

Affordable Housing An Ongoing Crisis

Greater Cincinnati Region

Presented by the Cincinnati Association
Inclusion Panel
August 2021



Inclusion Panel – Community Education Sub-Committee Members

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Disclaimer

We recognize that government and community organizations continue to estimate the number of units needed and investment required.

We recognize that progress is occurring on identifying funds for addressing the affordable housing gap.

We recognize that progress is occurring in the area of support services, proposed housing court, home ownership training, and

Everyone Deserves Safe, Secure, and Affordable Housing



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America is an economically developed country in which everyone should be able to meet basic needs.

Yet many are housing insecure because they cannot afford the available housing.

Did You Know?

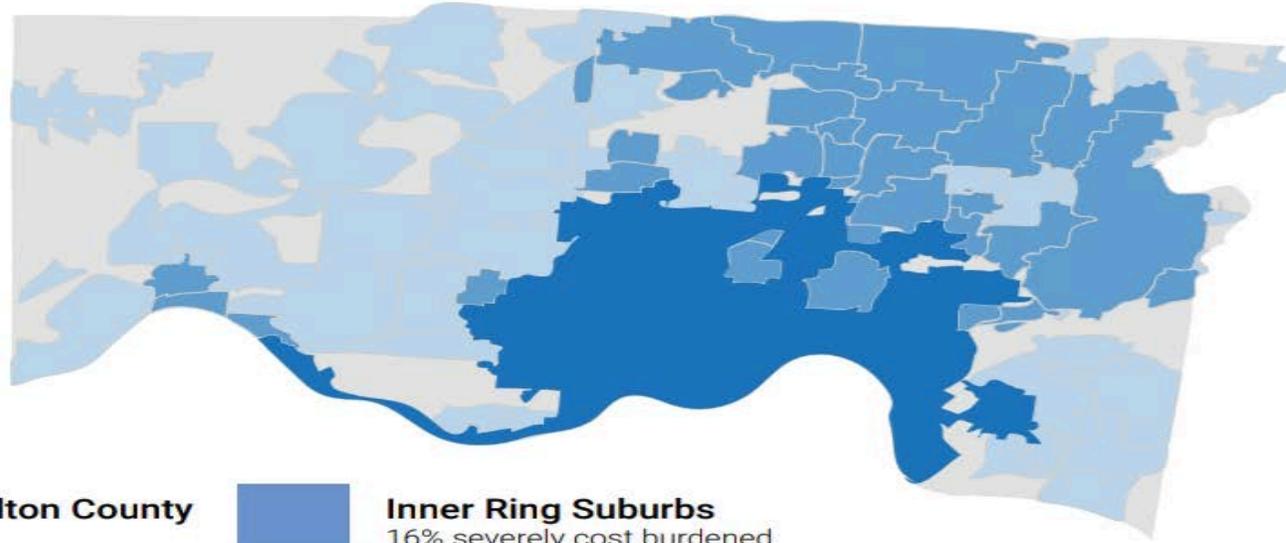


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- Housing is affordable when no more than 30% of a household's gross annual income is consumed by rent or mortgage.
- Households that must pay more are “cost burdened,” without enough money left to pay for basic needs. (Housing and Urban Development Guidelines HUD)
- The lack of affordable housing is both a national and local issue.

HOUSING COST BURDENS

Hamilton County,
ACS 2014-2018



- Unincorporated Hamilton County**
5% severely cost burdened
- Outer Ring Suburbs**
13% severely cost burdened
- Inner Ring Suburbs**
16% severely cost burdened
- Cincinnati**
21% severely cost burdened

MAXIMUM RENT BY INCOME

Hamilton County, PUMS 2014-2018

Median gross rent for a
2-bedroom unit
\$ 831

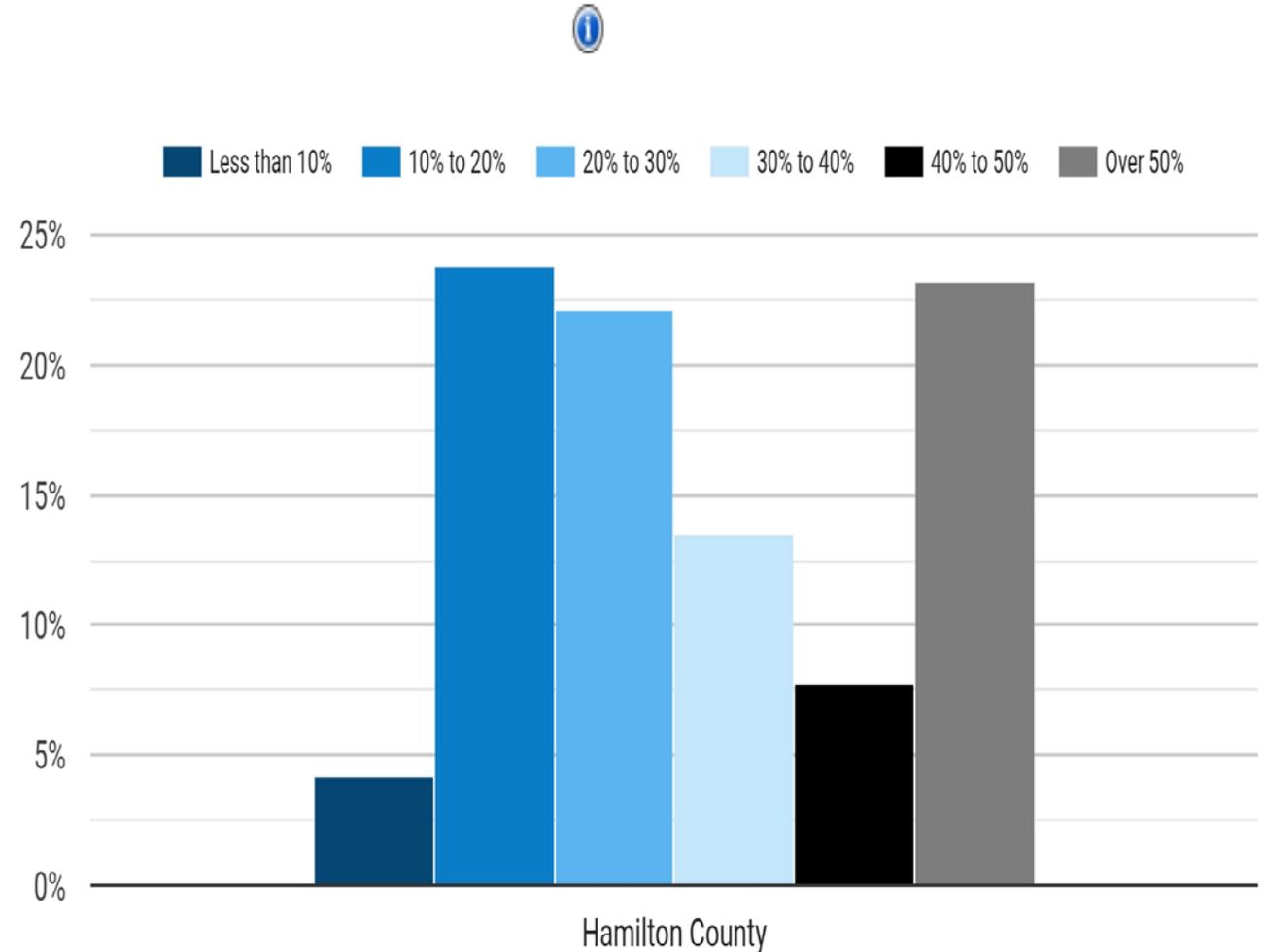
Income Band	Percent of AMI	Percent of All Households	Median Household Income	Gross Rent Required to Prevent Rent Burden*
Extremely low income	0-30%	16%	\$9,217	\$230
Very low income	30-50%	11%	\$21,681	\$542
Low income	50-80%	15%	\$35,862	\$897
Moderate income	80-120%	16%	\$54,168	\$1,354
Middle & upper income	> 120%	43%	\$113,116	\$2,828

**Gross rent includes utility costs. This value is calculated by dividing median household income by 12 to arrive at monthly income, then multiplying by 30%, since this is the accepted affordability threshold for the ratio of gross rent to income.*

Did You Know?

- 125,456 Hamilton County residents are living in poverty; the number of families in poverty has increased by 20% since 2000.
- 23% of Hamilton County renters pay over 50% of their income for rent.

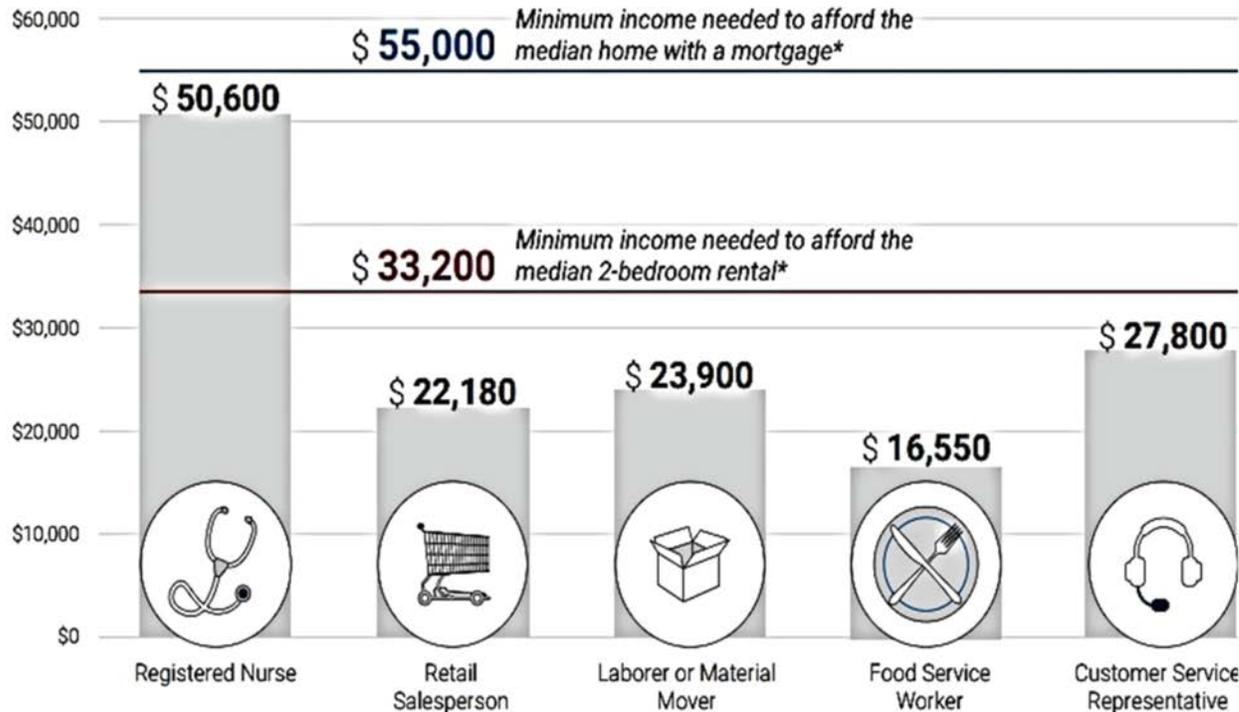
Figure 19: Hamilton County, OH Rent as a percent of Household Income



Why Are We Experiencing This Growing Crisis?

THE TOP 5 JOBS DO NOT PAY ENOUGH TO AFFORD HOUSING

Cincinnati Metropolitan Area,
BLS 2018 and ACS 2014-2018



*This is the minimum income needed so that no more than 30% of the earner's income is spent on housing. Median housing costs are for Hamilton County in 2018.

9/29/2021

Income – Low Earnings

- Families with one full-time worker earning minimum wage cannot afford local fair-market rent for a two-bedroom apartment.
 - The top 5 jobs, in Cincinnati, do not pay enough to afford basic housing.
 - The top 5 jobs were critical during the Covid-19 pandemic.
- Residents with disabilities are often on a fixed income
 - In 2019 there were 19,712 disabled Hamilton County residents (age 18+) living on a Social Security Income (SSI) of \$794 per month.

Why Are We Experiencing This Growing Crisis?

Gentrification - Displacement of Residents

- Tax abatements and credits are being issued for projects that include minimal or no affordable housing units
- Affordable housing has been eliminated in some neighborhoods to accommodate large development projects.

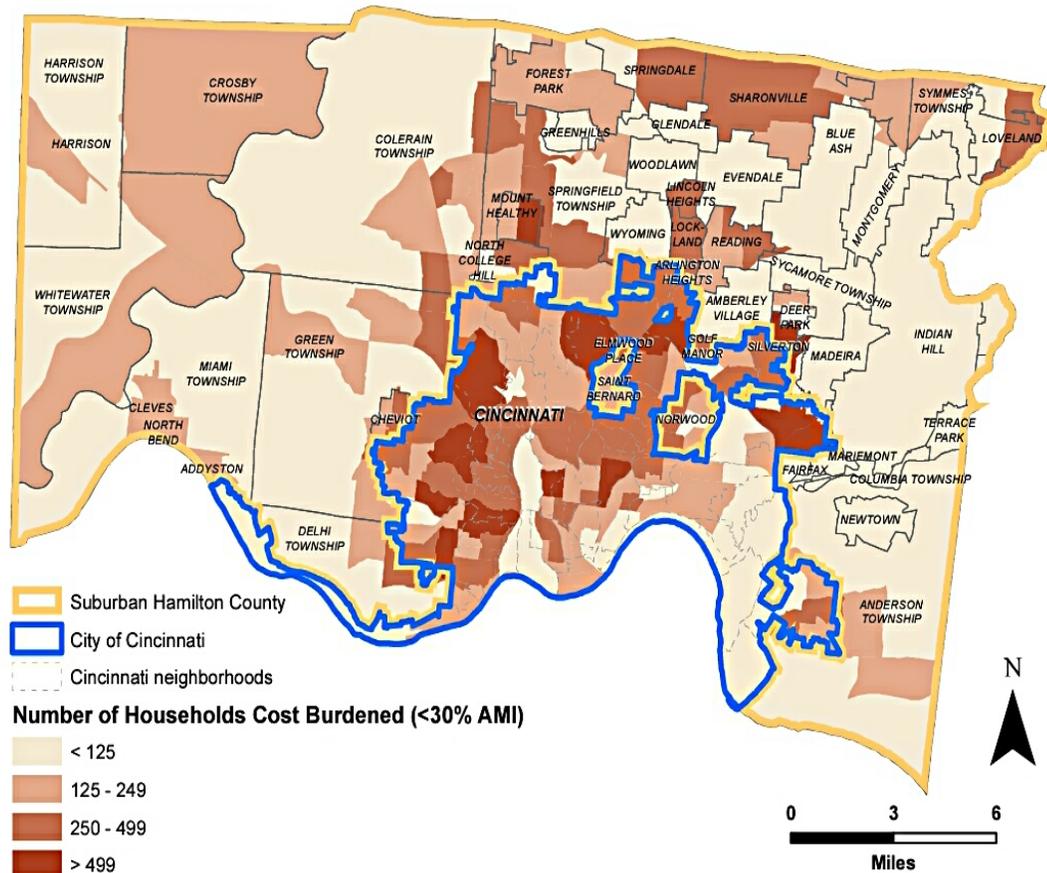
Discrimination

- Racist and discriminatory policies restrict minorities and low-income households from affordable housing in middle-and-higher class neighborhoods (the “not in my neighborhood” phenomenon.)

Development

- Anti-Development regulations limiting housing production
- Lack of economic incentives for developers to build housing for very low-income households (< %30 of AMI)

Map 22: Cost Burdened: Extremely Low Income Households



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Average Fair Market Rent for 2 Bedroom in Hamilton County, Ohio

**Low & Stagnant
Wages
Increasing Housing
Costs**



Consequences for Families and the Community



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Financial Strain

- Families can not afford necessities such as food, clothing, transportation and medical care after paying rent.

Evictions

- An average of 12,000 households face eviction every year in Hamilton County.

Homelessness

- In 2018, 12,240 people accessed emergency shelter or homelessness services.

Consequences for Families and the Community



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People are living in substandard housing

- Poorly maintained often with mold, bugs, lack of heat, and non-working appliances.
- Negative impact on health; particularly children

Family units are sometimes fractured

- Displacement, separation of family members
- Frequent change of schools for children; impacting educational continuity

Impact on economic development

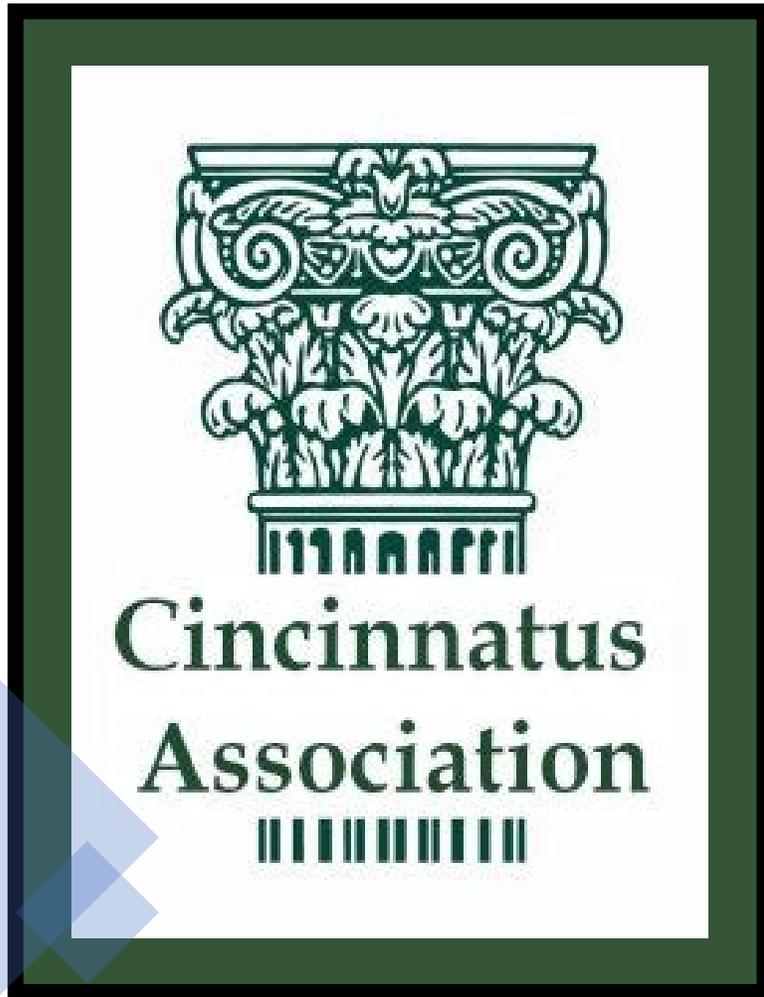
- Insufficient housing stock to attract employees and expand businesses.
- Affordable housing not built near places of employment

What Needs to Be Done?

- A Local Initiatives Support Corporation (**LISC**) – commissioned study by Xavier University found the need for:
 - 40,000 affordable units in Hamilton County (28,000 of those are in Cincinnati) for households making less than \$14,678 annually
 - These households can only afford \$230/month for rent.
 - A strategy to preserve and produce affordable housing, protect existing residents, and make system changes was developed by a coalition representing the public, private, and non-profit sections.
 - *Report is available at: <https://www.lisc.org/greater-cincinnati/what-we-do/housing-our-future>
- An adequately funded housing trust fund with effective oversight
 - In 2018, City Council authorized an affordable housing trust fund on the urging of affordable housing advocates.
 - Cincinnati Association members were the first contributors to this fund.

Cincinnati Region

What Is Being Done?



1. The Cincinnati Association's Inclusion Panel has established three task forces:
 - Housing Court — exploring the establishment of a housing court
 - Affordable Housing Trust Fund — exploring alternative ways to fund it
 - Educating the Community — developing materials to educate the public about the crisis and its consequences for households and the community.
 - First Private Funds came from Cincinnati
2. Cincinnati City Council has adopted reforms:
 - Waivers of parking or height restrictions for to allow for more affordable units
 - Assurance that more minority developers have opportunities

What Is Being Done?



- City of Cincinnati officials:
 - Recommended the establishment of an 11-member Housing Advisory Board, a campaign to raise private funding for affordable housing and a comprehensive review of requirements blocking development
 - Applying for a \$34MM Section 108 Housing and Urban Development (HUD) Loan.
 - The new Housing Advisory Board will establish housing policy priorities for the city.
 - The Cincinnati Development Fund, a nonprofit lending group, will provide oversight of the loan pool and the city's Affordable Housing Trust Fund
- Hamilton County Commissioners are proposing the use of \$40 million of CARES Act money for affordable housing, including reducing taxes on households, and helping seniors stay in their homes.

What Is Being Done?



- The Cincinnati Metropolitan Housing Authority is using federal CARES Act dollars to attract new landlords and incentivize current landlords to expand their use of the Housing Choice Voucher Program and provide over additional vouchers for people in need of subsidized housing.
- The local media and non-profits are raising the visibility of the crisis through reporting, advocacy, public forums, and webinars.

Personal Story

Steve is a 67-year-old veteran who has custody of his 2-year-old disabled great granddaughter and recently became a widower. His late wife was the representative payee for the child's SSI payments and Steve's VA pension was not enough to cover the bills.

Steve missed 2 rent payments in the months it took to change him to the SSI payee. He continuously communicated with the landlord about the status and time frame in which he could satisfy the rent payments. The landlord sold the property, and the new owner filed an eviction. Steve hired a lawyer and had all the back payments in escrow at the time of the court date. The eviction was still granted, and Steve had 7 days to move out of the home he had lived in for 12 years.

Steve and his great granddaughter moved into his daughter's already full house. For 1 year there were 8 people (4 generations) living in a 3-bedroom, 1 bathroom, slab house. He was finally able to find an apartment complex that would accept him as a tenant with the eviction on his record. He is paying \$770 a month for a 2-bedroom in an undesirable, high crime, neighborhood on a monthly income of \$2,145 (37% of his income).



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Personal Story



Rose is a 59-year-old woman who is on manual dialysis and is housing insecure. She has been staying on a couch at her daughter's house because she has been unable to find affordable housing. She is disabled and living on a fixed income of \$794 a month from Supplemental Security Income (SSI) payments.

If we followed the 30% rule, a monthly housing payment should only cost \$240. There is no market rent housing available for that price so her only affordable option is applying for income-based / subsidized housing. This requires an extensive search to determine programs that are available and the eligibility requirements. Furthermore, the convoluted system of affordable housing programs makes it difficult for applicants to navigate the application process and Rose faced many barriers.

Upon completing the applications, she was placed on waiting lists that were 6+ months long. She could not wait that long and decided to pay market rent at \$595 per month, which is about 75% of her income and does not include utilities. She was fortunate to be able to rent this unit because landlords typically require the renter to make 3 and ½ times the monthly rent.

There are 10's of thousands of stories just like this in Hamilton County



Call To Action



This affordable housing crisis is already affecting thousands of households around Hamilton County and many more around the nation; and the problem is only expected to grow in the coming years.

You can help by:

- Share this information with others in your community.
- Get involved with organizations that provide assistance and low-income housing to families in need.
- Consider the creative housing alternatives, such as tiny houses.
- Encourage neighborhoods to support zoning changes that are inclusive.

What We Can All Do

(Recommended Actions from Community Building Institute at Xavier University, Director Liz Blume)

- Support living wage initiatives
- Work to implement a housing court
- Lobby candidates, appointed and elected officials and business leaders to support and fund affordable housing initiatives
- Support Affordable Housing Project in OUR communities
- Get engaged with local, mission-driven Community Development Corporations and support their work
- Learn about how Ohio laws compare to other states related to eviction and other affordable housing issues
- Inform others - present this information to an organization in which you are involved

References

- Just Economics, an economic development agency in Asheville, NC. — www.justeconomicswnc.org
- City of Cincinnati Department of Community & Economic Development's Housing Division
- 2020 American Community Survey — www.census.gov
- [Hamilton County Ohio Housing market data real estate research Butler County and Clermont County \(towncharts.com\)](http://towncharts.com)
- LISC Greater Cincinnati <https://www.lisc.org/greater-cincinnati/what-we-do/housing-our-future>
- [The Rent Eats First: Rental Housing Unaffordability in the US \(harvard.edu\)](http://harvard.edu) Joint Center for Housing Studies of Harvard University”
- [Shortage of Affordable Rental Housing Hits Md. Poor Hardest – Maryland Matters](http://marylandmatters.org)
- James C. Hunt, past president of the American League of Cities, author of The Amazing City — 7 Steps to Creating an Amazing City (2017)