

Equitable Housing in Central Ohio

Redefining Affordability For All



A Community Report By:



**Measurement
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Introduction

With a projected growth of one million more residents in Central Ohio by 2050, affordable housing is a hot topic. There is a demand for 14,000 new housing units a year and the area is simply not building homes fast enough, according to a study by Vogt Strategic Insights conducted for the Building Industry Association (BIA) of Central Ohio.¹

Mayor Andrew J. Ginther is quoted saying, “As the city and region continue to grow, we must make sure residents who work in the region can afford to live here, too.” To address this problem, The Mid-Ohio Regional Planning Commission (MORPC), Franklin County, the City of Columbus, and regional partners are in the process of developing a coordinated housing strategy that will develop investment and policy recommendations to support mixed income neighborhoods and regional growth.² In an effort to ensure an equity and gender lens to the affordable housing issue in Central Ohio, Measurement Resources synthesized its research conducted on behalf of several of Central Ohio’s nonprofit organizations to ensure the realities of this region’s residents most impacted by the lack of affordable housing are brought to light. Each county in Central Ohio has a slightly different set of characteristics; therefore, this report focuses on Franklin County and its six contiguous counties: Delaware, Fairfield, Licking, Madison, Pickaway, and Union Counties.





What is affordable housing?

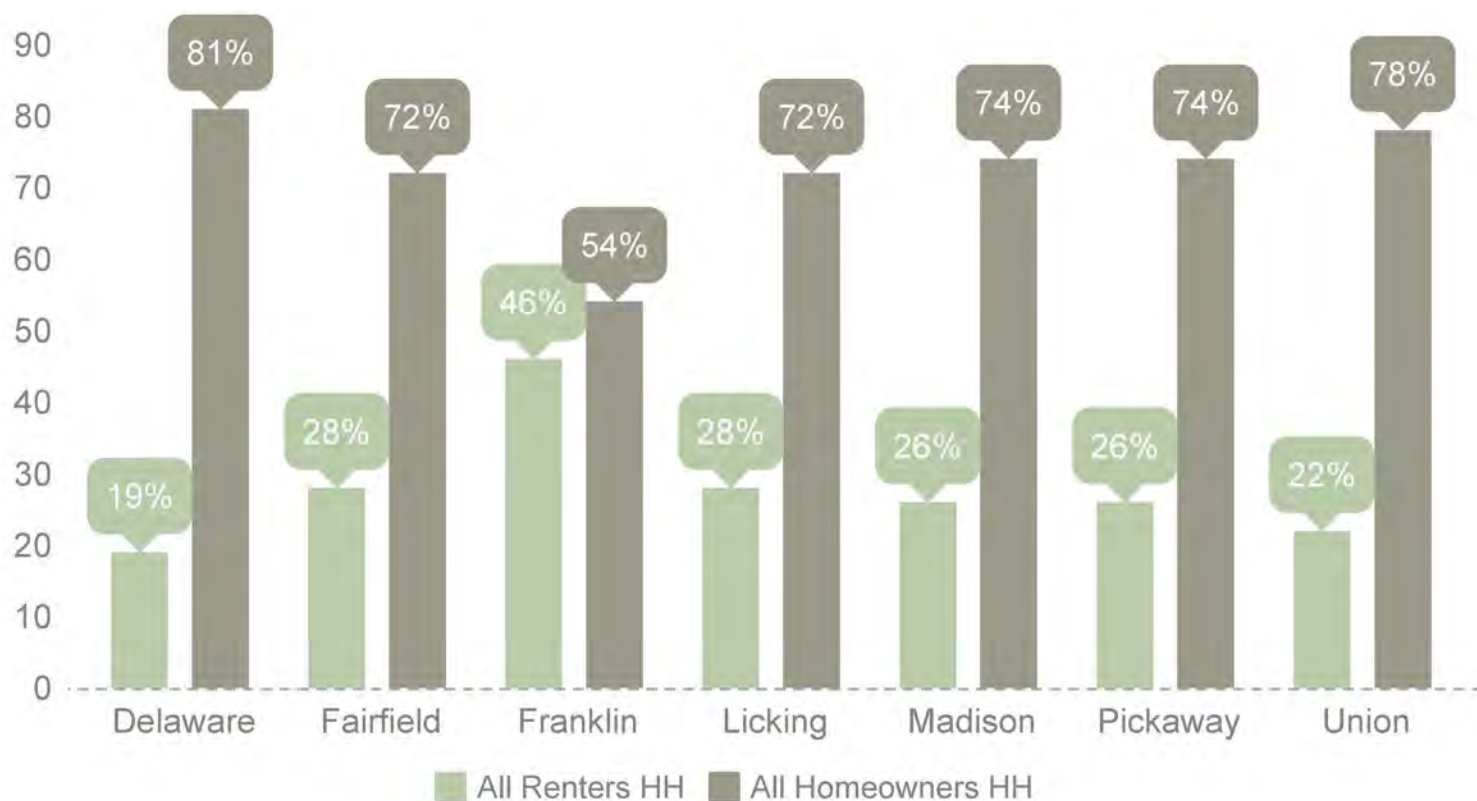
Typically, affordable housing refers to a family spending less than 30% of their gross income on housing. The United States Department of Housing and Urban Development indicates that families paying more than 30% are considered “cost burdened, and may have difficulty affording necessities such as food, clothing, transportation, and medical

care.” Therefore, each family, depending on their income, has a different level of affordable rent or mortgage.

Across the Central Ohio region, the majority of households own the home they live in (61% of households). Although this is also true for Franklin County, a much higher percentage of the population rents (46%) (Figure 1).

Figure 1. % of Homeowner vs. Renter Households (HH)

ACS table: S2503, five-year estimates, 2017



Includes individuals with zero or negative income and no housing costs.

How significant is the affordable housing problem?

Throughout Central Ohio, 213,204 households, or 30% of all households with housing costs, are estimated to not have access to affordable housing³ (see Appendix A for a county-by-county view). On average, monthly rents throughout Central Ohio range from \$776 to \$1,001

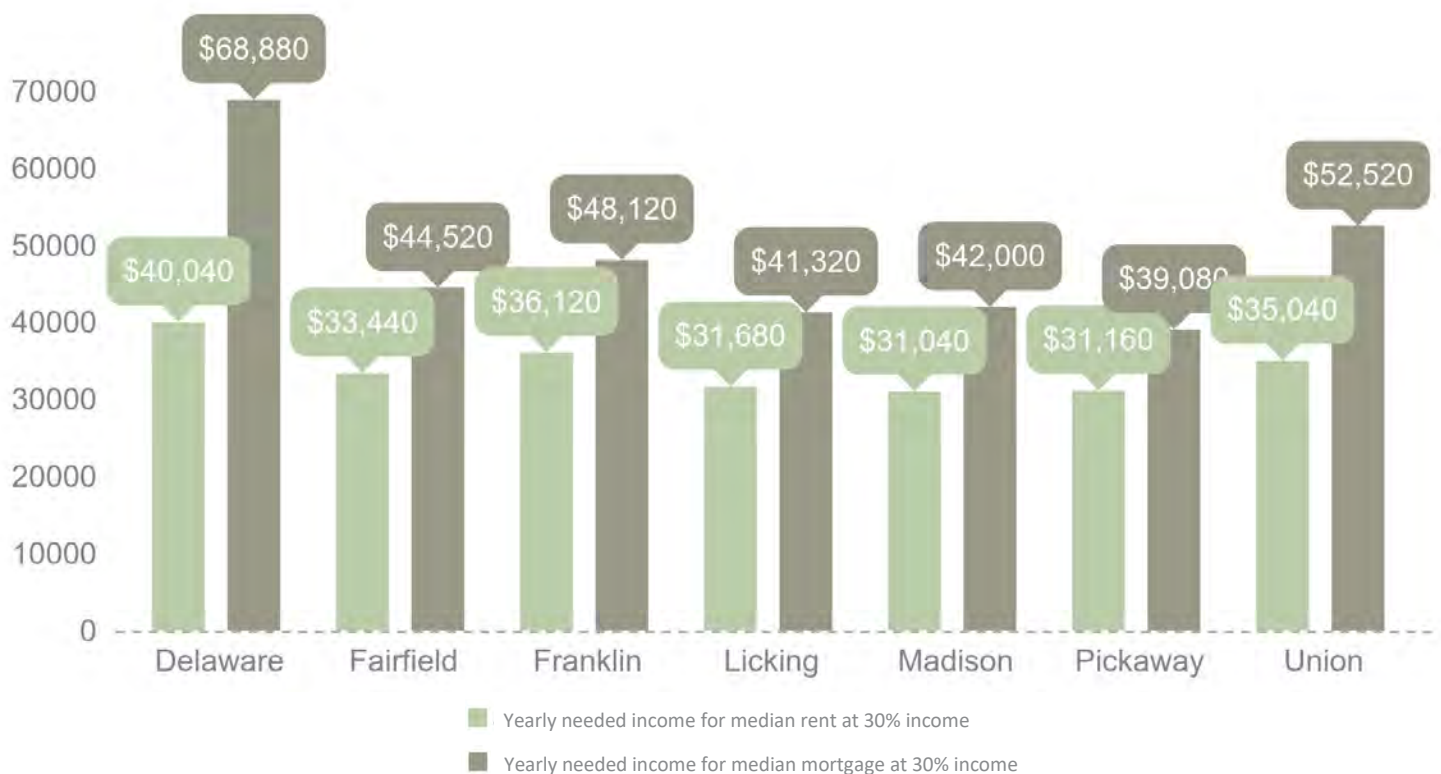
and mortgages are \$350 more a month than rental costs (ranging from \$977 to \$1,722 per month; Figure 2). In order to afford average rental and mortgage expenses, households need to earn, on average, \$34,074 and \$48,063 a year, respectively (Figure 3).

Figure 2. Median Monthly Household Rent/Mortgage Expenditures

ACS table: S2503, five-year estimates, 2017



Figure 3. Income Needed for Median Rent/Mortgage Expense by County



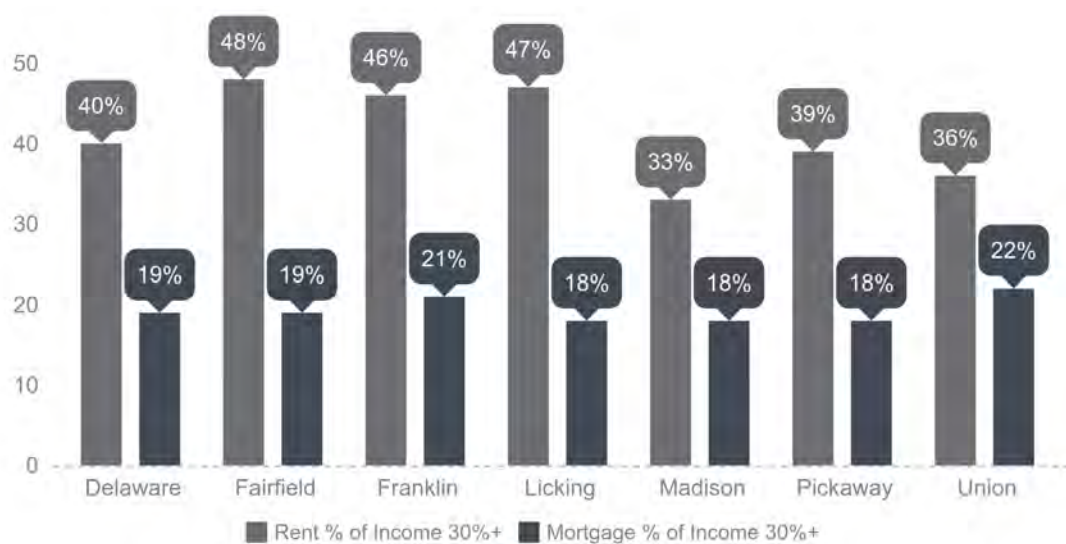
Formula: (monthly housing costs x 12 [months]) / .3 [30% housing expenditure]

In Fairfield, Franklin, and Licking Counties, **nearly half of all renters do not live in affordable housing.**

Across the seven counties, renters are approximately twice as likely to be housing cost burdened compared to homeowners, ranging from 33% in Madison to 48% in Fairfield (Figure 4). In Fairfield, Franklin, and Licking Counties, nearly half of renters are housing cost burdened.

Figure 4. % of Households Spending 30% or More of Income on Housing

ACS table: S2503, five-year estimates, 2017



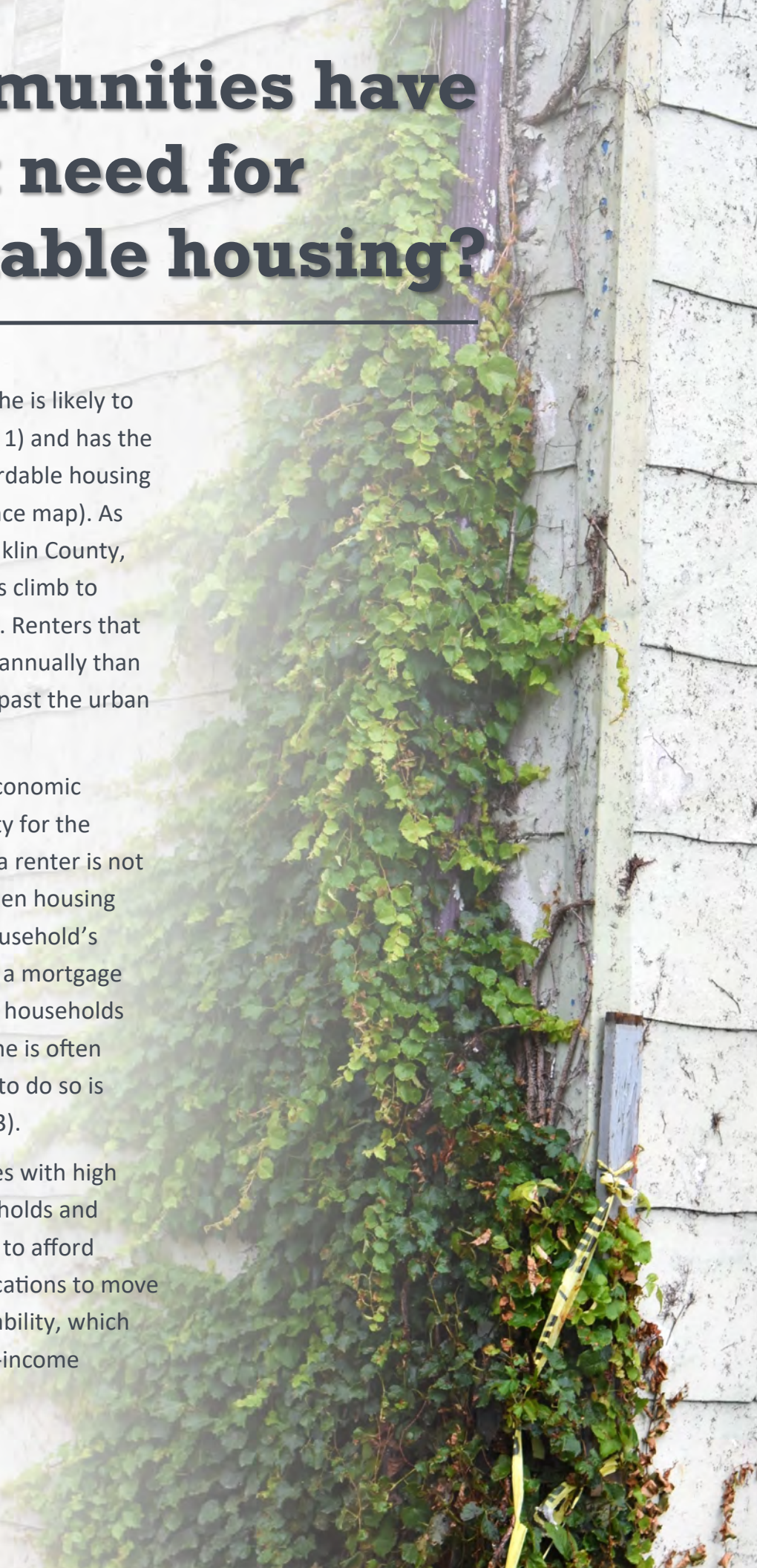
In Central Ohio, there are **213,204 households that are housing cost burdened.**

Which communities have the greatest need for more affordable housing?

A resident's ZIP code predicts if s/he is likely to be housing cost burdened (Map 1) and has the income needed to have access to affordable housing (see Appendix B for a ZIP code reference map). As the ZIP codes get more central to Franklin County, downtown Columbus, the percentages climb to as high as 69% housing cost burdened. Renters that live in the suburbs have to earn more annually than those in central Columbus, and those past the urban sprawl (Map 2).

Homeownership is often seen as an economic stabilizer. Owning a home builds equity for the household and later generations that a renter is not able to build in the same capacity. When housing ownership prices are higher than a household's income allowance, they cannot afford a mortgage or acquire a loan as easily. For renting households who are cost burdened, owning a home is often not an option as the income required to do so is much higher in many ZIP codes (Map 3).

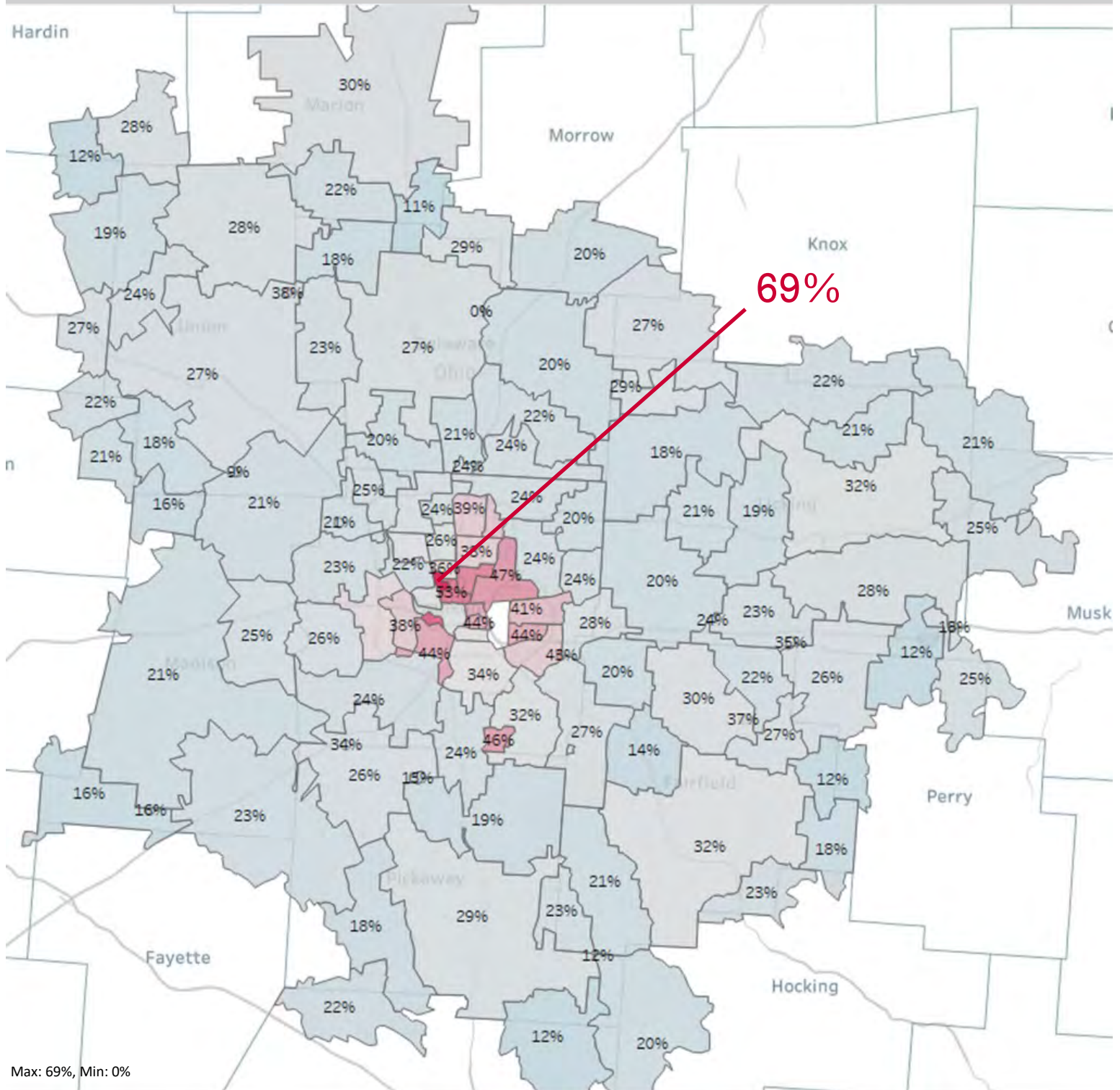
Currently, individuals living in ZIP codes with high rates of housing cost burdened households and relatively low annual incomes needed to afford housing, have few options of other locations to move to in Central Ohio with greater affordability, which presents challenges in creating mixed-income neighborhoods.



MAP 1:

**% of all households spending
30% or more of annual income on
housing expenditures by ZIP code.**

ACS Table S2503, five-year estimates



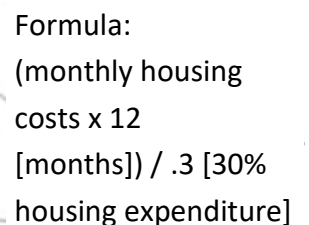
MAP 2:

Annual household wage needed

to afford rental housing costs of 30%

annual expenditures by ZIP code.

ACS Table S2503, five-year estimates

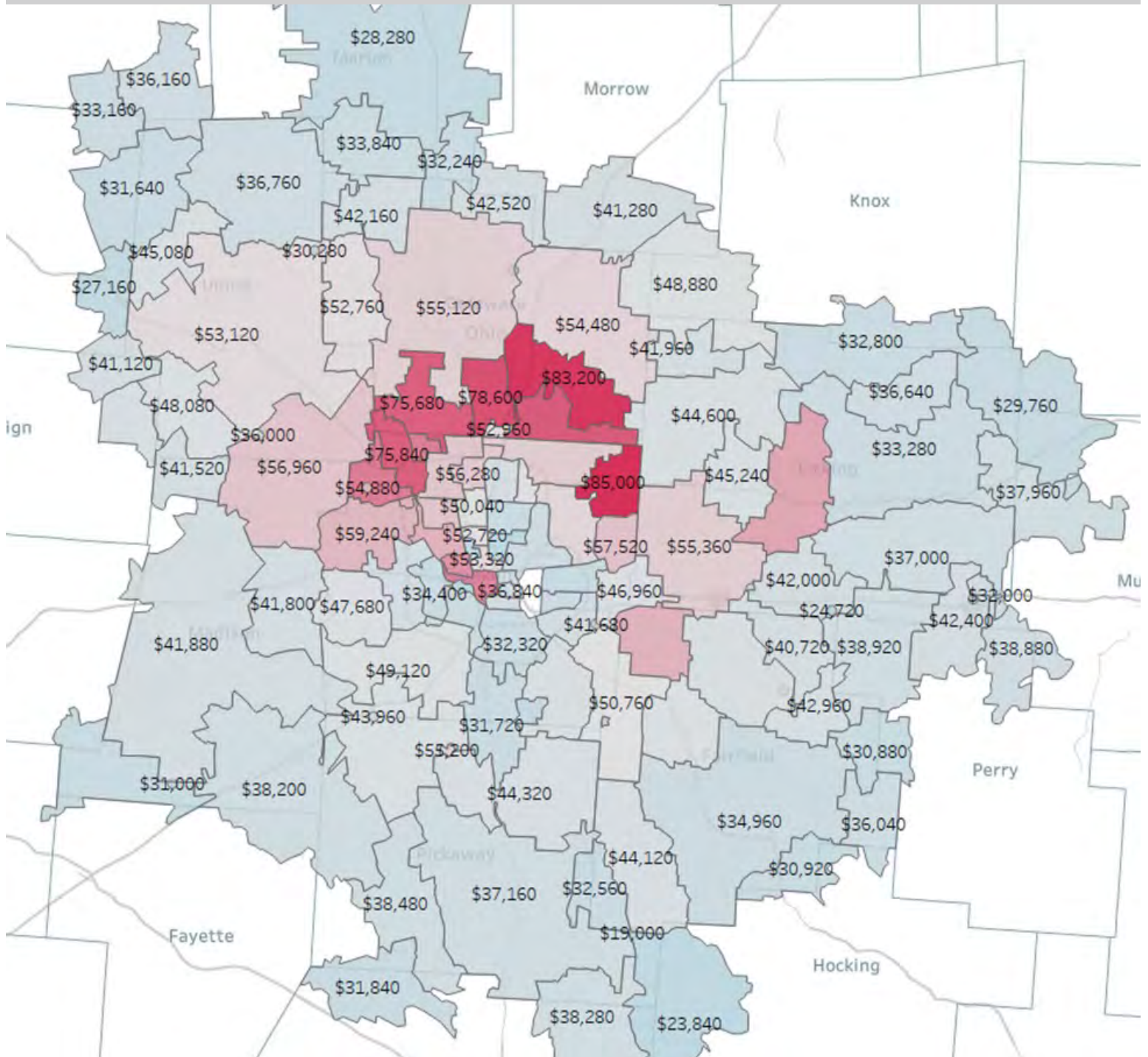


Max: \$58,880, Min: \$22,520; Average for all ZIP codes: \$34,841

MAP 3:

Annual minimum household wage required to afford the ZIP code median housing costs at 30% annual expenditure for homeowners by ZIP code.

ACS Table S2503, five-year estimates



Max: \$85,000; Min: \$ 18,760; Average for all ZIP codes: \$44,016



Which residents are impacted the most by the lack of affordable housing?

Workers that support our communities by working in educational services, health care and social assistance industries are most impacted by the lack of affordable housing.

Throughout Central Ohio, a household needs to earn approximately \$35,000 annually to affordably rent housing; in 2017, nearly 200,000 (27%) households made less than that amount.⁴ A \$35,000 a year annual income equates to a full-time hourly wage of \$16.83 per hour. In Central Ohio, it is estimated that there are approximately 466,000 workers (48% of individuals 16 years and over⁵) making less than this. Residents most impacted by the lack of affordable housing most commonly support our communities by working in educational services, health care, and social assistance industries, followed by retail trade (Figure 5).

Nearly half of households who rent earn less than \$35,000 a year (Figure 6). Among those that earn less than \$35,000 per year, 80% of renters and 63% of homeowners are spending more than 30% of their already low wages on housing (Figure 7), leaving little extra money for other living costs. In fact, with a \$35,000 annual wage and housing expenditure at the Central Ohio average cost for rent (i.e. \$852 per month/\$10,224 per year), households have only \$24,776 to spend on all other living expenses in a year.

**A household needs to earn approximately \$35,000
a year to afford rental housing in Central Ohio;
in 2017, nearly 200,000 households
made less than this amount.**

Figure 5. % of People Making Less than \$35,000 by Industry

Job count data: ACS table: C24050, five-year estimates, 2017

Wage data: State of Ohio Department of Jobs and Family Services:

Occupational Wage Survey, Central Ohio, 2015 through 2018

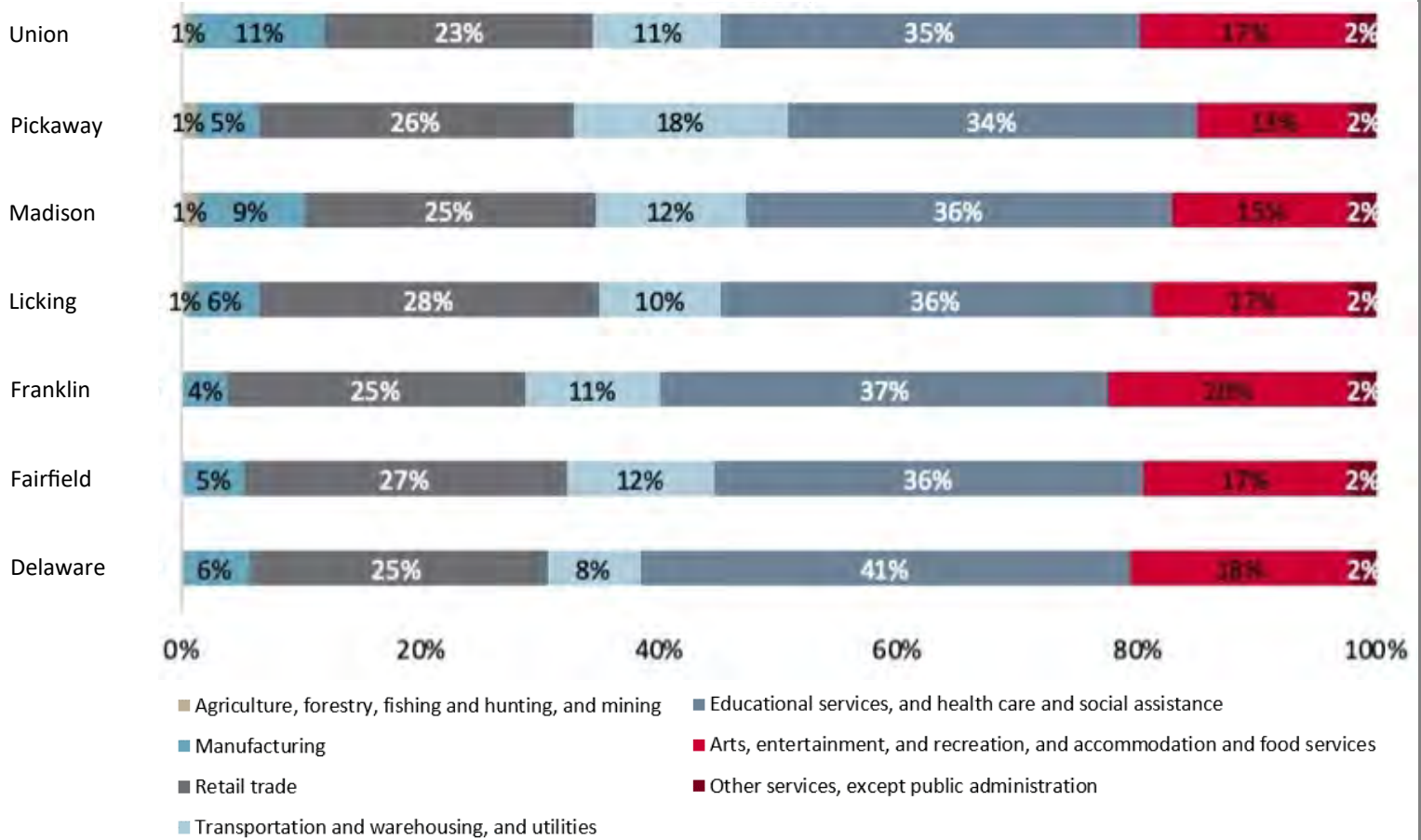
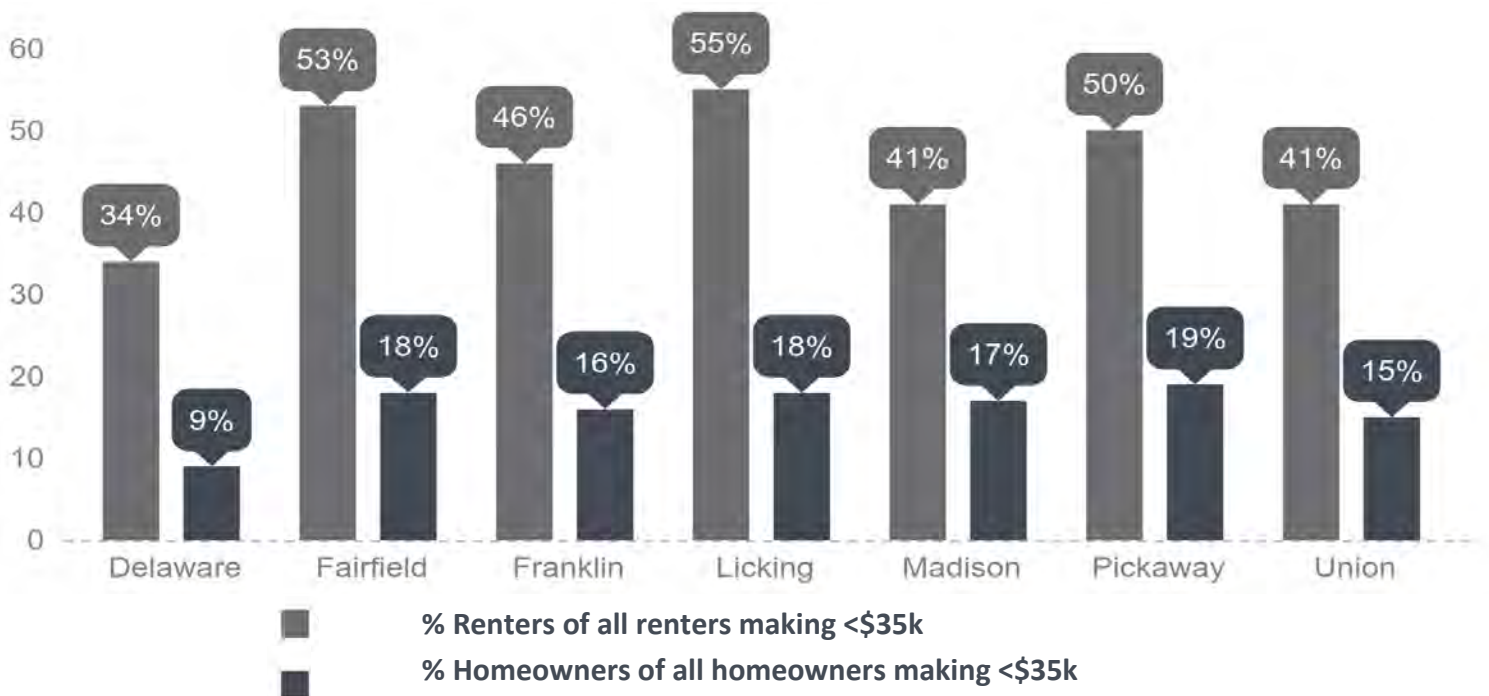


Figure 6. % of Households Making Less Than \$35,000

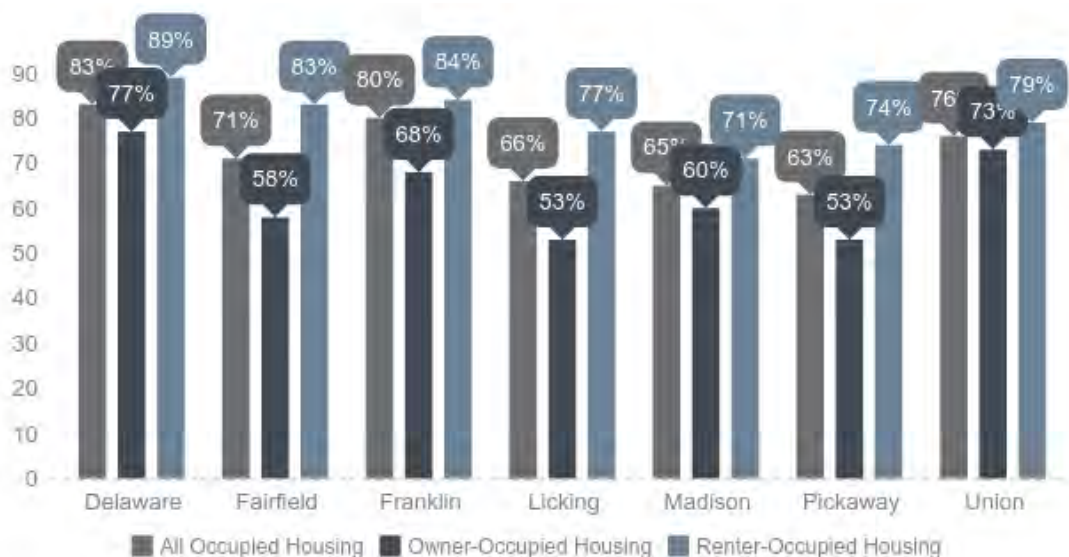
ACS table: S2503, five-year estimates, 2017



Nearly 90% of housing cost burdened rental households make less than \$35,000 per year.

**Figure 7. % of Households Making Less Than \$35,000
Spending 30% or More on Housing Expenses**

ACS table: S2503, five-year estimates, 2017



Women, children, and Black/African Americans are disproportionately impacted by the affordable housing issue.

Examining the demographics of ZIP codes with high rates of cost burden reveals stark inequities to obtaining affordable housing in Central Ohio. ZIP codes with high rates of housing cost burden are also the ZIP codes with the highest rates of Black/African American populations (see Appendix C for a map of the proportion of Black/African American populations by ZIP code).⁶ Map 5 highlights how ZIP codes are segregated based on race, with areas with high populations of people of color experiencing disproportionately high rates of cost burden when compared to predominately White neighborhoods.

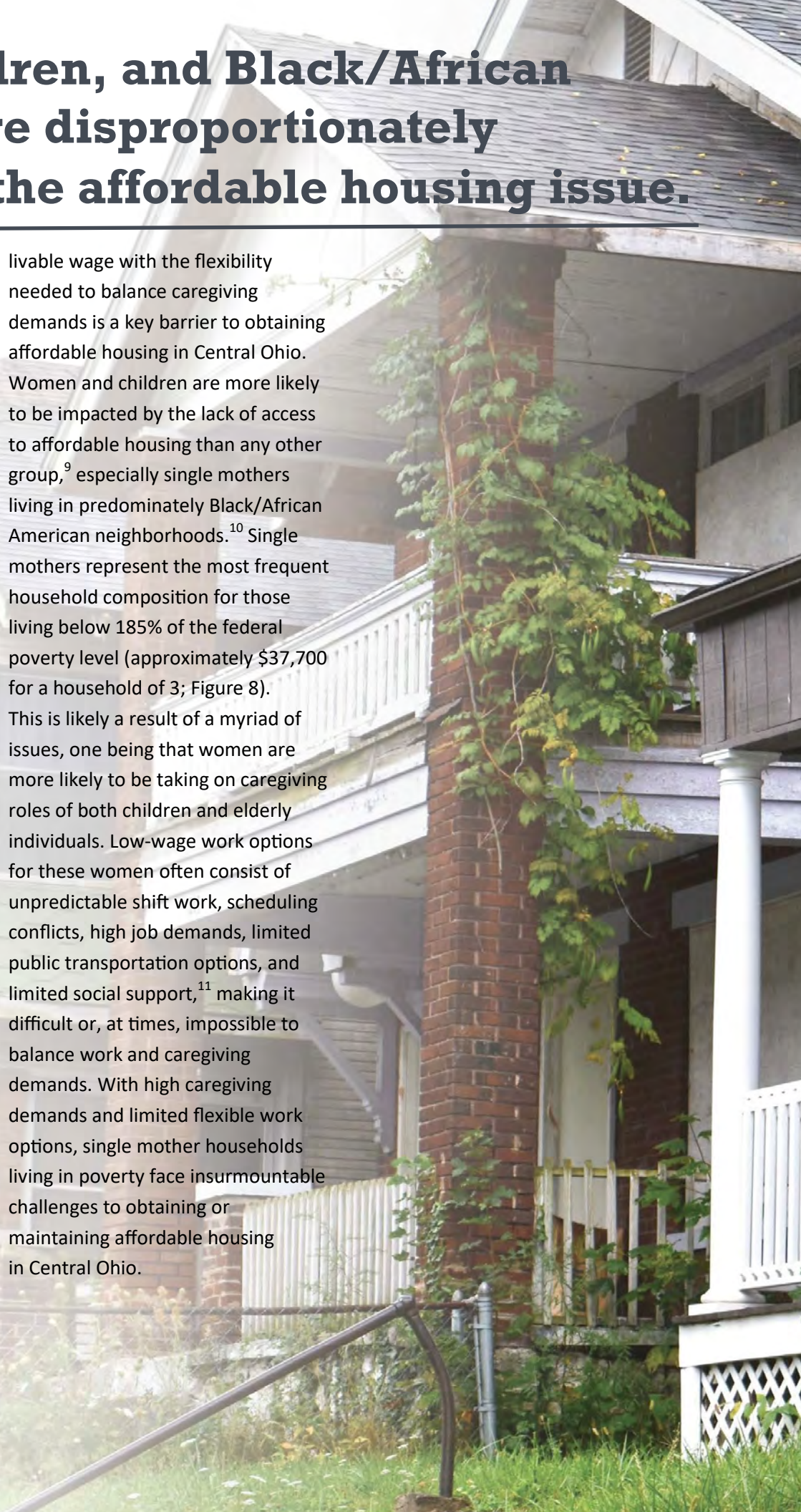
Racially segregated neighborhoods are not unique to Columbus, as most American cities are experiencing the same phenomenon with the predominately White neighborhoods also having access to greater opportunities, such as higher-ranked schools.⁷ Thus, this phenomenon is more than racial segregation, it is an opportunity divide where predominately White neighborhoods have access to greater opportunities than their predominately minority neighborhood counterparts.⁸

Overall, families with children, whether married or single, make up the majority of households earning below \$35,000 a year in Central Ohio. Limited job opportunities that offer a

livable wage with the flexibility needed to balance caregiving demands is a key barrier to obtaining affordable housing in Central Ohio.

Women and children are more likely to be impacted by the lack of access to affordable housing than any other group,⁹ especially single mothers living in predominately Black/African American neighborhoods.¹⁰ Single mothers represent the most frequent household composition for those living below 185% of the federal poverty level (approximately \$37,700 for a household of 3; Figure 8).

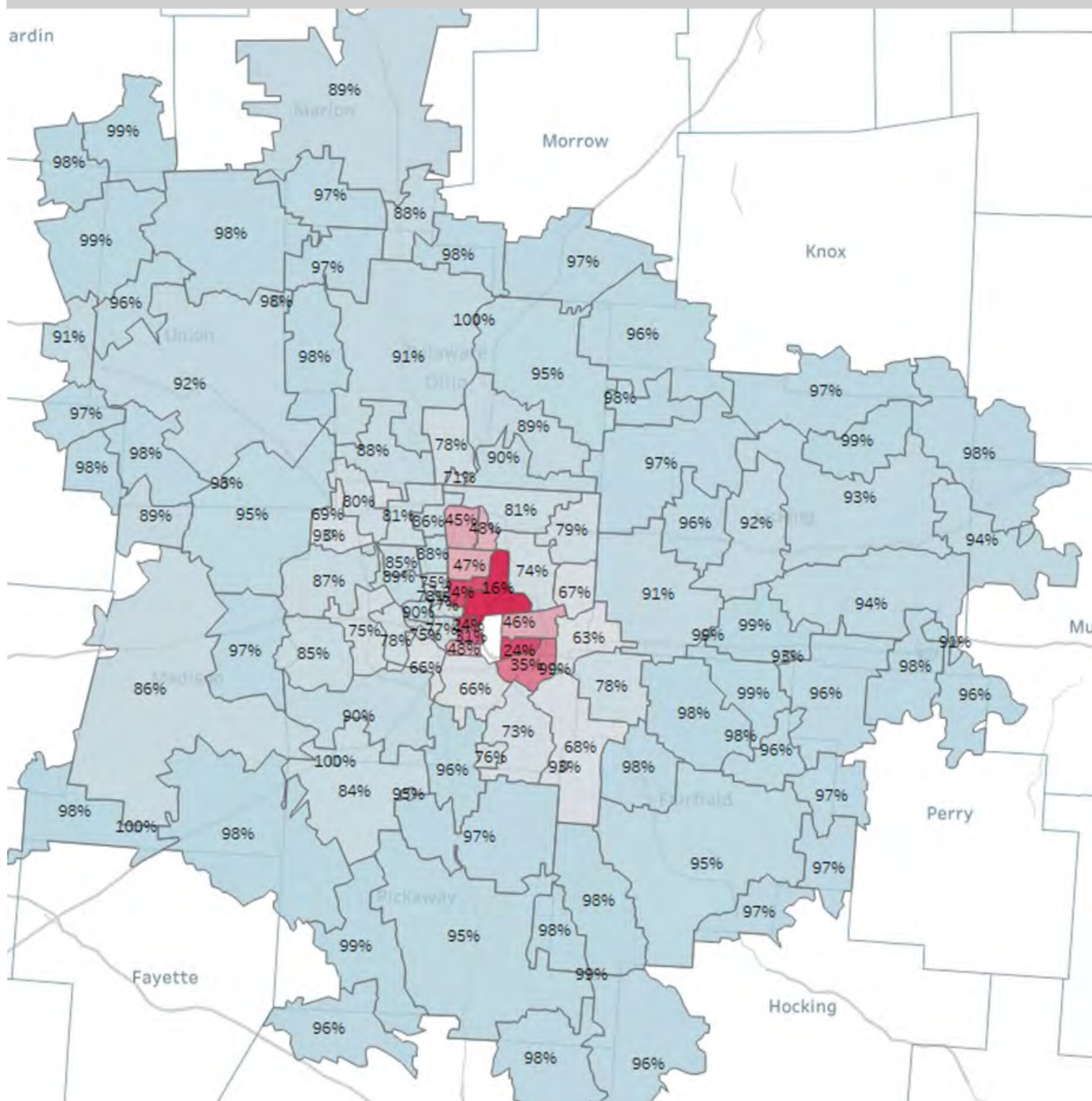
This is likely a result of a myriad of issues, one being that women are more likely to be taking on caregiving roles of both children and elderly individuals. Low-wage work options for these women often consist of unpredictable shift work, scheduling conflicts, high job demands, limited public transportation options, and limited social support,¹¹ making it difficult or, at times, impossible to balance work and caregiving demands. With high caregiving demands and limited flexible work options, single mother households living in poverty face insurmountable challenges to obtaining or maintaining affordable housing in Central Ohio.



Map 5:

% of the population that is White/Caucasian by ZIP code.

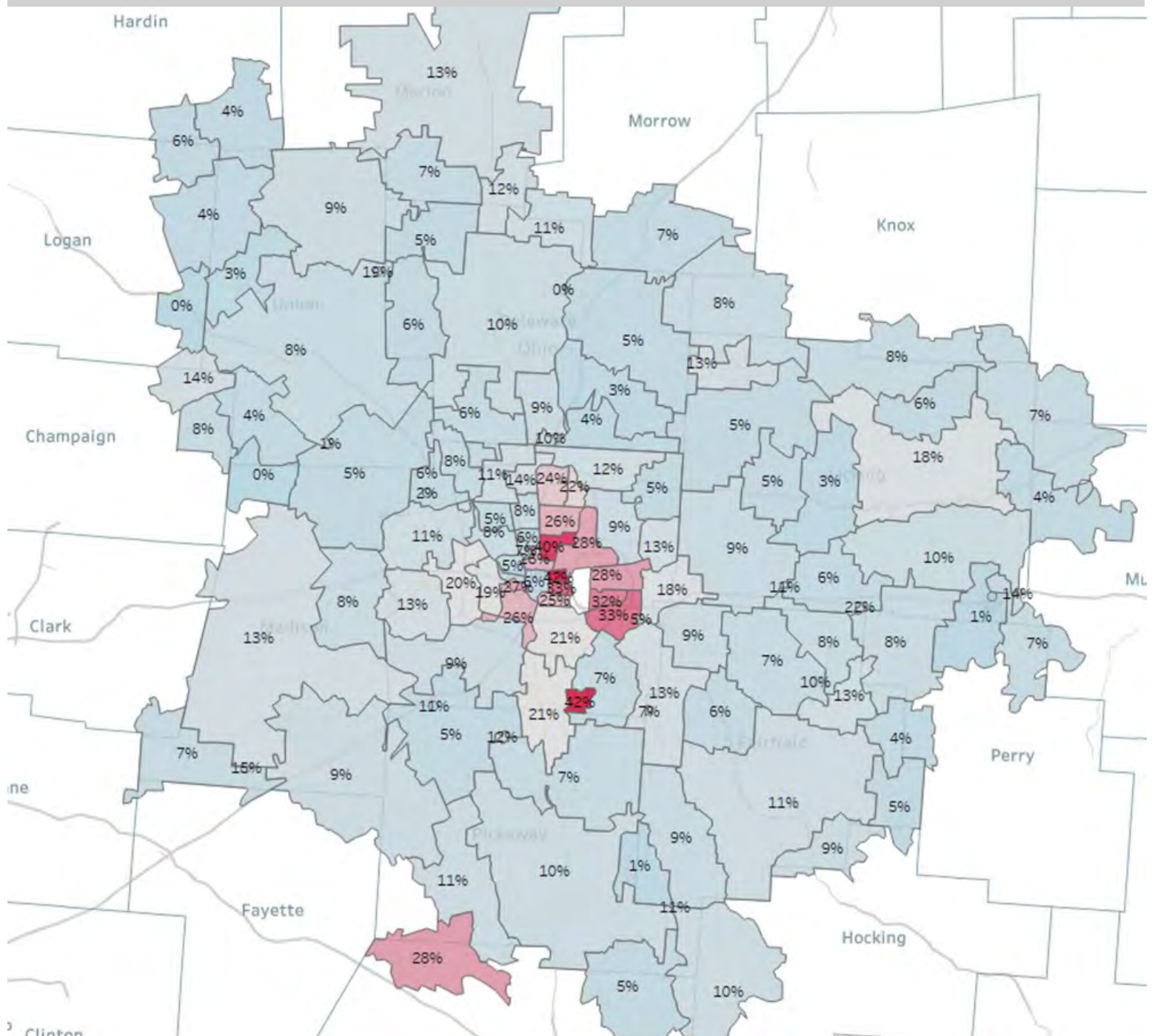
ACS Table S2503, five-year estimates



Map 6:

% of households that are single mother households by ZIP code.

ACS Table B17022, five-year estimates



614

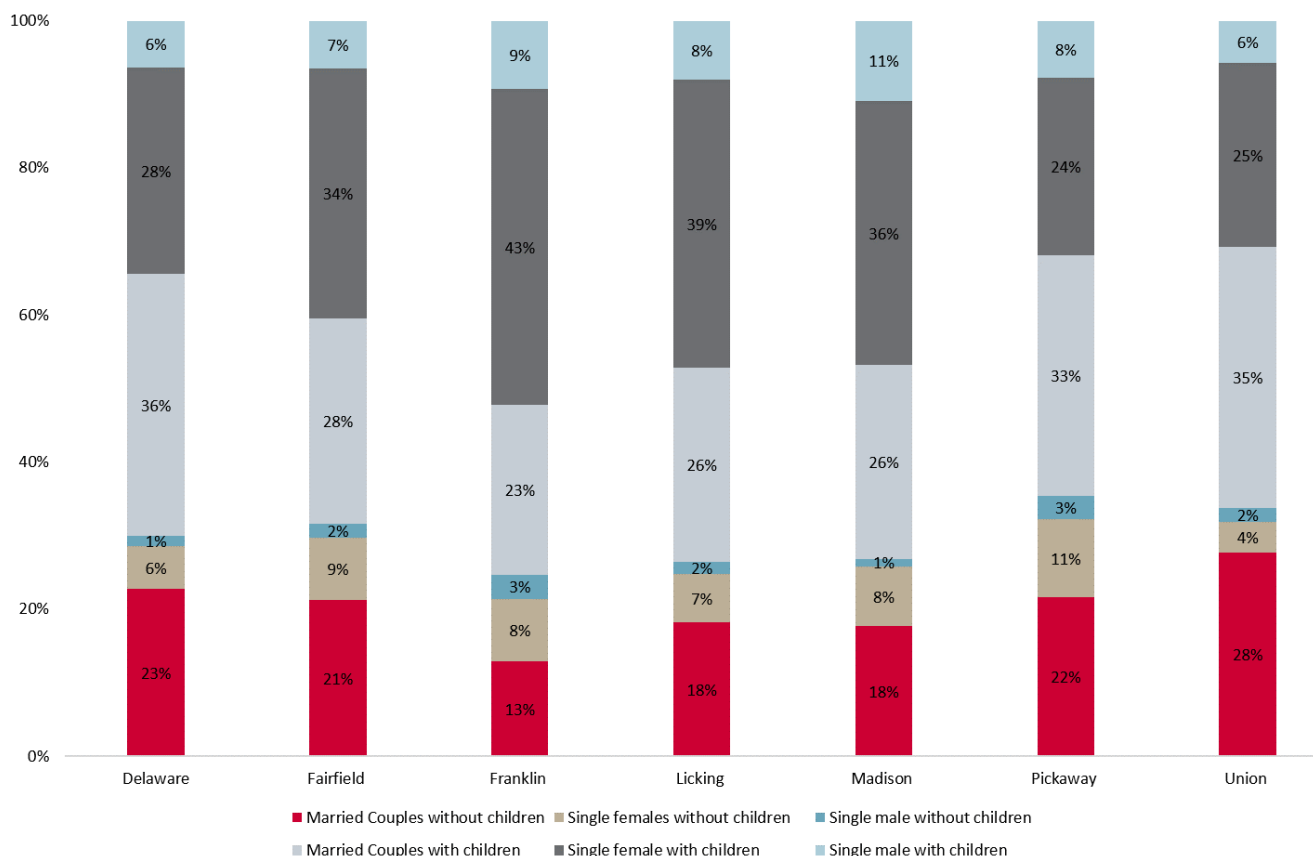
Racial and family composition data reveal the opportunity divide in Central Ohio and its negative impact on predominately people of color living with children, especially single mothers. To help overcome this opportunity divide, advocates push for the development of mixed-income neighborhoods. As community leaders consider strategies to do this, efforts must be made to provide the comprehensive support and education that are required for a

family to successfully move to a new neighborhood. Many attempts at creating mixed-income neighborhoods throughout the country have been unsuccessful as when families were given the opportunity to move to high-opportunity neighborhoods through housing vouchers assistance, families in low-opportunity neighborhoods tended to remain in their neighborhoods. Yet a study conducted by Bergman et al (2019)¹² found that when families in low-

opportunity neighborhoods were informed of which neighborhoods provide the greatest opportunities for their children, were provided a “navigator” to help them navigate through the rental process, and received additional financial assistance for down payments when needed, families moved to higher opportunity neighborhoods at a significantly higher rate (i.e. 14% to 54%).

Figure 8. Household Composition for Those Living Below 185% Poverty

ACS table: B17022, five-year estimates, 2017



Conclusion

As Central Ohio plans for a large population increase over the next 30 years, policies and practices that ensure access to safe, affordable housing are critical to building communities where families can thrive. Affordable housing is more than a physical space to live in; it is safe shelter that provides access to the opportunities that support healthy, fulfilling lives. Currently, access to affordable housing and opportunities needed to live safe, healthy lives are not available to all Central Ohioans. Renters, those earning less than \$35,000 a year, people of color, families with children, and households near downtown Columbus are the most in need of more affordable housing options. **Barriers to affordable housing for these populations include a lack of stable and flexible work, especially for single mother households who make up a sizeable portion of cost burdened households.** While homeownership is often considered a generational economic support for creating wealth for a family, it is often unattainable for households that are renting and earning less than \$35,000 a year as these households have little money to spare after paying for their basic living expenses. Neighborhoods in Central Ohio are segregated based on race and family composition, with **ZIP codes with predominately Black/African American populations experiencing high rates of housing cost burden.** This segregation reveals stark inequities to attaining affordable housing and having access to greater opportunities.

As the region works to support mixed-

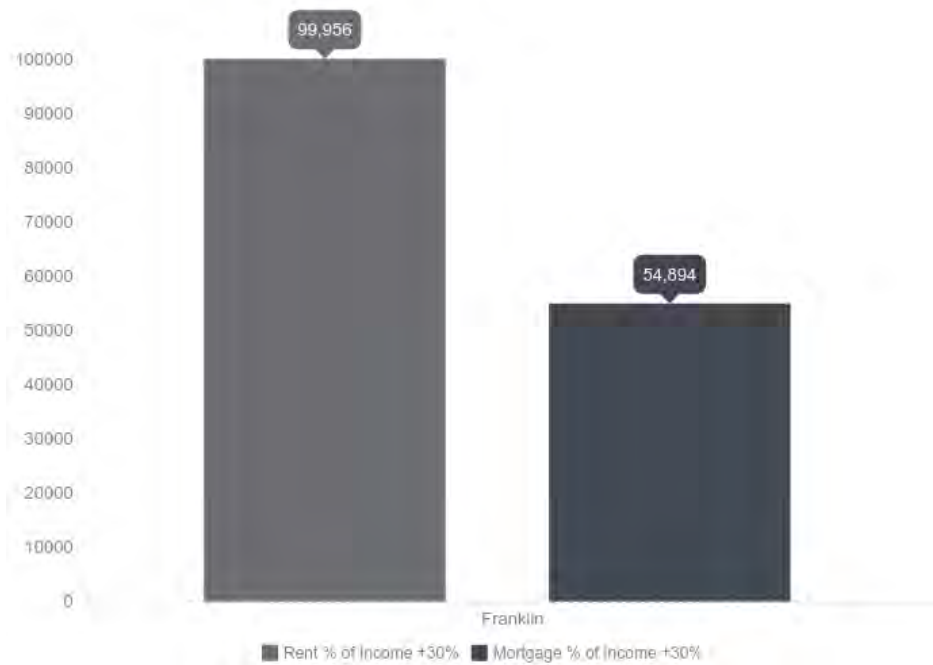
income neighborhoods and provide affordable housing opportunities, it is critical for housing policy and affordable housing plans to consider equity and gender lenses to ensure old patterns of discrimination and lack of access are not perpetuated. Whether working to provide families in low-opportunity neighborhoods access to housing in high-opportunity areas, or revitalizing low-opportunity neighborhoods, **focus must be placed on the comprehensive needs of families (e.g., education on why moving is beneficial, providing financial support, culturally competent support systems), as well as preserving the history and cultural significance of the neighborhoods.**

Additionally, **addressing barriers to obtaining stable work for low-income populations**, such as job training, flexible work options and caregiving support for single-parent households are paramount for these families to access housing throughout the region. Of course, considerations must also be made to providing housing that is within the affordable range for families earning less than \$35,000 a year, which corresponds to no more than \$875 per month. While rapid population growth is on the horizon for Central Ohio, **policies and practices must address these barriers so that every Central Ohioan can afford the basic living expenses** that come with safe, affordable housing. It is the American dream to create a better life for the next generation. How Central Ohio addresses housing will impact the next generation and the prosperity of all our residents significantly.

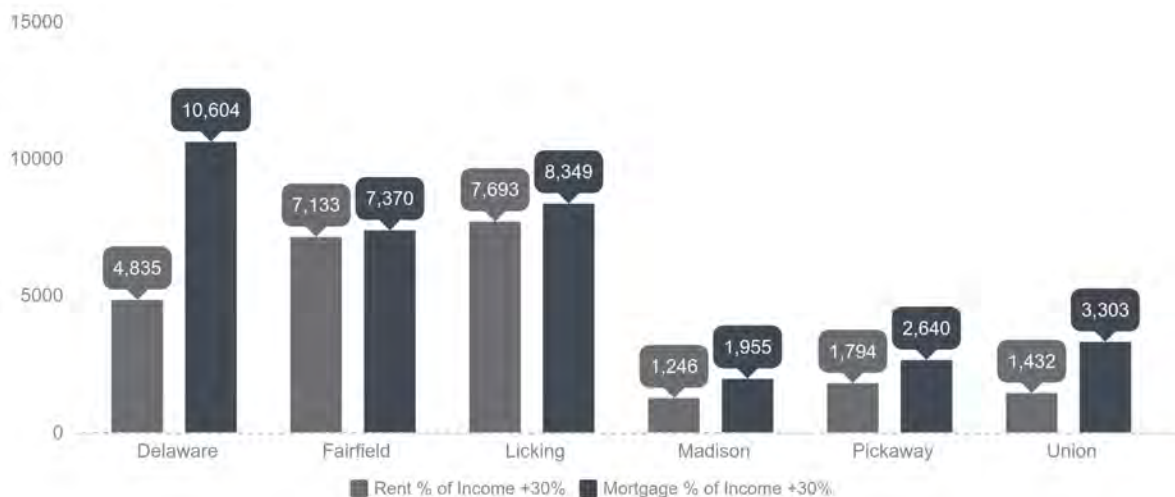
Appendix A.

Additional Graphs

**Count of Households Spending 30% or More of Income on Housing Expenditures
(Franklin County)**

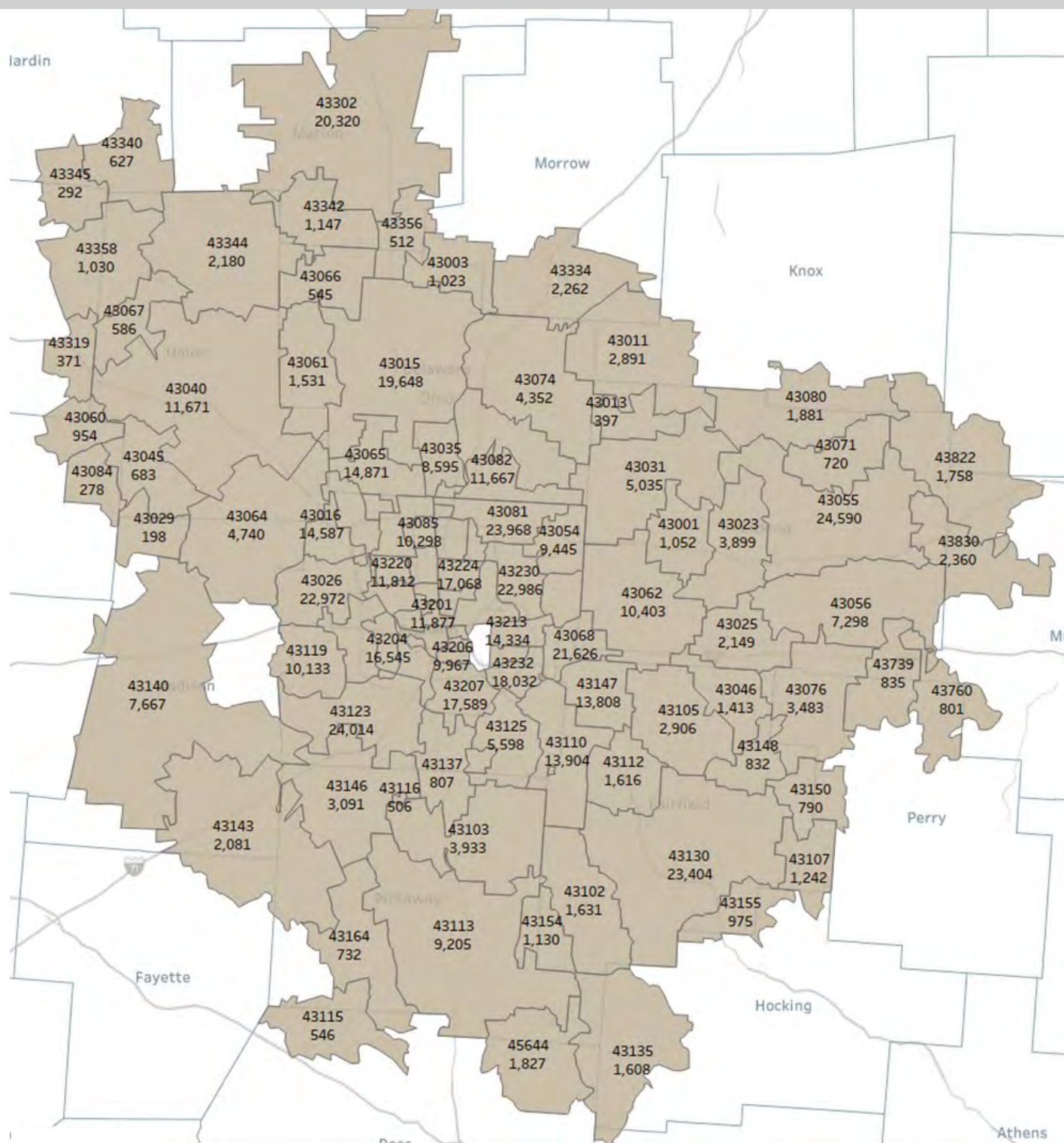


**Count of Households Spending 30% or More of Income on Housing Expenditures
(Contiguous Counties)**

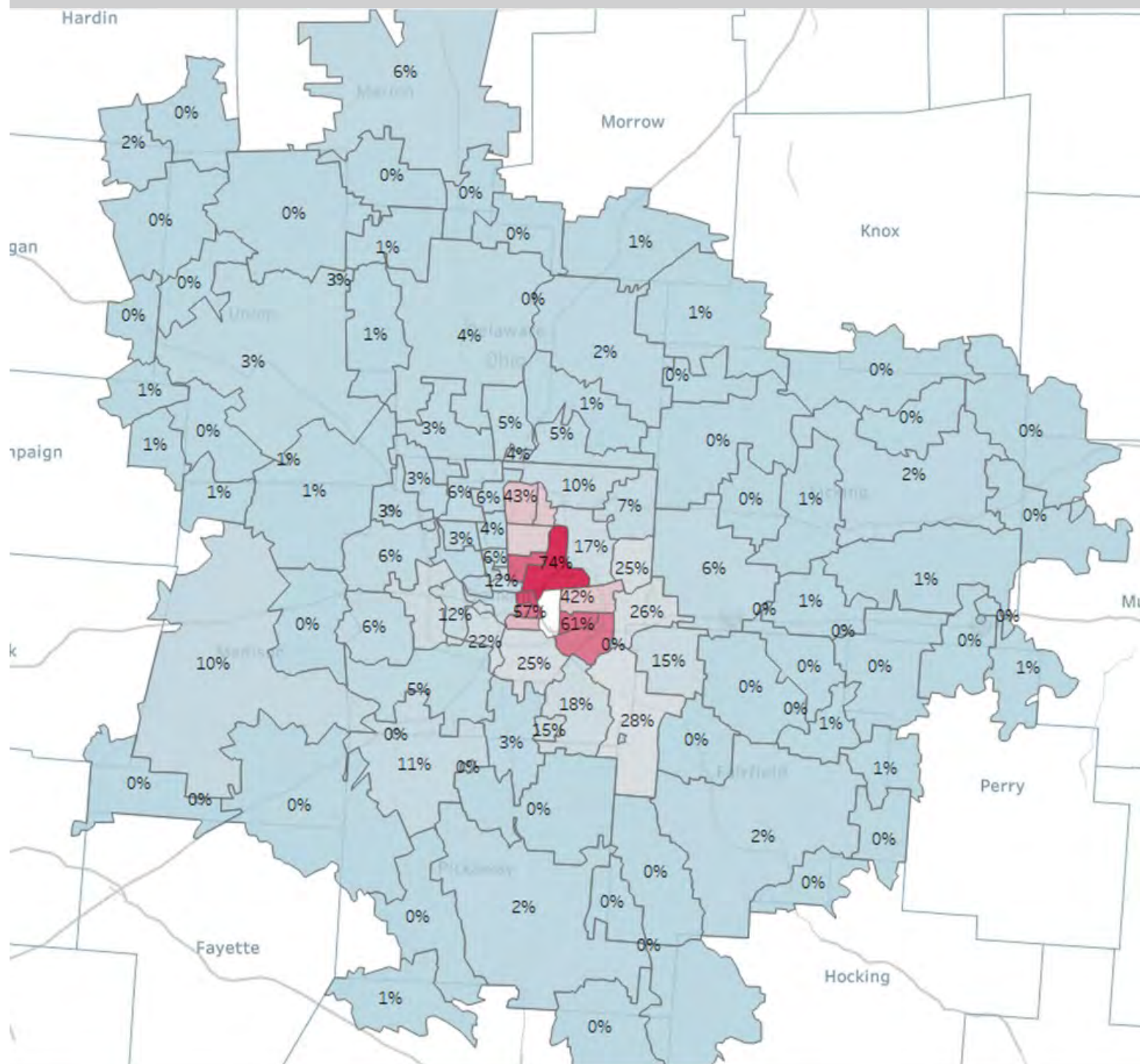


Appendix B.

Central Ohio ZIP Codes and Corresponding Population



Proportion of the population who is Black/African American by ZIP code.



Notes

1. http://www.biahomebuilders.com/aws/BIA/asset_manager/get_file/276766?ver=2141
2. <http://www.morpc.org/news/mid-ohio-regional-planning-commission-franklin-county-city-of-columbus-and-surrounding-communities-kick-off-regional-housing-study/>
3. In this report, ACS data were used to identify those who lacked affordable housing, which is defined as spending 30% or more on housing expenditures. This estimate is slightly more conservative than the HUD definition of more than 30%.
4. Job count data was provided from ACS table C24050 5-year estimate for 2017. Wage data was provided from LMI; <http://ohiolmi.com/asp/oeswage/SOCWage.asp?AreaCode=J003Central+Ohio&Sort=Code>
5. Job count data was provided from ACS table C24050 5-year estimate for 2017. Wage data was provided from LMI; <http://ohiolmi.com/asp/oeswage/SOCWage.asp?AreaCode=J003Central+Ohio&Sort=Code>
6. There is a strong, negative correlation between housing cost burden and the proportion of white individuals living within the ZIP code $r = -.61$, $p < .001$; the correlation between housing cost burden and proportion of black individuals living within the ZIP code is $r = .40$, $p < .001$
7. <https://www-vox-com.cdn.ampproject.org/c/s/www.vox.com/platform/amp/future-perfect/2019/8/4/20726427/raj-chetty-segregation-moving-opportunity-seattle-experiment>
8. <https://opportunityinsights.org/paper/newmto/>
9. There is a strong, positive correlation between the proportion of single mother households and rates of housing cost burden. $r = .66$, $p < .001$
10. The correlation between the percent of single mother households and the percent of Black individuals living in the ZIP code is strong and positive, $r = .77$, $p < .001$
11. Swanberg, J. E. (2005). Job–family role strain among low-wage workers. *Journal of Family and Economic Issues*, 26(1), 143–158.
12. https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_paper.pdf

Acknowledgements

The Measurement Resources team is passionate about the work we do on behalf of our clients. Yet we are even more passionate about the community in which we live. It was a unanimous decision to develop this report as a resource for the community, and the following team members contributed to this initiative. We invite you to connect with us, so that we can explore the outcomes your organization hopes to achieve.



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