

State of the County Report: Housing

COMMUNITY COMPASS REPORT NO. 16-10

Hamilton County, Ohio

Community
COMPASS



HAMILTON COUNTY
Regional
Planning
Commission

November 2004



The Planning Partnership is a collaborative initiative of the Hamilton County Regional Planning Commission. The Partnership – open to all political jurisdictions in the county and to affiliate members in the public, private and civic sectors – is an advisory board that works to harness the collective energy and vision of its members to effectively plan for the future of our county. Rather than engaging in the Planning Commission’s short-range functions such as zoning reviews, the Planning Partnership takes a long-range, comprehensive approach to planning, working to build a community that works for families, for businesses and for the region. The Partnership firmly believes that collaboration is the key to a positive, competitive and successful future for Hamilton County.

Visit planningpartnership.org and communitycompass.org for more information.

Community COMPASS (Hamilton County’s Comprehensive Master Plan and Strategies) is a long-range plan that seeks to address mutual goals related to physical, economic, and social issues among the 49 communities within Hamilton County. Through a collective shared vision for the future based on the wishes and dreams of thousands of citizens, Hamilton County now has direction to chart its course into the 21 century.

In developing a broad vision with broad support, Community COMPASS will help ensure that trends are anticipated, challenges are addressed, priorities are focused, and our collective future is planned and achieved strategically over the next 20 to 30 years. Through an in-depth analysis of all aspects of the County, the multi-year process will result in a comprehensive plan.

The State of the County report series outlines conditions, trends, opportunities, and key measures related to improving and sustaining quality of life in twelve major systems in our community. The individual reports lay the groundwork for an overall State of the County analysis or report card, and provide support for refining action strategies.

Abstract

Title:

State of the County Report:
Housing
Community COMPASS
Report No. 16-10

Subject:

Current conditions and trends regarding housing in Hamilton County

Date:

November 2004

Synopsis:

This report presents existing conditions and trends in Hamilton County related to housing. The report identifies six important findings as well as the importance of trends associated with each finding, and provides key indicators for measuring progress toward the Vision for Hamilton County’s Future.

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Context

COMMUNITY COMPASS COMPONENTS

- 1 **Vision**
(What do we want?)
- 2 **Initiatives**
(What strategies should we consider?)
- 3 **Indicators**
(What should we measure?)
- 4 **Trends**
(Where have we been?)
- 5 **Projections**
(Where are we headed?)
- 6 **Research**
(What’s the story behind the trend?)
- 7 **Partners**
(Who can help?)
- 8 **Strategic Plans**
(What can we do that works?)
- 9 **Action Plans**
(How do we make it happen?)
- 10 **Performance Measures**
(Are actions making a difference?)

This Report

OTHER STATE OF THE COUNTY REPORTS

- Civic Engagement and Social Capital
- Community Services
- Culture and Recreation
- Economy and Labor Market
- Education
- Environment
- Environmental and Social Justice
- Governance
- Health and Human Services
- Housing
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STATE OF THE COUNTY REPORT: HOUSING

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STATE OF THE COUNTY REPORT: HOUSING

Executive Summary

FINDING 1

Levels of housing demand are increasingly determined by quality of life indicators rather than by demographic indicators.

- The development of housing on the urban fringes has expanded the number of location choices for many in the Cincinnati metropolitan region. As a consequence, potential home buyers rely more heavily on quality of life variables such as schools to choose a home. In areas where the quality of public schools is perceived as high and crime rates are low, housing tends to be larger in size and tends to appreciate in value at a higher rate.
- The housing market is changing as households in Hamilton County are becoming more diverse. One-person households and those with two or more unrelated persons are growing while traditional married couple family households are decreasing.

FINDING 2

Because of a lack of an overarching plan, local governments have not effectively managed the supply and location of housing.

- With no mandate from the State of Ohio for comprehensive planning, coordinating growth and revitalization within Hamilton County and among adjacent counties is a challenge.
- With a myriad of zoning laws, agency development plans, and aversions to subsidized housing, there is a lack of comprehensive planning across agencies and the 49 jurisdictions in Hamilton County which leads to development not planned from the larger perspective.

FINDING 3

Federal and local authorities are working to de-concentrate the location of public and subsidized housing.

- Public and subsidized housing exists for people who do not make enough money to compete in the housing market. Those numbers are increasing locally, as witnessed by the closing of waiting lists for Section 8 programs.

- HOPE VI and a refocused Section 8 are respectively working to de-concentrate poverty by creating housing that attracts households with an array of incomes and placing more subsidized housing in suburban areas.

FINDING 4

Hamilton County is experiencing high demand for - but low supply of - housing for persons with very low incomes.

- Hamilton County has both a surplus and a shortage of housing: there has been a rise in the number of vacancies in the County, but growing numbers of people cannot afford to purchase or rent such housing or are not attracted to available low-cost aging units.
- Facing decreasing numbers of single-room occupancy units, and generally priced out of the housing market, increasing numbers of low-income householders are turning to public housing, Section 8 programs, or the streets.

FINDING 5

Potential homebuyers with moderate incomes are finding affordable, market-rate homes primarily in the City of Cincinnati and its "first suburbs."

- Nearly 84 percent of homes sold in the area were affordable to persons earning median incomes. Greater Cincinnati was also the third "most affordable" large metropolitan area in the country behind Indianapolis and Kansas City. Persons with moderate incomes (80 percent of median) may be able to buy housing in the City of Cincinnati or the "first suburbs," but it will continue to be difficult for them to buy into the latest-developing suburb where services such as police protection, schools, and roads are viewed as better.

-
- While Cincinnati rates well nationally in home affordability, homeowners with low incomes (80 percent of median) can afford, at best, a house worth \$80,000. These houses can usually be found in Cincinnati and "first suburbs." If businesses continue to locate in newer suburbs, low-income homeowners may be impacted to an even greater extent by the spatial mismatch problem.

FINDING 6

Though it is decreasing, racial and economic segregation create impediments to fair and affordable housing in Hamilton County.

- While racial covenants are a thing of the past and the Fair Housing Act prohibits discrimination in housing, Hamilton County is still a racially segregated county. Racial segregation is highly correlated with economic segregation, and as such, fair housing may be accomplished by the de-concentration of subsidized housing. However impediments to such housing still exist, including "NIMBYism" and predatory lending.

STATE OF THE COUNTY REPORT:

Housing

THE VISION FOR HAMILTON COUNTY'S FUTURE

A mix of residential choices throughout the county that provides an opportunity for home ownership across a broad range of economic levels including all lifestyles and age groups, that serves to preserve architecturally and historically significant areas including revitalized communities.

INTRODUCTION

This report presents existing conditions and trends in Hamilton County related to how changes in the demographic, economic, and political aspects of Hamilton County impact the character of housing and the health of neighborhoods. Moreover, it examines the County's trends in the demand and supply for market-rate, subsidized, and affordable housing as well as the impact of such trends on people of different racial and ethnic backgrounds, different incomes, and different household configurations. The report identifies seven important findings as well as the importance of trends associated with each finding, and provides key indicators for measuring progress toward the *Vision for Hamilton County's Future*.

Like all other markets, the American housing market is affected by a number of variables. As it is necessary for most people to borrow substantial amounts of money to purchase housing, interest rates play an important role in how much housing is built and bought. Demographic variables such as household size and type, as well as age of householders give clues as to how much, and what kind of housing will be occupied. Government policies at the national, state, and local levels go a long way in determining location and density of housing.

This report's emphasis on demographic and political dimensions of housing will not preclude discussion of economic factors. Indeed, there is a fundamental and interdependent relationship among demographics, politics, and the economy. Changes in any of these phenomena will usually bring about changes in the other two. Economic variables such as interest rates, a buyer's credit availability, disposable income, and consumer confidence generally affect the housing market in the short term. On the other hand, long-term performance of the housing market (which this report will consider) require an examination of demographic factors, for it is the character of the population that will determine housing demand.¹

The Vision Statement for Housing, a component of *The Vision for Hamilton County's Future*, is based on recommendations from 12 Community Forums in the Fall of 2001 and the Countywide Town Meeting held January 12, 2002.

The Vision for Hamilton County's Future was reviewed and approved by:

- Community COMPASS Steering Team, July 30, 2002
 - Hamilton County Planning Partnership, Dec. 3, 2002
 - Hamilton County Regional Planning Commission, Feb. 6, 2003
 - Hamilton County Board of County Commissioners, Nov. 26, 2003
-

Market-rate housing: housing that does not receive any type of subsidy (money assistance) and sells for what the market will bear

Subsidized housing: housing for the needy that receives subsidies (money assistance) from the federal or state government whether as government-owned housing or vouchers for rental assistance

Public housing: a form of subsidized housing that is built, operated, and owned by a government and typically provided at nominal rent to the needy

Affordable Housing: a household that pays no more than 30 percent of its annual income on housing costs

FINDING 1

LEVELS OF HOUSING DEMAND ARE INCREASINGLY BEING DETERMINED BY "QUALITY OF LIFE" INDICATORS RATHER THAN DEMOGRAPHIC INDICATORS.

The quantity and quality of housing is strongly determined by the economic law of supply and demand. Generally, the cost of housing increases when there is not enough housing overall

to meet consumer demand. For example, if an area with six people each wanted to live alone in a house, and there were only five houses in the area, overall demand (that is, demand without

considering the character of the housing) would be high.

Consumer demand for housing is influenced not only by the number of people and housing in an area, but by the number of households² in that area, the character of those households, the character of the housing, and other variables (Figure 1).

In Hamilton County, as well as throughout the United States, birth and fertility rates increased dramatically during the “Baby Boom” years (generally considered to have lasted between 1946 and 1964). Figure 2 shows the number of births that occurred in Hamilton County during the Baby Boom years.

The rise in birth and fertility rates increased the number of people per household, and increased the demand for larger, single-family detached housing. In attempts to make housing more affordable, the United States Government, after World War II, encouraged single-family housing construction on the fringes of urban areas with low prime interest rates. While Figure 3 shows prime interest rates

Figure 1
A SAMPLE OF VARIABLES THAT INFLUENCE DEMAND FOR HOUSING

Source: Hamilton County Regional Planning Commission

Crude Birth Rate	Fertility Rate
Persons per Household	Household Income
Prime Interest Rates	Divorce Rate
Marriage Rate	Headship Rate
Taxation Rate	Perceived Quality of Schools
Neighborhood Character	Housing Character

Figure 2
BIRTHS DURING THE BABY BOOM IN HAMILTON COUNTY, 1945-1965

Source: *Vital Statistics of the United States*: U.S. Department of Health, Education, and Welfare

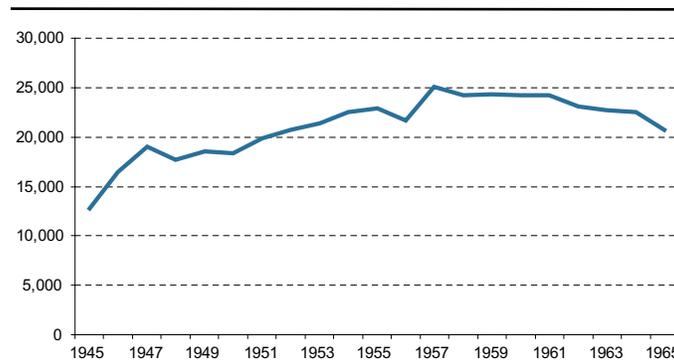
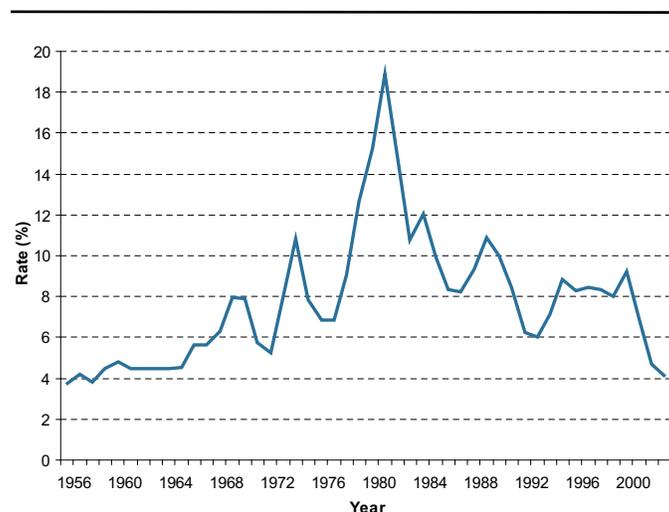


Figure 3
PRIME INTEREST RATES IN U.S., 1956-2003

Source: Federal Reserve



beginning in 1956, they were as low as 1.5 percent during the mid-1940s.

During this period in Hamilton County's growing suburbs such as Mount Healthy, Reading, and Deer Park, home buyers could get mortgages that could be paid back over a period of 30 years, rather than taking out a five- or seven-year balloon loan that banks usually offered before mortgage insurance. Low interest rates and 30-year fully amortized mortgages on new housing in concert with other policies such as highway construction, stimulated demand for and helped make housing more affordable for millions of Americans during the post-War boom. However, these low-interest, long-term loans did not help developed cities and older suburbs because, with few exceptions, they explicitly could not be used to purchase existing homes.

When birth and fertility rates began declining in the 1970s, residential development continued to occur at the edges of Hamilton County, and eventually spilled into surrounding counties. Lot sizes and houses became larger, even though household sizes were declining. As shown in Figure 4, average household size in the County in 2000 was 2.38 persons, a 32 percent drop from the County's 1970 average household size.

To get a clearer picture on the relationship between the population and the number of households, one can examine the County's "headship rate." Headship rate is a ratio comparing number of households to an area's adult population. This number is always between zero and one. If the number is one, then every member of the adult population heads his or her own household, indicating a high overall demand for housing.

From 1970 to 2000, headship rates in Hamilton County have risen steadily from 0.49 to 0.55. In addition to indicating that more than half of Hamilton County's adults head households, the ratios also indicate that the overall demand for housing in Hamilton County has steadily increased over three decades.

Examining housing demand based on demographic factors like birth, fertility, and headship rates is still useful and is still employed by researchers. However, in the face of increased suburbanization, popula-

tion decreases, and rises in the local headship rate, it is clear that overall housing demand is influenced more by "quality of life" variables such as nearby residents' education and income levels, quality of the housing unit and nearby infrastructure, and other indicators that are seen to contribute immediately to the health and welfare of residents. A survey commissioned in 2000 by the Hamilton County Regional Planning Commission found that the primary reason residents people are leaving the County is to find new housing opportunities. Other reasons cited for moving out of the County included to: live in a safer community, live in a more rural area, live closer to a new or existing job, live where there's less traffic congestion, live in a better school district, live in a community with a lower tax rate, or live closer to family or friends.³

While overall housing demand has increased when examining headship rates, the demand for certain types of housing continues to vary based largely on

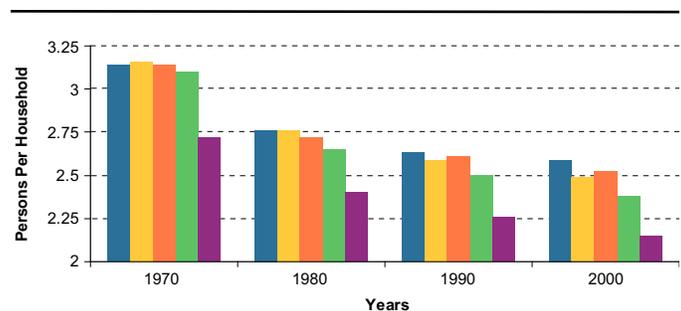


Figure 4
AVERAGE HOUSEHOLD SIZES, 1970-2000

- United States
- State of Ohio
- CMSA
- Hamilton County
- City of Cincinnati

Source: U.S. Census Bureau

“quality of life” variables like public education. Housing in newly developed areas is often in high demand overall, while for housing in older, inner-city communities overall demand is often much lower.

There is a desire on the part of many homebuyers to buy “more house for the money.” Accordingly, people often “trade up” to bigger, more expensive housing. As shown in Figure 5, the number of housing units with six or more rooms increased during the 1990s.⁴ This appears to mirror a national trend, as average and median floor areas of new single-family homes have been increasing since the 1980s (Figure 6).

Other “quality of life” variables, such as an area’s crime levels or the

perceived quality of an area’s school system also affect an area’s housing demand. The desire of families to locate in an area with seemingly good public schools continues to play an important role in suburban housing demand. Potential homebuyers are often attracted to newly-developed areas because their children will be able to attend public schools that may offer better education at a lower tax rate.

Why Is This Important?

The development of housing on the urban fringes has expanded the number of location choices for many in the Cincinnati metropolitan region. As a consequence, potential home buyers rely more heavily on “quality of

life” variables to choose a home.

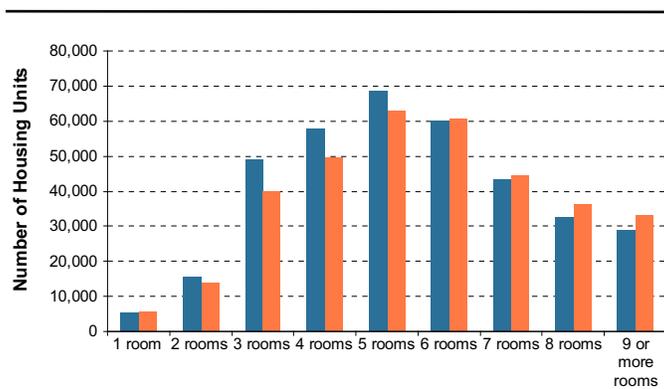
“Quality of life” indicators are fundamentally linked with social, economic, and demographic indicators. For example, there have long existed correlations among taxation levels, perception of school quality, and race. When employment rates increase, crime rates often fall, and an area attracts more investment. There tends to be a lack of investment or even a withdrawal of capital when an area’s proportion of Blacks is on the rise.

Moreover, there is a link between socio-economic indicators and the quantity and quality of housing. In areas where the quality of public schools is perceived as high and crime rates are low, housing tends to be larger in size and tends to appreciate in value at a higher rate.

In Hamilton County and in most central counties in the United States, socio-economic and “quality of life” standards tend to be better in newer suburbs than in Cincinnati and some of its “first suburbs” — suburbs that appeared in the early- to mid-20th century. This differential continues to put Cincinnati and these first suburban communities at a disadvantage for consumer demand. Indeed, according to Figure 7, Hamilton County experienced an overall decline in its

Figure 5
NUMBER OF HOUSING UNITS (RENTER OR OWNER OCCUPIED) BY NUMBER OF ROOMS IN HAMILTON COUNTY

■ 1990
■ 2000



Note: A “room” is defined in both the 1990 and 2000 Censuses as a section of a housing unit partitioned from floor to ceiling excluding “strip or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage.”

Source: U.S. Census Bureau

Figure 6
FLOOR AREAS OF NEW SINGLE-FAMILY HOMES IN U.S., 1980-2001

Year	1980	1995	1990	2000	2001
Average Floor Area (ft ²)	1,740	2,080	2,095	2,266	2,324
Median Floor Area (ft ²)	1,595	1,905	1,920	2,057	2,103

Source: U.S. Census Bureau - 2003 Statistical Abstract

number of married-couple households — those households with traditionally the highest demand for single-family detached housing - during the 1990s.

Figure 7 also indicates a relatively large increase in “non-family” households. “Non-family” households are those households wherein a person lives alone, or with another person who is not related by blood, adoption, or marriage. According to the 2000 Census, 97 percent of non-family households in Hamilton County were of the type wherein the householder lived alone.

It appears that it is with these households that the City of Cincinnati is carving a niche. According to an article in the *Cincinnati Enquirer*, “young people, upscale middle-age renters and couples who have already raised families in the suburbs (the so-called ‘empty nesters’) want a sampling of city living.”⁵ Many of these people are attracted to the array of cultural activities that downtown Cincinnati offers, the proximity to jobs, and the freedom from property upkeep. The number of housing units in downtown Cincinnati has increased since the 1990 Census, and it is projected to increase steadily throughout this decade. Downtown Cincinnati, Inc. estimates that at least 1,700 housing units will be built

downtown between 2000 and 2008, adding to the 1,787 downtown housing units that were identified in the Year 2000 Census. Downtown Cincinnati, Inc. also projects that Over-the-Rhine will add at least 300 housing units during this decade.⁶

This is not to say that Hamilton County offers few housing opportunities for two-parent families. On the contrary, Hamilton County offers a host of markets for such households. In their book *Selling Cities*, David Varady and Jeffrey Raffel identify eight different market segments in Hamilton County. The County’s largest market segment, the “suburban middle class” is composed of high income households with white-collar jobs who are most likely to move up to newer and more expensive homes. The northern and western suburbs mainly comprise this market segment. In contrast, the “urban working class” segment has a large contingent of blue-

collar workers, with a high proportion of Black homebuyers and single-parent households. Moreover, people living in these areas tend to locate there to be close to other family members, close friends, or a familiar church.⁷

Key Indicators:

- *Prime interest rates (Figure 3)*
- *Average household size (Figure 4)*
- *Number of housing units by rooms (Figure 5)*
- *Percent change in household categories (Figure 7)*
- *Household income (U.S. Census Bureau)*
- *Headship rate by age group (U.S. Census Bureau)*

	1990	2000	1990 - 2000 Percent Change
Total Households:	338,881	346,790	7.4%
1-person household	101,435	114,229	12.6%
2 or more person household:	237,446	232,561	-2.1%
-Family households:	221,348	212,459	-4.0%
Married-couple family	164,339	150,483	-8.4%
Other family	57,009	61,976	8.7%
-Nonfamily households	16,098	20,102	24.9%

**Figure 7
PERCENT CHANGE
IN HOUSEHOLD
CATEGORIES,
HAMILTON COUNTY,
1990-2000**

Note: Householder is the person, or one of the persons, in whose name the home is owned or rented. Family household includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.

Source: U.S. Census Bureau 1990 and 2000 Censuses

FINDING 2

BECAUSE OF A LACK OF AN OVERARCHING PLAN, LOCAL GOVERNMENTS HAVE NOT EFFECTIVELY MANAGED THE SUPPLY AND LOCATION OF HOUSING.

Some of the factors that influence demand for housing also influence housing supply. Indeed, consumer demand itself largely influences supply. As housing in the United States is allocated through a market system, the character of the economy weighs heavily on housing supply. Housing is an investment not just for the potential buyer, but for

the builder as well. Therefore interest rates, the cost of land, the cost of building materials, and the cost of labor must all be considered before home builders make an investment decision. These and other costs must be weighed against the strength of the market wherein the house is being built (Figure 8).

The economic situation of the local market is itself heavily influenced by government policies. Local governments have a fair amount of say as to where housing will be built in their jurisdictions through their decisions on infrastructure improvements and zoning regulations.

High densities of housing require the existence of various kinds of infrastructure. The area being developed must have, at minimum, mains to provide water both for consumption and fire protection, sanitary

Consumer Demand	Cost of Labor and Materials
Zoning Laws	Prime Interest Rates
Cost and Character of Land	Existence of Critical Infrastructure
Availability of Land	

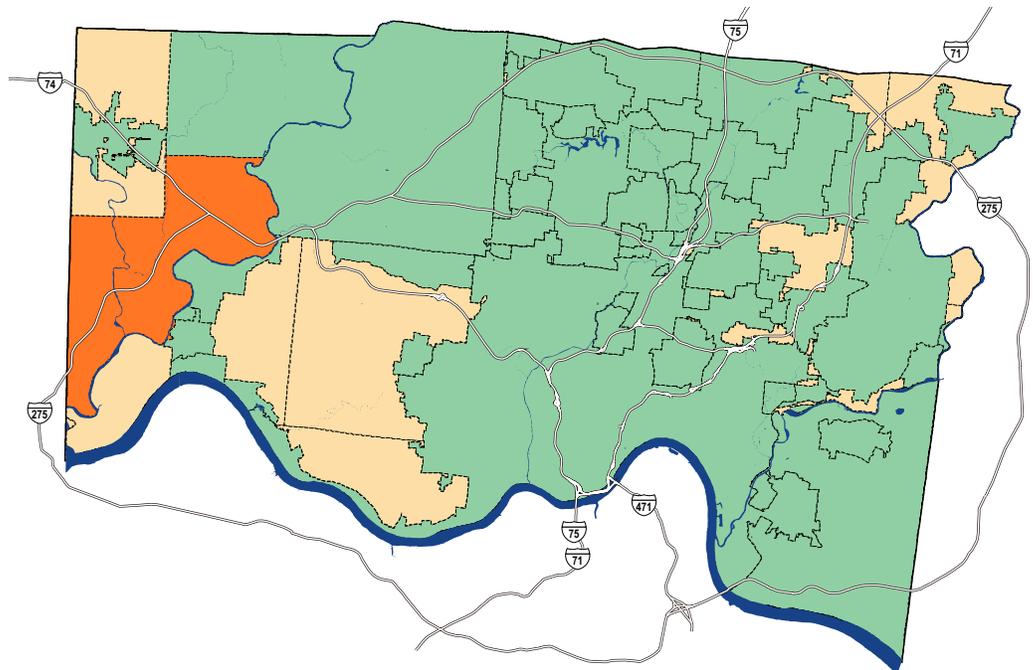
Figure 8
A SAMPLE OF VARIABLES THAT INFLUENCE SUPPLY OF HOUSING

Source: Hamilton County Regional Planning Commission

Figure 9
ZONING JURISDICTIONS

- County Zoning
- Local Zoning
- No Zoning

Source: Hamilton County Regional Planning Commission



sewer lines for waste disposal, access to electrical power, and access to roads. With the exception of electrical power, private enterprise often cannot deliver enough capital to create these utility networks. It often relies on the government to provide this critical infrastructure.

Special purpose governmental agencies such as the Metropolitan Sewer District, as well as local jurisdictions, can control the spread of infrastructure, thereby influencing the location of new housing development. Without sewer and water infrastructure, development at all but the lowest densities is unfeasible. However, infrastructure agencies may have different expansion plans and planning horizons that can make coordinating projects difficult. A common example of this is the relationship between zoning and road construction. A jurisdiction's zoning laws may influence housing supply, and this in turn can impact road construction.

Ohio's Home Rule doctrine allows jurisdictions to issue zoning regulations. Hamilton County has zoning authority in some unincorporated areas within its borders. However, the majority of the County's jurisdictions – both municipalities and townships – have their own zoning laws (Figure 9).

Money for road construction comes through two principal sources: OKI and the Ohio Department of Transportation. If a jurisdiction decides to change zoning in an area to allow for denser uses (such as for retail), then it may prompt these transportation agencies to alter their long-term plans for road improvements and devote more resources to the new and thriving retail area.

Zoning laws have been used not only to manage the amount of housing in an area, but also to exclude certain types of housing — and the people that these housing types often attract. Jurisdictions are well aware that zoning for higher densities may attract households with low incomes and may lead to high concentrations of renter-occupied housing. The existence of higher density housing, especially in moderate to lower income areas, also increases the likelihood that the area will receive subsidized housing units, such as through the Section 8 Program. To “protect property values” by preventing the establishment of such units, some Hamilton County jurisdictions choose to forego federal dollars that require a percentage of properties be set aside for subsidized units.⁸

It should be noted that high-density construction is not automatically linked to

persons with low-incomes. One of the factors in the housing boom are empty-nesters looking for smaller homes. Smaller homes can mean living in high-density condominium developments, landominiums, or just smaller single-family homes in typical residential developments.

There have been cases around the country wherein such exclusionary tactics have been used to discriminate explicitly against members of protected classes, thereby violating Title VIII of the 1968 Civil Rights Act, commonly referred to as the Fair Housing Act. For example, the federal government filed suit against the City of Toledo, Ohio, charging that one of its zoning ordinances that regulated how far group homes had to be apart from each other discriminated against persons with disabilities. The federal government reached a settlement with Toledo in 1999, and Toledo repealed the zoning ordinance. In 1995, the federal government resolved its 27-year dispute with the Cleveland suburb of Parma — which passed zoning regulations specifically prohibiting subsidized low-income housing.⁹

Today, many jurisdictions around the country are adopting zoning techniques that try to *include* (rather than exclude) certain types of uses, designs and ameni-

Sprawl

"...the process in which the spread of development across the landscape far outpaces population growth. The landscape sprawl creates has four dimensions: a population that is widely dispersed in low density development; rigidly separated homes, shops, and workplaces; a network of roads marked by huge blocks and poor access; and a lack of well-defined, thriving activity centers, such as downtowns and town centers. Most of the other features usually associated with sprawl - the lack of transportation choices, relative uniformity of housing options or the difficulty of walking - are a result of these conditions."

SMART GROWTH AMERICA

ties. The term "inclusionary zoning" specifically refers to laws or incentives to reserve a portion of new housing for lower-income households. Local jurisdictions in California have pioneered the usage of such laws in the United States, though other places using it include Montgomery County, Maryland; Santa Fe, New Mexico; and Sanibel Island, Florida.

Why is This Important?

Because of the myriad of zoning laws, agency development plans, and aversions to subsidized housing, comprehensive planning across agencies and jurisdictions can lead to development not planned from the big perspective. With no mandate from the State of Ohio for compre-

hensive planning, planned growth to accommodate new and revitalized growth is a challenge.

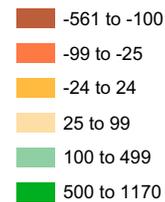
While growth outside the County is inevitable, it often comes at the expense of the central city and "first ring" suburbs. This can be seen by examining a map of housing unit change during the 1990s. As shown in Figure 10, much of Cincinnati and the County's "first ring" suburbs saw housing unit stagnation or decline between 1990 and 2000. Jurisdictions and areas at the western and eastern edges of the County (for example, northern Colerain Township, northwest Green Township, eastern Symmes Township, and much of Anderson Township) witnessed some of Hamilton County's largest housing unit increases.

This phenomenon, though, is not just a matter of those with wealth moving outwards, but that those who are poorer become more concentrated in areas challenged to provide services and safe environments.

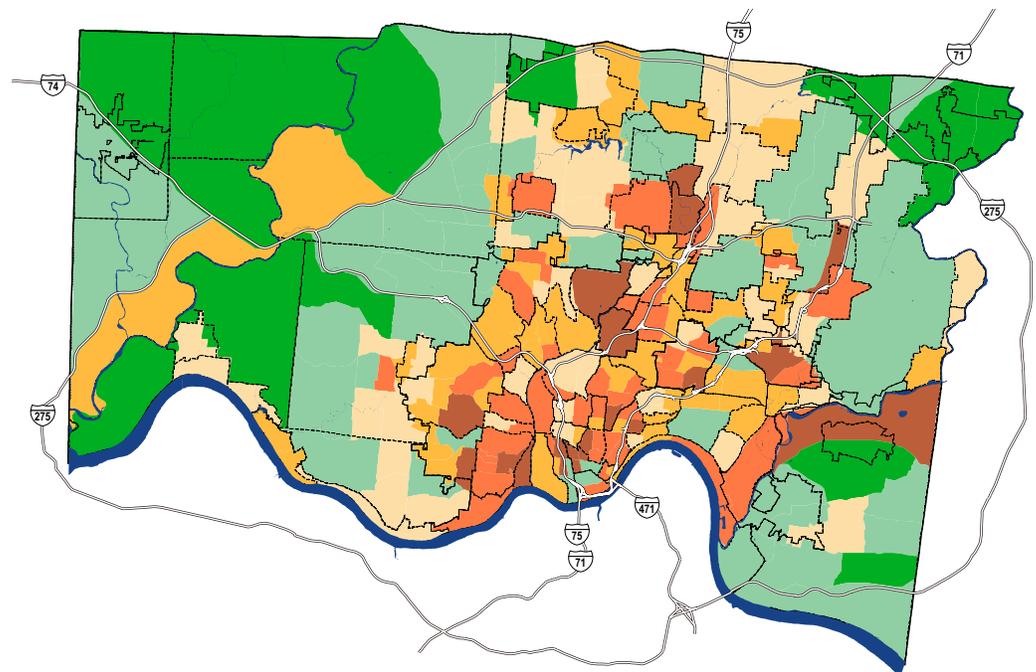
Some programs exist that help foster redevelopment in Hamilton County. The Home Improvement Program (HIP) offers residents in all but two of the County's 49 jurisdictions to apply for a home improvement loan at below-market interest rates.¹⁰

A few jurisdictions in Hamilton County also provide — through their Community Reinvestment Area (CRA) Programs — a tax break to residents who undertake home improvement. If a property owner's application to Cincinnati's

Figure 10
HOUSING UNIT
CHANGE, 1990-2000



Source: U.S. Census Bureau



CRA program is accepted, then the owner receives a ten-year abatement on the increased assessment that the improvement will cause. For example, if a property owner remodels his or her home and the work causes the property's value to increase from \$100,000 to \$150,000, the owner will pay taxes on the \$100,000 value of the house for ten years.¹¹

Cincinnati's CRA Program is also used to undertake renovation of homes with historical significance. Those homes may additionally receive federal historic preservation tax credits. Buildings in the National Register of Historic Places may take up no more than a 20 percent credit on the cost of renovation. The National Register includes not just buildings, but entire districts. Every building within these districts qualifies for the federal tax credit. Currently, Hamilton County has 48 separate districts that are on the federal registry; half of them within the City of Cincinnati. Hamilton County has 322 sites (districts and individual buildings) that are federally-recognized as historically significant, and state-recognized historical sites in Hamilton County number some 6,000.

Community Reinvestment Programs also provide abatements for new construction. For example, Golf Manor's CRA tax

abatements are determined on a case-by-case basis by the Village's Community Reinvestment Area Housing Council. When a new structure is built, Golf Manor's housing officer inspects the property and presents it to the Council for abatement assessment. The Council can recommend a maximum five-year abatement on some percentage of the new home's market value.¹²

Some researchers and government leaders think that adopting such policies as redevelopment initiatives and comprehensive plans are unnecessary. They assert that it is better to let the housing market operate unheeded. However, such unfettered growth has consequences. As articulated in various sections of the Hamilton County Regional Planning Commission's report *External Influences*, the sprawling nature of America's metropolitan areas – including the Cincinnati region – has contributed to concentrations of poverty in the inner-city, deterioration of “first ring” suburbs, poor regional air quality, and increased transportation costs.¹³ Using various tools at its disposal to better manage housing supply has been shown to preclude the negative consequences of urban sprawl.

Key Indicators:

- *Housing unit change (Figure 10)*
- *Expansion of critical infrastructure (Cincinnati Water Works; Metropolitan Sewer District; City of Harrison Utilities Department; Hamilton County Engineer)*
- *Monetary deficits due to CRA Programs (Hamilton County Auditor)*
- *Total tax credit amount for historic preservation (U.S. Internal Revenue Service)*

FINDING 3

FEDERAL AND LOCAL AUTHORITIES ARE WORKING TO DE-CONCENTRATE THE LOCATION OF PUBLIC AND SUBSIDIZED HOUSING.

The purpose of the federal government’s commitment to public housing is to accommodate those persons who - for whatever reason - are unable to compete in the housing market.

Since its first initiative with the National Housing Act of 1934, the federal government has altered public housing statutes on some 40 different occasions. Most of the actions have been the issuance of new acts and amendments to existing legislation.¹⁴

One of these acts, the Housing Act of 1949, authorized slum clearance and community development, leading to high-rise style apartments in some of America’s major cities. The Housing and Urban Development Acts of 1965 and 1968, two of President Lyndon B. Johnson’s

“Great Society” initiatives, provided even more money to the 1949 initiatives, and provided subsidies to private developers who built multi-family (and often high density) housing for low-income residents.

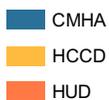
In response to growing public concern about the federal housing program, President Richard Nixon ordered a moratorium on public housing construction in 1973. In 1974, Nixon tried a different approach to public housing provision: the Section 8 Rental Assistance Program. This program, which still exists today, provides qualifying recipients with a rent voucher. The recipient can redeem the rent voucher to a landlord who may accept it. The voucher entitles the renter to pay a portion of his or her income in rent while the federal

government pays the balance. Subsequent acts and amendments under the Carter and Reagan Administrations have provided additional dollars to public housing authorities for community development, assistance for the homeless, and to move more families into homeownership.¹⁵

Locally, three public agencies administer or fund six different public housing programs (Figure 11). The largest of these agencies, the Cincinnati Metropolitan Housing Authority (CMHA), is the only one that owns and manages housing through its public housing program. As of September 2003, CMHA owned 5,649 units.

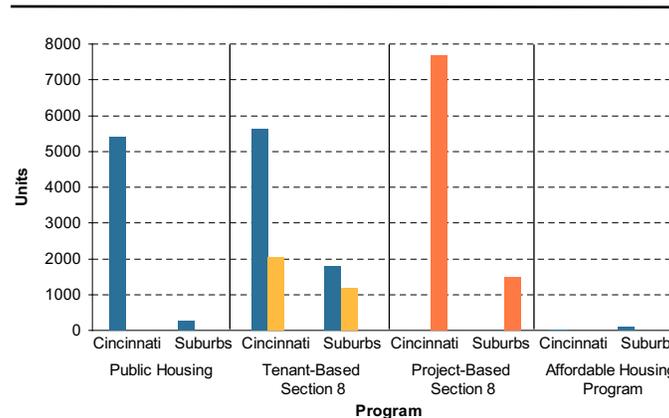
CMHA also administers a tenant-based Section 8 program known as the Housing Choice Voucher Program. A tenant-based Section 8 program is the program envisioned by the Nixon Administration: the voucher is given to a tenant who has a choice of housing preferences. Hamilton County Community Development (HCCD) also administers a tenant-based Section 8 program and a “Tenant-based Assistance” program. The Tenant-

Figure 11
SUBSIDIZED HOUSING UNITS BY AGENCY AND LOCATION, 2002



Note: "Cincinnati" refers to the City of Cincinnati while "Suburbs" constitutes all Hamilton County jurisdictions excluding the City of Cincinnati.

Source: Cincinnati Metropolitan Housing Authority, Hamilton County Community Development, Housing and Urban Development



based Assistance program is similar to tenant-based Section 8, but renters may only lease housing in suburban communities that receive Community Development Block Grant (CDBG) funding.

In contrast to a tenant-based Section 8 program, a “project-based” Section 8 program is one wherein a *building* qualifies for the Section 8 subsidy rather than the tenant. If a renter moves out of the building (and does not receive a tenant-based voucher) then he or she must pay for housing at the market rate. Locally, only HUD provides most of the funds for this program, yet it is administered cooperatively by CMHA and Hamilton County.

Finally, the Affordable Housing Program - admin-

istered by CMHA, but with partial funding from Hamilton County - provides subsidized and market-rate housing to applicants “who are employed, are full-time students, or are receiving some form of disability or retirement income.” Persons in this program are often placed in housing outside the City of Cincinnati

While all three agencies - CMHA, HCCD, and HUD - make efforts to purchase housing in (or find homeowners with Section 8 properties in) Hamilton County’s suburban jurisdictions, more than 81 percent of the County’s 25,563 subsidized housing units are in the City of Cincinnati.¹⁶

Between 1994 and 2002, the City of Cincinnati lost

over 1,300 assisted living housing units. Conversely, the remainder of Hamilton County gained over 820 units within that same time span. These numbers include public housing and vouchers provided by the Cincinnati Metropolitan Housing Authority and project-based units provided by HUD. Only 6 of the 48 jurisdictions, excluding the City of Cincinnati, has a decrease in public housing between 1994 and 2002.

Figure 12 shows the percentage of change from 1994 to 2002 for subsidized housing units, which includes publicly-owned housing, vouchers, and project-based units. Figures 12a and 12b provide another perspective by providing a picture of the degree of change by jurisdiction.

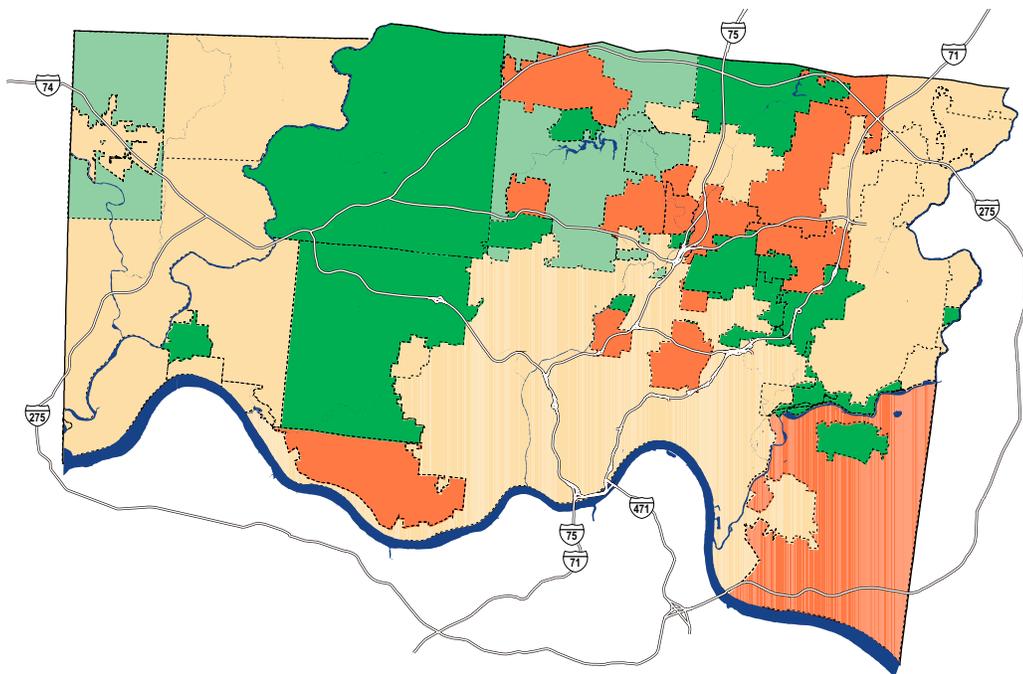


Figure 12
PERCENT CHANGE IN
SUBSIDIZED HOUSING
BY JURISDICTION,
1994-2002

- 50%+ Increase
- 25 - 49.9%
- 5 - 24.9%
- Slight Increase or Decrease

Note: Includes public housing units, vouchers, and project based units.

Source: Cincinnati Metropolitan Housing Authority

The latest manifestation of public housing legislation takes a markedly different approach from the initiatives endorsed by past administrations. The Urban Revitalization Demonstration Act, signed by President Clinton in 1993, gave HUD a new mandate

to “revitalize ‘severely distressed’ public housing.” The purpose of the act (often referred to as “HOPE VI”) is to: (1) change the physical shape of public housing by making it less dense, (2) establish positive incentives for resident

self-sufficiency and comprehensive services that empower residents, (3) lessen concentrations of poverty by placing public housing in non-poverty neighborhoods and promoting mixed-income

Figure 12a
CONCENTRATIONS OF
SUBSIDIZED HOUSING,
1994

● 3 Subsidized Housing Units

Note: Dots are randomly distributed within each jurisdiction and Cincinnati neighborhoods and do not indicate the exact location of subsidized housing units.

Source: Cincinnati Metropolitan Housing Authority

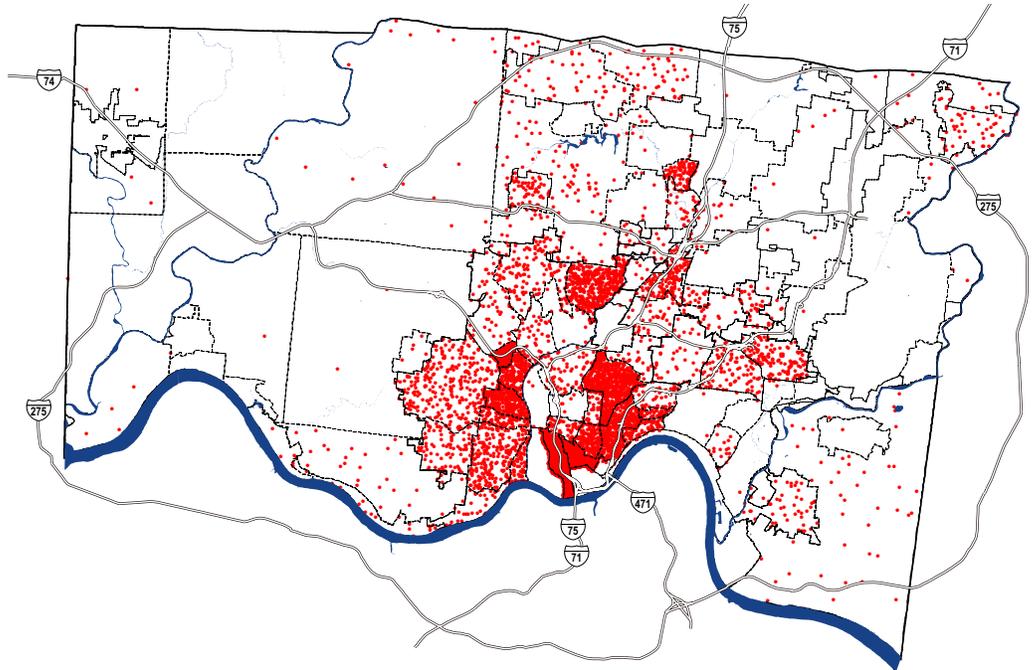
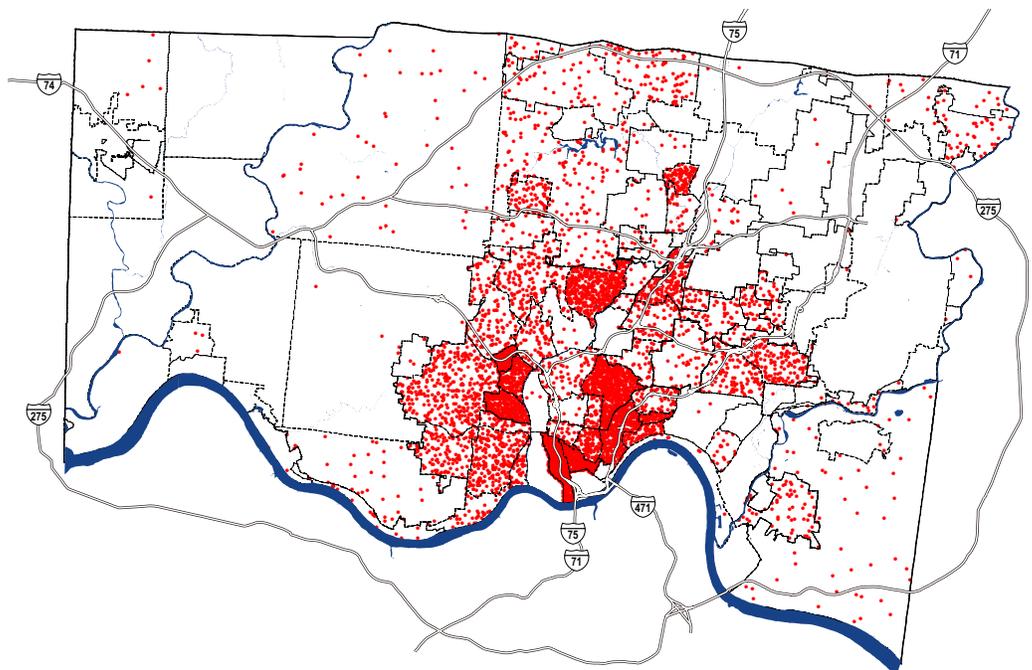


Figure 12b
CONCENTRATIONS OF
SUBSIDIZED HOUSING,
2002

● 3 Subsidized Housing Units

Note: Dots are randomly distributed within each jurisdiction and Cincinnati neighborhoods and do not indicate the exact location of subsidized housing units.

Source: Cincinnati Metropolitan Housing Authority



communities, and (4) forge partnerships with other agencies, local governments, nonprofit organizations, and private businesses to leverage support and resources.¹⁷

Through a competition, HUD issues HOPE VI grants to housing authorities for the demolition and/or redevelopment of public housing units. CMHA has won HOPE VI grants on two separate occasions for the demolition and redevelopment of the Lincoln Court housing development in 1998, and Laurel Homes development in 1999. Both of these housing developments are located in Cincinnati's West End and, upon completion, will be considered one large development called City West.

HUD requires that all redevelopment projects using HOPE VI dollars to have a mixture of subsidized and market-rate housing. In the Lincoln Court project, all 111 of the development's salable homes have been sold. Lincoln Court also has 400 rental units, 81 percent of which will be subsidized for low- and moderate-income tenants. Laurel Homes is still under construction and will have 150 units for sale and 435 rental units, of which 57 percent will be subsidized.

Learning from the mistakes of late 20th century urban

policy, it is likely that future government housing initiatives will attempt to decentralize poverty and create more spaces that are smaller in scale and incorporate varying uses. These kinds of areas have been shown to generate more foot traffic, attract smaller and diverse retail establishments, and positively contribute to the local quality of life.

Why is This Important?

Public housing in the United States has long been stigmatized as being repositories of violence and dilapidation. The stigmatization is in many ways appropriate: residents of public housing are often among society's most economically disadvantaged and often have the fewest number of years of formal education. Moreover, the low-skill manufacturing jobs for which many public housing residents qualified began evaporating in the 1950s. Suburbanization in the ensuing decades increased the distance between inner-city housing developments and local job markets.

The concentration of extremely poor people in housing projects precipitated a kind of chain reaction in Cincinnati and in major cities across the United States. Since housing authorities partially relied on rents to handle building

maintenance, and since rents were tied to a family's household income, the increases in maintenance costs rose faster than increases in rents. Cutbacks in domestic social spending and widespread fraud at HUD - both of which occurred during the 1980s - also contributed to the physical deterioration of public housing and the social deterioration of public housing's residents.¹⁸

To combat the problems associated with the concentration of poverty in public housing developments, and the spatial mismatch between these pockets of poverty and access to entry-level jobs, HUD's HOPE VI program provides funding for local initiatives that "...lessen concentrations of poverty by placing public housing in non-poverty neighborhoods and promoting mixed-income communities."¹⁹

In the Cincinnati region and in other metropolitan areas where HOPE VI dollars have been used, residents who were displaced upon the demolition of public housing units were often given a choice of tenant-based Section 8 vouchers, movement to other public housing, or movement to temporary housing until the HOPE VI development was completed. In conjunction with the 1996 Welfare Reform Act, public housing residents were encouraged

to find housing nearer to where their jobs were or would be. This further encouraged the spreading out of subsidized housing, and is working to remedy the “spatial mismatch” that was a hindrance for many public housing residents.

While HOPE VI and other initiatives are working to de-concentrate low-income housing, the Low-Income Housing Tax Credit (given by the Internal Revenue

Service and administered to organizations by states) has been seen by many observers as re-concentrating subsidized housing. Incentives for the Tax Credit are only for housing projects with high concentrations of low-income residents. It remains to be seen how HUD’s initiatives in public housing de-concentration will be reconciled with incentives for subsidized housing concentration written into federal tax law.

Key Indicators:

- *Number of subsidized units by agency and location (Figure 11)*
- *Percent change in subsidized housing units by jurisdiction (Figure 12)*

FINDING 4

HAMILTON COUNTY IS EXPERIENCING HIGH DEMAND FOR - BUT LOW SUPPLY OF - HOUSING FOR PERSONS WITH VERY LOW INCOMES.

Theoretically, Hamilton County should not have a problem with homelessness. Based on Year 2000 Census numbers, Hamilton County has enough housing units to put 2.26 people in each apartment, condo, or house, effectively eliminating homelessness.

Of course, such an explanation ignores the fact that potential buyers and rent-

ers must have the means to pay for housing. It also ignores the fact that many housing units are located in areas with high crime rates - making them unattractive to potential residents. Moreover, not all housing is habitable. During the 1990s, a period of economic prosperity, vacancy rates in Hamilton County and the City of Cincinnati actually increased (Figure

13). In 1990, for example, the City of Cincinnati had a lower vacancy rate than the United States as a whole. In 2000, Cincinnati’s vacancy rate was almost two percent higher than the national level.

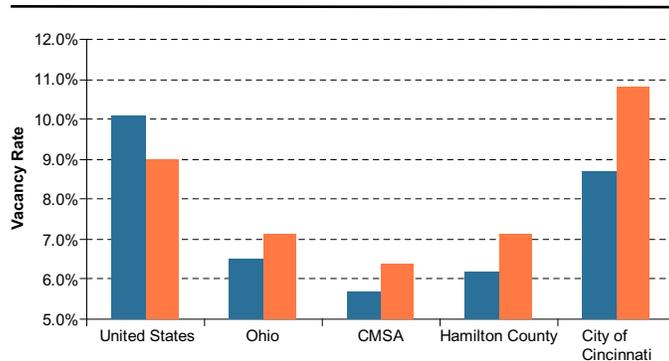
It is in this sense that Hamilton County has both a surplus and a shortage of housing: there has been a rise in the number of vacancies in the County, but growing numbers of people cannot afford to purchase or rent such housing or are not attracted to available low-cost aging units.

Persons who cannot afford to rent housing at market rates must turn to single-room occupancy (SRO) units (typically older, run-

Figure 13
CHANGE IN VACANCY RATES DURING THE 1990s

■ 1990
■ 2000

Source: U.S. Census Bureau



down downtown hotels that rent by the week or month) or to subsidized housing or face homelessness. Though numerous in American downtowns in the 1950s and 1960s, single room occupancy hotels have steadily been demolished since the 1980s as more cities have sought to redevelop their downtowns. A 1999 article in the *Cincinnati Enquirer* cited two SRO advocates' contention that some 1,200 SRO units have been demolished in the City of Cincinnati since the 1970s.²⁰

Facing decreasing numbers of single-room occupancy units, and generally priced out of the housing market, increasing numbers of low-income householders are turning to public housing and Section 8 programs, so much so that the agencies that administer Section 8 vouchers - the Cincinnati Metropolitan Housing Authority and Hamilton County's Department of Community Development - have closed their Section 8 waiting lists.

Why is This Important?

Homelessness impacts the quality of life of not only the homeless person, but all citizens. When a person finds himself or herself homeless, it can be psychologically devastating. Many become depressed and some turn

to crime (usually theft) as a subsistence strategy if they think they will be on the street for an extended period of time.

Conversely, a sizable percentage of the homeless suffers from often debilitating psychological disorders such as depression, substance abuse, post-traumatic stress, or schizophrenia. With federal deinstitutionalization in the 1960s, hospitals dedicated to long-term psychiatric care were essentially phased out.

Recent studies have shown that the provision of more affordable housing (in the form of subsidized housing or SROs) helps to alleviate homelessness and some of the effects of homelessness such as drug abuse, panhandling, and theft. In their paper *The Prevention of Homelessness Revisited*, researchers concluded that,

"...the evidence to date suggests, above all, that the most effective levers for homelessness prevention are instruments of housing and income. Writ large in the form of housing, employment, income maintenance, and tax policy, such broad programs would affect the many rather than the few and lift vagrant boats on the flood tide."²¹

However, the demand for affordable housing has

gone up – increasing even during the boom years of the 1990s. As it is difficult for the very poor to compete for market-rate housing, most turn to the subsidized housing market. Even there, however, people incur obstacles. CMHA's waiting list for tenant-based Section 8 vouchers has been closed since January 2004. Likewise, Hamilton County is no longer accepting Section 8 applications.

The high demand for subsidized housing through Section 8 and other public housing programs indicates that an increasing number of people face homelessness unless more affordable housing is constructed.

Key Indicators:

- *Vacancy rate changes (Figure 13)*
- *Estimated number of homeless persons (Greater Cincinnati Coalition for the Homeless)*

FINDING 5

POTENTIAL HOMEBUYERS WITH MODERATE INCOMES ARE FINDING AFFORDABLE, MARKET-RATE HOMES PRIMARILY IN THE CITY OF CINCINNATI AND ITS "FIRST SUBURBS."

The United States has been enjoying a housing purchasing and re-financing boom since 1997. Much of this is due to low interest rates. This flourishing housing market has benefited homeowners and has buoyed the nation's economy. Nevertheless, dramatic price appreciation, coupled with the slow

pace of income growth, is making homeownership increasingly unaffordable for median-income working Americans, especially those seeking to purchase a home for the first time.

The National Association of Home Builders regularly publishes a *Housing Opportunity Index* that shows

the percentage of houses sold in an area that would have been affordable to a household earning median income. Whereas HUD determines the threshold of "affordability" as being 30 percent of net income, the National Association of Home Builders' affordability threshold is 28 percent of gross income. The index also assumes that the homebuyer purchases a 30-year fixed rate mortgage with a 10 percent down payment.

As shown in Figure 14, the Cincinnati Metropolitan Area was ranked 24th in the national survey. Nearly 84 percent of homes sold in the area were affordable to persons earning median incomes. Greater Cincinnati was also the third "most affordable" large metropolitan area in the country behind Indianapolis and Kansas City. For sake of comparison, the San Francisco Metropolitan Area was least affordable, with only nine percent of that area's homes being affordable to persons earning that region's median income.

While households earning median income can easily buy into the region's hous-

Figure 14
REGIONAL HOUSING AFFORDABILITY, 2000

Note: The interest rate used to devise the index is an average of fixed and adjustable rates during the quarter. Cost includes not just principal and interest, but property taxes and property insurance.

Source: National Association of Home Builders

Metro Area	Share of Homes Affordable to Median Income Households (%)	Median Income (in Thousands)	Median Sales Price (in Thousands)	National Rank (Out of 191)
Indianapolis	88.6	64.1	125	11
Cincinnati	83.6	64.3	125	24
Cleveland	79.9	60.0	123	53
Columbus	78.2	63.4	140	63
Louisville	77.8	56.3	124	64
St. Louis	77.6	61.4	126	68
Pittsburgh	69.4	48.9	101	107

Figure 15
HOUSING AFFORDABILITY THRESHOLD PRICE, HAMILTON COUNTY, 2003

Source: U.S. Census Bureau, Hamilton County Regional Planning Commission

	100 % of Median Income	80% of Median Income (Moderate Income Households)
Annual Hamilton County Median Household Income (2003)	\$42,346.00	\$33,876.80
Monthly Hamilton County Median Household Income (2003)	\$3,528.83	\$2,823.07
Housing Affordability threshold (30% of income)	\$1,058.65	\$846.92
Less: Utilities	-\$250.00	-\$250.00
Less: Property Taxes	-\$141.51	-\$113.21
Less: Insurance	-\$28.00	-\$28.00
Remainer left for Principal and Interest	\$639.14	\$455.71
Maximum Mortgage (6.0% 30 year fixed rate loan)	\$106,603.19	\$76,008.94
Implied Purchase Price with 5% Downpayment	\$112,213.89	\$80,009.41
Implied Purchase Price with 10% Downpayment	\$118,447.99	\$84,454.38

ing market, families earning lower incomes have a much harder time finding a house they can afford to purchase.

In 2004, the median gross income for a household in

Hamilton County²² was estimated at \$42,346 (Figure 15).²³ “Moderate-income” households according to HUD are those earning 80 percent of the region’s median gross income, or \$33,876. At 80 percent

of the region’s median income, before taxes, that household would make \$2,823 a month. Applying HUD’s 30 percent rule for housing affordability (rather than the National Association of Home-

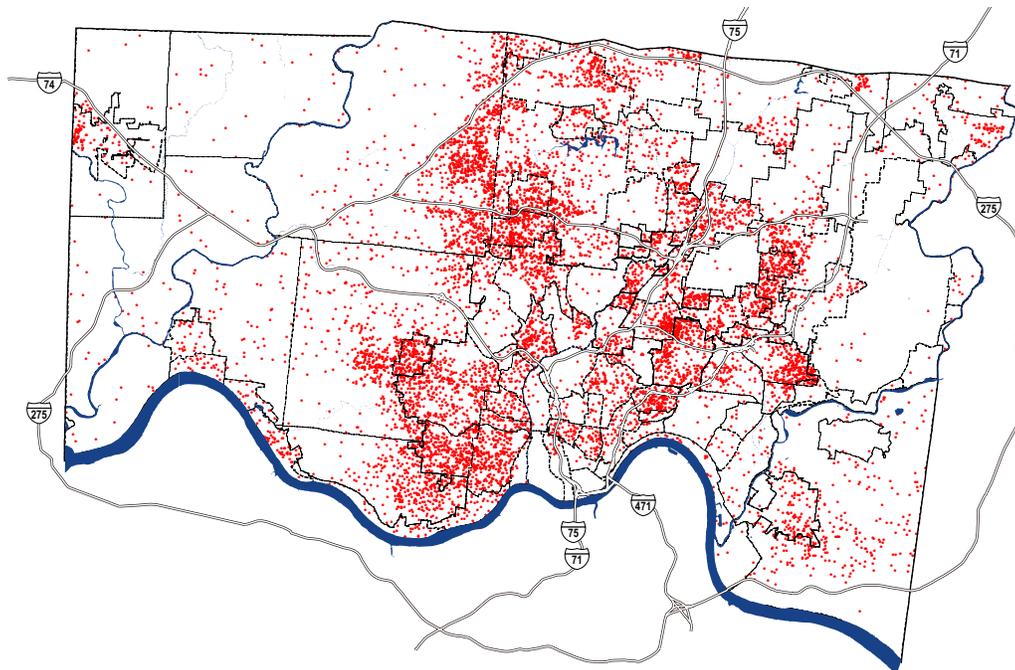


Figure 16
SINGLE FAMILY HOUSING UNDER \$80,000, HAMILTON COUNTY, 2004

● 5 Owner-Occupied Homes < \$80,000

Note: Dots are randomly distributed within each census block group and do not indicate the exact location of housing units.

Source: U.S. Census Bureau

Jurisdiction	Housing Below \$80,000	
	Number	Percent
Elmwood Place Village	385	87.1%
Lincoln Heights Village	430	81.1%
Addyston Village	143	76.5%
Arlington Heights Village	119	64.3%
Lockland Village	427	61.2%
Golf Manor Village	424	52.9%
Woodlawn Village	365	51.6%
North College Hill City	1,201	44.5%
Norwood City	1,486	37.9%
Columbia Township	441	37.2%
Cincinnati City	16,729	34.6%
Cleves Village	231	32.8%
Whitewater Township	221	32.7%
Mount Healthy City	433	31.0%
North Bend Village	47	29.6%
Reading City	757	27.7%
Colerain Township	3,897	23.9%
Cheviot City	507	23.6%
Silverton City	307	23.4%
Springfield Township	2,398	22.0%

Figure 17
HOUSING (OWNER-OCCUPIED) VALUED BELOW \$80,000, HAMILTON COUNTY JURISDICTIONS, 2000

Source: U.S. Census Bureau

builder's 28 percent rule) for the above household, then housing is not considered affordable when monthly housing expenses (for principal and interest on a mortgage; insurance; taxes; and utilities) exceed \$846.92.

Figure 15 computes what would be considered an affordable mortgage given the fixed monthly costs of utilities, taxes, and insurance. Based on this profile, a "moderate-income" household can afford a mortgage worth no more than \$80,009.

Figure 16 shows the location of owner-occupied homes worth \$80,000 or less, and Figure 17 shows the County's top 20 jurisdictions with high proportions of such housing. Many of these housing units are located in Cincinnati and "first ring suburbs" such as Cheviot, Norwood, and North College Hill.

Why is This Important?

Homeownership is generally seen as a positive among many researchers. It provides families with a

sound investment and gives them a direct stake in how their neighborhood will develop.

However, as the median value of a home continues to increase (Figure 18), homeownership may increasingly be beyond the reach of many moderate- to low-income households. Persons with moderate incomes (80 percent of median) may be able to buy housing in the City of Cincinnati or the "first suburbs," but it will continue to be difficult for them to buy into the latest-developing suburb where services such as police protection, schools, and roads are seen as better. In addition, businesses are attracted to these newer suburbs, so continued outward development and concentration of affordable housing near the central city has the potential of exacerbating the spatial mismatch problem between jobs and housing.

If jobs continue to locate some distance away from affordable homes, low- to moderate-income households will have to spend more on transportation. Public transportation exists in Hamilton County, but express routes from suburb to suburb are harder to find and the usage of local routes increases travel time.

Key Indicators:

- *Regional housing affordability (Figure 14)*
- *Housing affordability threshold price (Figure 15)*
- *Single family housing under \$80,000 (Figure 16)*
- *Median value of single-family homes (Figure 18)*

Figure 18
MEDIAN VALUE OF A SINGLE-FAMILY HOME, HAMILTON COUNTY, 1980-2003

1980	1990	2000	2003
\$106,384	\$98,670	\$115,856	\$122,897

Note: The lower median value shown for 1990 reflects the national real estate "crash" of the 1980s caused by declines in market values in many cities. Very high interest rates contributed to the decline.

Source: U.S. Census Bureau, Hamilton County Regional Planning Commission

FINDING 6

THOUGH IT IS DECREASING, RACIAL AND ECONOMIC SEGREGATION CREATES IMPEDIMENTS TO FAIR AND AFFORDABLE HOUSING IN HAMILTON COUNTY.

Though state sanctioning of racial segregation has been outlawed for more than half a century in the United States, *de facto* segregation still exists. Fifty years after the landmark Supreme Court case *Brown v. Board of Education*, racial segregation in public education remains a concern both locally and nationally. Economic segregation is still a factor as minorities compete for but are not proportionately represented in high-level jobs.

In the Cincinnati metropolitan region and many

other metro areas, different races and ethnic groups often inhabit different neighborhoods, if not different worlds. This can quite clearly be seen in Hamilton County wherein, as shown in Figure 19, the western and eastern edges of Hamilton County are highly segregated. There are areas of the County, however (such as Forest Park, Springdale, and the North Avondale community in Cincinnati), where there have been relatively high degrees of racial and economic integration.

As articulated in Community COMPASS's *External Influences* report, the Cincinnati region was identified as the tenth most segregated region in the United States using 2000 Census data.²⁴ This is the case in spite of the fact that residential segregation in the region has decreased over the past two decades, albeit slightly. In 1990, the median segregation index for Hamilton County census blocks was 0.929. According to the 2000 Census, the figure dropped to 0.835.

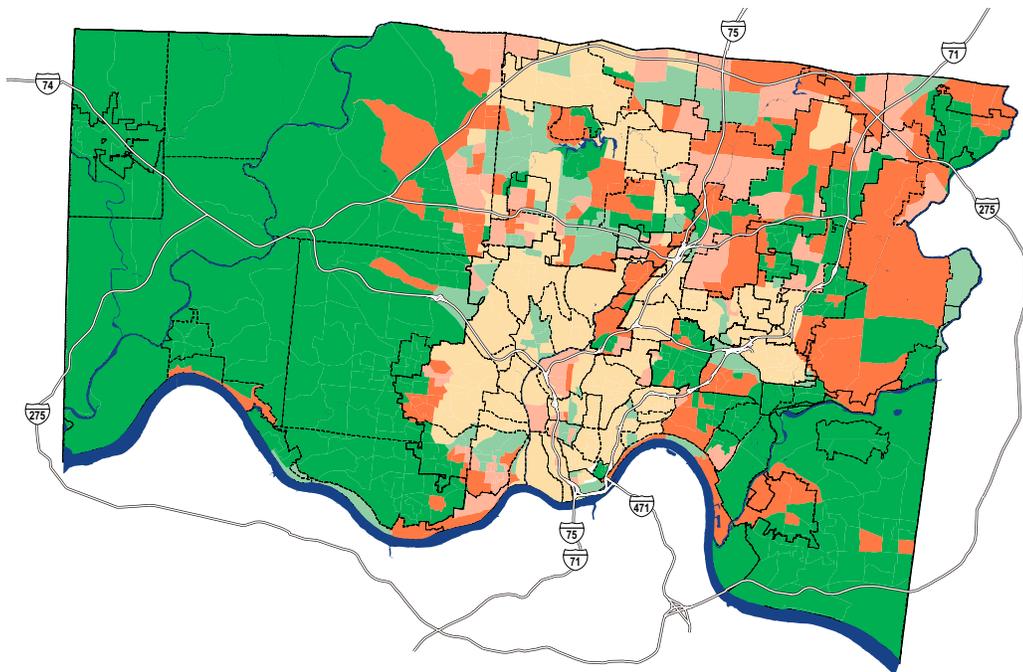


Figure 19
SEGREGATION INDEX
BY CENSUS BLOCK,
2000

- 0 - 0.2 Very Low
- 0.21 - 0.4 Low
- 0.41 - 0.6 Medium
- 0.61 - 0.8 High
- 0.81 - 1 Very High

Source: U.S. Census Bureau, Hamilton County Regional Planning Commission

While there are a host of explanations that seek to explain these segregated housing patterns and continued discrimination, many scholars agree that actions taken by the federal government after World War II did much to help it along.

During the Great Depression, the Federal Housing Administration (FHA) - the federal agency charged with insuring mortgages and setting the guidelines for mortgage underwriting - recommended that underwriters finance the construction of new housing and not lend to housing projects in integrated neighborhoods. In its 1936 *Underwriting Manual*, FHA specified that, "...a change in social or racial occupancy generally leads to instability and a reduction in values."²⁵ In response, most lending institutions identified areas of cities where they would not issue mortgages by denoting them on maps with red lines.

The 1936 FHA *Underwriting Manual* also advocated the enforcement of "racial

covenants," deed restrictions that prohibited the sale or rental of property to all "...except by the race for which [it was] intended."²⁶ In the 1948 case *Shelley v. Kramer*, the U.S. Supreme Court ruled that racial covenants could not be enforced, however the decision did not (explicitly or implicitly) outlaw racially discriminatory practices in the American housing market, so Blacks and other racial and ethnic minorities largely continued to be excluded from suburbia until after 1968, when Title VIII of the 1968 Civil Rights Act (commonly known as the Fair Housing Act) was signed by President Johnson. It can be assumed that the reduction of Blacks in the City of Cincinnati infers some degree of outward movement to the suburbs. As shown in Figure 20, the percentage of Blacks has steadily increased by decade since 1960.

Fair housing choice implies not only freedom from discrimination in housing choice, but the ability to have access to affordable housing in safe neighbor-

hoods. While racial covenants are a thing of the past, impediments to fair housing continue to exist, and these impediments largely stem from impediments to accessing affordable housing. According to a July 2004 report, *Impediments to Fair Housing Choice in Hamilton County, Ohio*, by Steven R. Howe and Associates, some contemporary impediments to fair housing include the low rate of homeownership among ethnic minorities (particularly African Americans), predatory lending practices that work to destabilize neighborhoods with high rates of homeownership, NIMBYism ("Not In My Back Yard" attitudes to fair, affordable housing) and racism.²⁷

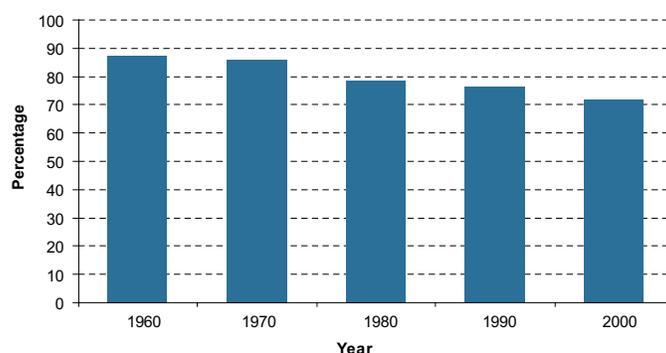
Why is This Important?

As racial minorities, by and large, tend to earn less money than Whites in Hamilton County, their purchasing power is constrained and they find themselves limited as to where in the area they can afford housing. Few of these people can afford to locate in areas with high-quality public schools, which thereby decreases the chance that their children will be exposed to educational innovations early and often.

Impediments to fair housing are not only economic in nature. Explicit dis-

Figure 20
PERCENTAGE OF
HAMILTON COUNTY
BLACKS LIVING IN
CINCINNATI, 1960-2000

Source: U.S. Census Bureau



crimination based on race, ethnicity, sex, and other characteristics very much still exists. A national study conducted in 2000 by the Urban Institute and funded by HUD found that, given similar economic profiles, Whites were favored over Blacks in nearly 22 percent of cases in the rental housing market. The same study found that Whites were favored over Hispanics in about 26 percent of cases in the same market.²⁸ Complaints to the Cincinnati area's main fair housing agency, Housing Opportunities Made Equal, charging racial discrimination in housing increased from 234 complaints in 2002, to 387 complaints in 2003.²⁹

Key Indicators:

- *Segregation Index (Figure 19)*
- *Suburbanization rate by race (Figure 20)*

Working to redress these problems is important because it will not only reverse racial and economic segregation in the short term, but will benefit all citizens in the long run as well. Early research shows that increased racial integration exposes citizens to different points of view and increases inter-racial trust. As reported in the *External Influences* report, researchers found that when persons found subsidized housing in integrated neighborhoods, children of those householders tended to graduate from high school at a higher rate and were more likely to enter college and join the middle class.³⁰

Appendix A

Endnotes

1. Hirsch, Albert A. 1994. "Residential Construction from a Long-Run Perspective." *Survey of Current Business*. 74.6. 30-41.
2. The United States Census Bureau defines a "household" as "all the people who occupy the housing unit." The persons occupying the housing unit do not necessarily have to be related by blood or marriage, but group quarters (non-institutional facilities that house ten or more people such as halfway houses and staff quarters) are not counted as households.
3. See Community COMPASS Report No. 2, *The Community Values Survey*. JANUARY, 2001
4. Though the number of rooms may serve as an adequate variable to explain the size of a housing unit, the variable gives no indication about the size of each room. Such information would provide a better idea about housing unit size. The authors through usage of this variable was adequate, however, because there appeared to be little anecdotal evidence that the sizes of rooms in newer housing units were decreasing.
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Appendix B

Community COMPASS Publications

The following Community COMPASS reports are components of Hamilton County's Comprehensive Master Plan and Strategies. The reports are available at the Hamilton County Regional Planning Commission and can be downloaded at www.communitycompass.org.

1. Project Design -- Scope and Process (Oct. 2001)
2. The Community Values Survey (Jan. 2001)
3. Special Research Reports
 - 3-1. Inventory of Research (2002)
 - 3-2. Conflicting Views on Suburbanization (Sept. 1999)
 - 3-3. Spreading Out: The March to the Suburbs (Oct. 1999; revised 2003)
 - 3-4. Summary Report -- Spreading Out: The March to the Suburbs (Oct. 1999; revised 2003)
 - 3-5. The Use of Public Deliberation Techniques for Building Consensus on Community Plans: Hamilton County Perspectives on Governance (A Guide for Public Deliberation) (Dec. 2002)
 - 3-6. Hamilton County's Comparative and Competitive Advantages: Business and Industry Clusters (Oct. 2003)
 - 3-7. Census 2000 Community Profiles: Political Jurisdictions of Hamilton County
 - 3-8. Community Revitalization Initiative Strategic Plan (Aug. 2003)
4. The Report of the Community Forums -- Ideas, Treasures, and Challenges (Nov. 2001)
5. The Report of the Goal Writing Workshop (2001)
6. The Countywide Town Meeting Participant Guide (Jan. 2002)
7. Hamilton County Data Book (Feb. 2002)
8. A Vision for Hamilton County's Future -- The Report of the Countywide Town Meeting (Jan. 2002)
9. The CAT's Tale: The Report of the Community COMPASS Action Teams (June 2002)
10. Steering Team Recommendations on The Vision for Hamilton County's Future (Jan. 2002)
11. Planning Partnership Recommendations on The Vision for Hamilton County's Future (Jan. 2003)
12. The Vision for Hamilton County's Future (Brochure) (Feb. 2003)
13. Initiatives and Strategies
 - 13-1. Steering Team Recommendations on Community COMPASS Initiatives and Strategies (2002)
 - 13-2. Steering Team Prioritization of Initiatives -- Methodology and Recommendations (Aug. 2002)
 - 13-3. Planning Partnership Recommendations on Community COMPASS Initiatives and Strategies (revisions, findings and reservations) (Dec. 2002)
 - 13-4. Community COMPASS Initiatives and Strategies -- Hamilton County Regional Planning Commission Recommendations (Jul. 2003)
14. External Influences: The Impact of National Trends on Hamilton County's Future (Mar. 2003)
15. Population
 - 15-1 Summary Report (Nov. 2004)
 - 15-2 Atlas / comprehensive report (2005)
16. State of the County Reports (Key Findings, Issues, and Community Indicators) (Nov. 2004)
 - 16-1 Civic Engagement and Social Capital
 - 16-2 Community Services
 - 16-3 Culture and Recreation
 - 16-4 Economy and Labor Market
 - 16-5 Education
 - 16-6 Environment
 - 16-7 Environmental and Social Justice
 - 16-8 Governance
 - 16-9 Health and Human Services
 - 16-10 Housing
 - 16-11 Land Use and Development Framework
 - 16-12 Mobility
 - 16-13 Executive Summary
17. 2030 Plan and Implementation Framework (Nov. 2004)

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