

INCOME ALIGNED HOUSING

ELEVATOR PITCH:

At its current rate, workforce job creation in Northern Kentucky is outpacing workforce housing availability, putting strain on families and employers.

The Northern Kentucky Housing Study found that the region needs to generate an additional 6,650 housing units beyond currently planned developments to support continued economic growth over the next 5 years. To have the greatest impact, these additional housing units must be a mix of homes, apartments, and condos that fit the needs of our diverse workforce.

In a world with a changing workforce, communities with strong economies and policies that ensure income-aligned housing for all residents will find ways to win the global competition for talent. If we want our region's economic vitality to continue, we must engage leaders from communities across Northern Kentucky to take steps that ensure our collective success.

KEY MESSAGE 1: Income Aligned Housing is essential to continued economic vitality.

Having an ample supply of income-aligned housing is fundamental for Northern Kentucky to meet our basic economic needs and enable regional growth. A lack of available income-aligned housing for new jobs will hinder the region's growth by making it harder and more expensive for employers to find and recruit talent in the competitive labor market.

A diversity of income-aligned housing stock ensures that we have homes available for the variety of income levels our region boasts, supporting everyone from C-suite executives, fixed-income seniors, and teachers to supply chain and logistics employees, nurses and first responders, and those working in Northern Kentucky's growing hospitality industry.

- Housing stock is a critical component of site selection for employers looking to expand or relocate in Northern Kentucky. Our region is in a global battle for economic growth and talent acquisition. Site Selection Magazine, income-aligned housing is a top 10 location factor for companies in the site selection process.
- Currently, 60% of Northern Kentucky occupations generate an annual average salary below \$60,000. These jobs that form most of our workforce are essential to our community and include teachers, supply chain and logistics employees, nurses and first responders, and those in the hospitality industry, as well as fixed-income seniors.
- Looking ahead, 67% of job growth will occur in this workforce segment over the next decade, and for NKY's economy to continue to grow, these employees need housing. Already, there are 2.21 workforce jobs for each housing unit available for these workers.

KEY MESSAGE 2: The "missing middle" and lack of availability are holding our region back.

There isn't enough housing in our region to meet our growing and changing housing needs, especially as the number of jobs paying below \$60,000 will continue to dominate the NKY labor market and the demand for larger homes drops.

Experts refer to this gap of smaller housing units as the "missing middle," the limited availability of which pushes prices out of range for many.

The Northern Kentucky region needs a focused effort to fill the gap in housing stock diversity. When Northern Kentucky's hardworking families have a place to live, they have better health, better educational opportunities, and greater economic success for the region.

- In Northern Kentucky, developers and community leaders need to fill the gap of our 'missing middle' homes by adding apartments, duplexes, condos, and higher-density 1 to 2-bedroom homes. This diversity of housing stock is essential to ensuring that our workforce has a place to live.
- Homeowner tenure in Greater Cincinnati and Northern Kentucky has doubled since 2005, contributing to the lack of available housing stock. Local residents spend 13+ years in their homes, twice the national average of 6.5 years from 2005.
- Across the U.S., and in Northern Kentucky, populations are changing. By 2029, older adults will outnumber children in the U.S. for the first time. If we cannot provide adequate housing stock to fit the needs of all our residents, we will lose talent to other metropolitan regions, hold back the next generation of young leaders from reaching their full potential, or price fixed-income seniors out of right-sized homes.

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KEY MESSAGE 3: Income Aligned Housing is a problem for all of us.

Northern Kentucky can only prosper when all of our communities prosper, as strain on one community can ripple into its neighbors. Likewise, strong communities can bolster those around them.

That's why we need to make sure that all communities have the critical resources they need, like good income-aligned homes for all our neighbors. Income-aligned housing and housing stock availability are essential to ensure Northern Kentucky continues to be a great place to live, work, play, learn, and give back.

- Current housing stock is well positioned for middle- to upper-middle professional incomes, but availability for workforce employees is currently lacking and will be exacerbated by continued economic growth in the region. This lack of housing can drive up housing costs near job centers, making it more expensive for employers to find and recruit employees.
- Lack of housing availability means that our workers will need to find housing outside of job centers, forcing longer commute times, and impeding access to healthcare, grocery stores, and quality of life amenities that make Northern Kentucky a great place to live, work, play, learn and give back.
- Northern Kentucky thrives on its many unique communities, yet a shortage of housing stock can leave our neighborhoods stagnant. Tailored solutions addressing unique community needs require support from both public officials and the wider community.