

A NEW PATH HOME: AFFORDABLE HOUSING & PERMANENT SUPPORTIVE HOUSING

Housing is the answer to homelessness. The most critical step to addressing Louisville's homelessness crisis is to **continue to boldly invest in affordable housing and permanent supportive housing**.



PROBLEM

As rents increase and wages stay flat, poor people are forced to spend more of their **income on rent**. For the poorest Louisvillians—those making 30% of the area median income, or \$23,000 or less for a family of three—finding affordable rental units is nearly impossible. Additionally, **a small portion of unhoused people are chronically homeless** with severe mental health issues. For them, affordable housing is not enough: they need permanent supportive housing so they can get the support they need to stay stably housed. The federal government used to invest billions in affordable and supportive housing, but since the 1980s, they've decreased spending significantly. This disinvestment created our homelessness crisis. Louisville's 2019 Housing Needs Assessment showed **a shortage of 31,000 affordable housing units for our poorest citizens**, but much has changed since 2019. Thanks to COVID relief dollars and federal protections, 2021 census data showed fewer Louisvillians living in extreme poverty—and our city eviction rate was cut in half. In 2021, Metro Council pledged a historic \$72 million of federal American Rescue Plan funds toward affordable and permanent supportive housing, which will create hundreds of new units. However, a 2023 report showed Louisville has the 7th most rapidly increasing rents in the US.

SOLUTION

We should build on our bold federal investment by **establishing a revenue stream of \$187.5 million to fund the creation of 3,750 units of affordable housing for extremely low-income Louisvillians each year for eight years**. This investment will allow us to receive triple our investment in federal funds (\$562.6 million) through the Federal Home Loan Bank, Low-Income Housing Tax Credits, and HOME funds. Our city government should hire a Director of Affordable Housing to keep us focused, be innovative, listen to people, and overcome obstacles to this rapid plan. For permanent supportive housing, the Louisville Continuum of Care (led by the Coalition) must leverage federal funds for services and operations.

RESULT

In eight years, every single Louisvillian can afford a place to call home—with supports for those who need them.