

Kenton County, KY

Income-Aligned Housing Implementation Strategies & Action Plan

May 2026

CommunityScale

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Income-Aligned Housing Implementation Strategies & Action Plan for Kenton County

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CommunityScale is an urban planning consultancy focused on helping communities across the country make more informed and targeted decisions around policy and investment, from development opportunity assessments to zoning reviews to housing needs assessments.

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About this Action Plan

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Recommendations from the 2024 Kenton County Comprehensive Plan Housing Element

1. Recommendation:

Diversify housing mix and density

Diversify Kenton County's housing mix by unleashing the full spectrum of income-aligned choices, from duplexes, townhomes, and small multifamily to mid-rise mixed-use, on sites already served by infrastructure, pairing increased density with walkable commercial hubs, and deploying modern zoning incentives and best-practice tools to overcome financial and regulatory barriers. This one-stop strategy answers the 2023 housing-study's call to close the cost-versus-income gap, supply more 1- to 3-bedroom units, support seniors and people with disabilities, retain a talented workforce, and cut traffic and pollution in one decisive move.

2. Recommendation:

Target neighborhoods in need of improvement for rehabilitation and redevelopment programs.

Revitalize Kenton County's aging or underperforming neighborhoods by teaming local governments, housing agencies, lenders, and community groups to pinpoint areas with sinking property values, secure public- and non-profit rehab funds, enforce property codes that keep rentals in shape, and spark creative redevelopment, including housing conversions of surplus commercial or industrial sites, so homes regain value, tax bases rebound, and once-stagnant blocks become magnets for fresh investment.

3. Recommendation:

Encourage new housing developments within close proximity to areas where utilities, commercial activity, and community services already exist.

Fast-track housing growth where Kenton County already has the goods, utilities, transit, jobs, and services, by mapping and marketing prime infill sites, upgrading any missing infrastructure upfront, tweaking zoning for higher-density near activity nodes, and arming cities with incentives and a live database of shovel-ready parcels so new homes plug straight into vibrant commercial hubs, boost tax yields, and slash long commutes.

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County strategies for income-aligned housing production

Local

02. Short-Term Rental Partnerships

03. Nonprofit Property Acquisition

16. Local Resources for Homeownership

23. Missing Middle Housing Strategy

24. Creative Zoning and Regulations

25. Reduced Parking Requirements

27. Accessory Dwelling Units (ADUs)

28. Streamlined Approval Process

29. Housing Incentives

37. Adaptive Reuse

38. Tax Incentive Strategies

Regional

04. Expedited Permitting Process

08. Stakeholder Idea Sharing

09. Landlord Property Inventory

10. Public Input

12. Community Engagement

13. Performance Indicator Tracking

30. Regional Housing Trust Fund

31. Development Cost Support

35. Innovative Housing Pilots

36. Local Capacity Leveraging

46. Utility Connection Assistance

Top strategies covered in this Action Plan

04. Expedited Permitting Process.

Work with building departments and planning commissions to identify expedient and cost effective processes for permitting, building inspections and code enforcement. **Current condition:** In Kenton County, by-right projects without zoning review are received online and typically processed within 2 weeks. Subdivision plats can take about a month. (Gary Forsyth and Steven Neltner)

08. Stakeholder Idea Sharing.

Continue to organize and align education, engagement and sharing of ideas between local officials, landlords, employers and nonprofit organizations to foster ongoing collaboration.

23. Missing Middle Housing Strategy.

Address the rise in demand for missing middle housing units by exploring ways to reduce development costs and barriers.

24. Creative Zoning and Regulations.

Explore creative zoning and regulation approaches, including for subdivisions, that result in increased housing supply.

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Housing Advisory Team

Team members:

Mayor Chris Reinersman, City of Independence

Heidi Ollish, DMG Rentals

Gemma Maxwell, Fischer Homes

Bob Schroder, Arlinghaus Builders

Kareem Simpson, Kenton County Planning Commission

Tara Johnson-Noem, Northern Kentucky Area Development District

Joe Schlimm, Republic Bank

Laura Allen, University of Maryland Baltimore County

Rhea Blackburn, Planning and Development Services

Megan Bessey, Planning and Development Services

Zane Winkler, Planning and Development Services

About: the Housing Advisory Team is a stakeholder advisory body convened by CommunityScale as part of the Kenton County Income-Aligned Housing Implementation Strategies and Action Plan project. The team was responsible for providing feedback and local expertise at key project milestones, reviewing housing benchmarks and strategies developed by the consulting team, and helping shape approaches to housing production that are both ambitious and achievable.

Working alongside the KCPC Implementation Committee, the team reviewed draft materials including suitability analyses, density recommendations, proforma-based planning results, and zoning strategies. Its members contribute ground-level knowledge about local development conditions, future land use designations, and mixed-use opportunities across Kenton County's municipalities. The team meets periodically (with sessions held in September 2025, December 2025, and January 2026) to discuss geographic targeting, benchmark performance tracking, and revisions to the recommended land use map.

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Benchmark Performance

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Translating Comprehensive Plan Goals and Recommendations into Benchmarks

Benchmark	Target	Updates	2025	Source
A. Annual housing production	550	🟢 Annual	630	Building Department Certificates of Occupancy
B. Share of new housing located near jobs and infrastructure	50%	🔴 Annual	26%	Building Department Certificates of Occupancy by location
C. Share of new housing units that are studios, 1-, or 2-bedrooms	60%	🟡 Annual	NA	Building Department Certificates of Occupancy
D. Median income households can afford typical home price	Yes	🟢 Monthly	$53K sale price surplus	Zillow, Census, Mortgage rate, Kenton ACS median family income*
E. Moderate income households can afford typical rent	Yes	🟢 Monthly	$163/month surplus	Zillow, Census, Kenton ACS moderate family income*

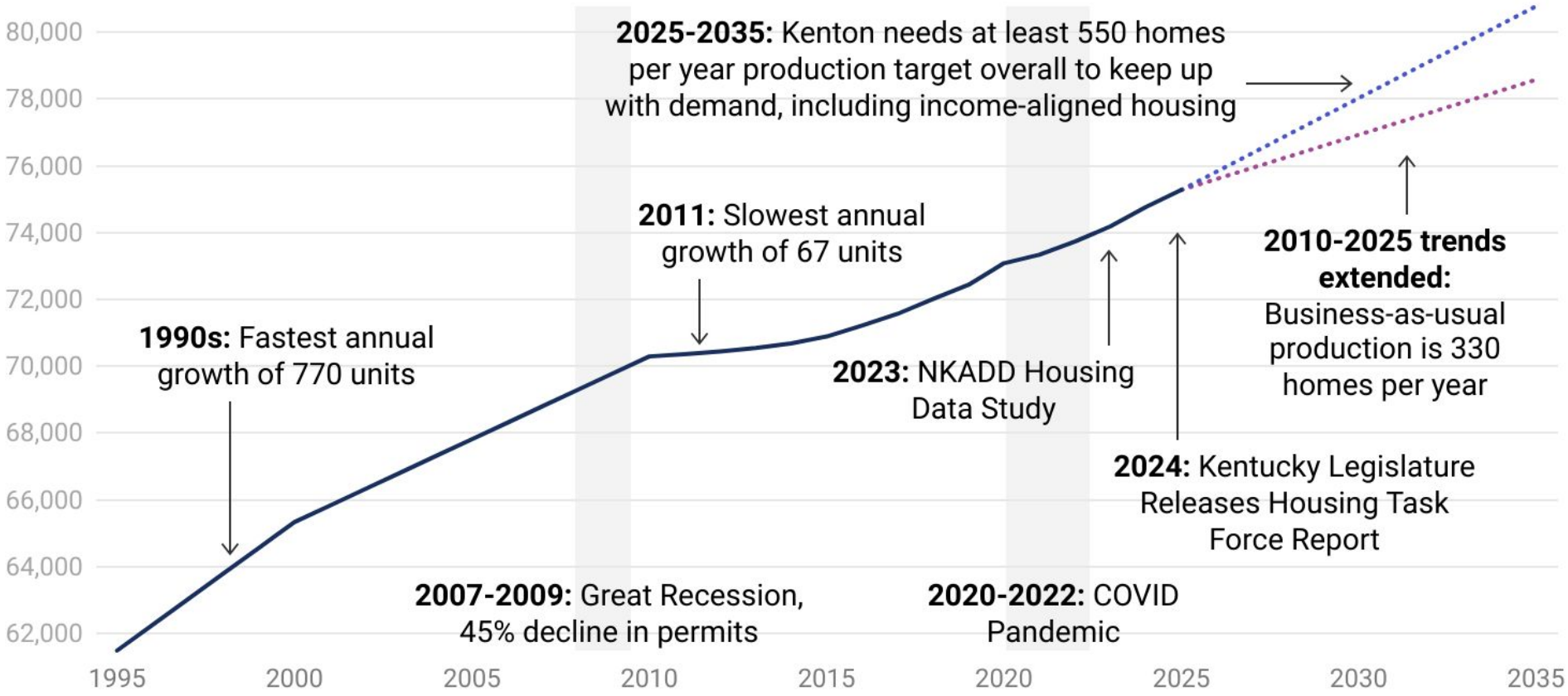
*** Data source for household income:** Monthly Kenton County specific estimate based on Kenton County's median family income in ACS 5-year tables and projected to the current month. In December 2025, the estimated Kenton-specific median family income was $89,000 and Kenton County's local moderate family income (80% of median) was $71,200. Note that these figures are currently lower than HUD's median family income for the region that includes Kenton County, the Cincinnati, OH-KY-IN HUD Metro FMR Area ($111,800).



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Benchmark performance

🟢 A. Annual housing production: 550 units (630 achieved in 2025)



This Action Plan sets a target of adding 550 new units annually through 2035. According to the permitting records, **579 new units received their final permits in 2024 and 630 in 2025**.

Kenton County's housing inventory has grown steadily since 1970, when the decennial Census recorded 45,188 housing units. Through the 1970s, the county added an average of 744 units per year, reaching 52,624 units by 1980. Growth slowed slightly in the 1980s, averaging just over 500 units annually, bringing the total to 57,643 by 1990. A more robust pace followed in the 1990s, with about 770 new units added per year. Growth during the 2000s was more modest, averaging 496 units annually through the Great Recession. In the 2010s, annual growth averaged fewer than 300 units per year.

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Benchmark performance

🔴 B. Share of new housing located near jobs and infrastructure: 50% (26% achieved in 2025)

By subtracting unbuildable areas and areas set aside for industrial uses, combined with identifying areas served by infrastructure and amenities, this map is able to pinpoint parts of the County that are more suitable for building housing.

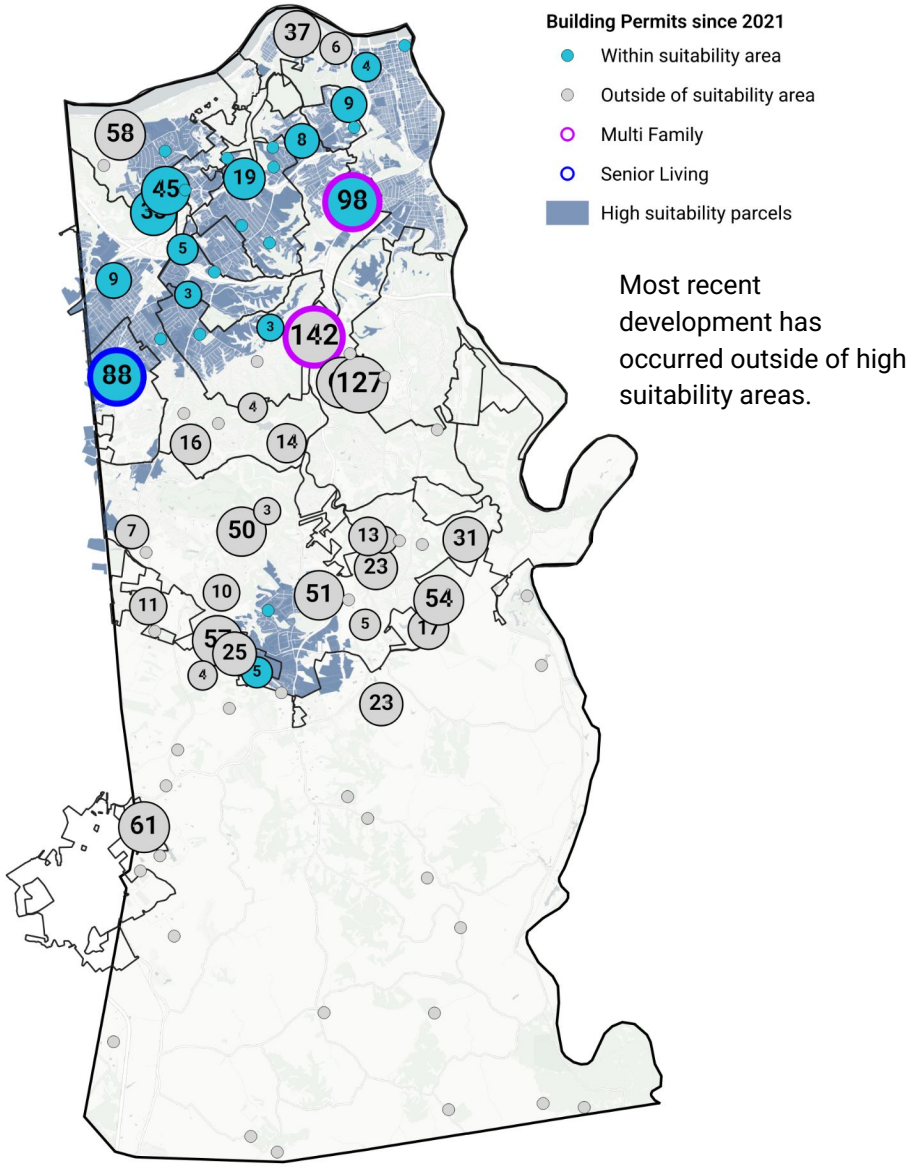
A suitability index score of 2.5 is a threshold for identifying areas that should be receiving at least 50% of the new housing production. This can be mapped in real time by comparing the Certificates of Occupancy with the suitability map.

Based on the building permit certificate of occupancy data from July 2021 through December 2025, **22%** of new development (291 units) was built within high suitability areas, and **78%** (1,023 units) was built outside. The two multifamily projects were both built outside of high suitability areas.

In 2025 alone, 164 of 630 new residential units received final permits in highly suitable areas (26%).

The strategies presented in this Action Plan aim to achieve the goal of locating housing near jobs and infrastructure by enabling more infill housing opportunities.

Data are provided by **DevTracking_Permits_KC_Processing** which is updated every Friday afternoon.



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Benchmark performance

🟡 C. Share of new housing units that are studios, 1-, or 2-bedrooms: 60% (Monitoring to start in 2026)

The demand analysis (updated 2025) shows that 63% of the demand for new housing is for studios, 1-beds, or 2-beds. To set an easy-to-measure benchmark, at least 60% of new construction should be smaller units, which is reported in Certificates of Occupancy. Housing demand model assumes households spend up to 30% of income on housing and is based on trends by household type, tenure, and housing expenditure by bedroom from 2019-2023 ACS Public-use microdata sample.

Unit size is not currently tracked by **DevTracking_Permits_KC_Processing**, but a request has been made to update the applicant form to track this information starting 1/1/2026.

Rental demand for housing by number of bedrooms and rental price for 2025.

Rent	Studio / 1 bd	2 bd	3 bd	4+ bd
< $500	457	397	59	1
$500-750	379	185	90	52
$750-1000	217	363	14	2
$1000-1250	75	148	30	1
$1250-1500	289	332	7	13
$1500-2000	205	517	128	5
$2000-2500	126	288	84	91
$2500-3000	74	208	73	6
>$3000	34	248	50	22

Ownership demand for housing by number of bedrooms and sales price for 2025.

Sales price	Studio / 1 bd	2 bd	3 bd	4+ bd
<$69,000	0	1	88	0
$69,000-$104,000	12	0	26	2
$104,000-$138,000	27	27	0	87
$138,000-$173,000	34	80	58	21
$173,000-$208,000	38	57	118	29
$208,000-$277,000	9	81	206	86
$277,000-$346,000	17	16	240	57
$346,000-$416,000	7	93	379	56
>$416,000	55	113	508	345

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Benchmark performance

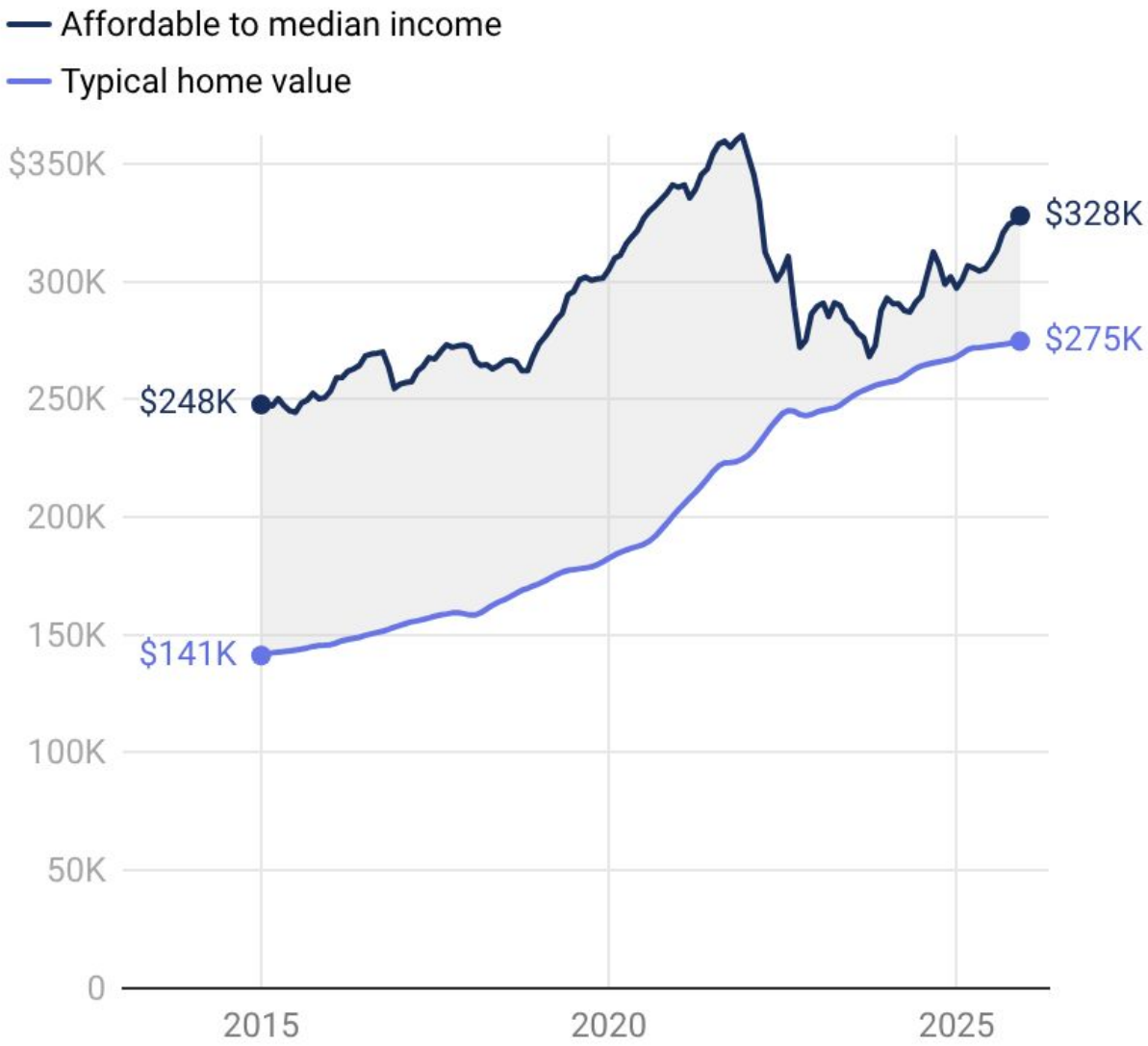
🟢 D. Median income households can afford typical home price (Yes with a surplus of $53K)

The December 2025 estimated median family income for Kenton County is $89k. Household income required to buy the median home is a function of the median home price, plus the following adjustments to calculate the affordable monthly cost of ownership (mortgage) -

At the end of 2025, the typical home value is $275K (Zillow) and a household with the median family income can afford to buy a $328K house. Therefore, this benchmark is achieved.

Note that the price affordable to the median household income is based on a number of factors, including mortgage rates, insurance rates, and changes in income. The current factors are below:

- Loan term, years: 30
- Down payment percent: 13% (KY avg)
- Property insurance rate: 0.35%
- Mortgage insurance rate (PMI): 0.5%
- Property tax rate: 1.04%
- Mortgage rate: 6.19% (variable, current is Dec 2025, FRED)
- Kenton-specific median family income: $89,000



Source: Zillow, ACS, FRED

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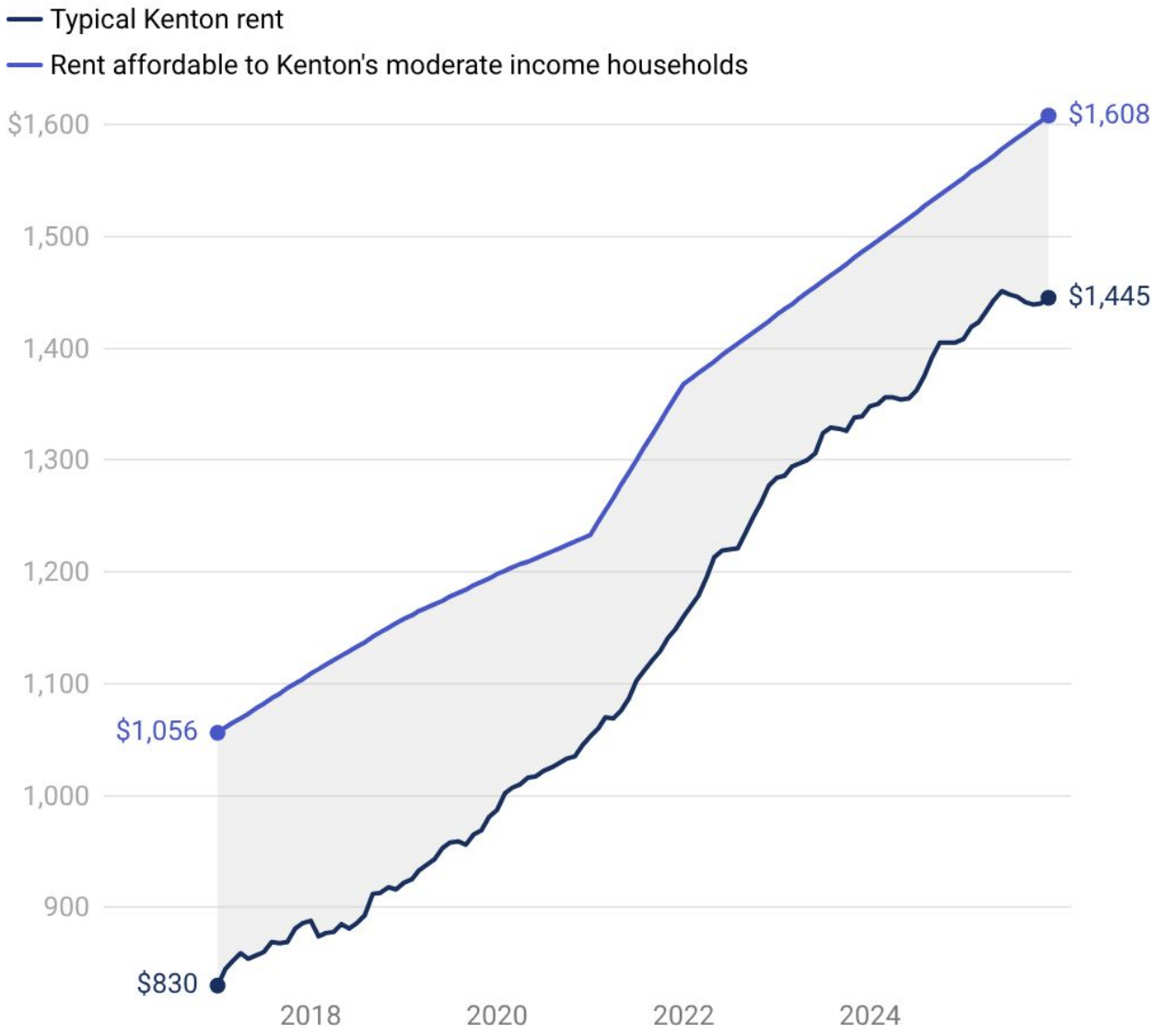
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Benchmark performance

🟢 E. Moderate income households can afford typical rent (Yes with a surplus of $163/month)

Average rent for the County from Zillow. Moderate income households are defined by HUD to be 80% of the median family income. Affordable rent is 30% of monthly pay. Kenton County's local moderate family income for December 2025 was $71,200.

At the end of 2025, the median rent is $1,445 and the rent affordable to Kenton's moderate income households is $1,608, therefore the benchmark is passed with a surplus of $163/month.



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Context Analysis

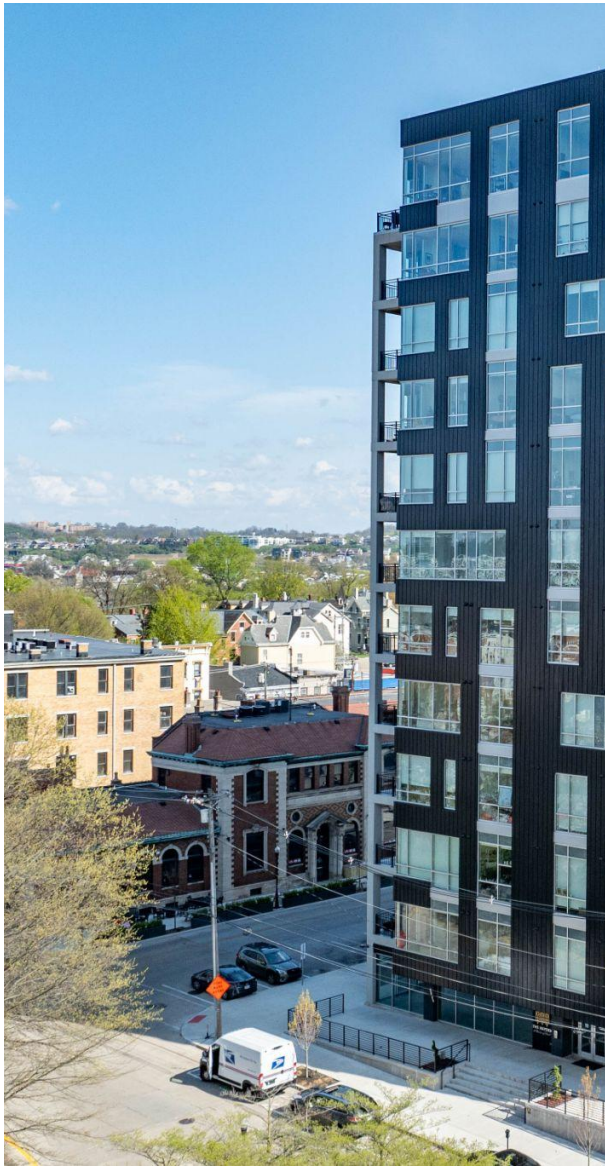
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Why income-aligned housing

The *2024 Kenton County Comprehensive Plan* update utilized the Northern Kentucky Area Development District's (NKADD) *Housing Data Analysis* to strengthen the County's Housing Element Recommendations. Income-aligned housing refers to housing that is designed to meet the needs of households earning specific income levels, particularly those earning between $15 and $25 per hour. This also includes senior citizens on fixed incomes.

Key Findings from NKADD's *Housing Data Analysis* for Kenton County:

- Workforce job creation in Northern Kentucky is outpacing workforce housing availability
- Development has been predominantly single-family suburban tract housing extending toward Independence, with new subdivisions building large single-family units
- Demand shows a need for:
  - Lower-rent 1- and 2-bedroom rental units
  - Entry-level housing
  - Middle and upper-middle range single-family housing across most income levels



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Connection between household income, wages, and family housing budgets for Kenton County

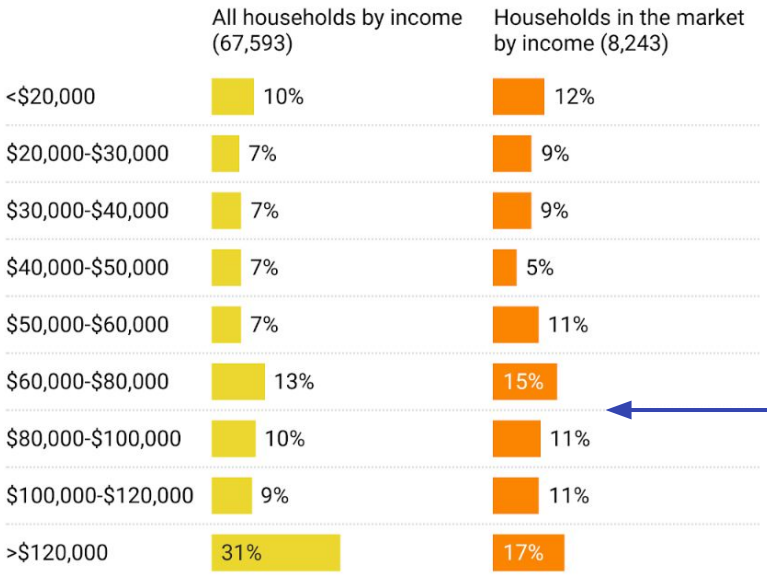
The following chart incorporates contributing factors to housing attainability to be able to translate household income to sales price and rent per month, including the current mortgage rate, property tax rate, homeowners insurance, and average down payment percentage. The following figures assume that the household is spending less than 30% of its income on housing. It also reports the rate of multiple earners per household at each income.

Household income	Workers in single-earner households	Workers in multi-earner households	Average workers per multi-worker household	Single earner hourly wage	Sales price	Rent per month
<$20K	75%	25%	2.03	<$9.62/hour	<$69K	< $500
$20K-$30K	72%	28%	2.08	$9.62-$14.42	$69K-$104K	$500-750
$30K-$40K	71%	29%	2.16	$14.42-$19.23	$104K-$138K	$750-1000
$40K-$50K	58%	42%	2.04	$19.23-$24.04	$138K-$173K	$1000-1250
$50K-$60K	39%	61%	2.16	$24.04-$28.85	$173K-$208K	$1250-1500
$60K-$80K	36%	64%	2.14	$28.85-$38.46	$208K-$277K	$1500-2000
$80K-$100K	**19%**	**81%**	**2.27**	**$38.46-$48.08**	**$277K-$346K**	**$2000-2500**
$100K-$120K	13%	87%	2.22	$48.08-$57.69	$346K-$416K	$2500-3000
>$120K	8%	92%	2.38	>$57.69/hour	>$416K	>$3000

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How Does Kenton County's housing align with household incomes?

"Income-aligned" housing refers to units that are priced within local households' affordability range. Pricing is presented in terms of household income needed to afford it. "Recently built" is rental and for sale housing built since 2010. "Recent listings" are from 2023-2025.



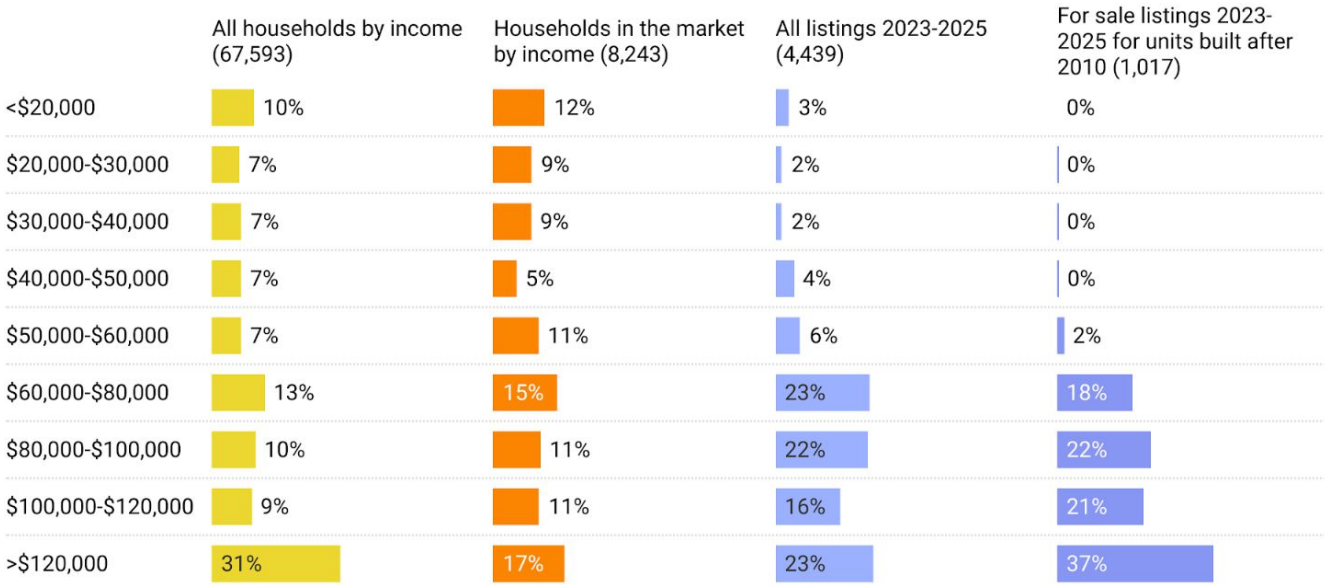
Household income of $79K required to buy the median home

Kenton County's **household incomes** are relatively evenly distributed below $120K/year, with about a third above $120K/year. Many of these households are homeowners and are less likely to be in the housing market. Looking at just the **households in the housing market** that statistically are looking to move into or within Kenton County in a given year, the distribution is slightly skewed towards lower income households.

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How Does Kenton County's housing align with household incomes? For sale homes

"Income-aligned" housing refers to units that are priced within local households' affordability range. Pricing is presented in terms of household income needed to afford it. "Recently built" is rental and for sale housing built since 2010. "Recent listings" are from 2023-2025.



Kenton County's **for-sale listings for all homes are skewed** towards households earning at least $60K/year with some more attainable property for lower income households. Kenton County's **for-sale listings for homes built since 2010 are** almost exclusively for households earning at least $60K/year. This tells us that it might be difficult to build a new housing unit that can sell for less than $208K without subsidy.

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How Does Kenton County's housing align with household incomes? Rentals

"Income-aligned" housing refers to units that are priced within local households' affordability range. Pricing is presented in terms of household income needed to afford it. "Recently built" is rental and for sale housing built since 2010. "Recent listings" are from 2023-2025.

	All households by income (67,593)	Households in the market by income (8,243)	All listings 2023-2025 (4,439)	For sale listings 2023-2025 for units built after 2010 (1,017)	All rental asking prices (7,774)	Rental asking prices for units built after 2010 (1,858)
<$20,000	10%	12%	3%	0%	0%	0%
$20,000-$30,000	7%	9%	2%	0%	6%	0%
$30,000-$40,000	7%	9%	2%	0%	21%	1%
$40,000-$50,000	7%	5%	4%	0%	35%	13%
$50,000-$60,000	7%	11%	6%	2%	16%	5%
$60,000-$80,000	13%	15%	23%	18%	18%	63%
$80,000-$100,000	10%	11%	22%	22%	4%	16%
$100,000-$120,000	9%	11%	16%	21%	0%	1%
>$120,000	31%	17%	23%	37%	0%	2%

Kenton County's **rental listings for all apartments are centered** around households earning $40K/year, which is the equivalent of $1,000-1,250 monthly rent. Kenton County's **rental listings for apartments built since 2010 are centered** on households earning at least $60K/year with the floor at households earning $40K/year. This tells us that it might be difficult to build new apartments that can rent for less than $1,000/month without subsidy.

Altogether, the market is delivering virtually no new housing for households earning less than $40K/year (i.e. someone earning less than $20/hour). There is also a production gap for households earning $50K-60K.

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Regional housing analysis showed Kenton County was missing 1- and 2-bedroom units according to 2020 data

		Rent				Own			
Household Income Required	Max Monthly Housing Cost	1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15,000	$313	-1,687	-1,567	-709	-120	-129	-405	-796	-267
$15,000-24,999	$521	-1,000	-1,159	-810	-229	-37	-164	-743	-222
$25,000-34,999	$729	-601	-961	-689	-122	12	-80	-774	-338
$35,000-49,999	$1,042	-1,156	-1,315	-670	-216	63	931	559	-388
$50,000-74,999	$1,563	-1,000	-1,033	-470	-242	-20	1,613	3,966	559
$75,000-99,999	$2,083	-185	638	1,913	180	-78	512	2,760	1,400
$100,000-149,999	$3,125	-193	-201	141	1,142	-62	-287	-1,834	3,038
$150,000-199,999	$4,167	-89	-77	-70	78	-13	-63	-879	-80
$200,000 or more	-	-52	-71	-24	-17	-24	-111	-774	-1,424

Difference between supply and demand: units by tenure, size, and monthly cost. Blue cells denote a deficit of one- and two-bedroom units in the homeownership market. The darker the color, the deeper the deficit. Red cells represent a housing surplus, or where the supply of housing is larger than current demand. Access the Northern Kentucky Housing Data Analysis *Kenton County Area Profile* on KCPC's website.

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Updated to 2025, the trend of undersupply of smaller rental units and oversupply of 3BR for-sale continues

		Rent				Own			
Household Income Required	Max Monthly Housing Cost	1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than $15,000	$313	-1,735	-1,581	-686	-114	-144	-518	-1,125	-470
$15,000-24,999	$521	-1,271	-1,301	-815	-231	-30	-128	-686	-174
$25,000-34,999	$729	-701	-1,287	-730	-133	27	22	-511	-167
$35,000-49,999	$1,042	-826	-1,231	-755	-238	42	766	55	-691
$50,000-74,999	$1,563	-805	-723	-511	-253	10	1,817	4,489	901
$75,000-99,999	$2,083	-280	546	1,883	171	-52	703	3,309	1,740
$100,000-149,999	$3,125	-234	-210	157	1,146	-62	-263	-1,698	3,103
$150,000-199,999	$4,167	-91	-40	-34	88	-29	-169	-1,132	-251
$200,000 or more	-	-20	82	102	18	-50	-285	-1,216	-1,714

5-year update: Kenton continues to have too much mid-priced owner stock relative to mid-income demand, and too little attainable rental. The mid-income rental gap (~$35K–$75K), one of the largest deficits in the original report, is the one area where conditions have clearly improved over the past 5 years. To produce the updated matrix, we added an ACS directional delta on to the original NKADD data to capture how the gap between supply and demand has shifted between the two study years.

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Today, 60% of annual housing demand in Kenton County is still for smaller units

Rental demand for housing by number of bedrooms and rental price (annual)

Rent	Studio / 1 bd	2 bd	3 bd	4+ bd
< $500	457	397	59	1
$500-750	379	185	90	52
$750-1000	217	363	14	2
$1000-1250	75	148	30	1
$1250-1500	289	332	7	13
$1500-2000	205	517	128	5
$2000-2500	126	288	84	91
$2500-3000	74	208	73	6
>$3000	34	248	50	22

Ownership demand for housing by number of bedrooms and sales price (annual)

Sales price	Studio / 1 bd	2 bd	3 bd	4+ bd
<$69K	0	1	88	0
$69K-$104K	12	0	26	2
$104K-$138K	27	27	0	87
$138K-$173K	34	80	58	21
$173K-$208K	38	57	118	29
$208K-$277K	9	81	206	86
$277K-$346K	17	16	240	57
$346K-$416K	7	93	379	56
>$416K	55	113	508	345

Housing demand model assumes households spend up to 30% of income on housing and is based on trends by household type, tenure, and housing expenditure by bedroom from 2019-2023 ACS Public-use microdata sample. The black dividing line roughly approximates the price point that supports market-rate new housing units given prevailing land and construction costs. Additional density could potentially adjust that line.

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Senior housing needs

Growing demand is certain. Kenton County's 65+ population will reach nearly 34,000 by 2032 (up from 27,000 today), with the fastest growth in the 75-84 age group. This means increased need for housing that accommodates limited mobility, downsizing preferences, and aging-in-place modifications. Senior households now represent 24.9% of all households (up from 17.9%). 78.2% of senior households are homeowners; 3,514 are renters (concentrated in 65-74 age group).



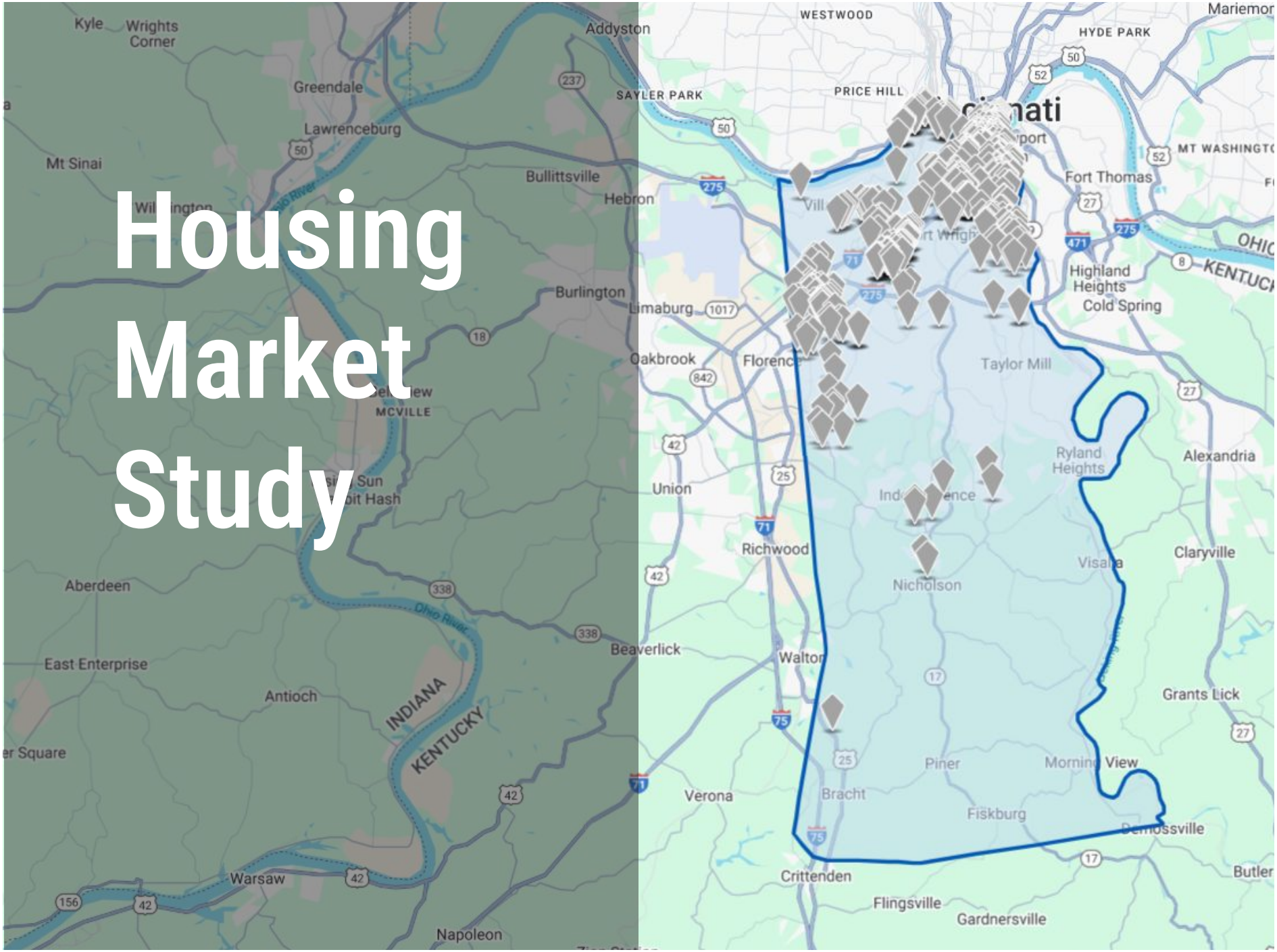
Living-alone seniors need targeted housing types. Over 7,000 seniors live alone. Seniors who downsize tend to prefer newer housing and smaller units (1-2 bedrooms). Congregate housing and accessory dwelling units could also serve this group, particularly those on fixed incomes who would benefit from shared community spaces and services.

Median income of older adults is lower than the total population. It is around $53,000 for households age 65+ in Kenton County. This is a consideration for age-friendly housing development.



Residences at Courtyard Crossing, Independence has a density of 12 units per acre.

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About the Housing Market Study and Proformas

What is the Housing Market Study?

The Housing Market Study profiles the economics of residential development in Kenton County by examining recently built and listed properties across a range of housing types, from single-family homes and townhomes to multifamily rental buildings. Drawing on sales prices and home values from Zillow and county assessor records, rental market data from Zillow and CoStar, new construction values from CoStar, and regional appraisal data, the study establishes a detailed picture of what the local market is producing, what it costs, and what households can afford. These findings are broken down by housing type, location within the County, and unit characteristics such as size and bedroom count. The analysis also incorporates affordability benchmarks calibrated to Kenton County's estimated median family income using local income limits, current mortgage rates from the Federal Reserve (FRED), Kentucky-specific down payment averages, and local property tax and insurance rates.



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About the Housing Market Study and Proformas

Data sources

These market findings directly inform a series of residual land value proformas that model the financial feasibility of building income-aligned housing at different price points and densities. Each proforma balances projected revenue from home sales or rents against hard costs (construction, demolition, and site improvements), soft costs (permits, water and sewer connections, architectural fees, loan fees, and marketing), and expected builder profit to determine how much a new housing project can afford to pay for land. By comparing this residual land value to actual land prices across the County, the proformas reveal where current zoning densities are sufficient for income-aligned housing to pencil out and where higher densities or other policy interventions are needed. Inputs to the proformas were refined through interviews with local developers, including homebuilders active in the Kenton County market, and validated against comparable recent developments tracked through CoStar and county building permit records.



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Economics of the average newly-built single-family home



Before: 0.2 acre site sold for $108,000, or $540,000 per acre *(simulated image)*



After: 2,500 sq.ft. house sold for $540,000. A household would need an income of about $144,000 per year to attain this house, which is about 162% AMI.

Address (all prices inflation-adjusted to 2025 dollars)	Home size (sf)	Lot size (Acres)	Developed lot price	Developed lot per acre	Listing price
10537 Elderberry Ln, Independence, KY 41051	2,263	0.15	$68,816	$470,216	$342,954
10553 Elderberry Ln, Independence, KY 41051	1,848	0.14	$71,000	$494,842	$391,648
1362 Meadow Run Ln, Independence, KY 41051	2,459	0.17	$78,413	$461,265	$429,024
10549 Elderberry Ln, Independence, KY 41051	2,796	0.14	$70,725	$492,925	$429,472
1373 Meadow Run Ln, Independence, KY 41051	1,848	0.18	$76,500	$430,535	$439,765
10962 Dairybarn Ln, Alexandria, KY 41001	2,768	0.29	$56,375	$194,403	$469,049
10961 Dairybarn Ln, Alexandria, KY 41001	2,711	0.28	$125,532	$448,321	$471,402
2362 Amici Dr, Covington, KY 41017	1,818	0.19	$260,779	$1,398,096	$471,888
9947 Meadow Glen Dr, Independence, KY 41051	2,711	0.18	$86,100	$478,321	$539,055
3868 Circollo Dr, Covington, KY 41017	2,752	0.16	$87,632	$539,312	$543,979
1316 Parkridge Dr, Alexandria, KY 41001	2,755	0.28	$56,375	$201,336	$553,470
1413 Meadow Breeze Ln, Independence, KY 41051	2,784	0.26	$130,213	$500,802	$553,490
7659 Arcadia Blvd, Alexandria, KY 41001	2,680	0.35	$97,301	$278,003	$563,648
2488 Lillywood Way, Crescent Springs, KY 41017	2,507	0.22	$99,615	$442,779	$594,318
2166 Tuscanyview Dr, Covington, KY 41017	2,759	0.49	$351,657	$717,681	$611,639
2479 Lillywood Way, Crescent Springs, KY 41017	2,764	0.22	$327,306	$1,454,842	$639,024
932 John St, Covington, KY 41016	3,144	0.17	$66,753	$389,467	$681,625
1217 Russell St, Covington, KY 41011	2,000	0.15	$86,000	$567,600	$699,999
932 John St, Covington, KY 41016	3,144	0.17	$66,753	$389,467	$819,897
Average	**2,553**	**0.22**	**$119,150**	**$544,748**	**$539,229**
Median	**2,711**	**0.18**	**$86,000**	**$470,216**	**$543,979**

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Economics of the average newly-built for sale townhome



Before: 0.14 acre (6,000 sq.ft.) *(simulated image)*



After: 1,700 sq.ft. home sold for $307,000. A household would need an income of about $112,000 per year to attain this house, which is about 126% AMI.

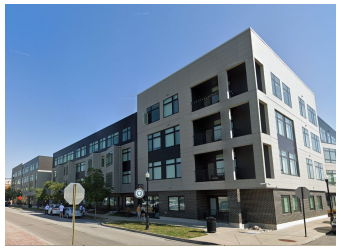
Addresses	Lot acres	Unit SF	Listing price	City	Bedrooms	Bathrooms
618 Foxhill Dr, Crescent Springs, KY 41017	0.03	1,326	$234,923	Crescent Springs	2	2
2531 Crosshill Dr, Crescent Springs, KY 41017	0.03	1,322	$245,000	Crescent Springs	2	2
618 Foxhill Dr, Crescent Springs, KY 41017	0.03	1,326	$253,900	Crescent Springs	2	2
618 Foxhill Dr, Unit 10-102, Crescent Springs, KY 41017	0.03	1,326	$253,900	Crescent Springs	2	2
2485 Rolling Hills Dr, Fort Mitchell, KY 41017	0.04	1,570	$255,900	Fort Mitchell	2	2
2130 Siena Ave, Covington, KY 41017	0.57	1,469	$278,311	Covington	2	2
1514 Greenup St, Covington, KY 41011	0.07	2,170	$302,273	Covington	2	2
2405 Bella Rdg, Unit 164A, Covington, KY 41017	0.08	1,651	$313,241	Covington	3	2.5
2236 Piazza Rdg, Covington, KY 41017	0.07	1,651	$313,548	Covington	3	2.5
3909 Volterra Ln, Unit 297A, Covington, KY 41017	0.06	1,651	$322,533	Covington	3	2.5
2236 Piazza Rdg, Covington, KY 41017	0.07	1,651	$333,023	Covington	3	2.5
2258 Piazza Rdg, Covington, KY 41017	0.07	1,651	$343,272	Covington	3	2.5
3906 Volterra Ln, Unit 306A, Covington, KY 41017	0.11	1,243	$376,464	Covington	4	2.5
3884 Volterra Rdg, Unit 310B, Covington, KY 41017	0.09	2,162	$379,552	Covington	2	2.5
1984 Williamscreek Way, Fort Wright, KY 41017	0.04	3,060	$430,397	Fort Wright	3	3
1106 Locust St, Covington, KY 41011	0.03	2,400	$675,000	Covington	4	3.5
1189 Grays Peak, Covington, KY 41011	0.03	2,700	$681,625	Covington	3	3.5
1190 Westport Way, Covington, KY 41011	0.03	2,826	$717,397	Covington	3	3
Average	**0.14**	**1,729**	**$307,436**			
Median	**0.10**	**1,549**	**$287,000**			

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Economics of the average newly-built rental multifamily



Before: 1.4 acre site in a higher value area.



After: 150 units with an average rent of $1,700/month for a 980 sq.ft. apartment. Plus, another 100,000 sq.ft. in commercial space. Affordable to 76% AMI.

Name	Address	Avg asking per SF	Avg Unit SF	Avg Asking/Unit	Units	Stories	Style	Year built
The Market Lofts	209-211 Pike St, Covington	0.98	1,078	1,060	15	3	Low-Rise	2020
Independence Oaks	2050 Boxer Ln, Independence	1.15	1,133	1,309	144	3	Garden	2012
The Crest at Williams Creek	3863 Alex Ct, Fort Wright	1.37	990	1,361	142	3	Low-Rise	2024
Overlook Apartment Homes	3000 Stoneybrook Ln, Elsmere	1.48	990	1,468	252	4	Mid-Rise	2015
Duveneck Square *(pictured)*	710 Washington St, Covington	1.98	839	1,659	110	4	Mid-Rise	2018
The Hayden	103 E 3rd St, Covington	2.41	721	1,735	133	11	Mid-Rise	2023
Elevation 800	2220 Cityscape Dr, Covington	1.83	974	1,788	132	3	Garden	2022
John R. Green Lofts	437 W 6th St, Covington	2.50	739	1,844	178	4	Mid-Rise	2021
River Haus	515 Main St, Covington	2.17	859	1,862	192	5	Mid-Rise	2019
Villages of Independence	10702 Brentridge Cir, Independence	1.44	1,367	1,968	106	1	Townhome	2016
Tapestry Ridge	1431 Dixie Hwy, Covington	2.16	960	2,077	267	3	Garden	2022
Madison Place	50-100 W Rivercenter Blvd, Covington	2.08	1,151	2,398	187	15	Hi-Rise	2020
Average		**1.80**	**983**	**1,711**	**155**	**4.92**		
Median		**1.91**	**982**	**1,762**	**143**	**3.50**		

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About proforma-based planning

Given the cost of land in different parts of the County, what densities are required to make income-aligned housing pencil out?

Each income-aligned housing unit yields between $8,000 and $16,000 in residual developed lot value. In other words, the "purchasing power" of a new home to buy developable land is in that range. This determination includes several constraints, such as the limitation in how expensive income-aligned housing can be, construction costs, and other expenses and fees.

Given this per-unit yield, this Action Plan estimates the **housing density that would be required to build income-aligned housing** given the price of developable land.

Key terms in the following proformas

- **Residual lot value proforma:** Financial model that balances revenue from home sales or rents with costs to determine how much the new housing can afford to pay for the lot or land.
- **Builder profit:** Expectation of the builders' profit after costs, including the cost of buying the land or lot.
- **Hard and soft costs:** Hard costs including construction and site improvements. Soft costs include local permits, approvals, water and sewer connection fees, architecture, loan fees, and marketing and advertising.
- **Cap rate:** The multiplier for converting a rental property's net operating income to gross development value. Lower is better.



Table. Residential density required for income-aligned housing

Developed lot land value per acre	Units per acre for income-aligned housing	Example housing types
$200,000	12.5-25	Small lot single-family
$400,000	25-50	Duplex, ADUs, Townhouse
$600,000	37.5-75	Duplex, ADUs, Townhouse
$800,000	50-100	Townhouse, Apartments
$1,000,000	62.5-125	Apartment building
$1,200,000	75-150	Apartment building

Table. Income-aligned affordability inputs

Affordability	Value	Source
Median family income	$111,800	HUD 2025
Percent down	13.00%	Forbes for KY (2025)
Mortgage rate	6.63%	FRED (2025-08-07)
Mortgage term	30	Standard
Cost burden threshold	30%	Standard
PMI (rate + baseline)	0.30%	CommunityScale
Insurance (rate + baseline)	0.35%	CommunityScale
Utilities (rate + baseline)	0.30%	CommunityScale
Property tax overall	1.04%	Median effective rate

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Proforma - Small single-family for sale

Development program			
Lot size (sf)	6,000	0.14	acres
Building size (sf)	1,740	Average	
Hard cost details			
Demo and site prep	$24,000	$4	/lot sf
Site improvements	$24,000	$4	/lot sf
Building construction costs	$221,700	$127	/building sf
Total hard costs	**$269,700**	$155	/building sf
Soft cost details			
Permits, Approvals, Water, Sewer	$6,981	13%	Local data
Survey and Site Engineering	$9,709	18%	of soft costs
Architectural and Design Fees	$18,879	35%	of soft costs
Legal and Title Fees	$2,158	4%	of soft costs
Construction Loan Fees	$2,158	4%	of soft costs
Insurance (Builder's Risk and Liability)	$3,236	6%	of soft costs
Marketing and Advertising	$3,776	7%	of soft costs
Carrying costs (interest, taxes)	$7,012	*13%*	of soft costs
Total soft costs	**$53,940**	*100%*	
Residual land value			
Sale price	**$378,000**		
Hard costs	$269,700		
Soft costs	$53,940	20%	of hard cost
Builder profit	$37,800	10%	
Residual land value for developed lot	**$16,560**	$120,226	/acre
Affordable to households earning	$100,884	113%	AMI and above



The reported residual land value analysis "yield" for new construction in Kenton County by developers is in the range of $8K-16K per unit. Given a small lot new single family construction like this example, that turns into a value of about $60K per area after costs and profit.

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Proforma - Townhome for sale

Development program			
Lot size (sf)	46,911	1.08	acres
Units	14	13	units/ac
Building size (sf)	18,667	Total	
Efficiency	90%		
Unit size (average)	1,200		
Hard cost details			
Demo and site prep	$93,822	$2	/lot sf
Site improvements	$140,733	$3	/lot sf
Building construction costs	$2,378,778	$127	/building sf
Total hard costs incl. contingency	**$2,613,333**	$140	/building sf
Residual land value			
Sale price per unit	**$261,000**		
Aggregate sale price	$3,654,000		
Hard costs	$2,613,333		
Soft costs	$313,600	12%	of hard cost
Builder profit	$548,100	15%	of total sales
Residual land value for developed lot	**$178,967**	$166,183	/acre
		$12,783	per unit
Affordable to households earning	$69,658	78%	AMI and above



These townhomes achieve a residual land value of about $12K per unit given the assumptions, which is about $166K per acre of residual land value.

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Proforma - Townhome rental

Development program			
Lot size (sf)	46,911	1.08	acres
Units	14	13	units/ac
Building size (sf)	18,667	16,800	Rentable sf
Efficiency	90%		
Average rentable SF per unit	1,200	$2,136	Monthly rent per unit
Affordable to households earning	$85,440	96%	AMI and above
Hard cost details			
Demo and site prep	$93,822	$2	/lot sf
Site improvements	$140,733	$3	/lot sf
Building construction costs	$2,285,445	$122	/building sf
Total hard costs incl. contingency	**$2,520,000**	$135	/building sf
Income and expenses			
Gross potential rent (GPR)	$29,904	$1.78	Monthly rent per nsf*
Vacancy	$2,990	10%	Market vacancy*
Operating expenses	$10,765	40%	Income after vacancy
Net operating income (NOI)	$193,778	Annual	
Gross development value (GDV)	$3,399,613	5.70%	Cap rate*
Hard costs	$2,520,000	See above	
Soft costs	$378,000	15%	of hard cost
Total development cost (TDC)	$2,898,000		
Builder profit	$434,700	15%	of TDC
Residual land value for developed lot	**$66,913**	$4,779	/unit
		$62,133	/acre

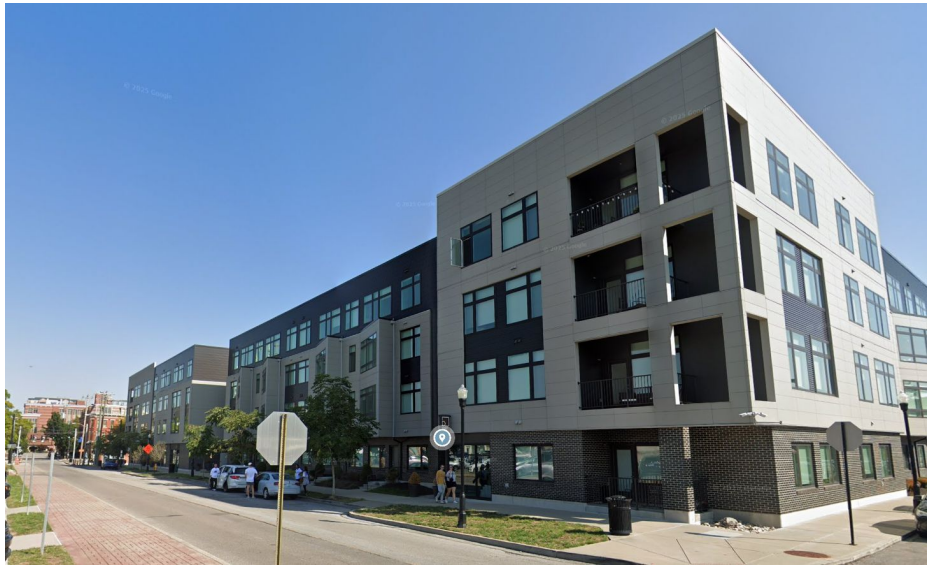


The rental townhomes have a lower yield all else being equal according to the proforma. However, according to interviews with developers, rental and for sale developers are cost competitive when bidding for land.

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Proforma - Midrise rental

Development program			
Lot size (sf)	46,911	1.08	acres
Units	80	74	units/ac
Building size (sf)	84,706	72,000	Rentable sf
Efficiency	85%		
Average Rentable SF per unit	900	$1,692	Monthly rent per unit
Affordable to households earning	$67,680	76%	AMI and above
Hard cost details			
Demo and site prep	$140,733	$3	/lot sf
Site improvements	$234,555	$5	/lot sf
Building construction costs	$12,330,594	$146	/building sf
Total hard costs incl. contingency	**$12,705,882**	$150	/building sf
Income and expenses			
Gross potential rent (GPR)	$135,360	$1.88	Monthly rent per nsf*
Vacancy	$6,768	5%	Market vacancy*
Operating expenses	$51,437	40%	Income after vacancy
Net operating income (NOI)	$925,862	Annual	
Gross development value (GDV)	$16,833,862	5.50%	Cap rate*
Hard costs	$12,705,882		
Soft costs	$1,905,882	15%	of hard cost
Total development cost (TDC)	$14,611,765		
Builder profit	$2,191,765	15%	of TDC
Residual land value for developed lot	**$30,332**	$379	/unit
		$28,166	/acre



Midrise family projects typically have higher construction costs per square foot as well as other costs like parking solutions and added complexity due to infill, demolition, etc. Due to this, communities are more likely to offer incentives for midrise construction, such as longterm tax abatements or subsidized land. Therefore, while the proforma margins are very thin, communities can work with developers to achieve this type of development, which is typically very well aligned with the goals of achieving workforce housing.

* Data source: CoStar for Multifamily market area accessed 2025-10-06

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Housing Suitability, Land Values, and Regulations

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Housing Suitability Components



Housing screens

Unbuildable areas, including

- Flood hazard areas
- Priority non-residential land use
- Steep slopes and other environmental constraints

Housing support

Inputs for suitability

- Sanitary sewer
- Water service
- Walkability
- Essential services including schools, grocery stores, healthcare
- Transit
- Mode share

Suitability score

Areas where housing is more suitable, meant to guide the right-sizing of regulation and density to provide housing diversity and encourage new housing developments within close proximity to areas where utilities, commercial activity, and community services already exist.

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Housing suitability analysis

Suitability elements: Features that add to the score

0-2: Groceries, schools, healthcare

0-1: Access to transit

0-1: Access to jobs

0-1: Water service

0-1: Sanitary sewer service

0-1: Walkability score

Excluded areas: Housing suitability screening

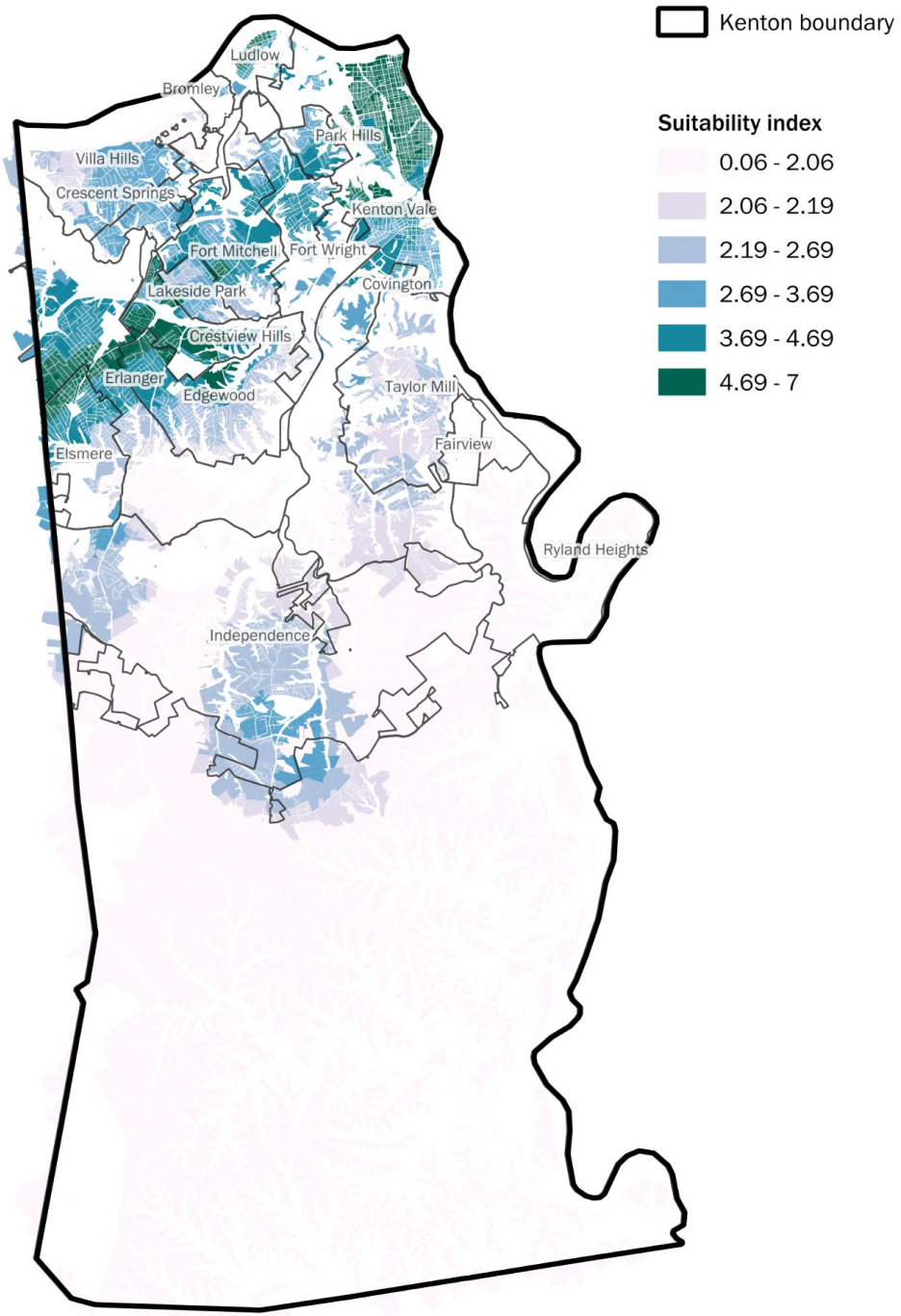
Flood hazard area

Priority non-residential land

Steep and other unbuildable land

Each parcel's score is based on the following considerations: Access to amenities and transit, walkability, rates of car-less commuting, and existing infrastructure (water and sewer).

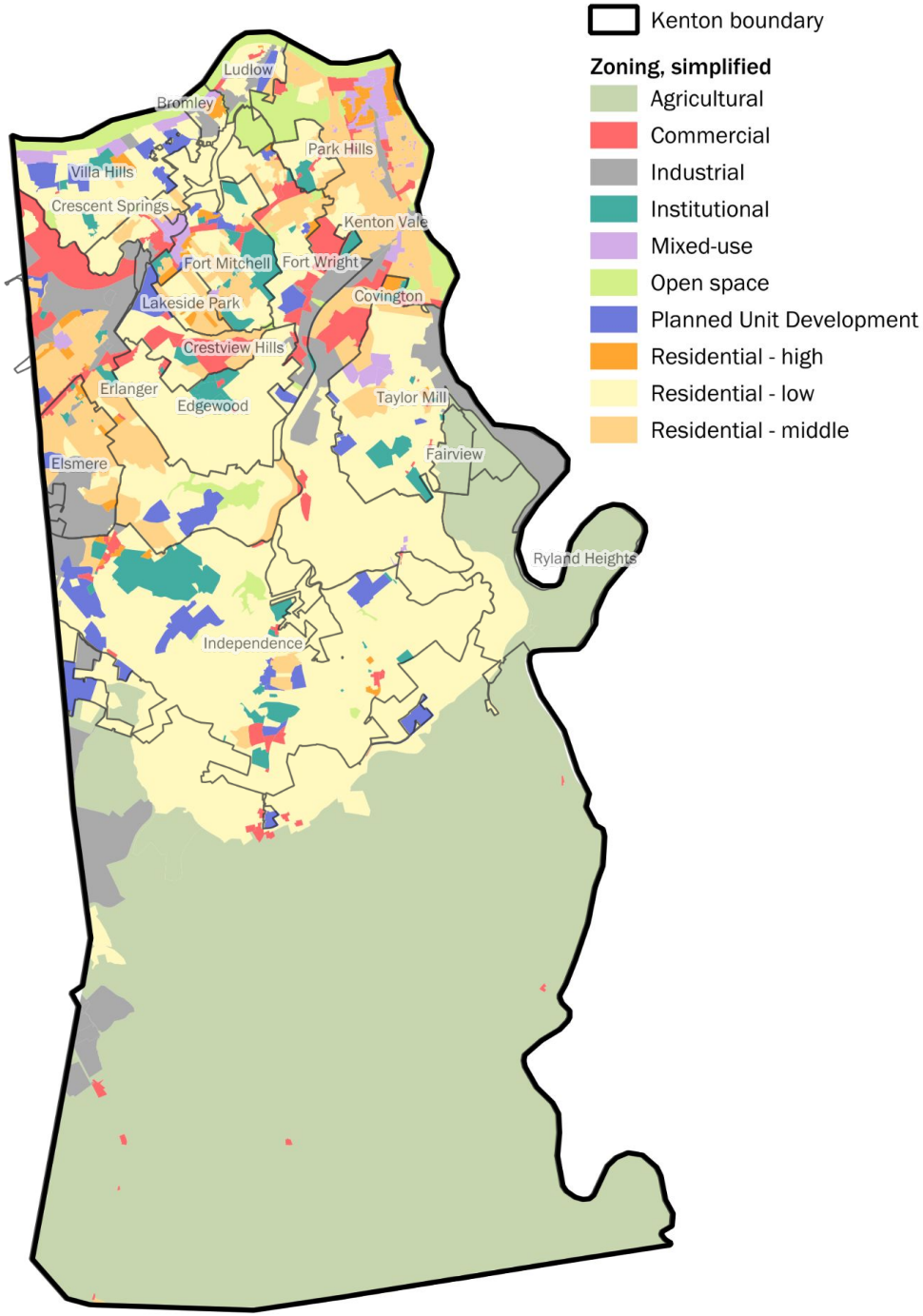
View online
https://communityscale.github.io/Kenton



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Current zoning map

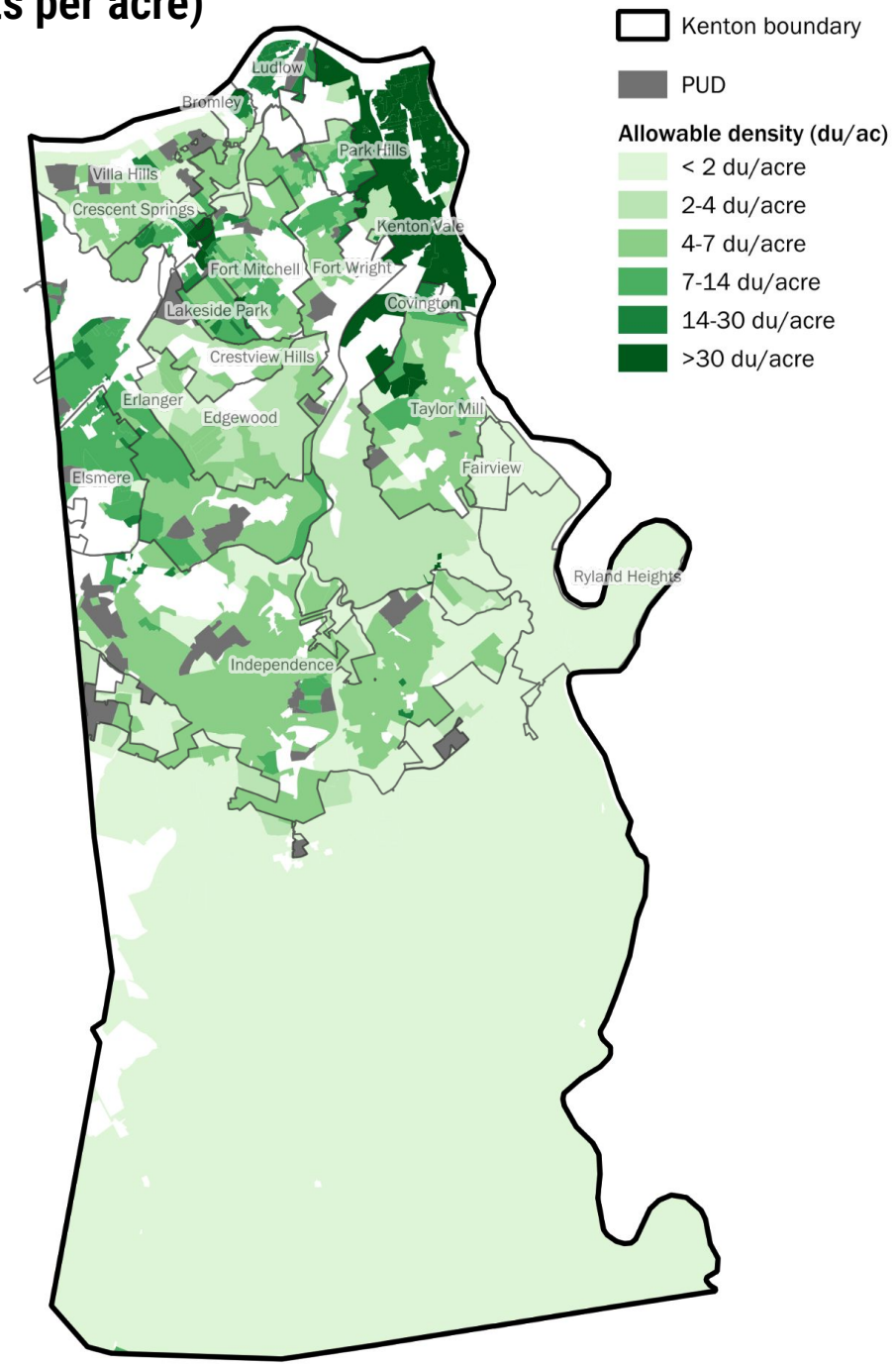
The current zoning map is shown in a simplified manner. Notably, Planned Unit Development (PUD) zoning can already be very high density and is not included in further analysis. Commercial zoning typically does not allow residential uses by-right (either no residential or only by special permit).



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Current zoning allowable residential density (units per acre)

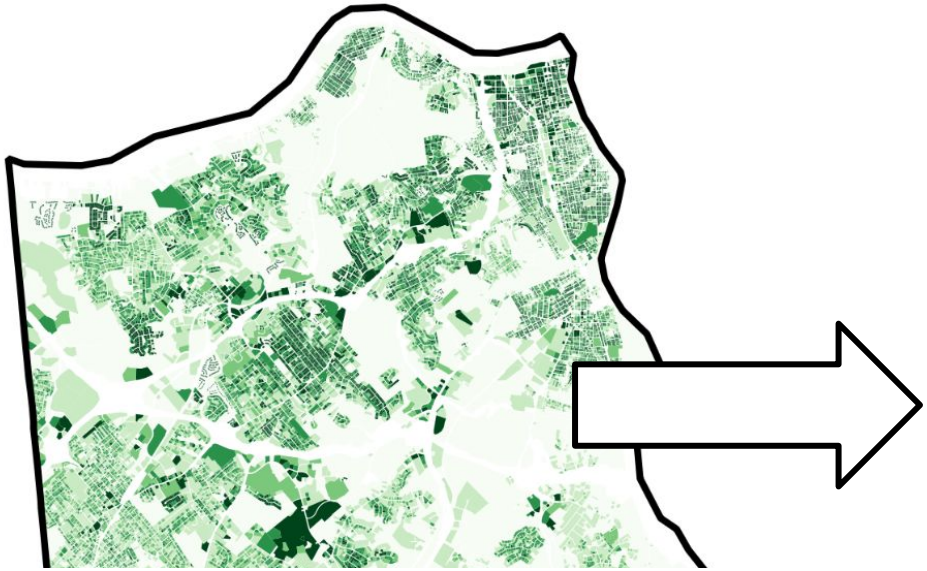
Diving into each of the underlying zoning districts, the analysis looks at the allowable by-right residential density in terms of units per acre. Some of the most suitable areas for housing currently have very low density thresholds.

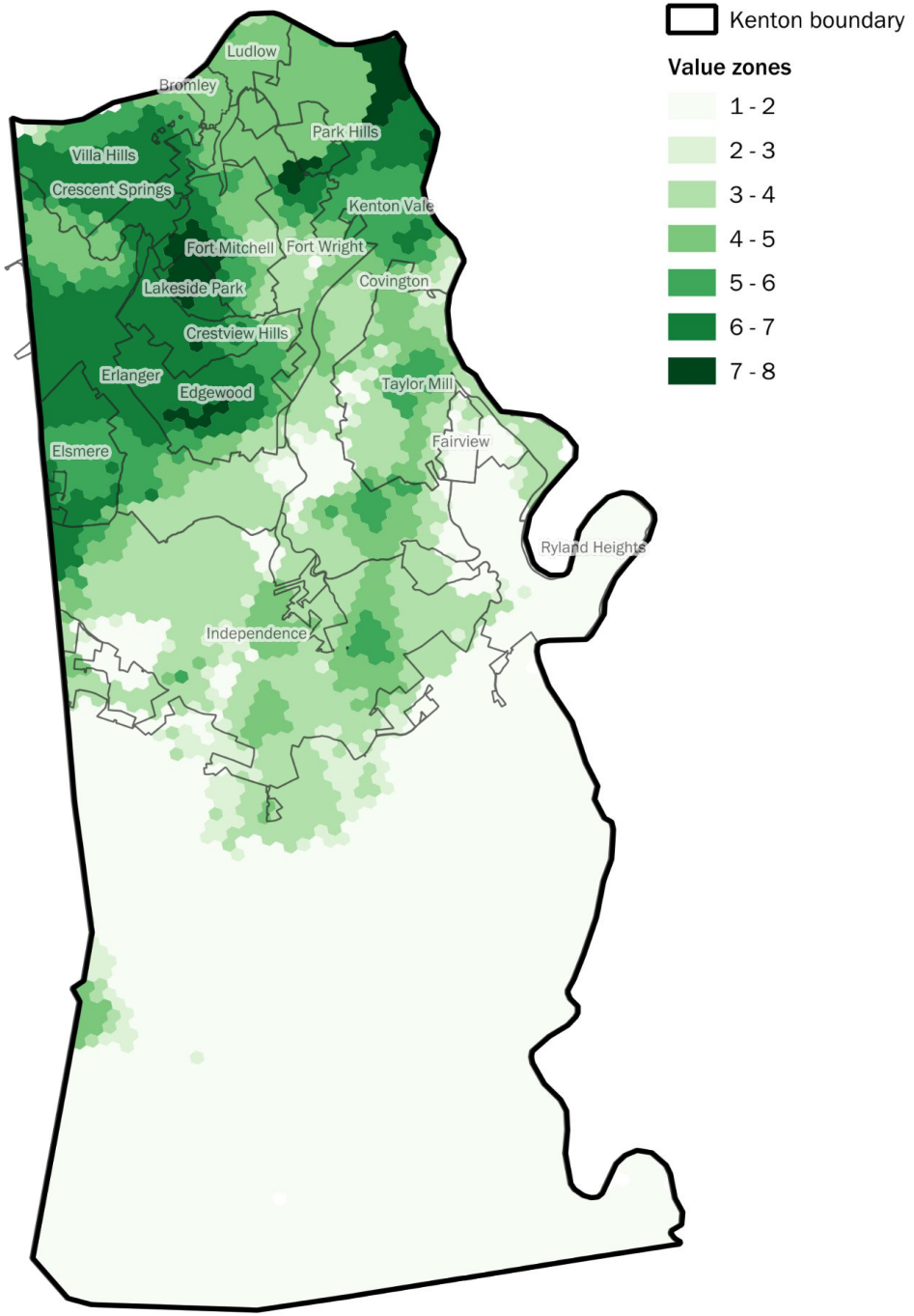


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Generalized property value per acre analysis

As shown in the previous section, income-aligned housing has the ability to "pay" between $8K-16K per unit for land. Therefore, to be financially feasible in areas with higher land values, zoning must allow for higher density housing.





The property value analysis uses the total assessed value per acre for every parcel in Kenton County, then takes an average of parcels within 1 mile to create a smoothed value grid for the purpose of identifying areas that are generally higher or lower value.

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Potential areas for allowing higher density residential uses

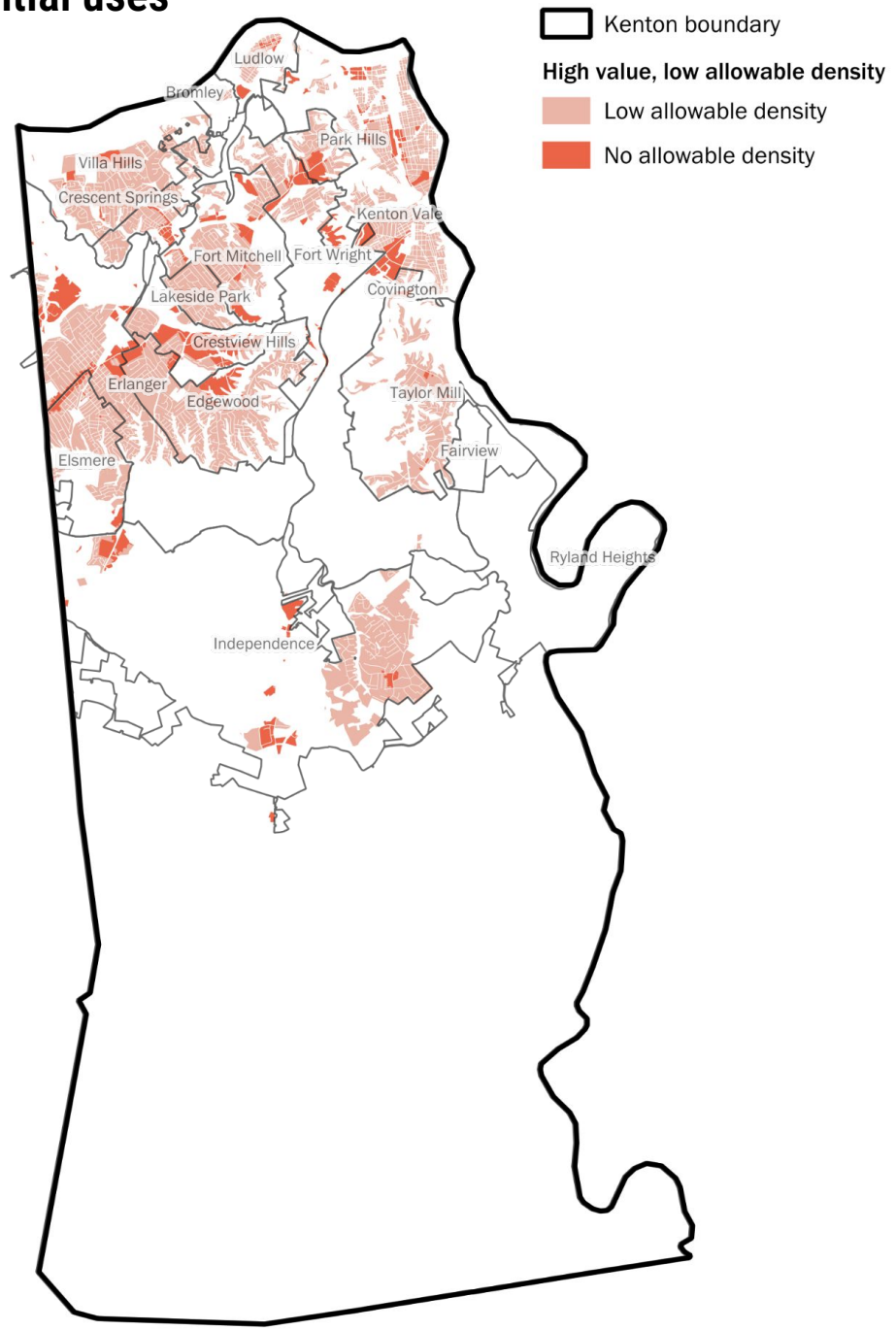
The analysis identified areas that meet three criteria:

1. Suitability score supporting infrastructure and amenities
2. High land values requiring density housing to be financially feasible
3. Regulations preventing high density

The analysis sorted the highest land values and the highest allowable density, and found misalignments between value and allowable density to indicate where zoning allowable density is preventing income-aligned housing.

Areas that meet all three criteria fall under two categories:

- Residential areas that would need to be upzoned to be able to realize income-aligned housing
- Areas that currently do not allow any residential development, such as the Commercial zones, that would need to be rezoned to allow a mix of uses, such as residential on upper stories.



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Action Plan



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Actions to advance income-aligned housing

Income-aligned housing production will create new, diverse homes to support both growth and existing residents across income brackets, meeting the needs of local communities including the growing population of seniors.

As demonstrated in the benchmarks, Kenton County has been achieving new residential construction targets. However, the availability of land and regulations has been driving development into unsuitable areas and creating conditions that are not aligned with the County's goals or the incomes of many families.

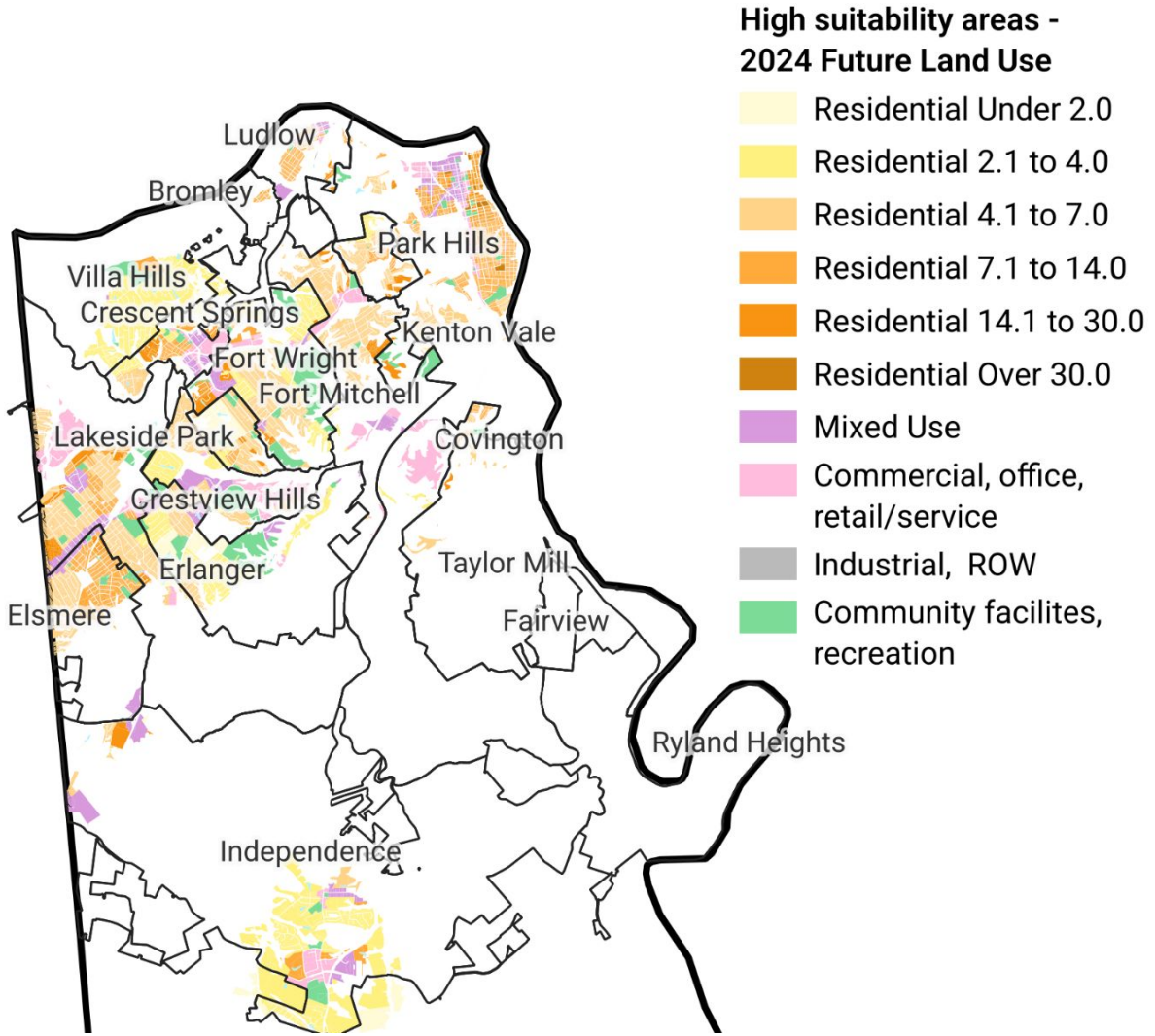
Kenton County's fundamental housing challenge is that many places where income-aligned housing development is most feasible are largely zoned for low density residential or commercial-only.

To address this problem head-on, communities in the County should consider adjusting the rules and regulations governing what can be built where, such that a larger share of the new housing meets the County's goals of being located near jobs and amenities as shown in the Suitability map. The County should also use its power and influence to support new housing within the suitable areas, especially since this construction will likely be more complicated to deliver than greenfield construction.

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Expand the suitable housing potential

Under existing zoning and land use, Kenton County has the capacity to build approximately 5,000 housing units in highly suitable areas. This land where income-aligned housing is most feasible could be totally developed in less than a decade. If these highly suitable areas were rezoned to allow denser residential development on remaining vacant land, and mixed-use residential development in commercial areas, Kenton County could potentially double buildout capacity to about 10,000 units. These changes would support the best use of this remaining land, make the development of income-aligned housing financially feasible, and maintain the existing character of more rural parts of the County.



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Land use and zoning must change to support income-aligned housing

The 2024 Recommended Future Land Use Map designates some highly suitable areas for denser housing and mixed-use commercial/residential development, but largely continues existing land use. There are 3 high-level land use strategies to maximize the use of highly suitable areas and make income-aligned housing more financially feasible. These strategies are intended to be adapted to community needs and specific local conditions.

This mismatch between where housing should go and where regulations allow it to be built is the central barrier to achieving the County's income-aligned housing goals. The proforma analysis demonstrates that income-aligned housing typically requires higher units per acre or higher than what most high-suitability areas are designated for. Similarly, commercial-only designations in walkable, transit-served corridors preclude the mixed-use development that could deliver both housing and economic vitality.

Closing this gap between market feasibility and regulatory permissions is the focus of the implementation strategies that follow. By definition, the highly suitable areas for development contain the infrastructure, amenities, and commercial activity that make them ideal locations for infill development and adaptive reuse. However, the challenge is that most high-suitability land is already developed. To overcome this, the Implementation section covers strategic intensification that can deliver income-aligned housing.



Residences at Courtyard Crossing, Independence
12 units/acre

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Action Plan

A path forward for income-aligned housing

This Action Plan aims to achieve the housing goals established in the 2024 Comprehensive Plan. The analysis confirms what many residents and employers already know: housing costs have outpaced incomes, the housing stock lacks diversity, and regulatory barriers prevent the market from responding to demand in the places best suited for growth.

The plan acknowledges that Kenton County's continued "business-as-usual" expansion into rural areas and farmland is likely to proceed. But, precisely because that is happening without any specific support, this plan focuses specifically on where housing isn't being built, which is also where it is needed most.

Rezoning to allow mixed-use development along major corridors and higher residential densities in high-suitability areas would allow the County to unlock capacity for over 10,000 new housing units. These changes align land use policy with market realities.



Overlook Apartment Homes, Elsmere. 12 units/acre



Elevation 800, Covington. 9 units/acre

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Action Plan

Achieving the benchmarks

The County and communities should prioritize resources and regulatory changes that move Kenton County toward its five housing benchmarks. Enabling infill development and mixed-use redevelopment in high-suitability areas will shift new housing production toward locations with existing infrastructure, jobs, and amenities, directly addressing the current shortfall where only 23 percent of recent development has occurred in high-suitability areas against a target of 50 percent.

Allowing a broader range of housing types, from duplexes and townhomes to small apartment buildings, will increase the share of studios, one-bedroom, and two-bedroom units that moderate-income households and smaller families need. By reducing regulatory barriers that add cost and delay, communities will support the annual production goal of roughly 550 units and ensure that new housing remains within reach of median- and moderate-income households.



Neighborhood-scale mixed-use infill in Nashville



Neighborhood-scale mixed-use infill in Southeast Atlanta

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Action Plan

Shared responsibility, local action

Translating this plan into housing on the ground will require coordinated action across multiple jurisdictions. Individual municipalities hold the authority to update their zoning codes to allow the housing types and densities called for in this plan.

The community-specific recommendations in this plan recognize that each municipality starts from a different place. Some cities have large vacant parcels ready for new neighborhood development; others have commercial corridors ripe for mixed-use infill. Some already allow a range of housing types; others will need more substantial zoning updates. The common thread is that every community in Kenton County has opportunities to contribute to the shared goal of income-aligned housing, and every community benefits when workers can afford to live near their jobs, when seniors can age in place, and when young families can find their first home.

Next steps

As municipalities adopt zoning changes and development patterns shift, PDS will continue to track progress against the benchmarks and update the strategies as needed. The immediate priorities are to adopt Future Land Use Map amendments that expand mixed-use areas and increase allowable residential densities in high-suitability locations; update zoning codes accordingly; and monitor housing production to ensure that new development is occurring in the right places, at the right densities, and at price points that Kenton County households can afford.

With a shared commitment to implementation, the strategies in this plan can deliver meaningful progress toward a more diverse, affordable, and well-located housing supply to strengthen neighborhoods, support economic growth, and expand opportunity.

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Kenton County, KY

Income-Aligned Housing Implementation Strategies & Action Plan

May 2026

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