REGIONAL HOUSING STRATEGY

Existing Conditions Report

Analyses & Key Findings

Contents

Introduction

The Regional Housing Strategy for Central Ohio (RHS) is grounded in data and contextualized to the region with insights from stakeholders. The following pages summarize the data analyses and key findings underlying the project. Detailed methods and findings are provided in the appendices to the final report. A summary of stakeholder involvement is available in a separate section.

The geography of analysis for the RHS is the seven-county region comprised of Delaware, Fairfield, Franklin, Madison, Pickaway, and Union Counties (referred to as *Central Ohio* throughout this document). This report will indicate any occurrence where the geography of analysis varies from Central Ohio. For example, in some instances, the Columbus Metropolitan Statistical Area (Columbus MSA) is the best geography available to measure historical trends. Sub-regional analyses were also conducted at smaller units of geography such as counties or Census Tracts.

A number of novel analyses were completed for the RHS, building upon and incorporating findings from 29 local and regional plans and studies (see *Content Analysis*, appendix). Analyses of demographic and economic trends, housing needs, and market conditions were conducted to understand existing and projected future conditions across the Central Ohio housing market. More detailed evaluations at the sub-regional scale reveal place-based or population-based differences (see **Table 1**). The RHS analyses consider housing issues from a range of stakeholder perspectives, including residents, local governments, private and non-profit developers, and housing service and program providers.

Place-Based Characteristics	Population-Based Characteristics
Seven-County Central Ohio Region	Race & Ethnicity
Columbus MSA	Age
County-level	Ability
Jurisdiction	History of Justice Involvement
Census Tract	Household Type

Table 1 List of place-based, and population-based characteristics studied for the RHS

The analytical results were vetted and strengthened by ongoing feedback from regional stakeholders who participated in meetings convened by the Mid-Ohio Regional Planning Commission (MORPC) in 2019 and 2020.

Over the course of the project, five core regional housing issues emerged. They serve as the framework for this report, and for the Regional Housing Strategy itself. These issues are increased competition for homes in Central Ohio; a limited supply of homes priced for low-income households; barriers limiting access to homes; demand for more homes that can serve an increasingly diverse population; and housing instability among Central Ohioans.

A note about COVID-19

The Regional Housing Strategy was developed during the 2020 COVID-19 pandemic. The data used to prepare this report does not account for any effects related to COVID-19 because it predates the start of the pandemic. However, anecdotal evidence from regional stakeholders suggests housing instability, including homelessness, may affect more people, including people who had not previously worried about affording their homes.

The Regional Housing Strategy seeks to be responsive to the uncertainty generated by COVID-19. It creates a strong and agile toolbox that can address a wide range of housing issues and guide both equitable growth and recovery in Central Ohio. This type of approach positions the region to tackle the uncertainty surrounding the near- and long-term effects of the COVID-19 pandemic on individual's and families' well-being and their economic and housing stability.

Committing to and taking local action on housing issues – in ways that use housing as a platform for equitable growth and recovery – will promote stability and resilience among residents, both in response to COVID-19 and in the event of future shocks.

Methods overview

Ten analyses were completed for the RHS. These analyses were designed to capture a rich understanding across three dimensions—community perspectives, housing supply and demand, and contextual understanding of resident needs and place-based factors. Each analysis contributes unique information to the project and, when considered together, layered analyses provide necessary insight to help determine which of the numerous potential actions would be most appropriate for a given geography (e.g., jurisdiction, housing market conditions, county, etc.). Following is a brief description of each analysis.

Housing supply & demand

Content analysis

The RHS is informed by a substantial number of reports documenting prior research and analysis. Those 29 reports were reviewed and synthesized as a first step toward understanding the current landscape of Central Ohio's housing market. The gaps in understanding generated from the resultant content analysis serve as the foundation for the novel analyses conducted for the RHS.

Existing conditions

The RHS effort aimed to gain a comprehensive understanding of the region's housing market. This analysis incorporated data from sources including county auditor offices, Multiple Listing Services (MLS), Zillow, Vogt Strategic Insights, the National Housing Preservation Database, and the U.S. Census Bureau.

Historical trends in the data were examined to ensure a robust understanding of how our current conditions compare to and are influenced by the past. Still in the wake of recovery from the housing crisis that led to the Great Recession, this analysis focused on understanding in what ways the housing market recovered, and in what ways the market has been indelibly altered by that event.

Future projections

Every four years, MORPC produces projections of population growth to support regional planning efforts. These projections were used in the RHS to inform an assessment of anticipated housing demand to year 2050. Projected housing demand, in conjunction with recent trends in housing production and demand were used to better-understand housing production needs in Central Ohio.

Contextual analysis of resident needs and place-based factors

Housing submarket analysis

Housing needs and opportunities—place-based features; market conditions; housing stock; and household characteristics—vary across Central Ohio. An analysis of housing measures resulted in a set of 23 defining characteristics affecting 12 submarkets. Detailed summaries of each of the 12 housing submarkets within Central Ohio can be found in the *submarket summaries* report.

In addition to these characteristics, the RHS evaluated each submarket through two additional lenses: opportunity and gentrification. These lenses can be applied to better understand and prioritize housing issues. The defining characteristics of the submarkets, layered with considerations about access to opportunity and neighborhood change driven by gentrification, were used to align a list of over 100 potential actions to individual Census Tracts throughout the region.

Displacement risk analysis

The displacement risk analysis is a methodology developed by the City of Portland, Oregon Bureau of Planning and Sustainability,[1] which is specifically designed to measure indicators of neighborhood change associated with gentrification. The analysis looks at change in location-specific economic vulnerability and demographic characteristics over time, as well housing market conditions, relative to the region overall. The combination of these indicators classifies each Census Tract within the region within a typology of gentrification and displacement risk ranging from non-gentrifying locations, to susceptible locations, to those places that have already experienced neighborhood change and displacement of vulnerable populations.

Housing submarkets in the RHS with a significant number of Census Tracts identified in some stage of gentrification and displacement risk were assigned with housing actions that are uniquely suited to mitigate negative impacts of displacement on neighborhoods (see *submarket summaries*).

Opportunity analysis

The RHS repurposed work completed by the Ohio State University Kirwan Institute for the Study of Race and Ethnicity (the “Kirwan Institute”) for the Ohio Housing Finance Agency.[2] The Opportunity Index uses data inputs to develop indicators of opportunity around housing, education, transportation, employment, and health. These indicators are then scaled to fit into comparable ranges so that it is possible to see relative conditions across the state of Ohio. Finally, the sub-indices are combined into an overall opportunity index, which spans five categories of opportunity ranging from *very low opportunity* to *very high opportunity*.

Levels of opportunity were assigned with housing actions in the RHS that are uniquely suited to address neighborhood considerations around local access to opportunity, with an eye towards expanding opportunity where it may be lower today and building access to opportunity where it is currently strong. These actions were assigned to submarkets based on the prevalence of a given opportunity level within that submarket (see *submarket summaries*).

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[1] Bureau of Planning and Sustainability – Portland, Oregon. (2018, October). *2018 Gentrification and Displacement Neighborhood Typology Assessment.* Available here.

[2] Ohio State University Kirwan Institute & Ohio Housing Finance Agency. (2017, October 27). *Overview of the Ohio 2018-2019 USR Opportunity Index.* Available here.

Housing instability analysis

The RHS included research questions around further understanding conditions of housing instability among residents. This analysis used data from sources including the Home Mortgage Disclosure Act, Eviction Lab, the U.S. Census Bureau, and the U.S. Department of Housing and Urban Development to evaluate the extent of housing instability, as well as sub-groups of the population that experience conditions of housing instability at disproportionate rates.

Development costs & barriers analysis

This assessment was designed to surface any structural barriers to housing development, particularly those inherent in current development and financing processes. The findings from this work provided critical context on what it would take to address the region's housing needs, informing the recommendations within both the Implementer's Toolkit and the Investment Allocation Portfolio.

Key data sources included RSMeans data on construction costs, County Auditor data to estimate land costs, Federal Housing Finance Agency (FHFA) data for comparative cost data, a survey and focus group of regional developers, a survey of regional lenders, interviews with local government staff from across the region, plus a contextual review of data from the National Association of Home Builders (NAHB) and the National Multifamily Housing Council (NMHC) on development costs and barriers across the country.

Community perspectives

Community survey

The RHS Community Survey was designed to better understand housing needs of Central Ohioans from a wide range of community members and from service providers who work directly with residents experiencing acute housing needs. 902 responses were received. Findings from the survey provided important context for this summary and each of the core regional housing issues identified therein. Community survey findings also informed the priorities that guided the Investment Allocation Portfolio.

Stakeholder workshops

Several types of stakeholder workshops were convened to guide the RHS process and provide feedback on specific deliverables:

Advisory workshops with Project Sponsors and Advisory Board members to provide consistent oversight and guidance as analysis was conducted and recommendations were developed. These groups constitute nearly 90 leaders across the public, private, and nonprofit sectors with expertise in housing, community development, and related topics.

Technical workshops with regional data experts to vet specialized analyses that informed the RHS, including the housing submarkets analysis and the displacement risk analysis.

Regional workshops to ensure the RHS benefitted from the expertise of local leaders from every corner of the region. These five workshops each had approximately 35 participants who provided feedback on what it would take to implement specific actions from the Implementer's Toolkit in different areas of the region.

A funders workshop that brought together nearly 30 stakeholders that control or directly influence the administration of housing funding across the region. This workshop yielded insight on what it would take from a funding perspective to achieve various housing priorities that had been identified from the RHS. This feedback is captured in the Investment Allocation Portfolio.

Core Housing Issues

Housing is a complex issue, layered with numerous market factors driven at local, regional, state, national, and even global levels. It is also an issue that has resounding and disparate impacts across communities and sub-groups of the population—and of course, shelter, a fundamental need, is cornerstone to individuals' quality of life in the region.

Through the analyses described in the methods overview, five core housing challenges emerged as an outline for understanding where, what, and how to take action toward a more thriving and equitable housing ecosystem in Central Ohio.

Collectively, stakeholders in the region can consider housing action in their communities or industries through these five lenses:

INCREASED COMPETITION FOR HOMES

Following a decade of underproduction of housing, and the lingering effects of the Great Recession, the region is facing a critical shortage in supply of homes, across price points. The region needs to produce more units to keep up with demand going forward.

BARRIERS LIMITING ACCESS TO HOMES

A person's history has a sizeable impact on their ability to find adequate, safe, affordable housing. This history might be an individual's circumstances, or in some cases, especially for Black residents, the residue of structural racism induces barriers to accessing homes.[3] The region needs to change the policies and practices that perpetuate these barriers.

LIMITED SUPPLY OF HOMES PRICED FOR LOW-INCOME HOUSEHOLDS

Pressure in the housing market is felt most acutely for lower-income households. Housing prices increase while low-wage earners' incomes stagnate. Meanwhile, higher-income households with fewer housing options but greater means creates a demand that can accelerate gentrification in previously disinvested neighborhoods or properties. The region needs to preserve existing homes at lower price points while expanding the number of lower cost housing options available across the region.

MORE HOMES THAT CAN SERVE A WIDER RANGE OF AGES, ABILITIES, AND HOUSEHOLDS

Central Ohio is a diverse region—regardless of income, residents at different stages of life, with different abilities, and with a variety of household structures have unique, circumstantial needs that dictate the type of housing that will work for them. In a tight housing market especially, more residents face more difficulties finding housing at all, let alone finding suitable housing that meets their cross-section of needs. The region needs to diversify its housing stock, both by adapting the current housing available and pursuing new housing models in the future.

HOUSING INSTABILITY AMONG RESIDENTS

The consequence of a housing market which lacks a healthy surplus of supply, especially across price points and type of housing, is the persistence of residents in the region paying more than they can afford on housing—there are more than 220,000 households in the region facing high housing cost burdens.[4] The region needs to provide and increase access to supports that will stabilize residents, homes, and communities.

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[3] Anecdotally, courts in the region have seen tremendous increases in eviction court proceedings since the onset of the COVID-19 pandemic. Evidence currently suggests that Black communities and other communities of color will be disproportionately affected by this crisis. At the time of publishing this report, it remains unknown the extent of impact of the pandemic on residents' housing histories and creditworthiness which will accumulate more residents with barriers to accessing homes in the future. Actions related to barriers to accessing homes can be emphasized as having importance in the Regional Housing Strategy amid and following the pandemic.

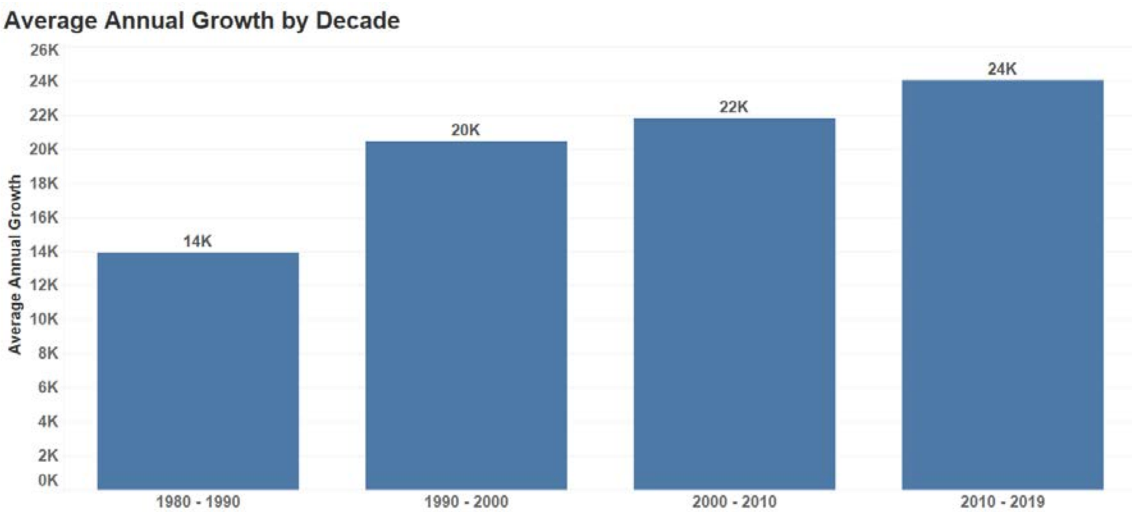
[4] The economic impacts of the COVID-19 pandemic will increase housing instability for many Central Ohio residents. At the time of publishing this report, numbers quantifying the extent of this increase were not yet available. Actions related to housing instability can be emphasized as having importance in the Regional Housing Strategy amid and following the pandemic.

Increased competition for homes

Relative to demand, the availability and production of homes in Central Ohio has reached an all-time low, creating increased competition among residents – both homeowners and renters – to find and stay in a home. Increased competition is the result of several interrelated factors: recent unprecedented growth in the number of people living in Central Ohio; historically low rates of housing production; and lingering effects of The Great Recession.

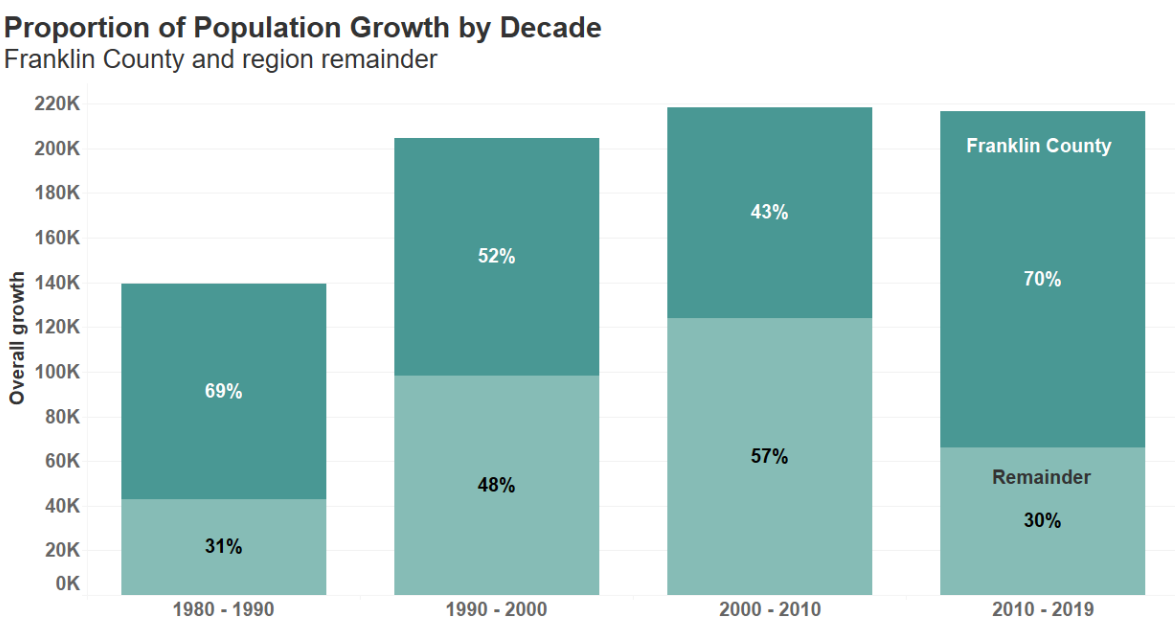
Low housing production relative to regional growth

From 2010 to 2019, Central Ohio's population grew from 1.8 million to 2.0 million. That works out to growth of nearly 24,000 residents annually, or about 65 new residents every single day (**Figure 1**). While it has long been a growing region, Central Ohio's growth in the 2010s was extraordinary, with some of the highest single year growth ever experienced. The distribution of growth also shifted in the 2010s, becoming increasingly concentrated in Franklin County (**Figure 2**).



SOURCE: U.S. Census Bureau Population Estimate Program

Figure 1



SOURCE: U.S. Census Bureau Population Estimate Program

Figure 2

Growth is projected to continue, with Central Ohio becoming a region of three million residents by 2050, with especially strong growth expected in about the next 10 years. The population growth expected in Central Ohio translates to 246,000 additional households through 2050 (over 1.0 million total), 118,000 of those needed by 2030. A majority (70%) of projected regional housing demand is likely to fall within Franklin County. Delaware County represents the second highest share at 13%, followed by Licking County at 7%. The distribution of growth expected in the future is generally consistent with the county distribution of growth observed in about the last decade.

Relative to their existing population, all counties in the region are expected to have strong growth. Delaware County is expected to increase households by 41% during the projection period, Union County by 37%, Franklin County by 33%, and Licking County by 25% (**Table 2**).

	Household Growth Projections 2018 to 2050			**Growth 2010 - 2019**
County	**GROWTH** (rounded to 100)	**% GROWTH**	**% OF REGION GROWTH**	**% OF REGION GROWTH**
Delaware	31,200	41%	13%	16%
Fairfield	11,700	20%	5%	5%
Franklin	173,600	33%	70%	70%
Licking	16,300	25%	7%	5%
Madison	2,500	17%	1%	1%
Pickaway	3,400	17%	1%	1%
Union	7,700	37%	3%	3%
7-County Region	**246,400**	**32%**	**100%**	**100%**

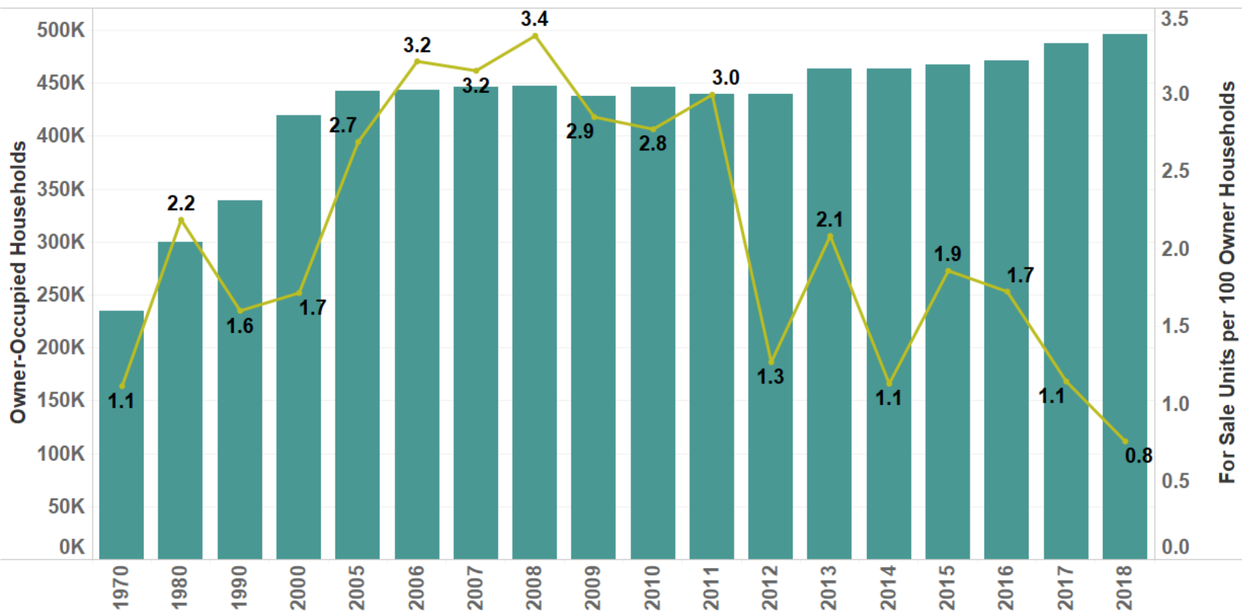
Table 2

The Central Ohio region has been underbuilding housing units for about the past 10 years. From 2010 to 2018, the region added three new residents for every new housing unit built. With an average of 2.5 residents per household, this means that demand was absorbed by surplus housing built in the years leading up to the Great Recession (in the 2000s, there were 25,000 more units built than households added), but that is not sustainable.

Homeowner market pressure

Low housing production paired with changes in residents' behavior led to a shrinkage in the overall supply of homes available to potential homeowners over the last decade. In 2008, there were more than three homes for sale for every 100 owner-occupied households—the highest number compared to all other years. In comparison, in 2018, there was fewer than one home for sale for every 100 owner-occupied households (**Figure 3**). The national rate during this same year was 1.55 units for sale per 100 owner-occupied households.

Trend of Owner-Occupied Households and Availability of For Sale Units



SOURCES: U.S. Census Bureau American Community Survey, 2005 - 2018 1-year estimates, Columbus MSA
NHGIS, 1970, 1980, 1990, 2000, Columbus MSA

Figure 3

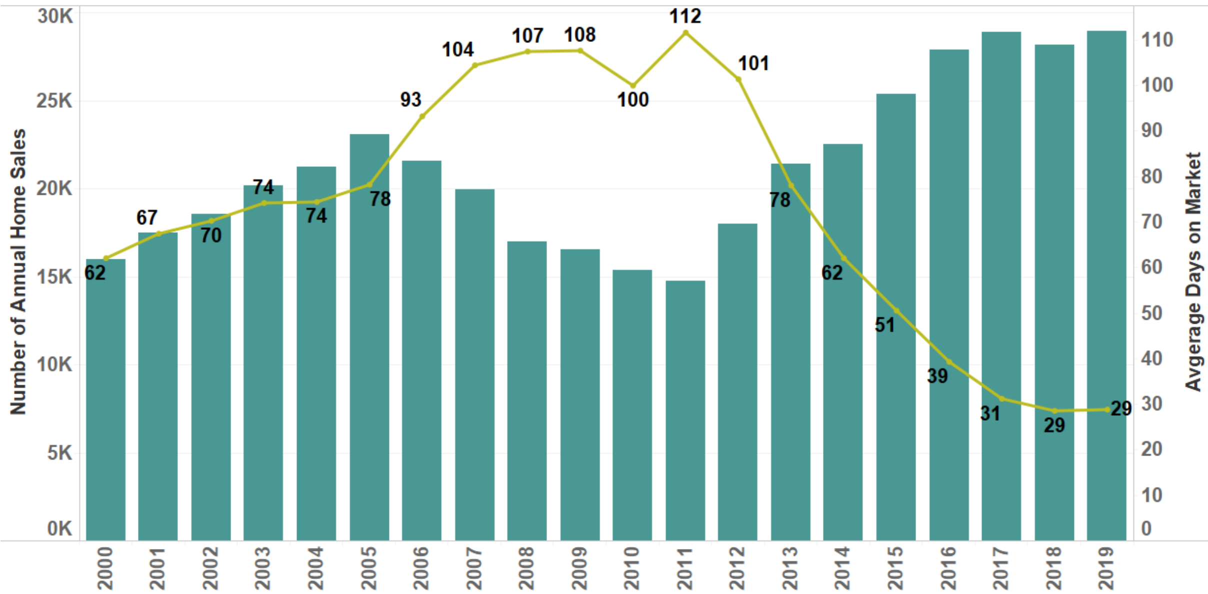
At the peak of the Great Recession, homeownership rates began to plummet in the region. The rate fell from an all-time high of 66% in 2005 to 61% starting in 2011, continuing through 2016. While the homeownership *rate* fell, the *number* of owner-occupied households increased by about 50,000 households as the region continued to grow in population during that time. Presumably, these new households were absorbed into the market because of the existing surplus of units built in the 2000s, rehabilitated vacant units restored to the market[5], and the roughly 27,000 new single-family units built from 2010 to 2018.

While the combination of surplus units and reduced homeownership rates was enough to support underproduction through the 2010s, the region is now saddled with a critical scarcity of available housing stock.

This high competition for homes in the market is confirmed with an analysis of home sale transactions using data from the Multiple Listing Service (MLS) (**Figure 4**). The volume of annual home sales has surpassed pre-recession activity levels since 2015. This increase in activity is paired with low supply, as the average days on the market for home listings concurrently fell to about one month—a decline from the two to three month averages before the recession, and three to four month averages during the recession.

[5] From 2013 to 2018, the percentage of 'other vacant' properties fell from about 48% to about 38% in the Columbus MSA. By the Census definition of 'other vacant' these properties are often vacant and abandoned properties that are not in the market. This trend suggests that some of the housing demand was met be rehabilitating vacant and abandoned properties and returning them to the market.

Trend of Home Sales and Average Days on the Market



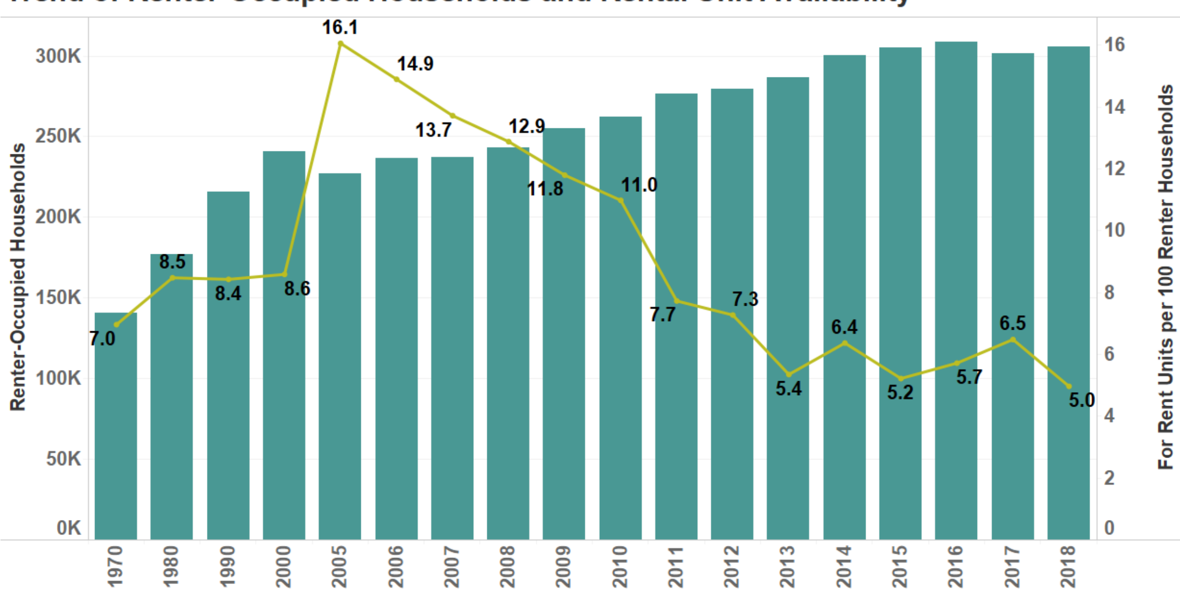
SOURCE: Multiple Listing Service (MLS) Real Estate Transaction Database
NOTE: The lowest quartile of transactions by sale price in a given Census Block Group were omitted from the analysis in an effort to remove transactions that may have occurred outside of normal market activity.

Figure 4

Rental market pressure

Increased demand for rental housing, along with a production slowdown during the Great Recession, has resulted in a tight rental market in Central Ohio. In 2018, there were 5 rental units listed for rent for every 100 renter-occupied households (compared with 7 units per 100 renter households nationwide)—lower than any other time between 1970 and 2018. In the decades prior to the Great Recession, even as renter households increased, the Columbus MSA maintained an inventory of about eight available rental units per 100 renter households (**Figure 5**).

Trend of Renter-Occupied Households and Rental Unit Availability

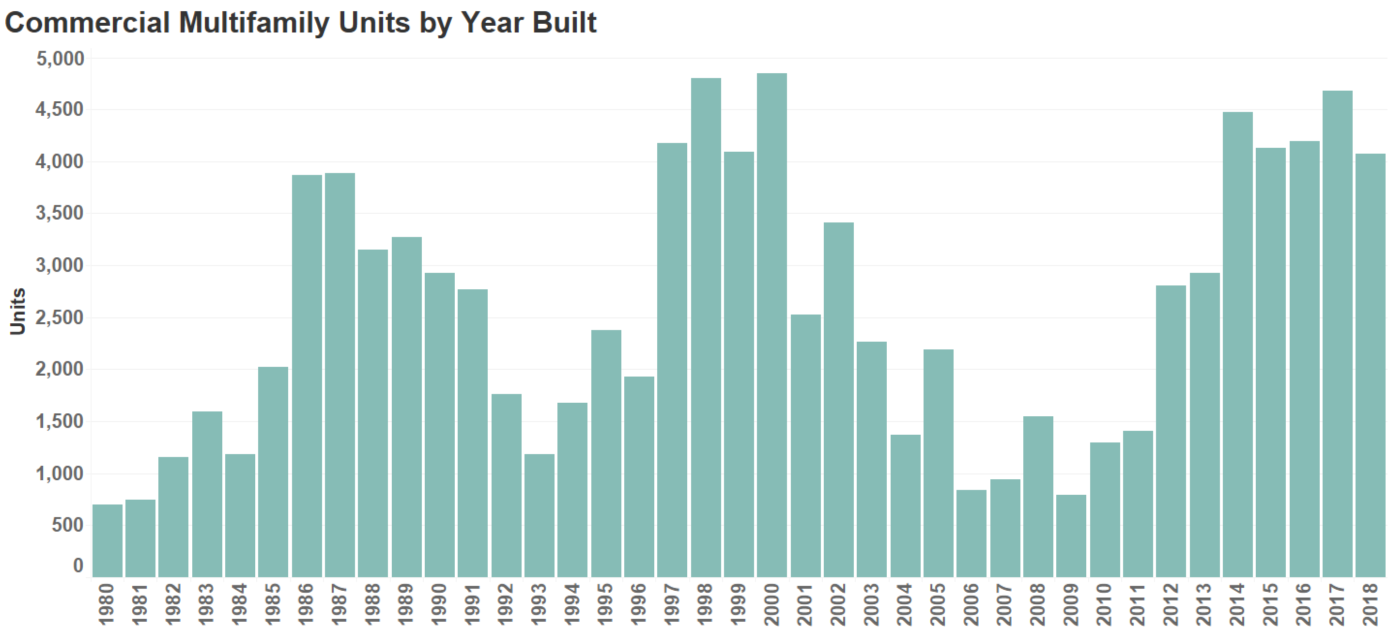


SOURCES: U.S. Census Bureau American Community Survey, 2005 - 2018 1-year estimates, Columbus MSA
NHGIS, 1970, 1980, 1990, 2000, Columbus MSA

Figure 5

As homeownership rates fell, the Great Recession led to a clear rise in demand for rental products. When residents were buying homes faster than ever in the early 2000s, that created a large surplus of rental units on the market (from 2000 to 2005, the number of renter-occupied households dropped by almost 14,000). This trend abruptly reversed when the recession hit, with the number of renter-households steadily rising, along with available inventory steadily declining since around 2005.

In recent years, rental housing production increased in response to shifting demands—from 2010 – 2018, 55% of housing units built were multifamily. However, the lull in production during the recession has prevented the region from keeping up with the combination of population growth and changing preferences toward rental housing. While the proportion of multifamily units was greater than the past, the volume of units produced was still hindered by the production slowdown from about 2005 - 2012 (**Figure 6**).



SOURCE: Vogt Strategic Insights; Units built since 1980

Figure 6

From 2010 – 2018, the region added nearly 44,000 renter households. Presumably these households were absorbed into the rental market because of single family units that were converted to rentals (there were 10,000 more single family rentals in 2018 compared with 2010), and the nearly 34,000 multifamily units built in the region since 2010. Despite these recent increases, supply has not kept pace with demand; and just as with housing stock for homeowners, the supply of available rentals has hit an all-time critical low.

Future demand

The region needs to produce more units to keep up with demand going forward. To keep up with projected growth, the region is expected to need nearly 266,000 additional housing units by 2050; 127,000 of which would be needed in the next 10 years. To hit the projected 2050 target, we would need to boost annual production from 7,500 to 8,300 units (about a 10% increase) every year for the next three decades regardless of periods of faster or slower growth. In the near-term, the region needs to boost housing production even more, building nearly 11,000 units annually to meet projected demand by 2030—an increase of 40% over past trends.

This is just to keep up with coming demand—in order to stabilize housing costs, it may be necessary to boost production even more in the near-term in order to restore the housing market to a level of surplus that reduces competition among housing consumers, and expands housing options across price points and housing needs.

Without an increase of available supply, prices will get pushed higher, and competition for housing will increase the struggle for residents with housing challenges or limitations (see barriers limiting access to homes and more homes that can serve a wider range of ages, abilities and households), or put more residents into precarious, unaffordable housing relative to what they earn (see limited supply of homes priced for low-income households or housing instability among residents).

Uncertainty about local land use processes & standards

In a survey of regional developers, local land use regulations were ranked as the top factor negatively affecting development feasibility out of 14 factors and is therefore considered a key hinderance to increasing housing production.

Land use approvals across Central Ohio generate added uncertainty to already time-consuming and expensive development processes. Specifically, the following aspects of land use processes add time, cost, and most importantly, less certainty that a development will be able to move forward:

- Overall time associated with regulatory processes
- Rezoning processes
- Inconsistencies in neighborhood-level processes for reviews and approvals
- Reliance on variances in some jurisdictions

In addition to uncertainty created by the overall approvals process, differences in land use standards across jurisdictions exists, requiring developers working across the region to navigate differences as they conceive projects in Central Ohio. The differences include:

- Lot sizes
- Setbacks
- Widths for single-family and multifamily development
- Number of zoning districts per capita

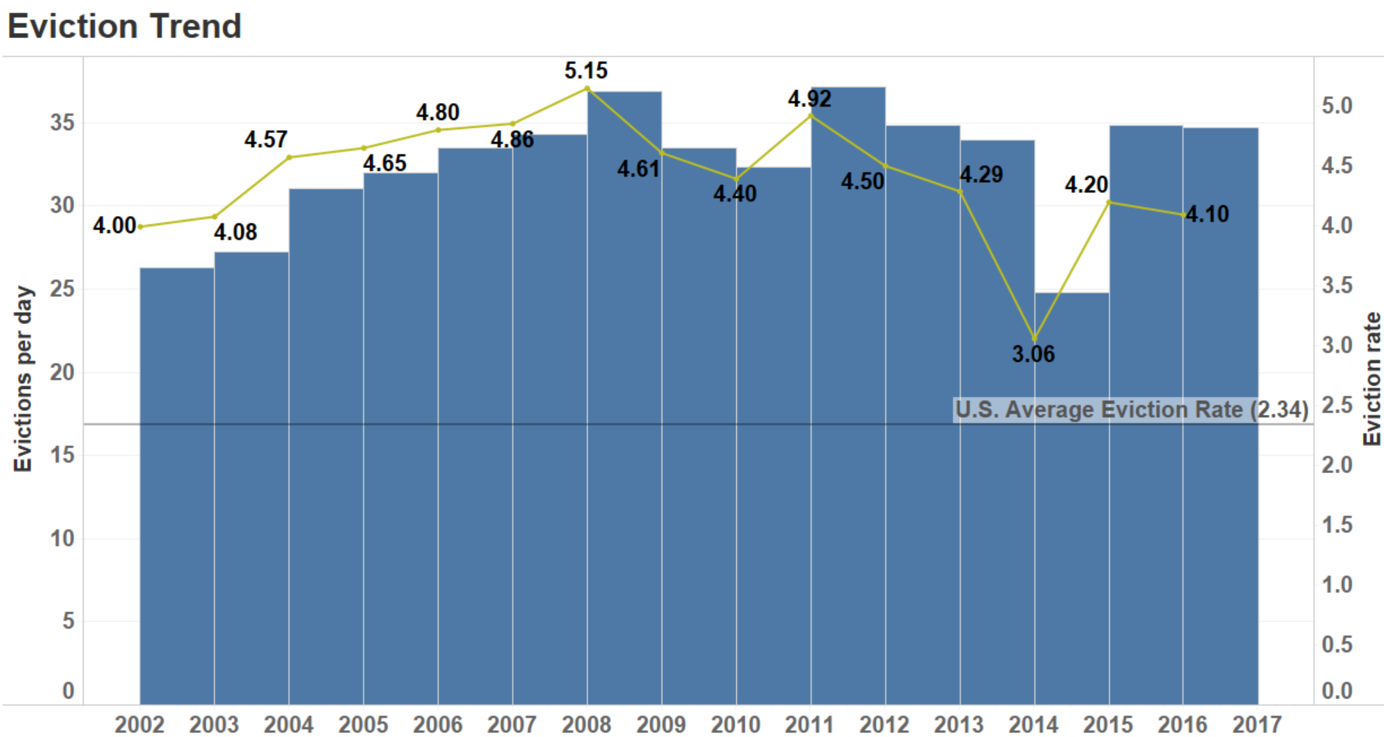
Developers in Central Ohio said that limited data about local land use standards and processes makes it difficult to address this barrier.

Barriers limiting access to homes

Central Ohio's tight housing market can make finding and maintaining adequate housing a challenge for anyone. However, the barriers are far more severe for some households than others. Past negative events like evictions and inadequate or poor credit can limit housing options, forcing households into risky or suboptimal housing situations. Across incomes, persistent disparities between white households and households of color in evictions, home lending, and housing discrimination result in disproportionate housing barriers for people of color, especially Black households.

Evictions

In 2016, 35 renters were evicted each day in Central Ohio. The incidence of evictions, on average, is more prevalent in Central Ohio than the United States as a whole. In Central Ohio, the average eviction rate is 4.10 evictions per 100 renters; in the United States, it is 2.34 evictions per 100 renters. And while the eviction rate has returned to pre-recession levels, the greater number of renters in the region means there are more total evictions per day (**Figure 7**).



SOURCE: Eviction Lab; Eviction rate is number of evictions per 100 renter households

Figure 7

Creditworthiness impact on buyers and renters

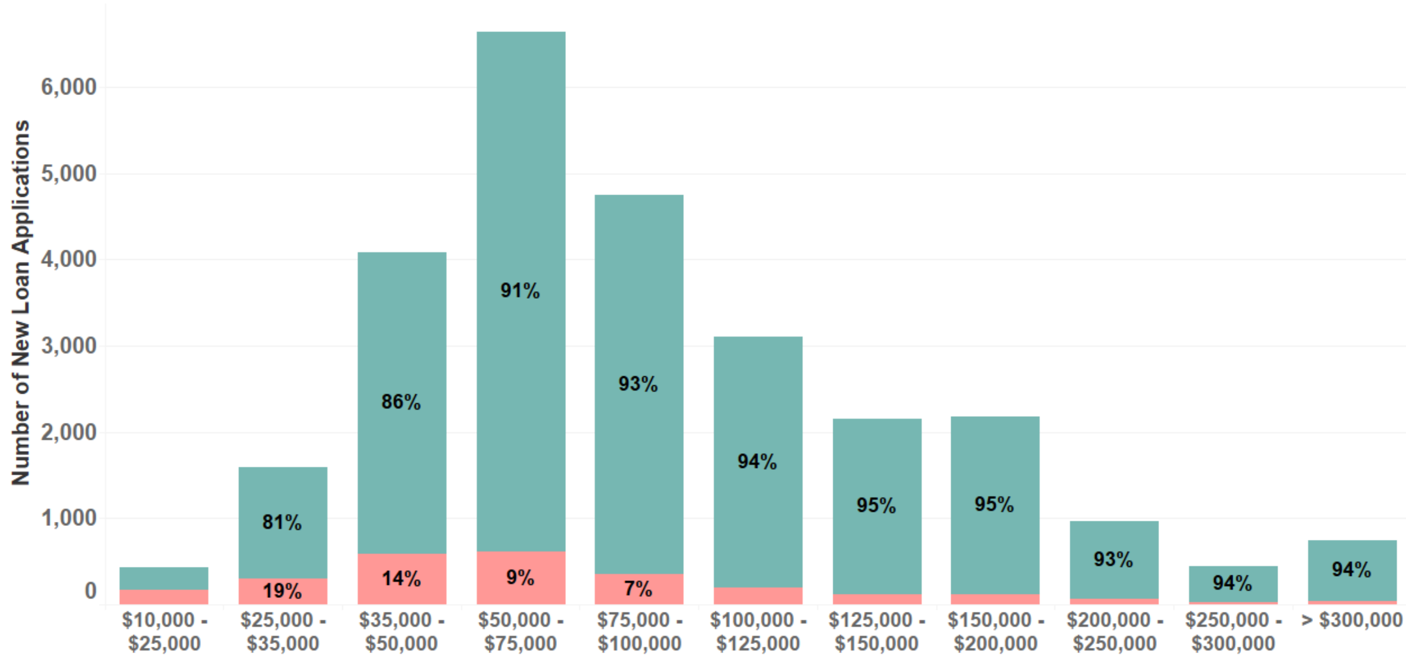
Based on a community survey conducted through the RHS, regional housing providers ranked creditworthiness as one of the top three barriers to housing in Central Ohio. Credit history can have an impact on both potential homebuyers and renters, especially in a competitive market.

Mortgage lending

Homeownership has historically served as a pathway to building personal and generational wealth. However, homeownership is a less-accessible option for residents who earn less. Even low-income residents with minimal debt will face strict debt-to-income requirements from lenders, may have poor or limited credit histories, and limited savings to meet down payment requirements, all of which can prevent them from homeownership as an option.

Based on 2018 home mortgage loan application data, applicants across income levels were approved for loans, but lower income residents applied for fewer mortgages, and were denied more often than their higher-earning counterparts (**Figure 8**).

Mortgage Loan Denials and Approvals by Applicant Income



SOURCE: Home Mortgage Disclosure Act, 2018
Note: Data are excluded to new purchase loans for a primary residence; Approvals are defined by the lender's action of 'loan origination'; Denials are defined by the lender's action of 'Application denied' or 'Preapproval request denied'; Other categories of action are considered administrative reasons or applicant's voluntary withdraw from loan application

Figure 8

The top three reasons for loan denials were high debt-to-income ratios, poor credit or credit history, and lack of collateral.[6] Collateral was a more prevalent reason for denial among higher earning applicants.

Another consideration around homeownership is the loan amount buyers at different income levels can qualify for. As expected, earnings are positively correlated with loan amounts. The lowest earners (gross income from $10,000 to $25,000) qualified for loans averaging $86,000, and the next step up (gross income from $25,000 to $35,000) qualified for an average loan amount of $104,000. The highest number of loans were issued to applicants earning $50,000 to $75,000, with an average amount of $168,000 (**Figure 9**). Generally, homebuyers with low incomes paid a higher percentage of the property value as a down payment,[7] which presents an additional hurdle for those households with limited ability to save.

As housing prices rise in a tight market, this raises the bar for households across income levels. If the lowest earners cannot get approved for more than a certain amount, then rising home sale prices will continually reduce the number of options available in the market. It can also have implications for quality, which can be a major deterrent for homebuyers who lack the resources needed for critical home restorations or repairs. As prices increase, options available for low-income buyers will likely have more quality or safety issues, which can be a barrier in accessing housing in and of itself. More about limitations for low-income households can be found in the discussion of the limited supply of homes priced for low-income households.

[6] Home Mortgage Disclosure Act. (2018). *Home Mortgage Loan Application Data.* Central Ohio Region. Available here.

[7] Home Mortgage Disclosure Act. (2018). *Home Mortgage Loan Application Data.* Central Ohio Region. Available here. Down payment estimated as the difference between property value and loan amount.

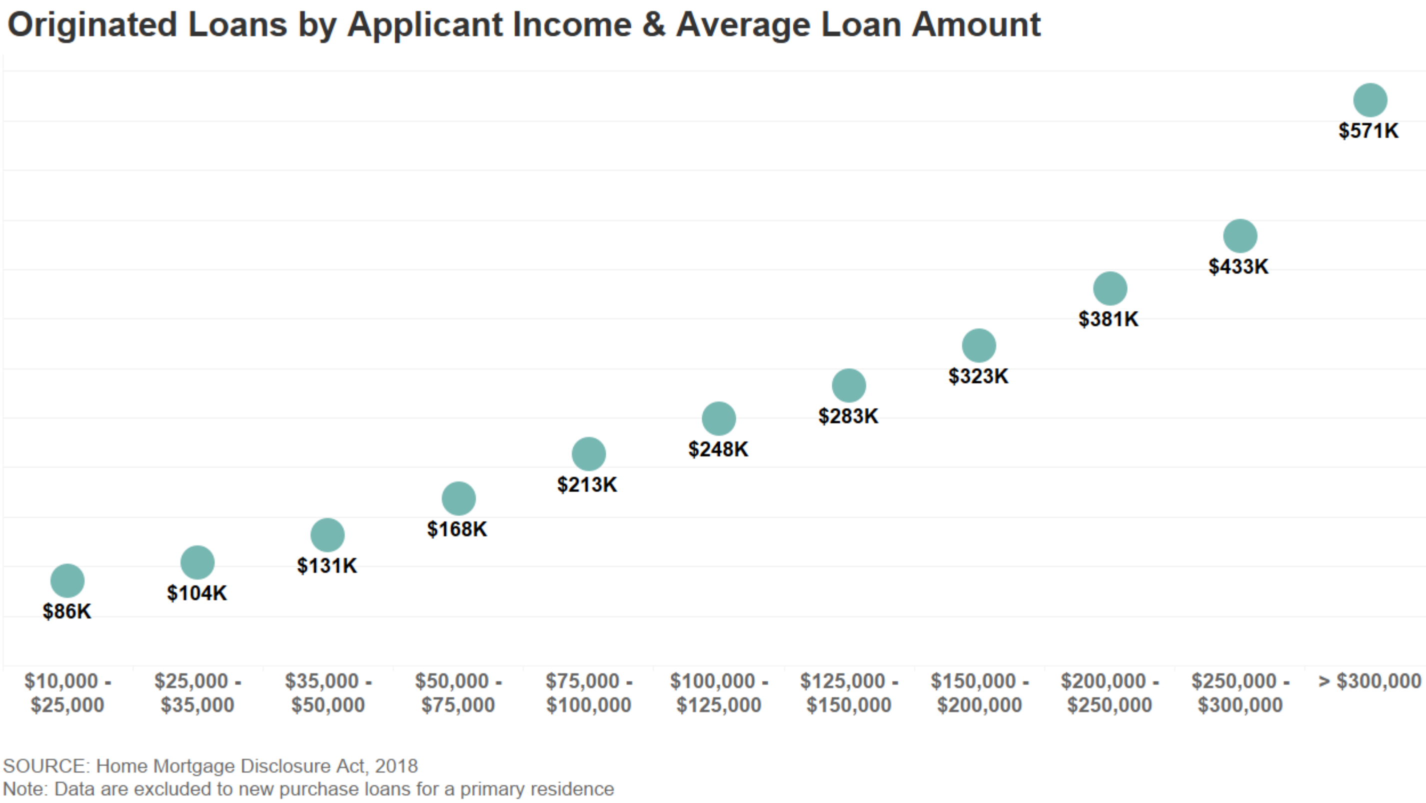


Figure 9

Credit checks for renters

According to the Columbus and Franklin County Joint Analysis of Impediments to Fair Housing Choice, "credit histories impact people's ability to access housing; losing one home essentially bars them from finding other housing because it hurts their credit and/or rental history." Also adding that, "according to the Community Shelter Board, rising rents and steady demand for rental product mean landlords can be more stringent when it comes to a rental applicant's rental and credit histories, thereby making it more difficult for homeless individuals and families to transition from a shelter to a rental unit."

In a market where landlords can choose between multiple tenants, residents seeking rental housing options are more likely to get turned down if they have a more blemished rental or credit history than their 'competitors' for a unit. This can push renters with imperfect or no credit histories into housing options that force them to sacrifice quality, safety, access to opportunity, or the housing requirements that make it the right fit for what they need (e.g. size or accessibility).

Homelessness

Both a symptom of housing instability, and a barrier to accessing housing, homelessness is a key consideration in understanding the housing ecosystem. The region is home to continuum of care, which actively develop and refine strategies to prevent homelessness and support homeless residents in becoming permanently housed. With its unique set of issues and concerns, homelessness is intentionally excluded from the scope of the RHS.

During the 2019 Point-in-Time Count of homelessness in Columbus and Franklin County, more than 1,900 persons experiencing homelessness were counted.[8] Data about persons served through the region's homeless system, including at emergency and youth shelters and through street outreach, transitional housing, and homelessness prevention, suggests a higher number of people in the region experience homelessness than Point-in-Time counts can capture.

From July 2018 to June 2019, emergency shelter service was provided to 7,600 individual adults, 485 unaccompanied children, and 2,000 families.[9] Of these, 3,300 were rehoused in permanent housing, and 426 in temporary housing.

Structural Racism

Accessing a home in Central Ohio is not an even playing field. Disparities in terms of cost-burden rates, evictions, lending practices, poverty, and access to opportunity exist among people of color, and especially Black residents living in Central Ohio. These disparities reflect a long history of structural racism, resulting in discrimination and inequity in the housing market.

Examining access to opportunity in Franklin County, Black residents are the most likely to live in high-poverty areas with less access to proficient schools.[10] Black residents also experience higher unemployment rates and incarceration rates than the overall population in Franklin County.[11] Black residents are often forced into the preconditions that lead to cycles of negative housing outcomes and instability because of a long history of structural racism that limits opportunities.

These patterns are largely borne out across Central Ohio in places where Black residents represent the largest population. These areas are characterized by the lowest access to opportunity, especially health, education, and housing outcomes. In areas classified as *very low opportunity*, 56% of the population are people of color. In contrast, in *very high opportunity* areas, people of color only make up 16% of the population.

These patterns expose a racialized region, shaped by institutional racist practices in the housing market. While there are certainly areas that have very low opportunity without a high concentration of Black residents (for instance, in parts of the region's county seats), these conditions are mostly concentrated in historic redlined neighborhoods in the City of Columbus, east of I-71 and South of I-70.

Looking across barriers limiting access to housing, Black residents repeatedly emerge as being disproportionately impacted. While this analysis focuses primarily on the unique circumstances that give rise to the ill-effects of structural racism on Black residents, it also highlights disparities for other groups, such as disabled and Hispanic or Latinx residents.

Housing Discrimination

According to the Joint Analysis of Impediments to Fair Housing Choice for the City of Columbus and Franklin County, discrimination against persons with disabilities and people of color were the two most commonly reported complaints. From January 2013, through July 2018, the U.S. Department of Housing and Urban Development received 148 formal complaints of alleged housing discrimination in the City of Columbus and 78 complaints for other cities in Franklin County.[12]

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[8] Community Shelter Board. (2019). *Point-in-Time Count of Homelessness in Columbus and Franklin County*. Available here.

[9] Community Shelter Board. (n.d.). Interactive Data. Available here.

[10] City of Columbus, Ohio & Franklin County, Ohio. (2018, October). *Joint Analysis of Impediments to Fair Housing Choice*. Available here.

[11] Franklin County Board of Commissioners. (2019, June). *Rise Together: A Blueprint for Reducing Poverty in Franklin County*. Available here.

[12] City of Columbus, Ohio & Franklin County, Ohio. (2018, October). *Joint Analysis of Impediments to Fair Housing Choice*. Available here.

Housing instability

High housing cost burdens, are most prevalent among extremely low-income Black homeowners and renters and extremely low-income Hispanic or Latinx renters:[13]

- More than half of renter households with Black (55%) or Hispanic or Latinx (52%) householders experience one of the four housing problems, as defined by the U.S. Department of Housing and Urban Development.
- Extremely low-income Hispanic renters experience the highest rate of housing problems among renter households (81%).
- Extremely low-income Black homeowners experience the highest rate of severe housing problems among owner households (68%).

Evictions

Evictions are even more widespread in places with a high number of Black residents. In these areas, the average eviction rate is greater than the regional average. In areas with a majority of Black residents, there were 6.0 evictions per 100 renters in 2016 (compared with 4.4 per 100 renters, regionwide) (**Figure 11**).

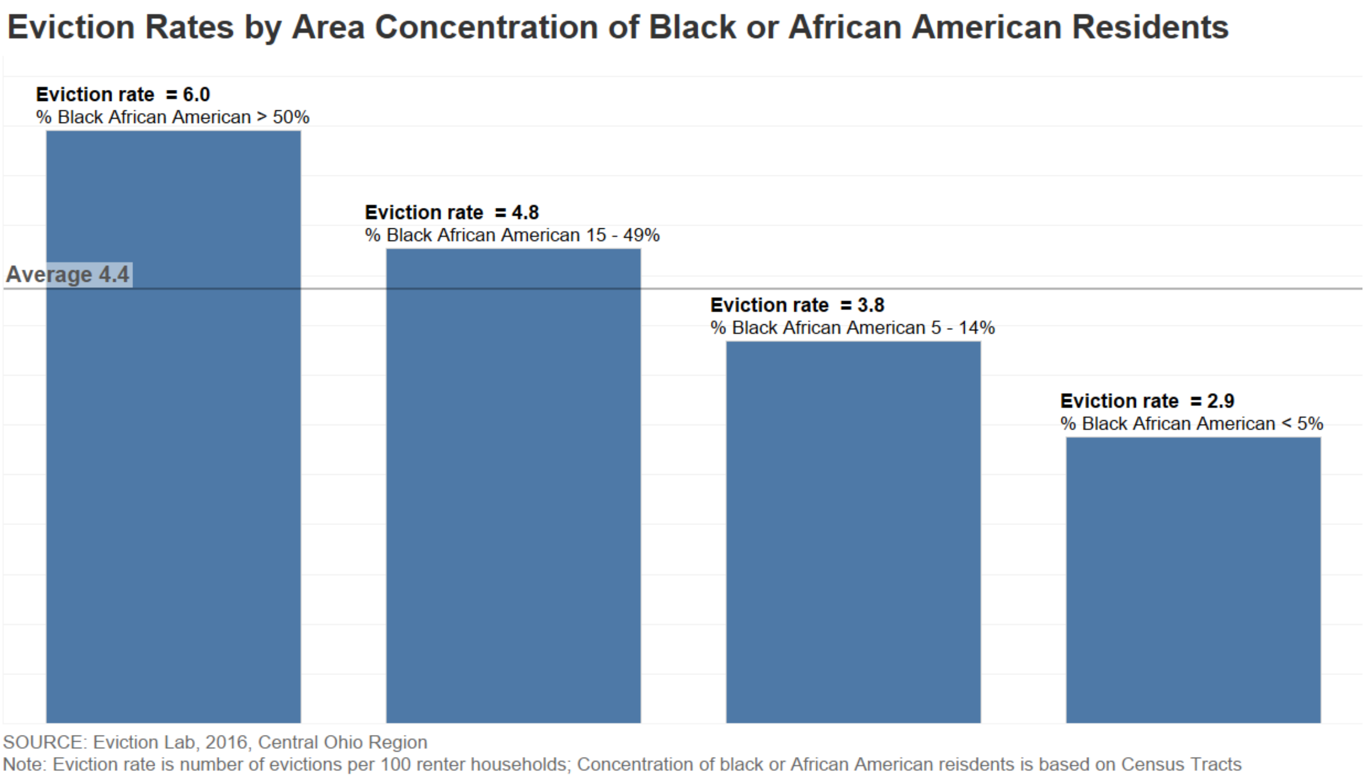
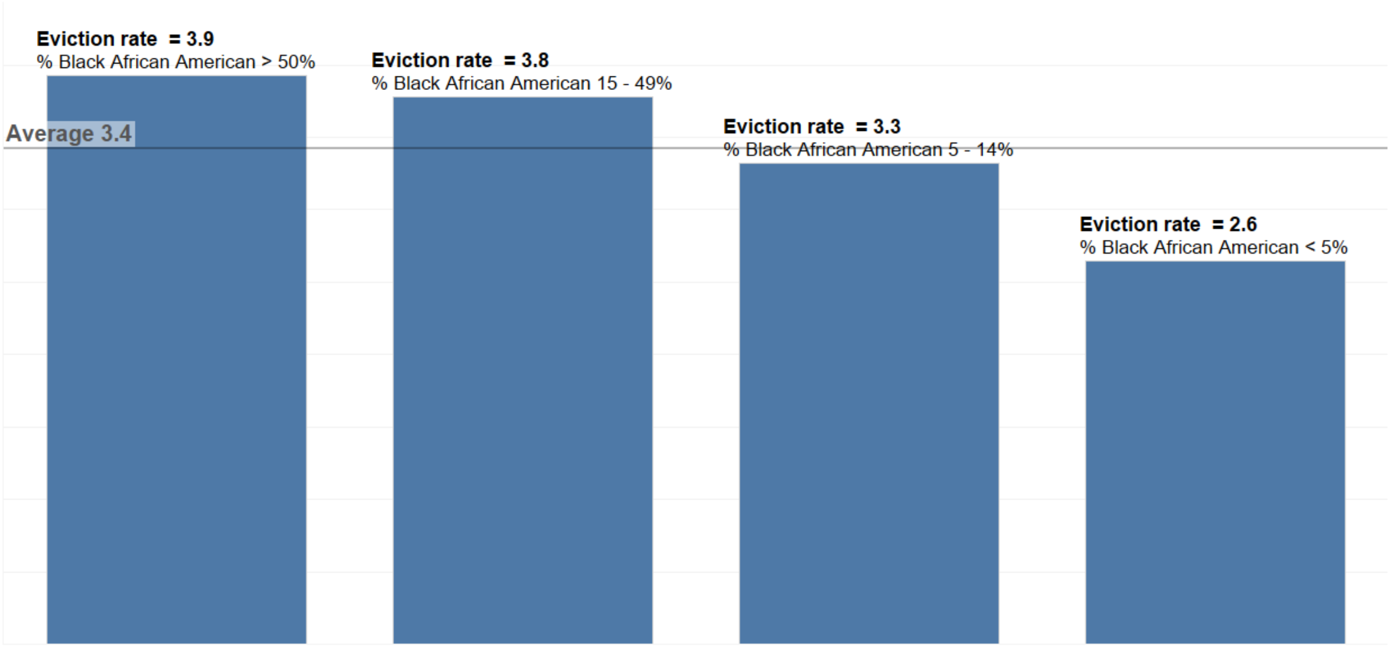


Figure 10

While Black residents are disproportionately lower income or experiencing poverty, which can be a contributor to higher eviction rates, areas with majority Black residents with higher median household incomes also have higher eviction rates than those with lower proportions of Black residents at the same income level. In 2016, 3.9 out of every 100 renter households were evicted in places with median household incomes over $45,000 and with populations greater than 50% Black or African American, compared with 2.6 out of every 100 renter households in places with the same median household income, but with very low proportions of Black or African American households (**Figure 11**).

[13] Ohio Housing Finance Agency. (2019). *Fiscal Year 2020: Ohio Housing Needs Assessment – Executive Summary*. Available here.

Eviction Rates by Area Concentration of Black or African American Residents (median household income > $45,000)



SOURCE: Eviction Lab, 2016, Central Ohio Region
Note: Eviction rate is number of evictions per 100 renter households; Concentration of black or African American reisdents is based on Census Tracts

Figure 11

The Columbus and Franklin County Affordable Housing Challenge notes, "in a sample of Franklin County Municipal Court eviction cases from 2015, many households seeking landlord/tenant mediation services had similar demographics. Of the sample, 95% were at or below 50% of area median income (AMI), 71% were headed by a woman, and 64% were headed by an African-American."[14]

Access to home loans

Households of color do not seek home loans as often as white households. In 2018, 81% of loan applicants were white (compared with 75% of the population overall), 10% were Black (compared with 16% of the population overall), and 2% were Hispanic or Latinx, (compared with 4% of the population overall).

Households of color are also denied home loans at a higher rate than their white counterparts, and at most income levels, are approved for smaller loans than white applicants. Across the region, the average home loan denial rate is 10%. This rate is 7 percentage points higher (17%) for Black households, and 4 percentage points higher (14%) among Hispanic and Latinx households. By contrast, white home loan applicants experience a denial rate of 8% (**Figure 12**). These disparities culminate in homeownership rates that are lower among Black, Native American, and Hispanic households.[15]

In an analysis of 2018 Home Mortgage Disclosure Act data, it was found that black residents were not only denied at higher rates overall but were denied at higher rates than white applicants for every income range except those earning $200,000 - $250,000, and those earning more than $300,000 annually (**Figure 13)**.

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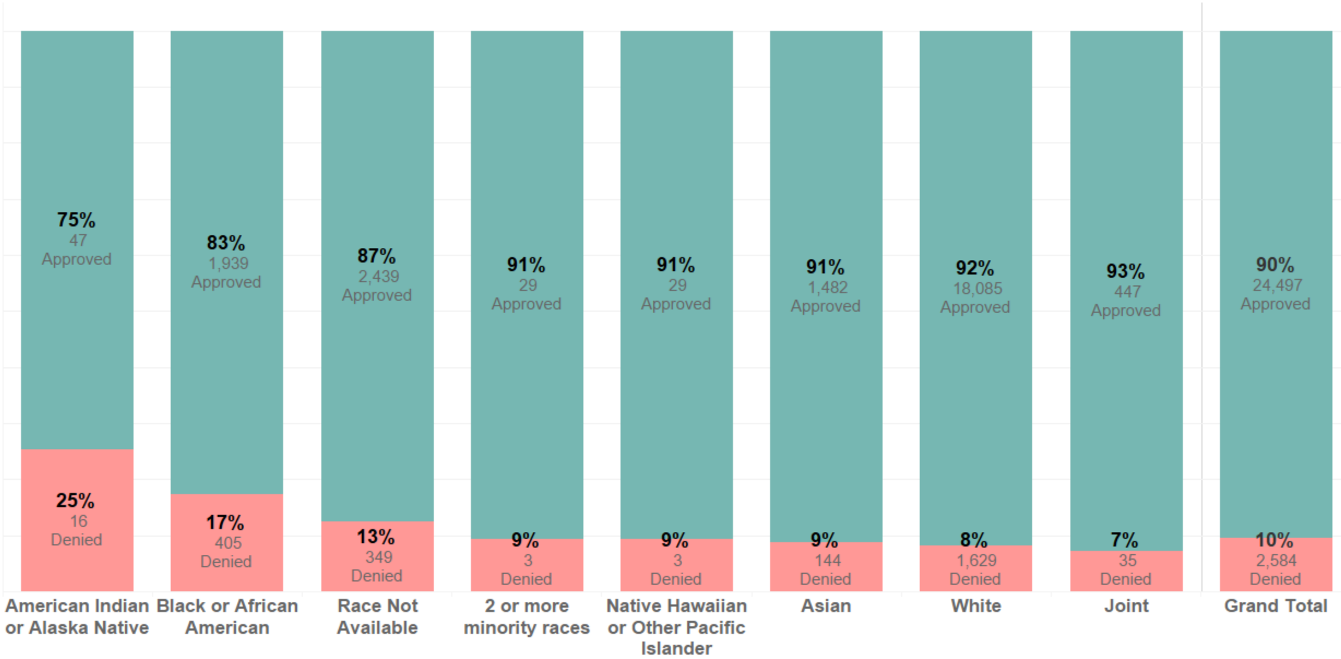
[14] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

[15] Ohio Housing Finance Agency. (2019). *Fiscal Year 2020: Ohio Housing Needs Assessment – Executive Summary.* Available here; and City of Columbus, Ohio & Franklin County, Ohio. (2018, October). *Joint Analysis of Impediments to Fair Housing Choice*. Available here.

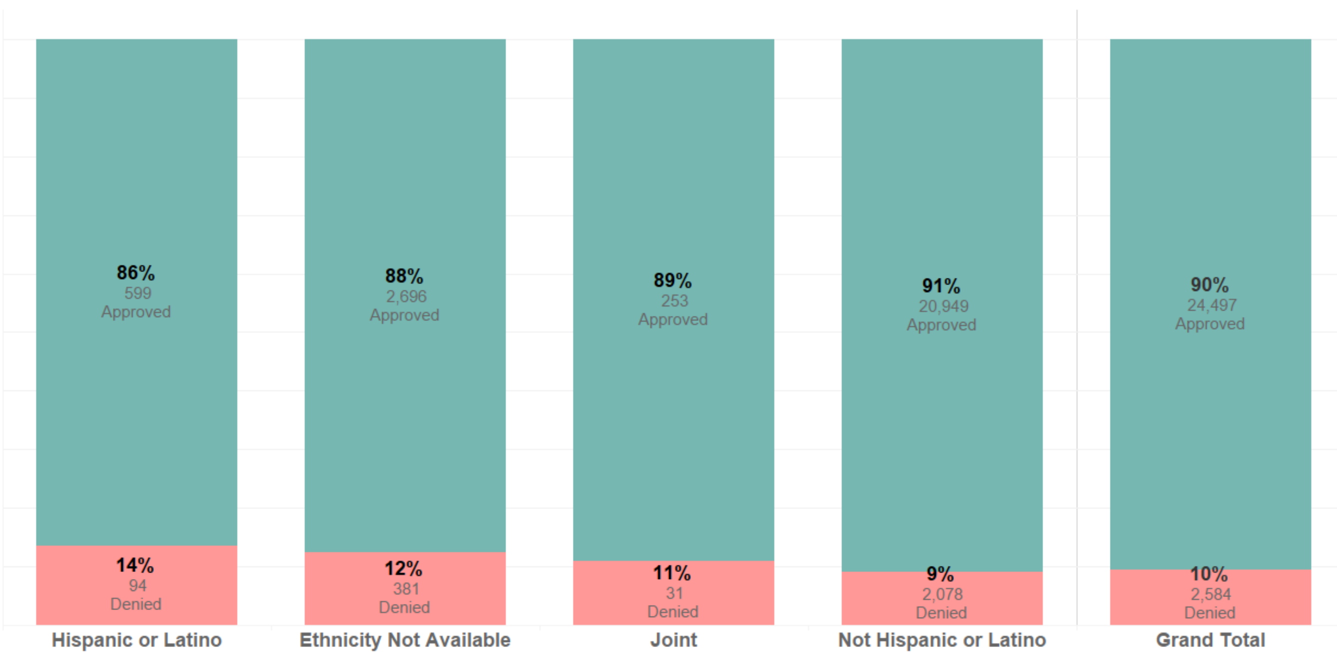
Mortgage Loan Denial and Approval Rates by Applicant Race



SOURCE: Home Mortgage Disclosure Act, 2018
Note: Data are excluded to new purchase loans for a primary residence; Approvals are defined by the lender's action of 'loan origination'; Denials are defined by the lender's action of 'Application denied' or 'Preapproval request denied'; Other categories of action are considered administrative reasons or applicant's voluntary withdraw from loan application

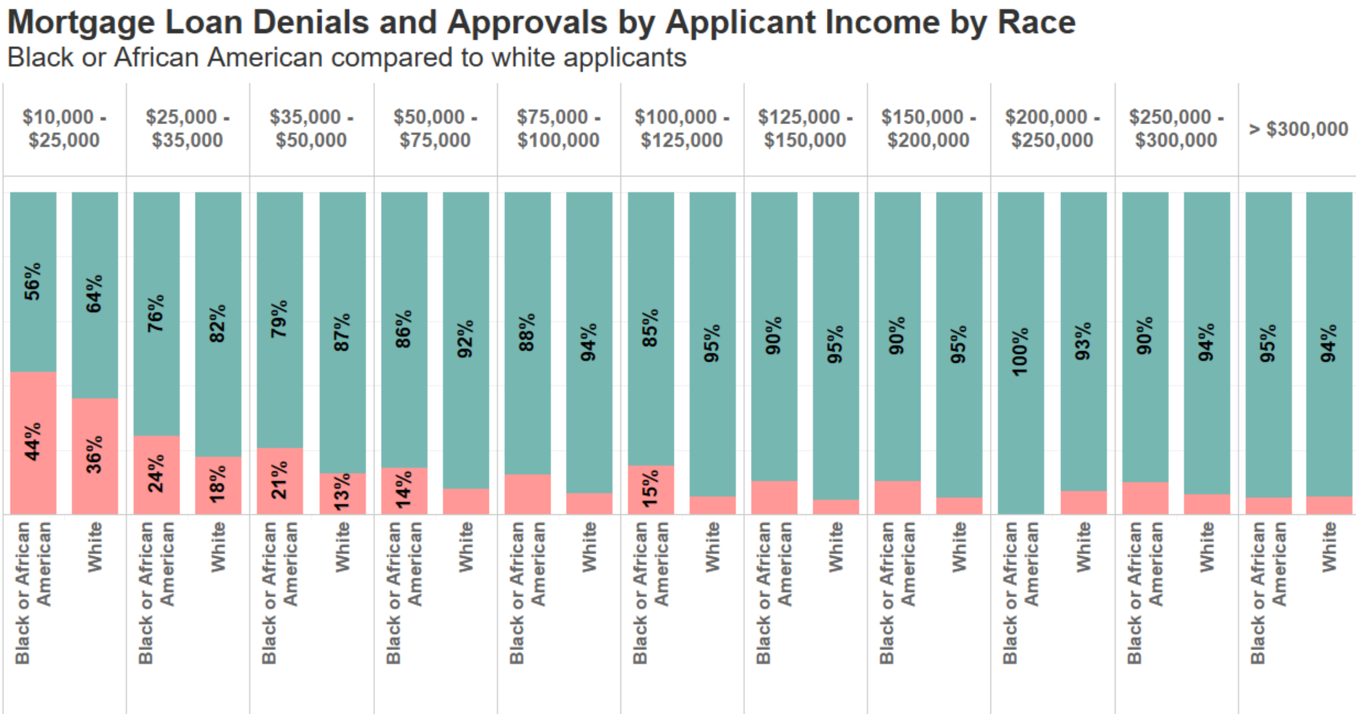
Figure 12

Mortgage Loan Denial and Approval Rates by Applicant Ethnicity



SOURCE: Home Mortgage Disclosure Act, 2018
Note: Data are excluded to new purchase loans for a primary residence; Approvals are defined by the lender's action of 'loan origination'; Denials are defined by the lender's action of 'Application denied' or 'Preapproval request denied'; Other categories of action are considered administrative reasons or applicant's voluntary withdraw from loan application

Figure 13



SOURCE: Home Mortgage Disclosure Act, 2018
Note: Data are excluded to new purchase loans for a primary residence; Approvals are defined by the lender's action of 'loan origination'; Denials are defined by the lender's action of 'Application denied' or 'Preapproval request denied'; Other categories of action are considered administrative reasons or applicant's voluntary withdraw from loan application

Figure 14

According to the Joint Analysis of Impediments to Fair Housing Choice, the current lending environment is part of a longer pattern of loan denials. Based on Home Mortgage Disclosure Act data from 2013 to 2017 in Franklin County, white applicants were more likely to be approved for a mortgage than applicants of color, regardless of income level or loan type. It also found that the racial composition of a neighborhood surrounding the home impacted loan outcomes. As the share of white people in a census tract increased, loan origination rates increased. Conversely, in census tracts with a significant share of people of color (90% or more), fewer conventional mortgage applications resulted in loans.[16]

Limited supply of homes priced for low-income households

Low-income households face housing challenges in Central Ohio more acutely than their higher income counterparts. These households must compete for a limited supply of rental and for-sale homes that they can afford, more frequently finding themselves cost-burdened; residential development costs keep prices on new housing higher than the price points in greatest demand; there's an insufficient supply of subsidized options in the region; and increased competition for homes among higher earning residents can act as an accelerator for gentrification, which can diminish the supply of naturally occurring affordable housing in the region.

Limited options for homeownership

Looking at home sales by estimated monthly housing costs, there are clear pressures on middle-cost homes (ranging from $100,000 to $250,000), which spend on average less than three weeks on the market (**Figure 15**). To put that into context, in the years leading up to the Great Recession, homes stayed on the market for nearly three *months*, on average (see homeowner market pressure).

[16] City of Columbus, Ohio & Franklin County, Ohio. (2018, October). *Joint Analysis of Impediments to Fair Housing Choice*. Available here.

2018 Home Sales by Home Sale Price and Average Days on the Market

SOURCE: Multiple Listing Services, RETS Database

Figure 15

In the previously described analysis of home loan applicants (see mortgage lending), very low income households can qualify for relatively low loan amounts if they have low debt-to-income ratios, solid credit histories, and are able to save for a typically larger down payment. **Figure 15** suggests that the number of days that lower cost homes stay on the market is higher than homes at most other price points. It is likely that the lowest earners in the region have enough other financial and credit barriers to homeownership, and that homes in the price range are more likely to need investments to improve quality, that this market segment does not have the same level of competition.

Several regional studies discuss how costly repairs can make seemingly lower-cost housing unaffordable.[17] There aren't enough resources in Central Ohio to assist with these repairs today. For instance, in the City of Columbus alone, more than 1,200 low-income families requested city assistance for home repairs, roof repairs, or home modifications in 2016. In any given year, the city can fund approximately 90 projects.[18]

Homes in the mid-price range, however, are extremely competitive. The greatest number of loans in 2018 were to homebuyers earning between $50,000 and $75,000 annually, with an average loan amount of $168,000 (see mortgage lending). The greatest market pressure is on homes priced between $150,000 and $200,000, spending an average of only 17 - 18 days on the market. There is slightly less pressure on the market tier just above (homes priced between $200,000 - $250,000), but with more transactions in that range. This suggests that, in some cases, middle-income homebuyers may be pushed into larger loans with less available inventory in their market tier, which can leave them over-extended by their housing costs[19].

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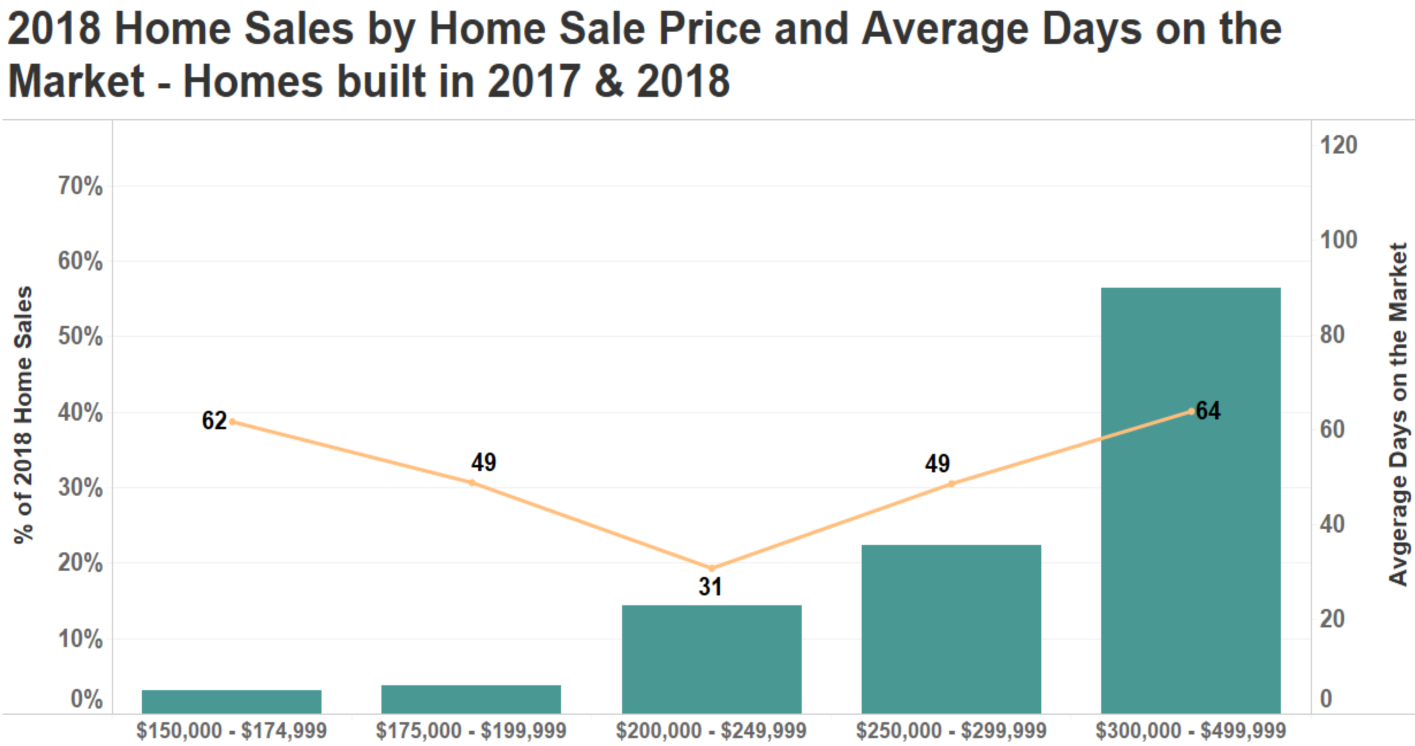
[17] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here; and City of Columbus, Ohio & Franklin County, Ohio. (2018, October). *Joint Analysis of Impediments to Fair Housing Choice*. Available here; and Urban Land Institute. (2018, April 6). Columbus, Ohio: Creating Mixed-Income Neighborhoods in the Opportunity City. *Rose Center for Public Leadership.*

[18] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

[19] U.S. Census Bureau. (2014 – 2018). *American Community Survey 5-year estimates.* Of mortgage holders earning $50,000 - $74,999, only 25% are spending less than 20% of their incomes on housing costs, compared with over 70% of households earning $75,000 or more. See more discussion of housing cost burden in housing instability among residents.

There is a climate of high demand for mid-priced homes, yet sale prices of new construction tend to be higher than the price of those units with the greatest market pressure. **Figure 16** shows home sale transactions in 2018 for homes that were built in 2017 or 2018. The average sale price of these new construction homes was over $380,000—significantly higher than the price points with the greatest demand, when considering transactions during that year. The lower demand of the newly constructed, high cost homes is validated by their longer time on the market—new construction homes sold in 2018 priced from $300,000 - $499,999 (55% of the new construction market) were listed for 64 days, on average (the average for all home sale transactions in 2018 was just 29 days)[20].



SOURCE: Multiple Listing Services, RETS Database
NOTE: Home sale price groups with fewer than ten transactions were excluded from the analysis
Figure 16

Among new construction transactions at all price points, days on the market is higher than for all home sale transactions at the same price range. A review of home sale transactions by location suggests that there are spatial patterns in days on the market, as an indicator of demand. More discussion of spatial considerations in the housing market can be found in access to jobs and other location considerations.

Limited rental options

Using a survey of rents and number of occupied and vacant units in commercial multifamily properties in Central Ohio from Vogt Strategic Insights, there is a notable pattern of decreasing vacancy rates as rent prices decrease, indicating greater competition for lower cost units (**Figure 16**).

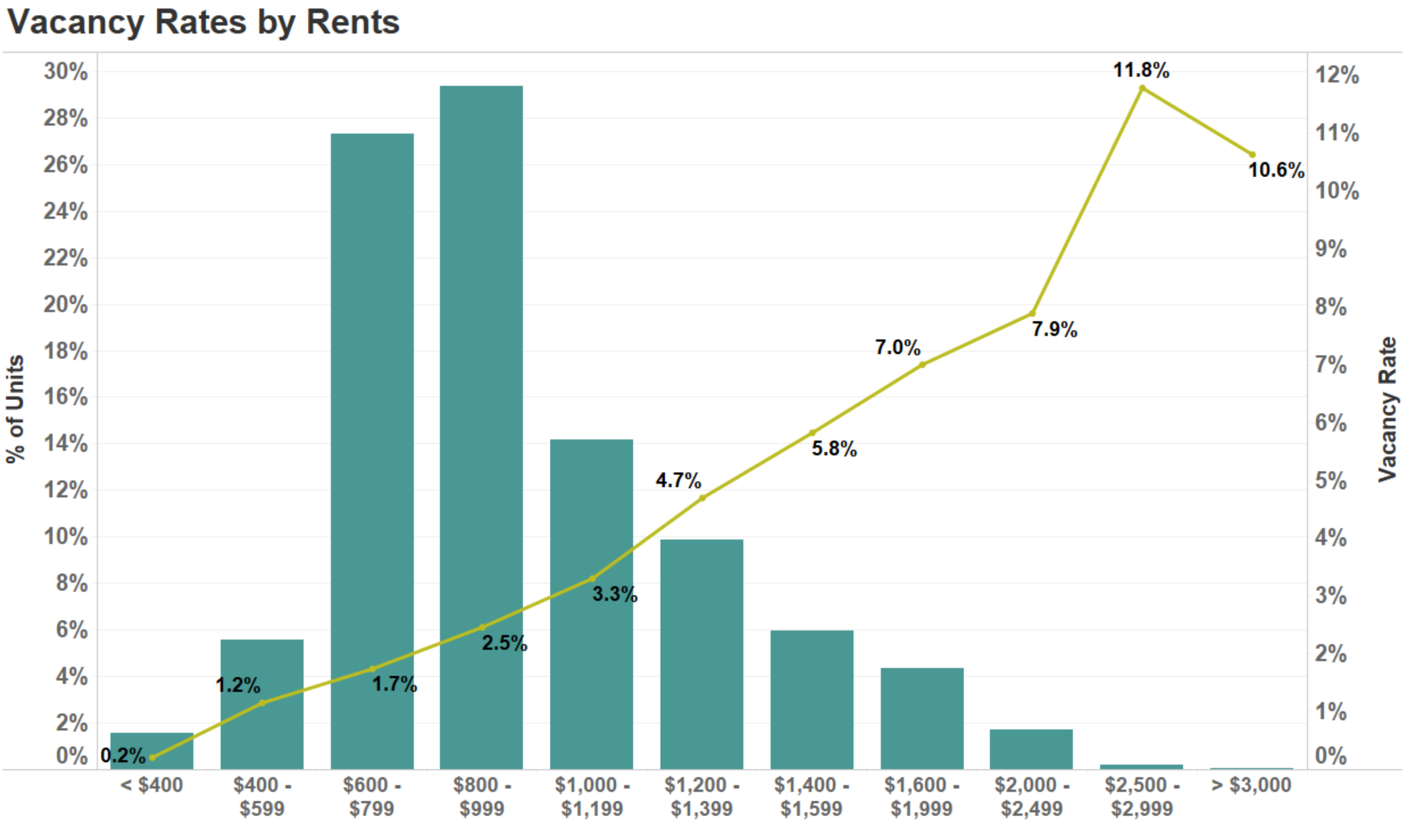


Figure 17

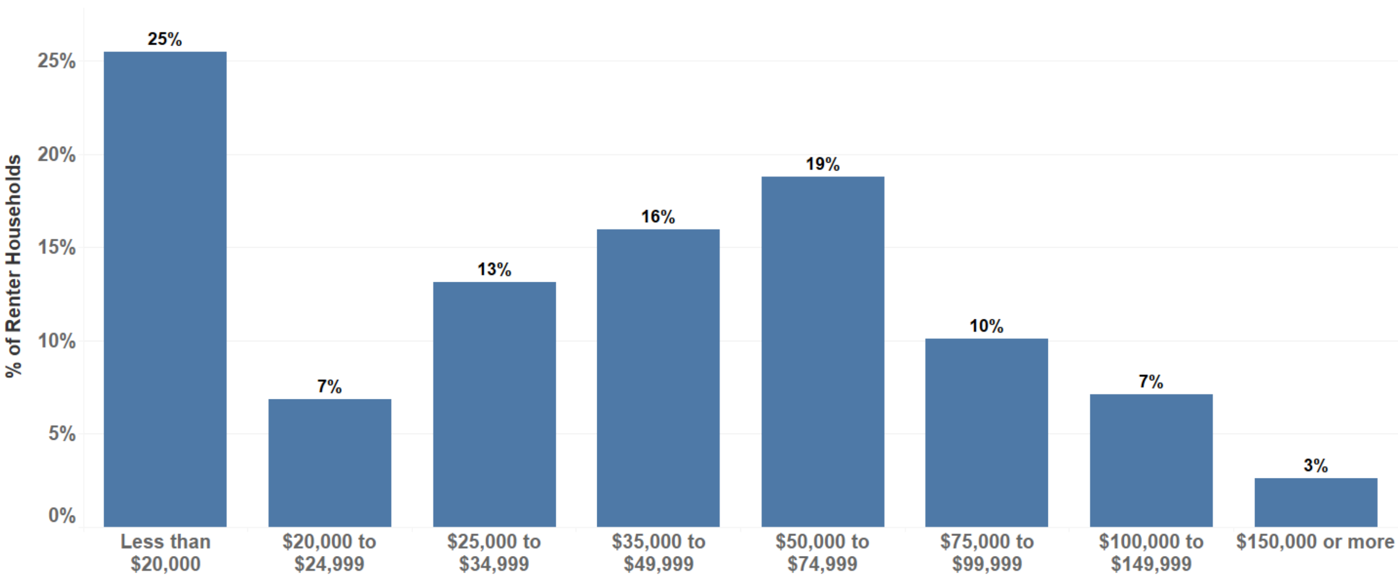
On the low-cost end of the spectrum, the very low vacancy rates have a clear reason—there are simply not enough low-cost rental units available to meet the demand (see limited supply of subsidized housing). However, the great demand (as indicated by low vacancy rates) among the seemingly plentiful mid-priced units in the market is more complicated. Middle-earning renter households are pressured in two directions—low-income renters who are forced to 'stretch' into units that cost more than they can afford due to the lack of affordable units, and high-income renters who seem to rent at a lower cost than they *could* afford.

While most renter households are low- to middle-income, there are enough higher income renters in the market (**Figure 18**), especially in recent years,[21] that could afford higher-priced units. However, higher income renters usually spend a smaller percentage of their income on housing (85% spend less than 20% of their income on housing). The low-cost burdens of high-income renters, coupled with lower demand in the higher-end of the rental market suggest that higher-earning renters are putting pressure on the middle cost rental market, making it harder for those who earn less to compete.

In broad strokes, households earning less than $50,000 (about 60% of the rental market – **Figure 18**) can roughly afford units that cost less than $1,000 a month to rent. While over 60% of the commercial multifamily market is in this price range, renters in this earning bracket are often burdened by the cost of housing expenses (71% spend more than 30% of their incomes on rent). This is a further indication that low- and middle-income renters are more likely to be pushed out of their price range by higher-earning competitors renting below what they can afford.

[21] U.S. Census Bureau.(2005 - 2018). *American Community Survey 1-year estimates.* Columbus MSA; From 2005 to 2018 the number of renters earning $75,000 or more increased by nearly 50,000 households.

Percentage of Renter Households by Household Income

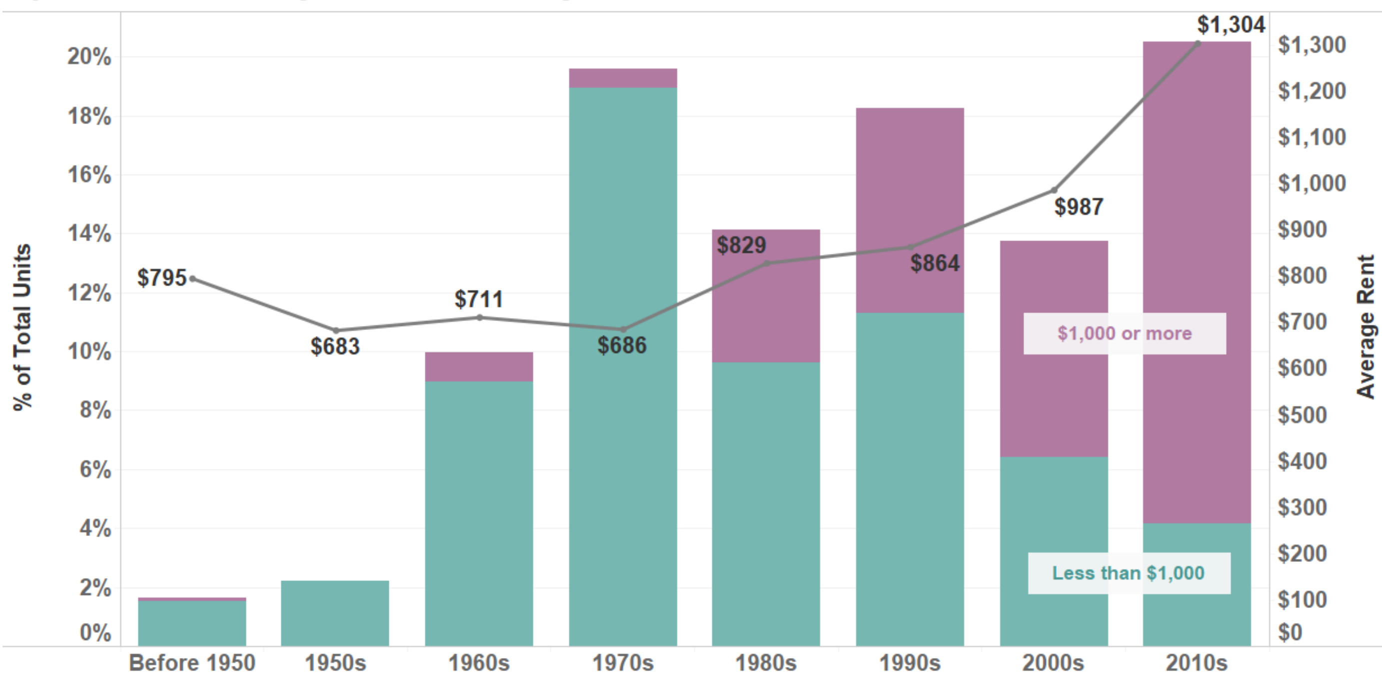


SOURCE: U.S. Census Bureau, American Community Survey, 2014 - 2018 5-year estimates, 7-County region

Figure 18

The high demand on lower cost rentals (from renters across income levels) is not being alleviated by new construction. In the 2010s, 80% of new commercial multifamily units were more than $1,000 to rent, with an overall average cost of about $1,350 (**Figure 19**). Compared to the overall average vacancy rate of commercial apartment properties (about 2.2%), those built in the 2010s are higher at about 3.7% vacancy on average.

Apartment Units by Decade Built by Units Above and Below $1,000



SOURCE: Vogt Strategic Insights

Figure 19

Breaking down the newly-constructed multifamily units further, the 80% of units that cost more than $1,000 a month to rent have 5% average vacancy rates (compared with 1% average vacancy rates on the 20% of units priced below $1,000), and cost over $1,500 a month, on average (**Figure 20**). The lower cost units built are in considerably higher demand than the new units with a bigger price tag.

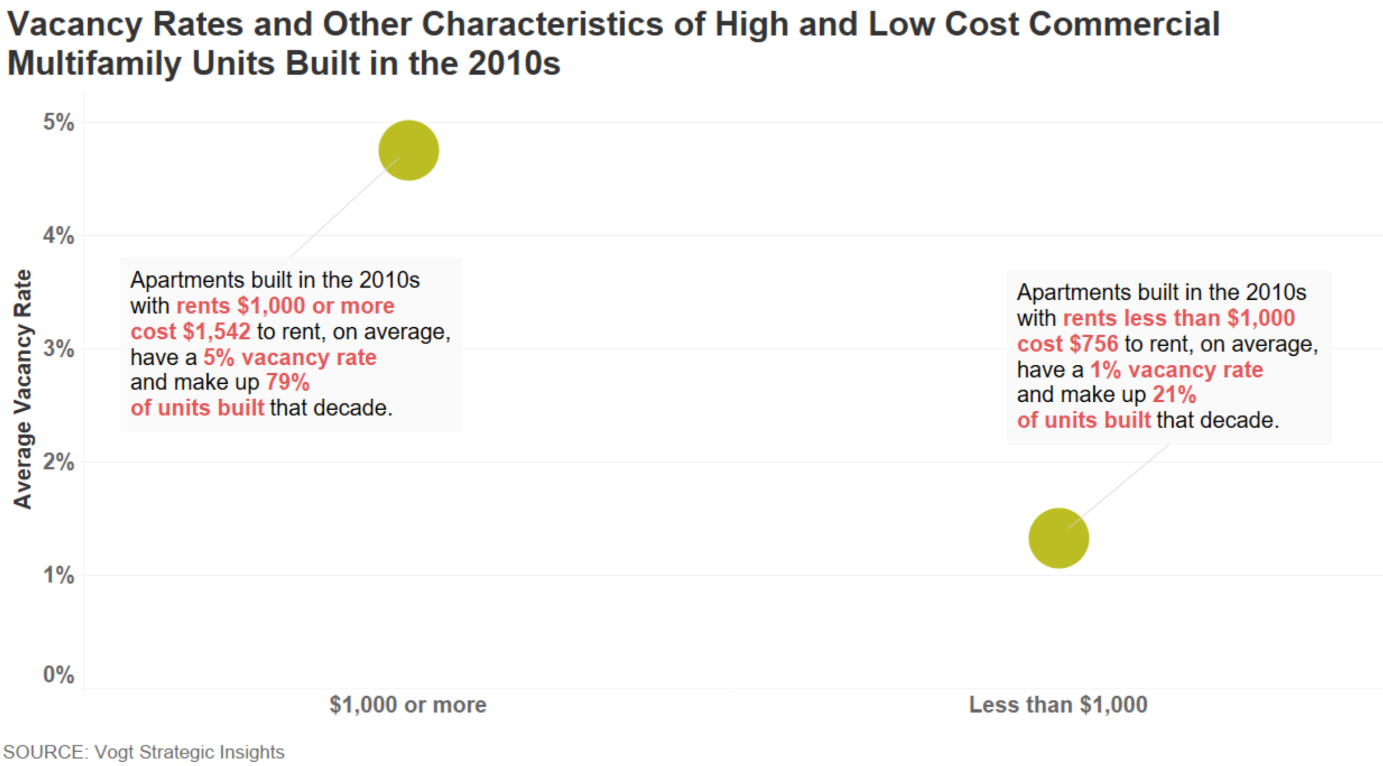


Figure 20

High cost of residential development

One of the challenges with a limited supply of low- or middle-cost housing is that new inventory tends to be above the price point in highest demand. The RHS sought to understand drivers behind the costs of residential development. A survey of developers and an analysis of construction costs reveals some of the factors that can deter developers from building lower cost units.

Overall construction costs continue to rise across the United States, and Central Ohio has not been immune to these increases. The cost of construction materials has risen in all markets; the greatest variation in these costs from region to region is driven by construction labor.[22]

Approximately 9% of variation in construction costs from national levels can be attributed to geography. Other factors affecting the overall economics of residential development in Central Ohio include site selection, regulatory costs and land costs. Each factor is discussed in more detail below.

Construction labor and materials costs

There is much more variation across the country in construction labor costs than in materials costs. Construction costs in Columbus (inclusive of materials and install) are slightly below the national average (94%of the national average for construction costs). The rise in construction costs since 2016 has the largest impact on multifamily construction costs on a per-square-foot basis. Building costs increased from $155.78 per square foot to $182.04 per square foot between 2016 and 2019.

[22] In analyzing ten (10) different markets, labor costs had a standard deviation of 19.1 in 2019 compared to a standard deviation of 2.5 in materials costs.

Labor rates in Columbus (for both skilled and helper labor) are slightly higher than peer regions, such Austin and Charlotte, but are not the highest among these regions. While these rates increased from 2016 to 2019, they increased much less than in peer regions.

Site selection

Site selection is one of the most overlooked barriers in regional housing development. There is a mismatch between what developers are building and local land-use standards. As a result, developers seek rezoning of a parcel or larger district in order to undertake their projects. This mismatch may be partially explained by land use planning by municipalities that predates much of the region's growth and changing real-estate market.

Land costs

Residential land values have increased by more than 2% in Franklin County since 2016 and these land values continue to grow as of early 2020. Land costs (based on multifamily developments of 40+ units) vary significantly from county to county across the region. The highest average land value of parcels zoned for multifamily development of 40+ units is in Delaware County ($1.1 million) and the lowest is in Pickaway County ($145,452).

Regulatory costs

Regional developers estimate regulatory costs account for about 20%, on average, of total development costs. Some developers said regulatory costs have been as high as 70% and as low as 3% in the region. Regional costs are lower than national estimates, where regulatory costs add 32% to 43% to multifamily development projects. Regulatory costs associated with developments financed with the Low-Income Housing Tax Credit (LIHTC) ranged from 18 to 29%.[23]

Developers working in Central Ohio face these regulatory costs most frequently:[24]

- Cost of applying for zoning approvals
- Cost increases from building code changes over the past 10 years
- Cost associated with delays even if regulation imposed no other cost

The following regulatory costs have the biggest impact on development in Central Ohio:[25]

- Cost increases from building code changes over the past 10 years
- Development requirements that go beyond the basic standards (e.g., changes in property layout, landscaping, materials used on building facades)
- Cost of complying with affordability mandates (although this cost applies to a much smaller share of development projects than the other two factors)

Accelerated demand for housing reinvestment

A housing market with limited inventory across price points, especially at those low- and middle-price units in highest demand, can create demand for reinvested properties more quickly. The presence of fewer options overall creates an opportunity for investors to open previously overlooked neighborhood markets as new housing options for homebuyers with more resources. As investors jumpstart disinvested neighborhoods by flipping homes, inexpensive properties in need of repairs then become increasingly attractive options for resourced homebuyers with the means to invest in home quality improvements.

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[23] Based on analysis of pro formas for Low-Income Housing Tax Credit (LIHTC) projects in Central Ohio.

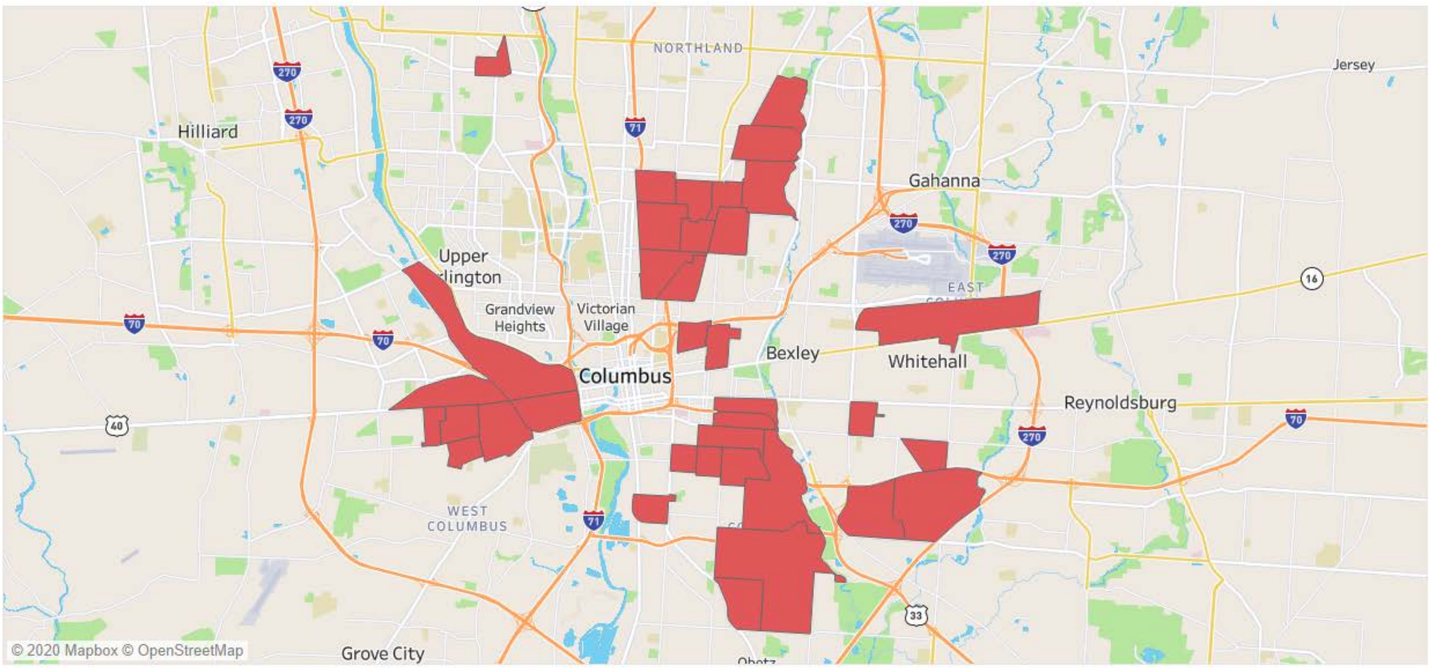
[24] Based on share of developers' projects subject to cost.

[25] Based on average cost when present; expressed as share of total development costs.

The gentrification phenomenon is not unique to Central Ohio but has great importance for consideration now. There are clear signs in the market that suggest an acceleration of demand for reinvested homes. In 2018, there were just over 27,000 home loans originated for new, primary residence home purchases.[26] In the same year, there were nearly 30,000 home sale transactions[27]. This suggests that around 10% of homes sold were non-owner-occupant transactions.

In a spatial analysis comparing Census Tracts based on the percentage of home sale transactions that are not reflected in the data on loans originated to primary residence homebuyers, areas of high reinvestment activity are identified (**Figure 21**). Some areas within the I-270 outer belt show up with more than half of home sales activity from buyers other than owner-occupants.

Census Tracts where 50% or more of Home Sale Transactions are Non-Owner-Occupant Purchases



SOURCE: MLS RETS Database, 2018 home sale transactions; 2018 Home Mortgage Disclosure Act
NOTES: Calculated as count of home sale transactions (by Census Tract) minus count of loans originated, where the loan was for a new home, primrary residence purchase (by Census Tract) divided by county of home sale transactions

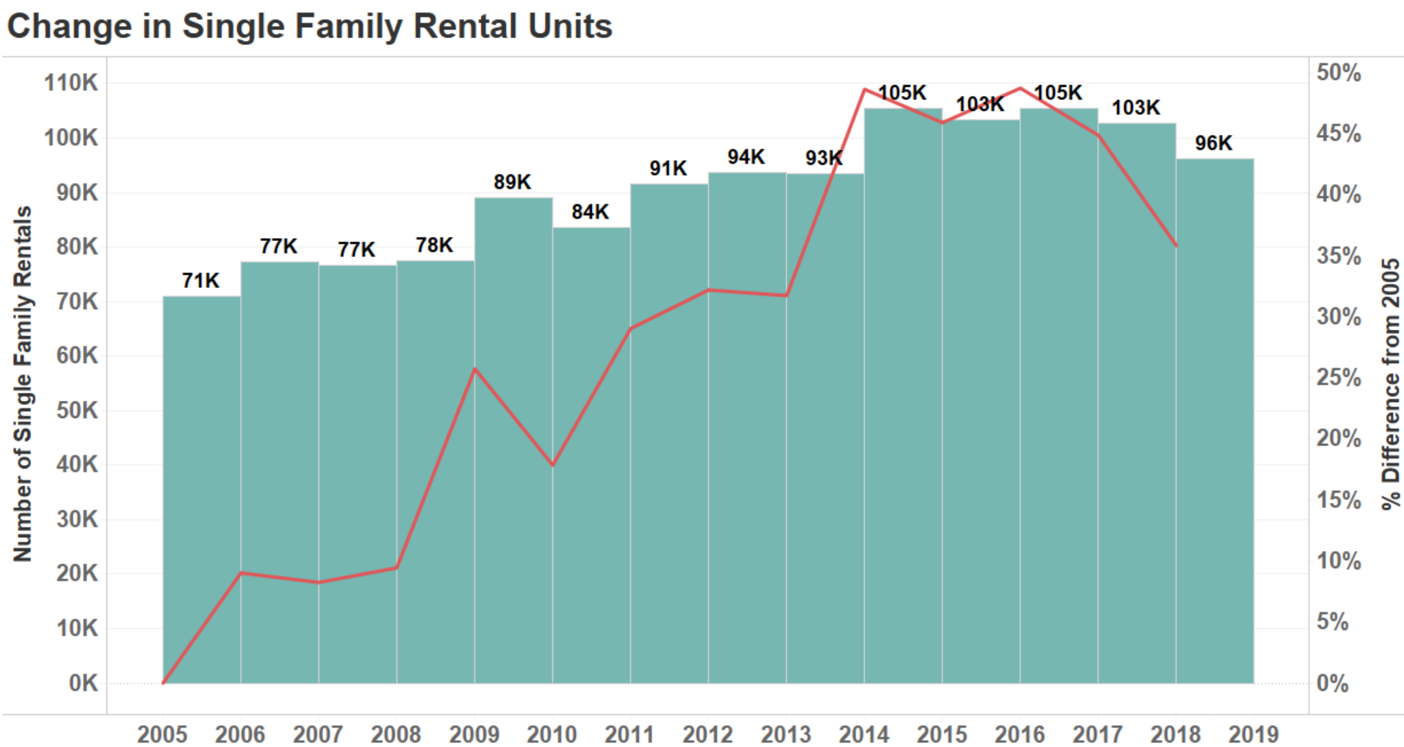
Figure 21

The areas flagged by this metric of investor activity echo in the other sub-regional analyses conducted for the RHS—they are areas with naturally occurring affordable housing, high concentrations of vulnerable residents, and they are in neighborhoods that are gaining investment and demand, which means the existing residents may be more vulnerable to displacement (see *submarket summaries*).

These areas are also characterized by high percentages of single-family rental homes—which are relatively more affordable and better suited for larger households than are most apartments. Regionwide, single family rentals have increased since the early years of the Great Recession—in 2014 they had increased by almost 50% since 2005. Recent years, however, show a possible trend that these units are being reabsorbed into the region's homeownership market, resulting in a diminishing number of typically more affordable single-family rentals, which can serve an important function in the housing ecosystem for families in need of larger but still affordable options (**Figure 22**).

[26] Home Mortgage Disclosure Act. (2018). Home Mortgage Loan Application Data for Central Ohio Region. Available here.

[27] Multiple Listing Service. (2018). *RETS Database.* Sale Transactions for Central Ohio Region.



SOURCES: U.S. Census Bureau American Community Survey, 2005 - 2018 1-year estimates, Columbus MSA

Figure 22

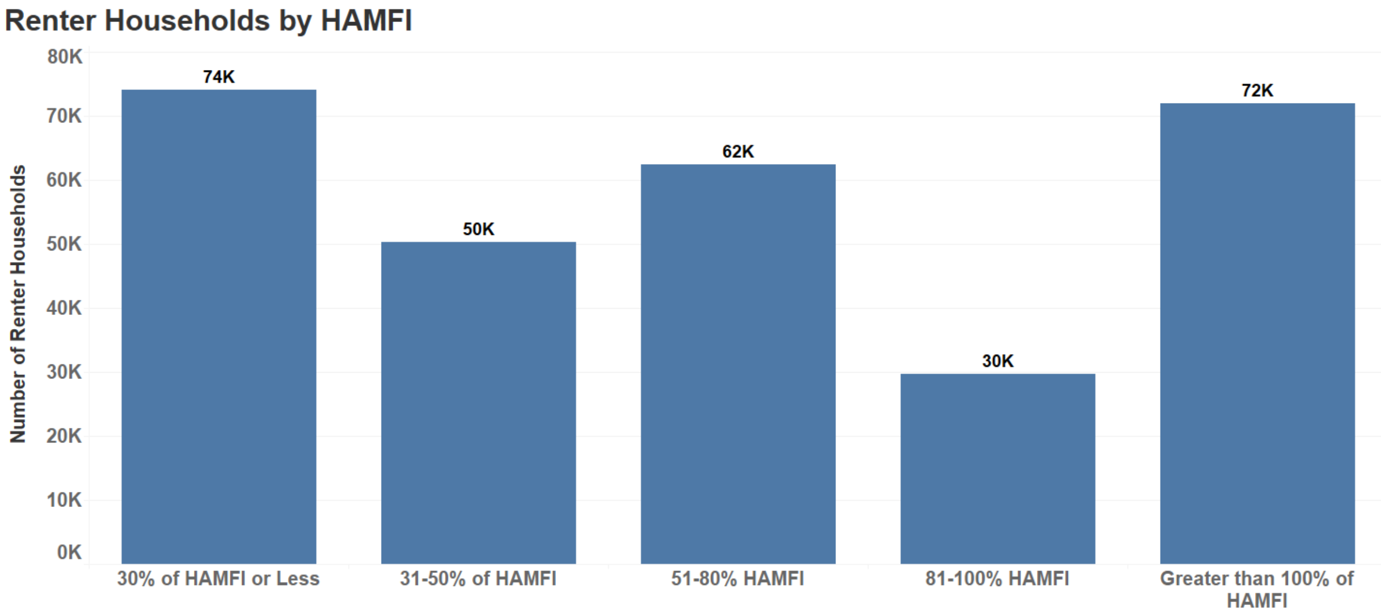
While gentrification can result in positive changes to a place in terms of new investments, it can come in tandem with negative impacts on the people who live there. In a gentrifying neighborhood or community, there is a risk that the residents will be displaced—forced to move as prices in their neighborhood become too high to afford. In other words, accelerated demand at higher price points can put additional strain on the availability of naturally occurring affordable housing: homes affordable to low-income households, without public subsidies.

The RHS included a displacement risk analysis, which evaluated numerous measures of neighborhood change to identify places in the region that may be in early stages of gentrification, and thus, with the greatest risk of displacement of the residents currently living there. More about displacement risk as a form of housing instability can be found later in this report.

Limited supply of subsidized housing

In 2018, HUD estimates there were nearly 16,000 Housing Choice Voucher recipients in Central Ohio, and the National Housing Preservation Database estimates nearly 34,000 subsidized units. Of those subsidized units, 27.4% are set to expire by the end of 2025, leaving them vulnerable if they are not renewed.

Assuming the subsidized housing in the region remains stable, it is already grossly insufficient to meet the need. Estimates suggest that 74,000 renter households in the region were below 30% Housing Urban Development Area Median Family Income (HAMFI) (considered 'priority income' households in qualifying for housing assistance), another 50,000 were above 30% and below 50% HAMFI (considered very low income households in qualifying for housing assistance), and 62,000 were above 50% and below 80% HAMFI (considered low income households in qualifying for housing assistance) (**Figure 23**).



SOURCE: Housing and Urban Development, 2012 - 2016 Comprehensive Housing Affordability Strategy, 7-County Region

Figure 23

More homes that can serve a wider range of ages, abilities and households

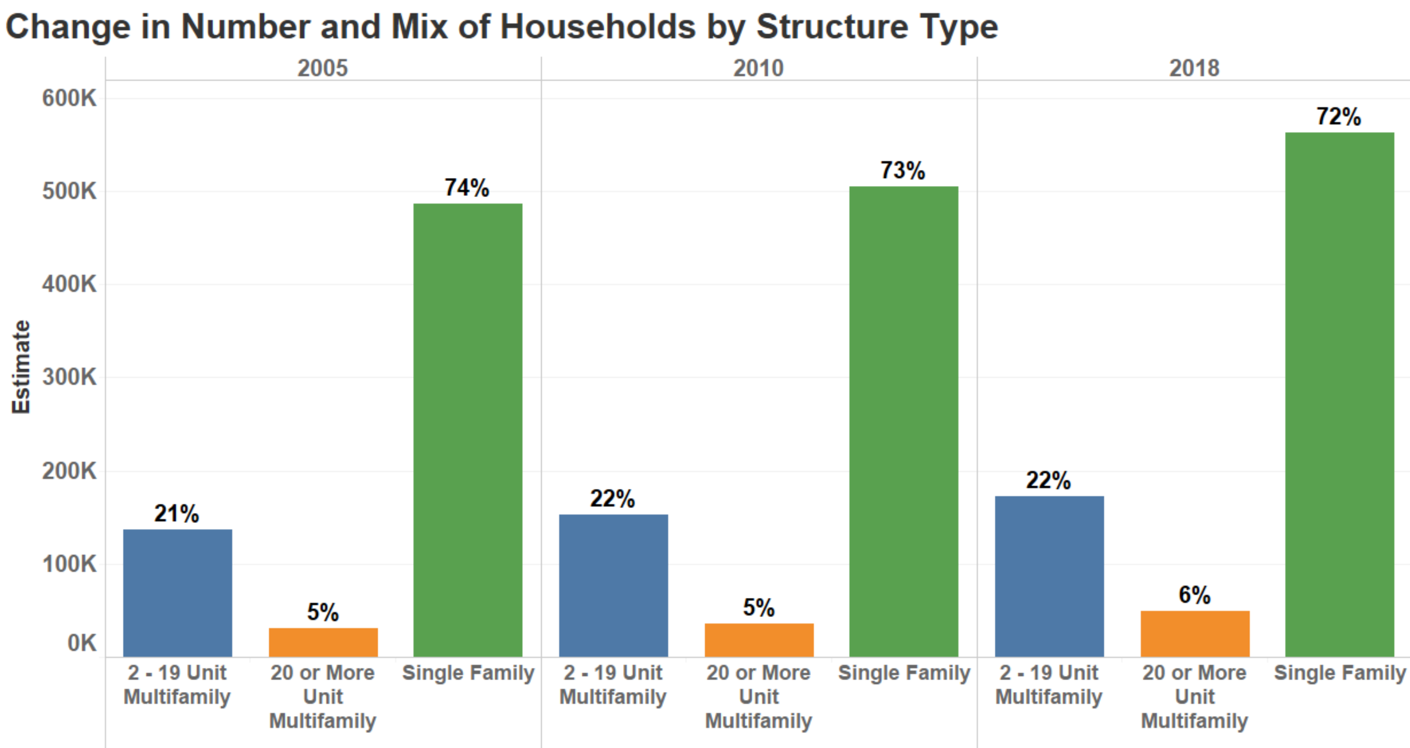
A region's demographics naturally intersect with its housing market. Ideally, the housing produced serves the diverse housing needs of the residents who live there—whether a certain housing type or location needs to be available in order to support residents' livelihoods. Looking at recent housing production, there have been some shifts to serve a range of needs, but there remain some important gaps. Some housing consumers are more likely to face housing challenges, not only in how much they can afford, but with limitations in what type of housing they need. Furthermore, many residents have spatial limitations (e.g. reliance on public transportation, social connections that support their livelihoods, schools) that filter the options available when looking for housing.

Existing availability of housing types

Today, Central Ohio's housing supply is predominantly single-family, detached homes. This housing type makes up the largest number and share of units in Central Ohio. Over the past decade, large-scale and smaller-scale apartment buildings have contributed to some diversification of the region's housing supply, with units in large-scale apartment buildings increasing by nearly 38% between 2010 and 2018, and units in smaller-scale apartment buildings increasing by 12%.[28]

This increase in multifamily housing options has resulted in a modest shift in housing mix in the region—increasing the share of multifamily units from 26% in 2005 to 28% in 2018 (**Figure 24**). While this does represent an increase in multifamily housing production, compared with previous decades, these new units tend to be higher cost, and therefore do not serve all residents in the region (see limited rental options).

[28] U.S. Census Bureau. (2010). *American Community Survey 1-year estimates*; and U.S. Census Bureau. (2018). *American Community Survey 1-year estimates*. Columbus MSA; "small-scale" refers to buildings with 5–9 units and "large-scale" refers to buildings with 50+ units.



SOURCES: U.S. Census Bureau American Community Survey, 2005 - 2018 1-year estimates, Columbus MSA

Figure 24

Central Ohio is home to many residents with a range of specialized housing needs, including persons living with disabilities, persons experiencing or that have experienced homelessness, restored citizens (or those with criminal records), and emancipated youth, among others[29]. These residents also tend to have fewer resources, and so are doubly limited by the low supply of options for low-income households.

Needs among these people are diverse and difficult to generalize, and data is scarce. However, an inventory of housing for special populations in Columbus, and its extensive waitlist of 7,000 people as of 2016, highlights that the housing supply for special populations needs to be expanded. The existing housing supply consists of the following: [30]

- 2,400 units of supportive housing for people with behavioral health disabilities
- 506 units for people with developmental disabilities
- 456 short-term accommodations for restored citizens
- 6,720 units of affordable senior housing

Housing needs by demographic factors

A broad look at housing cost burden by family type points to several conditions in residents' lives that govern housing options, thereby forcing those individuals into housing options beyond what they can afford or that aren't suitable for their circumstances. **Figure 25** shows that older adults (62 and older) living alone or with a non-family member are the most vulnerable to housing cost-burden, followed by single-person households and non-family households (which are likely to include younger residents). Next are large families (5-or-more-person households); followed by small families (2-, 3-, or 4-person), which are generally households with children, including single-parent households; then older adult family households.

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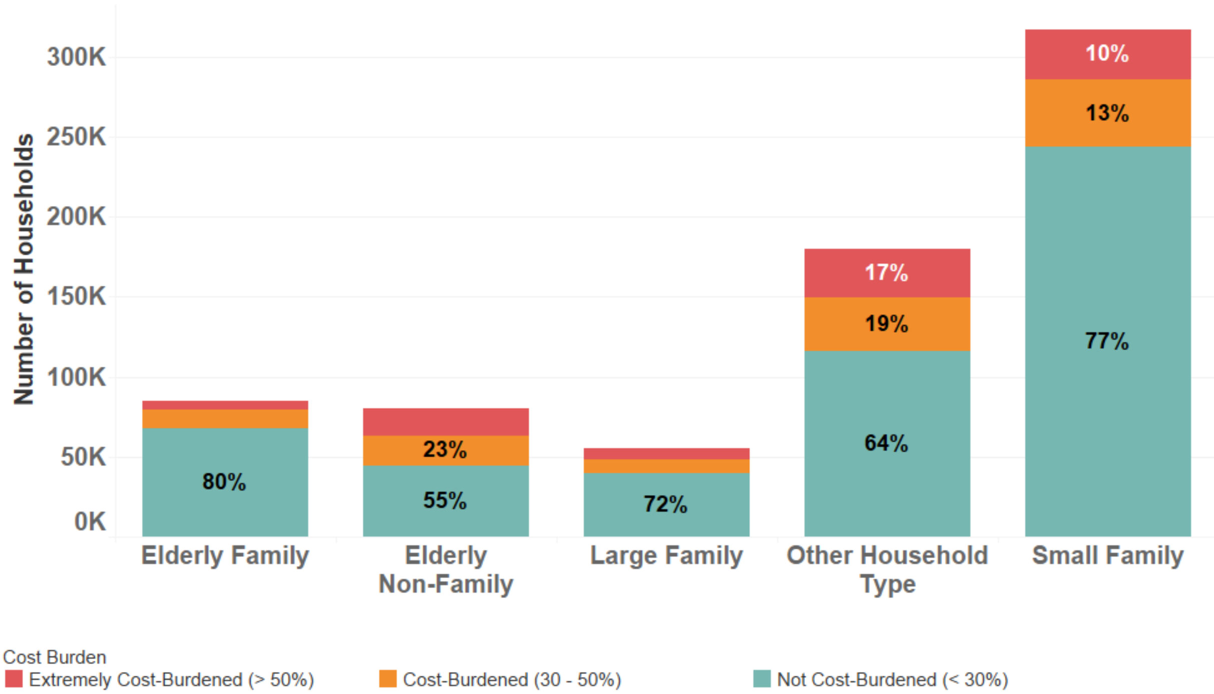
[29] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

[30] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

Households by Family Type by Cost Burden



Housing and Urban Development (HUD); The Comprehensive Affordability Strategy (CHAS) Database; 2012 - 2016

Family Type Definitions:
Elderly Family Households (2 persons with either person 62 years or over)
Small Family Households (2 persons, neither person 62 years or over, or 3 or 4 persons)
Large Family Households (5 or more persons)
Elderly Non-Family Households (1 or 2 person non-family households with either person 62 years or over)

Figure 25

The following sections provide a closer look at data about households where there are likely preconditions that limit housing options among a particular group.

Older adults

As residents age, they become more likely to have limitations of ability that can restrict them to certain housing types that would best support their mobility and independence. While only about one-quarter of adults ages 65 – 74 have disabilities, about half of adults 75 and older have one or more disabilities (see residents with disabilities for more on limited supply of accessible homes). [31] Whether facing an immediate need or planning for the likelihood of some impairment of independence or mobility in the future, older adults face a very different suite of considerations when thinking about housing.

For higher-income older adult households, this may not be an issue, as more resources allow for greater access to the housing market, generally. However, only about a quarter of households with a 65-and-up householder earn more than $75,000 annually. This means that three quarters of older adult householders face both limited housing options because of their incomes, and a need for housing that supports greater mobility and independence (**Figure 26**). In some instances, lower, post-retirement income may be coupled with mortgage-free housing costs, as some older home owners paid-off their home loans during their working years. However, there are still a considerable number of older adult households that are housing cost burdened—whether a function of large reductions to income, housing costs themselves, or some combination of the two.

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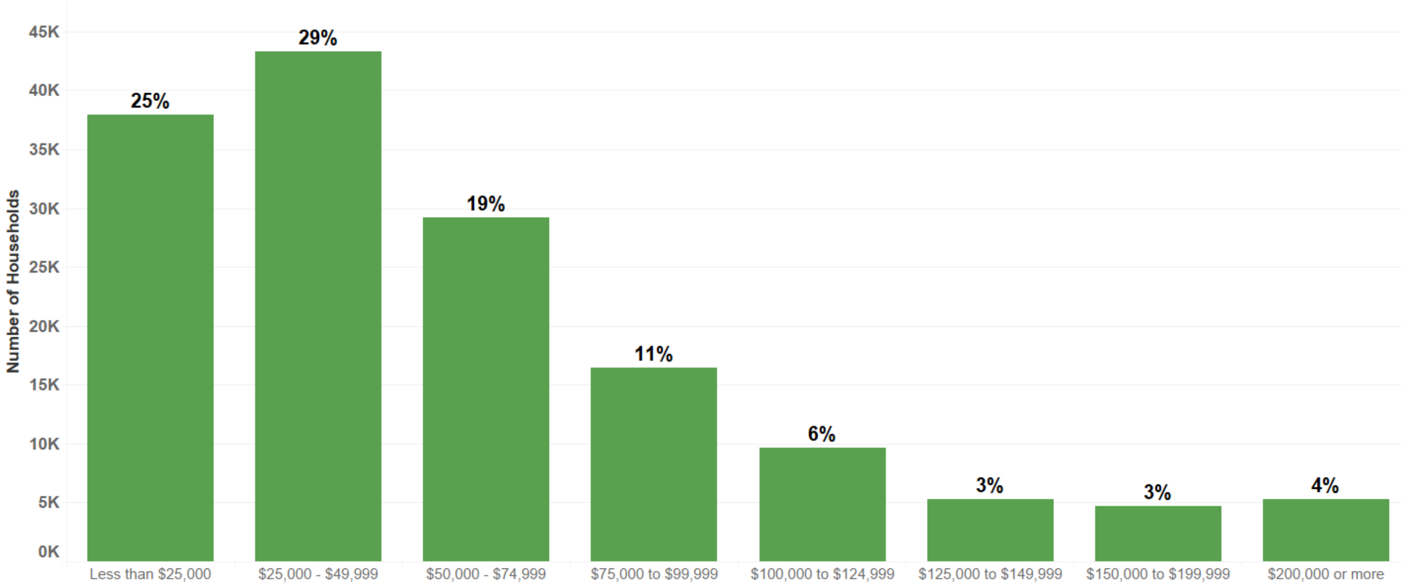
[31] U.S. Census Bureau. (2014 – 2018). *American Community Survey 5-year estimates.* Central Ohio 7-County Region.

Householders Ages 65 and Older by Household Income



SOURCES: U.S. Census Bureau American Community Survey, 2014 - 2018 5-year estimates, Central Ohio 7-County Region

Figure 26

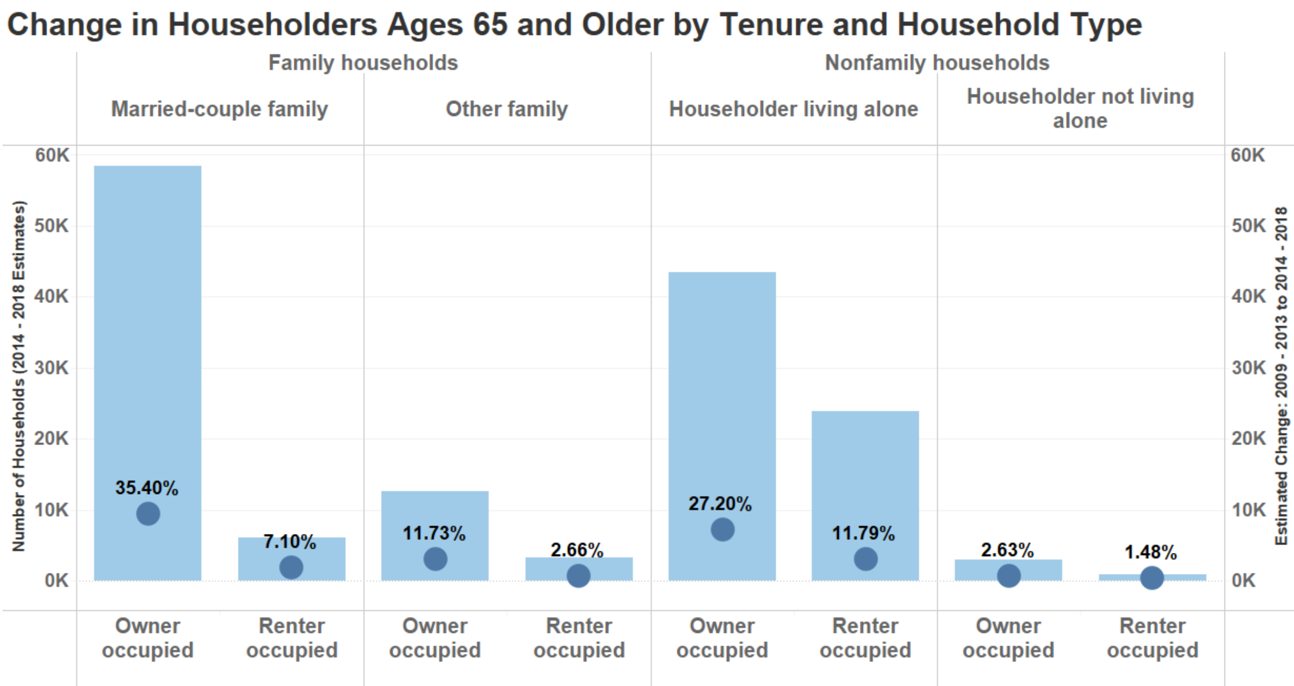
Based on **Figure 25**, the most vulnerable older adults to high or extreme housing cost burdens are those who live alone or in non-family households. Looking at the two most recent data points that are comparable over time, there is evidence that many residents ages 65 and older, either who were already in that age category or entered that age category during the comparison periods, became householders living alone (**Figure 27**).

Compared with earlier this decade, that means there were about 10,000 more 1-person older adult households. As the peak of the Baby Boomer generation enters older adulthood (expected around the year 2035), there will likely be a rise in low-income older adult households, and a corresponding rise in single-person older adult households who need accessible housing options (in terms of both accessible features of the home itself, and mobility in the surrounding community—see more in access to opportunity and other location considerations).

Projections suggest that Central Ohio will need almost 170,000 new housing units by 2035 to accommodate regional growth. Today, residents ages 65 and older make up less than 13% of the total population. As the region's high number of Baby Boomers approach their peak into this age category, they are expected to make up nearly 16% of the population by 2035. In rural counties, especially those that have seen less in-migration of younger workers and families, the share of older adults may reach as high as 20% by 2035.[32] There is a great need for housing options that support residents in late life across incomes and abilities, especially over about the next 15 years.

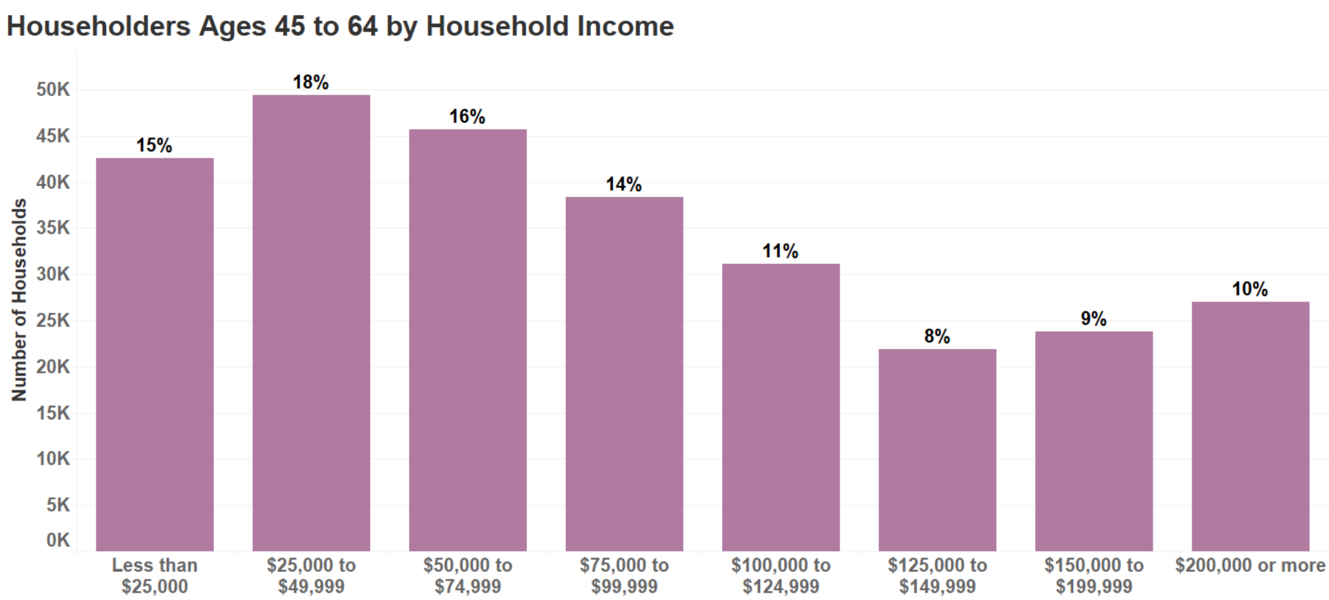
For a glimpse of the income profiles of residents who will enter the 65 and older age category in the next 15 years, **Figure 28** shows the incomes of households with a householder age 45 to 64. Even though these residents are significantly more likely to be in the labor force, still around half earn less than $75,000 annually today. As more of these residents retire out of the labor force in the coming years, income limitations will become an even greater concern for many older adult households.

[32] MORPC 2018 – 2050 population growth projections.



SOURCES: U.S. Census Bureau American Community Survey, 2009 - 2013 and 2014 - 2018 5-year estimates, Central Ohio 7-County Region

Figure 27



SOURCES: U.S. Census Bureau American Community Survey, 2014 - 2018 5-year estimates, Central Ohio 7-County Region

Figure 28

Residents with disabilities

Accessible housing options in communities that support diverse mobility needs are necessary to serve residents of all ages with disabilities. In addition to the 80,000 residents ages 65 and older, around 30,000 (6%) adults ages 18 to 34, and more than 90,000 (13%) adults ages 35 to 64 have one or more disabilities. Additionally, more than 20,000 (5%) children under 18 have one or more disabilities.[33] Residents with disabilities, and in some instances, their caregivers, can face uniquely difficult challenges in finding homes in communities that are designed with their accessibility needs in mind.

[33] U.S. Census Bureau. (2014 – 2018). *American Community Survey 5-year estimates.* Central Ohio 7-County Region.

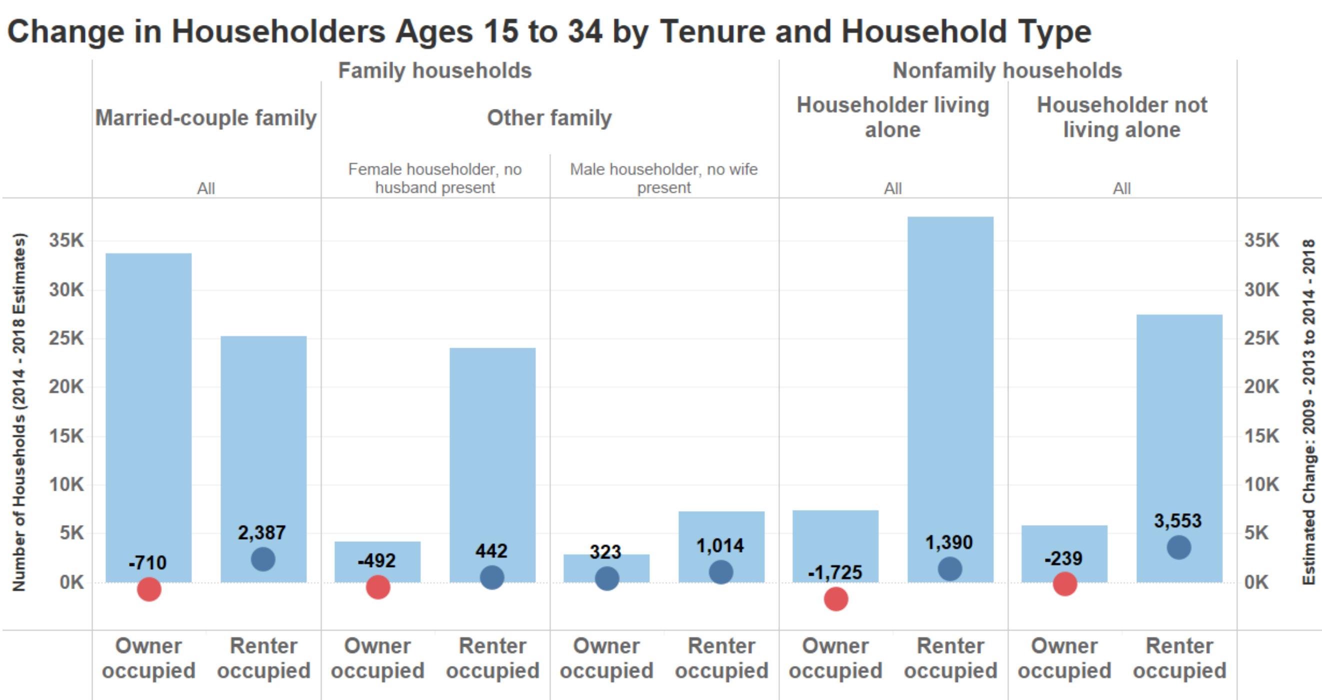
There is an overall shortage of accessible housing units. The Ohio Housing Finance Agency estimates that more than 60% of renter- and owner-occupied homes are not accessible to someone with a mobility impairment.[34] A snapshot of accessible units in Central Ohio suggests this shortage exists regionally (although no data is available for units designed to serve persons with a mobility impairment). Only about 2,900 units are designed for people with behavioral and developmental disabilities.[35] In Central Ohio, they also experience housing discrimination; the most common fair housing complaint in the region is related to disability status.

The Columbus and Franklin County Joint Analysis of Impediments to Fair Housing Choice identifies people with disabilities who receive Supplemental Security Income (SSI) as particularly at-risk for housing instability. Based on a standard SSI payment of $750 per month, it is likely that people with disabilities who are unable to work face substantial cost-burden and difficulty finding affordable housing.

The Columbus and Franklin County Affordable Housing Challenge, as well as the Columbus and Franklin County Joint Analysis of Impediments to Fair Housing Choice, report a shortage of accessible units that are affordable to low- and moderate-income residents. For people living on fixed or low incomes, paying for accessibility modifications out-of-pocket is not an option.

Younger adults

In the last decade, growth in Central Ohio was driven significantly by migration into the region, especially younger adults. Except for young married couple families, younger householders are predominately renters. Recent trends, however, suggest a decline (across household types) in the number of younger homeowners, paired with increases in the number of younger renters (**Figure 29**). The greatest increases were in non-family, 2- or more person renter households (e.g. roommates or cohabitating couples). There were also sizable gains in the number of younger married couple renters, followed by similar increases in both young householder 'other family' renter households (which includes young single parents), and single person renter households.



SOURCES: U.S. Census Bureau American Community Survey, 2009 - 2013 and 2014 - 2018 5-year estimates, Central Ohio 7-County Region

Figure 29

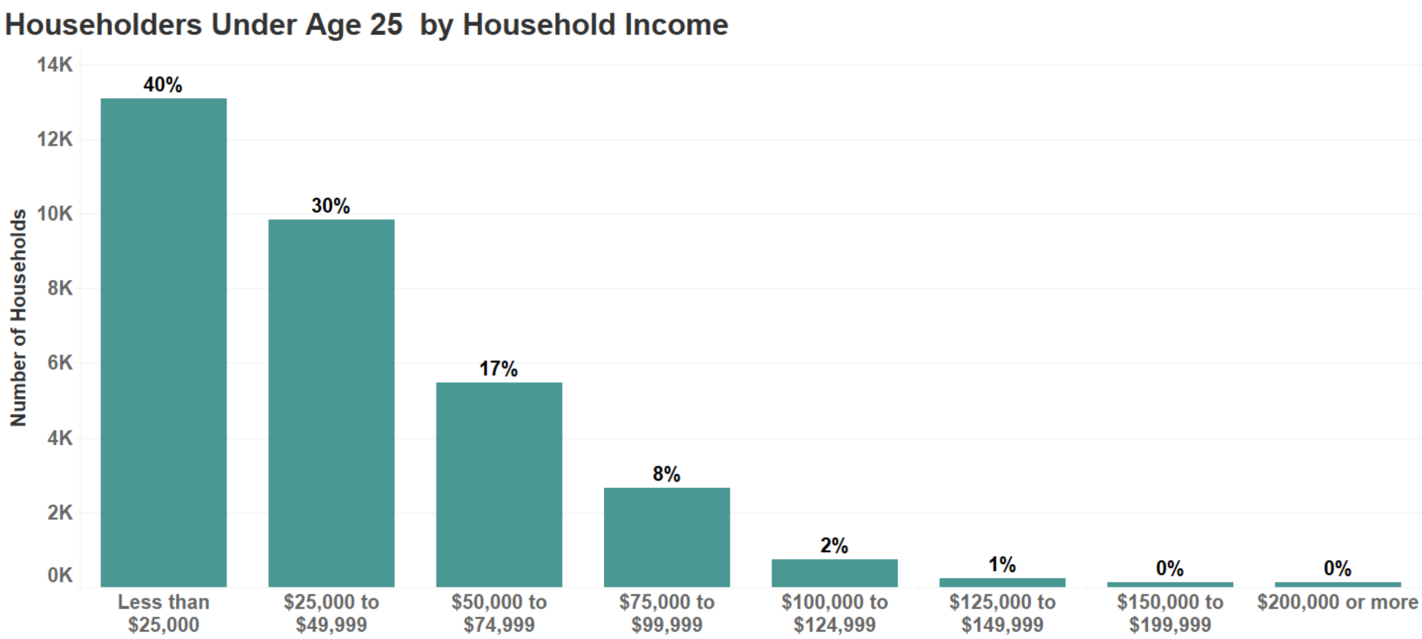
[34] Ohio Housing Finance Agency. (2019). *Fiscal Year 2019: Ohio Housing Needs Assessment – Technical Supplement.* Available here.

[35] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

The lifestyle-driven or circumstantial housing needs among these younger householders are varied but, considering that close to 80% of net migration into the region was residents ages 15 to 34,[36] a closer look at needs and preferences of this age group is warranted. Increased and more diverse rental options stand out as important needs for younger householders; but, within that broad need there are more nuanced considerations such as a greater demand for housing to support larger non-family households, and housing with good access to transportation and jobs (see access to opportunity and other location considerations). Recognizing and satisfying these changing demands will become increasingly important as the region's growing demographic of younger workers is projected to continue.

As with all residents, younger householders' particular cross-section of housing needs or preferences is inevitably less attainable to those with lower incomes (see limited supply of homes priced for low-income households). About half of net migration into the region was residents age 15 – 24 (45% ages 20 to 24 alone). These new residents may be college students moving to the region, or other young adults starting out life on their own (more discussion of the origins of new residents into the region can be found in origins of migrants to Central Ohio). Looking at all residents in this age group, around 40% earn less than $25,000 annually, and almost all of them (90%) earn less than $75,000 (**Figure 30**). Unsurprisingly due to their lower incomes, close to 60% of all renters age 15 to 24 are housing cost-burdened.

College students, who may be low income and burdened by housing costs, may have additional circumstantial considerations. Depending on students' families, many college students have other financial supports in place beyond their household incomes.



SOURCES: U.S. Census Bureau American Community Survey, 2014 - 2018 5-year estimates, Central Ohio 7-County Region

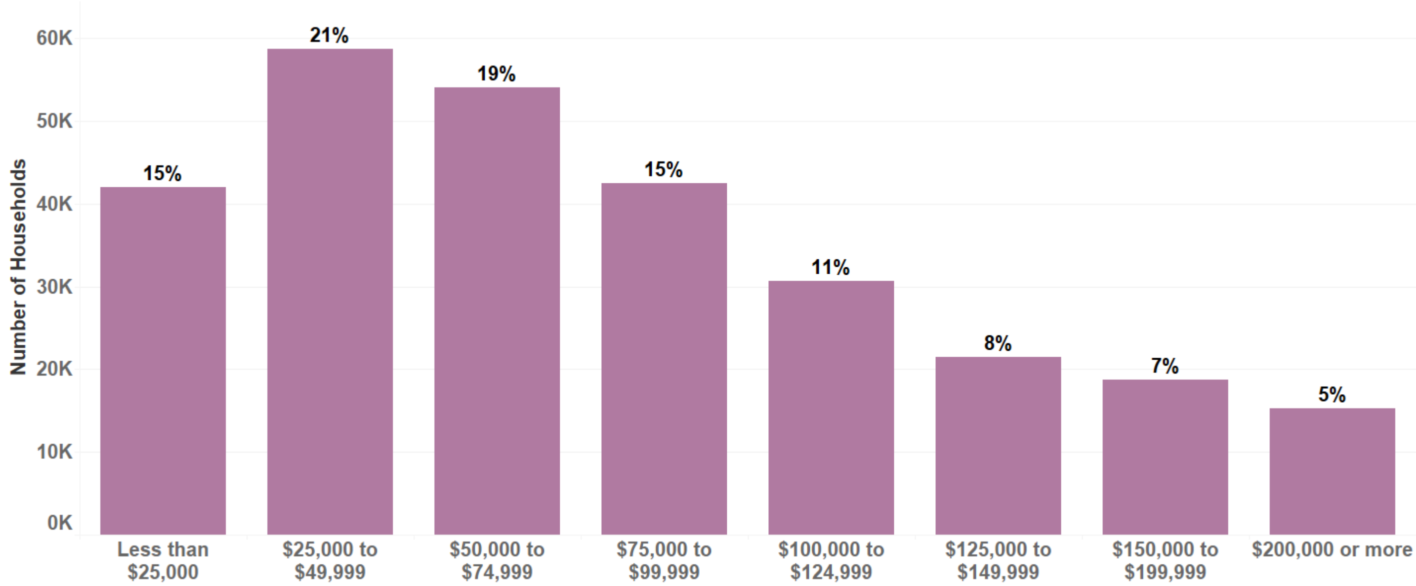
Figure 30

Another 30% of net migration into the region was 25- to 44-year-olds (about 24% from people age 25 to 34 alone). A profile of all residents in this age category in the region reveals more residents with higher earnings compared to those under 25, but still around 160,000 households (55%) earning less than $75,000 annually (**Figure 31**). Of those households, close to 90,000 are renters age 25 to 34, with about a third that are burdened by their housing costs.[37]

[36] MORPC cohort residual net migration analysis.

[37] Due to differences in availability of data at householder age ranges from the American Community Survey, consistent comparisons are not always possible in some RHS analyses.

Householders Ages 25 to 44 by Household Income



SOURCES: U.S. Census Bureau American Community Survey, 2014 - 2018 5-year estimates, Central Ohio 7-County Region

Figure 31

Origins of migrants to Central Ohio

Natural increase (births minus deaths) has been steadily declining, so growth in the region is increasingly reliant on attracting people to Central Ohio. In fact, the 2010s were the first-ever decade when as much growth came from migration as from births.

In the 2010s, half of migration into the region was from residents moving here from overseas. Of the other half, 80% came here from other parts of Ohio.[38,39] Based on age (many are younger) and knowledge that younger residents often earn less, it can be inferred that many of the region's new residents are young people seeking work and education opportunities in the region, but often with limited resources starting out. From a regional growth perspective, it is important to consider the housing needs of new residents that will allow them to remain and thrive in Central Ohio, thus sustaining a strong workforce for the region's future.

New American residents

In 2018, the Columbus Metro had an estimated 190,000 residents born outside of the U.S., or about 9% of the population (up from 7% of the population in 2010). Compared to the U.S. born population, foreign-born residents are younger, more likely to be married, more likely to be in the labor force, more likely to work in high-demand sectors like manufacturing, transportation and warehousing, and more likely to be enrolled in college or graduate school (**Table 3**).[40] Whether as students, or a part of the region's workforce, New American residents are an integral part of the regional economy.

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[38] U.S. Census Bureau. (2010 – 2019). *Census Population Estimate Program – Annual Estimate of Components of Change.*

[39] U.S. Census Bureau. (2012 – 2016). *County-to-County Migration Flows 5-year estimates.*

[40] U.S. Census Bureau. (2018). *American Community Survey 1-year estimates*. Columbus MSA.

	Columbus MSA	
Population Characteristics	New American Residents	U.S. Born Residents
Population age 25 – 44	48.5%	27.3%
Currently married	59.1%	45.0%
In the labor force	72.0%	66.4%
Manufacturing worker	12.1%	8.2%
Transportation & warehousing worker	11.8%	5.7%
Enrolled in college or graduate school	53.8%	24.8%

Table 3

These residents can also have specific housing needs. For instance, New Americans have larger households (3.07 people per household, compared with 2.51 for U.S. born households), which may be due in part to the greater tendency to form multigenerational households.[41] This can create a need for larger housing options, both homes to purchase and rentals (though 60% of New American households are renter-occupied, compared with 36% of U.S. born households). Current data indicates that over-crowding may be more likely for foreign-born households. Despite their larger household sizes, New American households are formed in homes with fewer rooms, on average (4.6 rooms compared with 5.9 rooms for U.S. born households). Foreign-born households are also more likely to have more than one occupant per room (about 7%, compared with about 1% for U.S. born households).

There are also likely considerations for these households' ability to access jobs and transportation; despite this group's higher workforce participation, earnings are lower, on average. New American workers are more likely than U.S. born workers to earn between $15,000 and $34,999 (about minimum wage up to $16.00 per hour for a person working full-time). Approximately 37% of New American workers earn in this range, compared with 25% of U.S. born workers.

Households with children

Families with children, regardless of whether the household has two parents or one parent, account for most households making less than $35,000 annually. In Central Ohio, there are about 70,000 single father households, which are about half and half, renter- and owner-occupied; and there are about 190,000 single mother households, of which about 60% are renter-occupied and 40% owner-occupied.

Single mothers are especially vulnerable to changes in the region's housing market—they experience poverty disproportionately, with a poverty rate of about 32% compared with 14% for all families with children, and 8% for all families, with or without children. One study found a strong relationship between zip codes with higher rates of cost-burden and proportion of single mothers.[42] They are also one of the most common groups experiencing evictions in Central Ohio.[43]

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[41] Owner-occupied foreign-born households have an average household size of 3.5 compared with 2.7 for U.S. born owner-occupied households. Interviews with housing resource providers suggested a prevalence of multiple generations of a single immigrant family pooling resources to purchase homes.

[42] Measurement Resources. (2019). *Equitable Housing in Central Ohio: Redefining Affordability for All.* Available here.

[43] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

Single parents, and especially single mothers, face greater housing instability than some others in the region. Those who have low or even moderate incomes may be especially prone to spend more than they can afford on housing as they struggle to find housing that is the appropriate size; safe; near good schools; accessible to jobs, transportation, and childcare; allows the parent to maintain connections to social networks that can provide support; *and* that is still affordable.

Access to opportunity and other location considerations

Location considerations add another layer of complexity when considering the many residents facing limitations when they look for housing. All people need a community and environment that supports their success in order to thrive. For the groups outlined in this section—older adults, younger adults, residents with disabilities, New Americans, and families with children—the need for a supportive community and environment is magnified. These residents, as well as those facing barriers limiting access to homes, particularly as a result of structural racism, have a high number of people among them with low incomes.

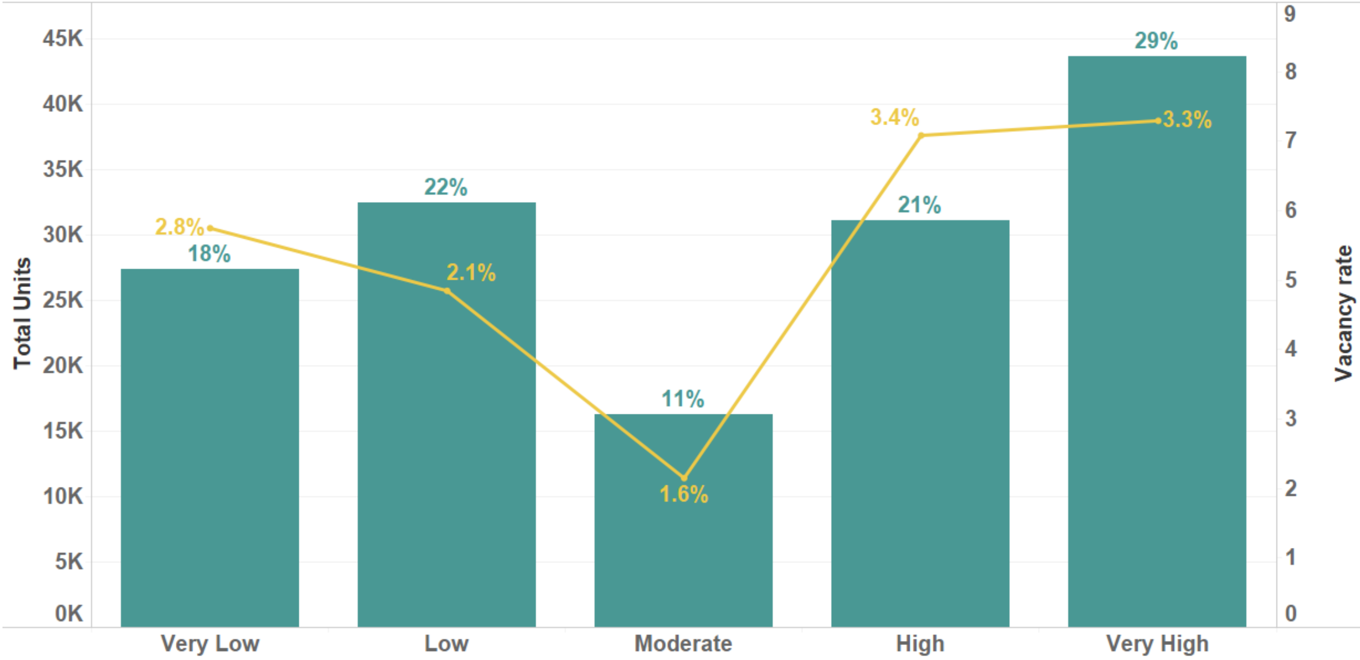
This means that on top of the many factors people in these groups must consider in choosing where to live, they are also more likely to face difficulty finding homes with access to jobs, healthcare, transportation, or education opportunities. This creates problematic cycles for low-income residents, and especially those with unique housing needs. Many residents are either forced into unstable housing situations or must live with unmet needs.

There are 97,000 households living in areas of the region with very low access to opportunity. These residents, compared with the 234,000 households living in very high opportunity areas, experience dramatically different conditions and outcomes. An analysis completed by the Kirwan Institute provides insight into the stark, place-based differences observed across the region.

- Very low opportunity areas experience poverty at a rate ten times higher than those in higher opportunity areas.
- Very low opportunity areas have 10% of the net worth of residents in very high opportunity areas, and nearly twice the housing cost-burden rate.
- Schools in very low opportunity areas lack many of the basics and receive failing performance grades, whereas very high opportunity area-schools have value-added amenities and top scores on performance.
- Very low opportunity areas have an average of one entry-level job for every *five* residents, whereas very high opportunity areas have more than one per person.
- Very low opportunity areas have the best access to transit, but 20% of households do not have access to a vehicle, which means they are reliant on transit and other less-reliable or more expensive transportation options; whereas households in very high opportunity areas generally have one or more private vehicles available, offering independence and flexibility of travel.
- The cumulative result of these disparities is a life expectancy that is, on average, 10 years shorter for residents of very low opportunity areas compared with residents of very high opportunity areas.

For lower earning households, access to higher opportunity neighborhoods is very limited. As of 2018, 50% of all rental units were in high or very high opportunity areas **(Figure 32**). For a household with two workers earning minimum wage or one worker earning around $16 per hour, most of these are not affordable housing options**.** In fact, less than one-quarter of the rental units in the region that are affordable to them are located in high or very high opportunity areas. Furthermore, competition for them is fierce, with vacancy rates below 1.5% (**Figure 33**).

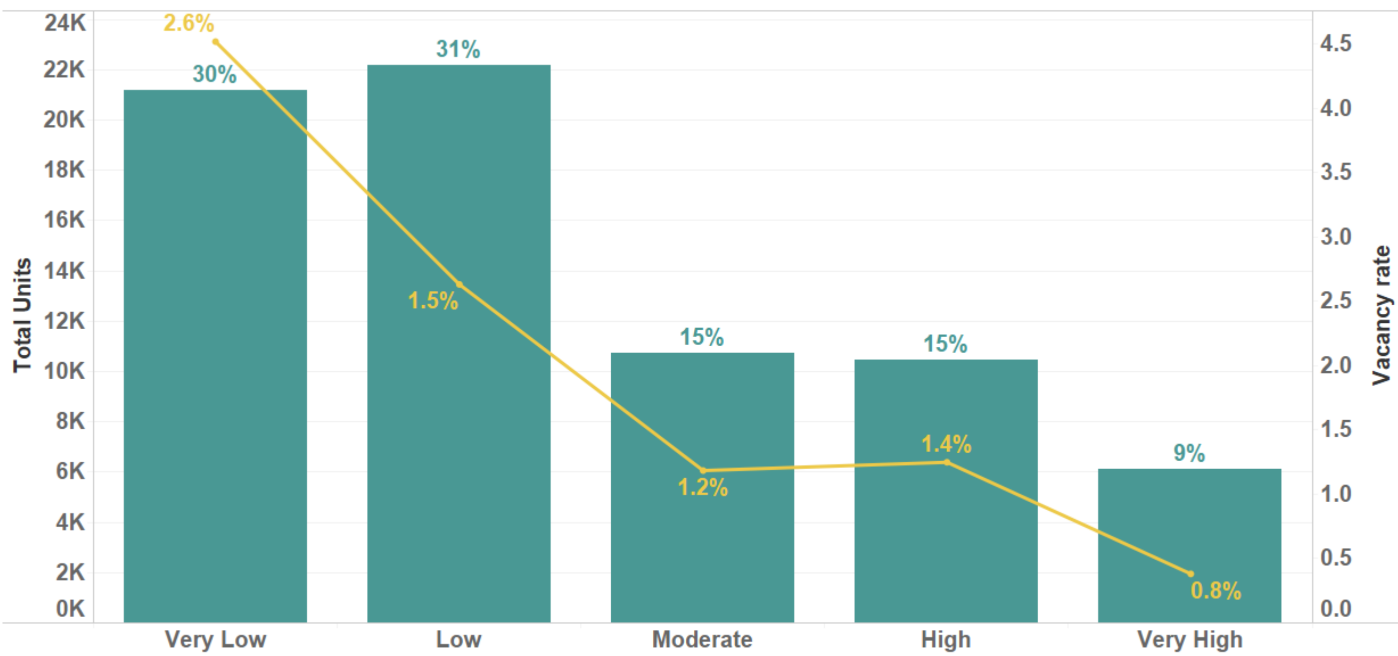
Apartments, All Rents, by Opportunity Class and Vacancy Rates



SOURCE: OSU Kirwan Institute, 2020-21 Opportunity Index
VSI Commercial Multifamily Property Database

Figure 32

Apartments with Rents $875 or Less by Opportunity Class and Vacancy Rates



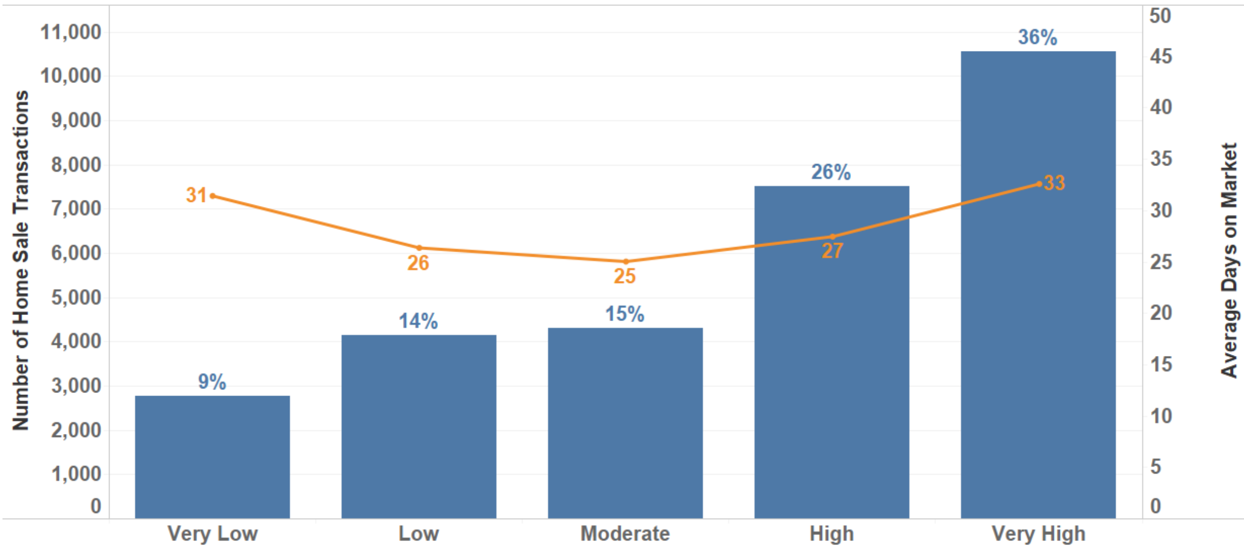
SOURCE: OSU Kirwan Institute, 2020-21 Opportunity Index
VSI Commercial Multifamily Property Database

$875 is about 30% of monthly income for a household earning $35,000 annually.

Figure 33

If the members of that household had built credit, kept their debts low, and saved for a down payment, they might hope to purchase a home like one of the 57% of homes sold in high or very high opportunity areas in 2018, with an average of about a month on the market (**Figure 34**). Again, they would find that only 19% of homes in their price range are in these areas, and that they generally sell in fewer than three weeks (**Figure 35**). They might also find that a large number of homes in their price range are outdated or in poor condition, which would mean they would need to save more than just a 20% down payment to pay for repairs and improvements to make the home livable.

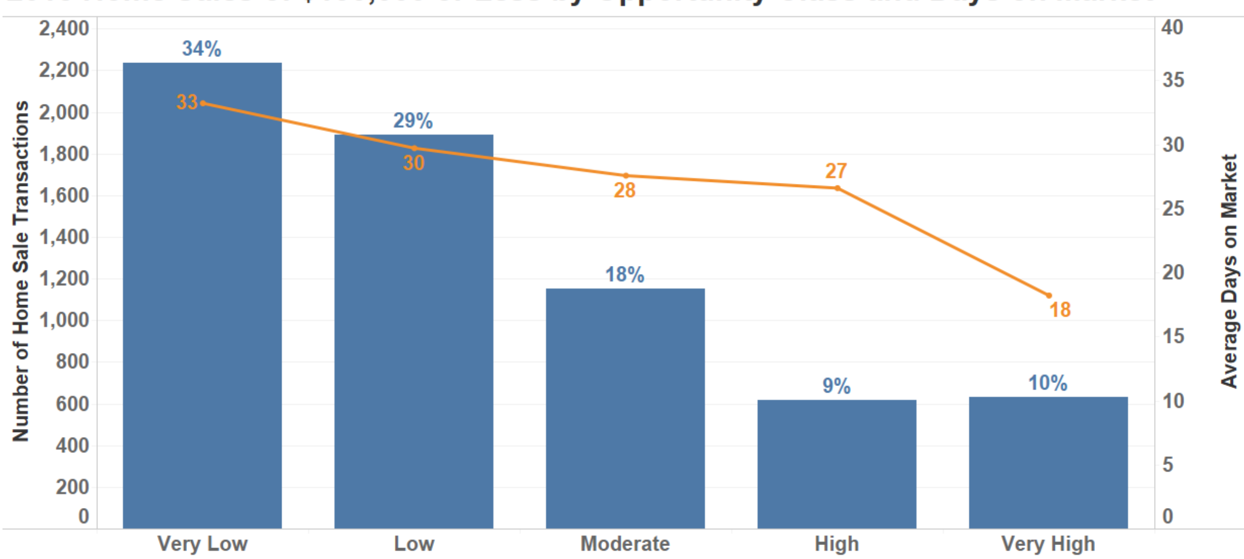
2018 Home Sales of by Opportunity Class and Days on Market



SOURCE: OSU Kirwan Institute, 2020-21 Opportunity Index
MLS RETS Database, 2018 Home Sales

Figure 34

2018 Home Sales of $130,000 or Less by Opportunity Class and Days on Market



SOURCE: OSU Kirwan Institute, 2020-21 Opportunity Index
MLS RETS Database, 2018 Home Sales
Home Mortgage Disclosure Act, 2018 Originated Loans

Based on average loan amounts for residents earning less than $35,000 annually, assuming 20% down payment on purchase, $130,000 would be the upper limit of affordability for a home purchase.

Figure 35

Not-in-my-backyard (NIMBY) attitudes

Political and public support can make or break a development project. Often, negative perceptions about denser or subsidized homes result in people voicing their disapproval for these types of development locally—especially during approval processes that include public consultation such as rezoning. According to regional developers, NIMBY attitudes affect development feasibility in Central Ohio. They identified political and neighborhood perception as the second highest factor negatively affecting development feasibility out of 14 factors. This was affirmed by the broader stakeholder groups that participated in the Regional Housing Strategy.

Housing instability among residents

Housing instability creates a host of ripple effects for a household and community. For residents paying a high percentage of their incomes on housing, precarious situations, such as changes to housing costs or household income, or threat of eviction or foreclosure can cause a household's living arrangement to become unstable. Neighborhood changes can create location-specific housing instability, as reinvestment in neighborhoods can drive up prices, creating the risk of displacement of the residents who already live there. While there are programs available to assist residents to re-stabilize their housing, there are simply not enough direct assistance resources available to prevent housing loss for those at greatest risk.

Housing cost burden

Many in the region experienced the last decade in recovery of personal finances following the Great Recession. In fact, the percentage of residents who are housing cost-burdened has been on the decline, in alignment with national trends. Nonetheless, 220,000 households in the region are stretching their earnings beyond what is considered sustainable to pay for housing, especially among lower earners.

A key measure of housing stability is housing cost-burden, the share of monthly income that a household pays for their home. Although each household's definition of cost-burden is unique, general guidance from the U.S. Department of Housing & Urban Development suggests that households which spend above 30% of their income on housing costs may be housing cost-burdened. Increased competition for homes, structural racism, a limited supply of homes priced for low-income households, and a lack of homes that can serve a wide range of ages, abilities and households can push households into higher-cost homes and increase their housing cost-burden.

Without a stable home, a person's ability to thrive is severely inhibited. Households that pay a disproportionate share of income on housing are forced to make budgeting sacrifices for other necessities, like clothing, healthcare, nutritious food, and transportation. Conversely, housing stability has been tied to a range of positive outcomes for children and their families and seniors: improved mental and physical health, school performance, and personal safety (among others)[44].

Renters in Central Ohio generally experience cost-burdens at higher rates than owners. Renters are twice as likely to be housing cost-burdened compared to homeowners (45% of renters compared with 20% of homeowners), and are three times more likely to be extremely cost burdened (spending more than 50% of their income on housing; 22% of renters compared with 7% of homeowners – **Figure 36**).[45] Renters make up 39% of the region's households and 57% of all cost-burdened households.

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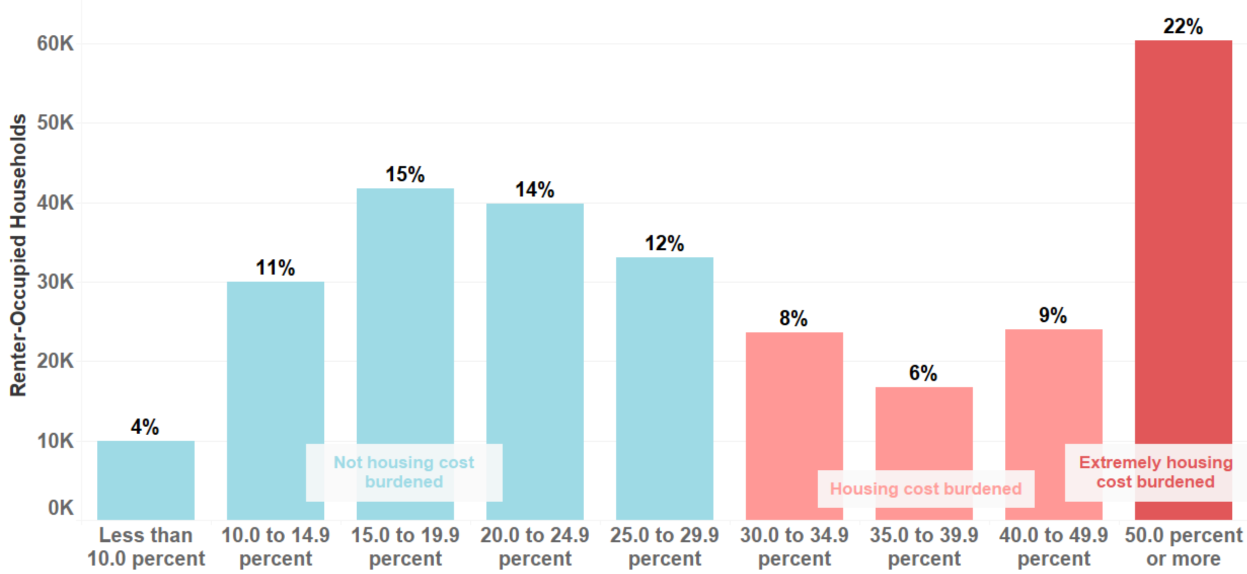
[44] Enterprise Community Partners. (2014). *Impact of Affordable Housing on Families and Communities: A Review of the Evidence Base*. Available here.

[45] Measurement Resources. (2019). *Equitable Housing in Central Ohio: Redefining Affordability for All.* Available here.

Renter-Occupied Households by Rent as a % of Household Income



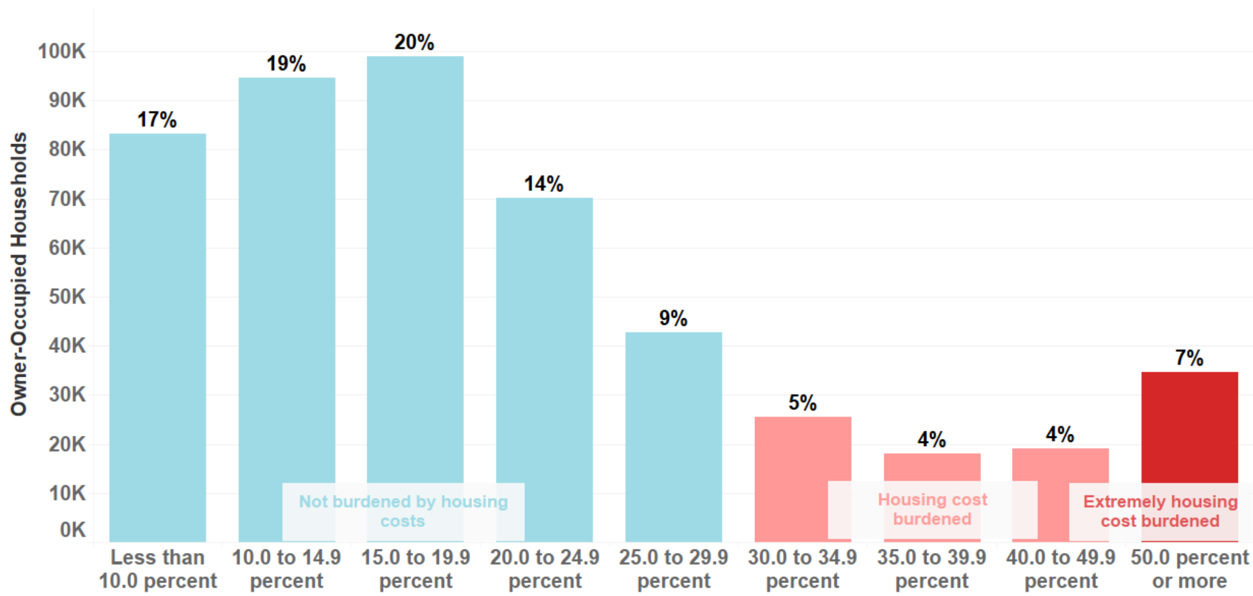
SOURCE: U.S. Census Bureau, American Community Survey, 2014 - 2018 5-year estimates, 7-County Central Ohio region

Figure 36

In Fairfield, Franklin, and Licking counties, nearly half of all renters spend more than 30% of their income on housing. Within Franklin County, zip codes more central to downtown Columbus experience higher housing cost burdens. For some zip codes, as many as 69% of households are burdened by housing cost.[46]

Homeowners, who make up 61% of the region's households, are not immune to cost burdens, and are more likely to be cost-burdened in some places or income levels, though they represent only 43% of cost-burdened households. Twenty percent of all homeowners in Central Ohio are cost burdened (**Figure 37**).

Owner-Occupied Households by Housing Costs as a % of Household Income



SOURCE: U.S. Census Bureau, American Community Survey, 2014 - 2018 5-year estimates, 7-County Central Ohio region

Figure 37

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[46] Measurement Resources. (2019). *Equitable Housing in Central Ohio: Redefining Affordability for All.* Available here.

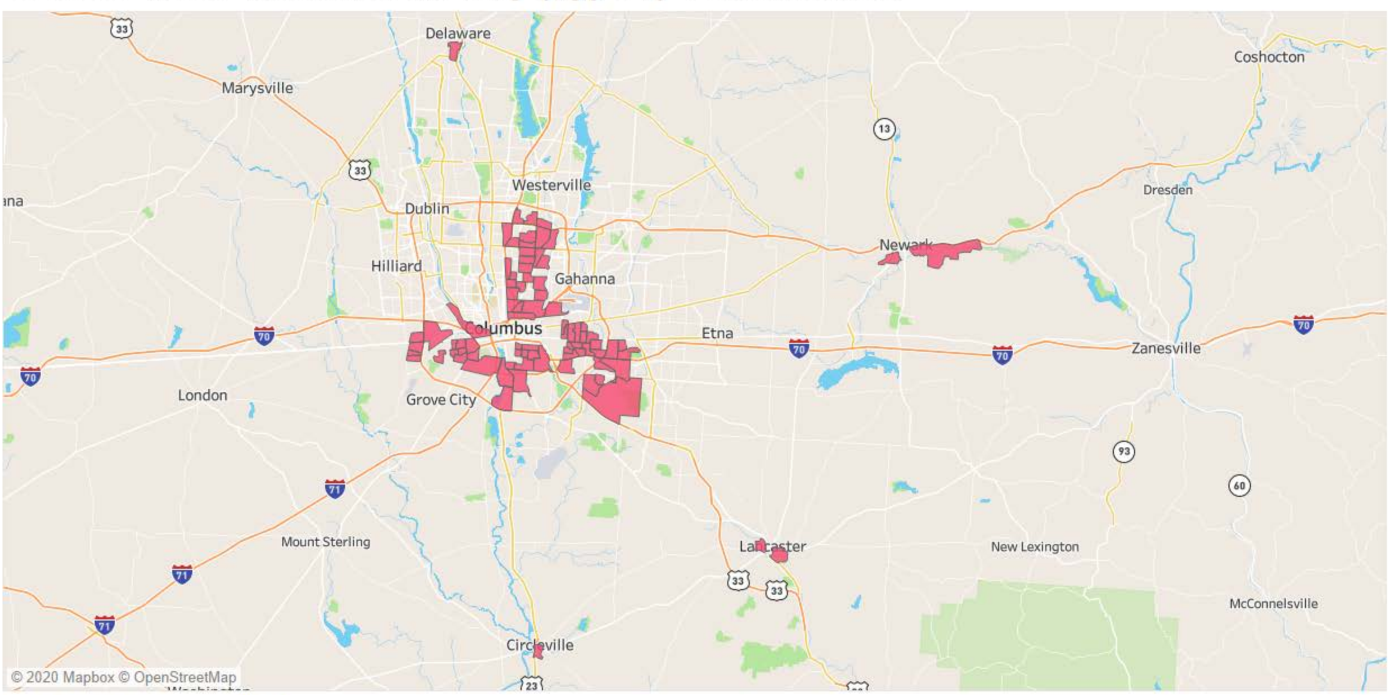
As the region recovered from the Great Recession, the number of cost-burdened households in the region fell between 2012 and 2017, by nearly 20,000 households. However, as some households in the region recovered, already low-income households in the region were left behind as prices began to rapidly increase (cost burdens *increased* among households earning between $20,000 and $34,999, while cost burdens among households at all other incomes decreased). Also, there are many households in otherwise disadvantageous circumstances (see structural racism and housing needs by demographic factors) for whom housing cost burdens are more prevalent.

Displacement risk

There are many personal circumstances that can lead to spending more on housing than a person can afford, including market factors that limit availability of housing at all price points, and demographic characteristics of a person that limit housing options. In the discussion on the limited supply of homes priced for low-income households, the recent trend toward accelerated demand for housing reinvestment was highlighted. Reinvestment in neighborhoods where there is currently a supply of naturally occurring affordable housing presents yet another threat to some residents' housing stability. Over time, reinvestment activity can increase housing costs for people who have otherwise maintained stability—albeit typically in neighborhoods with less access to opportunity.

Geographically speaking, gentrification is most likely to occur within a relatively concentrated part of the region, predominately centered around the Columbus downtown area, but also occurring in some parts of the region's county seats (**Figure 38**). Even still, nearly 320,000 residents (or about 16% of the region's population) live in areas identified in the displacement risk analysis of the RHS as in an early stage of gentrification (a complete methodology and summary of findings will be available as an appendix to this report following the release of the RHS). These areas have high shares of vulnerable households; have experienced limited or no demographic change since 2013; and have low to moderate housing market activity relative to the rest of the region, but experienced appreciation in home values or prices since 2013.

Census Tracts Identified in Early (Type 1) Gentrification



SOURCE: MORPC displacement risk analysis

Figure 38

Of the Census tracts identified in the early stages of gentrification, 57% are in very low opportunity areas, and another 37% in low opportunity areas. These areas, while scoring very poorly in nearly every indicator of opportunity, score well on transit access, as most of these areas are found within the urban core of Columbus. Transit access is critically important to the greater number of residents without access to a vehicle in those areas.

The strong connectivity in areas with emerging demand can expand access to jobs, necessities, and recreation for the residents who live there. However, that same ease of access may in part drive demand for homes in these areas, which is evidenced by the greater prevalence of high displacement risk in those areas.

Residents of these areas who become displaced may end up moving to parts of the region with more limited transportation options and less concentration of key destinations, resulting in longer commute times and reduced access to employment, services, and social networks.

The places in early stage gentrification also typically have a greater share of single-family rental homes than other parts of the region. Single-family rental homes can be a reliable source of naturally occurring affordable housing: housing that, at market rate, remains affordable to potential occupants living at or below the area median income. After the Great Recession, many single-family homes shifted from owner- to renter-occupancy. Even though rental prices have steadily risen since 2010, single-family rental homes often offer more affordable rent rates than commercial/apartment rentals and are often more attainable than those on the market.

Based on an analysis of Zillow rent price data and American Community Survey data, among the lowest cost rental homes (around $1.00 per square foot), single-family rental units fill a critical need, especially for larger households. In 2018, 40% of 3-person, 58% of 4-person, and 64% of 5-or-more-person renter households lived in single-family rentals in the Columbus metropolitan area. Since 2016, however, a decline in renter-occupied single-family households paired with a more rapid increase in owner-occupied single-family households may indicate that single-family rental units are being converted back into owner-occupied units in the market.

Whether a sign of recent displacement of residents from reinvested neighborhoods, or of other economic challenges in the region, there is evidence that suburban communities are experiencing a rise in financial hardship among their residents in recent years. According to the Columbus and Franklin County Affordable Housing Challenge, “from 2000 to 2014, the percent of the population living in poverty increased in every Franklin County city, except for Canal Winchester, Dublin, and Grandview Heights. Between 2000 and 2013, the suburban areas of the 10-county Columbus metro area had the greatest growth in suburban poverty—up 113.6%—among all Ohio major metro areas.”

More need for direct assistance than available resources

The need for housing-related assistance among low-income households and households with unique housing needs, such as rental assistance and home repairs, dwarfs the assistance available in the region. For instance, there aren’t enough resources in Central Ohio to assist with homes repairs today. In the City of Columbus alone, more than 1,200 low-income families requested city assistance for home repairs, roof repairs, or home modifications in 2016. In any given year, the city can fund approximately 90 projects.[47]

Additionally, there’s an extensive waiting list for rental assistance and special needs housing. In the City of Columbus alone, there were 17,231 applicants on the waiting list for a housing voucher in 2016 and more than 7,000 people on the waiting list for a unit designed to serve someone with special needs.[48]

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[47] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

[48] Affordable Housing Alliance of Central Ohio. (2017, February). *Columbus and Franklin County Affordable Housing Challenge: Needs, Resources, and Funding Models.* Available here.

Conclusion

The core housing challenges identified in the RHS present separately complex and important areas for strategic focus in the region. Broadly, these issues call the region to action on these five fronts:

1. **The region needs to produce more units to keep up with demand going forward.**
2. **The region needs to change the policies and practices that perpetuate barriers to housing access, especially among people of color.**
3. **The region needs to preserve existing homes at lower price points while expanding the number of lower cost housing options available across the region.**
4. **The region needs to diversify its housing stock, both by adapting the current housing available and pursuing new housing models in the future.**
5. **The region needs to provide and increase access to supports that will stabilize residents, homes, and communities.**

These housing challenges can be described and understood separately, however, it is compelling to consider all the issues, and especially the points where they intersect. Because of the strong interrelatedness across these challenges, an effective Regional Housing Strategy will require work on all fronts.

The RHS identified over 100 potential actions, which are classified into five action types aligned across these five core issues, and assigned to each of the 414 Census Tracts in the region, based on the findings of the sub-regional analyses completed for this effort. As a result, implementers, advocates, and other stakeholders in the region may identify a targeted list of potential actions within a given place or housing-related issue where they have influence.

Furthermore, the location-specific understanding of the nuanced housing challenges in a given location will allow for the development of Local Housing Action Agendas, which will provide communities with an in-depth perspective on their key housing issues, as well as a list of issue-relevant actions to work locally toward the needs identified through the RHS.