



Severe Housing Problems in Kentucky

HOUSING IN KENTUCKY SERIES

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Author: Joe Kerksmar, CEDIK Research Analyst

OVERVIEW

This paper provides a closer look at severe housing problems as well as the differences across rural and urban Kentucky. There are several criteria that fall under severe housing problems, such as “overcrowding, high housing costs, lack of kitchen facilities, or lack of plumbing facilities.”¹ According to County Health Rankings, 13.2% of homes in the state of Kentucky have at least one of four housing problems. Severe housing problems data are collected through the U.S. Census Bureau’s American Community Survey (ACS) and published in the U.S. Department of Housing and Urban Development’s (HUD) Comprehensive Housing Affordability Strategy (CHAS). For housing problems to be considered “severe” the overcrowding in a home must be more than 1.5 persons per room, and the cost burden means that monthly housing costs including utilities exceed 50% of monthly income.²

In general, homeownership has been viewed as “The American Dream” having a positive association with wealth accumulation, and subsequently encouraged as a goal by policymakers in the United States (Goodman & Mayer, 2018). However, when housing is inadequate, it has a negative effect on a person’s mental and physical health. Living in unaffordable housing can increase the odds of poor self-rated health, hypertension, and arthritis (Pollack, Griffin, & Lynch, 2010). Cost-burdened households may have to choose between paying their housing costs and using

that money for other necessary items like food, clothing, and medical care. Severely cost-burdened families can be evicted from their homes, ultimately experiencing housing insecurity and homelessness. Households lacking in kitchen and plumbing facilities run the risk of illness and disease from unsanitary conditions. Insufficient kitchen facilities leave the household in the bind of choosing among no nutrition, poor nutrition from prepackaged ready-to-eat foods, or seeking food outside of the home. Overcrowding increases the risk of infectious disease, mental health problems, and poor educational attainment (WHO, 2018).

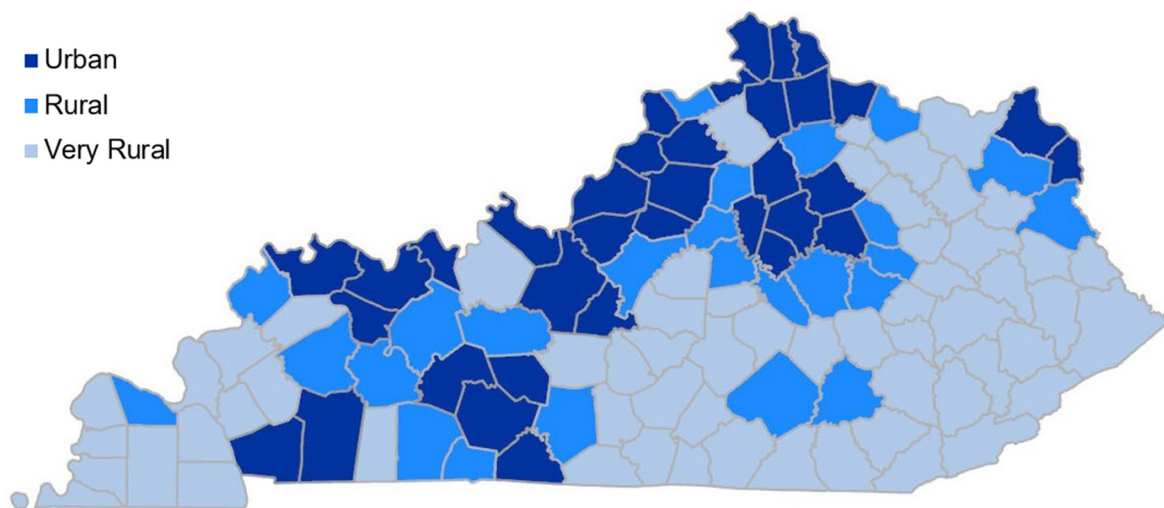
When considering housing policies, it is important to understand the condition of the existing housing stock as well as the demand for new housing. Robust housing planning should include measures or steps for addressing severe housing problems in addition to new construction. To gain a better understanding of the severe housing problems in Kentucky, this paper examines the issues in deeper geographical detail, separating Kentucky’s counties into urban, rural, and very rural. The counties are assigned into a category based on the 2013 Rural Urban Continuum Codes (RUCC)³ as follows: counties with RUCC codes of 1-3 are urban, counties with codes 4-6 are rural, and counties with codes 7-9 are very rural (Figure 1). Furthermore, housing is divided into renter-occupied and owner-occupied units to gauge if there are significant differences by type of property or not.

¹ County Health Rankings, <https://www.countyhealthrankings.org/explore-health-rankings/county-health-rankings-model/health-factors/physical-environment/housing-and-transit/severe-housing-problems?year=2023>

² U.S. Department of Housing and Urban Development, https://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html

³ U.S. Department of Agriculture, Economic Research Service, <https://www.ers.usda.gov/data-products/rural-urban-continuum-codes/>

Figure 1. Reference Map of Kentucky Counties: Urban, Rural, and Very Rural

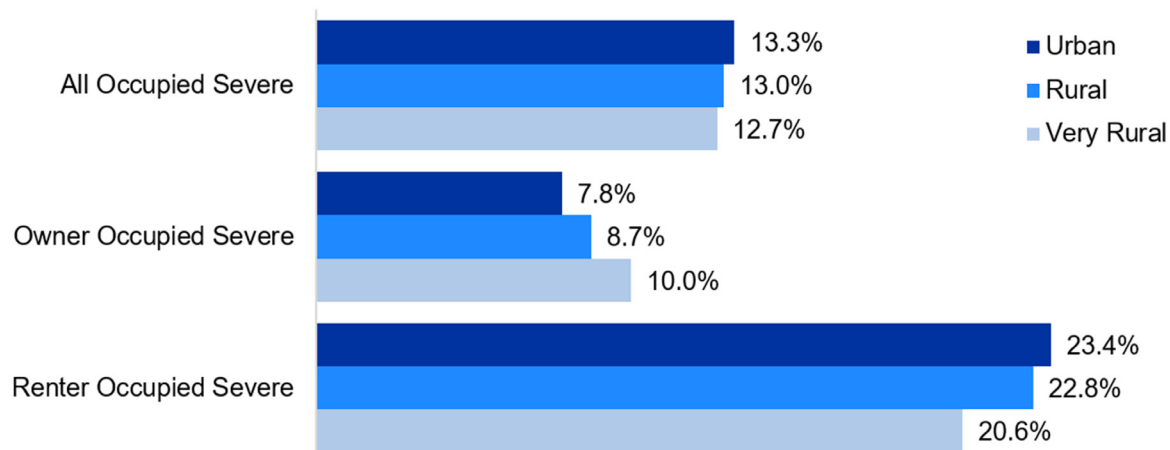


Source: USDA/ERS 2013 Rural-Urban Continuum Codes (RUCC)

Figure 2 below illustrates the difference in overall severe housing problems for the three different types of geographical designations for the Kentucky counties (urban, rural, very rural) and the two property types (rented and owned). As the image depicts, overall the variation in the percentage of housing units with severe housing problems is very small between urban, rural and very rural counties. However, when taking into consideration the property type, there is a wide gap between owner- and renter-occupied categories. Owned-occupied units with severe housing problems are between 7.8% and 10.0%, while a fifth to nearly a

quarter (20.6% to 23.4%) of all renter-occupied units have severe housing problems. Among owner-occupied units, the very rural counties have the highest percentage of severe housing problems (10%) and the urban counties have the lowest figure (8%). The situation is reversed for the renter-occupied units, where the lowest percent is for very rural counties (21%) and the highest percent is for the urban counties (23%). A future analysis could look at different socio-economic characteristics for these areas to try and understand some of the reasons for the gap in severe housing problems between owner- and renter-occupied units.

Figure 2. Severe Housing Problems in Kentucky by rural designation and type of property (% housing units), 2019



Source: HUD/CHAS, 2019

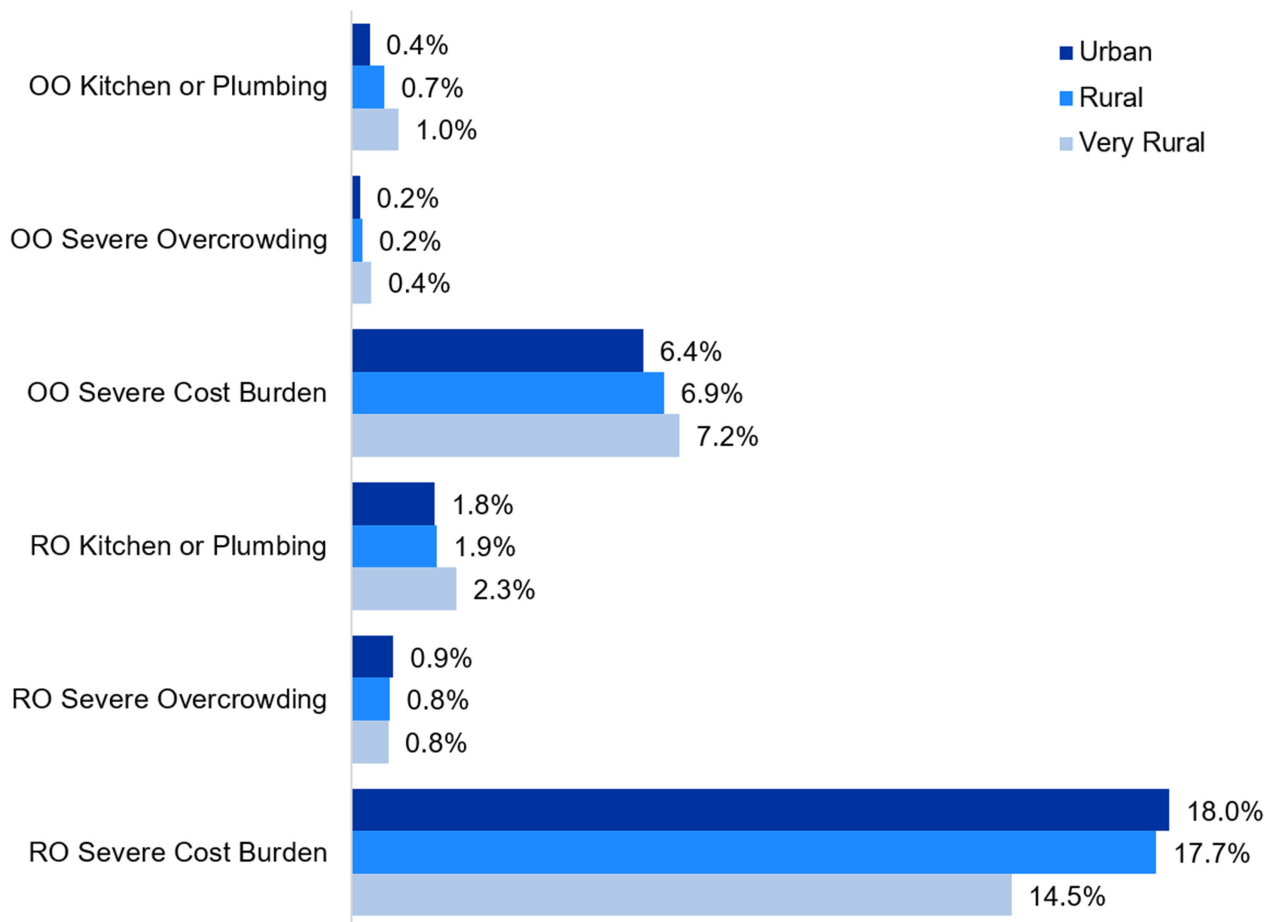
SEVERE HOUSING PROBLEMS BY TYPE

Figure 3 below illustrates the make-up of severe housing, by breaking out its components: housing units lacking complete kitchen or plumbing facilities are combined into one variable by CHAS; severe overcrowding units with more than 1.5 persons per room; and, severe cost burden units where monthly housing and utility costs exceed 50% of monthly income. The data are analyzed and presented by rural-urban designation (urban, rural and very rural) and by property type (rented or owned).

Figure 3 reveals a vast difference in the percentage of units with severe housing problems not only between owner-occupied (OO) and renter-occupied homes (RO), but also in severe cost burden as compared to

the other housing problems. As the visual depicts, severe overcrowding is the least encountered housing problem, affecting under 1% of Kentucky’s renters and owners, regardless of region. The chart also teases out evidence that very rural areas experience a greater percentage of homes lacking kitchen or plumbing facilities for both owner and renter occupied homes versus urban or rural areas, however those percentages are still small in comparison to the severe cost burden. The percentage of units with severe cost burden is significantly higher for renter-occupied units than any other housing problem, with values between 14.5% for very rural areas and 18% for urban areas. Though smaller in value, the percentage of units with severe cost burden is higher than other severe housing problems for the owner-occupied units.

Figure 3. Individual Housing Problems in Kentucky by rural designation and type of property (% housing units), 2019



Source: HUD/CHAS, 2019

While no problem is “better” than the other three, it is notable that 10.2% of Kentucky households experience severe cost burden, accounting for the majority of the severe housing problems for both renter-occupied (RO) and owner-occupied (OO) units. Though these data are from 2019, the increase in housing prices since the global pandemic, increases in raw material prices, shipping costs, and shipping delays over the last few years suggest that the severe cost burden problem has most likely not improved in the meantime. Also, these data do not include the impact of severe weather events such as flooding and tornadoes that affected eastern and western Kentucky in the last few years.

With one out of ten Kentucky households suffering severe cost burden, it bears to reason that housing policies might tend to target the financial problems of homeownership. Measures have been taken to abate some

housing problems in Kentucky such as the Rural Housing Trust Fund (RHTF) established in March 2023. The RHTF sets \$20M to invest in rural housing solutions in eastern and western Kentucky equally, in the wake of recent natural disasters through the Kentucky Housing Corporation.⁴ This could become a continuously funded trust fund⁵ and is different from the Affordable Housing Trust Fund (AHTF) which stems from the 1996 General Assembly legislative session to establish a state policy on housing. Furthermore, the Kentucky Housing Corporation has announced plans to conduct a Housing Needs Assessment to find and fill the gaps in the housing supply and needs at every level of income with robust and alternative technologies (KHC, 2023). Future research could look at the effects of these measures in regard to the severe housing problems in Kentucky.

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⁴ <https://kentuckylantern.com/2023/03/17/legislature-approves-20-million-for-housing-in-disaster-zones/>

⁵ In wake of disasters, legislature looks to create Rural Housing Trust Fund <https://www.kentucky.com/news/politics-government/article273090455.html>