



AFFORDABLE

HOUSING

THE BASICS

**AFFORDABLE HOUSING
ALLIANCE OF CENTRAL OHIO**



ONE HOUSING CHALLENGE, MANY STORIES!

Housing is affordable if it costs no more than 30% of a family's gross income, including utility costs.

For example, a middle school teacher earning \$67,190 can afford to pay \$1,680 per month for housing. That's equivalent to a mortgage loan for \$188,000** home.





THE [BIG] PROBLEM



AVERAGE CENTRAL OH HOME SALE: \$346,359

Current Interest Rate: 5.92%

Assumed 2.06% Tax = \$750

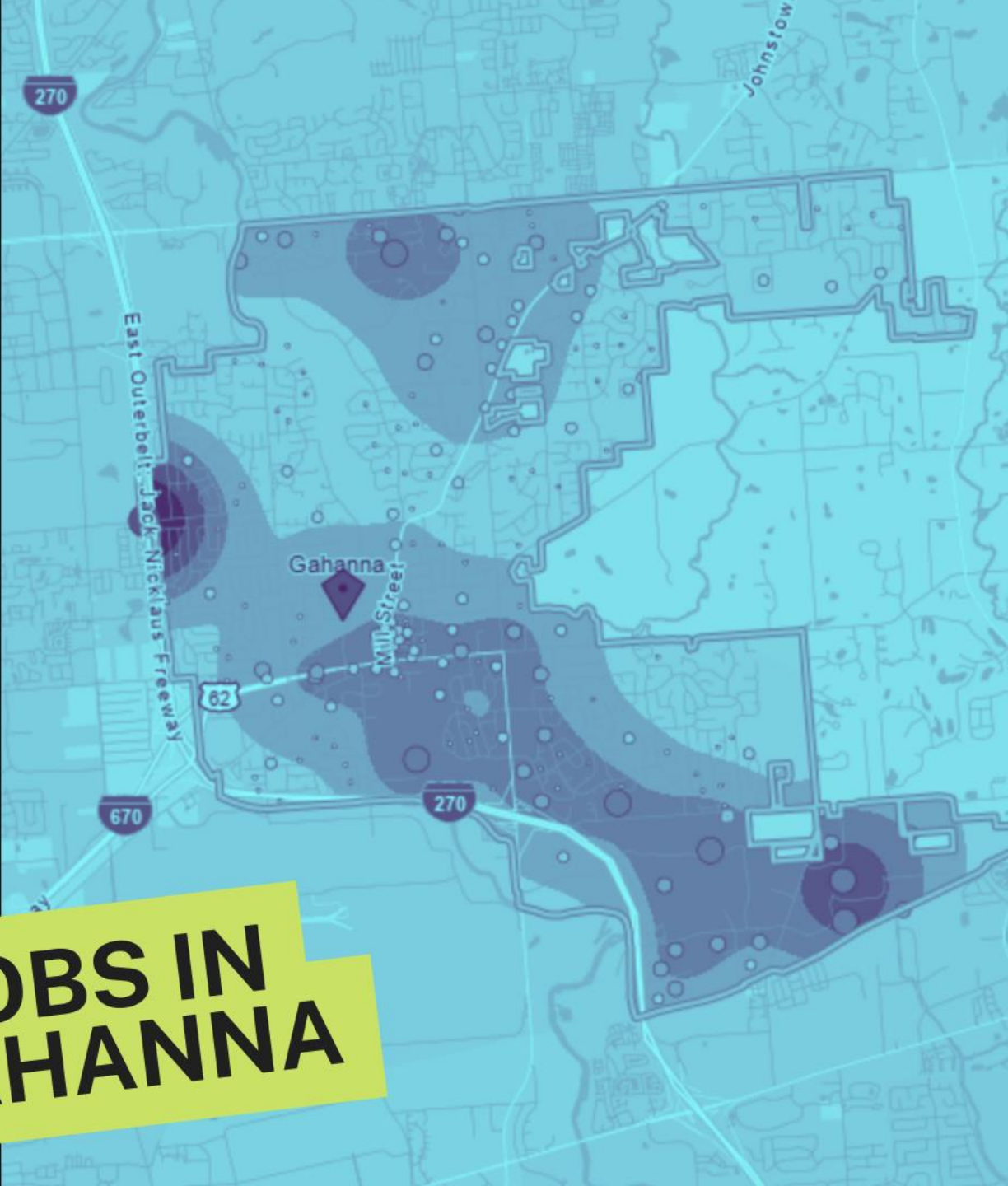
Assumed .75% Insurance = \$216

PITI \$3,026 per month

A Central Ohio resident needs to earn **\$121,047** per year to afford a home at today's average sale price. Would need to work **272** hours per week at minimum wage to afford that is almost seven full time jobs.

On the Map	#Jobs	%Jobs
\$1,250 per month or less (below minimum wage*)	4,869	18%
\$1,251 to \$3,333/mo (below "housing wage"*)	7,335	27%
More than \$3,333/mo	15,169	56%

**JOBS IN
GAHANNA**



Area Median Income	Annual Income	Hourly Income	Max. Monthly Rent	Example Jobs	Example Program	Example Policy
30%	\$22,650	\$10.93	\$566	Minimum Wage Jobs, Social Security Retirees, Disability Beneficiaries	Housing Choice Voucher	SOI
50%	\$37,750	\$18.22	\$943	Real Estate Agent, Barber, Retail Supervisor, Community Health Worker	Ohio Housing Trust Fund	Pay to Stay
60%	\$45,300	\$21.87	\$1,132	Paralegal, Nurse, Truck Driver, Family Social Worker	Housing Tax Credit	"Renter's Choice" Deposits
80%	\$60,400	\$29.15	\$1,510	Nutritionist, Building Inspector, Public Relations Specialist	Community Reinvestment Area	Right of Refusal
100%	\$75,500	\$36.44	\$1,887	Budget Analyst, School Psychologist, Detective, Supervisor (non-retail)	First Time Homebuyer Assistance	Special Purpose Credit Program
120%	\$90,600	\$43.73	\$2,265	Physical Therapist, Computer Analyst, Judge, Police Supervisor	Central Ohio Community Land Trust	Mortgage Interest Deduction



THE POINT IS

**WE ALL NEED
AFFORDABLE
HOUSING**





WHAT THE DATA TELLS US

THE GAP BEFORE COVID

54,000 households paying more than half of their income to housing costs

GROWING PROBLEM

Franklin Co. should be building 14k+ homes per year, most years it's <11k

UNEVEN IMPACT


There are only 32 affordable homes for every 100 ELI families that need them

WORKING PROBLEM

The "housing wage" in Franklin County is \$19.85/hour for a modest two-bedroom

GETTING BIGGER

Intel is expected to bring 20,000+ jobs to the region in the coming years





80%

Of survey respondents say Central Ohio workers have increased anxiety and mental health challenges due to housing instability that reduce employee moral and productivity.

53% of Housing Employers surveyed say worker turnover and related costs is higher due to housing instability.

Every 100 affordable homes built directly results in \$7.9 million in local income and 122 local jobs

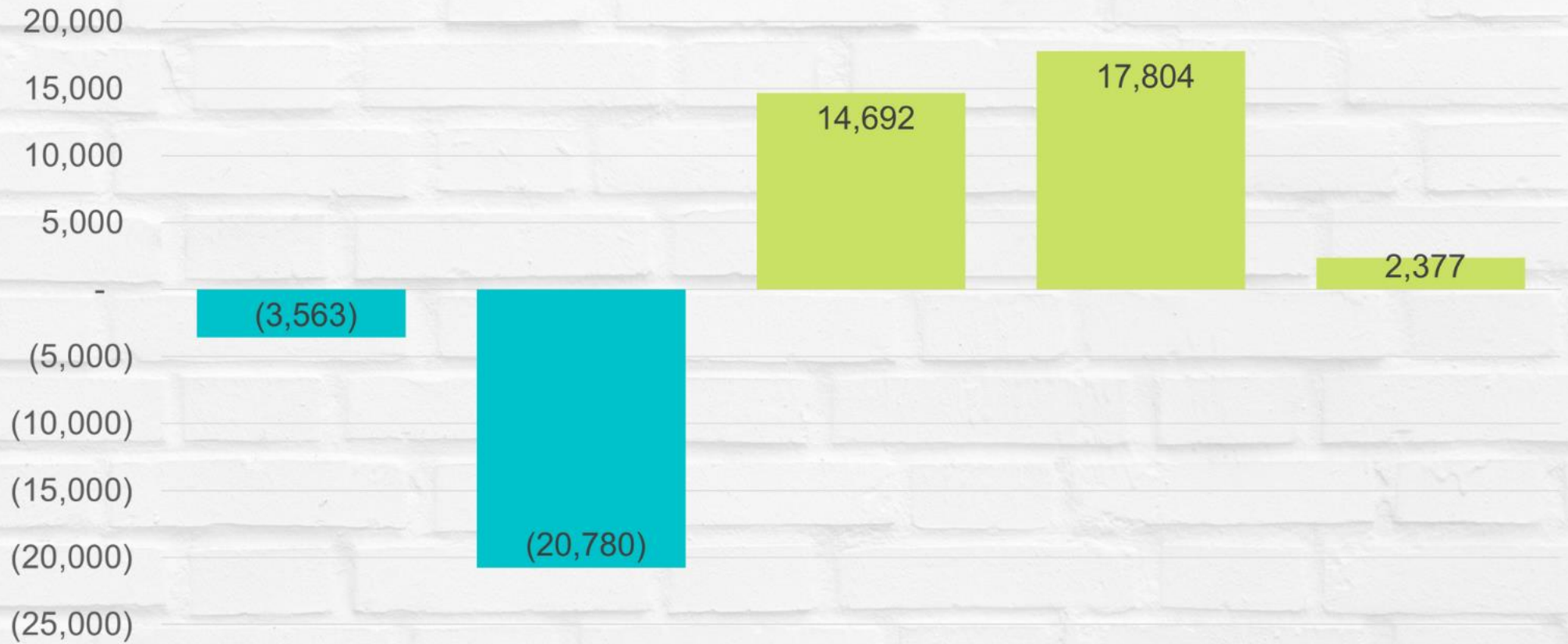


76%

of educators report that housing-related challenges are somewhat or very common among their students.

Nationally, 31% of kids live in a household burdened by housing costs... 5.9 million children are in families with very low income and no housing assistance.

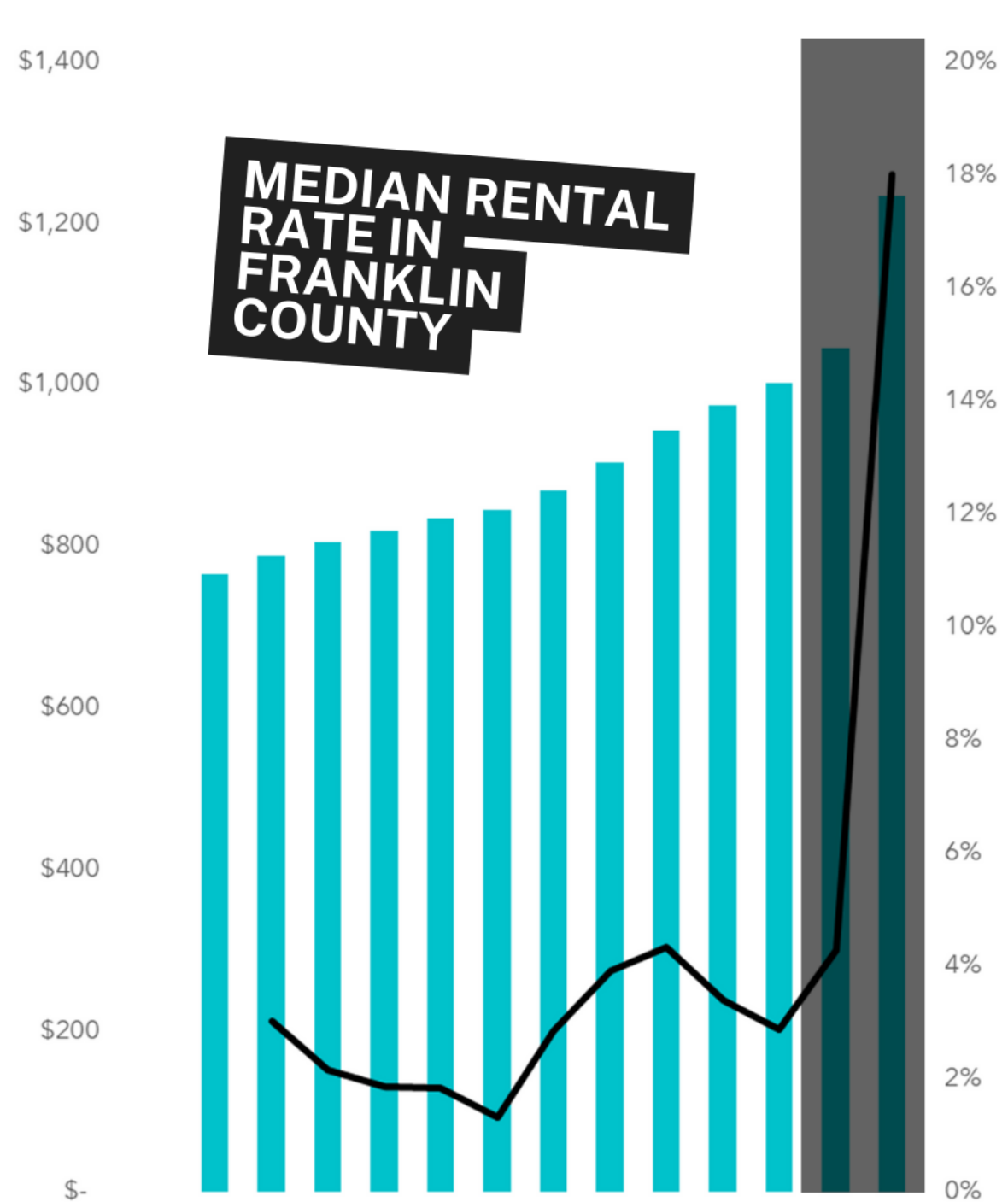
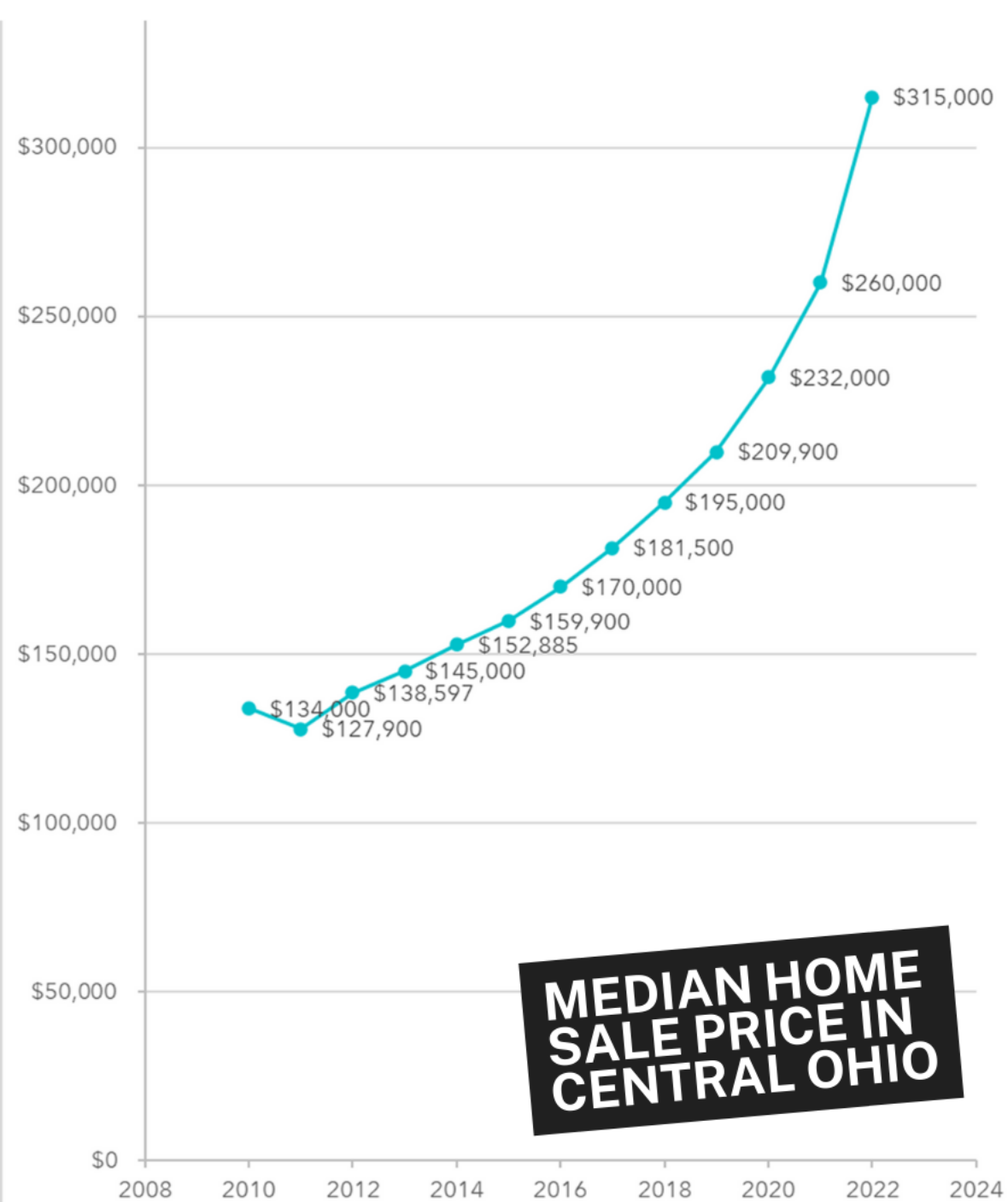
Rental Units Gained/Lost from 2017 - 2020 in Franklin County by Price



IN THREE
YEARS

WE LOST

24,000
AFFORDABLE
RENTAL HOMES



BUILDING

**AFFORDABLE
HOUSING**

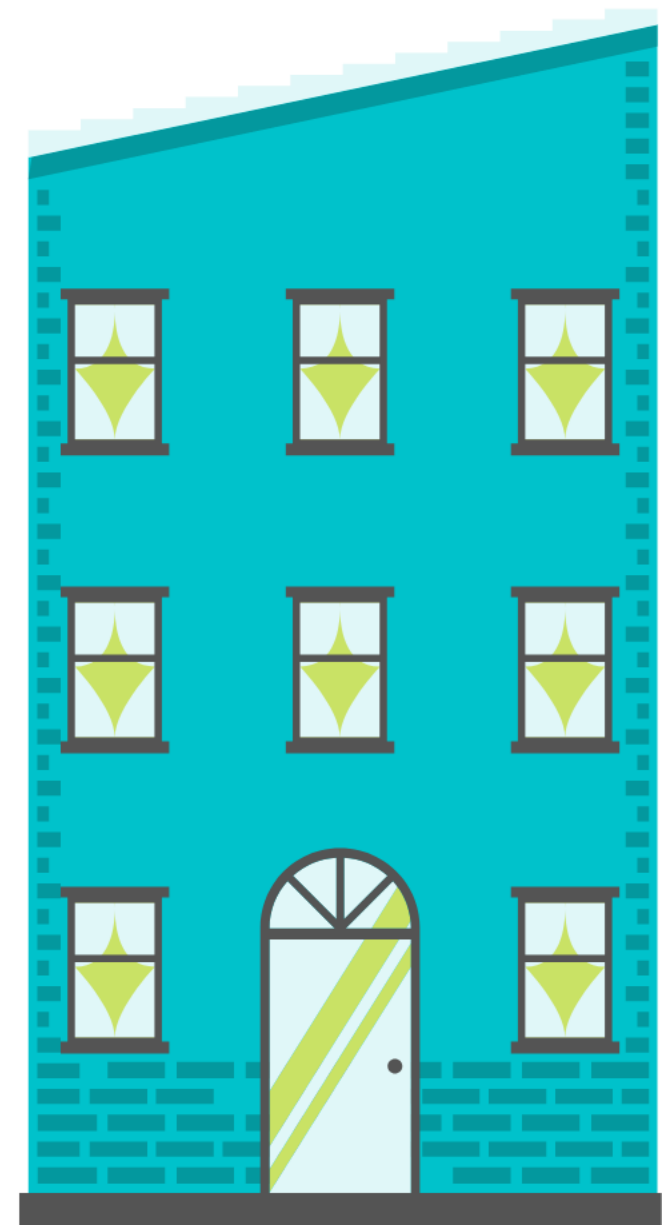
VALUE ENGINEERING

LOW-COST DEBT

CONSTRUCTION GRANTS

OPERATING GRANTS

Say you want to close the gap and build housing for working families... what tools can you access?





BUILDING

AFFORDABLE HOUSING



VALUE ENGINEERING



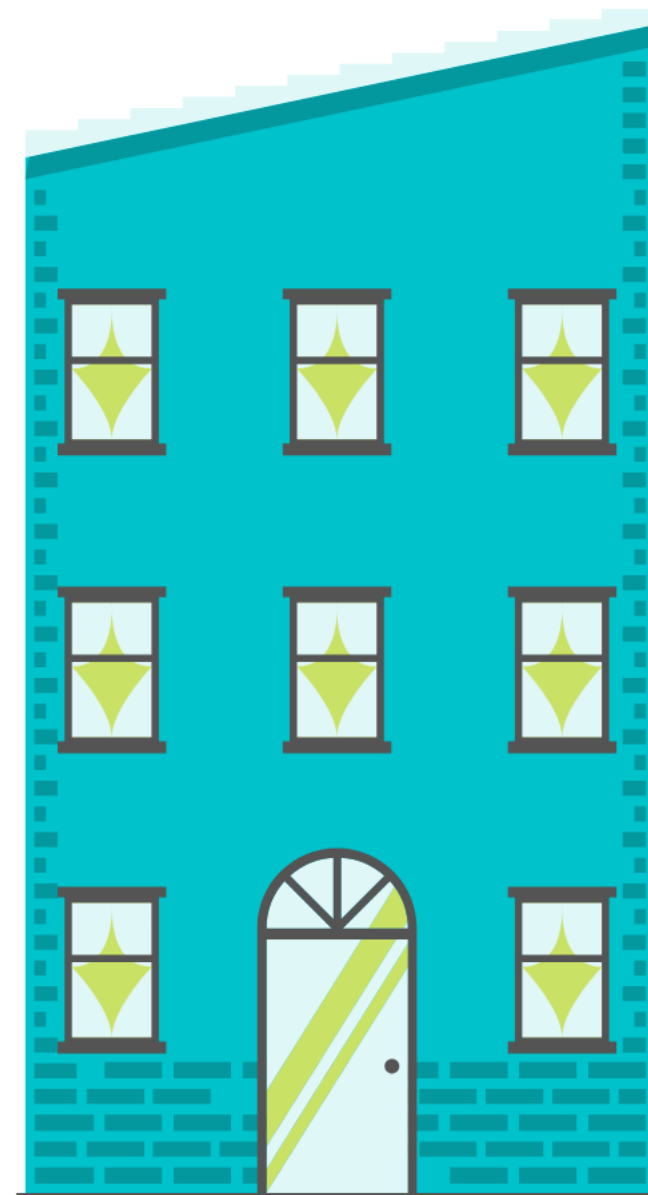
Pros: No external investment is required.

Con: Lots of external approvals are required.

Ex. Affordability Tool: Zoning Modernization.

How Tool Works: Brings government regulation in line with what residents want and streamlines approval processes to reduce carrying costs (creating a savings that is passed on to the renter).

Brings Prices To: About 100% AMI.



ZONING FOR

OUR FUTURE!

Nationally, 70% of residentially zoned areas prohibit all apartments. So, in many areas, entry-level housing is illegal.

Antiquated zoning can reduce affordability by adding design requirements beyond what modern consumers want (the McMansion effect) or adding transaction costs via lengthy or unpredictable approval processes.



BUILDING

AFFORDABLE HOUSING

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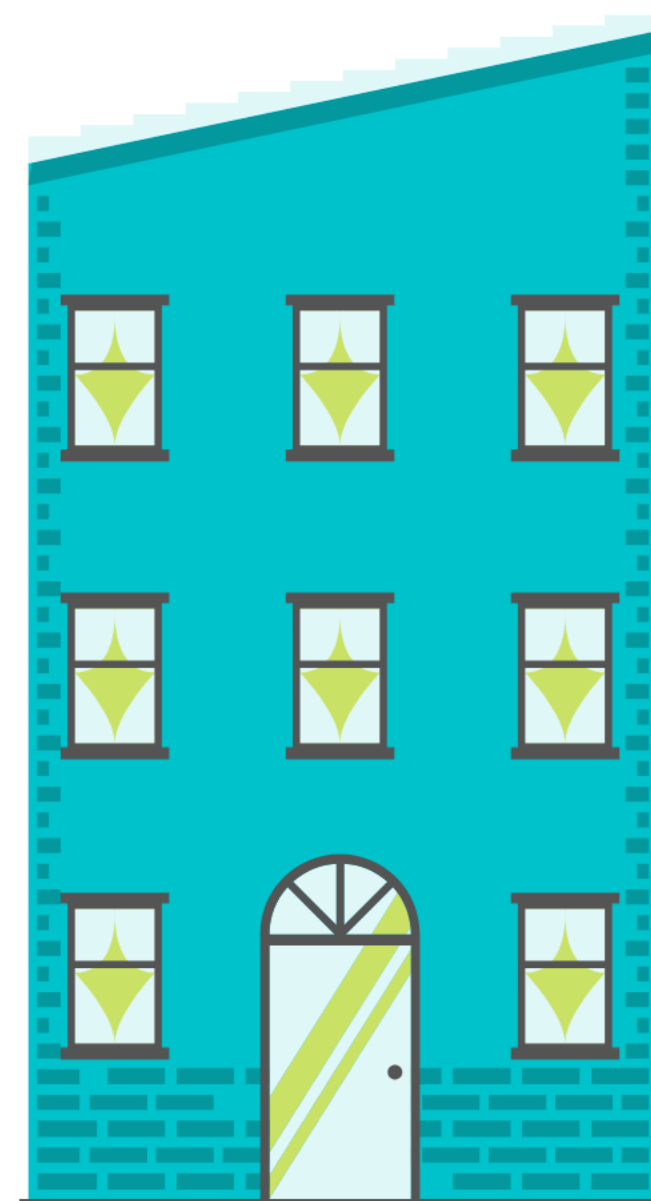
Pros: It's a loan, so resources are recycled.

Con: It's a loan, so resources are repaid.

Ex. Affordability Tool: Housing Trust Funds.

How Tool Works: Allows affordable builders to access lower interest rates and more favorable underwriting terms to borrow money used to build affordable housing. The lower financing costs translate to lower rental rates.

Brings Prices To: About 80% AMI.



BUILDING

AFFORDABLE HOUSING

Pros: Highly impactful.

Con: Incredibly limited, hyper-competitive.

Ex. Affordability Tool: Magnet Fund

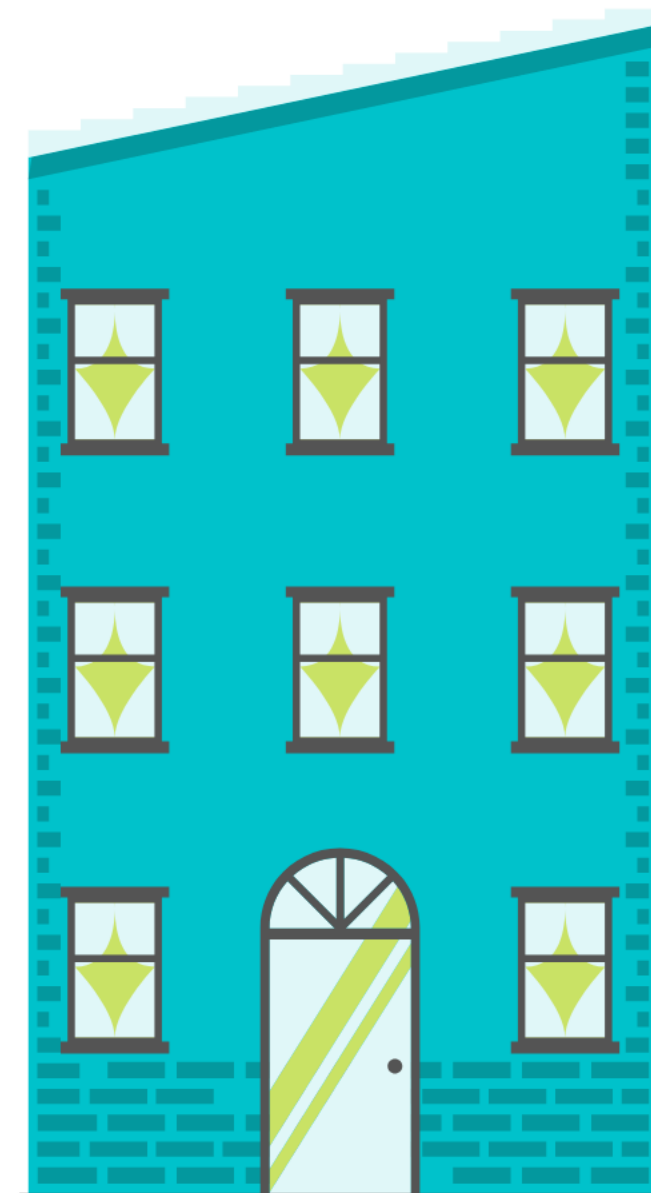
How Tool Works: A portion of Franklin County's conveyance fees are invested into new affordable housing construction, especially in transit corridors. It must be paired with other funding sources to "work".

Brings Prices To: About 60% AMI.

VALUE ENGINEERING

LOW-COST DEBT

CONSTRUCTION GRANTS



BUILDING

AFFORDABLE HOUSING

Pros: Necessary for deep affordability.

Con: Severely under-resourced.

Ex. Affordability Tool: Housing vouchers.

How Tool Works: When paired with the previous tools, it ensures that property owners have the resources to meet operating needs like maintenance, staffing, supportive services, taxes, insurance, etc.

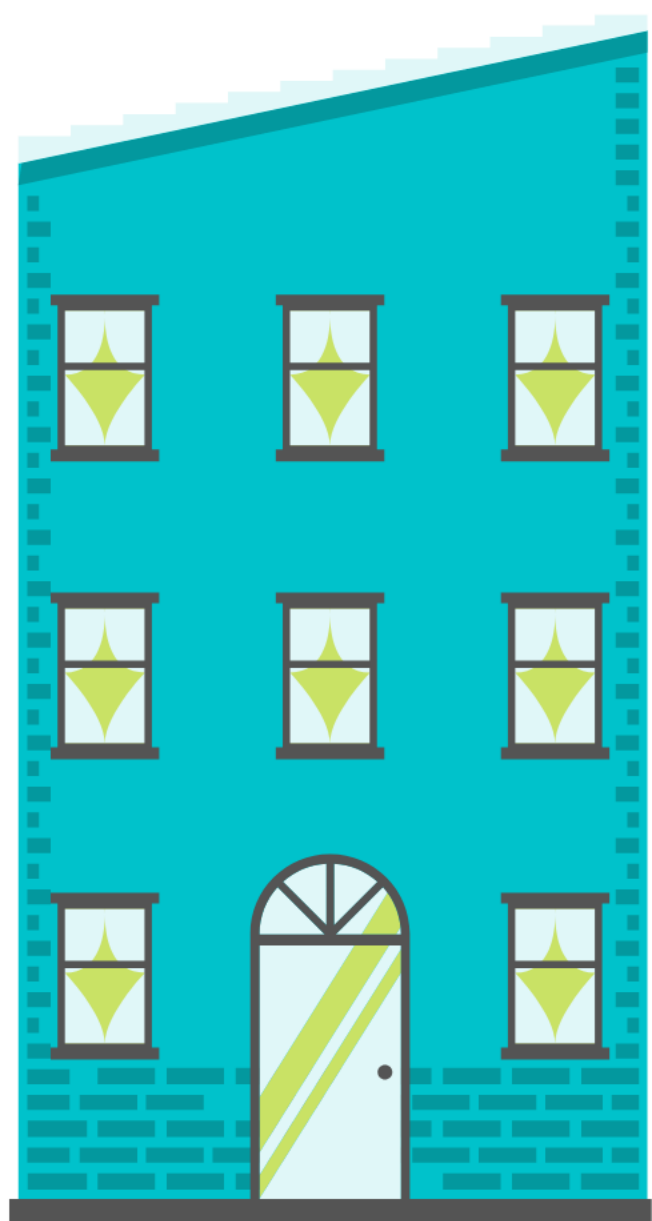
Brings Prices To: About 30% AMI.

VALUE ENGINEERING

LOW-COST DEBT

CONSTRUCTION GRANTS

OPERATING GRANTS





DEEP DIVE

CONSTRUCTION

- The Low Income Housing Tax Credit is the largest low-income housing production program, housing over 2.5 mil households nationwide.
- “Bricks & Sticks”
- Gives investors a federal dollar-for-dollar tax reduction in exchange for equity investments in low-income rental housing, creating a public-private partnership.

LIHTC 101

Non-Competitive Tax Credit

A "shallow" investment, covering about 30% of building costs

Unlimited resource, supports as many projects as can "make the numbers work"

Because more debt is required to make it work, this often supports workforce housing. But, because funds are limited, can support bigger locations.

Competitive Tax Credit

A "deep" investment, covering about 70% of building costs

Very limited resource supports about 30 projects throughout the state each year

Because less debt is required to make it work, this can support deeper affordability. But, to stretch resources, it usually results in smaller buildings.

LIHTC CHALLENGES

Non-Competitive Tax Credit

The biggest challenge for local communities in accessing these funds is the lack of leveraging funds. The areas that are able to increase financial feasibility win the most investment.

Competitive Tax Credit

The biggest challenge for local communities in accessing these funds is the competition. The scoring system is created and updated biannually in the Qualified Allocation Plan.

As a statewide entity, there are many interests the State must balance:

- Urban, Suburban, Rural Needs
- Supporting Special Populations (Elderly, Families)
- Access to low-poverty areas, investment in high-need areas

Who "wins" the competition is governed by lots of different tools:

- Threshold criteria (you-shall's)
- Funding set-asides (guaranteed funding)
- Funding boosters
- Points & Tiebreakers

These influencers cover a broad range of policy objectives:

- Access to amenities like groceries, healthcare, jobs, and transit
- Leveraged funds from local governments and other stakeholders
- Having strong partners, like local nonprofits or service coordinators
- Design features, like accessibility and wellness centers
- Investing in a variety of geographies (like "opportunity" and "revitalization")
- Providing mixed-income housing (both lower and higher cost apartments)

These same considerations often apply to the State's gap funds for the non-competitive tax credit program.

**WHAT YOU
NEED TO
KNOW**

**ABOUT
THE QAP**

LIHTC OPPORTUNITIES

Non-Competitive Tax Credit

Creating gap funding programs so that localities can pull down unlimited resources to support local development objectives.

Using all appropriate tools to support affordability, including CRA/TIFs, expedited permitting, general obligation bonds, and acquisition strategies.

Competitive Tax Credit

Ensuring we can say "yes" to housing where resources converge. Having contemporary land use rules and predictable approval processes.

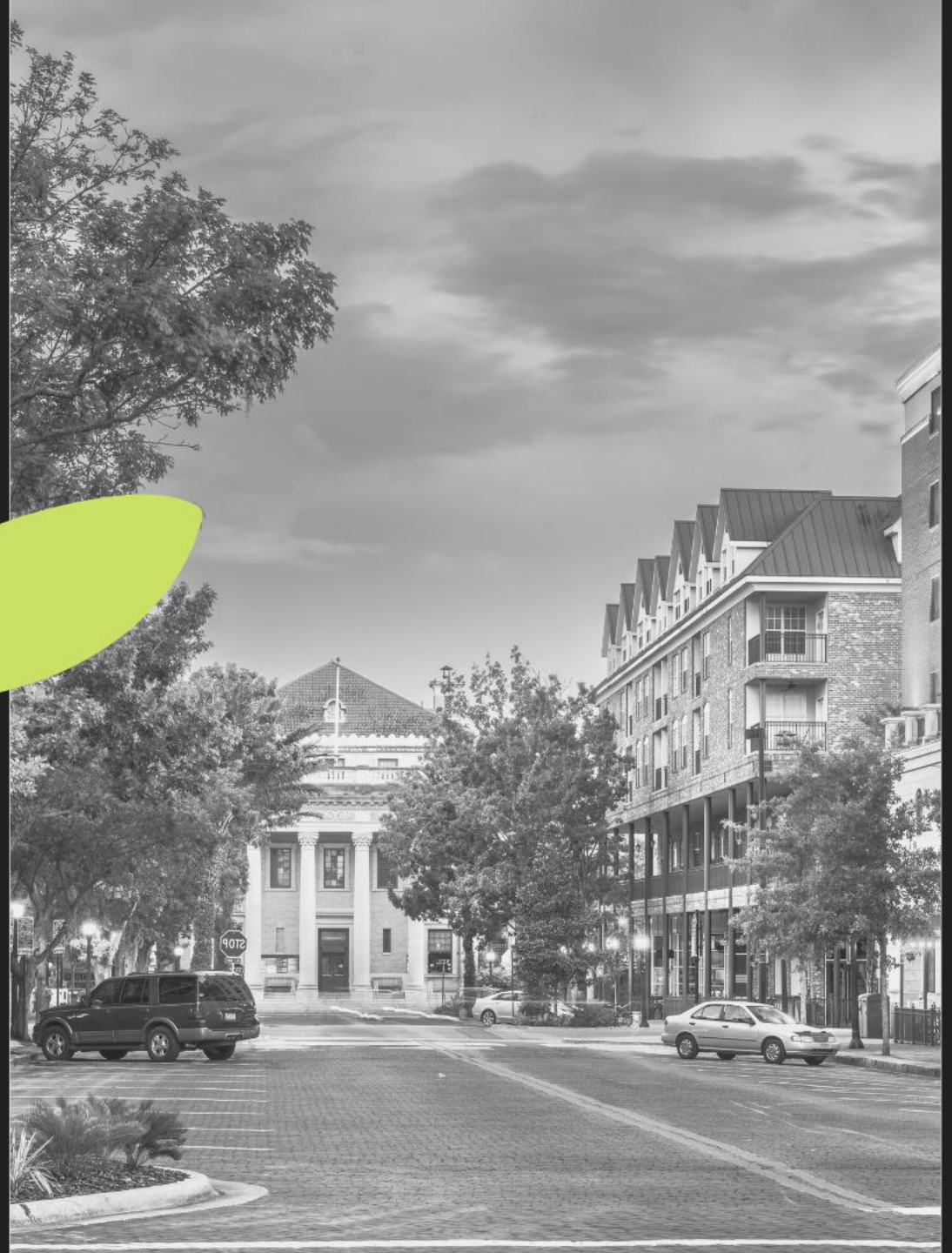
Working with the State to ensure their QAP policy priorities complement local conditions and needs and are not geographically exclusionary.



LIHTC

COMMING UP

Central Ohio is the fastest-growing region in our state. While the QAP recognizes the unique geographic needs of some communities, it has not yet been compelled to recognize the unique growth demands of ours.



54,910 54,635 53,970 51,870 49,975

2017 2018 2019 2020 2021





CRACKING THE CODE

MAKING CENTRAL OHIO A
SUCCESS STORY

- Affordable Housing Bonds
- Franklin County Magnet Fund
- Housing Action Fund
- Updated CRA Policy
- Zoning Modernization
- Emergency Rent Assistance
- Balanced Policy...

SOURCE OF INCOME

Ensures that rental decisions are made on a renter's ability to pay, not on how they earn lawful income.

PAY TO STAY

Codifies the existing common law and mimics mortgage rules to allow renters to catch up on a late payment.



WHERE

CAN WE

GO NEXT!?

CONTACT

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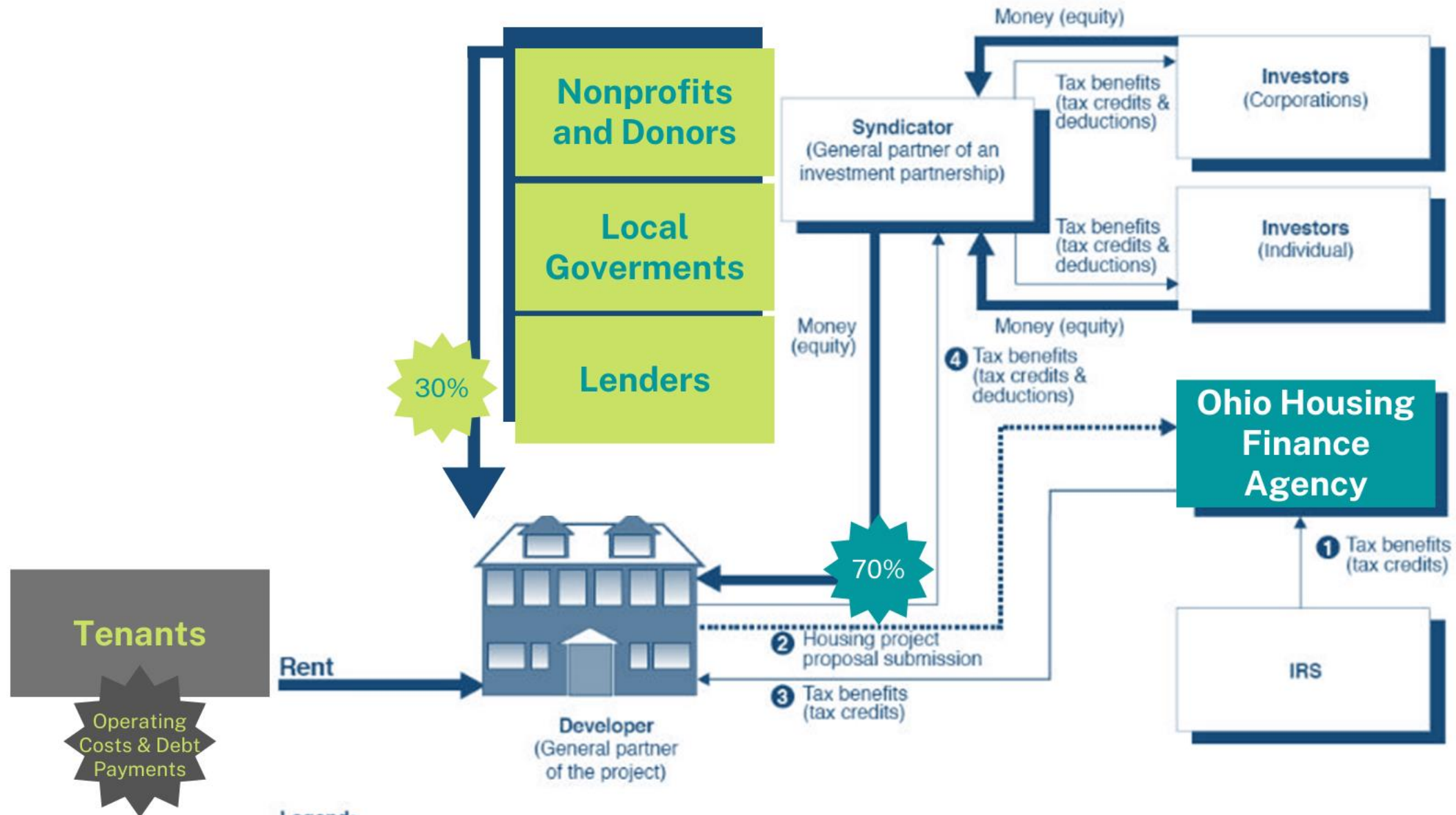
FOLLOW ALONG!



@AffordHouse_OH

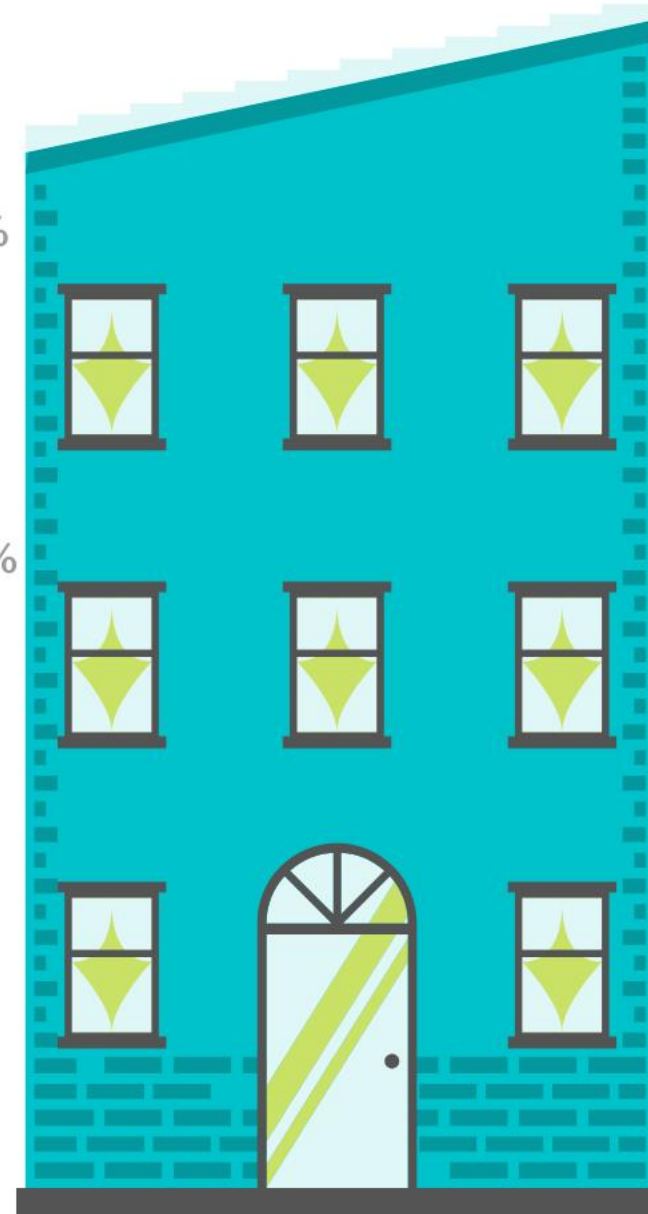


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BUILDING

AFFORDABLE HOUSING



In Franklin County in 2022,
this averages to be about
\$10.8 million to construct an
affordable apartment building