



**BOOKS & BREAKFAST**  
LOUISVILLE

# HBN ASSEMBLY FACT SHEET

## THE PROBLEM

More of our households make under \$35,000 than make over \$50,000. There are more Black households making at or below \$35,000 in annual median income or less, than make over \$50,000. We make up 43% (nearly 30,000 residents) of the Black population in this city, yet we have the fewest housing options and are at the highest risk of losing our homes as property taxes and rents increase due to the effects of gentrification. Gentrification is the displacement, dispossession, and replacement of poor peoples for profit. Gentrification is complex and to better understand it we have to understand seven key things →

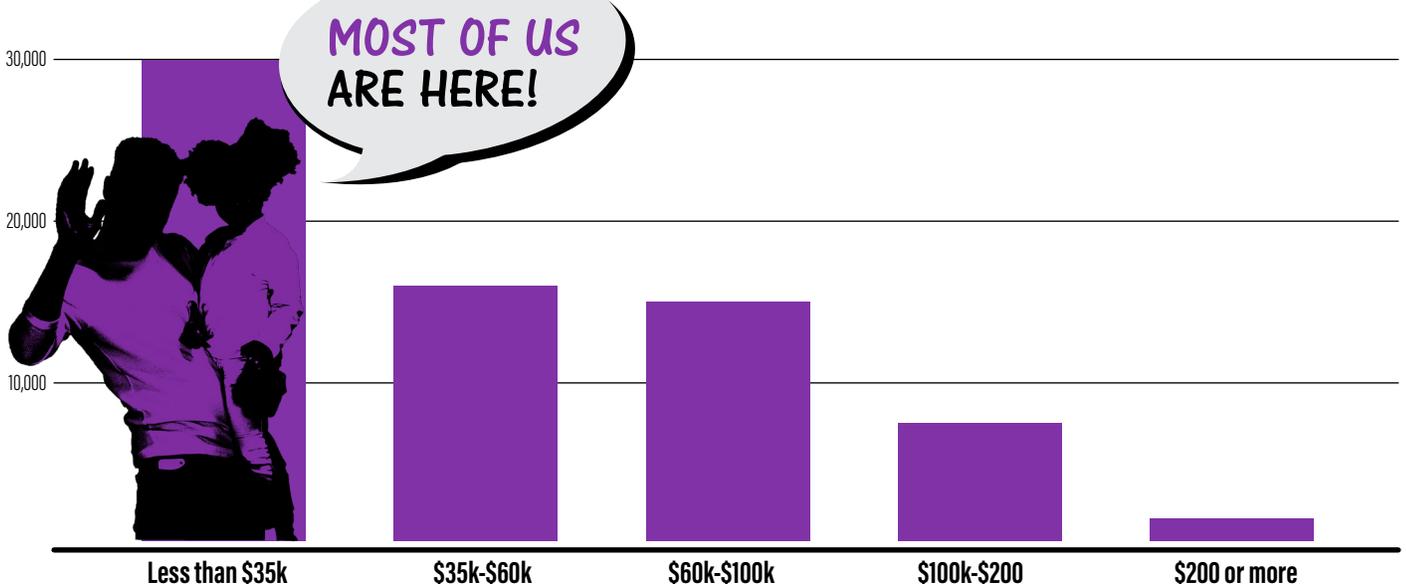
## 7 KEY FACTS ABOUT THE PROBLEM OF GENTRIFICATION

**#1** Our neighborhoods were primarily divested in up until now and have suffered decades of intentional carceral urban design (cutting off our neighborhoods from predominantly white areas) and rampant infrastructural neglect;

**#2** Due to decades of deed restrictions, redlining, urban renewal/"urban removal," racist lending practices which inevitably led to the foreclosure crisis between 2007-2009 that devastated several poor Black and Latinx communities, racist and classist development practices and policies, white mob violence, police brutality, and more, our communities have been (and continue to be) blocked from economic mobility and deterred from physical movement;

### Household Income Distribution in the Past 12 Months

(In 2019 Inflation-adjusted dollars) (Black or African American Alone Householder) ACS 2019 1 Year Estimates





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**#3** The majority of residents in our neighborhoods are renters. Low- and Fixed income renters are most vulnerable against gentrification because they have the least control over their housing and least financial flexibility (For example: About 82% of Russell Neighborhood residents are renters but after Russell experienced a massive displacement of low-income and fixed-income residents due to the demolition and renovation of Beecher Terrace we now know that Russell has an average median income of \$25,064; About 72% of Smoketown Neighborhood residents are renters, but after Smoketown experienced a massive displacement of low-income and fixed-income residents due to the demolition and renovation of Sheppard Square we now know that Smoketown has an average median income \$31,607<sup>1</sup>);



**#4** Building homes for Louisvillians making under \$25,000 median income (30% AMI, federal classification: “extremely low-income”) was identified in 2019 as Louisville’s greatest housing need with a benchmark recommendation of creating over 30,000 units to fill this huge affordable housing shortfall;

**#5** Louisville’s Affordable Housing Trust Fund has failed to build any significant number of units that would be affordable for Louisvillians making under \$25,000 (30% AMI for a family of four, federal classification: “extremely low-income”);

**#6** Currently, the majority of public dollars that were meant to keep us housed, are used to build private housing for developers and landlords to profit directly off of low- and fixed-income renters via the extraction of rent over time. Louisville Metro’s Russell: A Place of Promise initiative has committed to building 135 market rate homes in Russell.<sup>2</sup> This initiative comes on top of Louisville Metro’s market rate housing program that began in the Cedar Street area of Russell in 2015. A 2016 study found that a \$100 increase in median rent is associated with a 15% increase in homelessness in urban areas.<sup>3</sup> This significant public investment in market rate housing raises two questions: 1) Why is our local government subsidizing market rate housing? 2) Where will people who live in HBNs go when they can no longer afford rent?

**#7** Because of the 1969 Brooke Amendment, “Affordable housing” is defined as housing where “a household paid no more than 30% of its gross income towards rent or mortgage plus utilities.” Meaning, if a person has an annual income of \$30,000, the most that

1 Median income is \$31,607 based on 2019 American Community Survey 5 Year Estimates.

2 Russell: A Place of Promise grant proposal to William J. Kenan Charitable Trust. [https://drive.google.com/file/d/1tYQZ6UN1iF9R3lrW6il5L7P\\_43YraO2/view?usp=sharing](https://drive.google.com/file/d/1tYQZ6UN1iF9R3lrW6il5L7P_43YraO2/view?usp=sharing)

3 Byrne, T., Munley, E., Fargo, J., Montgomery, & Mulhane. (2016). New Perspectives on Community-Level Determinants of Homelessness. Urban Affairs, 607\*625.



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person should pay towards their housing (including utilities) is \$750 per month.<sup>4</sup> This model is greatly underutilized but also has its own problems. The Brooke affordability rule over simplifies housing affordability, because it does not take into account how little is left over for low-income and fixed-income families after they've paid 30% or more of their income on rent and utilities. Our families still have to pay for necessities such as food, clothing, transportation, and medical care. According to the National Low Income Housing Coalition, 62% of Kentucky households making under \$25,000 annual median income (30% AMI, federal classification: "extremely low-income") pay more than half of their income on housing and utilities. 81% pay over 30% of their income--that's the vast majority of Kentuckians making less than \$25,000 in annual income. To offset this cost burden, many of our families make tradeoffs to reduce

housing costs. "A family may choose to live in a poor-quality home, in a crime-ridden area, or a long distance from work opportunities to reduce housing costs."<sup>5</sup> Furthermore, considering the rise in unemployment due to the coronavirus pandemic, the stagnation of wage increases in the face of rising rents, and the under documentation of large year-to-year swings in income that many of our families experience, it is challenging to adequately assess the true depth of cost burden our most vulnerable neighbors may be experiencing at this time.

## Who are our most vulnerable neighbors in the fight against gentrification?

In Kentucky, 29% of "extremely low income renter households" include a household member who is in the labor force; 29% include a household member who is disabled; 23% include a household member who is a senior citizen; 5% have a household member who is enrolled in school; 3% have a household member who is a single adult caregiver of a child under 7 or a person; and 11% other.<sup>6</sup> Out of 184,658 total families in Louisville/Jefferson County, 23% (43,708) of those are female head of household. Black female head of household families make up 31% of all single parent households and 62% of those families have poverty status in the previous 12 months. Out of this analysis, we can estimate that there are around 12,000 Black female head of household families in Louisville who are at extreme and immediate risk of unhousing with no real policies or funding in place to alleviate rent burdens or address their right to remain.<sup>7</sup> These women are living paycheck to paycheck and typically experience housing precarity by being constantly threatened with evictions.



<sup>4</sup> <https://www.courier-journal.com/story/opinion/2019/07/23/heres-truth-louisvilles-lack-affordable-housing/1794173001/>

<sup>5</sup> [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_092214.html](https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html)

<sup>6</sup> <https://nlihc.org/housing-needs-by-state/kentucky>

<sup>7</sup> American Community Survey 2017 5-year estimates



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## THE SOLUTION

Current residents of HBN making under \$35,000 median income are most vulnerable to losing their homes because of increases in rent and property taxes. We have the right to remain in our neighborhoods despite the changes that are coming. As legacies of HBNs, we are also entitled to shared decision making power and mutual benefit from investments made in our communities. We invite current residents who are interested in fighting gentrification to help us realize this vision. We at the HBN Assembly plan to employ multiple strategies over time to protect and stabilize our communities.

Here are just a few of those strategies →



## OUR TRANSFORMATIVE SOLUTION IS A LONG TERM STRATEGY GROUNDED IN SOCIAL HOUSING.

**Social Housing has a proven stabilizing effect on widespread housing insecurity in predominantly low-income neighborhoods experiencing gentrification.**

Social Housing creates permanently affordable, democratic, resident controlled, and authentically racially equitable housing. Social housing is non-market based housing and includes models such as tenant cooperatives, community land trusts, or public housing. Under the Social Housing model, your neighborhood can establish a network of both single-family and multi-family dwellings that residents choose to rent or own. Residents who choose to own their unit—whether that unit is a house or an apartment—may pass on their units to friends or family as long as those who inherit also choose to live in the residence. In this scenario, residents of your neighborhood (including yourself) would collectively own the land that these social housing units sat upon. Oversight, tenant support, and land stewardship would come from your neighborhood's Community Land Trust (CLT). CLT's are democratically resident controlled nonprofit organizations "that hold land on behalf of a place-based community, while serving as the long-term steward for affordable housing, community gardens, civic buildings, commercial spaces and other community assets on behalf of a community.<sup>8</sup>" To ensure that residents have a strong understanding of their responsibilities and the knowledge and skills they need to be good stewards, training and guidance from technical professionals and stakeholders would be available for all interested residents.

8 [https://en.wikipedia.org/wiki/Community\\_land\\_trust#:~:text=A%20community%20land%20trust%20\(CLT,on%20behalf%20of%20a%20community](https://en.wikipedia.org/wiki/Community_land_trust#:~:text=A%20community%20land%20trust%20(CLT,on%20behalf%20of%20a%20community)



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When we say CLT's are led by majority residents, we mean residents are given primary decision making power from the beginning of the process. This effectively protects the shared interests, vision, and priorities of current residents by empowering them with opportunities, resources, self determination, and self governance—all of which we are entitled after generations of systemic oppression by way of redlining, urban renewal/"urban removal," deed restrictions, racist lending practices, white mob violence, racist and classes development practices and policies, police brutality, and so much more. Your community has the right to secure and guarantee its future. The Social Housing model will enable us to build freedom colonies across historically Black neighborhoods within the city of Louisville.

*Notes: Metro Louisville Government, who actively facilitates and subsidizes gentrification in our HBNs, has launched a program on behalf of—not alongside—residents, to create CLTs in both Smoketown and Russell neighborhoods. Their process is currently being designed, managed, and led by organizations with active contracts with development projects that center the production of market-rate housing in our neighborhoods. Please see "The Problem" section to learn about how this approach negatively impacts our communities.*



## **OUR POLICY STRATEGY IS A SHORT- TO MEDIUM-TERM STRATEGY GROUNDED IN:**

- #1 DESIGNATION OF NEIGHBORHOODS MOST VULNERABLE TO GENTRIFICATION;
- #2 DISPLACEMENT ASSESSMENT AND INDEXING; AND
- #3 PROHIBITION OF RACIST AND CLASSIST DEVELOPMENT PRACTICES.

Policy plays an important role in creating protections for our community. We've already drafted two versions of a local ordinance that residents are able to suggest changes and comment on online. The goal of the final version of this ordinance is to prevent Metro Louisville Government, who have and continue to lead and support gentrification in HBNs, from continuing to do so in the future. It may also create roadblocks for development projects the community doesn't want beyond blocking Metro's ability to support. However, fundamentally this ordinance would tie Metro hands and keep them from throwing money, resources, staff support, and other assistance to developers who do not meet an express criteria for authentically racially equitable development for that area.

Policy reform creates an opportunity for our community to enact laws and regulations that will help define how development will take place in our neighborhoods. Our communities want investment and development that not only includes low- and fixed-income current residents as decision makers, but also creates lasting housing security and economic stability for our most vulnerable neighbors. Simply put, we want to be able to continue to afford living in our homes, as well as both enjoy and benefit from the improvements that investment will bring.



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## NEXT STEPS

If you are a current resident of a Historically Black Neighborhood, we invite you to join the HBN Assembly. HBN Assembly membership is completely free and every new member makes us stronger! Your level of participation in meetings, intervention planning, and project development is completely up to you, we always welcome active participants and will provide training for those interested in becoming more involved! Members get notifications of and access to meetings and updates. Members are also given the opportunity to stir the direction of this work. →

## JOIN THE HBN ASSEMBLY TODAY!

To become a member you must be:

- A current resident of a Historically Black Neighborhood in Louisville, KY;
- Fundamentally in opposition to gentrification (as opposed to development in general);
- Willing to center those most vulnerable (low- and fixed-income renters) in decision making; and
- Without gentrification-related conflicts of interest whereas a person is in a position to derive personal benefit from active or future development projects that will displace, dispossess, or banish our neighbors.

**Reach Out to us or fill out a membership form to Join the HBN Assembly!** The Smoketown Neighborhood Association has partnered with Books & Breakfast Louisville and other individuals and organizations to facilitate this work. The best way to get in contact with us or become a member is to either...

Visit our website: [www.hbnassembly.org](http://www.hbnassembly.org)

Email Us: [smoketown.na@gmail.com](mailto:smoketown.na@gmail.com)

Call/Text Us: (502) 383-1082

Follow Us on Facebook:

<https://www.facebook.com/hbnassembly/>

Fill out membership form (also available on website):

<https://forms.gle/JkgYUfwoCNrzdT5r7>

