

NKADD Housing Data Analysis

September 13, 2023

Acknowledgments

Fiscal Courts of Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen and Pendleton Counties and CVG Airport
Northern Kentucky Area Development District (NKADD) members
NKADD Staff

Tara A. Johnson-Noem, Executive Director

Katie Jo Berkshire Kirkpatrick, Strategic Initiatives Manager

Stantec's Urban Places

Nels Nelson, Project Manager

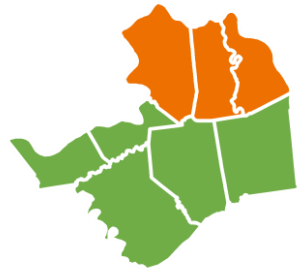
Steve Kearney, Principal-in-Charge

Jeff Sauser, Housing Analyst

Spencer Cox, Data Scientist and Regional Analyst

Sarabrent McCoy, Data Analyst





Key takeaways for the northern and southern counties

Boone, Kenton, Campbell

- **Workforce job creation is out-pacing workforce housing:** The logistics industry is central to job growth in the region, generating demand for high-growth but lower wage “workforce” jobs. Today, there are 2.68 workforce jobs for each housing unit they could afford.
- **Monoculture of single-family homes is not aligned with household income and size:** The supply of single-family, 3-4 bedroom homes outpaces the demand. Targeting ‘missing middle’ homes would better account for the diversity of incomes and smaller household sizes.
- **‘Missing middle’ houses and affordability strategies are required to continue economic growth:** Economic growth creates a strong labor demand. A lack of housing affordable for jobs being created will make it harder and more expensive for employers to find and recruit labor at prevailing market wages.

Grant, Gallatin, Carroll, Pendleton, Owen

- **Job density is constant:** Job growth is concentrated in northern counties industry clusters while the southern counties maintain a steady baseline of jobs. Job creation generates demand for housing. The majority of housing demand is being met closer to the jobs.
- **Land in closer proximity to jobs is not fully saturated:** Suburban development is occurring in the northernmost portions of the southern counties at the limit for commutes to jobs. Available land in the northern counties is being prioritized by market developers.
- **Exceptions exist:** Carrollton is generating manufacturing jobs, but workforce and middle-income housing is lacking. Development of workforce housing near Carrollton seems like a market possibility and could increase available labor supply.



Executive summary

Housing needs assessment

The NKADD region has a **5-year housing production need of 6,650 units**, which equates to 1,300 units per year.

About half of the new housing demand (3,260 units) is low-income residents earning up to 60% of the area median household income of \$103,600.

Current housing in Boone, Kenton and Campbell is positioned for middle to upper-middle professional incomes, but affordability for warehouse, service, and low wage healthcare workers is currently lacking and will be exacerbated by incoming residents. New tract housing and older rental stock in suburban/rural locations are absorbing lower to middle income households, but the limited availability of these units relative to demand pushes prices out of the range of many.

Smaller one- and two-bedroom units account for 4,220 units, more than three-fifths of the overall demand. The change in unit size reflects a shift in demographics and will require a shift in housing development practice away from the three- and four-bedroom single family houses that have been the primary mode of production for the past 20 years.

Economic development

NKADD counties operate as both employment centers and bedroom communities, including for employees commuting into Cincinnati. The northern counties are well positioned to absorb higher income household growth but struggle to provide affordable housing for low wage service sector workers who make up a sizeable portion of the employment base.

Boone County contains the region's largest logistics cluster. This cluster should see continued growth if there is available labor supply and affordable housing that ensures wage competitiveness.

Priority housing strategies

This analysis recommends a series of top priority strategies to unlock the development of housing that match the expected size, tenure, and affordability of forecasted households and employment.

Financing

- Explore expanding the regional HUD HOME Funding Consortium to not leave federal funding on the table
- Use Low Income Housing Tax Credits

(LIHTC) for qualified Census tracts for low-income housing (<60% AMI) housing

- Use property tax abatement or exemptions to incentivize affordable housing
- Dedicate publicly owned land for affordable housing
- Create a housing bond fund for affordable housing, like the Louisville Metro Affordable Housing Trust Fund
- Use the State's Tax Increment Financing (TIF) for Mixed-Use Redevelopment program for a signature project

Regulations

- Allow Accessory Dwelling Units (ADUs) zoning by right
- Use Inclusionary Zoning and development bonuses to incentivize affordable housing
- Reduce the regulatory burden on development
- Update building codes for missing middle housing production
- Recommend a Housing Element in Comprehensive Plan updates