



Housing in the Champion City

**Comprehensive Housing Market
Analysis for Springfield, Ohio**

Greater Ohio Policy Center
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Executive Summary

This Comprehensive Housing Market Analysis is intended to provide community leaders in Springfield with a resource to complement housing conversations and policy initiatives already underway, and serve as a touchstone to guide local policy decisions in their continued efforts to address the housing needs of the city. Housing policies adopted over the past few years in Springfield, as well as the convened conversations of community leaders, effectively positions the city to ensure housing options and stability for all current and future residents. The establishment of a multi-sector housing consortium is an essential part of Springfield's recent momentum in addressing the city's housing needs. The continued efforts of these stakeholders to address the current and future housing needs in Springfield will be a vital component to policy decisions undertaken.

To complete this Comprehensive Housing Market Analysis, GOPC segmented the research into three sections: an overview of Springfield's demographics, an affordable housing analysis, and a market-rate housing analysis. The main findings from each are below, with an overview of GOPC's policy recommendations to encourage residential development in Springfield.

Main Findings

Demographic Overview

- **Since 1970, Springfield's population has declined. Since 2013, the number of people living in poverty has also declined.** From 2000 to 2018, Springfield saw a 10.6% decline in its total population. Since a recent peak in 2013, the number of persons in poverty has continued to decline. However, in 2017, nearly one in four residents were still living in poverty in Springfield.
- **36% of Springfield's population earned less than \$25,000 in 2017**, which is well below the affordable housing wage of \$29,240. **An estimated 11% of households have an income of \$100,000 or more a year.**
- **The population of homeowners has declined since 2013, as the ratio of renters to homeowners has shifted following the Great Recession.** In 2007, Springfield's population was 58% homeowners; in 2017, 52% of the population were renters. This shift is likely due to the effects of the Great Recession and shifting preferences of consumers.

Affordable Housing Analysis

- **A gap exists between workforce earnings and median rent.** For a minimum-wage earner to afford a 2-bedroom apartment at fair market rate (FMR), they would have to work 68 hours per week.
- **There is a shortage of housing units affordable to extremely low-income renters (households with an income at or below 30% of the AMI).** In 2015, there was a shortage of 2,585 rental units for the 3,805 extremely low-income renters.
- **22.7% (444 of the 1,952) federally subsidized units in Springfield have contracts that will expire in the next three years.** Over the next ten years, nearly 37% of Springfield's existing federally subsidized rental units will come to the end of their contracts.
- **39% of renters were cost-burdened in 2015 (4,820 of the 12,275 households).** During the 2010 to 2015 period, the total population in Springfield declined 2.4% (-1,491) while the number of cost-burdened ELI rental households grew 5.3% (+155).
- **Nearly 10% of homeowners were cost-burdened in 2015 (1,234 of the 12,285 households).**

Market Rate Housing Analysis

Considering factors such as housing values, rents, incomes, homeownership, and foreclosures, GOPC identified the following market types in Springfield:

- **Market Ready:** Current rents and home values in these areas will support new market-rate development.
- **Poised for Growth:** These areas may have slightly lower housing values but their proximity to employment clusters and market ready neighborhoods suggest new development could be offered at market rates.
- **Middle Neighborhoods:** These neighborhoods are well below market-rate, but show signs of stability. These markets have relatively higher incomes and homeownership.

- **Emerging Markets:** These places are a subset of the middle neighborhoods category. Social and physical assets in the neighborhood mean bold, large-scale projects could transform the neighborhood.
- **Distressed:** These neighborhoods are currently too distressed for market-rate development without substantial subsidies. Stabilization and revitalization in these neighborhoods is important.
- **Downtown:** Downtown Springfield warrants its own designation. This area allows for “urban” living due to its walkability and proximity to jobs and businesses. Continued investment in downtown is likely to encourage residential development.

GOPC firmly believe new market rate housing is needed and will be purchased in Springfield, if the new housing is available at a range of price points, particularly “starter home” prices of \$175,000-\$250,000.

Recommendations

GOPC has laid forth a list of policy recommendations for the city of Springfield’s consideration in their residential housing policy implementation. These recommendations were established from GOPC’s policy expertise, data collection, and developer interviews. Specific policy recommendations are identified later in the report. The main findings include:

Play to Springfield’s Assets

Springfield is rich with anchor institutions, which serve as economic engines of the city. These anchor institutions are Springfield’s educational facilities, which include high schools, career centers, and higher educational institutions; medical facilities; and banking institutions. Springfield is in prime position to leverage these anchor institutions to the city’s benefit to create a pipeline of skilled workers, as well as incentivize homeownership through direct investments and programs.

Springfield’s proximity to neighboring communities and major metropolitan areas, such as Columbus, is an asset the city can use to its advantage to increase homeownership.

Continue Focusing on Downtown Revitalization

Community leaders have taken great stride in recent months to unlock the potential of Springfield's downtown, which serves as a catalyst for revitalization across the city. In addition to serving as a job center for the county, Downtown Springfield has the strong potential to provide mixed-used living that both older and younger generations could enjoy. Currently, residential development projects are underway for condos and rental units. The city's continued commitment to enhance the housing stock in downtown Springfield is a crucial component to further unlocking the potential of downtown. Community Development Financial Institutions (CDFIs) and SpringForward are catalytic pieces to revitalizing Springfield's downtown, and the city's support of these private and nonprofit efforts can position everyone for success.

Support Ongoing and Future Development Projects

Residential development projects underway through Ryan Homes, and the Center Street townhomes in downtown will serve as a barometer for new development in the area. The projected 250 new homes through Ryan Homes and 34 condos in downtown Springfield are being watched by local developers, as well as developers from outside the area. The city's seamless efforts to support these developments, as well as other development underway in the city, holds the potential to encourage new development.

Continue Efforts to Lower Financial Risk

The city's recent expansion of the Community Reinvestment Area (CRA) to nearly half of the city shows the city's commitment to being pro-development. In the future, the city should consider expanding the CRA to the entire city to encourage development in all parts of the city. The city has also utilized Tax Increment Financing (TIF) as an effective tool to encourage development, and should continue to utilize TIF when appropriate.

Protect Housing Investments

The city of Springfield has an alarmingly high number of tax delinquent properties – which are mostly renter-occupied. Nuisance properties and unenforced violations in the neighborhoods discourage investment because of the concern that new development and rehab in properties will not be adequately protected. Establishing a rental property registry and a vacant property registry can help mitigate these concerns. The county Treasurer should also start foreclosing on tax-delinquent problem properties.

The small investment in these registries will be more than paid back in the assurances they provide to developers who rehab or build new property, as shown in other communities similar to Springfield. These registries can also assist the city in efforts to effectively enforce code and act upon nuisance properties.

Encourage More Rehab of Existing Stock

Rehab development can be risky due to the appraisal gap and lack of contractors and developers engaged in rehab in Springfield. The land bank is an essential partner for land acquisition and can expand to the realm of rehabilitation as well. Additionally, resources to maintain and rehab older homes can help homeowners address code violations and improve the value of their properties. Furthermore, policies that continue to the pipeline of contractors and rehabbers are essential to increasing the number of individuals working to rehab older homes.

