

## **FHAct50 - Cincinnati**

Following the downfall of public housing, efforts shifted to deconcentrate poverty and reverse the negative implications it produced. This concept was popularized by sociologist William Julius Wilson stating, “Concentrated poverty—low-income households living in high-poverty, resource-poor areas—leads to a cycle of diminished life chances for children and adults and to neighborhoods marked by urban decay, and has been used as the basis for mixed-income policies and programs” (Levy 2013). Programs such as HOPE VI and LIHTC were developed in order to encourage market-based solutions rather than the seemingly unsuccessful attempts at public housing.

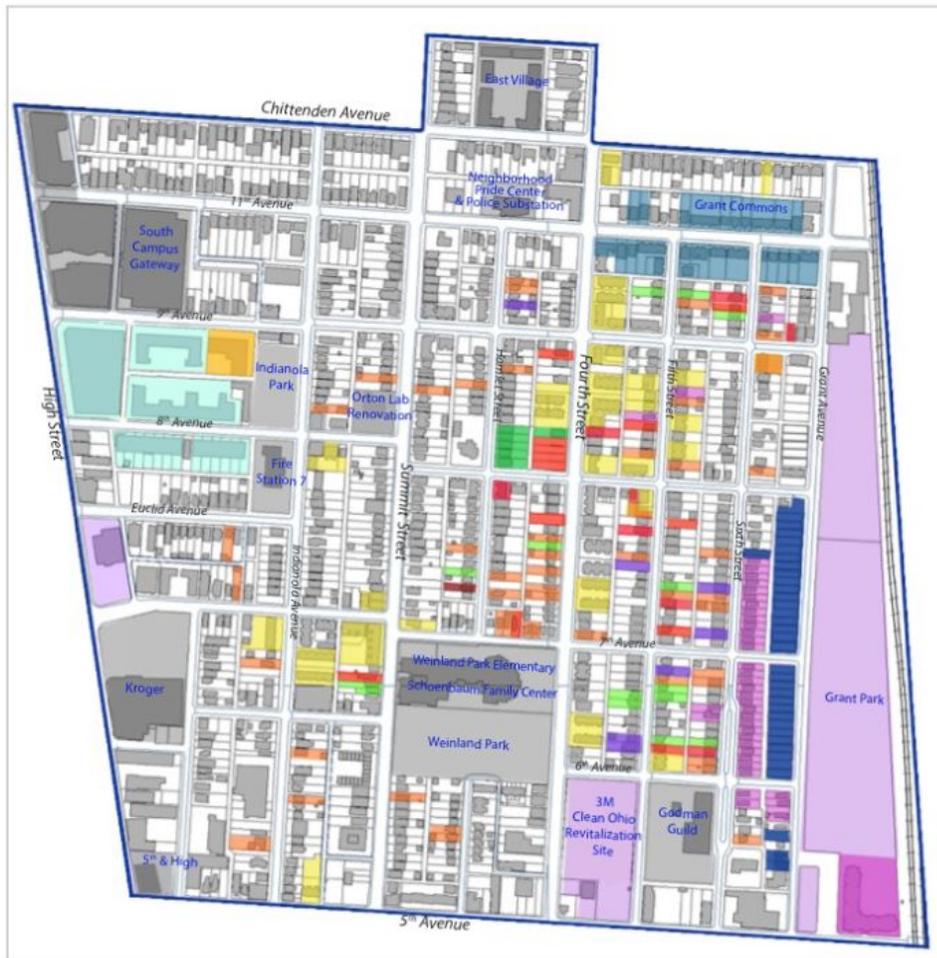
Mixed-income housing is intended to both mitigate the detrimental effects associated with concentrated poverty and spur economic development by integrating higher-income households into marginalized communities. It is theorized that this integration will promote upward mobility through improved social capital and act as a catalyst of revitalization through increased financial investment. This model relies heavily on the assumption that lower-income households will benefit from the integration of higher-income households into primarily marginalized neighborhoods.

Despite the theoretical benefits, the success of mixed-income housing is a difficult concept to operationalize. Critics of the model are wary of the correlation between income integration and upward mobility as few studies show that interaction across income-levels occurs without facilitation. There is also the argument that redevelopment generated by mixed-income development often spurs gentrification, which results in displacement of lower-income households. Oftentimes the perceived benefits of mixed-income housing rely on explicit or implicit bias towards higher-income households, “Although this approach has some merits, it is often implemented in a way that is not very beneficial to low-income tenants and often reproduces, if not exacerbates, existing social and economic inequalities” (Hyra 2013).

However, mixed-income housing has proven to yield successful results across the country, two examples being Weinland Park in Columbus, Ohio and Five15 on the Park in Minneapolis. Weinland Park is a 30 block neighborhood adjacent to The Ohio State University campus. While it is not the model neighborhood for mixed-income neighborhoods, it does provide an attempt in middle America. At one time it had one of the highest crime rates in the city, an issue of growing blight, and poorly managed subsidized housing. With collaboration across many years and sources of support, Weinland Park has been able to provide residents with a better quality of life. The Ohio Capital Corporation for Housing purchased and renovated over 500 privately owned Section 8 housing units, and a non-profit now oversees these properties. Other sources of major investment for the neighborhood come from the Columbus foundation, Ohio

State University, JPMorgan Chase, and Cardinal Health, totaling up to \$2.5 million. This investment, in partnership with community organizations such as the Weinland Park Community Civic association and other community leaders, have made the area a viable mixed income neighborhood. Since reinvestment, market-rate developments have sprung up throughout the neighborhood, but an appropriate number of affordable, AMI moderated apartments and single family homes have remained thanks to local

Recent and Future Housing Investments in Weinland Park (2009 - 2015)



- Community Properties of Ohio project-based section 8 (28 properties)
- New Ownership - Neighborhood Stabilization Program up to 120% AMI (6 units)
- Renovated Ownership - Neighborhood Stabilization Program up to 120% AMI (14 units)
- New Ownership - Habitat for Humanity between 30% - 50% AMI (7 units)
- Lease to Purchase - Low Income Housing Tax Credit Program between 35% - 60% AMI (40 units)
- New Ownership - Grant Park Single Family Homes market rate (41 units)
- New Rental - Grant Commons market rate units (90 units)
- New Rental - South of Gateway Development market rate units (up to 500 units)
- New Rental - Community Housing Network permanent supportive housing (60 units)
- New Ownership - Scattered Site market rate (1 unit)
- Exterior Home Repair Recipients
- Collaborative Owned Scattered Site Properties (25 properties)
- Future Investment (500 - 700 units, commercial and parkspace)
- Completed Investment (82 units of residential and institutional uses)

organizations like the Neighborhood Stabilization Program and the Community Housing Network. The success of this mixed income neighborhood can be seen in the 201 Weinland Park Collaborative Neighborhood Survey, in which residents perceptions of the neighborhood were measured. Neighborhood satisfaction was rated 7.09/10, housing satisfaction was 6.97/10, and 72% of residents said the neighborhood was getting better, and 78% believed they had some sort of a voice in their community. 7% of

respondents felt safe walking or biking in the previously crime-ridden neighborhood, and 93% said the neighborhood had housing to accommodate different incomes and family sizes. Overall., Weinland Park is a mixed income neighborhood that has increased its quality of life for the residents successfully through strategic planning, investment, and resident engagement.

Another example of successful mixed-income housing would be in the Minneapolis-Saint Paul metropolitan area. One such project is the “Five15 on the Park” development in Minneapolis that contains 259 housing units in a six-story building, with an affordability mix of 50% market rate to 50% affordable. This success endured significant challenges during development, including 16 separate city council actions spanning over a 10 year period. Over a dozen funding sources were needed to accomplish this project. The mixed-income housing also includes a mix of uses, including 6,000 sq. ft. comprised of retail, office, community, and restaurant space. The project finished with a total cost \$52.5 million. Of the 50% units that are affordable, 30% are rented out to individuals that earn 60% of the area median income (AMI) and 20% of the units are rented out to those earning 50% of the area median income.

These examples demonstrate that the hypothesized benefits of mixed-income housing can come to fruition if the project is carried out with careful intentionality. The following report identifies two key goals of the FHAct50 mixed-income housing project in Cincinnati along with potential metrics that could be used to measure the success of those goals. This is followed by a discussion of the many ways neighborhood boundaries are defined. The chosen neighborhood, Over-the-Rhine, is then defined with the two metrics in mind to ensure data collection is feasible. The objective of this report is to inform OHFA of potential ways to measure the outcomes of the FHAct50 funding in Cincinnati.

## **FHAct50 Goals**

With the critiques of mixed-income housing and successful case studies in mind, the two goals of the FHAct50 project that were determined to be most important are home stability and affordability. Home stability is essential to a high quality of life. According to Scott Schieman, professor of sociology at the University of Toronto, residential stability allows social capital to increase among residents, which can prove to be especially helpful in disadvantaged neighborhoods (Schieman, 2005). Home stability provides a stable environment for children and adults to focus on economic, academic, and social opportunities to increase quality of life. This is in line with the FHAct50 goals by increasing quality of life for residents, which in turn will create positive externalities in the neighborhood. The second goal of affordability aligns with FHAct50 goals of making the neighborhood accessible. By achieving a balanced ratio of affordable housing to

market rate housing, the neighborhood will be accessible not only to those who want to move into the neighborhood, but the residents who want to stay in the neighborhood.

### **Metric One: Quality of Life Survey**

Public housing was demolished largely due to the distressed quality of life it perpetuated due to disinvestment in neighborhoods selected for public housing, high crime rates, poor design standards, limited funds for building maintenance, etc. (Goetz, 2012). The campaign of mixed-income housing that followed urban renewal was intended to mitigate the negative implications of concentrated poverty, “proponents of mixed-income development argue that such a strategy will help counteract the negative effects associated with highly concentrated inner-city poverty and promote upward mobility among low-income families” (p8, *The Theoretical Basis for Addressing Poverty Through Mixed Income Development*). This is reflected in FHAct50’s core value to not only provide affordable housing but also create positive externalities for residents. The goal of metric one is to measure the impact of those externalities.

Quality of life is arguably the most important outcome to measure the impact and effectiveness of FHAct50. Measuring quality of life will be operationalized by conducting a survey of a representative sample (demographic questions will allow for analysis of impacts across socio-economic groups) of residents in the community. The survey will ask residents to reflect on the comprehensive impact the development has on their lives in terms of financial wellness, health, employment, sense of safety, community engagement, youth development, education and access to quality social services. While all aspects of residents’ quality of life cannot be accounted for in the survey, since quality of life aspects are endless, the goal of the survey is gather a general sense of each resident’s perception of their quality of life in their neighborhood.

According to Joseph, Chaskin, and Webber’s analysis of mixed-income development, despite some promising research, reliance on strategies like informal social control and increased access to higher quality social services via political economy of place should be met with hesitation because of a lack of conclusive evidence explaining the mechanisms of these strategies (388, 395 in *Urban Affairs Review*). Much of the concern over the various theories of addressing poverty through mixed-income development is centered on the efficacy of mixed-income development on lower income residents’ quality of life. Professor Mary Pattillo’s lecture at the Department of Housing and Urban Development highlights the concern about neighborhoods “tipping” from mixed income to gentrified and any structural reforms used to improve residents’ lives going towards the new, upper income residents (2012, 13:10 - 13:40). Levy, McDade, and Bertumen discuss the hypothesized benefits to neighborhoods of urban revitalization, such as increased safety, development of amenities, and improvements to public transportation (2013). While many can identify

elements of an improved neighborhood, it is difficult to determine if those changes actually occur or improve the quality of life all residents. In order to avoid the pitfall of attributing outcomes that did not positively affect the quality of life for residents to this program, an explicit metric of quality of life is necessary.

### **Relation of Quality of Life Metric to Goals of FHAct50**

For the purposes of this development in Cincinnati, the idea of a metric that seeks to understand quality of life in the neighborhood combined with a metric that quantifies whether or not the neighborhood remains mixed-income or tipped towards gentrified will give confidence to the community and FHAct50 evaluators about the effectiveness towards addressing poverty, rather than simply making the neighborhood more visually appealing or mere displacement of low-income residents. In this discussion with our class, Dr. Reece's sentiment that resonated with us most was that the most important aspect of mixed-income housing is the improved quality of life it offers to residents otherwise unable to attain it.

### **Metric Two: Ratio of Affordable Housing to Market Rate Housing**

The other metric to evaluate the success of the FHAct50 initiative in Cincinnati is a ratio of affordable housing units to subsidized units to market rate units in the neighborhood. This metric will allow evaluators to observe whether a mix of incomes continues to remain in the neighborhood, or if the neighborhood has gentrified. The classification of affordability will act as a proxy for the mix of incomes, since the amount of rent a household pays is such a significant expense out of an individual or family's monthly income.

Mixed income communities do require a certain level of balance: "Sometimes, the built environment dictates the income mix within a community. In mixed-income communities, it is important to have housing that serves an array of income types. Occasionally, the income mix is too polarized, with extremely affluent people living next to very impoverished folks. For instance, in a HOPE VI site in the Washington, D.C. suburb of Alexandria, Virginia, households that make more than \$150,000 a year live next to those that earn less than \$15,000 a year. In these situations, the social class difference might be too great to foster common understanding and interests on a range of topics. A housing stock that serves middle-income folks and bridges the two extreme income levels might be important (Chaskin, Khare, and Joseph, 2012; Pattillo, 2007). Mixed-income policies should ensure that high, middle, and low-income people are served by the existing and newly built housing stock in mixed-income communities" (Hyra 2013).

In order to measure the ratio of affordable to market rate units, the rent for an affordable unit will be established at 30% of the area median income (AMI) during the

year data is gathered (U.S. Housing and Urban Development Department). Data about rent prices will be gathered from online rental postings, developers, and the Cincinnati Metropolitan Housing Authority. The ratio of units that fall into the “affordable” category will be compared to units with rents above 30% AMI.

According to “Making Mixed-Income Neighborhoods Work for Low-Income Households”, sustaining mixed income communities is difficult (Levy, McDade, Bertumen, 2013). Many of those who buy market rate housing in the the HOPE VI developments are short-term residents looking for a profit. While some of the subsidized for-sale units are contractually obligated to stay affordable, over time this may change, creating less of a mixed income neighborhood. Calculating the ratio of affordable housing to subsidized housing to market rate housing gives insight into the sustainability of the mixed-income development as time passes.

### Relation of Metrics to Goals of FHAct50

FHAct50 aims to provide housing that is accessible to a range of socio-economic classes. It is crucial to continuously assess whether or not the neighborhood is fulfilling this goal, because reverting to market rate housing will spur gentrification. By calculating the ratio of affordable housing to subsidized housing to market-rate housing, OHFA can evaluate whether the neighborhood remains accessible to a variety of income-levels (a relatively even ratio of the three categories), or if the neighborhood’s housing market is only available to those who can afford market-rate housing. Additionally, ensuring proportionate market rate housing and affordable housing aligns with the goals of the Over the Rhine 2002 Comprehensive Plan (See projected figure).

Total Housing Units In Over-The-Rhine				
Rental or Mortgage Costs	1-5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years
<b>Market Rate Housing</b>				
Unlimited	20%	20%	20%	25%
61% to 100% of AMI (\$60,500 in 2001)	20%	20%	30%	25%
<b>Affordable Housing</b>				
31% to 60% of AMI (\$36,500 in 2001)	20%	35%	25%	25%
Up to 30% of AMI (\$18,150 in 2001)	40%	25%	25%	25%

### Defining Neighborhoods

Neighborhood boundaries have remained an important and difficult topic in planning and other social sciences over the years. Measuring neighborhoods to understand and solve social issues raises the question of the actual geographic boundary being used to select the households for data collection. Neighborhoods as reflections of social processes require additional scrutiny of chosen boundaries so that the correct information is gathered and analyzed in order to be truly meaningful for

research. A Planning Advisory Service (PAS) report from 1960 notes that cities with rugged topography, such as Cincinnati, have less disputable neighborhood boundaries (Allaire, 1960). The report notes that physical boundaries, natural or not, tended (at the time of the report) to serve as justification for boundaries. This understanding of boundaries is an important piece of the literature because of the historical significance of an old neighborhood such as Over-the-Rhine. The neighborhood has been historically accepted as based on physical features such as the hill separating it from the CUF neighborhood, which is historically populated by University of Cincinnati students. Despite the acceptance of physical boundaries in many Cincinnati neighborhoods, fixed (administrative and census) neighborhood boundaries raise the concern that residents at the edges of a boundary are more influenced by surrounding neighborhoods than their administrative boundary or census tract (Coulton, 2012).

In the interest of reflecting socially accurate geographies to produce meaningful research, a significant amount of literature has described non-fixed boundary delineation. Some techniques are outlined below. One alternative technique used to define neighborhoods is community mapping exercises. This technique can take a variety of forms, but typically a sample of residents draw a map of their neighborhood and then those maps are overlaid to find areas of consensus. The maps are reviewed by local stakeholders who examine the resulting maps for face validity (Coulton, 2012). Person-centric buffers generated with GIS are drawn around various residences and researchers test the effect of neighborhood effects of interest. By overlapping the buffers around various residences, researchers find more evidence of certain outcomes, which suggests that variable neighborhood boundaries are less susceptible to issues found with fixed boundaries (Coulton, 2012).

Pedestrian street networks can be identified by researchers by utilizing main roads as boundaries. These networks allow neighborhoods to be identified through “social processes and everyday life” (Coulton, 2012). Researchers have found designating neighborhoods based on demographic homogeneity to be useful and favorable to fixed, administrative boundaries. Researchers can further refine their boundaries by imposing constraints like size and landmarks to ensure the usefulness of the neighborhood definition (Coulton, 2012).

### **Over-the-Rhine**

The Over-the-Rhine (OTR) neighborhood has undergone a renaissance over the past 10 years. The neighborhood was once riddled with gangs and violence. Now the neighborhood is home to some of the highest costing homes per square foot in all of Cincinnati. The popularity of the neighborhood has caused the displacement of residents as they are unable to afford the rising rents to live in OTR. According to the Community Building Institute, 61% of rental units had rents that were considered

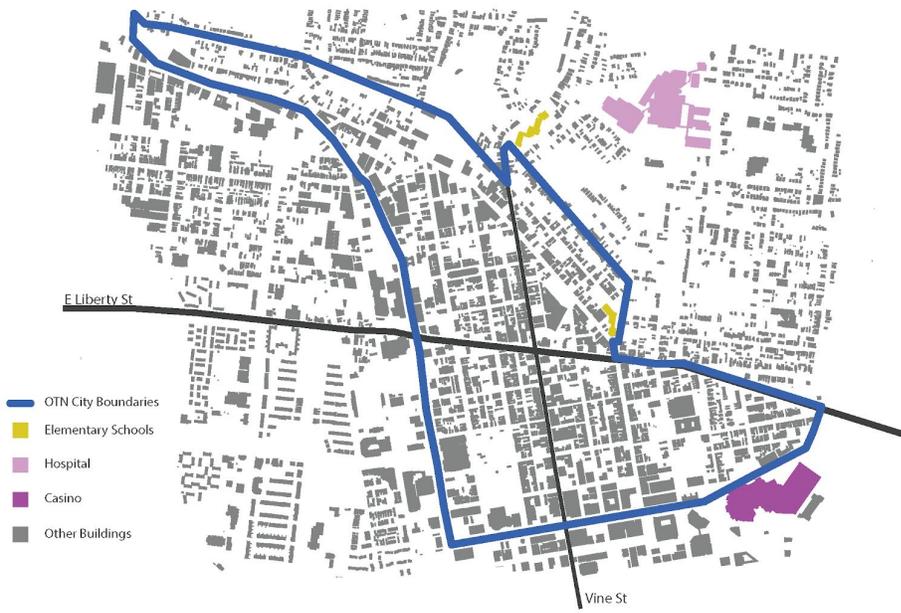
affordable to households earning under under 30% of the AMI in 2002. In 2015, only 17% of rental units were priced at a level that is considered affordable to households earning up to 30% of the AMI. The Over-the-Rhine neighborhood is poised to continue adding market-rate units, potentially at the cost of current residents being displaced. The funding from FHAct50 will allow the renovation and new construction of affordable housing, limiting the displacement of low-income residents.

The boundaries for Over-the-Rhine include McMicken Avenue to the north, Liberty Street to the east, Central Parkway/Reading Road to the south, and Central Parkway to the west. The boundaries for the neighborhood are influenced by the area's socioeconomic and geographical factors, such as Interstate 71/471 to the east, downtown Cincinnati to the south, and the West End neighborhood to the west. North of Over-the-Rhine is the Clifton Heights neighborhood, which targets student renters as the University of Cincinnati is adjacent. Downtown Cincinnati is mainly office buildings and higher end apartments. Both factors signify high income residents and/or high rent prices. In contrast, the West End neighborhood to the west primarily contains low-income rental housing options, offers less commercial usage, and serves a marginalized community. There is also a higher concentration of poverty in the West End neighborhood.

This boundary is important for our analysis because as a result of analyzing the surrounding areas in terms of housing and development, we will be able to compare the amount of affordable housing units and developments in Over-the-Rhine. We will also be able to survey area residents regarding their perception of "quality of life" factors. Lastly, the chosen boundary for the OTR neighborhood is similar to that of the school zone for the local elementary school, Rothenberg Preparatory Academy, and will help gauge the educational satisfaction for area youths.

Over the years, citizens of the Cincinnati downtown area have seen a great amount of revitalization efforts contributed within the defined boundaries of OTR. Adding on to the importance of this selected area, the overall location of the community serves as an excellent destination for Cincinnati to start defining the heart of its downtown area. Its close proximity in relation to the central business district makes OTR perfect for surveying the future growth of the city. With inclusion of the Vine Street corridor, a major road leading to the heart of the Central Business District, OTR's contained boundary becomes a major asset to the city. With concentrated development of this transit corridor within the OTR boundary, Cincinnati could easily start defining what they identify as their downtown area. The importance in analysis of this boundary is mostly identified by increased amounts of attention the city has devoted to the neighborhood. Prior to the current efforts to redefine the community, Over-the-Rhine was primarily viewed to be an unsafe neighborhood within the downtown Cincinnati

area. With the increase in fears of high crime and potential gang activity, homes, businesses and recreational areas within the boundary were given a bad reputation. This past history of OTR is one of the many reasons why the neighborhood is important for analysis.



Rothenberg Preparatory Academy boundaries in brown; Over-the-Rhine boundaries in yellow



As mentioned before, the popularity of Over-the-Rhine has caused the displacement of residents as they are unable to afford the rising rents to live there, with only 17% of rental units being considered affordable to households earning under under 30% of the AMI. The Over-the-Rhine neighborhood is poised to continue adding market-rate units, potentially at the cost of current residents being displaced and continued high eviction rates. Incorporation of affordable housing units can reduce this. As eviction rates lower in OTR, home life stability will rise. We can also conclude that home stability is essential to mixed income housing developments like Over-the-Rhine. Increased home stability for children living in Over-the-Rhine indicates more income, lower rates of poverty, jobs with more regular schedules to be able to monitor after-school hours at home, and a greater community-wide investment in the local school's success. When we are evaluating quality of life, it is important that there be an affordable and attainable housing system, allowing residential displacement to decrease, therefore increasing home stability.



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