is a typical one. The repairs on Fred's home were never completed, the house continues to deteriorate, and Fred is now fighting foreclosure on a house he has owned for nearly half of his life. Like most of the companies Stewart deals with in cases like these, the loan originator, Saxon Mortgage, Inc., operates out-of-state and sells the loan immediately on the secondary market. Stewart is litigating on Fred's behalf and is working to create a manageable monthly payment by reducing the very high interest rate and eliminating some of the more egregious fees applied to the loan.

As foreclosure rates continue to rise, so does the prevalence of predatory and unscrupulous loans. As in Fred's case, the majority of victims of these practices are older, low income and primarily African-American homeowners. The challenge for Legal Aid, says Stewart, is letting potential targets of this practice know that Legal Aid can help them before it is too late and, like Fred Murphy, they face losing their homes.

Stewart Pope and Mary Cartwright
Legal Aid Society



When Housing Fails

The lack of decent, affordable housing places individuals and families in the Louisville metropolitan area at risk for homelessness. In 2002, thousands of people in the area lived in shelters, on the street, or drifted to and from the homes of friends and relatives in the effort to maintain shelter. Because the number one reason given for homelessness is the lack of affordable housing, MHC continues to advocate for increased resources and innovation to address the critical housing shortage that leads to thousands of people living on the streets of our community.

Volunteers of America Family Emergency Shelter



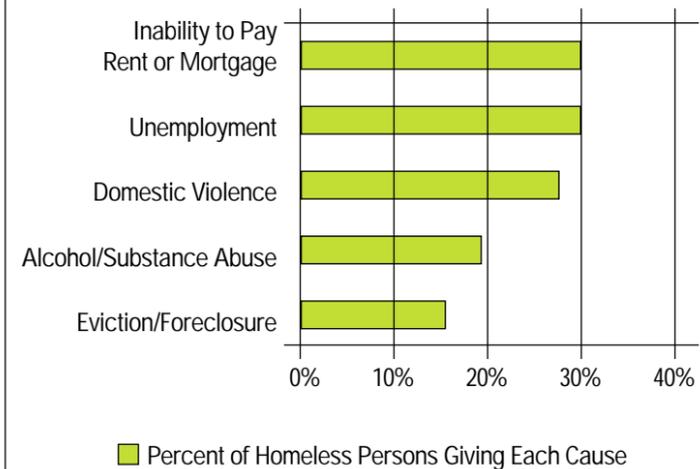
Measure 8: Number of Homeless

The homeless population is notoriously difficult to measure. Point-in-time counts seriously underestimate the number of persons who will be homeless at some point during the year. Measures based on shelter usage ignore the homeless who sleep on the streets, or in abandoned buildings, cars, parks, campgrounds, or caves. They also ignore the persons who are living temporarily with friends or relatives because they cannot afford permanent housing. Nevertheless, data collected by shelters are the best we have.

Researchers with the Urban Institute have estimated that between 0.9% and 1.3% of the national population experiences homelessness during the course of a year. In the Louisville MSA, the majority of shelters for the homeless are found in Jefferson County. Data collected by the Coalition for the Homeless indicate that some 10,018 men, women, and children used shelters in Jefferson County during 2002. Haven House and the Scott County Community Clearinghouse add another 1,027 and 275 persons to the MSA statistics. In total, these numbers represent about 1.1% of the estimated MSA population for mid-July 2002. This is right in the middle of the national range of estimates.

Research on the causes of homelessness suggests that the primary culprit is the lack of affordable housing (see graph). Thus the affordability problems of the homeless need to be added to those of low income renters and homeowners in the Louisville MSA to get a complete picture of the extent of housing needs caused by high housing costs and inadequate incomes.

Main Causes of Homelessness in Kentucky



Reducing Homelessness

In October of 2000, MHC member the Coalition for the Homeless gathered the area's shelter providers to address their aggressive new goal of ending homelessness in metropolitan Louisville within 10 years. Today, the Coalition is building programming and organizational structure based on its Reducing Homelessness: A Blueprint for the Future. The Coalition is increasing its focus on addressing the causes of homelessness and is concentrating on facilitating permanent, supportive housing for formerly homeless individuals and families in Louisville Metro.

The Coalition's Blueprint recognizes that reducing the time individuals spend in emergency shelters is contingent upon an increase in the number of transitional and supportive housing facilities in the region. It also realizes that the amount of time spent in transitional facilities is contingent upon the increase of affordable, permanent housing options with appropriate provision of service. The Plan will take several years to build and will demand the cooperation of local government, business and neighborhood associations, affordable housing experts, advocates, and consumers.

One of the organizations locally that leads the effort to build supportive housing is MHC member Wellspring. Since its founding in 1982, Wellspring has developed 20 supported housing locations for the benefit of persons with severe and persistent mental illness. To do this, the agency has combined client/tenant services which focus on rehabilitation with affordable housing development and management.

Through this process, Wellspring has produced a wide range of housing alternatives, including transitional housing, permanent housing in congregate living houses, apartment complexes and single family rental houses. The amount and kind of staff support provided across these locations is specific to client/tenant need.

In the spring of 2003, Wellspring will open a four-bedroom house in an established neighborhood with good public transportation access. This house will become the home for three men, each of whom have very significant psychiatric hospitalization histories and have each chosen to live at this Wellspring location. Through funding from this state's "Olmstead" initiative, Wellspring will have the funds to provide on-site staff support to help these men to live successfully in the community. Capital financing of this project has included a zero percent short-term housing development loan from The Housing Partnership Inc., a very favorable rate interim loan from StockYards Bank, and a loan at three percent from MHC through the Kentucky Housing Corporation's Non-profit Housing Production and Repair program. Wellspring is also seeking long-term, low rate financing through the Affordable Housing Trust Fund. Tenant rental income assistance will be provided through the Louisville Metro Housing Authority.

Projects like this build the foundation of the success of the Coalition's Blueprint. The Blueprint's ultimate success will depend on the will and resources of this community united in an effort to provide affordable and appropriate housing and service to all people.



Steve Perkins, Wellspring, Marlene Gordon, Coalition for the Homeless

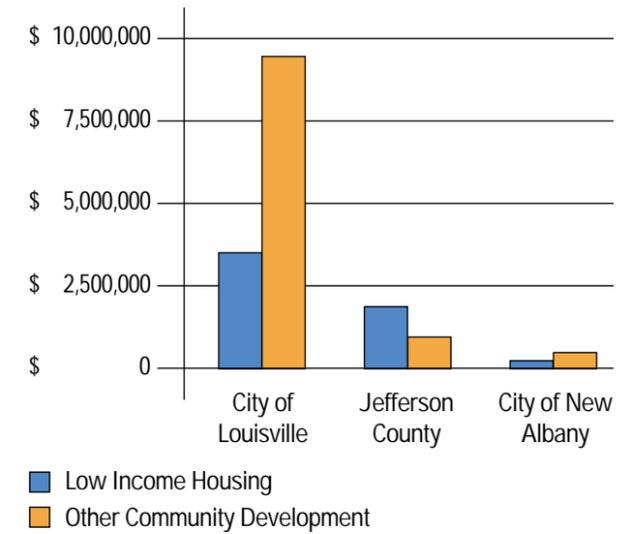


UPS Repair Affair Volunteers

Targeting Federal Resources for Housing

Local governments in the metropolitan Louisville area receive an annual infusion of federal funding specifically to address low-income housing and neighborhoods. Given the significant unmet need for low-income housing subsidies in the Louisville MSA, the Metropolitan Housing Coalition advocates the use of federal funds to respond to that need to the greatest extent possible.

Community Development Block Grant Expenditures, 2002



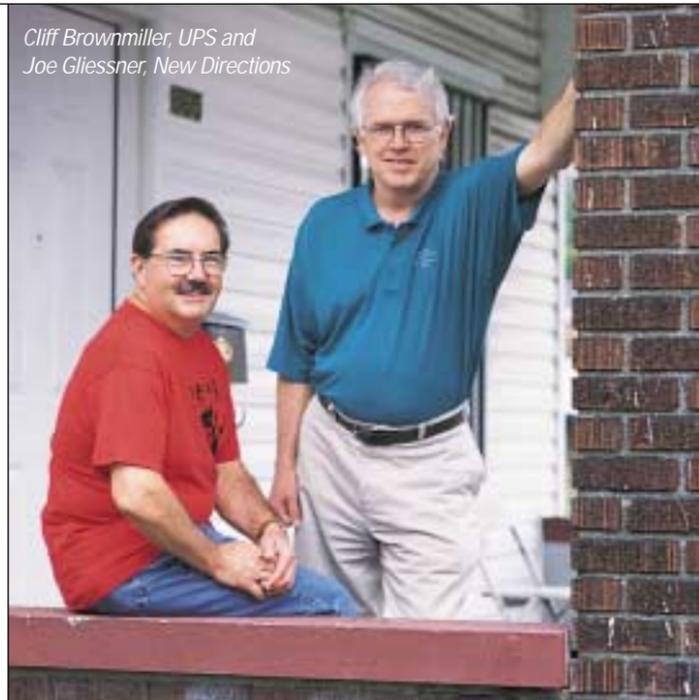
Measure 9: Use of CDBG Funds

The Community Development Block Grant (CDBG) program is a funding program administered by the U.S. Department of Housing and Urban Development. HUD stipulates that funds are to be used to aid low and moderate-income persons. They may be used to eliminate slums or urban blight or to respond to community development needs that involve a serious and immediate threat to health and welfare, as long as other resources are not available to respond to those threats.

Grants are provided by HUD directly to entitlement communities and to state governments for redistribution to local governments that are not themselves entitlement communities. Within the Louisville MSA, the former City of Louisville and Jefferson County were entitlement communities in 2002, as was the City of New Albany. Other local governments must apply to the Indiana Housing Finance Authority or the Kentucky Department of Local Government for CBDG funds.

In 2002, the (former) City of Louisville used 28% of its CDBG funds for low-income housing and the balance for various purposes, such as improvements to public spaces in low-income neighborhoods. The City of New Albany used a similar percentage of its CDBG funds for low-income housing. In contrast, (the former) Jefferson County government applied nearly two-thirds of its entitlement to low-income housing.

Cliff Brownmiller, UPS and Joe Gliessner, New Directions



Repair Affair

Community Development Block Grant funding has been called the "backbone" of community revitalization. CDBG brings new energy to historic neighborhoods, expands housing opportunities and improves facilities and services across the country. In Kentuckiana, CDBG funding is a vital part of Repair Affair, a regional program provided by MHC member New Directions Housing Corporation.

Repair Affair helps elderly and disabled homeowners with low incomes by targeting needed home repairs, and coordinating volunteer teams to make repairs in a single day of service. Annually, over 1,200 Repair Affair volunteers work on 100 houses located throughout Jefferson County, Kentucky, and Floyd and Clark counties in Southern Indiana. In ten years, Repair Affair teams have helped 980 homeowners. Volunteers have given nearly 80,000 hours of work providing wheelchair ramp installation, carpentry, plumbing, electrical work, painting, cleaning and debris removal. In an effort that increases the value and impact of CDBG funding locally, over 110 roofs have been donated by local contractors.

In New Albany, CDBG allocations provide the core operation of Repair Affair which also garners an infusion of private support, from volunteerism to corporate sponsorships. This more than doubles the impact of every block grant dollar.

In Louisville, CDBG allocations dovetail with Repair Affair in a unique way. In 2000, the (former) City of Louisville made the first of three annual CDBG allocations to target roof replacement in qualified census tracts. As Repair Affair volunteers visited hundreds of homes to assess repair needs, those requiring new roofs were referred into this new program. In three years, over 300 homes received new roofs, thanks to this partnership.

Repair Affair is a direct encouragement to neighborhoods, stabilizing a core group of homeowners. Using a variety of resources—Kentucky Affordable Housing Trust Fund, private donations, corporate sponsorships, in-kind gifts and Community Development Block Grant funds—Repair Affair has evolved into an important part of our region's strategic preservation of existing single family homeownership for low income families.

Data Sources

Measure 1: Concentration of Subsidized Housing

Statistics on subsidized housing by council district were obtained by geocoding administrative data by street address and then capturing the data for the districts. Subsidized housing data were provided by the Housing Authorities of Louisville and Jefferson County (now combined into the Louisville Metro Housing Authority), the U.S. Department of Housing and Urban Development, the Kentucky Housing Corporation, and the Indiana Housing Finance Authority.

The population data (used as the basis for assessing the geographic distribution of subsidized units) are drawn from the 2000 Census Summary File 1. Within Jefferson County, census block group data were aggregated to obtain statistics for the districts. Where a district boundary split a block group, the data were partitioned by overlaying a land use map on a map of the LOJIC master address file. Residential addresses were then captured for each "split" and census data were allocated to the "splits" based on their share of residential addresses in the entire block group.

Measure 2: Segregation by Race and Income

The poverty and minority data are drawn from the 1990 and 2000 census Summary File 3. Minorities were defined to be everyone except non-Hispanic whites. Census block group data were aggregated to obtain statistics for the districts. Where a district boundary split a block group, the data were partitioned using by overlaying a land use map on a map of the same technique as for Measure 1. The LOJIC master address file. Residential addresses were then captured for each "split" and census data were allocated to the "splits" based on their share of residential addresses in the entire block group. We compared the number of persons in poverty was compared with the number of persons for whom poverty level was determined (rather than the total population) in each geographic area.

Measure 3: Renters with Excessive Cost Burdens

The cost burden data were drawn from the 1990 and 2000 census Summary File 3. Census block group data were aggregated to obtain statistics for the districts. Where a district boundary split a block group, the data were partitioned using by overlaying a land use map on a map of the same technique as for Measure 1. LOJIC master address file. Residential addresses were then captured for each "split" and census data were allocated to the "splits" based on their share of residential addresses in the entire block group.

Measure 4: Production of Affordable Rental Relative to Need

Estimates of unmet needs were taken from Steven C. Bourassa *et al.*, *Kentucky Housing Needs Assessment, Phase I, Volume II: County Profiles* (Louisville, KY: Urban Studies Institute, University of Louisville, 2001). Subsidy data were obtained from the Indiana Housing Finance Authority, Kentucky Housing Corporation, Louisville Metro Housing Authority, New Albany Housing Authority, Jeffersonville Housing Authority, Charlestown Housing Authority, Sellersburg Housing Authority, and the Indiana and Kentucky offices of the U.S. Department of Housing and Urban Development (HUD). Section 8 and public housing numbers refer to units allocated by HUD; LIHTC numbers refer to units in service.

Measure 5: Rate of Homeownership

The Census Bureau measures the homeownership rate in two ways. The decennial census asks household survey household to state whether they are owner-occupants or renters. In addition, the census conducts an annual survey of homeownership in metropolitan areas. The annual survey data are less precise than the decennial census because the data pertain to only a sample of all households. To even out some of the imprecision in the annual data, we use a three-year moving average is used for the data reported here. The definition of the Louisville metropolitan area changed between 1990 and 2000; however, we report 1990 data are reported for the same counties as those included in the 2000 Census.

Measure 6: Affordability of Homeownership

The Kentucky Real Estate Commission affordability indexes are produced by the Center for Real Estate Studies at the University of Kentucky and are published on the World Wide Web at <http://gatton.uky.edu/CRES/>. The first-time home buyer indexes were updated for 2001 and 2002 using the method described on that web site. House price data for the Louisville region are obtained from the Greater Louisville Association of Realtors.

Measure 7: Mortgage Foreclosures

The foreclosure rate is we have defined as the rate to be the number of actual foreclosures as a percentage of the number of owner-occupied homes with mortgages. The number of foreclosures was obtained from the relevant court clerks in each county. The number of owner-occupied homes with mortgages was obtained from the 2000 Census Summary File 3.

Measure 8: Number of Homeless

Shelter usage data were provided by the Coalition for the Homeless for the Kentucky counties and Haven House and Scott County Community Clearinghouse for the Indiana counties. The data may include some duplication of individuals. The national statistics are based on the 1996 *National Survey of Homeless Assistance Providers and Clients*, conducted by the U.S. Census Bureau and reported by Martha R. Burt in "What Will It Take to End Homelessness?" (Washington, DC: Urban Institute, September 2001). The data on causes of homelessness in Kentucky are from the 2001 *Kentucky Homeless Survey Report* (Morehead, KY: Institute for Regional Analysis and Public Policy, Morehead State University, 2001).

Measure 9: Targeting of CDBG Funds

Data were obtained from the Louisville Metro Department of Housing, Jefferson County Department of Community Development, and the New Albany Redevelopment Commission.

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PNC Bank
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Stock Yards Bank & Trust Company
TARC
US Bank

Sponsoring Members \$500 - \$999

Catholic Charities
Fannie Mae
First Capital Bank of Kentucky
Housing Authority of Jefferson County
Housing Authority of Louisville
Jefferson County Teacher's Association
Jewish Community Federation
Kentucky Commission on Human Rights
Kentucky Housing Corporation
Louisville Medical Center Development Corp.
Stites & Harbison

Supporting Members \$200 - \$499

AARP of Kentucky
BB&T
Bell South
Borders & Borders
Canaan Community Development Corp.

Center for Accessible Living
Center for Women & Families
City of Louisville Housing Department
Greater Lou. Building & Construction Trades Council
Greater Louisville, Inc
Home Builders Association of Louisville
Home of the Innocents
House of Ruth
Housing Partnership, Inc.
Jewish Community Center
Legacy Homes
Louisville Central Development Corporation
Louisville Community Design Center
Louisville Real Estate Development Corp.
Louisville Urban League
Louisville/Jefferson County Human Relations Commission
Neighborhood Development Corporation
New Albany Redevelopment Commission
Republic Bank & Trust Co.
Sandbek Corporation/Service USA
Seven Counties Services
South Central Conference - Lutherans
St. Boniface Church
Volunteers of America of Kentucky, Inc.

Sustaining Membership \$100 - 199

Architectural Investments
Cabbage Patch
Cedar Lake Residences
City of Louisville, Community Action Agency
Cloister Limited Partnership
Day Spring
Fairness Campaign
FBM Properties
Fischer Group
Habitat for Humanity of Metro Louisville
Homeless & Housing Coalition of Kentucky
Housing Associates
New Albany Housing Authority
Jeffersonville Department of Redevelopment
Kentucky Home Center, Inc.
Kentucky State AFL-CIO
Legal Aid Society
Lincoln Foundation
Louis & Henry Group

Louisville Central Community Center
 Louisville Community Development Bank
 Louisville East Community Development Corp.
 Louisville Economic Opportunity
 Louisville Tenants Association
 Marian Manor, Inc.
 Mental Health Association of Kentucky
 Metro United Way
 National Council of Jewish Women/Louisville Section
 New Albany-Floyd County CHDO
 Painters Local Union #118 AFL-CIO
 Partners Mortgage, Inc.
 Presbyterian Community Center
 Project Warm
 Project Women
 Prudential Parks & Weisberg Realtors
 Sacred Heart Village
 Sheet Metal Workers Int'l Assoc., 110 AFL-CIO
 Southern Indiana Housing Initiative
 Thomas Jefferson Unitarian Church
 U of L, Dept. of Urban & Public Affairs
 United Crescent Hill Ministries
 Vision Homes LLC
 Wellspring

Neighborhood Membership \$50 - \$99

ACLU of Kentucky
 Affordable Energy Corporation
 Apple Patch Community
 Arcadia Apartments Community Center
 AU Associates, Inc.
 Bank One
 CART
 Choices, Inc./Norma's House
 Coalition for the Homeless
 Communication Workers of America, Local 3310
 Community Action of Southern Indiana, Inc.
 Dreams with Wings, Inc.
 GuardiaCare, Inc.
 Jefferson County Public Schools
 Jewish Family & Vocational Services
 Kentucky Fair Housing Council
 Kentucky Jobs with Justice

Kentucky Opportunities
 Kentucky Alliance Against Racist & Political Repression
 Metro Housing Resource Center
 Neighborhood House
 Nurses Professional Organization
 Phoenix Hill Association
 Riverfields, Inc.
 Shelby Park Neighborhood Association
 TMG Properties, Inc.
 Ursuline Sisters

Individual Members

Sponsoring Membership \$1000 or more

Lewis Cole
 Jim Gaunt
 Henry Wallace
 Augusta Wallace Lyons

Sustaining Members \$500-\$999

Bob Sachs
 Robert Wayne
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Anchoring Members \$200 - \$499

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 Sue Speed
 Joe Stevenson
 Jane Walsh & Chris Harrell
 Morgan & Shelley Ward
 Gemma Ziegler

Supporting Members \$75 - \$199

Jerry & Madeline Abramson
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