

# Equitable Neighborhood Redevelopment

## *Housing Opportunity for All on Columbus' South side*

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### **I. Housing and opportunity**

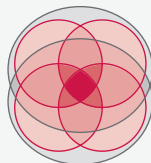
#### Why affordability matters for revitalization

**S**table, affordable, and decent housing is the corner stone of a healthy community. We know that housing is so much more than shelter. Safe and affordable housing is also fundamentally connected to better health and education outcomes.<sup>1</sup> Indeed, one of the most important “vaccines” we can provide children is access to stable, affordable housing.<sup>2</sup> While homeownership remains one of the primary financial assets for Americans, affordable rental housing can also provide a means of increased economic security.<sup>3</sup> For example, affordable housing increases the discretionary income low income families in particular have to meet other financial needs.

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**Affordably housed families spent nearly five times** as much on health care, a third more on food, and twice as much on retirement savings compared with low-income households with severe cost burdens.<sup>4</sup> Armed with this knowledge, community partners have been investing millions in revitalizing the housing stock on the South side. For example, since 2004, through one of the worst housing and economic crises of our time, Community Development for All People and other housing partners have created more than 150 affordable rental units, 113 new or rehabbed homeownership units, and over 140 exterior home repairs.

We also know that too often in revitalization efforts, however, not all residents benefit from renewed investment. Many may find themselves at risk of displacement as property values and rents recover and rise. Housing instability is particularly harmful to children, negatively impacting health and



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education outcomes as a result of stress, exposure to toxins, and school instability. On the South side, 34% of students (elementary, middle, and high school) changed schools in the 2010–2011 school year.<sup>5</sup> More than 30% of households earning less than \$25,000 moved in the past year, compared to only 16% of households earning more than \$75,000.

That is why on the South side, partners have come together to ensure that everyone has the opportunity to partake in the renaissance of the South side—current and future residents alike, at all “price points.” Neighborhoods with a balanced mix of affordability provide not only for social benefits of increased diversity, but also provide economic benefits to communities. Numerous studies show that affordable housing investments can increase local purchasing power, create jobs, increase local revenues, and boost surrounding property values.<sup>6</sup>

*“On my street alone there are black, white, gay, and straight, blue and white collar, retired seniors, unemployed, singled and married, mixed race couples...it’s a true rainbow!”*

– South side resident

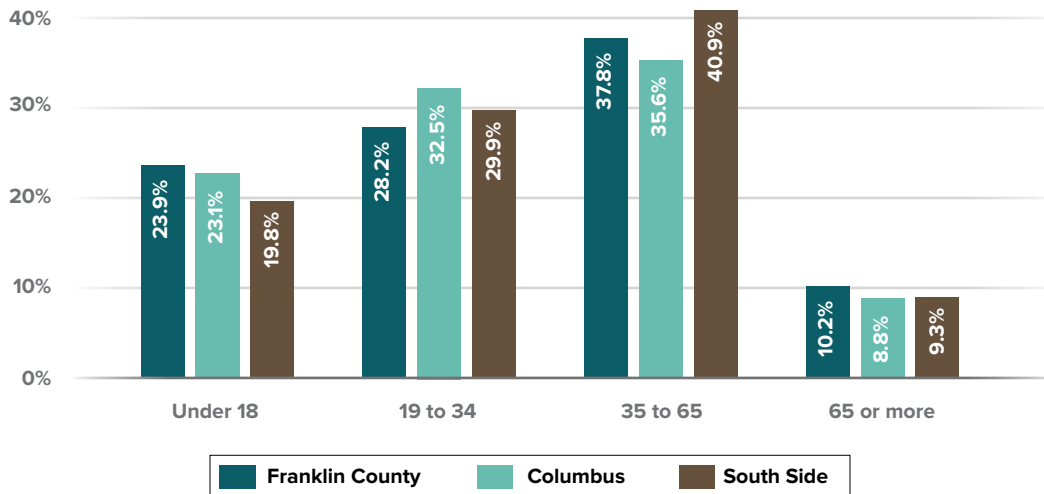
## II. Background

### The South side in context

The diversity of the South side has long been a celebrated hallmark of the community, and stakeholders and residents are committed to protecting it. The community is economically and racially diverse, but also has a unique mix of multi-generational households and newcomers, youth and seniors, and a growing LGBTQ community (see **FIGURES 1–3**).

**Figure 1**

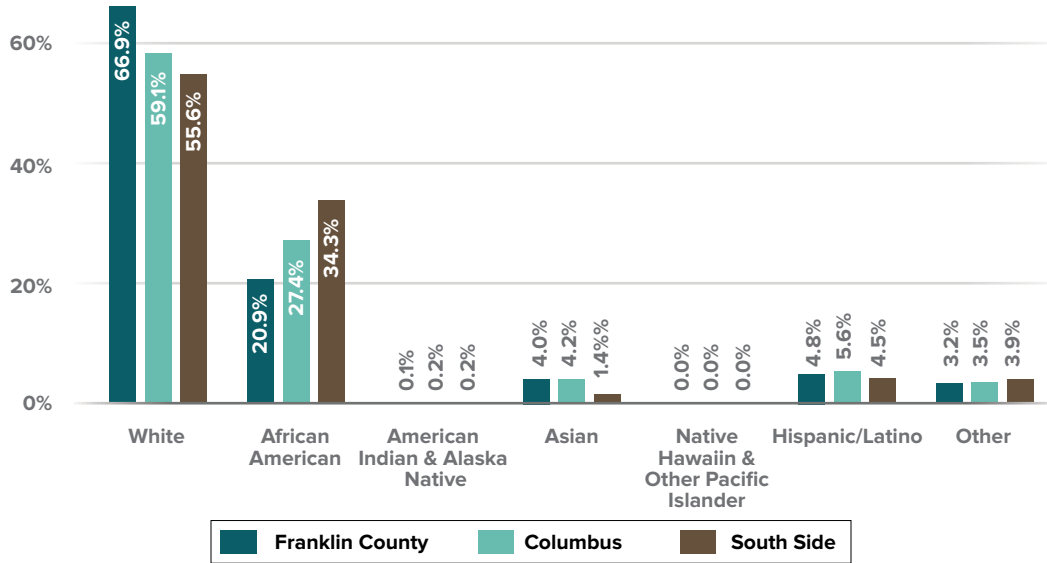
Age by Franklin County, City of Columbus, and South side



Source: ACS2009–2013

**Figure 2**

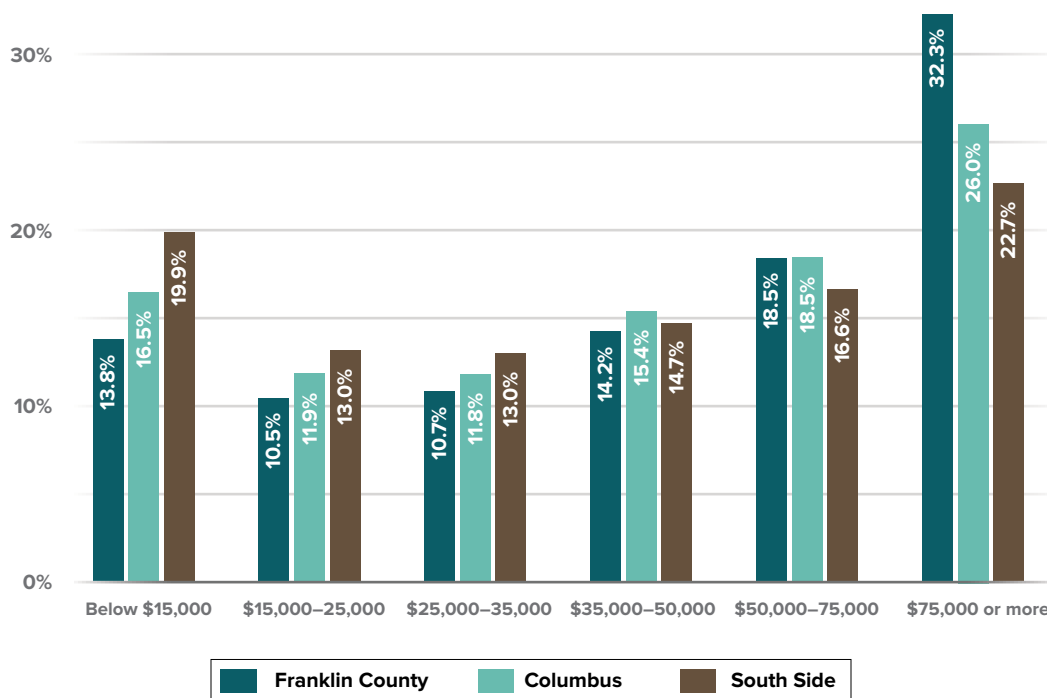
Race by Franklin County, City of Columbus, and South side



Source: ACS2009–2013

**Figure 3**

Income by Franklin County, City of Columbus, and South side



Source: ACS2009–2013

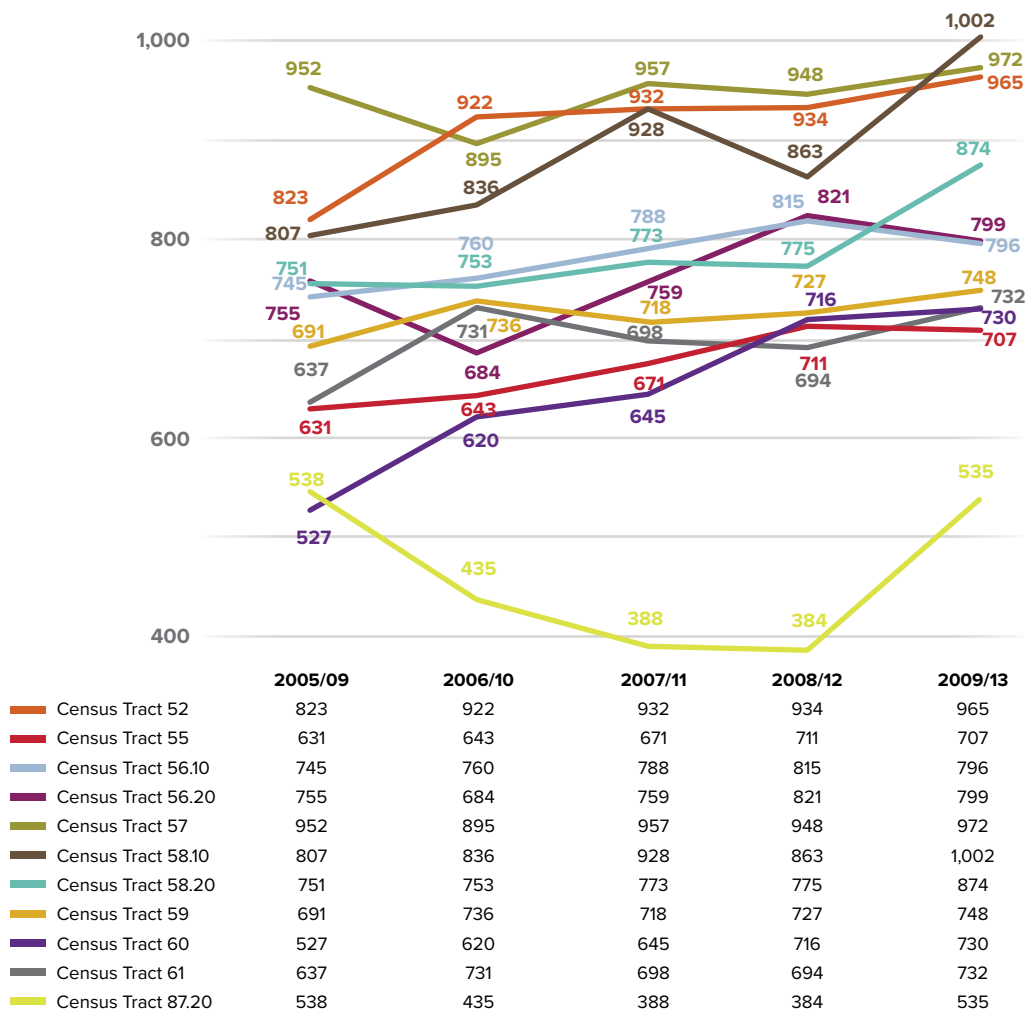
Although there is great momentum and hope building on the South side, there are still tough issues that need to be tackled. Crime and safety have been cited as key concerns in the community. Zip codes 43206 and 43207, when compared with other zip codes in Franklin County, maintain a disproportionately high proportion of citizens returning from prison (11 and 7 percent, respectively), as well as those going to prison (9 and 7 percent, respectively).<sup>7</sup> Stable housing and employment for this population are critical but hard to find.

The housing collapse and economic recession of 2008 hit the South side hard, but we can see signs of recovery. Most neighborhoods in the South side have experienced a hotter rental market in recent years (see **FIGURE 4** and **FIGURE 5**), as demand shifted away from homeownership and to rental after the meltdown.

*“Streets with a lot of abandoned houses make me nervous. I don’t want to be scared, but sometimes I am.”*

– South side resident

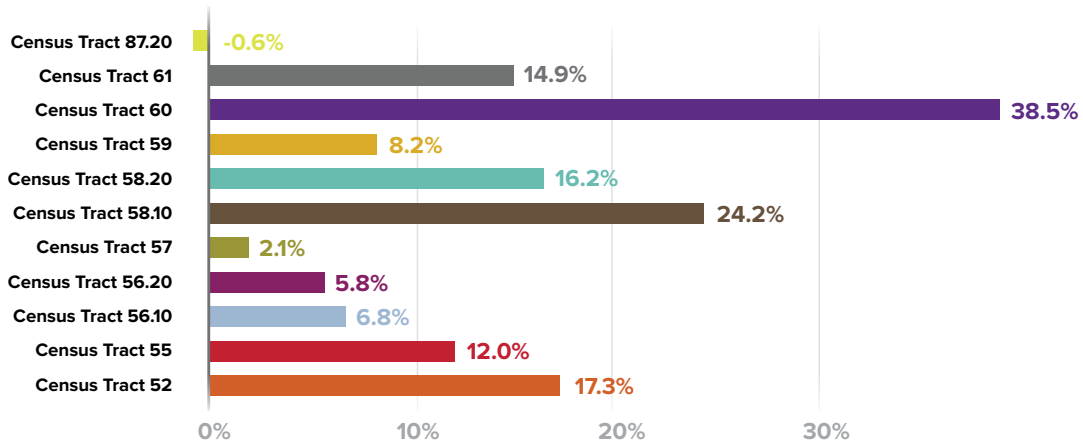
**Figure 4**  
Median gross rent from 2005/2009 to 2009/2013



Source: ACS0509, ACS0610, ACS0711, ACS0812, and ACS0913

**Figure 5**

Percentage change in rents from 2005/2009 to 2009/2013

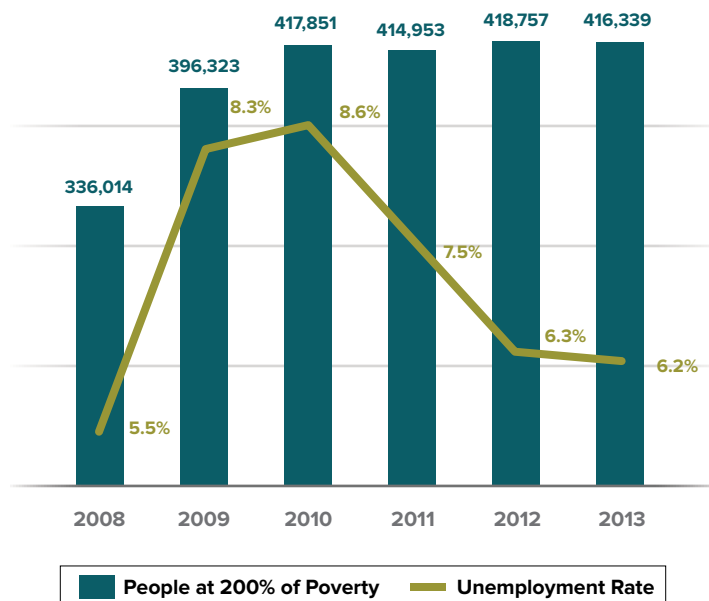


Source: ACS0509, ACS0610, ACS0711, ACS0812, and ACS0913

However, the recovery is a complicated one. For example, in Franklin County, we still see elevated numbers of people in poverty despite dropping unemployment rates (**FIGURE 6**). This divergence between poverty and unemployment rates suggests that households are struggling to make ends meet, and translates to higher housing instability. Indeed, the 43206 and 43207 zip codes represented more than 20% of Community Shelter Board’s intake in 2012, totaling more than 1,600 people.

**Figure 6**

People at less than 200% of poverty and unemployment rate (2008–2013)



Source: ACS0509, ACS0610, ACS0711, ACS0812, and ACS0913

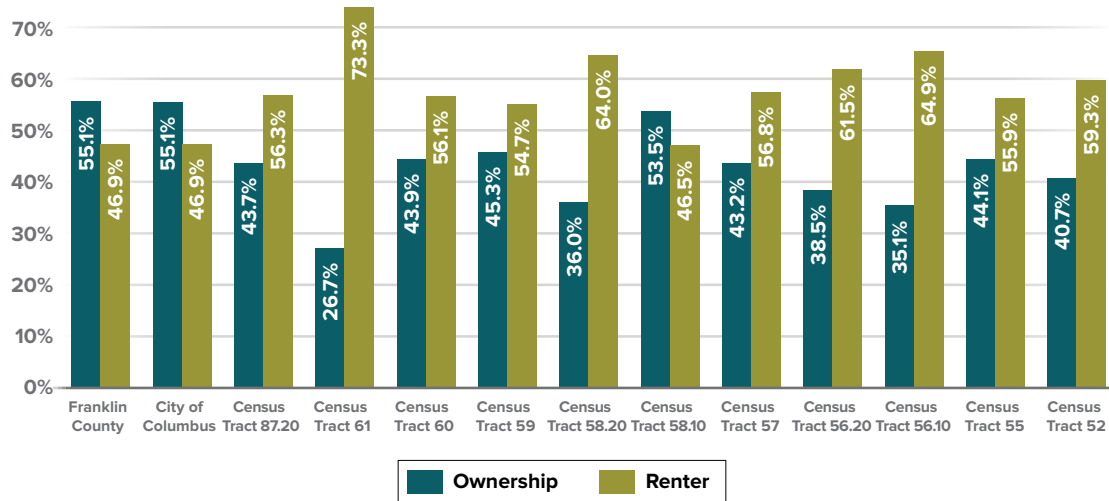
### III. A deeper dive

#### Current reality of housing on South side

Cost-burden is a growing challenge on the South side in every neighborhood. Compared to the city and county, the South side generally has a slightly higher percent of renter households, and a slightly lower rate of home ownership (**FIGURE 7**).

**Figure 7**

Percentage of homeownership and renters at South side

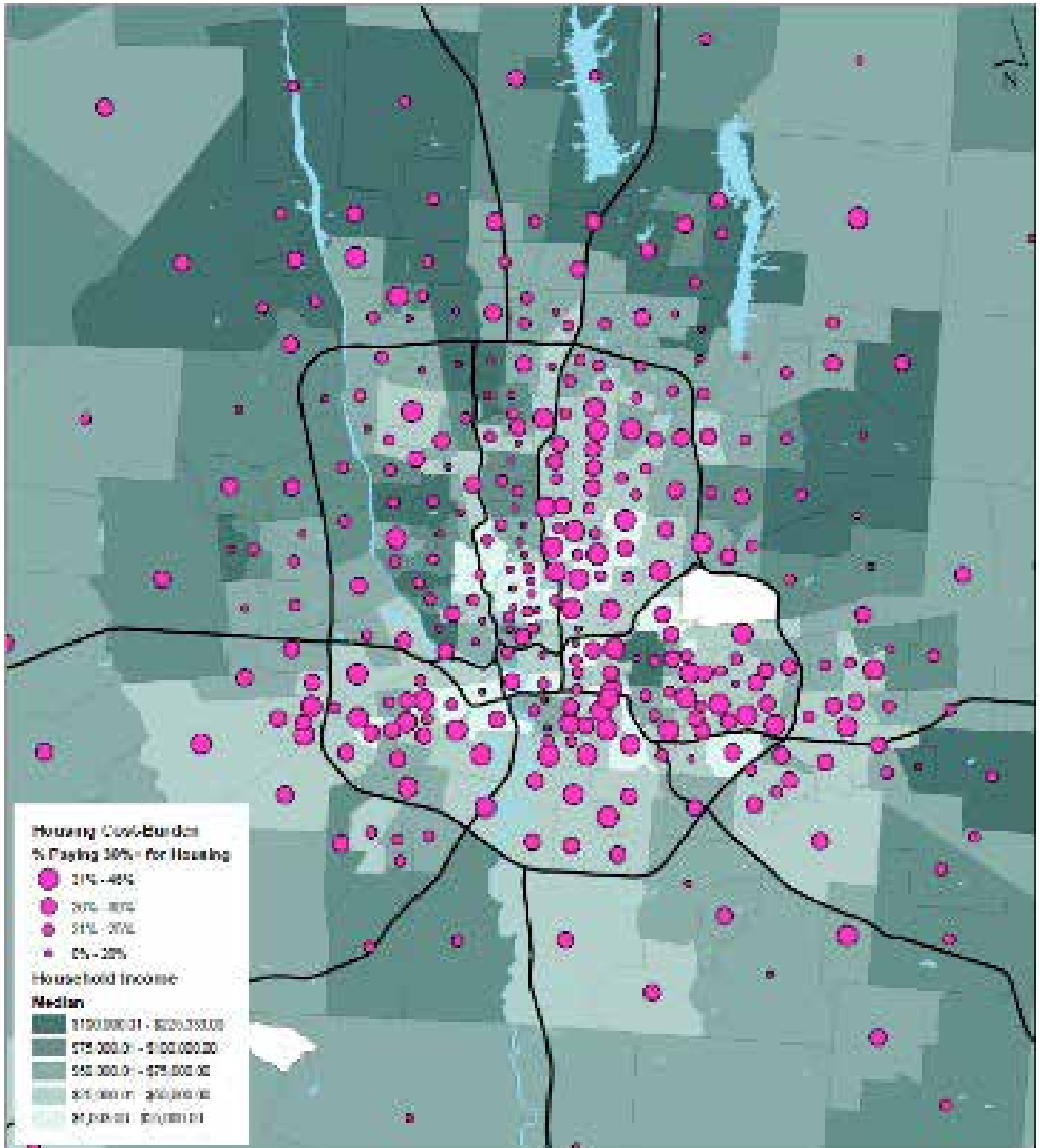


Source: ACS0913

The South side is one of the more housing cost-burdened areas within the County (see **MAP 1**). Nearly 1 in 2 households on the South side are paying more than 30% of income on housing (i.e. cost-burdened). A startling 1 in 5 households are paying more than 50% of income on housing (i.e. extremely cost-burdened).<sup>8</sup> Research shows that, nationally, severely cost-burdened families spent two-thirds as much on food, half as much on clothing, and one-fifth as much on health care, compared to low income families that are not housing cost-burdened.<sup>9</sup> Severe housing cost burdens force families to make difficult spending tradeoffs that jeopardize their stability and well-being, especially for children.

### Map 1

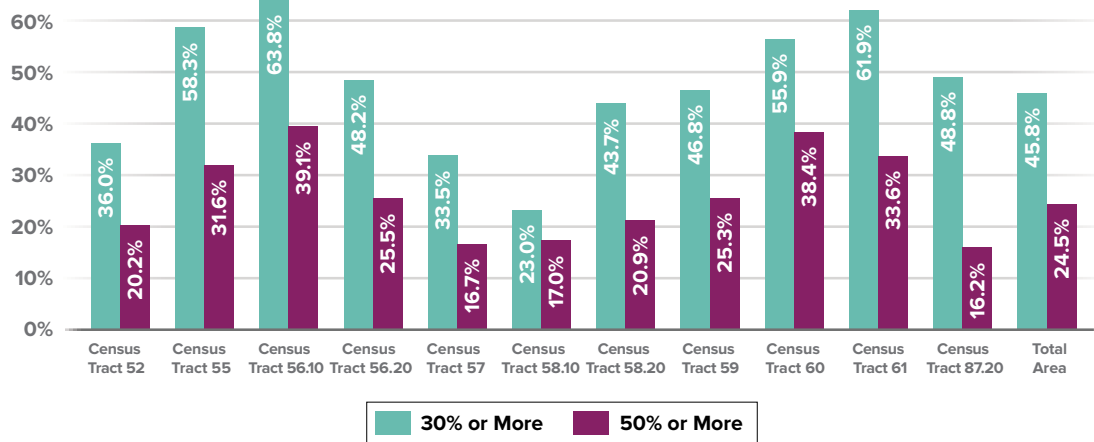
Percent households in Franklin County paying more than 30% income for housing, and median income



Cost-burdened households can be found in every neighborhood within the South side. For example, even in German Village (census tract 52), a neighborhood where million-dollar houses can be found, the rate of cost-burdened households hovers around 35% (see **FIGURE 8**). We can also see that cost-burden has grown over time. For example, in both census tract 61 and 56.1 (i.e. Southern Gateway and Southern Orchards—neighborhoods where a lot of reinvestment activity is underway), the cost burden for owners and renters has increased sharply since 2000. In census tract 61, extremely cost-burdened homeowners increased by 78%, and by 100% in census tract 56.1. Extremely cost-burdened renters in both tracts increased by 53% (**FIGURE 9** and **FIGURE 10**).

**Figure 8**

Cost burden for all households

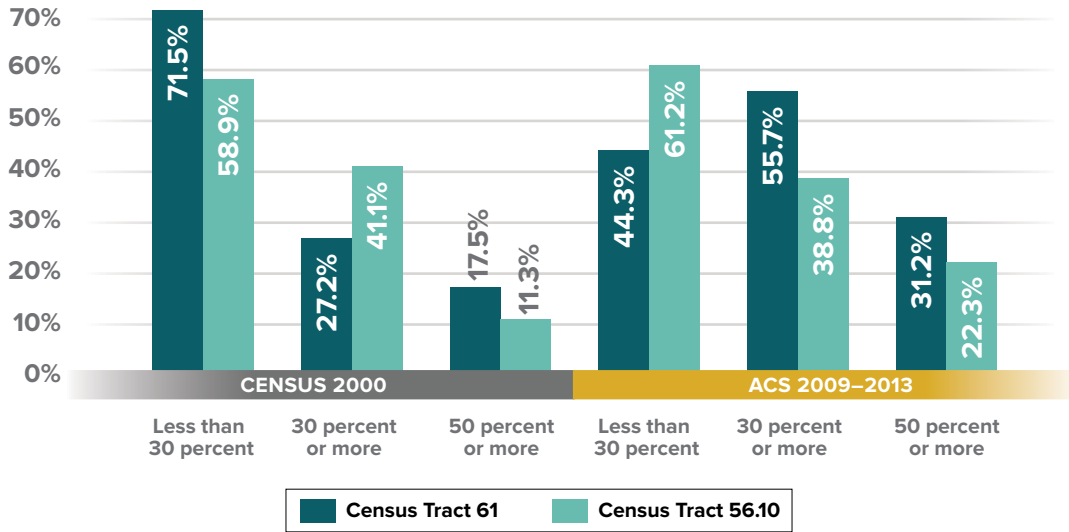


Source: ACS0913



**Figure 9**

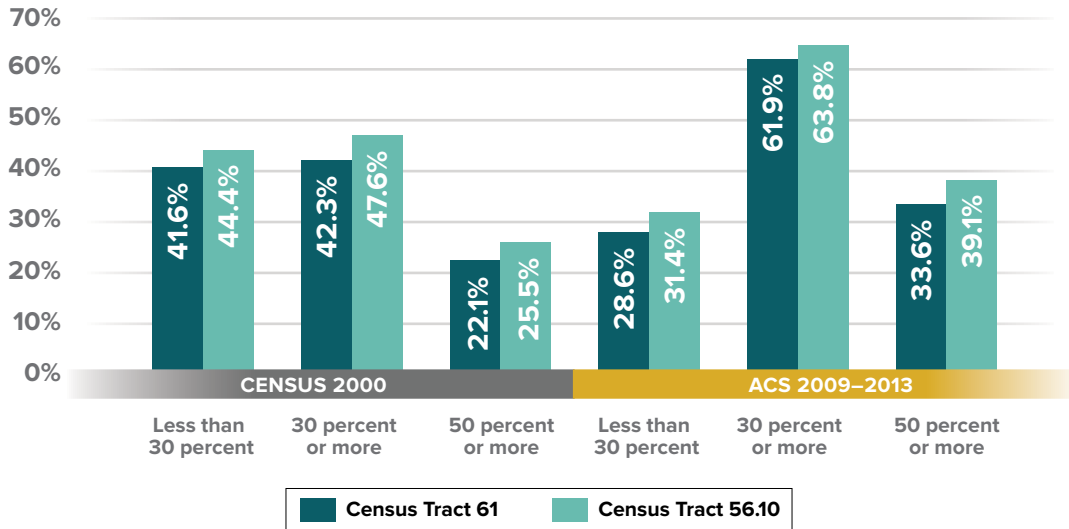
Trend over time of cost-burden for owner



Source: ACS0913

**Figure 10**

Trend over time of cost-burden for renter



Source: ACS0913

**What's more, at least 10% of homeowners** in any given neighborhood *without* a mortgage are cost-burdened. Looking again at census tract 61, more than 30% of homeowners without a mortgage are cost-burdened. Twenty-three percent of homeowners in census tract 61 are over 65 years of age. Interventions such as home repair grants will be important for this group in particular, and indeed, such programs have been targeted to this tract.

### **Very low income renters on the South side**

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South side residents living in extreme poverty are of special concern because they are often the least helped by affordable housing strategies. While many strategies are useful to those who may be on the cusp of leaving poverty, or those who fit into more general poverty levels set by various housing programs, there tends to be a subset of people with very low incomes (VLI) that are not reached by these programs. This can be partially attributed to the fact that VLI populations tend to be difficult to describe with current demographic tools. While households paying more than 30% of income on housing are generally considered cost-burdened according to the Census, we know that the circumstances of those paying more than 50% are much different than those paying 30%.

Thus, in order to create strategies that will have far-reaching impact on housing opportunity in the community, it is necessary to identify VLI populations. We defined the VLI population on the South side as households making less than \$20,000 a year and paying more than 50% of their income on housing-related costs. While Census figures are able to track individuals who make \$20,000 annually, there is no record of those who specifically pay more than 50% for housing-related expenses. According to the Census, there are 2,003 renters and 2,571 homeowners who make less than \$20,000 per year and are considered cost-burdened.<sup>1</sup> Based on stakeholders' experiences working with poorer households in the neighborhood, we estimate that at least 60% of those renters are paying over half of their income on housing costs (roughly 1,200 renters). This became our basis for deciding on a VLI population for the South side.

### **Current assisted housing options are helpful, but fall short of meeting VLI need**

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According to the Columbus Metro Housing Authority, there were 1,188 assisted housing units located in zip codes 43206 and 43207 in 2014. The Department for Housing and Urban Development counted 768 assisted housing units within the census tracts that make up the study area. These units comprised a number of different types of units, from Section 8 housing to LIHTC and different housing voucher programs.

1. However, the margin of error associated with this particular variable is slightly above 40%, so we use these numbers with caution, and note that the Census is likely under-reporting the level of need

Although there is a substantial amount of assisted housing investment located within the South side, these programs have a difficult time reaching VLI renters because of tight income restrictions and long waitlists that are often associated with these plans. Other barriers include the residents' knowledge and/or experience with various programs, past criminal records, non-traditional work history, and alternative family composition. People who are struggling with very low incomes tend to also be struggling with these issues as well, thus making them ineligible for these programs. Also, very low income residents tend to be locked out of community networks that people often use to gain knowledge of these programs. Finally, housing programs such as these rarely help out with one-time costs such as security deposits and utility commencement costs. These costs are often manageable for people who may be less deeply enmeshed in poverty, but for VLI populations, these costs can be insurmountable barriers to housing.

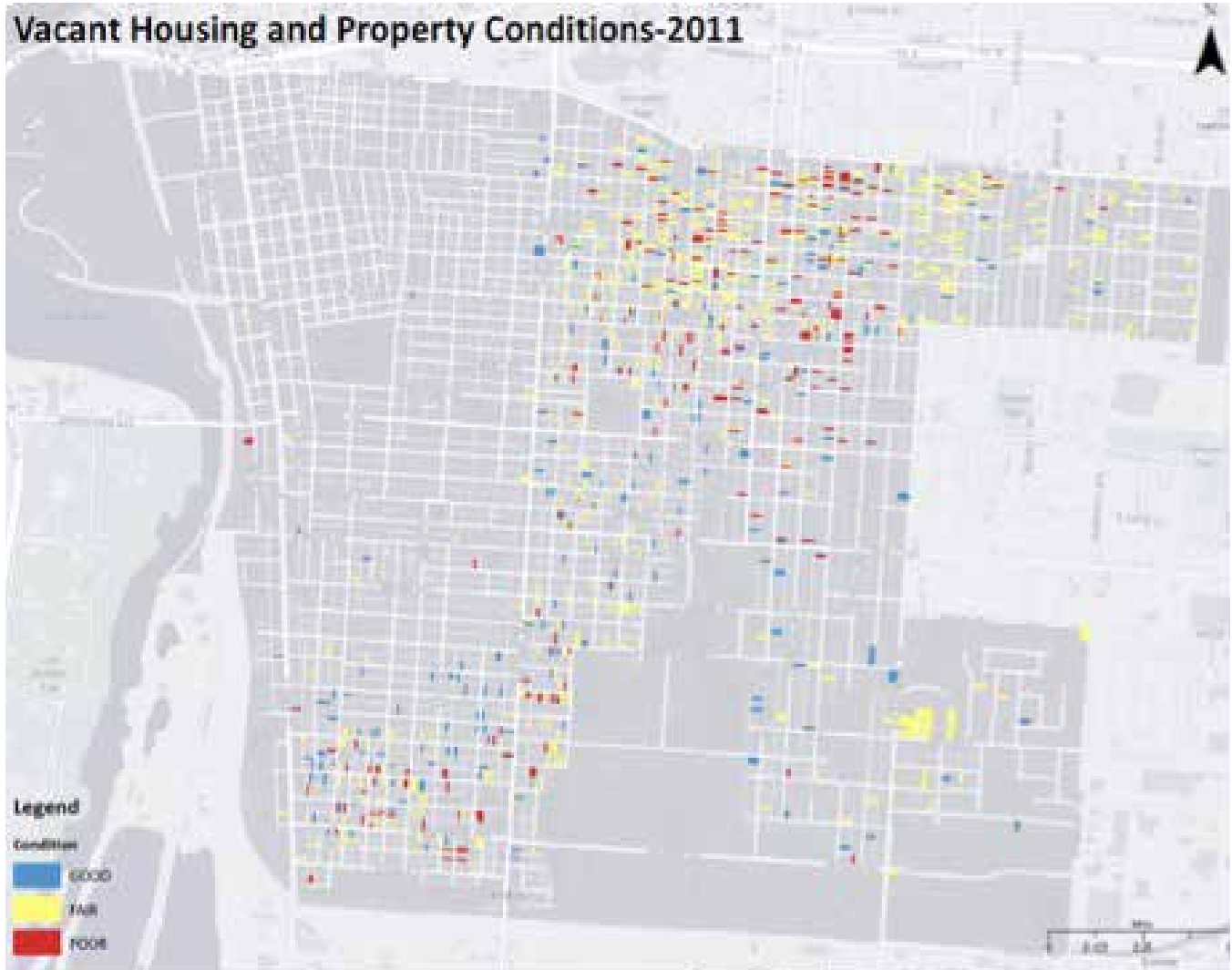
### **Reinvestment activity is making progress in combating blight**

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There has been a lot of redevelopment activity in recent years in the South side, particularly in the Southern Orchards and Southern Gateway neighborhoods. Gauging the impact of these activities is difficult because the data does not keep pace with real estate development. Still, we can point to signs of improvement. For example, the number of vacant parcels in the land bank rated "poor" decreased from 180 in 2011 to 158 in 2014 in precinct 11 (the primary South side area). **MAP 2** and **MAP 3** also point to improvements in the South side since 2011.

## Map 2

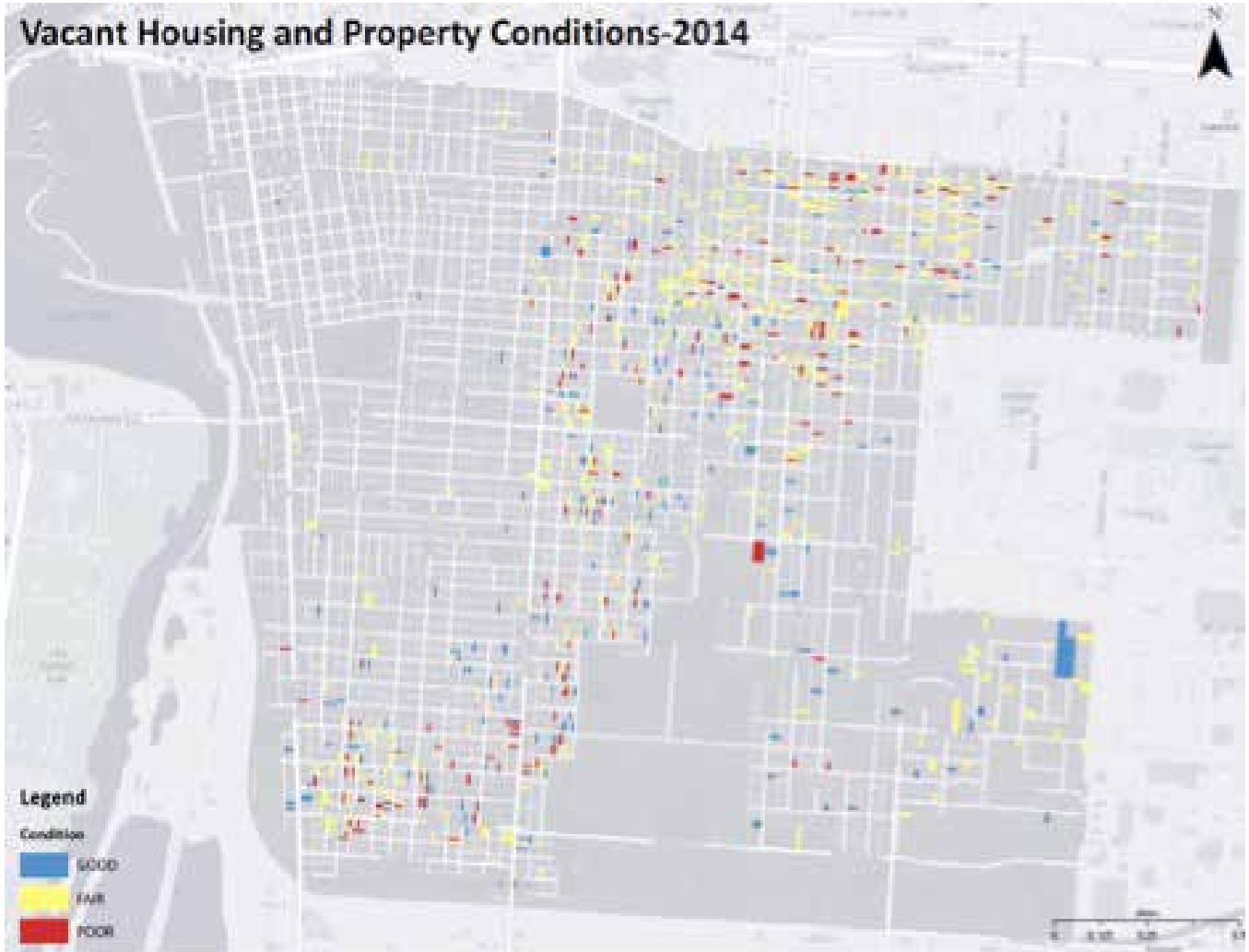
Vacant housing and property conditions, 2011



Source City of Columbus

### Map 3

Vacant Housing and property conditions, 2014



Source City of Columbus

## IV. Implications and recommendations

Great things are happening on the South side, but the benefits have not yet been shared by all members of the community. As more blight is tackled and reinvestment made, the pressure on home values will increase, and without well-designed and targeted interventions, involuntary displacement of households could result. We are at a critical moment in the long process of revitalization. If we act now, we can ensure that the South side maintains its diversity while offering more opportunity to all who call the South side home.

We know that homeowners are struggling to keep up with maintenance on their homes—they are cost-burdened, with home values and incomes that don't qualify them for home equity lines of credit, for example. Home repair programs—emergency repairs, weatherization programs, and such—are critical to help homeowners in the community remain in decent housing. While exterior repairs are important, we also know that many “affordable” homes are not quality homes, especially for renters. Interior conditions also need to be addressed. Landlords are important partners in the work of housing revitalization, and we should find ways to work with those landlords who are willing to make improvements to their units while maintaining affordability for lower income households.

*“I have neighbors of all different races and we interact often with one goal in mind—to better the area.”*

*– South side resident*

Helping renters with very low incomes find affordable housing represents a unique challenge. On one hand, VLI renters need affordable in-place housing solutions that are aimed at lowering the cost of a portion of future housing on the South side. This can include finding ways to lower building costs, utility payments, and finding alternative payment structures that fit the income streams of VLI renters. VLI renters also need solutions that can move with them. Many people who have very low incomes also tend to rent housing for shorter terms and move more frequently. Having a set of vouchers and similar financial incentives that could be offered to VLI renters may make them more attractive to potential landlords and renters.

We know that there is more than just housing revitalization needed in the community. Programs targeted to job training, especially for re-entering citizens; continuing education programs; rehabilitation and recovery support; and affordable and safe child enrichment programs, including quality child care, are all important aspects of revitalization on the South side. However, access to stable, high quality housing is the linchpin that ensures people can benefit as much as possible from such programs.

**The Housing Strategy Group was formed in February 2015** to take the redevelopment efforts around housing into the future. The group includes representatives of key housing partners and funders. Neighborhood residents have provided important input in the process. Our goal is to develop a comprehensive strategy to ensure that all people who live on the South side will be able to remain permanently in the community, living in safe, decent, and affordable homes.

Towards this end, the group has developed eight priorities to guide investments moving forward.

1. **Develop 250 affordable rental units for very low income households.** Well-built, well-managed new units that fit into the neighborhood
2. **Help homeowners maintain and improve their homes.** Assistance for all incomes, especially for interior repairs
3. **Improve existing rental properties.** Work with landlords to improve the condition of rental properties
4. **Develop strategies for duplexes and doubles.** Marketing and financing for two-unit properties as ownership or rental
5. **Provide income support or rent subsidy for 250 very low income households.** Tenant-based approaches for stable, affordable housing sustainable income
6. **Provide homeownership opportunity for residents.** Development, financing, education, and community-building
7. **Sustain and expand revitalization.** Redevelop vacant properties and build new affordable housing
8. **Reduce housing cost burden for current owners.** Utility assistance, tax relief and refinancing

## References

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9. *Supra n. 3*



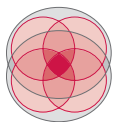
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