Research Update
Community-Wide Housing Strategy

Vincent Reina & Claudia Aiken | June 24, 2019

Contents

1. Who We Are

- Professor of City and Regional Planning at the University of Pennsylvania, with a special focus on low-income housing policy

- Research Associate at PennPraxis

- Consultants alongside LISC Philadelphia for the Philadelphia HAP, adopted October 2018

2. Where we are

✓ **Visioning:** key themes, guiding principles

✓ **Studies:** housing affordability study, vacancy survey

✓ **Capacity:** Relationships formed, city endorsed

➡️ What is our role as your consultants going forward?

CWHS Themes

Protecting our most **vulnerable residents**

Preserving and developing **long-term affordability**

Building **capacity for development** and innovative ownership structures

Housing that builds strong, **inclusive communities**

Housing **production** drives economic growth

Encouraging equitable growth without **displacement**

Providing pathways to **sustainable homeownership** and wealth creation

3. The Housing Market: Existing Conditions

Photo by Julianna Boehm

Photo credit: Trulia
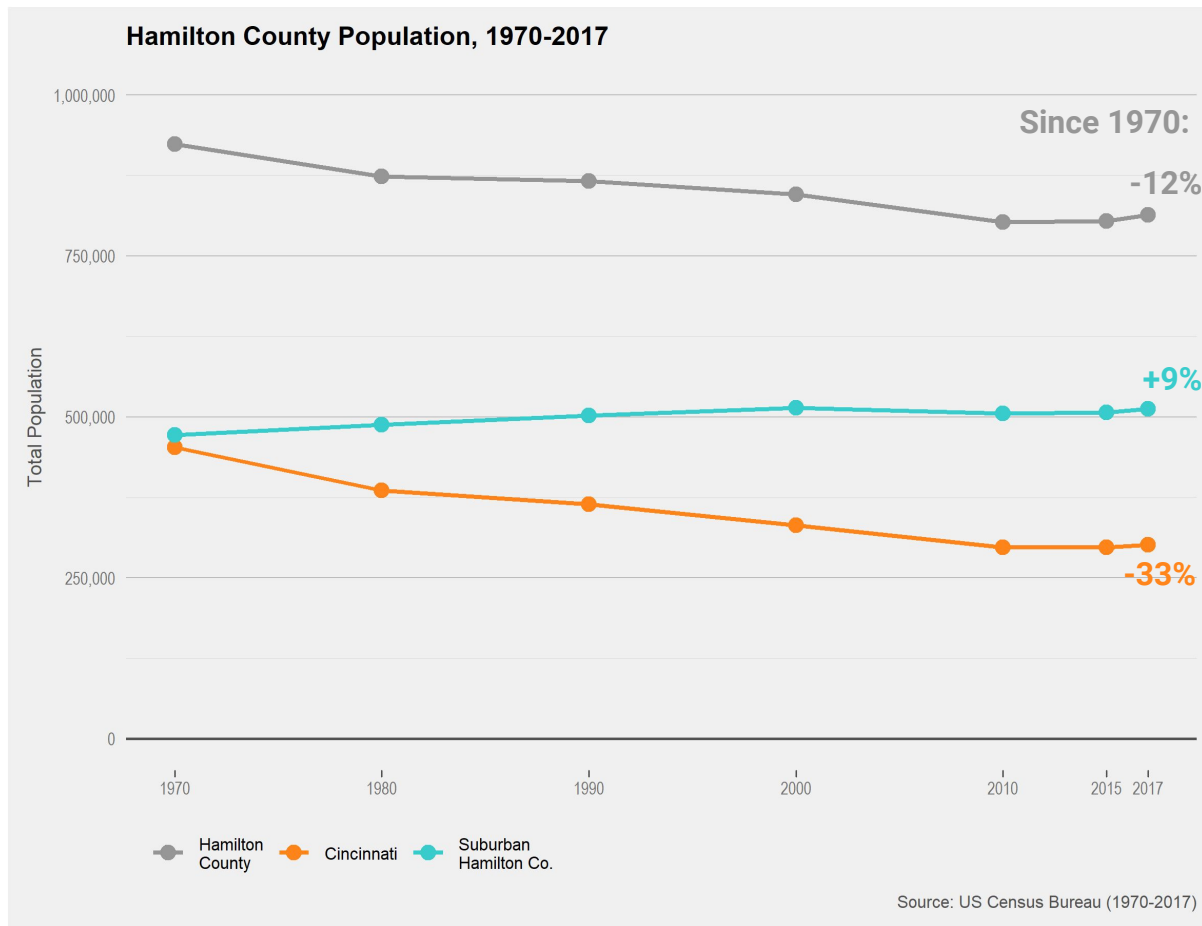

Photo by Phil Didion

a. Growth

Population

Signs of Change

Historically, Cincinnati has lost population to the suburbs

Over the last few years, both Cincinnati and suburban Hamilton County have seen a slight uptick in population
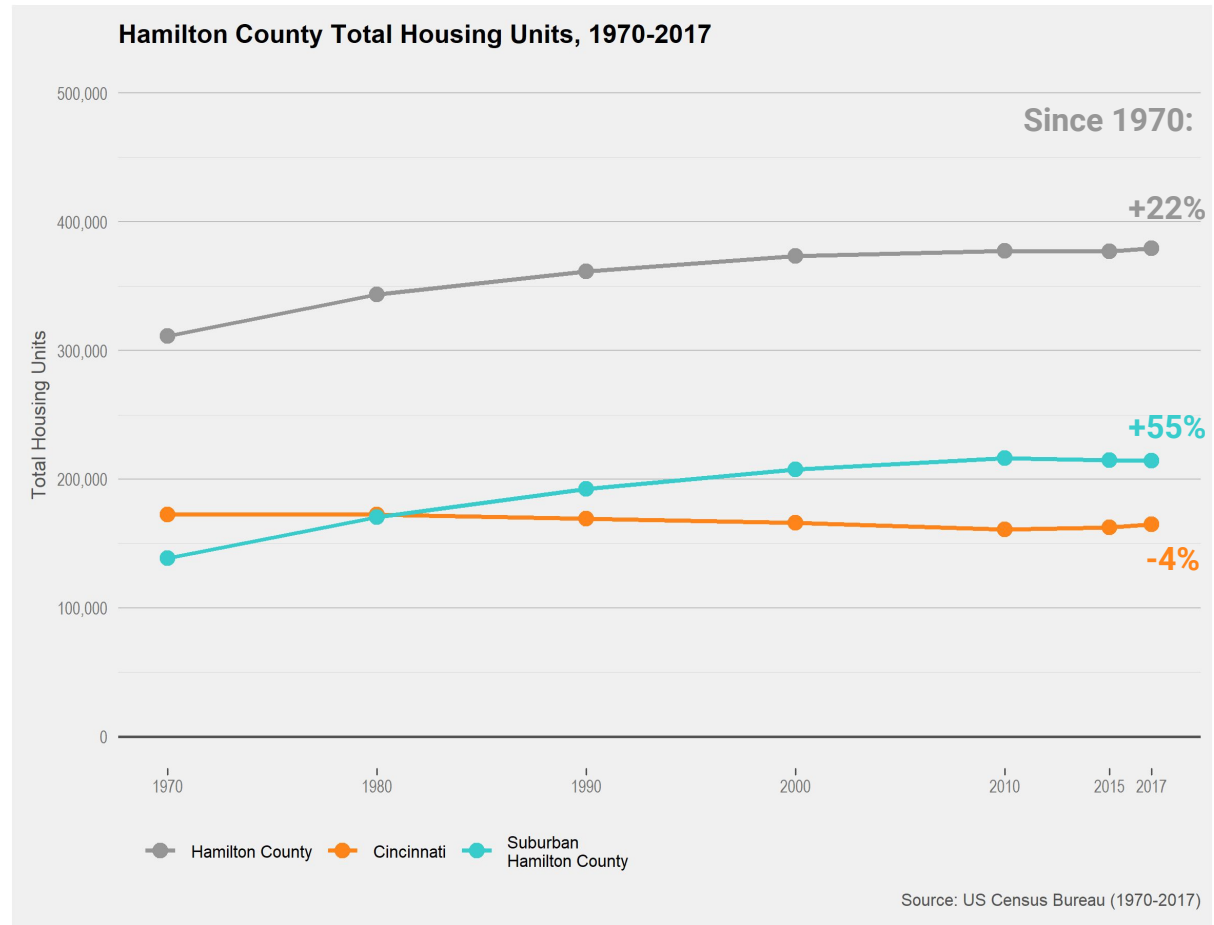
Capstone Ohio Markets Report

The Cincinnati MSA's population has grown by 8% since 2000 and is expected to continue to grow

Hamilton County Population, 1970-2017

Total Population

Since 1970:

-12%

+9%

-33%

1,000,000

750,000

500,000

250,000

0

1970   1980   1990   2000   2010   2015 2017

● Hamilton County   ● Cincinnati   ● Suburban Hamilton Co.

Source: US Census Bureau (1970-2017)

Housing Units

The Cost of Construction

LISC/ULI found that residential unit **construction cost** increases have outpaced median income growth, with average single- and two- family home construction costs in particular rising by **58%** between 2000 and 2014.

Hamilton County Total Housing Units, 1970-2017

Since 1970:

+22%

+55%

-4%

Total Housing Units

1970 1980 1990 2000 2010 2015 2017

Hamilton County   Cincinnati   Suburban Hamilton County

Source: US Census Bureau (1970-2017)

Building Permits

Growth in New Residential

Residential building permitting in Hamilton County has risen steadily since the Recession. Since 2010, permits are issued at a rate of about 600 per year. The vast majority of permits are for **single-family detached units**. In 2017, 25 permits were issued for multifamily buildings with more than 5 units.

Residential Building Permits Completed in Cincinnati, 2010-2017

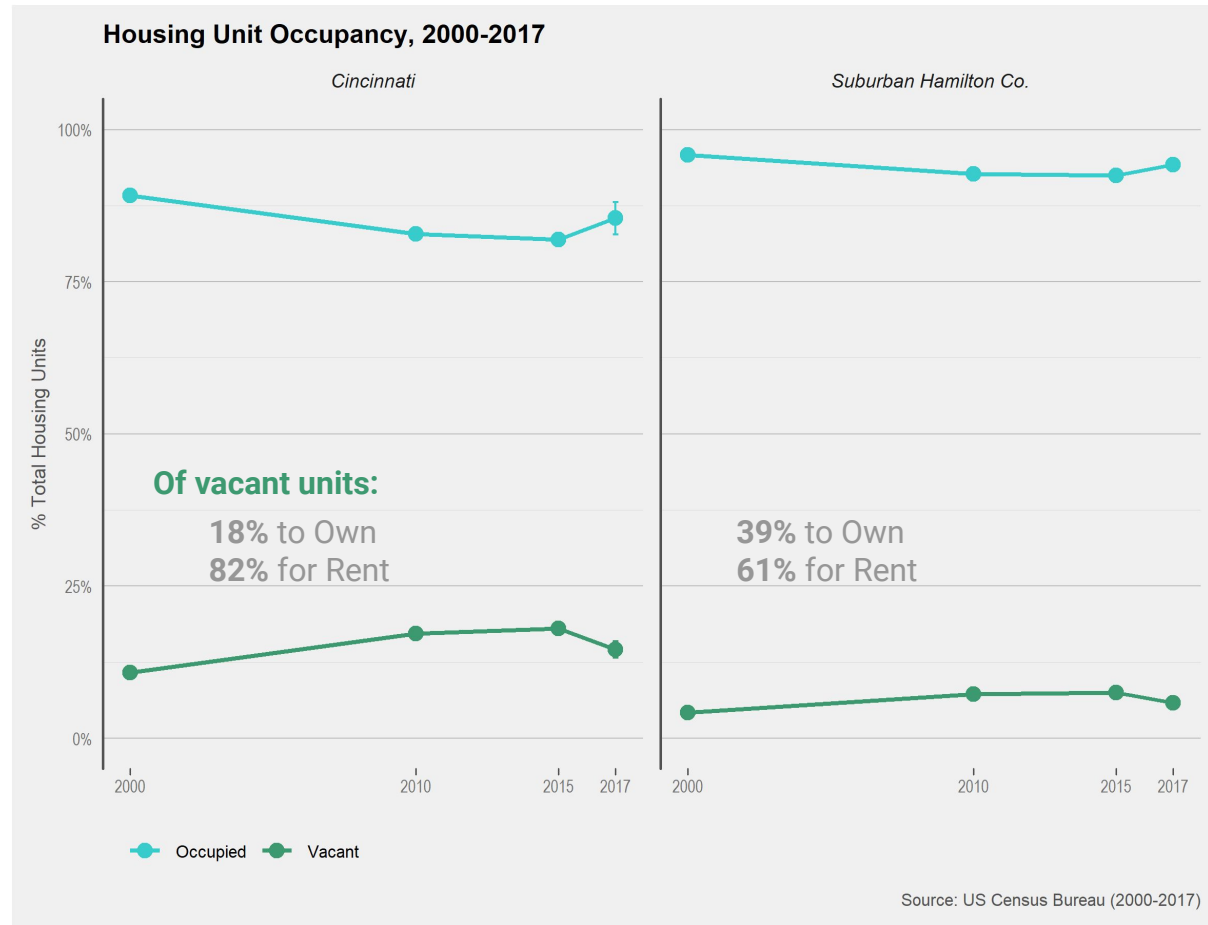Source: City of Cincinnati (2010-2019)
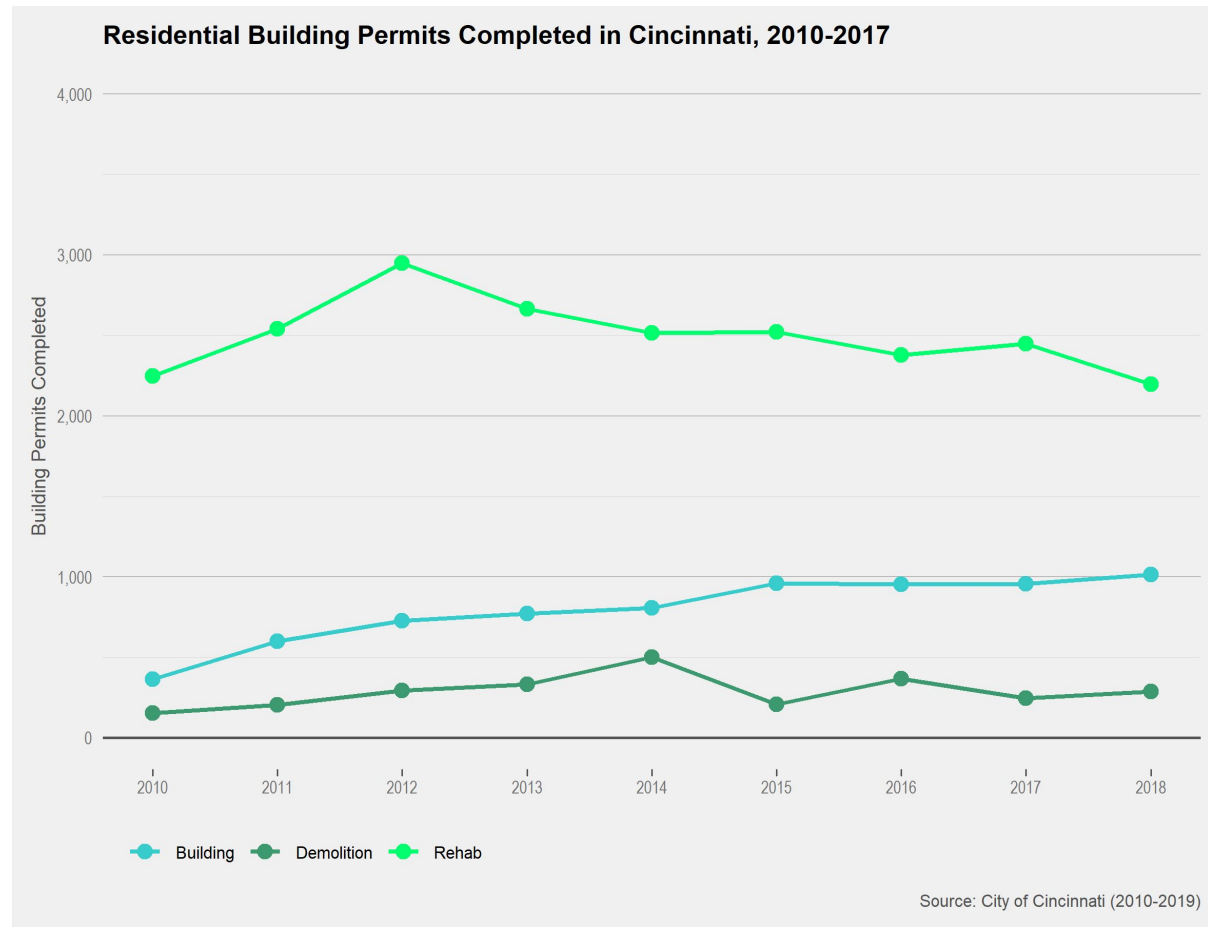
b. Unit Characteristics

Vacancy

Vacancy Survey

LISC and ULI identified **6,536 vacant parcels**, 80% of which were in Cincinnati and 20% in the county. Of the 4,183 empty buildings, 41% were classified in "good condition." Most were **single-family buildings**.

Capstone Ohio Markets Report

Vacancies in the Cincinnati MSA hit lows of 4.9% this year. A total of 2,800 units were absorbed last year, with the highest absorption in Downtown Cincinnati (700 units)
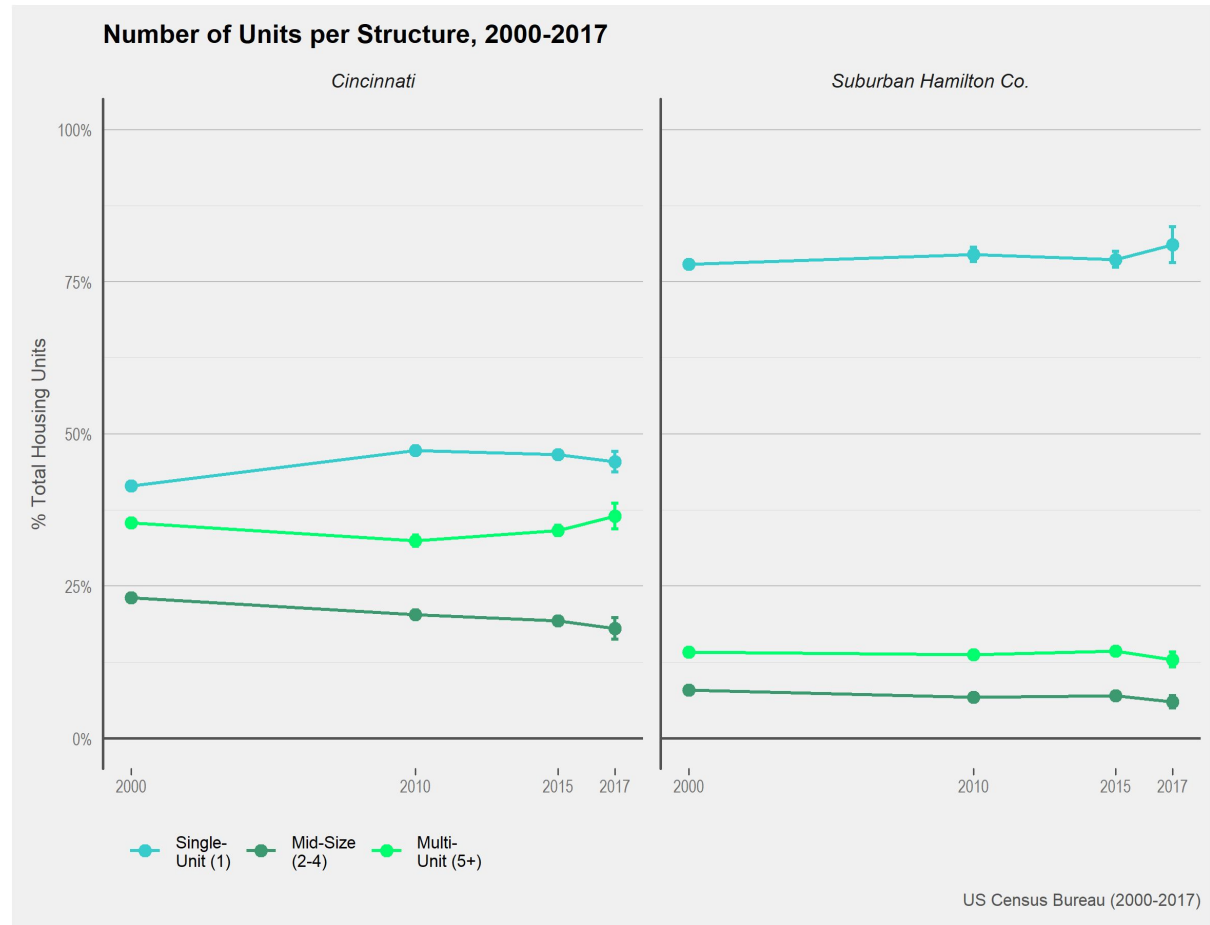

Housing Unit Occupancy, 2000-2017

Of vacant units:
Cincinnati — 18% to Own, 82% for Rent
Suburban Hamilton Co. — 39% to Own, 61% for Rent

Source: US Census Bureau (2000-2017)

Unit Type

Large Supply of Single-Family
The supply of single-family housing exceeds mid-size and multifamily housing, especially outside Cincinnati

Of **single-unit housing** structures in Cincinnati, 94% are detached structures and 6% attached (row-home); in Suburban Hamilton County, 95% detached, 5% attached structures.
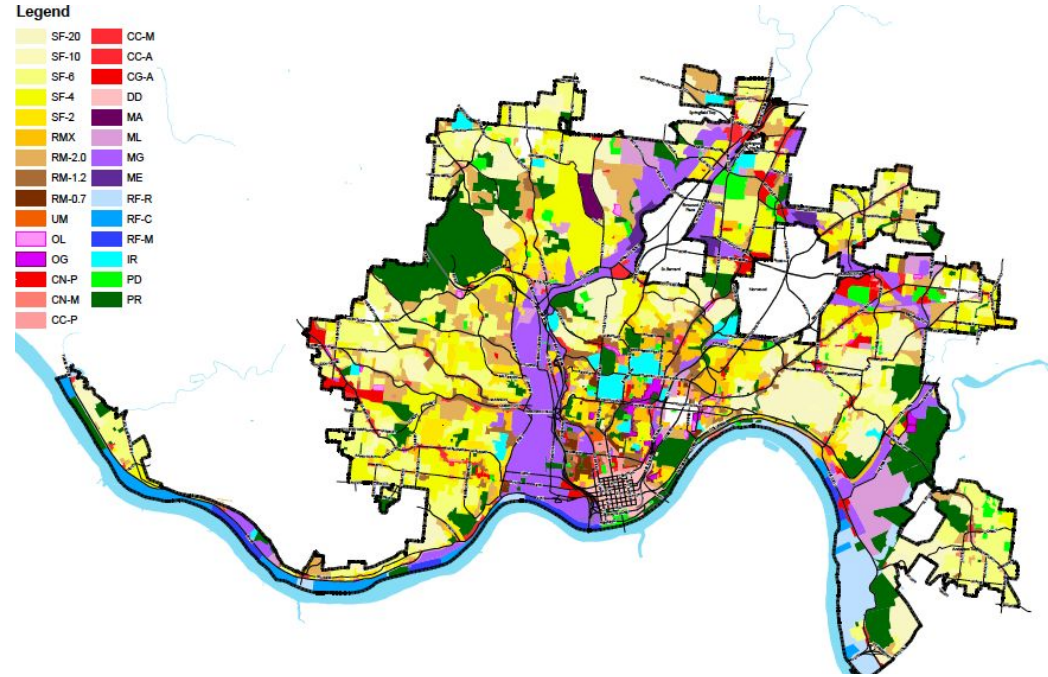

Number of Units per Structure, 2000-2017

Cincinnati   *Suburban Hamilton Co.*

% Total Housing Units

Legend: Single-Unit (1), Mid-Size (2-4), Multi-Unit (5+)

US Census Bureau (2000-2017)

Zoning

Land Set Aside for Low Density

Outside of downtown, much of the city is zoned for single-family development at various levels of density. The rezonings or conditional approvals that are necessary to build multifamily affordable housing create the opportunity for NIMBYism

In addition, the zoning code does not include inclusionary housing obligations or incentives


Cincinnati, OH Zoning Map

Legend

SF-20	CC-M
SF-10	CC-A
SF-6	CG-A
SF-4	DD
SF-2	MA
RMX	ML
RM-2.0	MG
RM-1.2	ME
RM-0.7	RF-R
UM	RF-C
OL	RF-M
OG	IR
CN-P	PD
CN-M	PR
CC-P	

Zoning

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In addition, the zoning code does not include inclusionary housing obligations or incentives

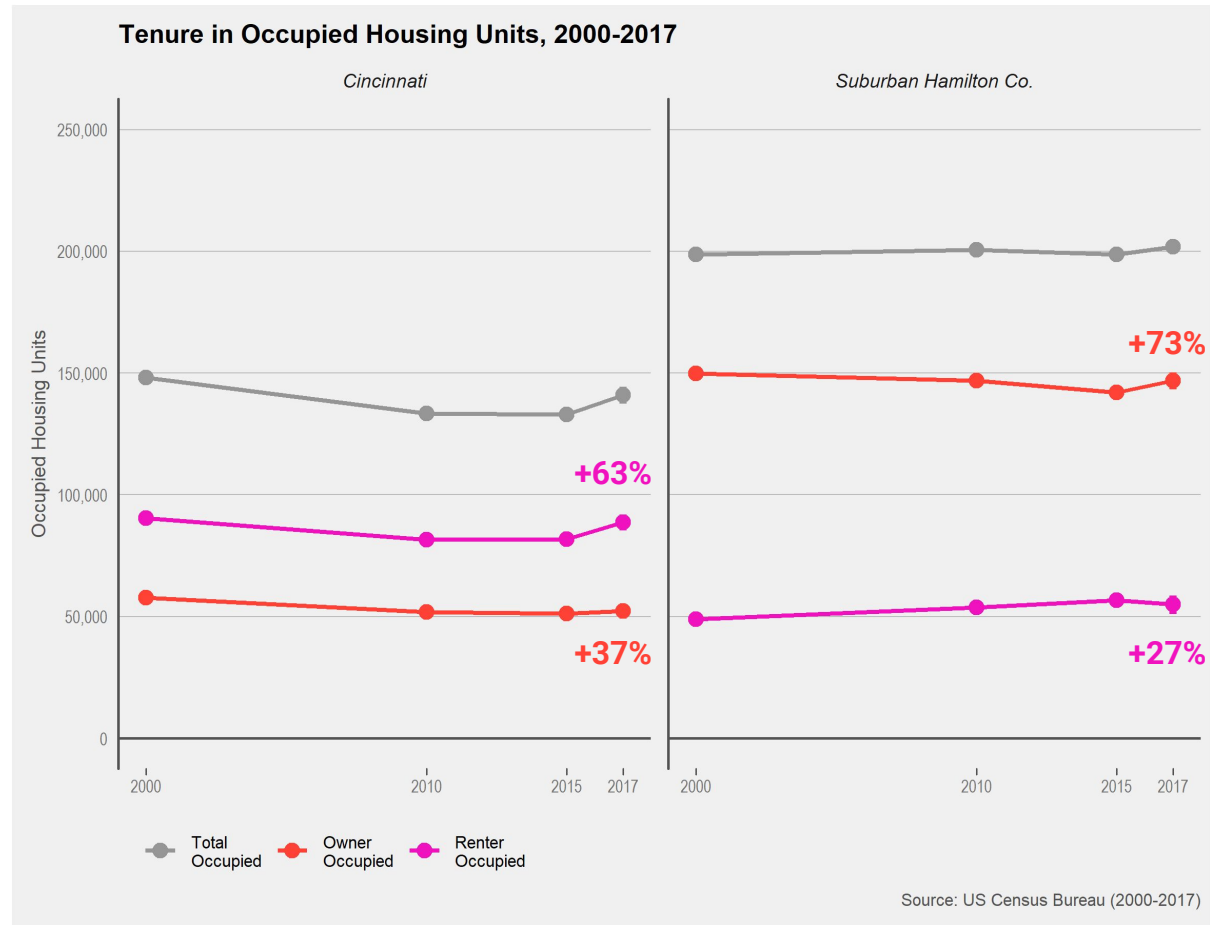Cincinnati Areas Zoned Exclusively for Single Family Residential

Single Family (77%)   Other Residential (23%)   Non-Residential
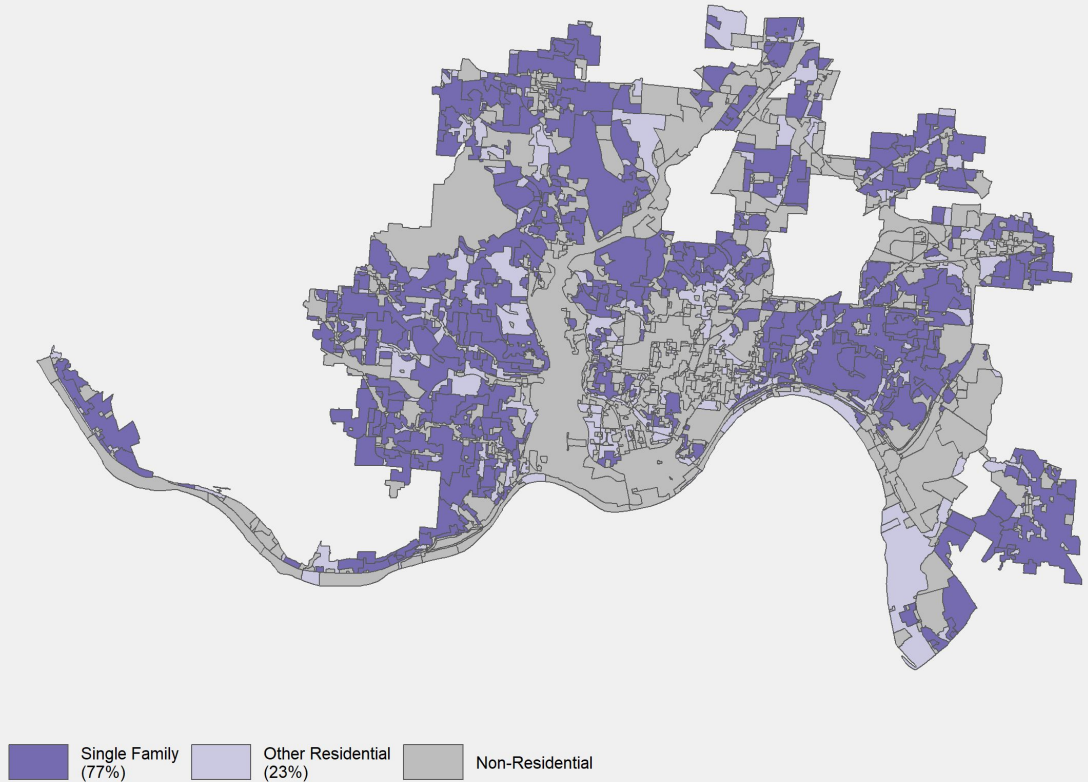
Source: CAGIS

Tenure

Uptick in Rentership
Census data show a slight increase in renting in Cincinnati since 2015.

Moderate Ownership
Hamilton County has more **owner-occupied housing units** than renter-occupied units; the owner-occupancy rate (58%) is slightly lower than the state and and slightly higher than the national rates of 60% and 56%, respectively.
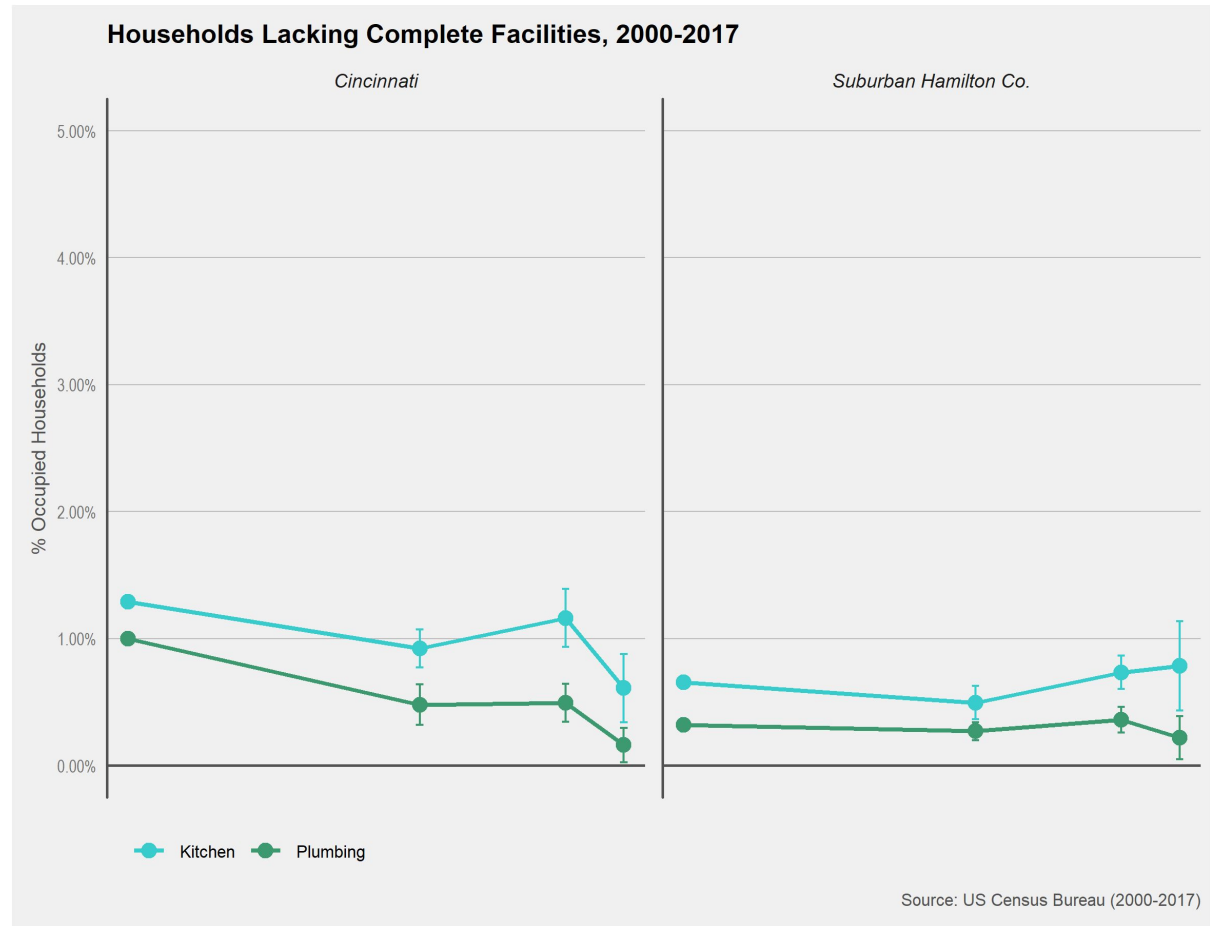
Tenure in Occupied Housing Units, 2000-2017

Cincinnati | *Suburban Hamilton Co.*

+63%
+37%
+73%
+27%

Occupied Housing Units

Total Occupied · Owner Occupied · Renter Occupied

Source: US Census Bureau (2000-2017)

Housing Quality

Lack of housing conditions data
Is there access to code violations data?

2019 AFH
The Fair Housing Assessment found poor and worsening housing conditions for low-income tenants, especially immigrants/refugees.


Households Lacking Complete Facilities, 2000-2017

Cincinnati — *Suburban Hamilton Co.*

Y-axis: % Occupied Households (0.00%, 1.00%, 2.00%, 3.00%, 4.00%, 5.00%)

Legend: Kitchen, Plumbing

Source: US Census Bureau (2000-2017)

c. Household Characteristics

Household Composition by Area

A City-County Split

Non-family households are much more common in the city than in the county, at least in part due to the student population
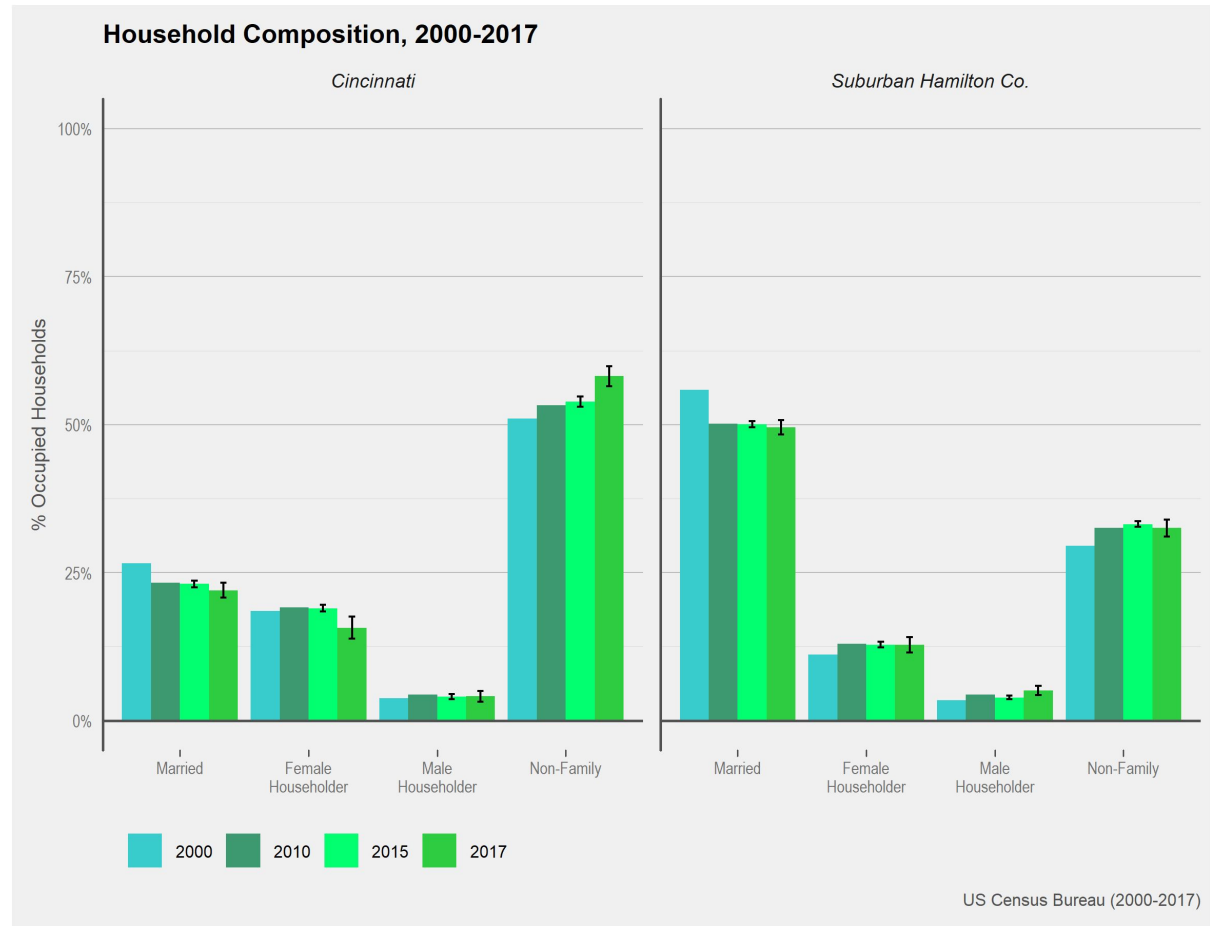
Household Composition by Tenure

Non-family households own, too

Zooming into Cincinnati, non-family households, including those living alone, are only somewhat more likely to rent than to own

Cincinnati Household Composition by Tenure, 2000-2017

# Householder Age by Area

2015 United States of Aging Survey

According to a survey conducted in Cincinnati and Denver, 70% of Cincinnati seniors intend to continue living in their current home, but only 31% say that the community is prepared to help them with home maintenance as they age

Age of Householder, 2000-2017

US Census Bureau (2000-2017)
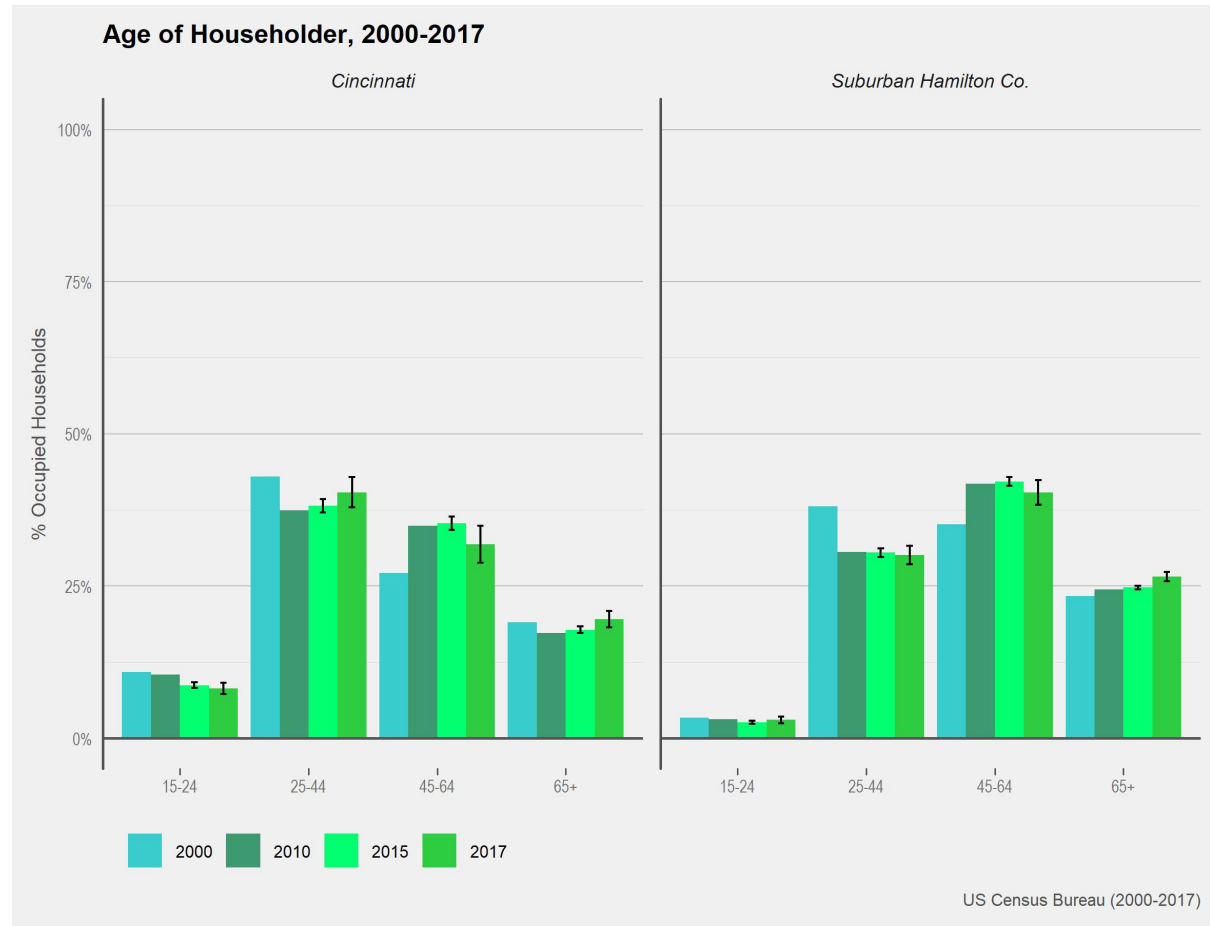
Householder Age by Tenure

Renters are younger

In Cincinnati, the renter population is significantly younger

Cincinnati Age of Householder by Tenure, 2000-2017
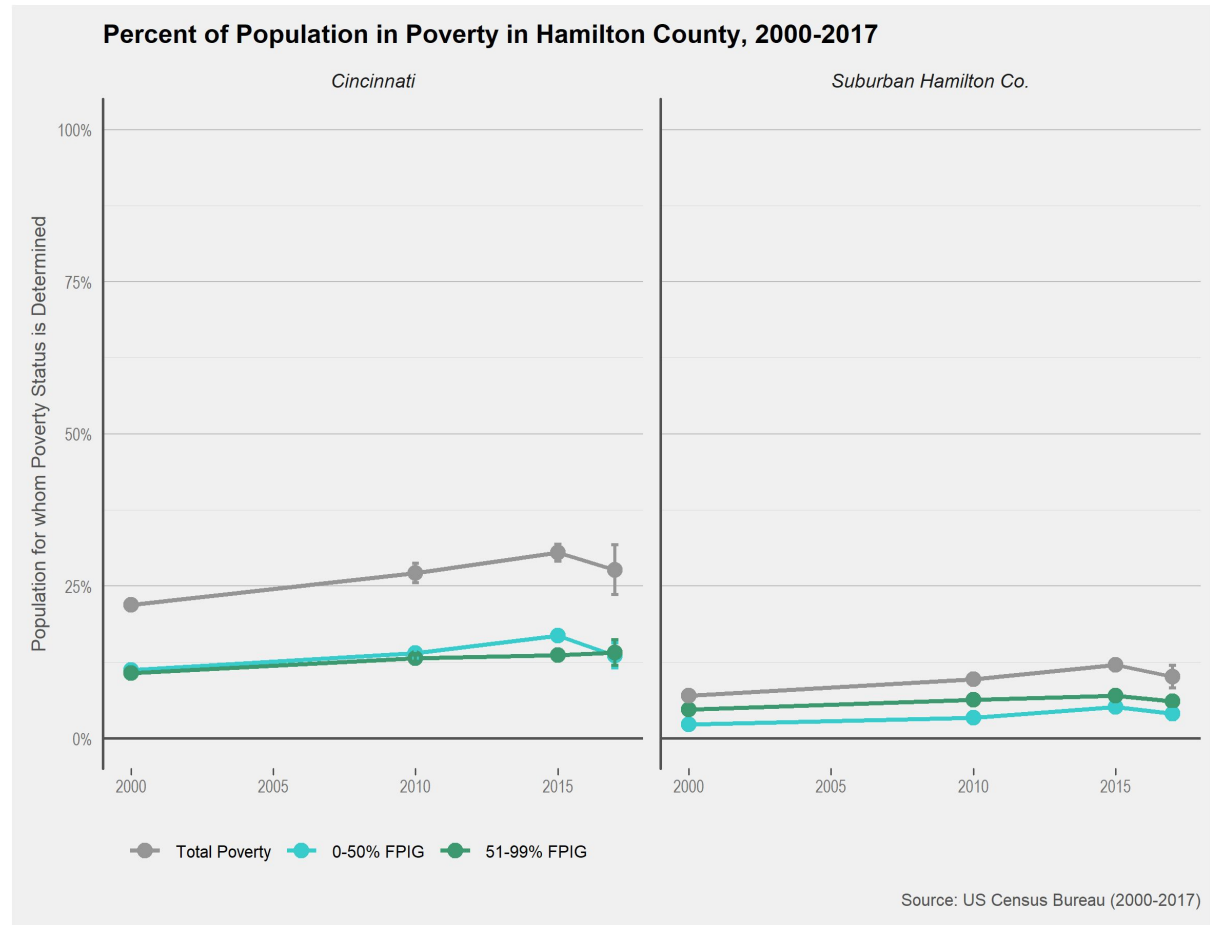
US Census Bureau (2000-2017)
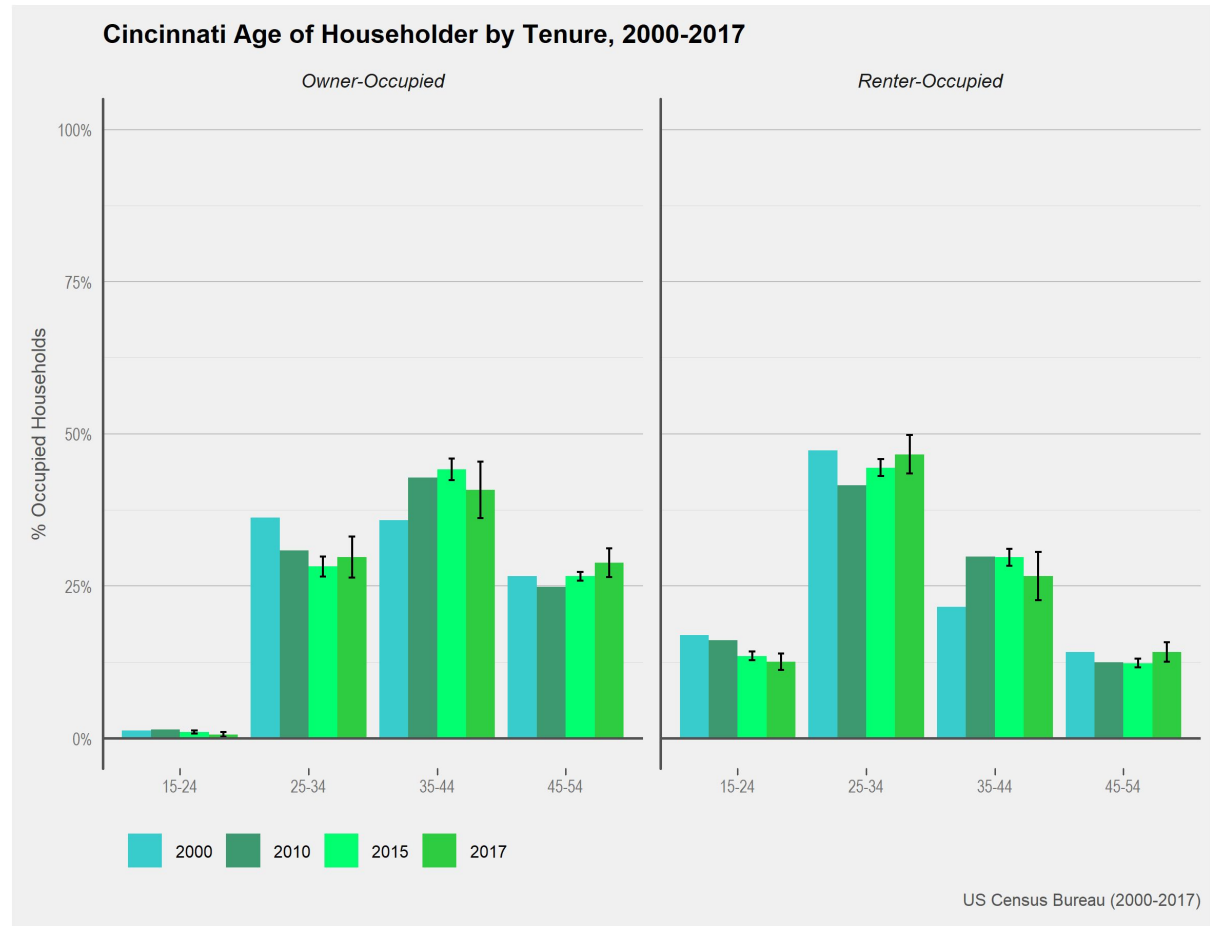
Poverty

Hamilton County Affordability Study
The number of Hamilton County **households in poverty** grew by 40% between 2000 and 2014.

In 2017, 22.4% of families in Cincinnati, and 12% in the County overall, were living below the poverty line.

Percent of Population in Poverty in Hamilton County, 2000-2017
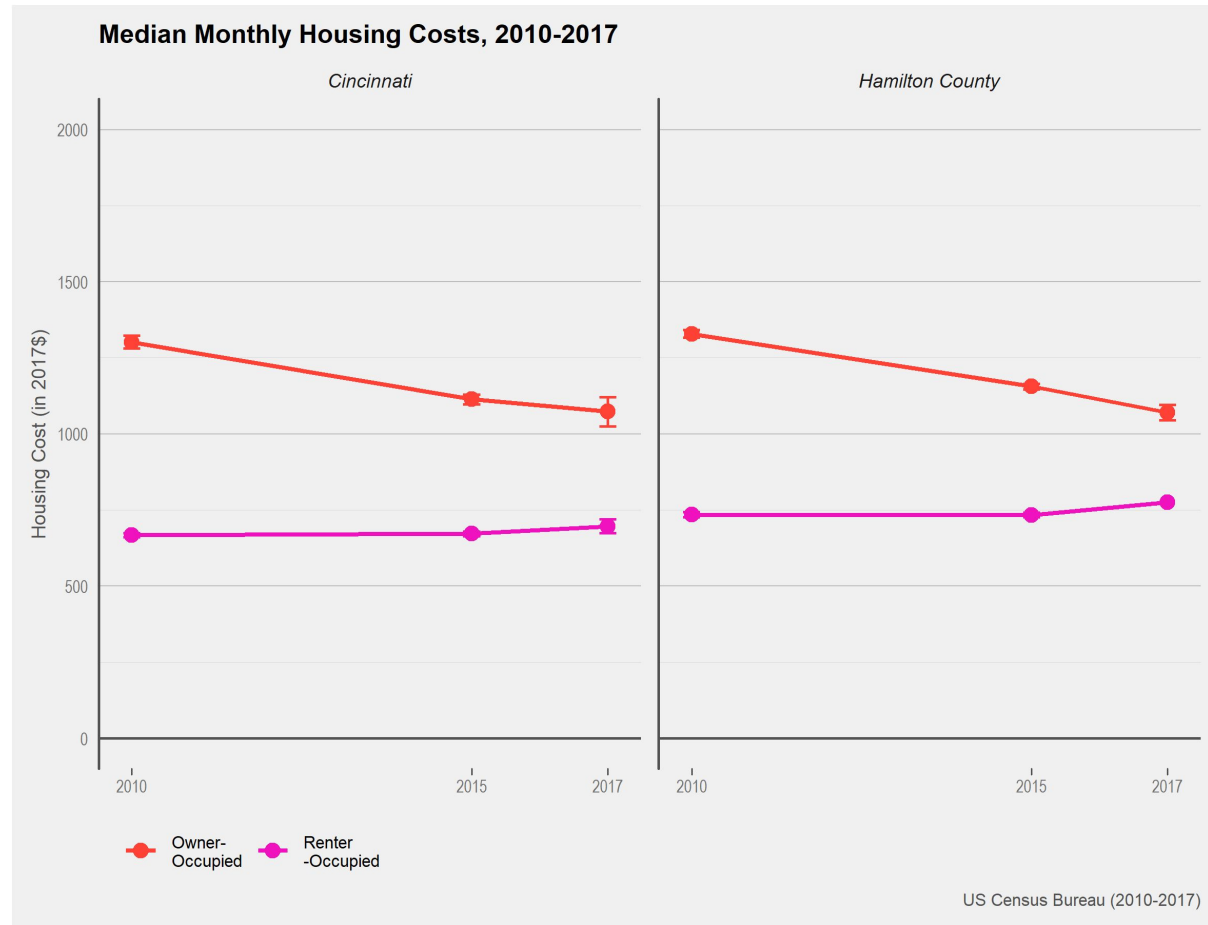
d. Affordability

Housing Costs

Rising Costs for Renters

Tenants in both the city and county are seeing their rents go up, even as costs for homeowners fall.

OTR/Pendleton Housing Inventory

Based on a study by CBI, nearly 3,000 units of affordable housing (or 73% of units affordable at 0-30% AMI) were lost from OTR 2002-2015.

Median Monthly Housing Costs, 2010-2017
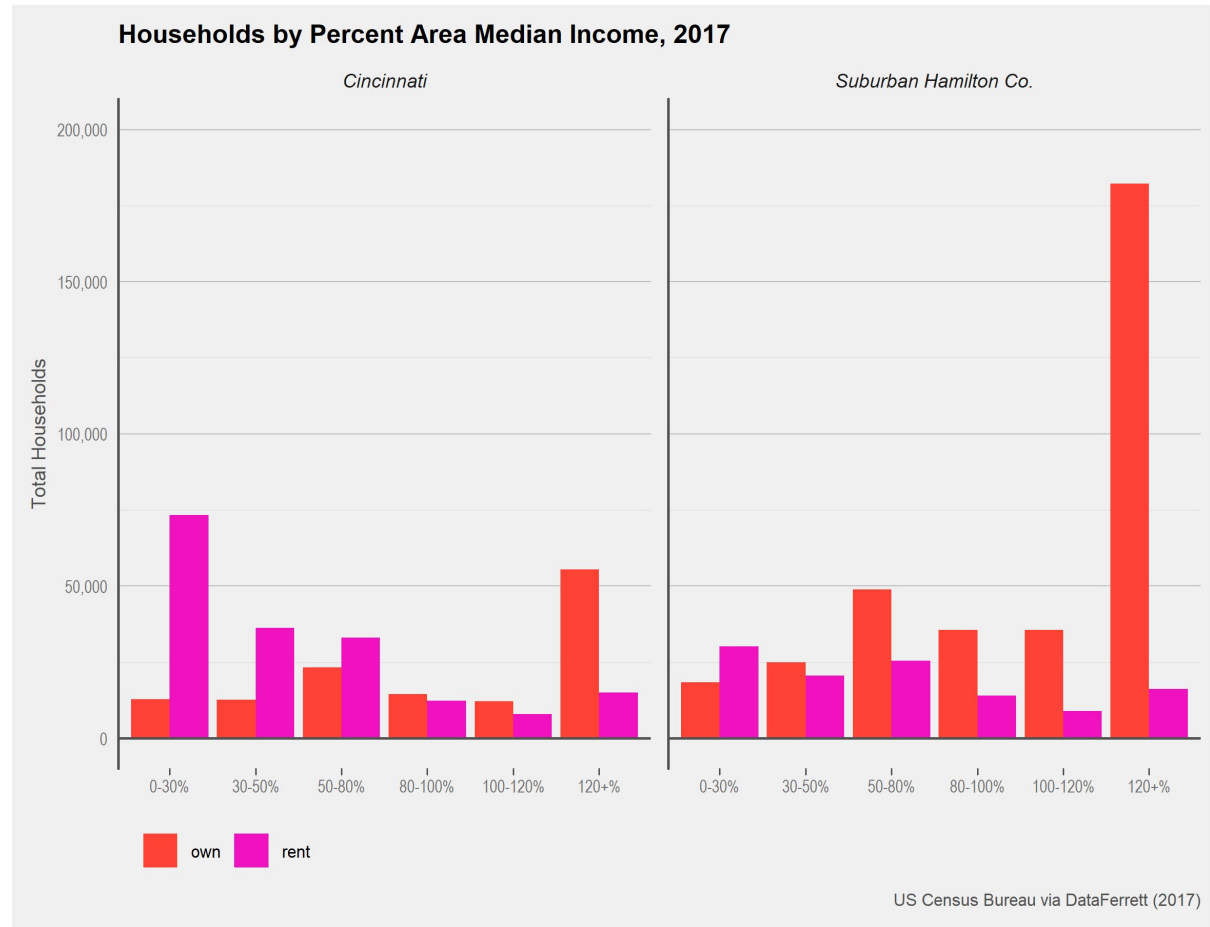
Home Value

Increasing Home Values in the City
Since 2010, homes in the upper quartile of home value have seen their value hold steady in the county, but increase in the city.

Home Value by Quartiles, 2010-2017

US Census Bureau (2010-2017)
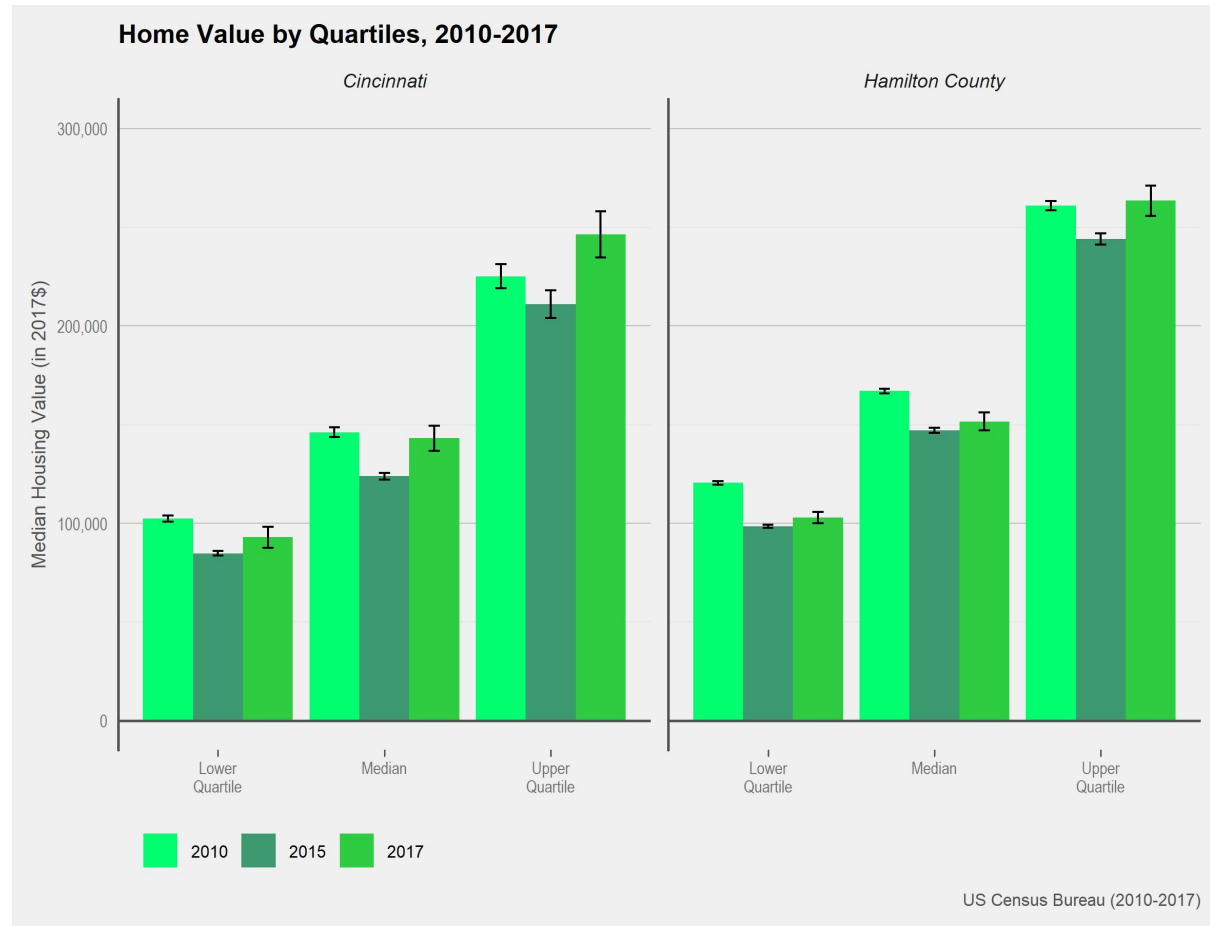
Tenure by Income

Area Median Income (2017): $74,700

Households by Percent Area Median Income, 2017

US Census Bureau via DataFerrett (2017)

Cost Burden by Area

Severe Cost Burdens

In 2017, 27,725 Cincinnati households (21%) reported being severely cost burdened. In the County, another 23,251 households (13%) reported severe cost burden.
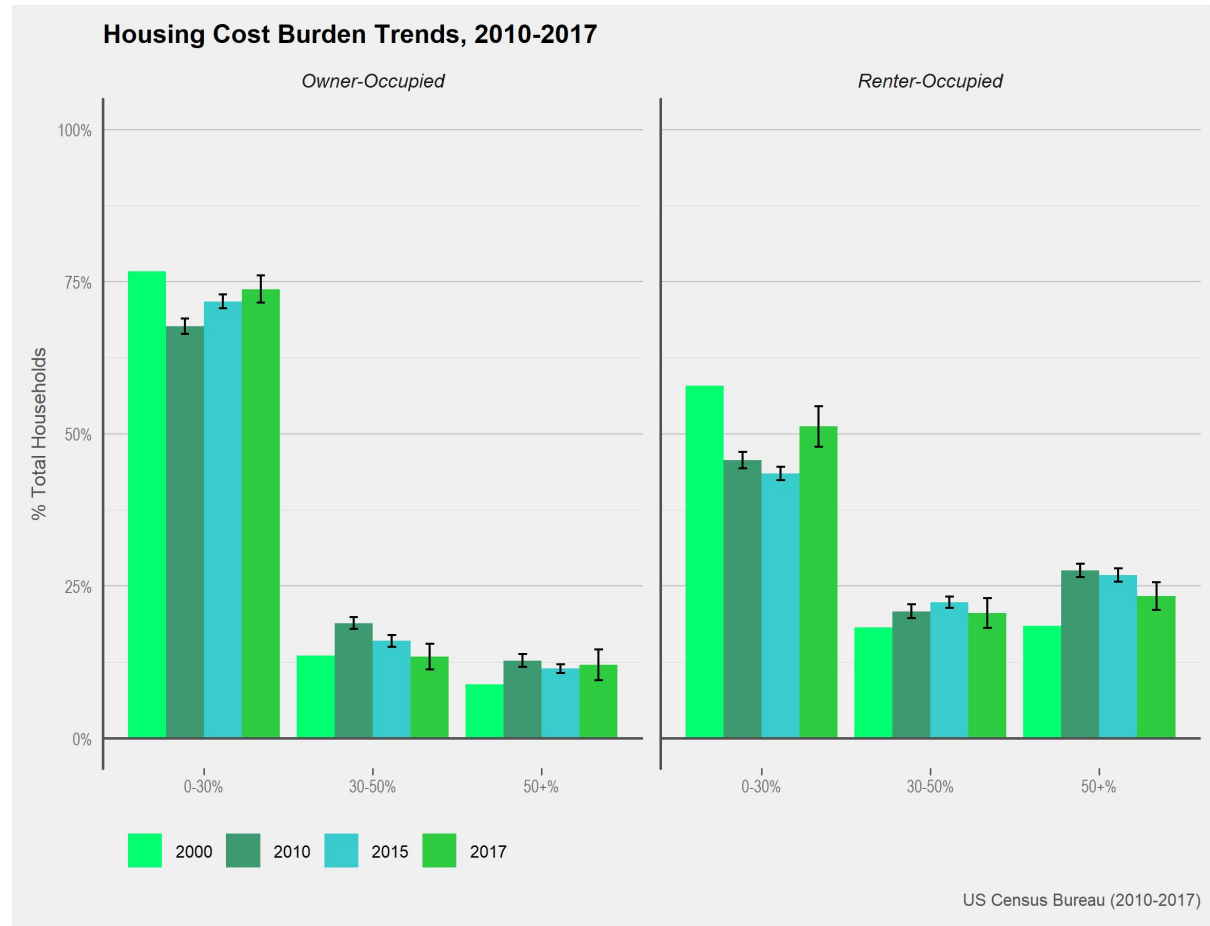
2019 AFH

Lack of access to capital for homeowners and landlords makes it difficult to maintain affordable properties and increases the risk of displacement

Housing Cost Burden Trends, 2010-2017

US Census Bureau (2010-2017)
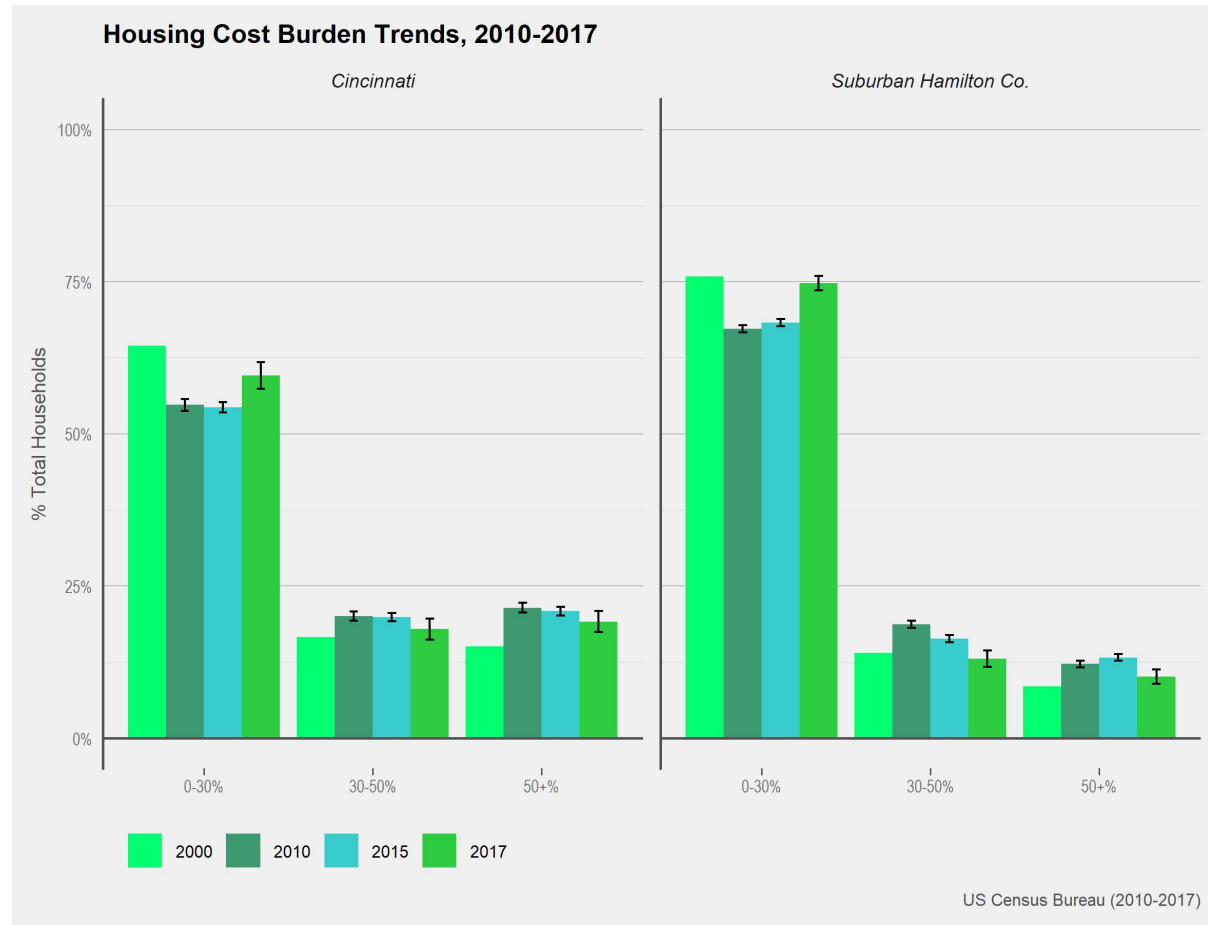
Cost Burden by Tenure

Hamilton County Affordability Study

For every 100 of the lowest income households in Hamilton County, there are only **28 units** of housing that are both **affordable** and **available.**

Housing Cost Burden Trends, 2010-2017

US Census Bureau (2010-2017)
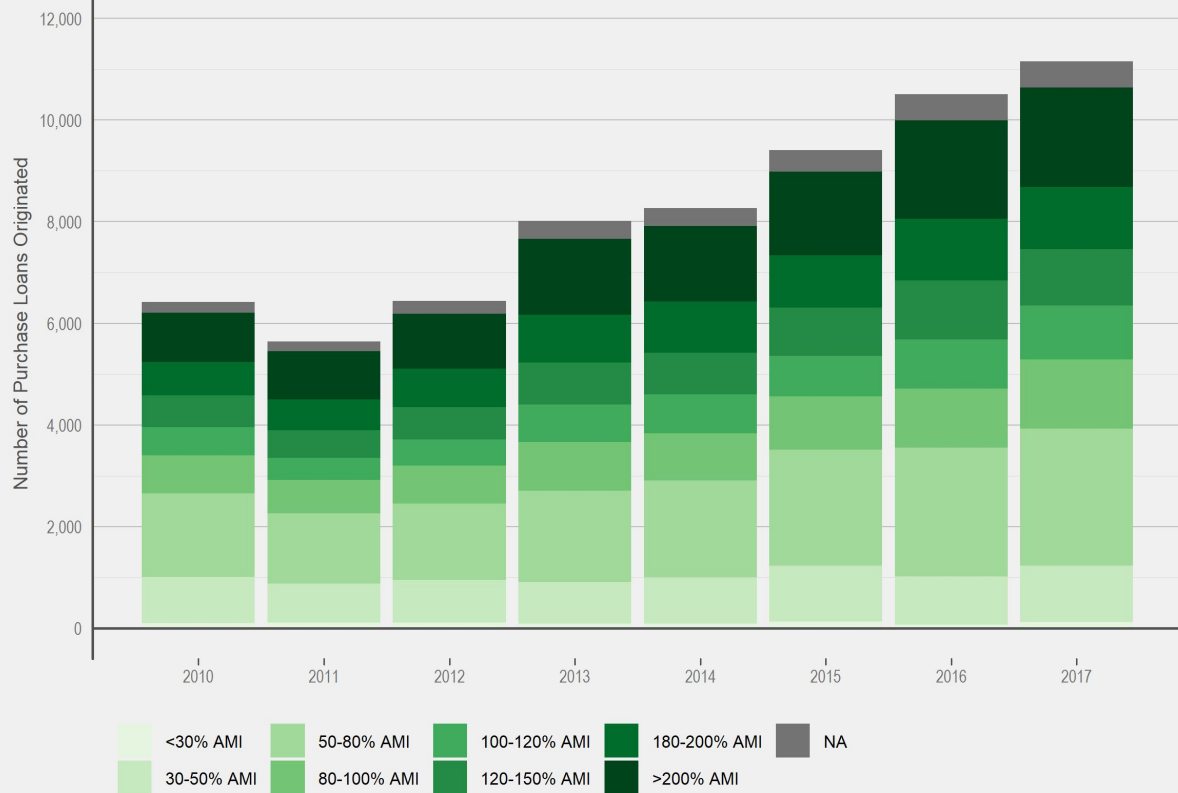
Home Purchase Loans by Income

More Loans, Same Income Bands

The composition of homebuyers by income has remained steady even as the volume of home purchase loans has increased since 2010.

2019 AFH

The incomplete **public transit** system keeps many opportunity areas off limits to residents who do not own a car.
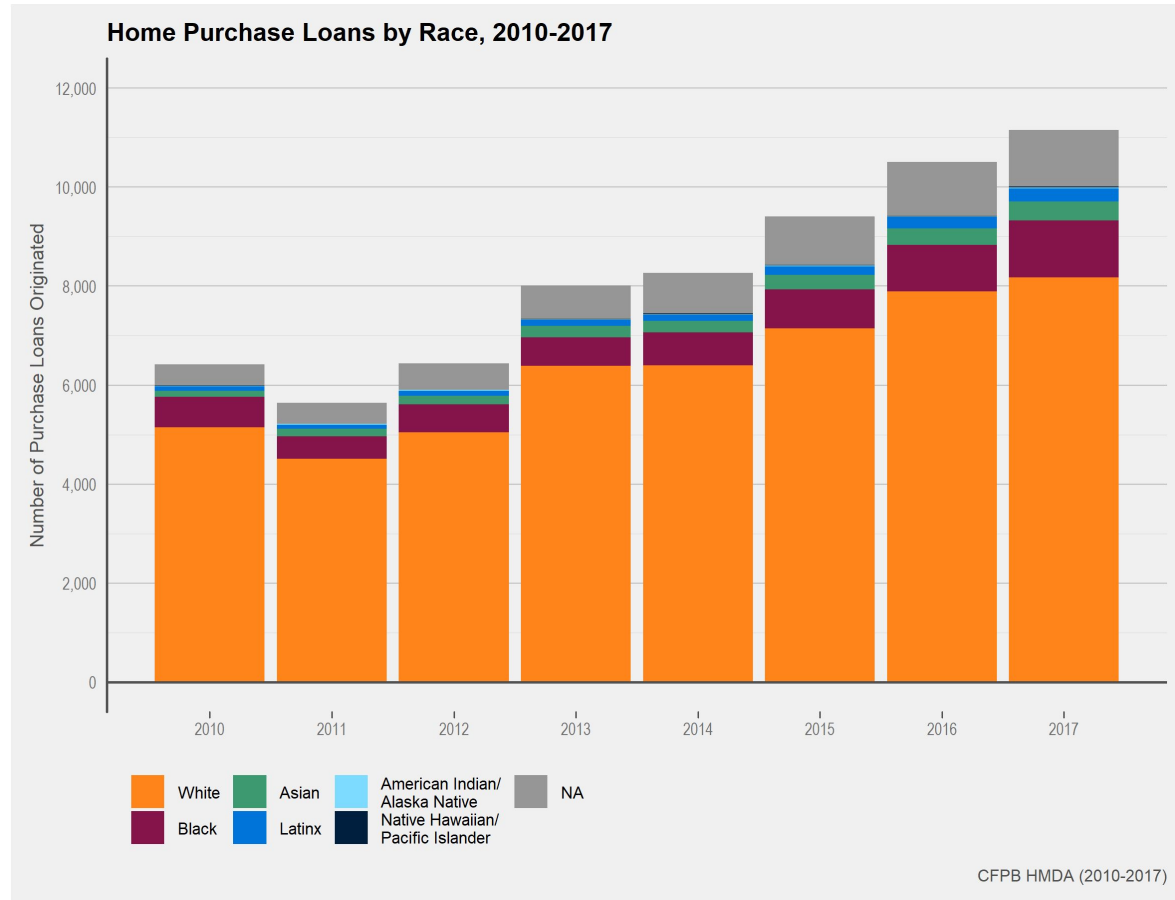

Home Purchase Loans by Income Band, 2010-2017

Number of Purchase Loans Originated

Legend: <30% AMI, 30-50% AMI, 50-80% AMI, 80-100% AMI, 100-120% AMI, 120-150% AMI, 180-200% AMI, >200% AMI, NA

CFPB HMDA (2010-2017)

Home Purchase Loans by Race

Unequal Lending

In 2016, 77% of White applicants **but only 66% of Black applicants** were approved for a home loan in the Cincinnati metropolitan area.

Home improvement loans were approved 57% of the time for White households and only 28% of the time for Black households.

Home Purchase Loans by Race, 2010-2017

Chart legend: White, Black, Asian, Latinx, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, NA

Y-axis: Number of Purchase Loans Originated

CFPB HMDA (2010-2017)
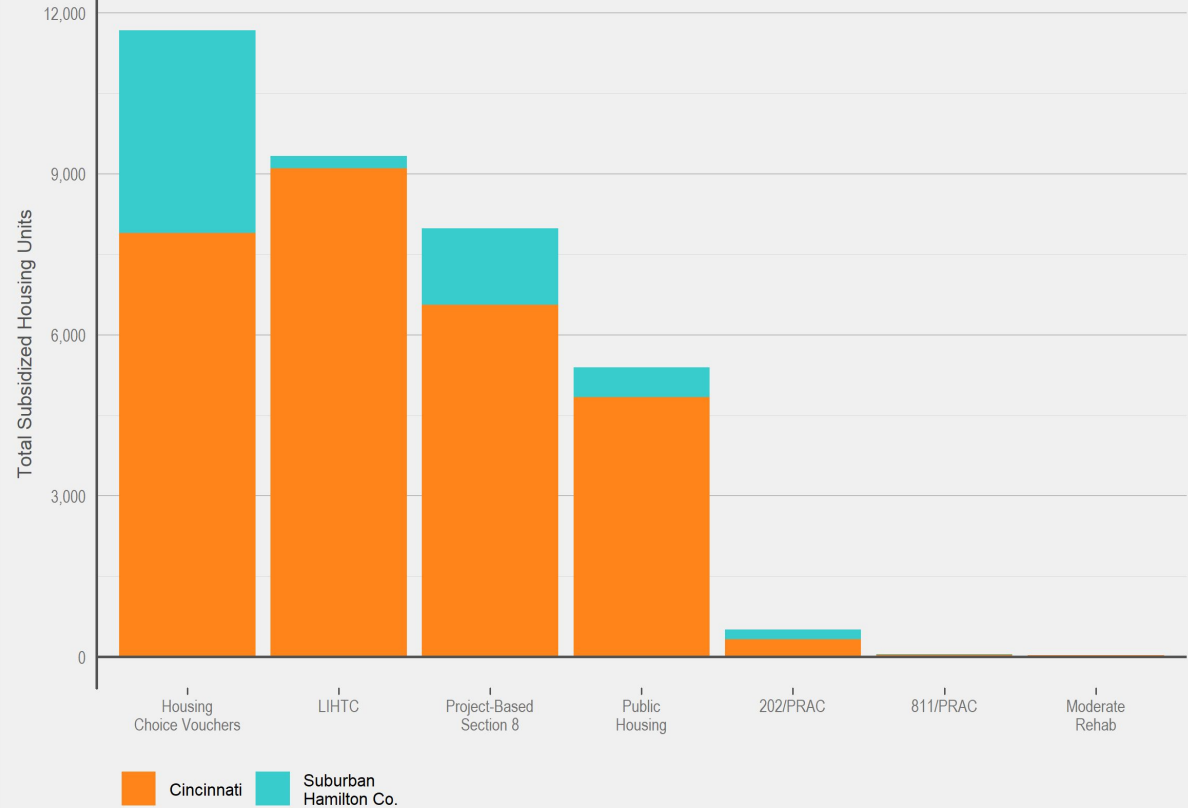
e. Subsidized Housing

Subsidized Units

The production of new affordable housing is made very difficult by:
- Land use regulations
- Lack of competitive access to state and federal tax credits and other funding opportunities
- Resident opposition

2015 AHA Affordability Study

Overall, only **7.4% of households** in Hamilton County, including Cincinnati, receive some type of public housing **assistance**.

Summary of Subsidized Units in Hamilton County, 2016

Source: HUD Picture of Subsidized Households, LIHTC Database (2016)

LIHTC Units

Hamilton County Affordability Study
The number of active LIHTC units **increased slightly**, from 4,358 units in 2000 to 5,861 in 2015 (+34.5%). Importantly, however, many of these units overlap with HUD-subsidized units.
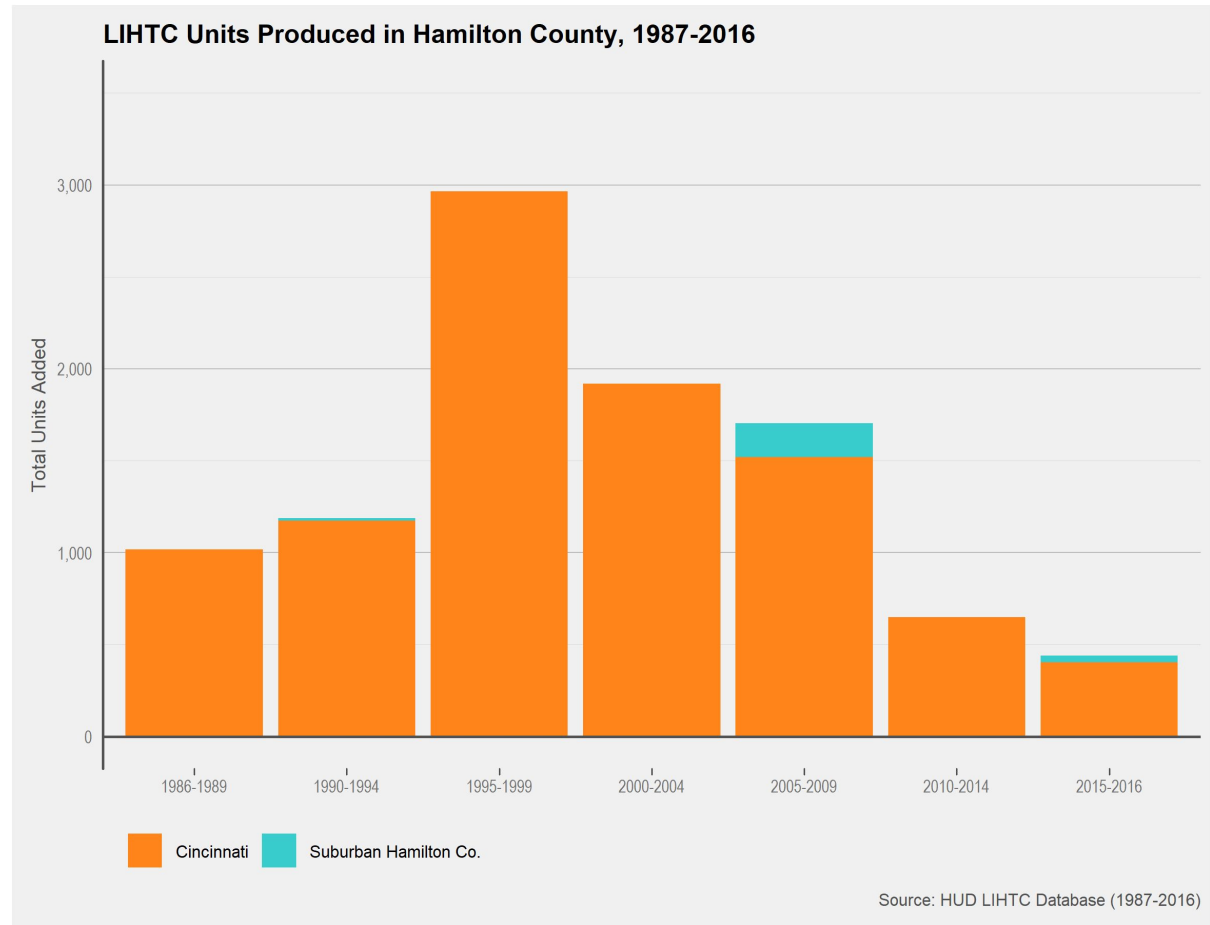
In addition, about 25% of LIHTC units are **set to expire** by 2020, assuming that owners choose to opt out at the 15 year mark.

Cumulative LIHTC Units Produced in Hamilton County, 1987-2016
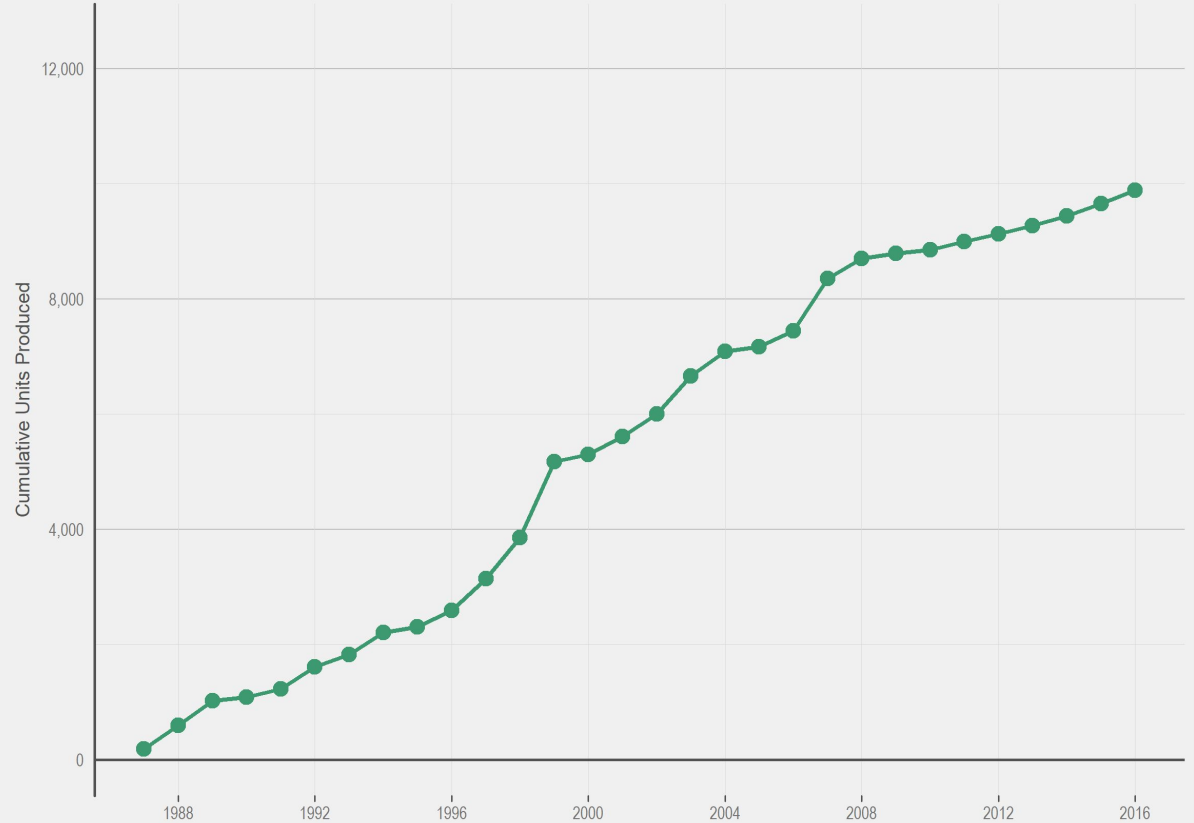
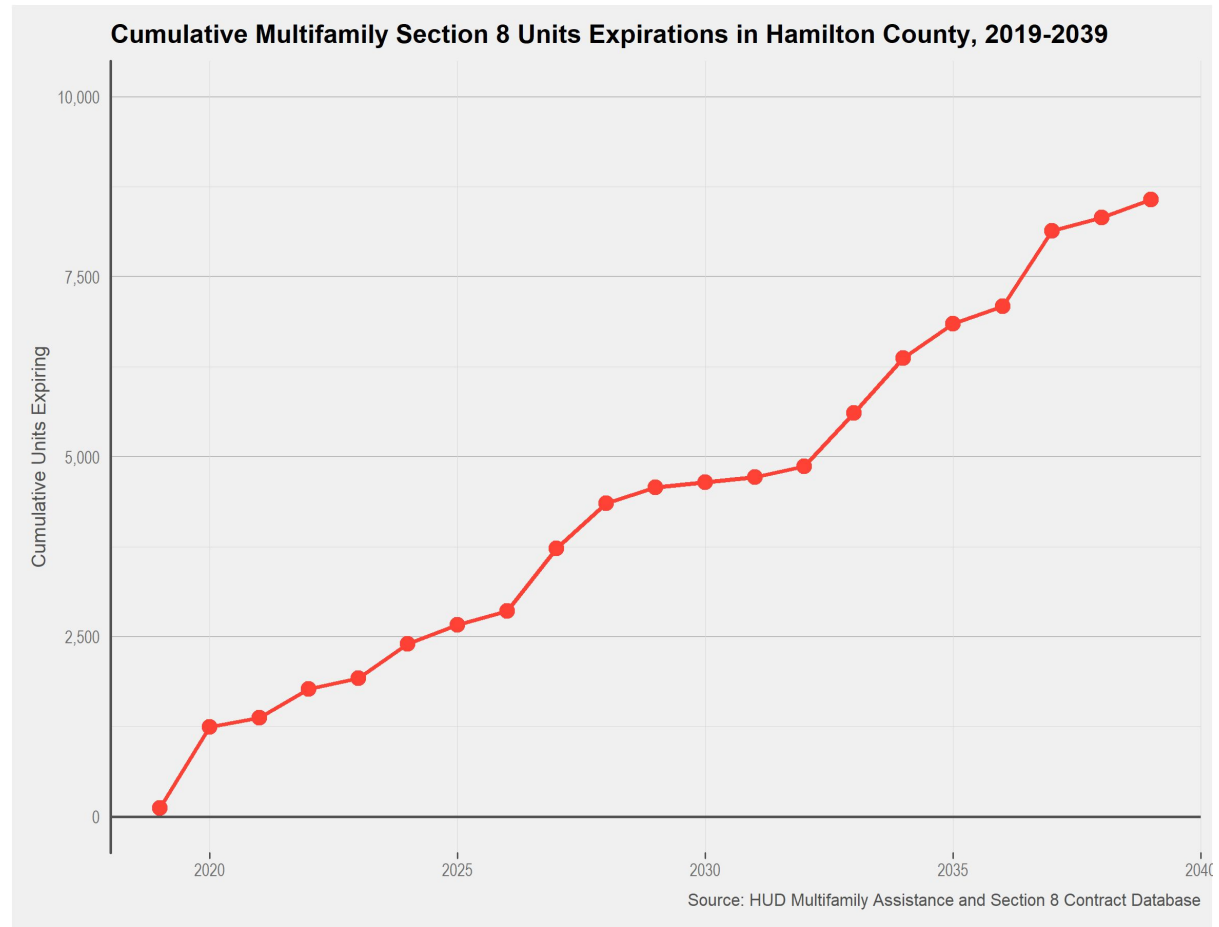Source: HUD LIHTC Database (1987-2016)

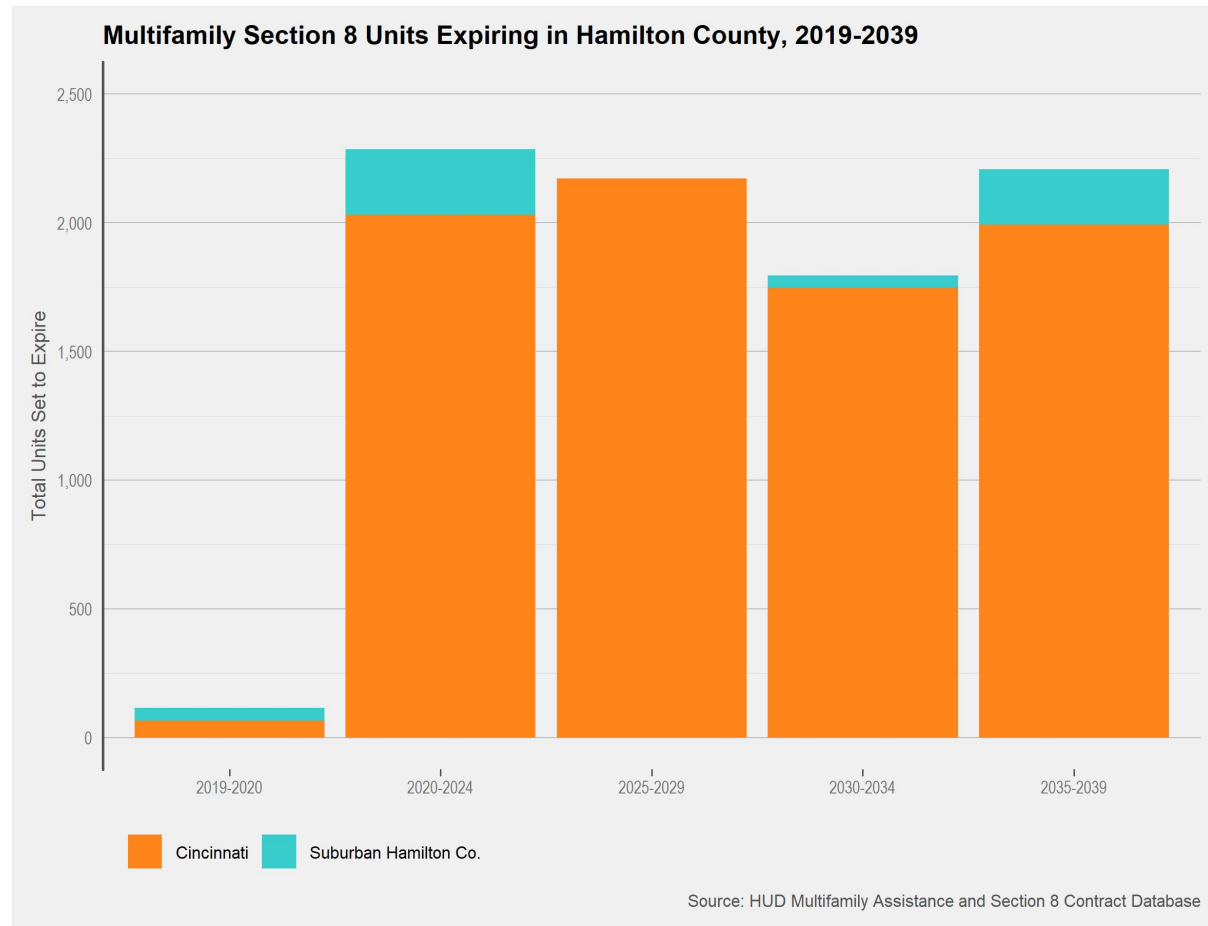# LIHTC Units

Subsidy Expirations

Hamilton County Affordability Study
The number of subsidized properties in Hamilton County has **decreased** by about 500 units since 2000.

Going forward, 14% of homes kept affordable by HUD contracts are set to **expire before 2020**, while 42% are secured through 2029. About 25% of LIHTC units are scheduled to expire before 2020.

Cumulative Multifamily Section 8 Units Expirations in Hamilton County, 2019-2039

Source: HUD Multifamily Assistance and Section 8 Contract Database

Subsidy Expirations

Multifamily Section 8 Units Expiring in Hamilton County, 2019-2039

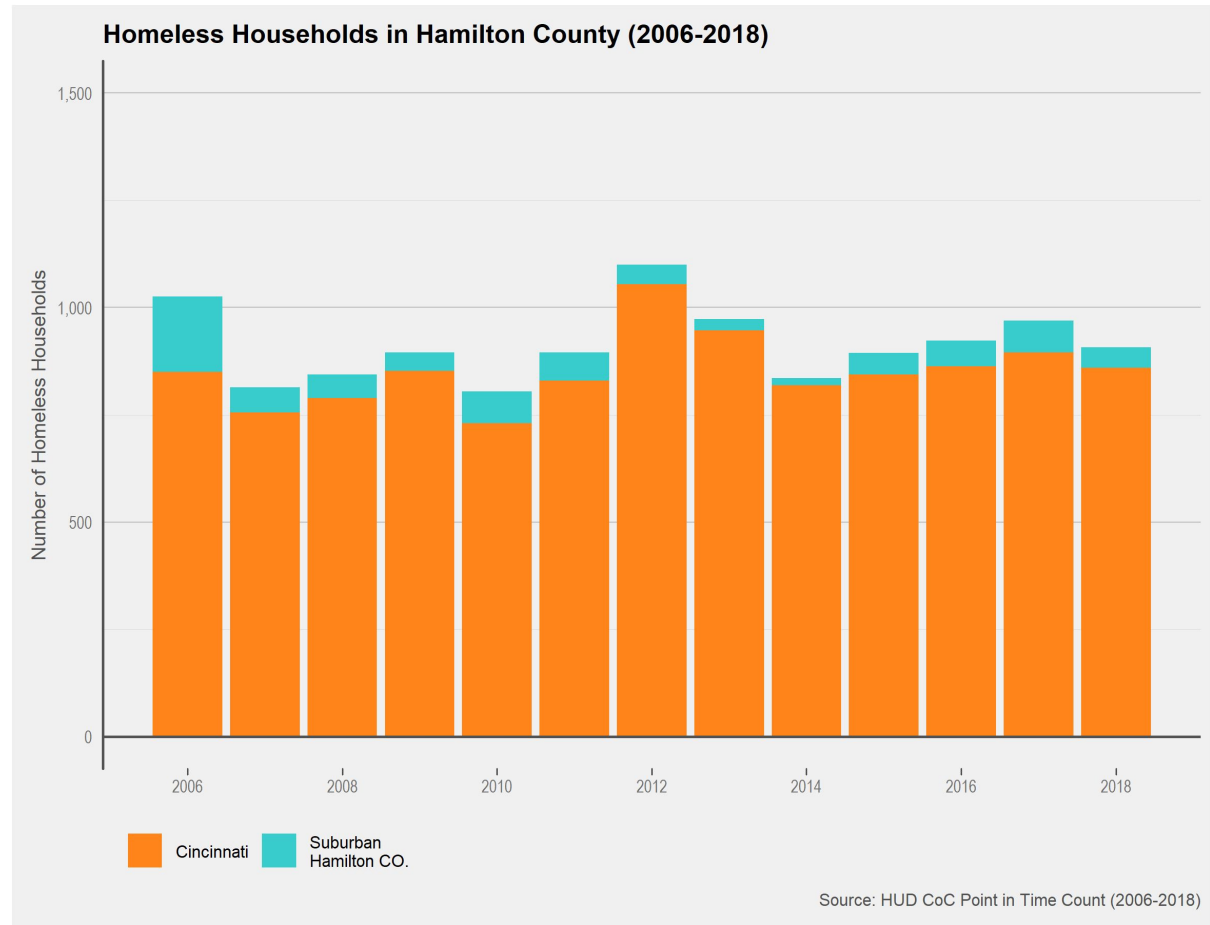Source: HUD Multifamily Assistance and Section 8 Contract Database

f. Housing Crises

Homelessness

Vulnerable Populations

Based on the Homeless Management Information System, the majority of homeless were Black (62%), and nearly 1 in 4 were children under 18 (24%).
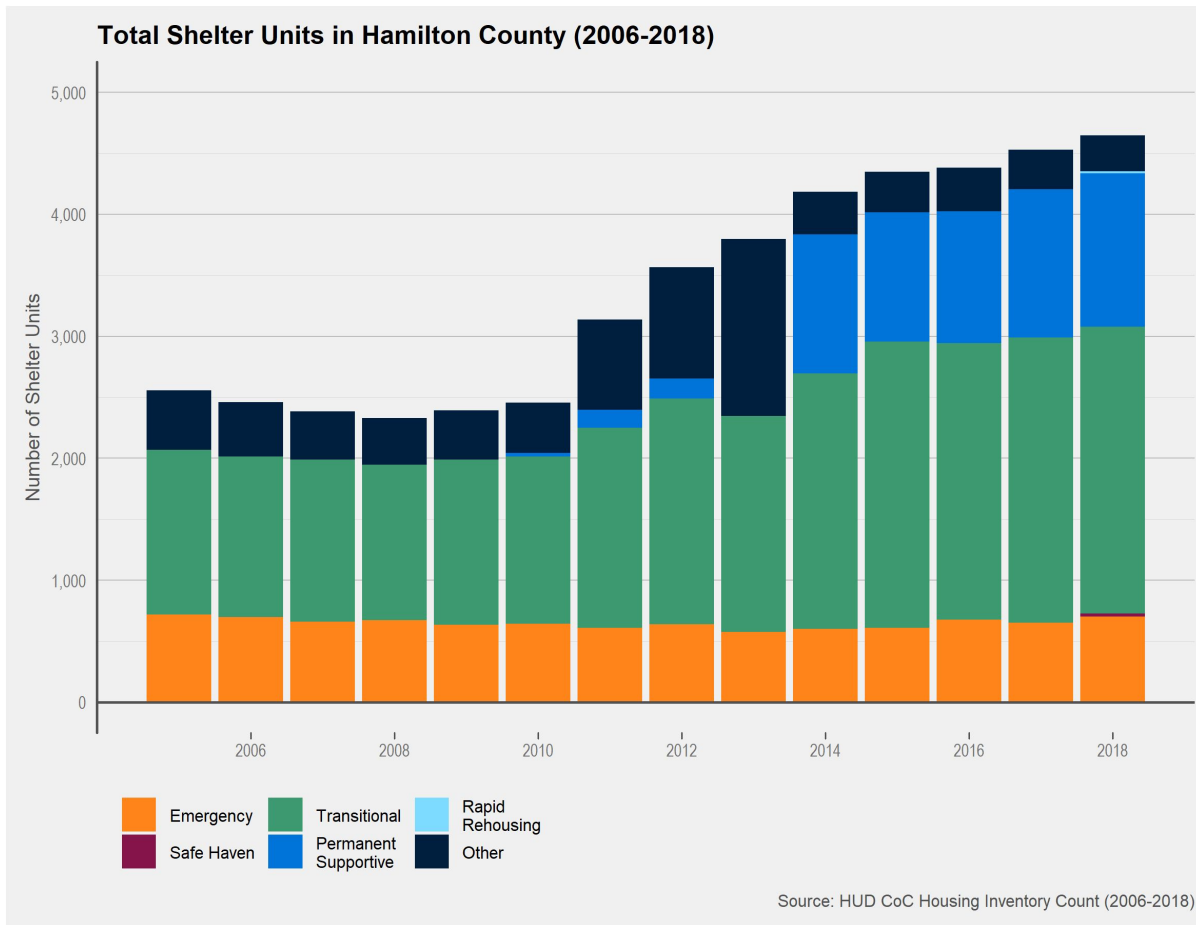
Homeless Households in Hamilton County (2006-2018)

Number of Homeless Households

Cincinnati | Suburban Hamilton CO.

Source: HUD CoC Point in Time Count (2006-2018)

Homeless Program Inventory

2019 AFH

The AFH found that the current system of housing agencies and support organizations is **uncoordinated, underfunded** and **complex** to navigate—often leaving those in need with no help.

2015 AHA Affordability Study

The **shelter system** could only offer emergency shelter to 30% of the families with children who called needing it.

Total Shelter Units in Hamilton County (2006-2018)

Legend: Emergency, Transitional, Rapid Rehousing, Safe Haven, Permanent Supportive, Other

Y-axis: Number of Shelter Units (0 to 5,000)
X-axis: 2006, 2008, 2010, 2012, 2014, 2016, 2018

Source: HUD CoC Housing Inventory Count (2006-2018)

Eviction

Hamilton County Eviction Report
From 2014 to 2017, an average of
12,439 residential evictions were filed
in Hamilton County. The eviction filing
rate (8.7%), or percentage of
renter-occupied units that experience
an eviction filing, sits **well above the
nation's average** (6.3%).

Hamilton County evictions are highly
concentrated in predominantly Black
neighborhoods.

Formal Eviction Decisions, 2017

Tenant's Favor
0.4%

Landlord's Favor
48.6%

Dismissal
51.0%

**A landlord may dismiss
their case if:**

- They reach an informal
  agreement with tenant
- Tenant vacates the premises

Representation in Eviction Court

Hamilton County Eviction Report

Less than 3% of tenants have legal representation in eviction court, while the overwhelming majority of landlords do.

Many tenants simply do not appear in eviction court, knowing they are unlikely to win their case. The case can be decided against them in their absence.

Legal Representation in Eviction Court, 2017

Landlord	88.2%
Tenant	2.5%

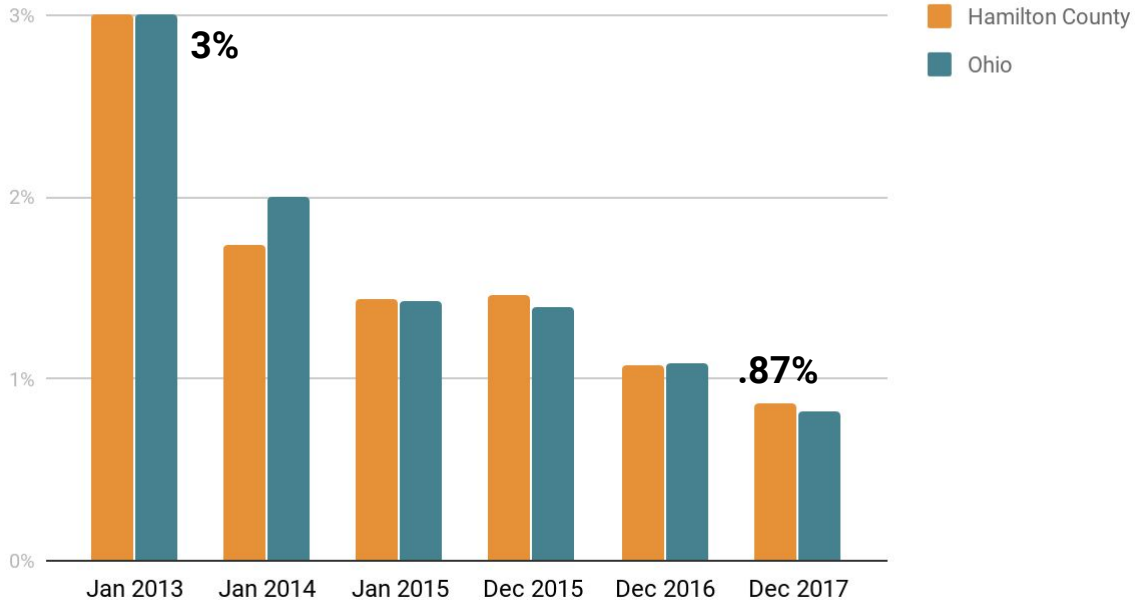0.00%   25.00%   50.00%   75.00%
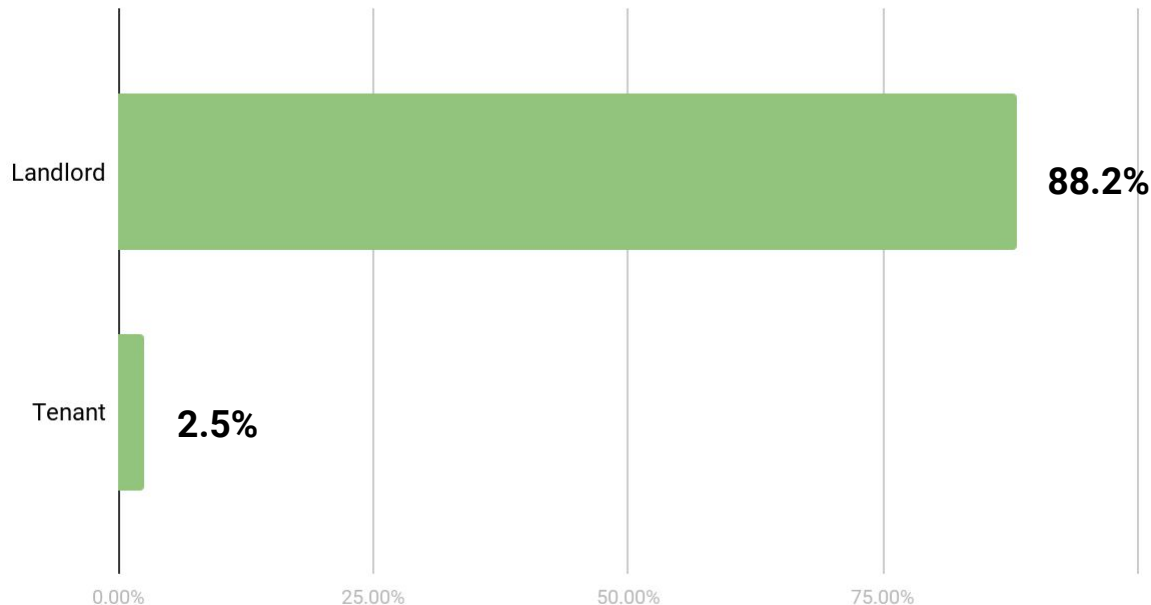
Foreclosure

The Foreclosure Crisis

After 2013, Hamilton County's foreclosure rate dropped off steeply, but only after **22,190 homes** had been sold at sheriff sale (between 2006-13). Trends in the county's foreclosure rate closely follows state trends.

AHA Affordable Housing Study

The five Hamilton County communities most impacted by **foreclosure** in 2014 were in the suburbs including: Golf Manor, Elmwood Place, Forest Park, North College Hill, and Fairfax.

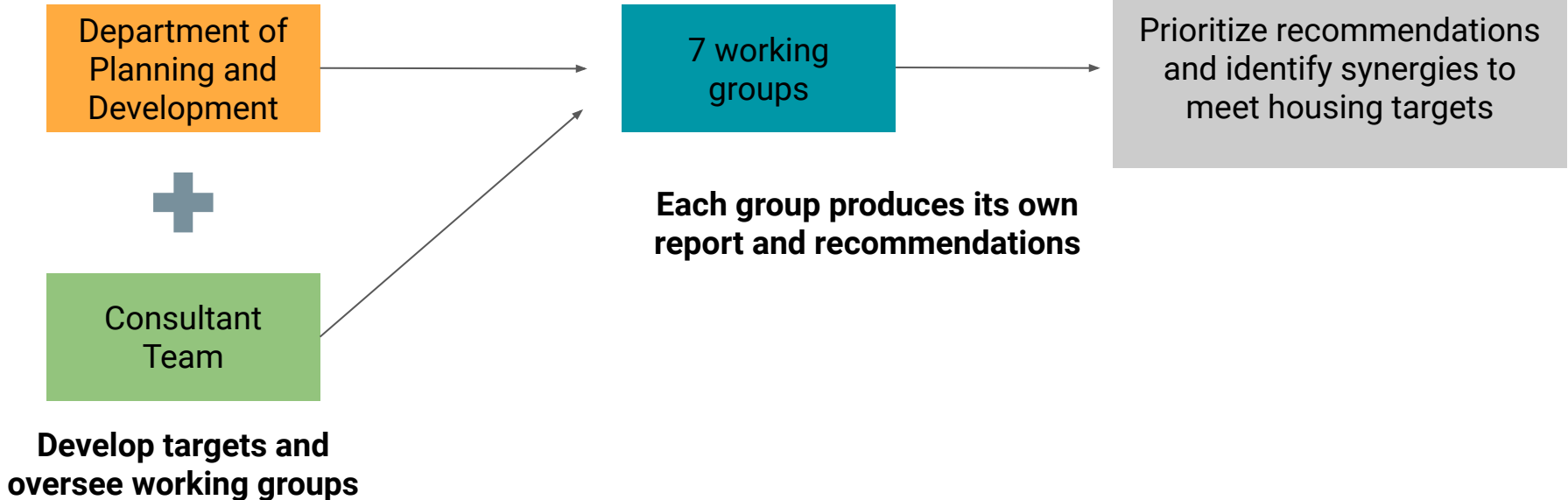### Foreclosure Rate (Foreclosures as Percent of All Mortgages)

Legend: Hamilton County, Ohio

Data points: Jan 2013 (3%), Jan 2014, Jan 2015, Dec 2015, Dec 2016, Dec 2017 (.87%)

Source: Ohio Housing Finance Agency Housing Needs Assessments

4. Working Group Formation

Philadelphia:
working group model

Philadelphia, PA

Department of Planning and Development

+

Consultant Team

7 working groups

Prioritize recommendations and identify synergies to meet housing targets

Each group produces its own report and recommendations

Develop targets and oversee working groups

Working Groups for Greater Cincinnati

Each working group has:

1. A leader or co-leaders
2. Practitioners
3. Everyday experts

Working groups are responsible for:

1. A **report** on key conditions and best practices
2. A set of **recommendations** for programs and policies that address the topic area

Working Groups for Greater Cincinnati

Topic areas other housing plans have used:

- Eviction
- Homelessness
- Fair housing
- Expand and support homeownership
- Rental housing rehabilitation
- Vacant/abandoned structures
- Health and housing

- Accessible and visitable units
- Aging in place, senior housing
- Renter assistance
- Affordable housing preservation
- Anti-displacement
- Historic preservation
- Construction cost, technology
- Increasing affordable housing supply

Working Groups for Greater Cincinnati

Access to Homeownership	**Affordable Rental Housing**	**New Production**
Policy & Zoning	**Financing & Resources**	**Emergency Housing Support**

Working Groups for Greater Cincinnati

Access to Homeownership

Co-Leader: Jessica Powell

- Expanding access to moderate- or low-income and underserved groups

- Protecting existing low-income homeownership

Working Groups for Greater Cincinnati

Access to Homeownership

Affordable Rental Housing

Co-Leader: Greg Johnson

- Preserving naturally occurring affordable housing by (i) improving housing conditions and (ii) protecting affordability

- Producing and preserving subsidized affordable housing

Working Groups for Greater Cincinnati

Access to Homeownership

Affordable Rental Housing

New Production

Co-Leader: TBD

- Reducing construction costs and exploring innovative construction technology to produce workforce and market-rate housing

Working Groups for Greater Cincinnati

Co-Leader: John Schrider

- Zoning to promote access to affordable housing
- Reducing local resistance to necessary housing investments and development

Policy & Zoning

Working Groups for Greater Cincinnati

Co-Leader: Kathy Schwab

- Identifying funding sources that advance existing efforts
- Creating new financing mechanisms
- Building organizational structure and capacity for implementation

Note that EACH working group is responsible for considering ways to fund its recommendations!

Policy & Zoning

Financing & Resources

5. Next Steps

Timeline

October: Consultants will share a draft plan with LISC and the advisory committee for review

TODAY

JULY

AUG.

SEPT.

NOV.

Form Working Groups

Each group sets time(s) to **meet over the course of July** to map out topic report and assign tasks

Consultant Check-In

Consultants check in to see how they can assist working groups with best practice research

Workshop Targets

Consultants present demand projections. Working groups workshop initial recommendations

Recommendations Deadline

Working groups share clear, prioritized recommendations with consultants by the end of September. Consultants present refined targets

Present Final Plan

Consultants incorporate recommendations, targets, motivation, and implementation strategy into final plan

Your Deliverable

Working Group Report - draft due Sept. 30

Existing Conditions
- Describe the relevant conditions in Greater Cincinnati
- Understand and critique existing programs or policies
- Identify the problem(s) to be solved

Recommendations
- Study local and national best practices
- Recommend and clearly prioritize programs/policies to address the problem(s)
- Describe implementation, including funding, enforcement, and evaluation

contents

Mayor's Task Force for Eviction Prevention and Response, Philadelphia, June 2018

Your Next Steps

- Join a working group

- Identify **core issues** within your topic area

- Brainstorm additional key experts or stakeholders to invite

- **Schedule** next meeting to map out your report and assign tasks

Photo Credit: PIXABAY