

Redeveloping in the Comeback City

A Comprehensive Housing
Market Analysis for
Portsmouth, OH

Greater Ohio Policy
Center | August 2021

Executive Summary



This comprehensive housing market analysis is intended to provide community leaders in the City of Portsmouth with resources to complement housing conversations and policy initiatives already underway, and serve as a touchstone to guide local leaders in their continued efforts to address the housing needs of the community. The City of Portsmouth recently completed and adopted a new master plan and is currently updating its zoning code for the 21st Century, showing that public leadership is ready to plan and thoughtfully enact policies to support redevelopment. Coupled with an engaged civic sector and strong community anchors, this plan supplements ongoing efforts to address current and future housing needs in the City of Portsmouth.

To complete this comprehensive housing market analysis, the Greater Ohio Policy Center (GOPC) segmented the research into five sections: an overview of Portsmouth's demographic conditions; an analysis of affordable housing needs; a market rate analysis, identifying and assigning market types based on neighborhood strengths; themes from interviews with real estate experts and community stakeholders; and policy strategies and recommendations for community leaders. The main findings from each section are below, along with an overview of GOPC's policy recommendations to strengthen the Portsmouth housing market.

Main Findings

Demographic Overview

- Population in the City of Portsmouth has been in decline since 1930, but the rate has slowed. From 2010 to 2020, population declined by 4.8%, compared to a 13% decrease between 1980-1990, and a 7.8% decrease between 1990-2000.
- Median household income in the city is \$29,008, slightly over half of the statewide median. Approximately 9.9% of households earn more than \$100,000.
- By 2019, Portsmouth had become a majority-renter city. In 2010, 51.3% of Portsmouth households were homeowners; in 2019, 53% of households were renters. This shift is likely due to the effects of the Great Recession and new consumer preferences.
- The top two job sectors in 2018 were Healthcare (43%) and Educational Services (11%).

Affordable Housing Analysis

- For a minimum-wage earner to afford a 2-bedroom apartment at fair market rent, they would have to work 62 hours per week.
- There is a shortage of rental units available to the lowest-income renters. In 2017, there was a shortage of 490 units for 1,915 extremely low-income renter households.
- 47% of renter households and 17% of owner households spent more than 30% of their monthly income on housing. Cost burden leaves families vulnerable to economic shocks and at heightened risk of eviction or homelessness.



Market Rate Housing Analysis

Considering factors like sale values, homeownership rates, delinquency, and vacancy, GOPC identified the following market types in the City of Portsmouth:

- **Stable:** these neighborhoods exhibit high rates of homeownership, healthy sales prices, and the lowest rates of housing distress indicators.
- **Emerging Market:** sales values and homeownership rates in these neighborhoods are slightly lower than those in Stable areas, but remain well above citywide levels.
- **Middle Neighborhood:** these neighborhoods show higher rates of housing distress indicators. A considerable amount of transfer activity occurs in these neighborhoods, but at relatively low values.
- **Distressed:** these neighborhoods exhibit high rates of code violations, long-term vacancy, and delinquency. Sales often close under \$35,000.
- **Downtown and Commercial/Industrial Hubs:** these two market types are distinct given the prevalence of commercial uses within the neighborhoods. Lower rates of homeownership and zoned residential land mean that any intervention made in these market types should be mindful of their urban contexts.

Recommendations

GOPC offers a list of policy recommendations for the City of Portsmouth to consider in their residential policy implementation. These policy and strategy recommendations were established from GOPC's policy expertise, data collection, and developer interviews. Specific policy recommendations are identified later in this report. The main findings include:

Ensure the City is Open for Business

The City of Portsmouth has a number of tools already in place to aid revitalization efforts, including tax abatement zones for new development, downtown redevelopment districts, and a number of cultural and entertainment district designations. Making city operations and tools more accessible to current residents and prospective builders can bolster existing efforts and potentially spark new development activity. Going further by modernizing the city's zoning code and establishing new incentives for residential development can fill the identified gaps in housing supply and quality.

Understand the Quality of Portsmouth's Housing Stock and Pro-Actively Work to Stabilize It

City leadership has shown an early commitment to improving the quality of Portsmouth's housing stock by investing in integral functions, like code enforcement. Building the knowledge base of the code enforcement department will set the agency up for success when planning engagement and intervention with property owners across the city.

Protect Homeowners and Occupied Homes

Low property values present a unique opportunity to grow homeownership in the City of Portsmouth. To do this, public and private partners will have to work to preserve and improve the quality of the city's existing housing stock while engaging potential new homeowners.

Secure Future Opportunities Through Site Control

The City of Portsmouth owns a considerable amount of land through direct municipal ownership and the city's Land Reutilization Corporation. Leveraging city-owned property in the Downtown and Boneyfiddle districts for new development can jumpstart the market in key locations. Additionally, land banks have the ability to purchase and hold parcels for long-term land assembly. In stringing together contiguous parcels, the land bank can create a larger site for development in an otherwise built-out city.

Stabilize and Rebuild the Market

Revitalization efforts depend on multi-sector collaboration between public entities, private-sector leaders, anchor institutions, and an engaged civic sector. Establishing a nonprofit partner to focus on property redevelopment can create a process to improve existing low-value properties and introduce them back into the market at competitive values. Property improvement can be tied to incentive programs to reattract former residents or commuters familiar with the area. In the long-term, Portsmouth can utilize its well-connected and organized civic sector to explore exciting and creative solutions to new housing production in a legacy market.

Acknowledgments

This report was generously underwritten by the Scioto Foundation, the Southern Ohio Medical Center, the City of Portsmouth, and the Portsmouth Metropolitan Housing Authority. GOPC would like to acknowledge the following for their significant contributions to this study:

- Tracy Shearer - City of Portsmouth
- Andy Gedeon - City of Portsmouth
- Peggy Rice - Portsmouth Metropolitan Housing Authority
- Craig DeAtley - Century 21 Empire Realty
- Office of the Scioto County Auditor
- Office of the Scioto County Engineer
- Ohio Valley Regional Development Commission

Thank you to the many real estate experts and community stakeholders who took the time to be interviewed and offered their input on the conditions of the city as they see it from their perspective. Thanks as well to the members of GOPC's Housing Executive Advisory Committee and members of an Interested Parties Committee, who lent their expertise on this project by giving feedback and recommendations during the research and writing of this report.

This report was researched and written by Maria Walliser-Wejebe, GOPC Project Manager, and Alison Goebel, GOPC Executive Director.



Introduction

Situated on two busy rivers, the City of Portsmouth quickly became one of the most important industrial cities between Pittsburgh and Cincinnati. The twentieth century ushered in a period of decline, but local leaders have recently taken impressive steps to revitalize the riverside community.

The long-term health of a community is tied to its ability to attract and retain residents. A challenging task at hand, the City of Portsmouth must be equipped to serve residents of broad socioeconomic demographics, age groups, family sizes, backgrounds, and needs. This comprehensive housing market analysis intends to serve as a resource for community leaders as they implement thoughtful policies for the housing needs of City of Portsmouth.

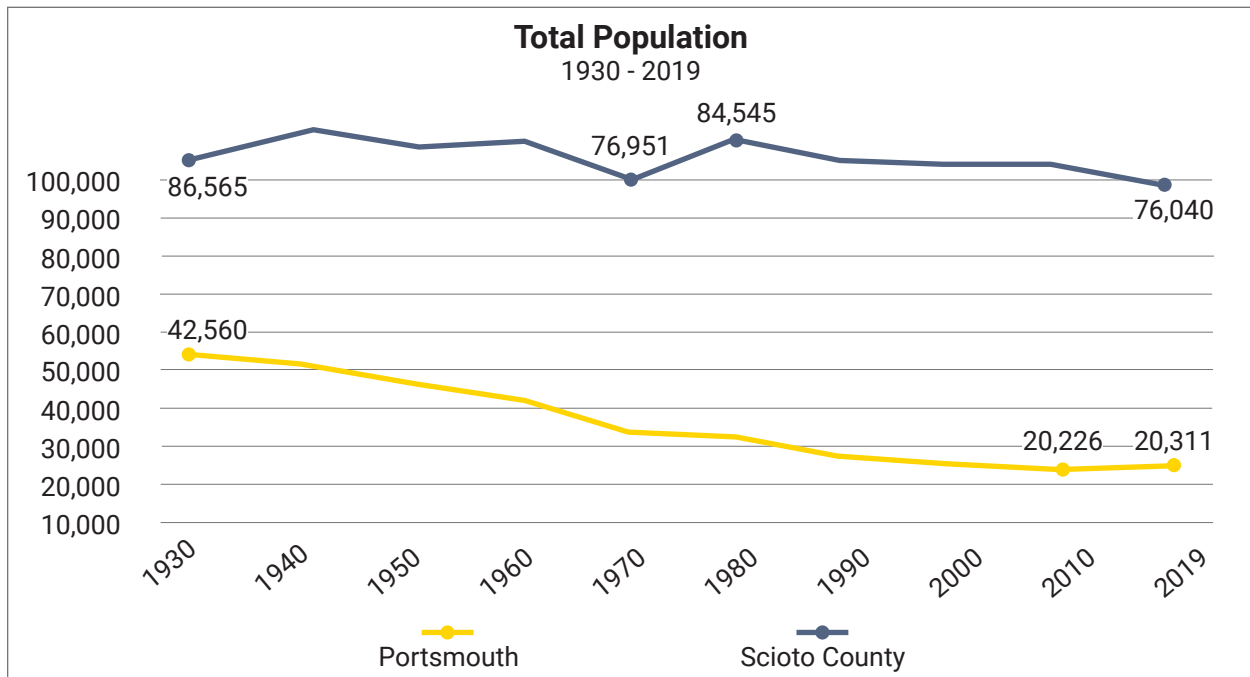
Report Structure

- A **demographic overview** that discusses Portsmouth’s current conditions with regard to its population. This section includes a breakdown for households and family structure, educational statistics, workforce/income and earnings, and housing tenure in the city.
- An **affordable housing analysis** of current demographic, socioeconomic, and housing market trends. This section includes the supply and demand for affordable housing for the general population and special subpopulations.
- A **market rate housing analysis** provides a data-driven analysis of the City of Portsmouth to identify areas of strength for future investments.
- A review of **developer and stakeholder interview themes** provides qualitative perspectives on trends in the Portsmouth market.
- **Policy recommendations** for community leaders based on GOPC’s policy expertise, feedback from local developers, and data collection. These recommendations include “best practices” established by cities similar to Portsmouth. The policy recommendations thoughtfully balance market demand for new housing, while addressing affordable housing needs.

Table of Contents

Demographic Overview	6
Affordable Housing Analysis	13
Market Rate Analysis	24
Market Types	35
Developer and Stakeholder Interview Themes	38
Policy & Strategy Recommendations	44
Appendix	58

Demographic Overview



Sources: ODSA Historic Census Populations of All Incorporated Ohio Places, 1900 to 2010 [File: P009110004]; ODSA Decennial Census of Population by County, 1810 to 2010; U.S. Census Bureau, American Community Survey, 2015-2019 5-Year Estimates; Table ID: DP05

Population

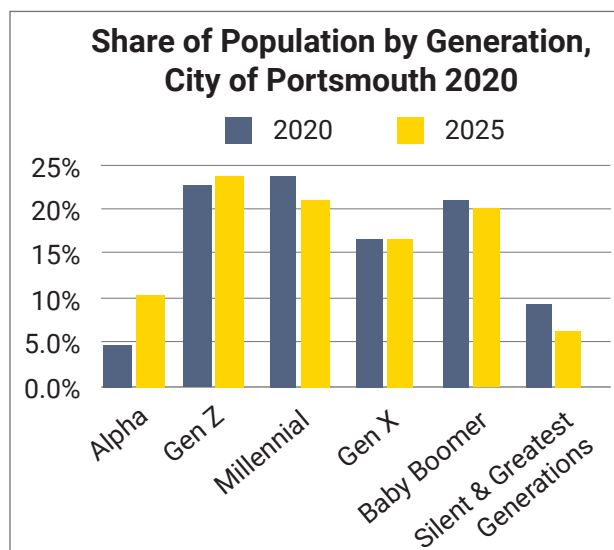
The City of Portsmouth has been experiencing gradual population decline since 1930. Between 1930 and 2000, the city's population declined by 50.9%, and between 2000 and 2019, the city lost an additional 2.9% of its residents. At the same time, population in Scioto County has remained steady in the past 20 years, declining slightly from its most recent peak in 1980. 2019 ACS 5-year estimates cite slight population growth for the first time in 90 years, though further estimates indicate that by 2025, the city may continue losing population. Due to reporting delays caused by the COVID-19, population results from the 2020 Decennial Census were not available at the time of publication.



Total Population, 2000-2025					
	2000	2010	2020	2025	2000 - 2020
Portsmouth, OH	20,853	20,226	19,246	18,736	-7.7%
Ashland, KY	21,980	21,684	21,060	20,587	-4.2%
Chillicothe, OH	22,043	21,901	22,157	22,105	0.5%
Ironton, OH	11,292	11,129	10,549	10,278	-6.6%
Marietta, OH	14,445	14,085	13,389	13,118	-7.3%
Ohio (statewide)	11,353,140	11,536,504	11,829,504	11,968,541	4.2%

Sources: ESRI Business Analyst, Demographic Data; U.S. Census Bureau, Decennial Census

Many peer cities have experienced the same trends in population change; nearly all area peers have undergone similar rates of population decline, with the exception of Chillicothe, OH. All of Portsmouth's peers are also projected to lose more residents by 2025. Residents may leave a community for a variety of reasons. Improving the existing housing stock and setting conditions to support market rate growth can be one way to stabilize, and potentially grow, Portsmouth's population.



Source: ESRI Business Analyst, Demographic Data

As of 2020, the Millennial generation (those between ages 23 to 40, born from 1981 to 1998) comprised the largest share of Portsmouth residents, followed closely by Generation Z. In the next five years, Gen Z (those currently between ages 5 to 22) is expected to become the largest generation in the city.

Racial Composition of Total Population, 2019		
	Portsmouth	Scioto County
White	88.5%	94.1%
Black	6.3%	2.9%
Asian	1.1%	0.4%
Two or More Races	2.8%	1.9%
Hispanic or Latino	1.9%	1.4%

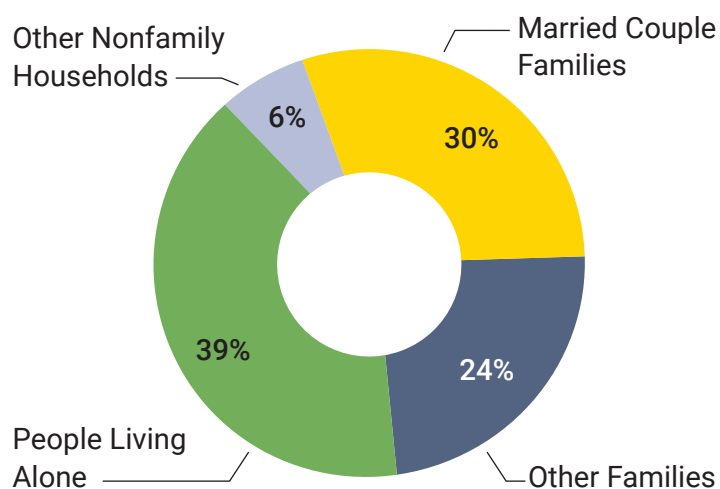
Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates; Table ID: DP05

The City of Portsmouth holds considerable racial diversity, compared to elsewhere in Scioto County. In 2019, 6% of the city population was Black or African American, 1% was Asian, and nearly 2% of the population was Hispanic or Latino.

Households and Families

In 2019, there were 8,582 households in the City of Portsmouth. People living alone made up the majority of household types in the city, followed by married-couple families making up one-third of all households. Other families and other nonfamily households made up 24% and 6% of all households in the city. Of the 8,582 households in Portsmouth, 29.1% include one or more people under the age of 18, and 29.4% of all households include one or more people over the age of 60.

Family Types in the City of Portsmouth



A “nonfamily household” refers to an individual living alone, or sharing their residence with one or more unrelated individuals. Single mothers raising children make up the majority of the “Other Family” category of households. Unmarried partner households can be family or nonfamily households, depending on the relationship of others in the household to the householder.

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates; Table ID: S2501

Education

In 2020, 84.6% of Portsmouth residents aged 25 years or older had attained a high school diploma or GED, and 15.8% of the population had earned a bachelor’s degree or higher. According to the ACS data, of the city’s 3+ population, 12% were enrolled in preschool or kindergarten, 58% were enrolled in grade school/high school, and 30% were enrolled in college or graduate school.

Educational Attainment, 2020						
	Portsmouth, OH	Ashland, KY	Chillicothe, OH	Ironton, OH	Marietta, OH	Ohio
Less than 12th grade	15.4%	9.8%	11.3%	11.6%	9.2%	9.0%
High school diploma or GED	38.5%	29.9%	37.9%	43.1%	35.1%	32.4%
Some college/no degree	23.6%	24.6%	21.9%	22.5%	18.9%	20.4%
Associate’s degree	6.7%	10.4%	7.6%	6.5%	8.8%	8.6%
Bachelor’s or Graduate degree	15.9%	25.4%	21.3%	16.3%	28.0%	29.7%

Source: ESRI Business Analyst, Demographic Data

Portsmouth resembles peer cities in grade school/high school educational attainment, though it lags behind in post-secondary and post-graduate attainment. The city tracks the county and the state in pre-K and kindergarten enrollment, and surpasses county rates in rates of college and graduate school enrollment, likely due to the presence of Shawnee State University.

Educational Enrollment, 2019			
	Portsmouth	Scioto County	Ohio
Preschool/ Kindergarten	11.6%	11.9%	11.1%
Grade School	58.4%	68.1%	62.6%
College or Graduate School	30.0%	20.0%	26.3%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates; Table ID: B14001



Founded in 1986, Shawnee State University has a current enrollment of 3,466 and offers a variety of certificates, 2-year, 4-year, and post-graduate degrees. While not located in the city, Portsmouth residents also benefit from access to nearby Scioto County Career Technical Center, which offers secondary and post-secondary technical instruction. These educational institutions are a critical asset to the community and should be leveraged when considering a comprehensive housing strategy.

Income and Earnings

The median household income in the City of Portsmouth was \$29,008. An estimated 44.6% of households earned an annual income below \$25,000, and an estimated 9.9% of households earned an income of \$100,000 or more a year.

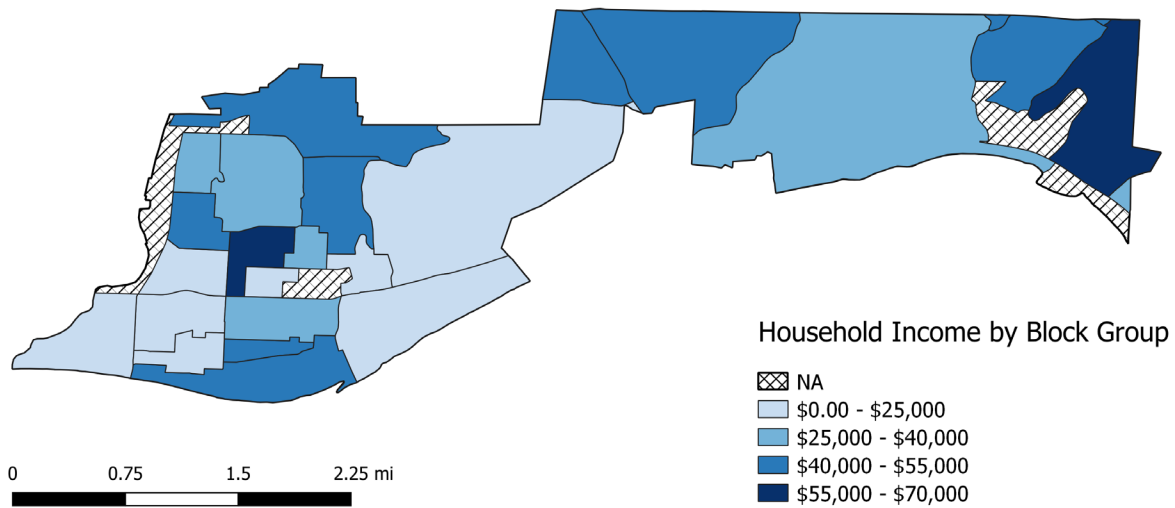
Household Income Distribution, 2020						
	Portsmouth, OH	Ashland, KY	Chillicothe, OH	Ironton, OH	Marietta, OH	Ohio
Less than \$15,000	29.9%	22.2%	16.3%	21.9%	21.1%	11.4%
\$15,000 - \$24,999	14.7%	10.5%	15.9%	14.6%	15.0%	9.5%
\$25,000 - \$34,999	11.5%	9.4%	12.0%	14.3%	10.5%	9.6%
\$35,000 - \$49,000	11.3%	12.1%	14.6%	11.6%	12.9%	13.3%
\$50,000 - \$74,999	14.1%	16.1%	16.8%	15.8%	14.5%	18.2%
\$75,000 - \$99,999	8.5%	12.9%	8.4%	11.2%	10.7%	13.0%
\$200,000 - \$199,999	8.0%	13.3%	14.6%	10.2%	11.9%	19.9%
\$200,000 or greater	1.9%	3.4%	1.2%	0.4%	3.4%	5.0%
Median Household Income	\$29,008	\$43,723	\$39,710	\$34,255	\$38,162	\$56,352

Source: ESRI Business Analyst, Income Data

Portsmouth’s median household income was lower than that of all of its peers, and almost half that of the state median household income. The map illustrates the median household income for the city’s census block groups.

Median Household Income in Dollars

City of Portsmouth, 2019 Inflation-Adjusted Dollars



Hatch marks in the map above indicate census block groups for which median household income was not reported.

WorkForce

Inflow/Outflow Job Counts, (All Jobs 2018)		
Employed in Portsmouth	12,159	100%
<i>Employed in Portsmouth but living outside the city</i>	9,702	79.8%
<i>Employed in Portsmouth and living in city</i>	2,457	20.2%
Workers Living in Portsmouth	6,693	100%
<i>Workers living in Portsmouth but employed outside the city</i>	4,236	63.3%
<i>Workers living and employed in city</i>	2,457	36.7%

Of 16,251 Portsmouth residents over the age of 16, 48.6% were participating in the labor force. The 2019 unemployment rate in the city was 11.2%. In 2018, there were a total of 12,159 jobs in the city. The majority (78.9%) of jobs in the city were held by someone commuting into Portsmouth from another community. In the same year, there were 6,693 workers who lived in the City of Portsmouth.

Source: U.S. Census Bureau; OnTheMap

The majority (63.3%) of workers that live in Portsmouth commute outside of city limits for a job. These figures include both private and public sector jobs.

Nearly half of the jobs in the City of Portsmouth are in the health care and social assistance sector, owing to the presence of the Southern Ohio Medical Center (SOMC) and King's Daughters Medical Center. An additional 11% of jobs are in the educational services sector, likely associated with Shawnee State University and the city's public school district.

The table below begins to break down where those who live in the City of Portsmouth work, and where those who work in Portsmouth live. The left side of the table shows the top 10 destination places (cities, towns, or villages) where Portsmouth residents are employed, and the right side shows the top 10 destination places where workers of Portsmouth live.

Jobs Located in Portsmouth by NAICS (Top 10 Industry Sectors), (All Jobs 2018)		
	Count	Share
Health Care & Social Assistance	5,264	43.3%
Educational Services	1,336	11.0%
Accommodation & Food Services	1,294	10.6%
Retail Trade	1,138	9.4%
Public Administration	931	7.7%
Manufacturing	429	3.5%
Administration & Support, Waste Management and Remediation	260	2.1%
Construction	246	2.0%
Finance & Insurance	246	2.0%
Other Services (excluding Public Administration)	220	1.8%

Source: U.S. Census Bureau; OnTheMap

Where Portsmouth Residents Work (Places) of 6,693 residents			Where Portsmouth Workers Live (Places) of 12,159 jobs		
Location	Count	Share	Location	Count	Share
Portsmouth, OH	2,457	36.7%	Portsmouth, OH	2,457	20.2%
New Boston, OH	209	3.1%	Wheelersburg, OH	679	5.6%
Wheelersburg, OH	195	2.9%	West Portsmouth, OH	397	3.3%
Columbus, OH	187	2.8%	Rosemount, OH	363	3.0%
Cincinnati, OH	129	1.9%	New Boston, OH	250	2.1%
Rosemount, OH	127	1.9%	Lucasville, OH	145	1.2%
Chillicothe, OH	75	1.1%	Ironton, OH	139	1.1%
Waverly, OH	69	1.0%	Sciotodale, OH	133	1.1%
Ironton, OH	66	1.0%	Columbus, OH	110	0.9%
Jackson, OH	49	0.7%	Clarktown, OH	101	0.8%

Source: U.S. Census/OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2018)

Often, the population of workers who currently work in a city but live elsewhere are a key demographic when considering a comprehensive housing strategy. This segment of the population has familiarity with the city and could be attracted to relocate within the city if they are provided with attractive housing options. In the case of the City of Portsmouth, eight of the top 10 place destinations where workers in Portsmouth live are also located in Scioto County, which may make it difficult to encourage commuters to relocate such a short distance.

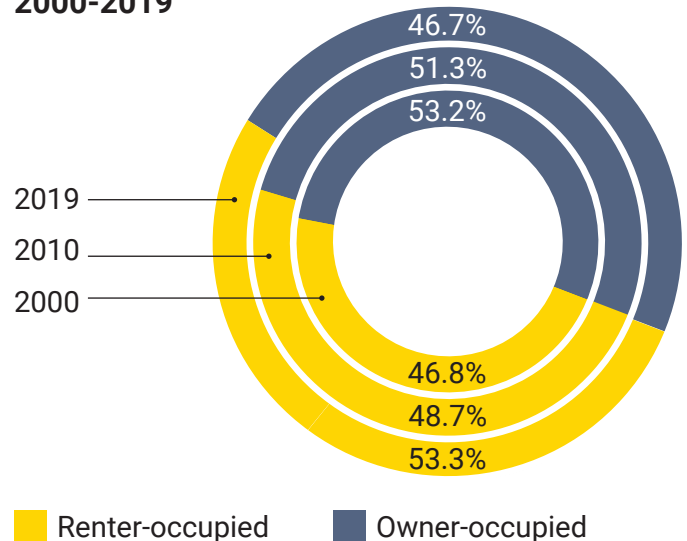
There was a small population of individuals who live in the City of Portsmouth and commute to other cities for work. In 2018, there were 187 Portsmouth residents who commuted to Columbus and 129 residents who commuted to Cincinnati for work, according to the Center for Economic Studies at the U.S. Census Bureau. With the rise of remote work catalyzed by the COVID-19 pandemic, there may be an opportunity to grow this pool of commuter residents if provided with appropriate housing products and amenities.

Housing Tenure

The ratio of homeowners to renters has shifted over the past 20 years in cities across the country, reflecting changes in consumer preference for housing options and increased difficulty Americans experience when trying to buy a home. This trend has played out in the City of Portsmouth as well, as the share of the renter population has grown since 2000.

The percentage of renters in the city has increased by 6.5 percentage points since 2000, or a 14% rise in the number of renter households. Approximately 53% of all households in Portsmouth were renters in 2019.

Housing Tenure City of Portsmouth, 2000-2019



Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates; Table ID: DP04

A community's renter population creates a pipeline for potential new homeowners when coupled with policies that focus on affordability and residential development incentives. Families and individuals new to the area may look to rent before committing to a purchase. Additionally, supporting a diverse stock of housing options for both ownership and rental can meet a variety of needs for an incoming population, including university students who need flexible housing options, or employees on temporary contracts.

Affordable Housing Analysis

The Importance of Affordable Housing

By federal standards, housing is affordable if rent/mortgage and utilities cost a household 30% or less of their overall income. Above 30%, a household becomes more susceptible to the risk of eviction or foreclosure, job loss, unaddressed medical concerns, poor performance in school for children, and an overall increase in stress and instability.

Affordable housing enhances economic development, and contributes to community stability; the absence of which can lead to negative impacts on residents, employers, and the community at large.

Terms and Definitions

Housing Cost Burden

the United States Department of Housing and Urban Development (HUD) considers a household cost-burdened if they pay more than 30% of their income for housing (rent/mortgage plus the cost of utilities). Families are considered severely housing cost-burdened if they spend more than 50% of their income on housing.

Household Income Categories

Annually, HUD issues an Income Limits document, which determines eligibility for HUD housing programs. Please note that these figures are provided by HUD to determine income limits, and diverge from the median household income numbers reported by the U.S. Census, which GOPC uses in this report.

The tables below show the 2021 3-person household income limits and an overview of household income distributions for the City of Portsmouth, based on HUD AMI income limits. Of the 8,475 households in the city, approximately 60% were low income.

Income Category	Percent Area Median Income	Income Limit for 3-person Household
Area Median Income (AMI)	100%	\$60,400
Low Income (LI)	51-80%	\$53,050
Very Low Income (VLI)	31-50%	\$33,150
Extremely Low Income (ELI)	0-30%	\$26,500

Income Distribution, Portsmouth 2017				
	Owner		Renter	
Total	4,050		4,425	
Low Income (LI)	445	11.0%	1,915	43.3%
Very Low Income (VLI)	505	12.4%	1,000	22.6%
Extremely Low Income (ELI)	685	16.9%	580	13.1%

Poverty Level

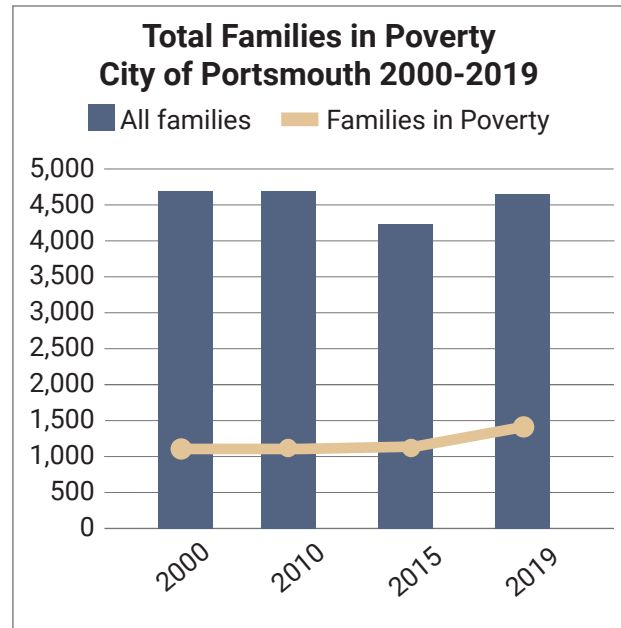
The United States Department of Health and Human Services issues the Federal Poverty Level Chart annually, which determines eligibility for many federal, state, and local programs. There is one federal poverty level for the 48 contiguous states, and in 2020, 100% of the Federal Poverty Level for a 3-person household was \$21,720. This federal poverty level was only slightly lower than Portsmouth's extremely low-income (ELI) income limit.

Household Types

Federal databases define a "family household" as one with two or more individuals who are related by birth, marriage, or adoption. A family household may also contain people not related to the householder. A "nonfamily household" consists of people who live alone or share their residence with unrelated relatives. "Unmarried partner households" can be family or nonfamily households, depending on the relationship of others in the home to the householder. An "Elderly householder" is defined as a person 62 years or older.

Poverty

Drastic decreases or increases in the overall population can severely impact a community's housing market. From 2000 to 2019, the City of Portsmouth saw a slight reduction in population, consistent with a longstanding, downward trend in population growth since 1934. Residents at or below the federal poverty level have also increased over time. According to 2019 ACS estimates, 30.0% of families in the city were living in poverty in 2019, compared to 24.1% in 2010 and 23.6% in 2000.



Sources: U.S. Census Bureau; American Community Survey, 2010-2019 5-Year Estimates; Table ID: S1702; U.S. Census Bureau; Decennial Census, 2000; Table ID: DP3

A majority of Portsmouth residents were White, remaining steady at around 91% of the total population. At the same time, there have been increases in the size and share of other racial and ethnic populations. For example, Black and African American individuals comprised 5% of Portsmouth's total population in 2000, and increased to 7.1% by 2019. Despite comprising a significantly smaller share of the total population, Black and African American families experienced similar rates of poverty to White Portsmouth residents. In 2019, 30.5% of White families and 29.1% of Black families were below the federal poverty level. Despite comprising less than 2% of the total population, 58.9% of Hispanic and Latino families were below the federal poverty level. Individuals who identify as either Hispanic or Latino can be of any racial background.

The senior population in the City of Portsmouth decreased by 14.3% from 2000 to 2019. In 2000, 24.2% of Portsmouth residents were aged 60 years or older, and in 2019, that number dipped slightly to 21.2%. Over the same time period, residents aged 25 to 59 saw an increase of less than 1%; the non-senior, adult population comprises the most substantial portion of Portsmouth's population at 44.17%. These two demographics are essential groups to consider when making policy decisions related to both affordable and market rate housing. Seniors often comprise a large portion of the homeownership population. Additionally, appropriate housing for residents aged 25 to 59 is necessary for attracting and retaining a healthy workforce.

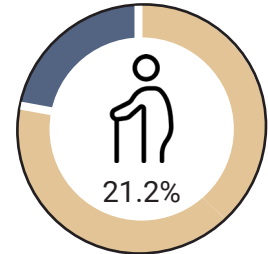
The Housing Wage

For a household to afford a 2-bedroom apartment at the Fair Market Rent (FMR) of \$696 per month, and not be cost-burdened, they must earn \$13.38 an hour at a full-time job, or \$27,840 annually. According to 2019, 5-year ACS estimates, 45.6% of households in Portsmouth earned less than \$25,000 per year, and 55.7% earned less than \$35,000 per year.

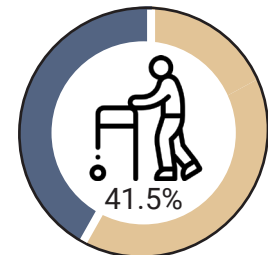
A full-time worker at minimum wage can afford an apartment at \$452 per month. To afford a 2-bedroom apartment at FMR, an individual earning minimum wage would have to work 62 hours per week. While housing in the City of Portsmouth is comparatively inexpensive, affordable and accessible housing remains out of reach for many of the city's renter population, especially those earning the lowest incomes.

Seniors over the age of 62 comprise less than 20% of the total population but make up almost 40% of all homeowners.

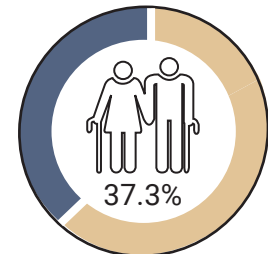
Seniors make up 21.2% of all low-income households (individual earning less than \$37,150)



Seniors make up 41.5% of all very low-income households (individual earning less than \$23,250)



Seniors make up 37.3% of all extremely low-income households (individual earning less than \$13,950)



Source: HUD CHAS data; 2013-2017 period

According to CHAS data, there were 970 senior renter households and 1,600 senior owner households in 2017. While only 16% of elderly owner households were cost-burdened, 33.7% of elderly renter households were cost-burdened. To be successful, future housing development of all market types will have to consider Portsmouth's population of seniors.

This graphic has been designed using resources from Flaticon.com

Affordable Rental Housing Supply

To quantify the affordable housing need in a community, GOPC analyzed current affordable housing supply and demand by utilizing HUD's Comprehensive Housing Affordability Strategy (CHAS) data.¹

Units Affordable to Lowest Income Renters, 2017			
Extremely Low-Income Renters (0-30% AMI)			
Renter Households 1,915	Affordable Units 1,425	Net Supply -490	
Very Low-Income Renters (31-50% AMI)			
Renter Households 1,000	Affordable Units 1,920	Net Supply 920	Carry Over 430
Low-Income Renters (51-80% AMI)			
Renter Households 580	Affordable Units 1,179	Net Supply 599	Carry Over 1,029

Source: HUD CHAS data; 2013-2017 period

There are limitations to the CHAS dataset. Rent and housing value estimates are based on self-reported data from the ACS sample survey and do not distinguish between market rate and rent- and income-restricted units. Additionally, the data do not show the distributions of income within an income group or the distribution of the cost of affordable units to each income group. Therefore, it is possible that not every household in an income bracket can afford every unit that is designated as affordable for that group. CHAS data does not detail the quality of the housing affordable to each income bracket.

HUD-Subsidized Housing Units, Portsmouth 2021	
Direct HUD Subsidy	
202/811 Units (Elderly & Disabled)	45
HOME Units	14
HUD Insured Units	106
Total HUD Subsidized Units	165
MHA-Administered	
Housing Choice Vouchers (HCV)	616
Mainstream Non-Elderly Disabled Vouchers	5
Mainstream 5 (Section 8 Units)	0
Project-Based Housing	243
Low-Income Public Housing (LIPH)	643
Total Subsidized Housing through MHA	1,507

Subsidized Rental Housing

HUD-funded programs provide affordable housing to extremely low-income, senior, and disabled households. In Portsmouth, there were 165 active units subsidized directly through HUD. These subsidized units are intended to serve the most vulnerable populations in the City of Portsmouth.

¹ CHAS combines ACS microdata with HUD-adjusted median family incomes (HAMFI) to estimate the number of households that would qualify for HUD assistance. CHAS data quantifies the number of households in income categories, broken into: extremely low-income, very low-income, and low-income.

Low-Income Housing Tax Credit Units (LIHTC)

LIHTC has financed the development of 3 projects comprising 125 units in the City of Portsmouth. LIHTC units are likely not all net additional units in the city's affordable housing inventory, as LIHTC is often combined with other forms of housing subsidy.

Expiring Rent Subsidies and Affordability Requirements

According to data from the National Housing Preservation Database (NHPD), there were 1,672 actively federally-subsidized rental units in the City of Portsmouth. These units included LIHTC, HUD Multifamily Assistance and Section 8 contracts, and the HOME program. Of the 1,672 subsidized rental units in the city, 60 units are set to expire in the next 10 years by 2032 or earlier; 5.2% of the federally subsidized rental units in Portsmouth will expire over the next 10 years.

When a rent subsidy expires, the property owner may convert units to market rate or maintain their affordability. Usually, though not always, the units remain affordably-priced, but they also may experience deferred maintenance and other cost-containing measures to remain affordable.

Cost-Burdened Rental Households

In 2017, CHAS estimated that a total of 2,070 rental households were cost-burdened in the City of Portsmouth. This number represented close to 47% of all rental households in the city. The renters who were severely cost-burdened (paying more than 50% of their income on housing) were estimated to be 1,295 (29.2%) of rental households. As shown in the chart below, Very Low-Income (VLI) renters accounted for nearly 25% of cost-burdened rental households, and Extremely Low-Income (ELI) renters accounted for 86% of all severely-cost burdened rental households.

Cost-Burdened Rental Households in Portsmouth, 2017			
	ELI (0-30% AMI)	VLI (0-50% AMI)	Total*
Cost-Burdened (>30%)	1,330	510	2,070
Severely Cost-Burdened (>50%)**	1,115	125	1,295
Total Renter Households			4,425
Percentage of total renters who are cost-burdened			46.8%

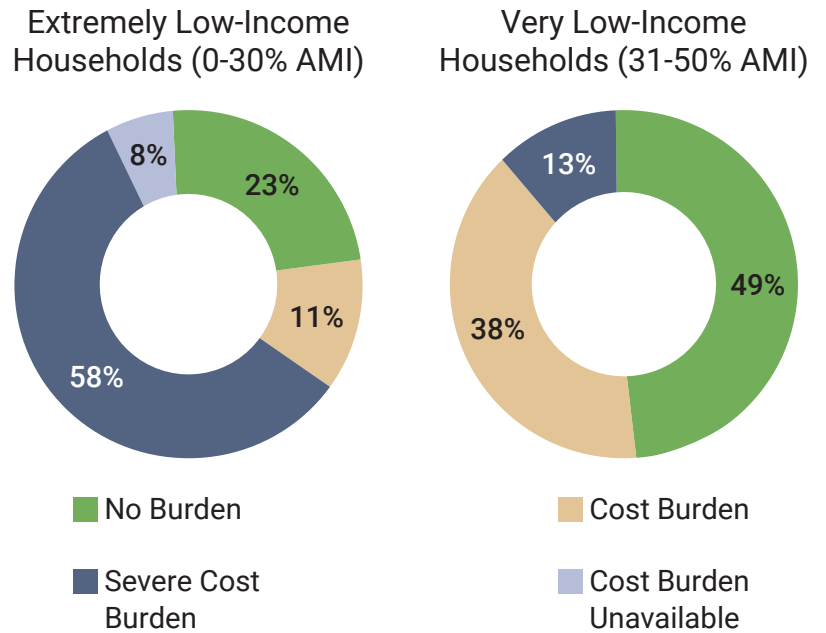
*Totals also include the renter population who are making >50% HUD Area Median Family Income

**Severely Cost-Burdened households are a subset all Cost-Burdened households, listed in the row above

Source: HUD CHAS data; 2013-2017 period

Portsmouth had a total of 1,000 VLI renter households, with 51% facing some level of housing cost burden (510 households who spend more than 30% of their income on housing). Of only cost-burdened VLI renter households (n=510), the majority spent more than 30% of their income on housing, but less than 50%; 12.5% of all VLI renters were severely cost-burdened (spending more than 50% of income on housing). Portsmouth additionally had 1,915 ELI renter households, of which 69.5% are facing some level of cost burden. The majority of ELI renter households, nearly 58%, were severely cost-burdened.

Renter Household Cost Burden



Source: HUD CHAS data; 2013-2017 period

Severe Rental Cost Burden by Race

As noted above, 29.2% of all renter households in Portsmouth were considered severely housing cost-burdened. The table below breaks down severe cost burden in rental households by race. The White population comprised the majority of both renter households and households with severe cost burden; however, the Hispanic population had a much higher share of their renter population experiencing severe cost burden.

Number and Rate of Renters with Severe Cost Burden by Race in Portsmouth, 2017			
	Severely Cost-Burdened Renters	Total Renting Population	Percentage of Renters with Severe Cost Burden
White	1,195	3,885	30.8%
Black or African American	60	330	18.2%
Asian	0	25	0.0%
Hispanic, any race	30	60	50.0%
All Renter Households	1,295	4,425	29.2%

Source: HUD CHAS data; 2013-2017 period

Trends in Rental Housing Cost Burden

Both the total number of ELI renter households, and rates of ELI renter cost burden, have increased over time. According to CHAS data, there were 1,625 ELI renter households in 2010; 1,075 (66.2%) of households were cost-burdened. By 2017, there were 1,915 ELI

renter households and 1,330 (69.5%) were cost-burdened. For all other income groups (households making more than 30% AMI), rates of renter cost burden have improved since 2010. While overall cost burden has not increased significantly, more renter households were severely cost-burdened in 2017 compared to 2010.

Cost-Burdened Owner Households

HUD defines a low-income homeowner as someone who pays more than 30% of their income towards their mortgage and utilities as housing cost-burdened. HUD defines severely cost-burdened as paying more than 50% of a household's income on mortgage and utilities. Of the 4,050 owner-occupied households in the City of Portsmouth, 674 (16.6%) were cost-burdened, 305 (7.5%) households of which were severely cost-burdened. Owners who are cost-burdened may struggle to maintain insurance and keep up with property taxes. A severely cost-burdened home is at risk for foreclosure and likely unable to afford household maintenance.

Early Successes

The Portsmouth Senior Lofts is a multi-family affordable housing development currently under construction within the city's East End. The project will feature 53 one- and two-bedroom units priced between \$318-\$725 per month, based on income.² In 2020, the Ohio Housing Finance Agency announced that the Lofts project would be receiving low-income tax credits.³ Nearly 23% of all senior households in the city are housing cost-burdened, the majority of them renters. The Portsmouth Senior Lofts helps fulfill a housing need for the community in a key section of the city. The project is advancing in partnership between St. Mary Development Corporation and the Community Action Organization of Scioto County and will be completed in Summer 2022.



Cost-Burdened Owner Households in Portsmouth, 2017			
	ELI (0-30% AMI)	VLI (0-50% AMI)	Total*
Cost-Burdened (>30%)	280	195	674
Severely Cost-Burdened (>50%)**	200	80	305
Total Owner Households			4,050
Percentage of total homeowners who are cost-burdened			16.6%

*Totals also include the home owning population who are making >50% HUD Area Median Family Income

**Severely Cost-Burdened households are a subset all Cost-Burdened households, listed in the row above

Source: HUD CHAS data; 2013-2017 period

² St. Mary Development Corporation "Portsmouth Senior Lofts."

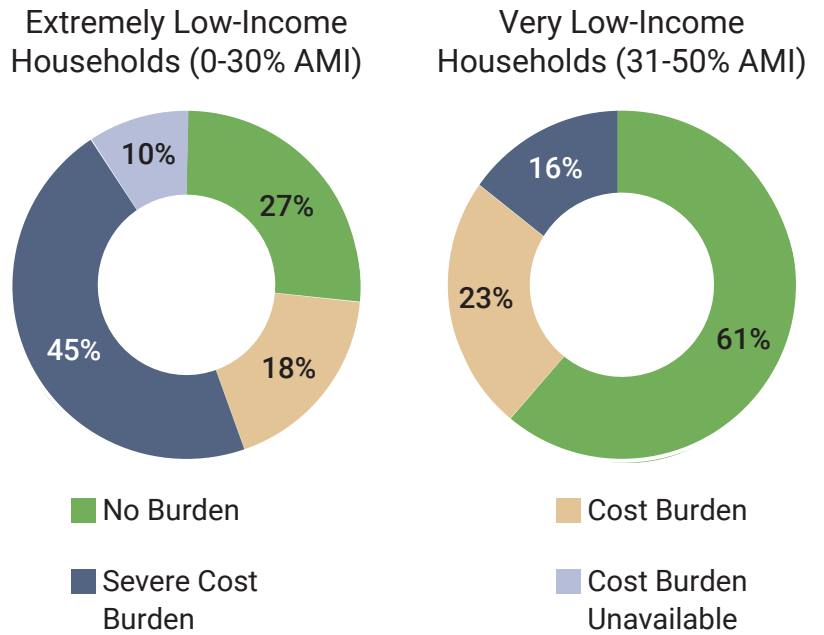
<https://www.stmarydevelopment.net/portsmouth-senior-lofts>

³ Affordable Housing Finance "Ohio Awards \$31 Million in Housing Tax Credits."

https://www.housingfinance.com/finance/ohio-awards-31-million-in-housing-tax-credits_o

Portsmouth had a total of 505 VLI owner households, with 38.6% facing some level of housing cost burden. Of cost-burdened VLI owner households, the majority were only cost-burdened (spending between 31% and 50% of their income on housing), but 15.8% of all VLI owners were severely cost-burdened (spending more than 50% of income on housing). Portsmouth additionally had 445 ELI owner households, of which 62.9% were facing some level of cost burden. The majority of ELI renter households, nearly 45%, were severely cost-burdened.

Owner Household Cost Burden



Source: HUD CHAS data; 2013-2017 period

Severe Owner Cost Burden by Race

As noted above, 7.5% of all owner households in Portsmouth were considered severely housing cost-burdened. The table below breaks down severe cost burden in rental households by race. The White population comprised the majority of both total owner households and households with severe cost burden. Despite there being far fewer Black owner households, this population faced the same rate of severe cost burden as the city’s White population.

Number and Rate of Owners with Severe Cost Burden by Race in Portsmouth, 2017			
	Severely Cost-Burdened Owners	Total Owner Population	Percentage of Owners with Severe Cost Burden
White	295	3,735	7.9%
Black or African American	10	140	7.1%
Asian	4	95	4.2%
Hispanic, any race	0	10	0%
All Owner Households	305	4,050	7.5%

Source: HUD CHAS data; 2013-2017 period

Trends in Owner-occupied Housing Cost Burden

Overall, the number of owner households in the City of Portsmouth decreased by 8.5% from 2010 to 2017, with significant decreases in owners of every income group recorded by HUD, with the exception of owners making 80% to 100% AMI. The

number of ELI owner households has decreased over time, while the rate of ELI homeowners experiencing housing cost burden has remained virtually the same. According to CHAS data, there were 600 ELI owner households in 2010; 375 (62.5%) of these were housing cost-burdened. By 2017, there were 445 ELI owner households, and 280 (62.9%) were housing cost-burdened. Rates of housing cost burden improved slightly for all other income groups, except for the population of owners making between 80% to 100% AMI. For this group, there were 375 owners in 2010, and 15 (4%) were housing cost-burdened. By 2017, there were 645 households, and 55 (8.5%) were housing cost-burdened; some of this cost burden is presumably due to rising housing costs, including maintenance.

The total number of cost-burdened and severely cost-burdened owner households have both decreased from 2010 to 2017.

Other Indicators of Housing Instability

Housing cost burden and supply shortages indicate the severity of housing instability for low-income households in a community. Other indicators such as evictions and foreclosures can fill the gaps and provide better insight into the vulnerable populations of a community, and help to paint a broader picture of housing instability and need in a community.

Evictions

Eviction filings in the City of Portsmouth varied from 2006 to 2016. In 2010

Portsmouth saw the highest number of evictions (200); the lowest number of evictions (6) took place in 2006. The city's eviction rate, representing the number of evictions per 100 renter homes, was 3.94 in 2016 which is slightly higher than the state as a whole; Ohio's eviction rate was 3.49%. Eviction Lab has flagged the eviction rate for the City of Portsmouth, acknowledging that their dataset may be underestimating evictions in the city. Underestimates can occur for a variety of reasons. The rate of informal evictions is notoriously difficult to track; experts agree that the true number of evictions

Portsmouth Evictions, 2006-2016				
Year	Eviction Filings	Eviction Filing Rate	Evictions	Eviction Rate
2006	255	6.11%	6	0.16%
2007	278	6.67%	8	0.19%
2008	320	7.72%	160	3.87%
2009	295	7.13%	192	4.64%
2010	292	7.08%	200	4.85%
2011	256	6.15%	166	3.99%
2012	256	6.13%	168	4.02%
2013	257	6.09%	178	4.22%
2014	209	4.93%	147	3.47%
2015	132	3.09%	113	2.66%
2016	178	4.16%	169	3.94%

Source: Eviction Lab, 2000-2016

in any community is underreported. Informal evictions mean the renter has been "encouraged" or compelled to leave without access to due process as provided by the courts.

The Pandemic and Emergency Housing Assistance

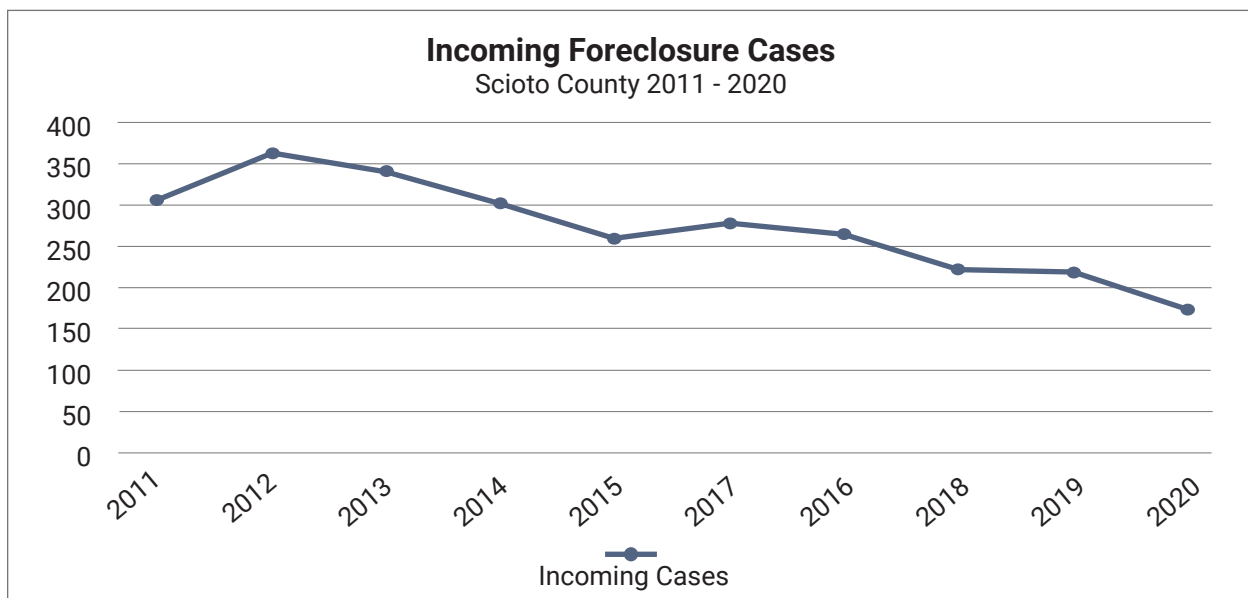
In October 2020, the State of Ohio created the Home Relief Grant program to help Ohioans who may have been behind on rent, mortgage, and/or water payments. The program has received billions in new and expanded federal programming related to the COVID-19 pandemic. For Scioto County residents, housing assistance has been provided by the Community Action Organization of Scioto County (CAO) since November 2020. From January 1, 2020 through July 15, 2021, CAO has distributed \$1.4 million in assistance to 1,394 households. In addition CAO's regular programming, 729 households have received over \$1.1 million in rent assistance, 169 households have received over \$145,000 in mortgage assistance, and 299 households have received over \$98,000 in water/sewer and utility assistance. Emergency housing assistance has been an important resource to stabilize households during the pandemic by

preventing foreclosures and evictions.

Foreclosures

The following chart provides an overview for incoming foreclosure filings in Scioto County from 2011 to 2019. Portsmouth has seen foreclosure filings decrease since a 2012 peak of 370 cases. Following a 3-year downward trend, Scioto County Common Pleas Court saw its fewest incoming foreclosure cases in 2020, with only 154 cases recorded. In response to the COVID-19 pandemic, Congress passed the CARES Act in March of 2020, which included a provision offering a 180-day forbearance period for individuals who were unable to make payments on their federally-backed mortgages. A foreclosure moratorium was also put in place for federally-backed mortgages until July 31, 2021. These measures may have affected the foreclosure rates in Scioto County for the year 2020.

While recent foreclosure filings are lower than immediately following the 2008 housing crisis, the high foreclosure



Source: Supreme Court of Ohio Case Management Section statistical reporting, collected under Sup.R. 37.

filings seen at the beginning of the decade likely contributed to an overall decline in homeownership and increase in renter population. Federal Reserve Board research indicates that roughly 40% of families who go through the foreclosure process leave their county of residence as a result.⁴

Housing Needs for Special Populations

There are subpopulations in the City of Portsmouth that have specialized housing needs beyond, and in addition to, the barriers that low-income households face in securing safe and affordable housing. Specific policy recommendations for these populations are beyond the scope of this housing study, but it is important for local policymakers and community leaders to take into consideration the needs of persons with physical, behavioral, and developmental disabilities, as well as seniors, those in recovery, and the reentry population.

Disabled Population

According to 2019 ACS 5-year estimates, there were 5,106 persons living in the City of Portsmouth with a disability. Based on this estimate, this represented 25.9% of the city's total population. In 2019, there were 3,345 persons living in the city aged 65 years or older, representing 16.5% of the population for the entire city. Of those 3,345 persons aged 65 years or

older, 583 (18.9%) were living with a disability. Households with a disabled member often face housing cost burden, which increases the need for housing assistance among these households. An individual is considered to have a disability if they self-report any of the six disability types listed on the U.S. Census American Community Survey. These are: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty.

Housing Conditions

Over 50% of the housing stock in the City of Portsmouth was built before 1950, and 96% of housing stock was built before 1990. According to 2017 CHAS estimates, for all residents, regardless of income, 85 renter households and 45 owner households were living in a household that lacked complete kitchen or plumbing facilities.

⁴ Molloy, Raven and Shan, Hui, The Post-Foreclosure Experience of US Households in the Current Housing Market Downturn. 46th Annual AREUEA Conference Paper. Available at SSRN:

<https://ssrn.com/abstract=1717027>

Market Rate Analysis

Land Use

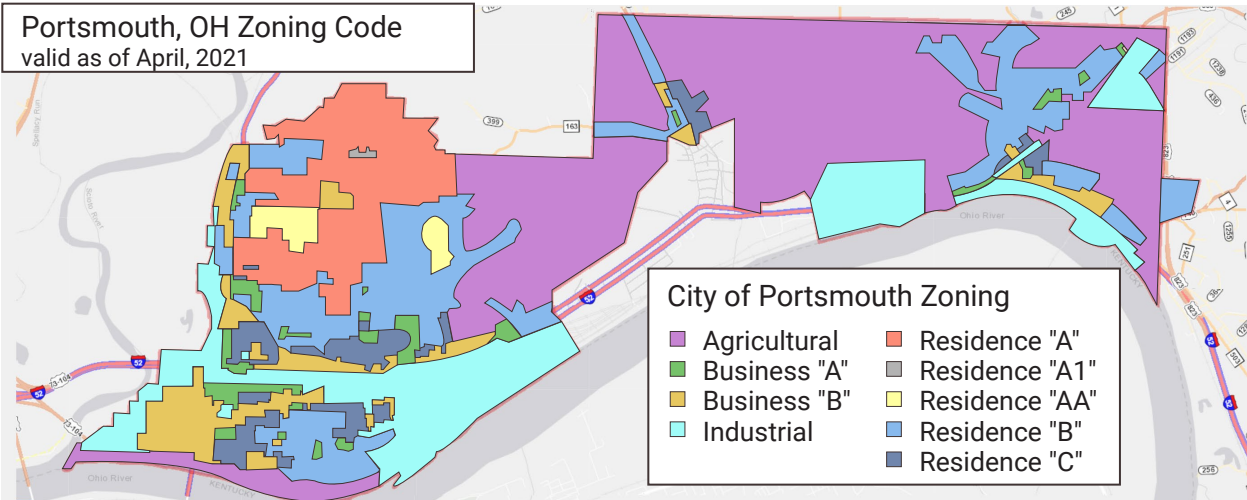
Before identifying potential areas for development, it is critical to understand the underlying land use across the City of Portsmouth. The following map illustrates various land uses across the municipality. There are three zones of residential housing concentrations: Sciotoville to the far east, a small area north of the Village of New Boston in the center, and the western half of Portsmouth, where the majority of residential housing stock is located.

The city has one active historic district: the Boneyfiddle Historic District. New construction and rehab within this district are subject to review and approval by appointed members of the Boneyfiddle Design Review Board.⁵ The boundary of the Boneyfiddle

Preservation District is the area bounded on the north by both sides of Ninth Street, on the east by the west side of Washington Street, on the south and southwest by the old and new floodwall, and on the west by the Scioto River.

Additional information on special assessment districts, development districts, and community reinvestment areas can be found in **Existing Tools for Revitalization (p. 32)**.

⁵ Any property owner interested in making changes to the external architectural features of buildings within the district, including for landscaping and signage, shall solicit an application for a Certificate of Appropriateness from the Design Review Board. Applications can be obtained online through the city's website under the Engineering Department; rules and procedures for the Historic District are found in Chapter 1317 of the City Codes.



Source: Scioto County Engineer

Residential Sales

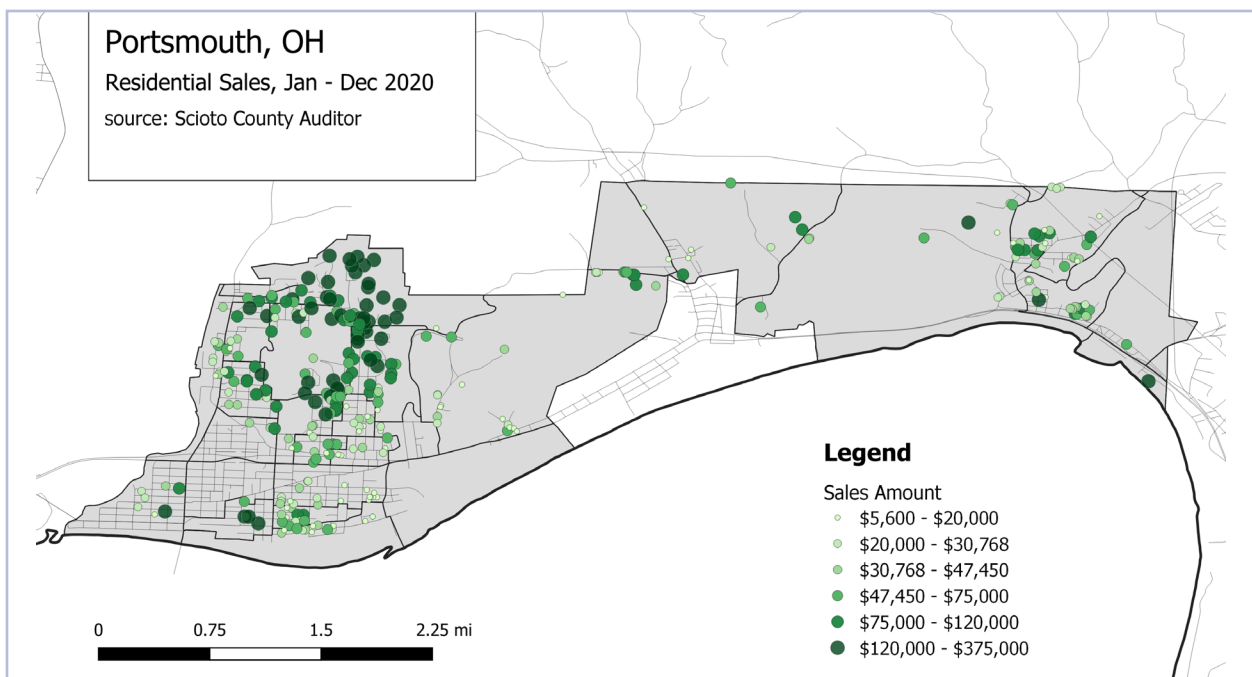
According to the Scioto County Auditor, there were 1,564 residential transfers over \$5,000 recorded in Scioto County in 2020. In the same year, 381 residential property transfers occurred within the City of Portsmouth, comprising 24.3% of countywide sales. 55 transfers within the City of Portsmouth were for vacant residential parcels; discounting those, the average sales value for transfers within the city in 2020 was \$68,820.83, and the median sales amount was \$47,450.

In comparison, the Greater Portsmouth Area Board of REALTORS documented 320 sales in the county and 73 sales in the City of Portsmouth in calendar year 2020. According to the countywide multiple listings service, the average sale value for the county was \$122,244 and \$91,068 for the city. Discrepancies in the transfer numbers and average

sales value can be attributed to the inclusion of transfers and purchases made without a realtor that will be present in Auditor data but unaccounted for in Realtor MLS data.

The following map provides spatial context for where home sales are occurring within the City of Portsmouth. This data is for all single-family residential property transfers over \$5,000 during calendar year 2020, and excluding transfers of vacant residential property.

There was a concentration of low-value transfers occurring in the East End neighborhood, all largely under \$35,000. The Sciotoville neighborhood, located near the easternmost border of the city, also saw a mix of high- and low-value transfers. The majority of high-value sales (those valued over \$120,000) occurred in the northwest portion of the city in the Hilltop neighborhood.



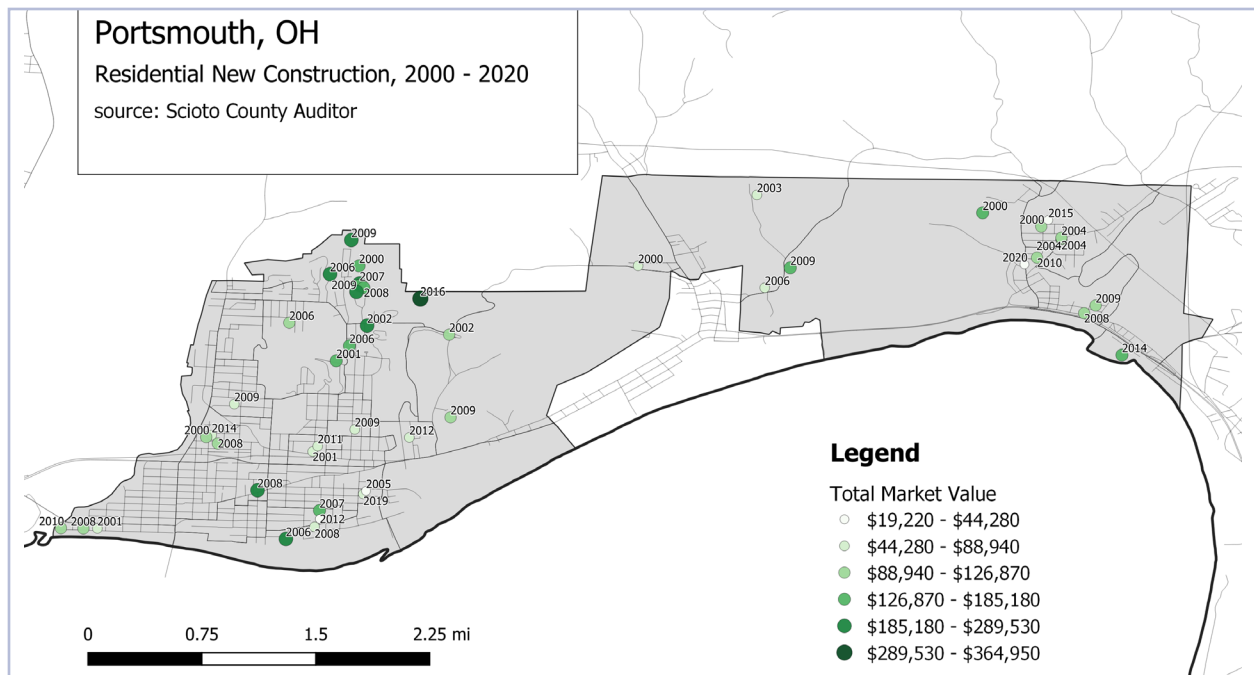
New Construction

Approximately 90% of the housing stock in the City of Portsmouth was built before 1990, nearly 52% of it was built before 1950. The distinct charm provided by older structures can be an asset to a community, but too much old stock can present a liability. Consumer preference for housing has changed dramatically since 1950, with new demands for layouts, bathroom capacities, and garages not often found in older housing. The maintenance costs associated with an older property can also be a deterrent to potential buyers and a financial drain for current owners.

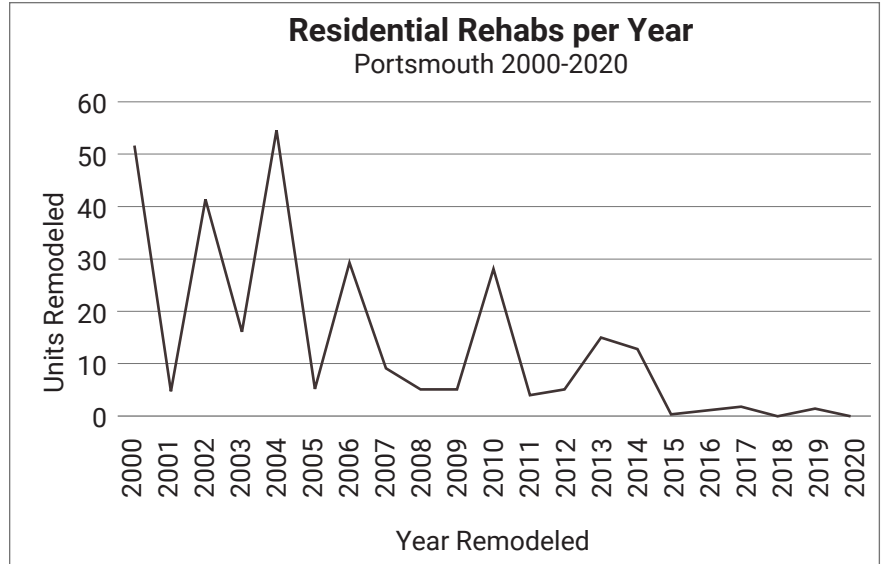
To compensate for older existing stock, new construction is necessary to replace units that become obsolete or uninhabitable. New residential construction in Portsmouth has been limited. In the past 20 years, only 47 new homes have been built, and of those, only 11 residences have been

constructed since 2010. There are many reasons that the city might be underbuilding residential units, foremost being the rising cost of construction materials and regional shortages in construction and contractor labor. Cities and metros across the country are facing deficits in the rate of new residential construction, particularly after the 2009 financial crisis, which hit the housing industry hardest. The following map provides spatial context for where new construction has occurred from 2000 to 2020.

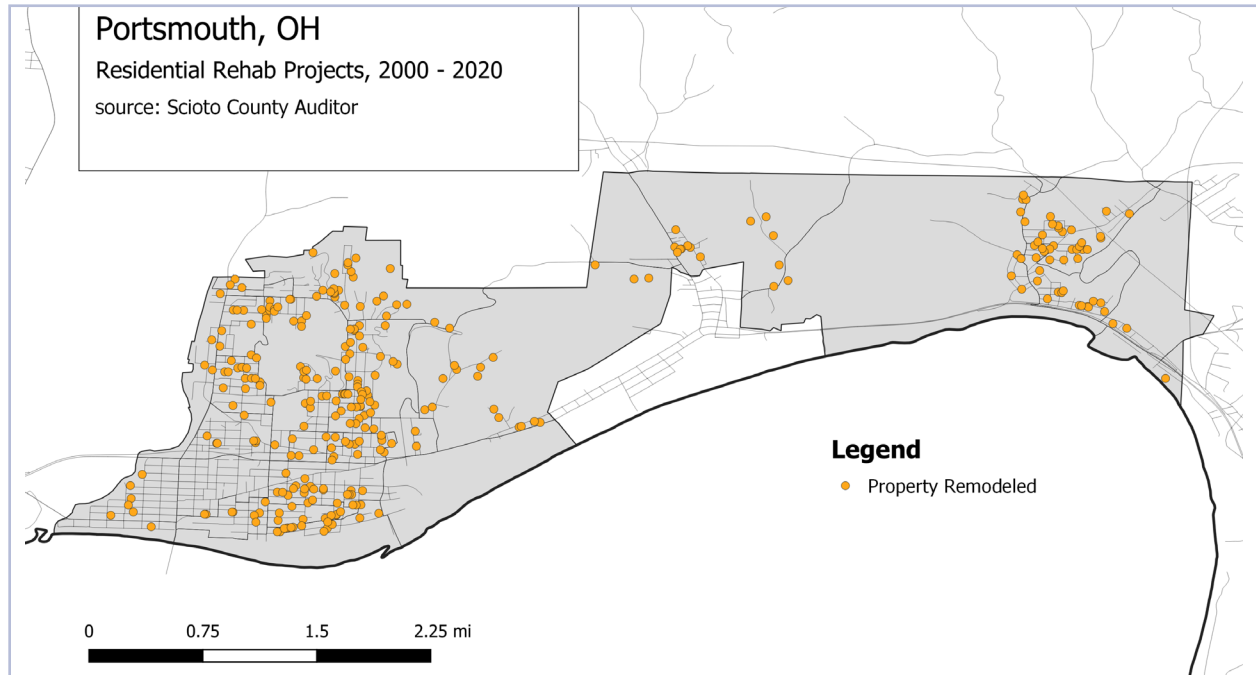
According to Auditor records, there have been 302 homes remodeled since 2000, 77 of which have occurred since 2010. Residential rehab projects peaked in 2004, with the Scioto County Auditor recording 54 units remodeled. The number of rehabs in the city per year has decreased significantly since the 2004 peak, and has remained below 20 projects per year since 2010.



The following map shows the location of homes remodeled based on permit records from the Scioto County Auditor's Office.⁶ Stakeholders in Portsmouth have noted that it is possible that property owners are doing in rehab work without obtaining permits, therefore the number of remodeling projects may actually be higher than the Auditor has recorded.



Source: Scioto County Auditor



⁶ The Building Department in the City of Portsmouth requires permits for: interior demolition; demolition of accessory structures; alterations & additions; electric work; plumbing work; HVAC expansions; roofing or siding; gutters/downspouts; window or door replacements; garages; swimming pools; fences; retaining walls; and elevators.

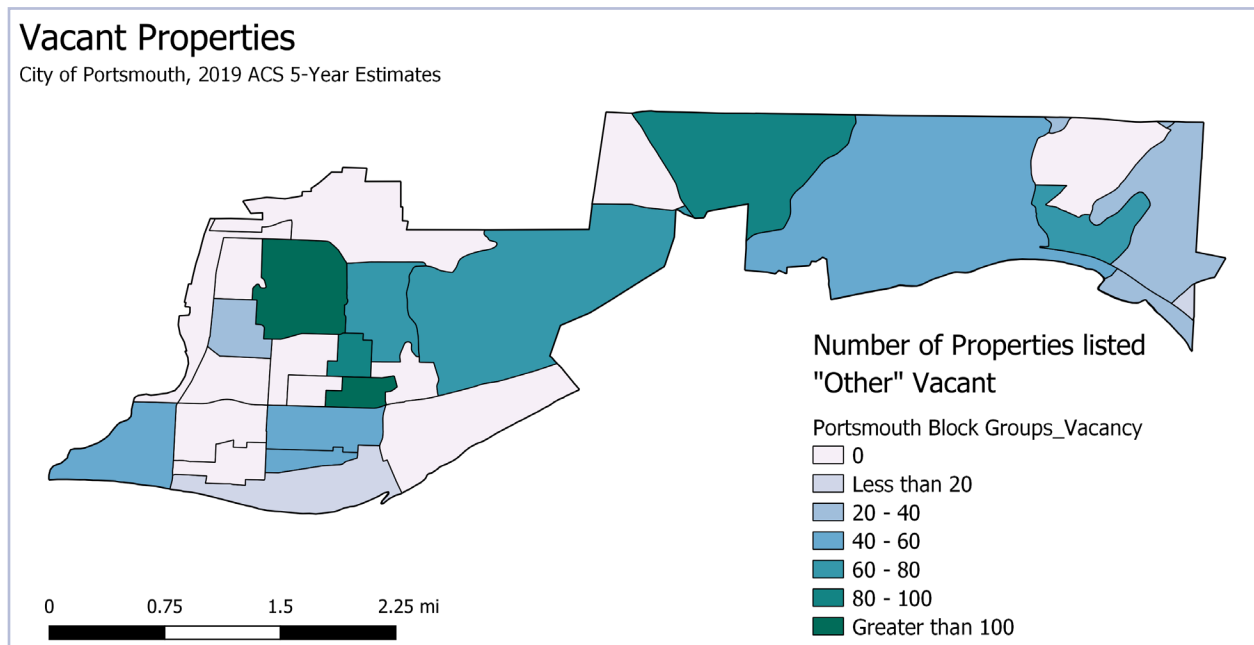
Vacancy

Cities across the nation suffered from the 2008 financial recession that set off a wave of residential foreclosures and left many communities struggling to manage newly vacant and abandoned property. Vacant property poses a public safety risk and can reduce market values of surrounding properties, negatively impacting the

economic viability of a neighborhood. Scioto County incorporated its County Land Bank in 2016, conducting 117 demolitions countywide between 2016 and 2019, and 86 demolitions specifically in the City of Portsmouth. The City of Portsmouth administers a separate Land Reutilization Program.

The map below depicts the number of housing units considered "Other" Vacant within each Census Block Group.

A housing unit is classified as "Other" Vacant when it does not fit into any year-round vacant category. Common reasons a housing unit is labeled other vacant is that no one lives in the unit and: the owner does not want to rent or sell the property; the unit is being used for storage; the owner is elderly and living in a nursing home or with family members. This metric excludes properties that are for sale or rent but are not yet occupied.



Code Violations

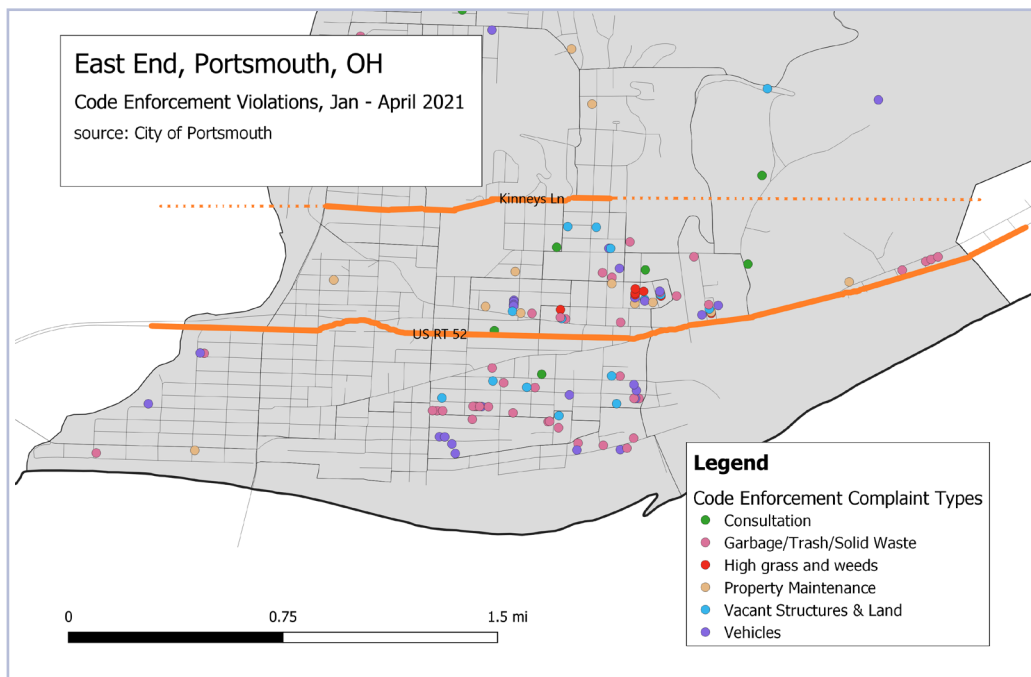
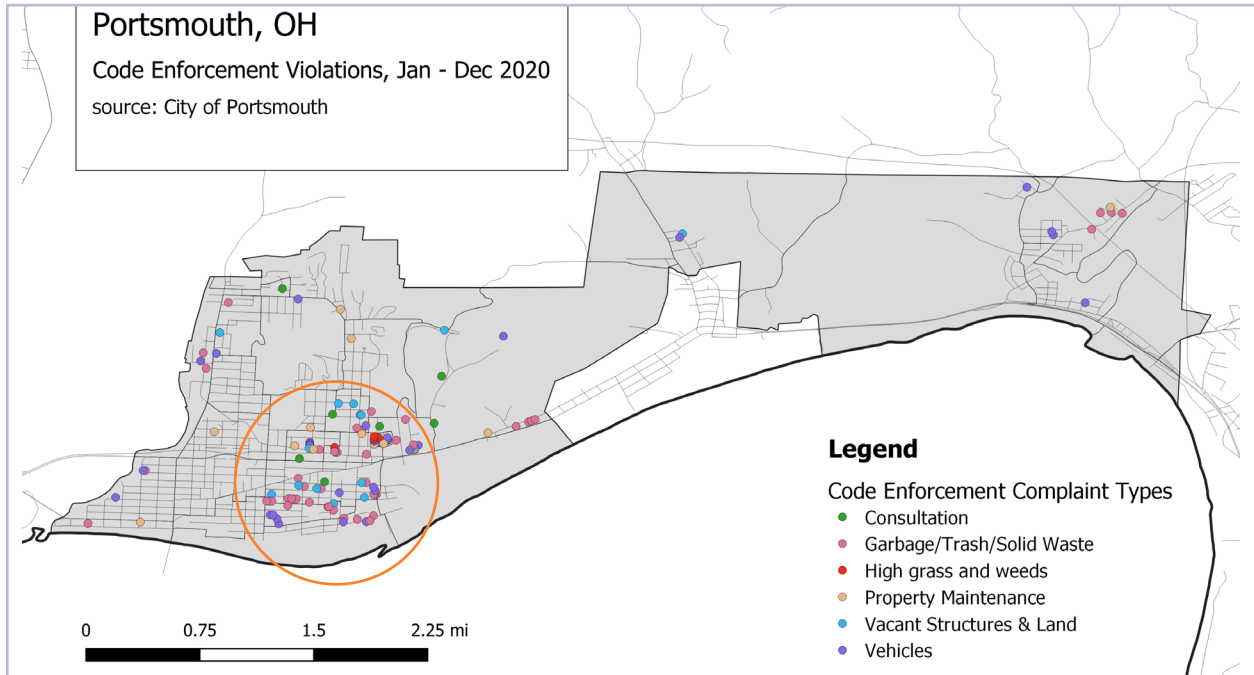
The City of Portsmouth recently began regularly tracking code enforcement complaints. There were 132 violations documented between 01/01/21 and 04/13/21. One-third of complaints related to garbage present on the property and an additional 26% of complaints related to the presence of non-working vehicles. Issues relating to vacancy constitute the third most common complaint in the city. Local stakeholders believe that the number of actual vacant properties in Portsmouth is much higher than recorded by the Code Enforcement Departments.

Complaint Type	Count	Percent
Garbage/Trash/Solid Waste	50	37%
Vehicles	35	26%
Vacant Structures & Land	23	16%
High Grass and Weeds	8	6%
Property Maintenance	8	6%
Consultation	7	5%
Other	3	2%

Source: City of Portsmouth

The map below displays code enforcement complaints recorded by the City of Portsmouth. Problematic properties can impact property values and contribute to blight. The highest concentration of violations was in the

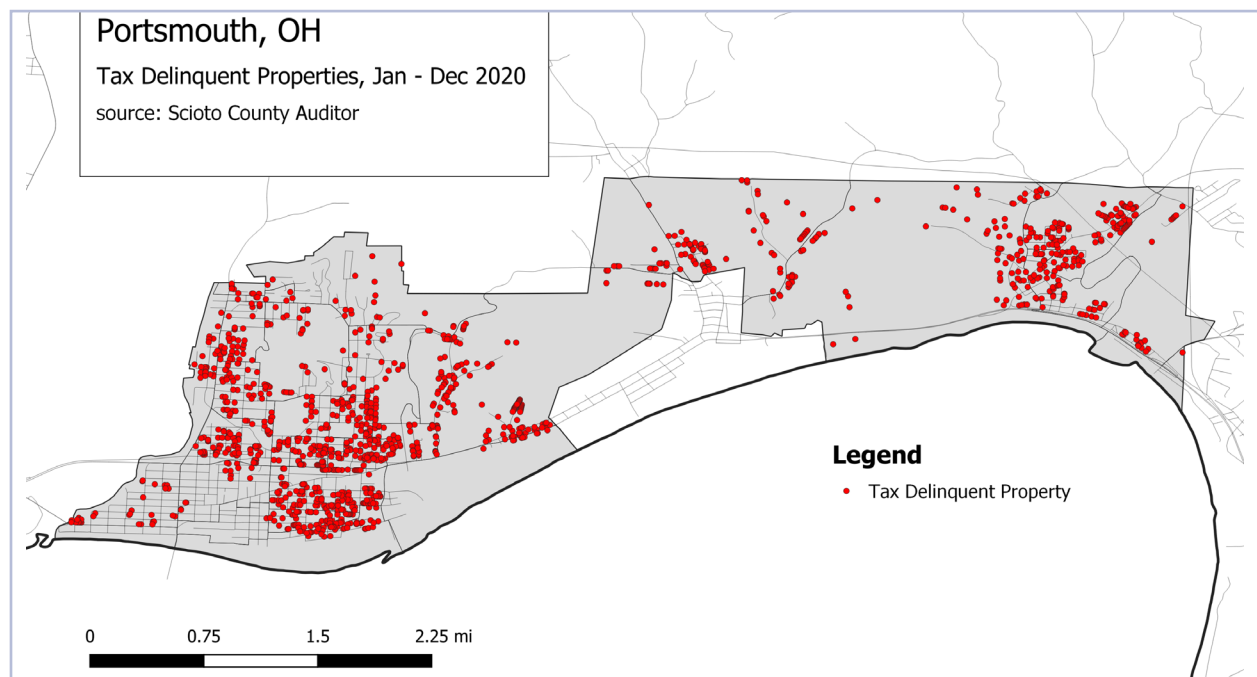
East End neighborhood of the city, especially in the area north of US 52 and south of 17th Street. Unsurprisingly, areas of the city with many complaints coincided with areas that exhibited low-value sales and property transfers.



Property Tax Delinquency

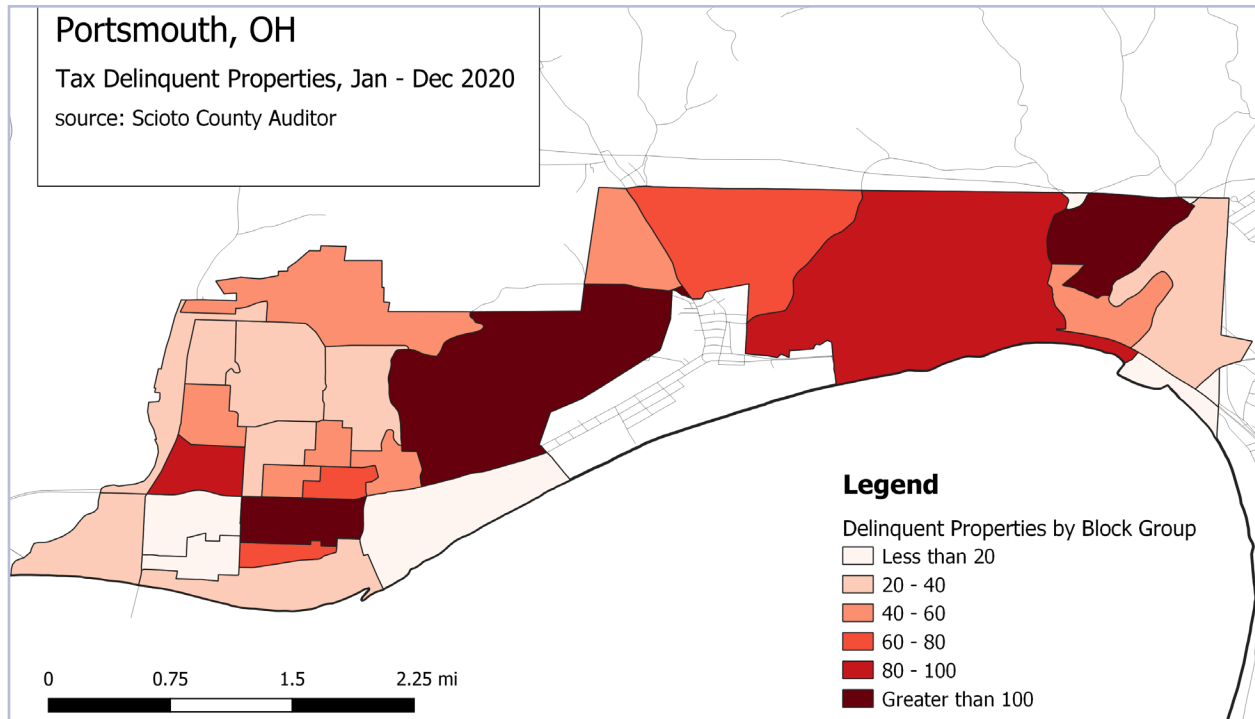
As of December 2020, 1,346 properties in the city were delinquent on their property taxes, resulting in \$667,058.15 in unpaid property taxes on residential, commercial, and agricultural properties. The 1,346 delinquent properties include

327 vacant residential properties and 895 single-family residential properties in the city. This represented a 13.5% delinquency rate on single-family residential property. The following map shows the distribution of delinquent property across the city.



One in three delinquent properties are located within just three Census block groups; this includes a concentration of delinquent properties in the central section of the city, the East End, and portions of Sciotoville. While property tax delinquency doesn't impact the provisions of city services, like street paving or trash collection, property tax revenue is the largest source of funding for school districts, and provides key

funding for things like senior services, mental health and addiction boards, and metro parks. The successful collection of property taxes supports the functioning of Scioto County and the City of Portsmouth while contributing to services that improve the quality of life for city residents.



Stricter collection enforcement could result in more revenue for property tax jurisdictions in the city, including Portsmouth City Schools. Alternatively, Scioto County can expand outreach to residents who may be struggling to pay their property taxes and offer opportunities to contest the valuation of their homes or eliminate their delinquency through payment installment plans. Finally, properties that are chronically delinquent on property taxes could be opportunities for redevelopment through the tax foreclosure process, an intervention frequently utilized by a county treasurer in coordination with the city or county land bank to take control of problem properties and return them to productive use. Based on an analysis of Code Enforcement records, there is no significant correlation between tax delinquent properties and properties with code violations.

Foreclosure

Foreclosures negatively affect the neighborhood surrounding them, and can depress housing prices in the area. According to the Supreme Court of Ohio, yearly incoming foreclosure filings have decreased since peaking in 2012. There were 154 incoming foreclosure filings in 2020.



Existing Tools for Revitalization

Downtown Redevelopment Districts (DRD)

DRDs are an economic development mechanism available to municipalities in Ohio to promote the rehabilitation of historic buildings and encourage economic development in commercial, mixed-use commercial, and residential areas, and fund transportation improvements that will benefit the areas.⁷ City Council established four DRDs in 2017, in accordance with recommendations made in the Downtown Portsmouth Redevelopment Plan published the same year.

The four districts are:

- ***Gallia Street Downtown Redevelopment District*** – includes all parcels on the north and south side of Gallia Street between Chillicothe and Sinton Streets. The historic anchor building is the PNC Bank Building.
- ***Chillicothe Street Downtown Redevelopment District*** – includes all parcels on the east and west sides of Chillicothe Street from 2nd

to 7th Street, and west along 6th Street between Chillicothe and Washington Streets. Historic buildings are the Hurth Apartments and the Emporium Building.

- ***East Boneyfiddle Downtown Redevelopment District*** – includes all parcels on the north and south side of 2nd Street between Washington and Market Streets, extending to Market Street and including all buildings on the east and west sides of Market Square between 2nd and 3rd Street. The historic anchor building is the Daehler Building.
- ***West Boneyfiddle Downtown Redevelopment District*** – includes all parcels on the north and south sides of 2nd Street from Massie to Market Street. This district holds the Portsmouth Brewery building.

DRDs allow municipalities to redirect the increased property tax revenue resulting from building improvements to a special fund. The City exempts 70% of the improved value from taxation for up to 10 years, and in response, property owners make annual service payments in lieu of the exempted property taxes to the DRD fund. Revenue in the DRD fund can then be used to fund: (1) grants to owners of certified historic buildings to rehabilitate the buildings; (2) loans to building owners for rehabilitation of those buildings; (3) investment in public infrastructure, including signage and broadband infrastructure; and (4) contributions to organizations within the DRD charged with the economic development of the DRD. A DRD is unique in its ability to offer developers and building owners upfront capital for rehabilitation projects after the DRD fund is initially capitalized.

⁷ Ohio Development Services Agency https://www.development.ohio.gov/bs/bs_drdp.htm#:~:text=A%20Downtown%20Redevelopment%20District%20is,that%20will%20benefit%20the%20areas

Portsmouth Community Improvement Corporation (PCIC)

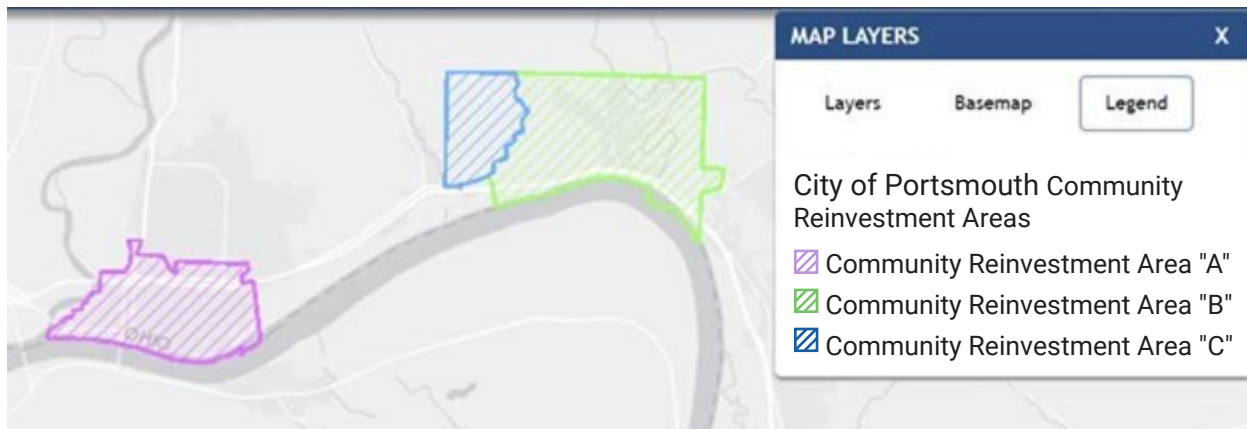
PCIC was established in 2017 in response to the end of operations at the Southern Ohio Port Authority (SOPA). A CIC is a quasi-governmental nonprofit corporation created to advance, encourage, and promote the industrial, economic, commercial, and civic development in an area. CICs have broad powers to: borrow money; provide loans to individuals or businesses; buy, lease, or sell real property; charge fees for services; and apply for and administer grants. PCIC is the designated agency of the City of Portsmouth for economic development purposes.

Community Reinvestment Area (CRA)

The City of Portsmouth established three CRAs in 1977 and amended them in 2004. CRAs are commonly known as property tax abatement areas.

These areas forego a portion of property taxes on new builds or substantial rehabs for a set number of years. In Portsmouth, 100% of property taxes on improved values are available for both new construction and remodeling projects over \$2,500 in value. Abatements are offered for periods up to 10 years for remodels and up to 15 years for new construction. The district boundaries are mapped below.⁸

Property tax abatements are available for significant improvements on both commercial and residential property, as well as abatements for new development within the CRA boundaries. Information on CRA agreements and applications for abatement are available through the Portsmouth Commercial Building Inspector.



Source: Scioto County Engineer

⁸ The exact CRA District boundaries are:

- Area A – Scioto River to the west, north to west expansion of 18th Street; then south on Scioto Trail to 16th Street; east on 16th Street to Robinson Avenue to Offnere Street; north on Offnere Street to Grant Street; east on Grant Street to Spring Street; south on Spring Street to Vinton Avenue; west on Vinton Avenue to Young Street; south on Young Street to Gallia Street; east on Gallia Street to Kendall Avenue and south on Kendall Avenue to the Ohio River, with the Ohio River being the south boundary.
- Area B – From the east New Boston corporation line to the east corporation line of the City of Portsmouth and from the Ohio River to the north corporation line of the City of Portsmouth.
- Area C – Milldale-Dunlop Road Area, to include from the boundary of the New Boston corporation line to the corporation line of the City of Portsmouth.

Designated Outdoor Refreshment Area (DORA)

Portsmouth City Council established a DORA in Downtown Portsmouth in July 2020. The DORA encompasses portions of 2nd and Chillicothe Streets and serves four qualified permit holders. DORAs are specified areas of land that are exempt from certain open container provisions as defined within city laws. DORAs are useful tools to support restaurants, bars, and small businesses and encourage people to visit downtowns and main streets. DORAs have become especially popular in the past year throughout Ohio as the pandemic prompted communities to seek out ways to expand economic development opportunities outdoors.

Arts, Culture, and Innovation District
City Council created an Arts, Culture, and Innovation District in 2020. The boundaries cover much of downtown Portsmouth, spanning from Washington Street to the west, 7th Street to the north, Waller Street to the east, and Shawnee State University to the south. This district includes several cultural establishments, such as the Southern Ohio Museum, Roy Rogers Museum, Scioto County Museum, Cirque D'Art, Vern Riffe Center, and the Kricker Innovation Hub. At this time, the designation of the Arts, Culture, and Innovation District does not include grants or other public funding for the aforementioned institutions. Administration of this district involves the Portsmouth Arts Commission, also established in 2020.



Market Types

The market type designations below are a result of an in-depth analysis and interpretation of the indicators explored above. It is important to note that these market types are broad, and that local conditions are always in flux. These market types can be used to tailor strategies for housing market interventions in the City of Portsmouth.

Stable

This market type represents neighborhoods that exhibit high rates of homeownership, healthy sales prices, and the lowest rates of housing distress indicators, like property tax delinquency and code violation. Average median sales price in Stable neighborhoods is \$94,658, with average delinquency at 10% and average vacancies at 5.5%.

- Neighborhoods north of 17th Street
- Neighborhoods in the northern portion of Sciotoville, north of Wilson Avenue



citywide levels. Housing distress indicators remain relatively low in these neighborhoods. The proximity to Stable markets and the presence of anchor institutions presents unique opportunities for these neighborhoods. Additional resources and targeted investments could potentially push Emerging Market neighborhoods to Stable market levels.

- Neighborhoods surrounding Shawnee State University and Spartan Stadium
- Southern portions of Sciotoville, south of Wilson Avenue

Middle Neighborhood

Middle Neighborhoods exhibit higher rates of housing distress indicators. A considerable amount of transfer activity occurs in these neighborhoods, but at relatively low values. The average median sales price in Middle Neighborhoods is \$39,333. The average homeownership rate in Middle Neighborhoods remains high, making these areas suitable targets for code enforcement and property rehabilitation programs.



- Residential areas between 5th and Jackson Streets in the East End neighborhood
- Areas east of the Village of New Boston
- Residential areas east of Milldale Road up to the easternmost city border

Emerging

Sales values and homeownership rates in these neighborhoods are slightly lower than those in Stable areas, but remain well above





Distressed

This market type represents neighborhoods that exhibit high rates of housing distress indicators, particularly code enforcement complaints and long-term vacancy. Sales in these neighborhoods often close under \$35,000. These neighborhoods are likely too distressed for market rate development. Efforts could be made to stabilize households, remove bad actors, and improve amenities and services.

- Much of the city's East End neighborhood, east of Offnere Street and south of US 52
- Residential areas east of Kendall Avenue

Downtown

Census tracts covering Downtown Portsmouth and the Boneyfiddle District warranted designations of their own. These neighborhoods would otherwise be placed in either Stable or Emerging market categories but for their low share of residential land uses. The type of consumers attracted to downtown living depends on the quality and quantity of amenities available to them. Any residential development in these neighborhoods should match the existing urban context and be mindful of the commercial environment present in these neighborhoods.

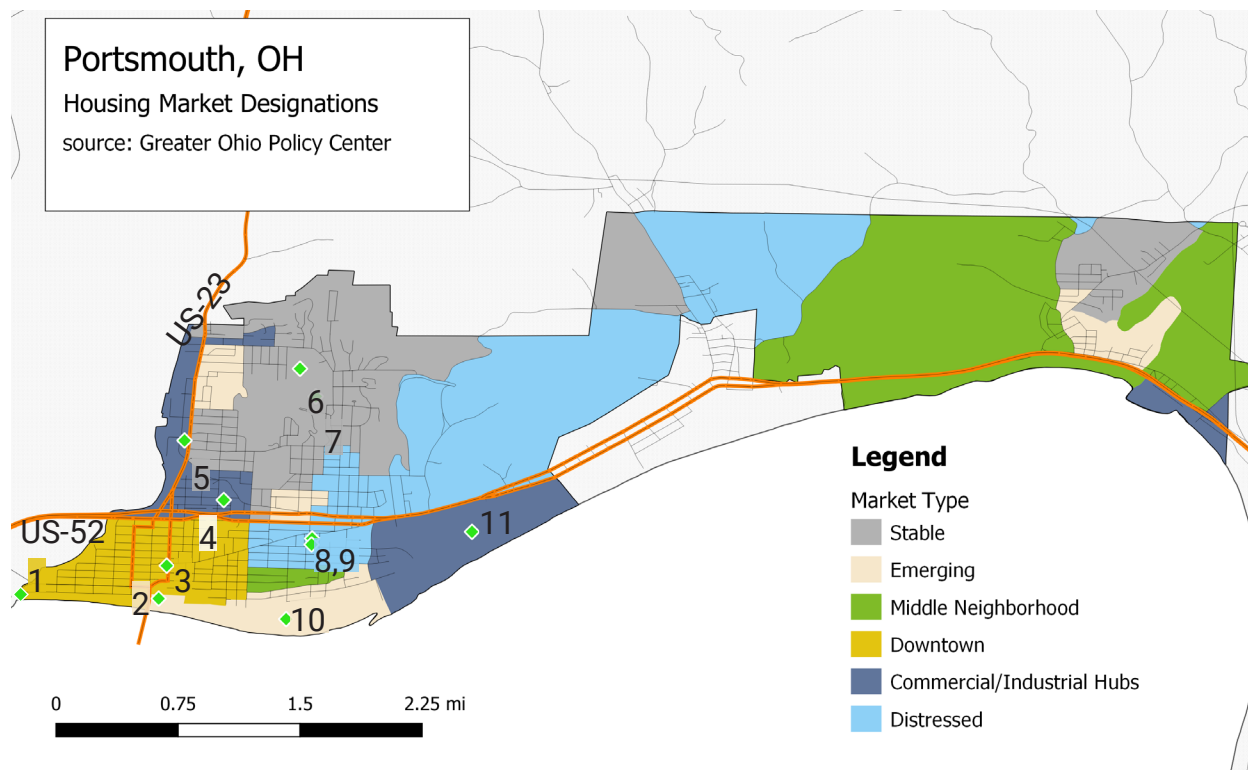


Commercial/Industrial Hub

Commercial/Industrial neighborhoods are similar to Downtown designations in that the built environment in these tracts limit opportunities for residential development. These neighborhoods vary considerably in quality, with some otherwise categorized as Stable and some showing indicators of Distressed markets. The prevalence of commercial centers and the lower shares of inhabitable residential land distinguish these neighborhoods. Special consideration should be made before targeting residential development interventions in these areas.



- Neighborhoods east of US 23/Scioto Trail, north of US 52
- Forest Heights rental units north of Coles Boulevard
- Apartments southeast of Greenlawn Cemetery
- Commercial centers surrounding Kings Daughters Medical Center along US 23/Scioto Trail



Landmarks

- 1 - Skate Park and Bike Trail Projects
- 2 - Shawnee State University
- 3 - Loft Apartments
- 4 - 14th Street Community Center
- 5 - Kings Daughters Medical Center

- 6 - Southern Ohio Medical Center
- 7 - Hillview Retirement Center
- 8 - Mitchellace Building
- 9 - Portsmouth Senior Lofts
- 10 - Spartan Stadium
- 11 - Norfolk Southern Railyard

	Stable	Emerging	Middle Neighborhood	Distressed	Downtown	Commercial/Industrial Hub
Avg. Homeownership	65%	51%	64%	46%	9.3%	43%
Avg. Median Sale	\$94,658	\$52,050	\$39,333	\$24,660	\$47,666	\$39,897
Avg. New Construction	3 units	2 units	1 unit	1 unit	1 unit	1 unit
Avg. Number of Rehabs	19 units	12 units	7 units	13 units	5 units	2 units
Avg. Delinquency Rate	10%	13%	19%	17%	5.2%	13%
Avg. Vacancy Rate	5.5%	5.6%	12%	15%	2.3%	2.2%
Avg. No. Code Complaints	2	5	3	10	1	1

The methodology for how market types were measured and determined is available in the Appendix (p. 58).

Themes from Real Estate Expert Interviews

GOPC interviewed 12 real estate experts and hosted a roundtable discussion of area realtors to learn about their work in the City of Portsmouth and the southern Ohio region. GOPC solicited suggestions to improve market strength and increase residential development and redevelopment opportunities within the city limits. Interviewees included current homeowners and landlords, developers, rehabbers, realtors, economic development professionals, and community stakeholders.

The following themes emerged during these interviews.

The Pandemic Caused Shifts in the Housing Market

COVID-19 caused widespread uncertainty nationwide and prompted the worst economic recession in recent history. While the pandemic recession seemingly spared housing values, the most recent data from the U.S. Census Bureau's Household Pulse Survey reveals that up to 13% of renter households in Ohio indicated being behind on rent, and 26% of all households in the state reported difficulty covering usual household expenses.⁹ To mitigate the most destabilizing effects, the federal government and local courts applied moratoria on evictions and foreclosures in an effort to keep Americans housed, while the Federal Reserve adjusted interest rates. Low interest rates set off an unprecedented wave of buying in the Portsmouth market, creating a situation where there were more interested buyers than available houses for sale.

The Greater Portsmouth Area is also seeing the highest dollars transacted in calendar year 2021, compared to 2020. Local experts suspect that a temporary halt in foreclosures has bolstered average sales in the City of Portsmouth to a record breaking high of \$103,000, double what they were in previous years. It's unclear at this point how much of the current buying activity is temporary or when the area housing market will settle down.

Portsmouth Needs Business-Friendly Leadership That Will Partner on Development

There is always risk associated with investing in property development, whether it's to support new construction or significant rehab of single-family, multi-family, or mixed-use buildings. The city has a number of tools in place to help manage risk in economic development that could easily translate to support rehab work, but the availability of these tools is not clearly communicated; and there is little indication of them being widely used. For example, the city has had CRAs

⁹ Source: Calculated by Center on Budget and Policy Priorities from Census Bureau's Household Pulse Survey published tables "housing1b" and "spending1" for survey weeks 29 and 30, <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>; and 2019 American Community Survey public use file

since the 1980s, but interviewees doing development work either weren't aware of the existence of these programs or signaled that their application was uneven. There are no permitting requirements to build elsewhere in Scioto County, which can create confusion for local contractors who don't know how to navigate city requirements. Knowledgeable city staff, accessible websites, and written materials that can clearly communicate the steps of the application process could encourage more contractors from surrounding townships to take on redevelopment work inside of the city.

Even seasoned development professionals benefit from local champions who can communicate a vision for development and connect builders and developers to available resources. Developers who have worked on projects in Portsmouth commented that the city is a fair partner on development, but could provide more support. The city can directly support development by implementing the tools it has in place to mitigate risk, like tax abatements on new construction or significant rehabilitation through CRA agreements, impact fee waivers, or to serve as a liaison to connect mixed use developers to prospective commercial tenants. Additionally, the city can support new residential investments by bolstering code enforcement efforts, addressing nuisance properties, and, where applicable, providing incentives to residents relocating into the city.



The City has an Image Problem Which Proves Difficult to Shake

The City of Portsmouth is home to two significant area employers (e.g. Southern Ohio Medical Center and Shawnee State University), but despite their presence within the city limits, over three-quarters of the city's workforce live elsewhere. Those who work with individuals relocating to the area for work say people are hesitant to settle in the city because of perceptions of crime, cleanliness, drug addiction, homelessness, and school quality. Additionally, there is an assumption that there are no amenities available for families with children like museums, parks and recreation programming, or chain restaurants. Several interviewees noted that the downstream effects of these (erroneous) assumptions have contributed to a negative image that makes it difficult to attract new residents or convince existing residents to stay in town.

Some of these issues cannot be addressed given Portsmouth's size and development context (ex: far reaching children's museum programming), and

others will require time and coordinated/collaborative investments (ex: school quality). Conditions on the ground in the city have changed considerably in recent years, but negative perceptions about the area are hard to shake off. Despite this, all interviewees were enthusiastic about existing progress and upcoming investments.

The City of Portsmouth recently completed a master planning process which laid out strategies for future development and infrastructure decisions. The city is already moving on some recommendations, including enhancements to Market Square and an exploration of wayfinding improvements to guide residents and visitors to hotspots and nodes of activity. Elevating early successes and highlighting the city's responsiveness can be a way to combat narratives of despair in the long term.

Portsmouth has Unique Assets and a lot of Optimism

Nearly every interviewee remarked that the natural amenities surrounding the city were one of Portsmouth's greatest assets. Portsmouth residents have access to several city parks, including the recently constructed Spock Memorial Dog Park. Residents are also in close proximity to Shawnee State Forest and have access to the riverfront of the Ohio River. In addition to existing parks, the city is currently developing a skate park in the Boneyfiddle District and a multi-use path along Front Street. Interviewees also noted that Portsmouth is home to an abundance of locally-owned small businesses and a walkable

downtown, unique assets that are not found in other villages or townships in Scioto County.

The Boneyfiddle District is an area that has seen increased investment in the last 20 years, resulting in new ground-floor businesses and some upper-story conversions to rental units. The combination of historic properties, walkable streets, and new commercial activity makes this area of the city particularly attractive. Progress has been slow, but with the right mix of partners and supportive policies, commercial and mixed-used redevelopment in the Boneyfiddle district can be replicated elsewhere in the city.

Several Factors Hold Back New Development

There has been virtually no new housing development in the City of Portsmouth, and very little new residential development occurring in Scioto County in general. Many factors play into a developer or builder's decision of whether to expand into a new market, including demographic metrics, prevailing rents, median household incomes, and assumptions about supply and demand. Below are some of the issues holding back new development raised in interviews.

¹⁰ Home Builders Institute. The HBI Construction Labor Market Report. Spring 2021 <https://www.hbi.org/wp-content/uploads/HBI-Construction-Labor-Market-Report4.pdf>

¹¹ Visual Capitalist. Visualizing the Recent Explosion in Lumber Prices. May 8, 2021 <https://www.visualcapitalist.com/visualizing-explosion-lumber-prices-50k/>

High Construction and Labor Costs

Construction costs have been increasing steadily since 2000, which, coupled with a tight construction labor market after the 2008 financial crisis, has created a housing shortage in virtually every market across the nation. The COVID-19 pandemic exacerbated these pre-existing hurdles; the Home Builders Institute reported a construction industry shortfall of more than 200,000 workers at the beginning of 2021, with more than 60% of builders reporting issues finding workers.¹⁰ At the same time, construction costs have spiked in the past year; for example, lumber prices rose 27% between 2010 and 2020, but from 2020 to 2021, lumber prices increased 377%.¹¹ People engaging in rehab activity note that they can manage to keep labor costs down by doing a lot of the work themselves, but this solution is not scalable and still often requires specialized trades, like plumbers and electricians, who are also in short supply. In Portsmouth, these macroeconomic shifts are occurring in a market that has seen longstanding decreases in population and property values, making new construction challenging.

Blight and Historically Weak Code Enforcement

Whether they were referred to as “rundown houses,” “deferred maintenance,” “slumlord properties,” or “people not having pride in their homes,” code violations came up in every interview. According to some interviewed stakeholders, previous city management played an inactive role in tracking and addressing code violations, while county leadership had also neglected to prosecute code

violations or, when necessary, step in to transition chronically delinquent properties into new ownership. As a result, the City of Portsmouth has a high number of nuisance properties spread around the whole city. Nuisance properties are concentrated in the East End neighborhood, where many of the houses are owned by landlords; most of these landlords are local. Properties that are visibly in noncompliance with city code can depress surrounding property values and may attract crime and other illicit activity. Nuisance properties are a deterrent to potential builders and rehabbers who worry that their investments won’t be adequately protected against a problem property next door. Code violations that remain unaddressed can also push current residents to look for housing elsewhere.

Low Value Comparables

According to the National Association of Home Builders, the nationwide average price to build a new home is \$394,300.¹² For comparison, Portsmouth-area realtors noted that the 2020 average sale value was \$91,068 for the city. The difference between the cost of building a new property, or investing in an existing property to resell, versus the value of current sales is known as an appraisal gap. If an appraisal gap is too

¹² National Association of Home Builders. Government Regulation in the Price of a New Home: 2021. May 5, 2021 <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-government-regulation-in-the-price-of-a-new-home-may-2021.pdf>

large, builders and developers will be hesitant to enter a market because they will be unsure that they can recuperate the cost of their investment through sale, let alone turn a profit. Property values in the city have improved slightly in recent years, but they still remain far below statewide averages, and despite a strong market this past year, median sales in the city still lag those in surrounding townships. Given how weak the market is in Portsmouth, interviewees admitted that it would be difficult to attract conventional developers, builders, rehabbers, or value-add house flippers to work in the city.



There is Demand for Quality Rental Products

Interviewees familiar with Portsmouth noted that there is a lack of quality rental products available to meet the needs of residents, particularly employees of SOMC, employees of Shawnee State University (SSU), and graduating SSU students. A large rental property owner shared that they had less than 5% vacancy across their units, and other landlords with smaller portfolios similarly reported all of their units were at capacity. A tight rental market is a disadvantage to current residents by limiting choices in quality and unit type while also making it difficult to accommodate new incoming residents. A handful of loft conversions in recent years have added diversity to the rental market by

providing luxury living options, but these are also reportedly at capacity. Several community members who are current property owners recalled once being renters in the City of Portsmouth. Many noted that it was very difficult to find an available and affordable apartment within city limits, and several cited a lack of inventory and inconsistent advertising of available units. Historically inactive code enforcement efforts have also led to a proliferation of unattractive and structurally unsafe rental units. Short rental supply and a difficult-to-navigate market can hinder Portsmouth's effort to attract and retain residents.

Current Housing Stock Doesn't Match Contemporary Expectations

Low property values are prevalent in legacy cities around the state and are the result of population loss and increasing poverty. In Portsmouth, the median value of owner-occupied units was \$78,400 in 2019, which was about half of the statewide value for the same year. In addition, approximately 90% of the city's housing stock was constructed prior to 1990, which creates hurdles for sales as the current units doesn't match the expectations and preferences of modern buyers. Finally, the opioid and foreclosure crises of the last 20 years have had ripple effects on median household income and homeownership rates in the city, leading to deferred maintenance and a decline in housing quality.

Interviewees noted that most residents moving into the city have generational ties to the area: individuals who are from Portsmouth and either never left

or returning after a stint in another location. This group with deep roots can be a great civic asset, but they also represent a minority of property buyers in the city. Due to the city's low prices and high renter population, houses in the city are very attractive to investor-owners. This group, mainly comprised of people local to the area, will purchase single-family homes and convert them into rental units, a trend common in other low-value legacy cities. As a result, rehabbing and reselling properties is more of a niche rather than a mainstream real estate investment strategy. At the same time, stagnant value increases serve as a disincentive to potential owner-occupants without strong ties to the area, who may not see a guarantee in the security of their investment. Once single-family properties are bought and converted to rentals, it's difficult to recapture that property for future owner-occupants.

Because the housing stock is so cheap in Portsmouth, some community members felt there was a unique opportunity to transition more current residents into homeownership. While there are many nonprofit housing providers active in the city, like Portsmouth Metropolitan Housing Authority (PMHA) and the Counseling Center, there is currently no nonprofit entity specifically dedicated to increasing homeownership opportunities for Portsmouth residents. When asked, interviewees thought it would be beneficial if such an entity could provide financial literacy and coaching to first-time homebuyers, and when necessary, step in and hold properties to allow prospective owner-occupants to prepare the financing to buy a home.



Policy Strategies and Recommendations

GOPC offers policy and programmatic recommendations to assist stakeholders in the City of Portsmouth in stabilizing and strengthening the residential housing market. These recommendations, organized into 5 priorities, were established from GOPC's policy expertise, data collection, and interviews with expert stakeholders.

It is important to note that many of these recommendations involve coordination between public, nonprofit, and private sector stakeholders. The collaboration and integration of these stakeholders will be vital to successfully strengthening the housing market in the City of Portsmouth. GOPC was struck by the number of people who are deeply committed to the city and want to see good outcomes. This community pride is an asset that will help municipal government, nonprofits, and others do their best in the city.

The American Rescue Plan Act (ARPA) passed in March 2021 to speed up the nation's recovery from the economic and health effects of the COVID-19 pandemic. ARPA provides \$350 billion to states, counties, cities, townships, and tribal governments to cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. As a non-entitlement community (a local government serving population less than 50,000), the City of Portsmouth should expect to receive Coronavirus Local Fiscal Recovery Fund payments through the State of Ohio. It is estimated that the City of Portsmouth will receive \$3.95 million from ARPA, and Scioto

County will receive \$14.6 million.¹³ Money from ARPA has flexibility to be used to address negative economic impacts within a community; some of the following recommendations may be eligible for funding through ARPA.

PRIORITY 1

Ensure the City is Open for Business

- Make City Operations and Tools More Accessible
- Modernize the City's Zoning Code
- Create a Residential CRA District and Confirm Residential Construction Is Eligible for Abatement in Existing Districts

Make City Operations and Tools More Accessible

With increasing land, labor, and supply costs, developers and builders are operating on slimmer margins. This issue is particularly acute in markets like Portsmouth, where comparable values and low area incomes create affordability concerns around any new investment. Some developers and builders recommended that the city provide support to navigating municipal code and permit regulations, especially for contractors new to working in the city, or amateur builders who may be taking on small-scale home improvement projects.

¹³ Center for Community Progress "COVID-19 Resource Center" <https://www.communityprogress.net/covid-19-resource-center-pages-577.php>

Concretely, this means making sure relevant city and county staff are aware of code and permit processes, program specifics, and/or know the appropriate colleague to refer inquiries to. The city should clearly state, on its website and in hard copy, the permitting steps a typical contractor should expect, including timelines, costs, and what information is required at each stage of the process. Uniformity in issuing and reviewing permits will also bring certainty to the process. Studies by the National Association of Home Builders (NAHB) indicate that regulations imposed by government at all levels account for 23.8% of the final price of a single-family home built for sale.¹⁴ Ensuring that customer service is a priority when residents interact with municipal staff will potentially avoid delays associated with the permit application and review process. A culture of high-quality customer services will make potential homeowners and builders/rehabbers feel welcomed in Portsmouth.

The City of Portsmouth has several tools for revitalization in place, including four Downtown Redevelopment Districts, three Community Reinvestment Areas (e.g. tax abatement areas), and both a city and county land bank. All of these can help in mitigating risk and incentivizing commercial, mixed-use, and residential redevelopment within the area boundaries, but many developers currently working in the area were either totally unaware of the existence of the tools, or had a limited understanding of how to utilize them. One simple step the City of Portsmouth can do to connect developers to already available tools is to redesign the city

website and prepare hard copy one-page documents about these tools. These documents and online resources should: 1) explain the boundaries and benefits of the Downtown Redevelopment Districts and Community Reinvestment Areas, 2) describe the services and programs offered by the landbanks, and 3) outline application processes, including timelines and any fees. These communications materials can be produced at relatively low costs, and the city can hire a temporary employee or intern to create the materials; updates can then be made by existing staff.

Modernize the City's Zoning Code

At a national level, local zoning laws have been criticized for being out of step with modern building practices and consumer preferences, holding back development, and indirectly increasing costs.¹⁵ In Winter 2021, the City of Portsmouth began the process of updating its zoning code, which has remained largely unchanged since its adoption in 1946.

¹⁴ National Association of Home Builders "Government Regulation in the Price of a New Home: 2021" <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-government-regulation-in-the-price-of-a-new-home-may-2021.pdf>

¹⁵ Brookings Institute "Is zoning a useful tool or a regulatory barrier?" <https://www.brookings.edu/research/is-zoning-a-useful-tool-or-a-regulatory-barrier/>; CATO Institute "Zoning, Land-Use Planning, and Housing Affordability" <https://www.cato.org/policy-analysis/zoning-land-use-planning-housing-affordability#>; Urban Institute "How Communities are Rethinking Zoning to Improve Housing Affordability and Access to Opportunity" <https://www.urban.org/urban-wire/how-communities-are-rethinking-zoning-improve-housing-affordability-and-access-opportunity>

City Commission and city staff can take this moment to work with its zoning consultant to look specifically at elements of its zoning code that often hold back new development opportunities, namely: density and minimum lot size requirements; minimum off-street parking requirements; setbacks; and the permissible uses in key districts. In the process to update the zoning code, the city should work with its consultant to explore up-zoning areas currently dedicated for single-family construction, or form-based code to reduce restrictions across zoning¹⁶ districts. Simplifying the zoning code and reducing the regulatory burden on development, in tandem with the above requirement to streamline the permitting process, can reduce the cost of development and allow for greater diversity in the product types being brought onto the market.

Reworking zoning to modern standards creates opportunities to implement creative incentives for development. Bryan, Texas, recently approved zoning changes to its Midtown area, implementing a “Pattern Zoning” system. Pattern Zoning is a development incentive and a zoning tool that has the ability to lower development costs by allowing property owners and developers to select specific pre-approved residential and mixed-use building designs that can be permitted easily and within a quick timeframe.¹⁷ All pattern buildings are optional and voluntary for use, and include design variations.

By selecting pre-approved design patterns within designated zones, applicants can bypass several steps in the traditional plan review process, creating significant times saving.

Create a Residential CRA District and Confirm Residential Construction Is Eligible for Abatement in Existing Districts

Community Reinvestment Areas (CRA) are useful tools to support new development or substantial rehab in relatively inactive markets. Developments within a CRA district can enter into an agreement with the city to abate a portion of new property taxes generated by the new development or substantial rehab. The abatement can last for a period up to 15 years, and with support from the local school district, up to 100% of property taxes on new improvements can be abated. CRA abatements have long been a popular tool to support commercial development in cities, but cities can also authorize them to support residential development and redevelopment. The City of Portsmouth currently has three CRA districts in place – Areas A, B, and C – and all provide abatements for both commercial and residential development.

CRA District A covers all of Downtown Portsmouth and the Boneyfiddle District, and all of the East End neighborhood

¹⁶ Form-Based Codes Institute “Form-Based Codes Defined” <https://formbasedcodes.org/definition/#:~:text=A%20form%2Dbased%20code%20is,%2C%20town%2C%20or%20county%20law.>

¹⁷ City of Bryan “Pattern Zoning in Midtown” <https://www.bryantx.gov/midtownpatterns/>

up to the railyards, but stops short of the Hilltop neighborhood. At its northernmost boundary, CRA Area A saddles Bannon Park on 16th Street to the west and Grant Street to the east. The residential neighborhoods north of Grant St. exhibit some of the highest value median sales for the city, and there are lower instances of property tax delinquency and code complaints. While property values are stronger in the Hilltop, they are not high enough to support potential new development alone. Abatements help to alleviate some of the cost burden of new construction for developers, and also can support existing homeowners who want to make substantial improvements to their property. To encourage construction and preserve existing property values, the City of Portsmouth could create a new, citywide CRA district, which would cover the Hilltop Neighborhood to the north.

CRAs provide benefit to developers and homeowners by lowering property tax bills. CRAs do reduce the amount of property tax the county and school districts (which are the political jurisdictions most dependent on property taxes) can collect on improved properties. The amount of taxes foregone and the length of time property tax on improvements is foregone is set by the municipality. Given the effect of CRAs on local taxing jurisdictions, new abatements should be established in consultation with all impacted political jurisdictions.

PRIORITY 2

Understand the Quality of Portsmouth's Housing Stock and Pro-actively Work to Stabilize It

- Establish a Residential and Commercial Vacant Property Registry
- Conduct a Residential Property Survey
- Invest in Code Enforcement and Urge County Leadership to Support City Staff Actions

Establish a Residential and Commercial Vacant Property Registry

Vacant properties negatively impact nearby commercial and residential property values. In cases where vacancy coincides with code violations, vacant properties can pose a threat to public safety and first responders. To protect first responders and prevent declining property values, over 100 municipalities in the State of Ohio manage vacant property registries. These programs allow local government officials to monitor vacancy patterns, maintain a record of property ownership and other responsible parties, ensure owners of vacant properties are aware of their obligations under relevant city codes and regulations, and ensure that property owners maintain a minimum standard of maintenance of their properties.¹⁸

Vacant property registration programs require owners of vacant properties to register their properties with city code or public health departments, and in most cases, incorporate a fee structure.

¹⁸ Greater Ohio Policy Center Blog [“Myths About Vacant Property Registries”](#)

Minimally, a registration fee should mostly or completely cover the costs of managing the registry and the costs of enforcement, whether management and enforcement are done “in-house,” or by a third-party vendor, like Prochamps or MuniReg. Some third-party vendors will do an inventory of vacant properties in the city as part of their agreement.

In certain conditions, registration fees can be structured to motivate the owners of vacant properties to restore their properties to productive use, either by charging a high flat fee or incorporating a graduated fee schedule: with every year a building remains vacant and must be re-registered, the fee charged increases. Experts caution that fee structures should correspond to market conditions to avoid prompting tax-paying owners into outright abandonment of their properties.¹⁹ Regarding registration requirements, cities can require registration after a property has been vacant for a set period of time, for example, 45 days, or require properties to register after a foreclosure. A city establishing a vacant property registry should clearly define:

- which properties and which parties must register;
- the registration requirements, including expectations for re-registering;
- the fee structure;
- maintenance obligations on the owner;
- and penalties for failing to register in a timely fashion.

¹⁹ Center for Community Solutions [“Tool 2: Motivating Owners to Reuse Properties”](#)

Conduct a Residential Property Survey

A prominent stumbling block identified in stakeholder interviews was a prolonged underinvestment, verging on disinterest, in code enforcement. While recent changes hint at a reprioritization of code enforcement, current staff will have to create the infrastructure to take on the code enforcement process, which involves having capacity to proactively monitor properties, receive and record resident complaints, and follow up on violations. Having current, comprehensive, and reliable data on the city’s housing stock would help Portsmouth’s code enforcement department to tackle the difficult and historic issue of property maintenance in the City of Portsmouth.

There is variation in the quality of residential properties across Portsmouth, and a finer-grained understanding of that variation and opportunities on individual blocks will become the foundation for a data-driven process to determine targeted, successful investments. In many smaller legacy cities, individual blocks can be “tipped back to health” with targeted and economical investment in properties that are structurally sound but may have aesthetic issues (like overgrown grass or missing window shutters). A current, comprehensive, and reliable dataset can help the city, nonprofits, and others identify “hot spots” that might receive concentrated code enforcement or repairs because the hot spots are along major corridors in and out of the city, or surround schools, playgrounds, churches, or other key community assets. Depending on how the survey is set up, property ownership information could be overlaid

on the parcel data, allowing the city to identify property owners that may have problematic properties in their portfolios (although city staff likely already know who the unengaged property owners are).

In 2015, the Lucas County Land Bank noted deficiencies in their recording hindered the Land Bank's ability to strengthen neighborhoods. At the time, the Land Bank lacked an accurate demolition list and didn't have strong reporting on the location or quality of vacant properties, so they surveyed all 120,000 properties in the City of Toledo and mapped the results to understand the conditions of vacant and occupied properties. The Land Bank's and its consultant used a team of college interns who externally inspected every property and rated them based on a standard scorecard they had been trained to use.

The Land Bank was able to use the results of their property survey to improve their neighborhoods, by better understanding which properties had been abandoned, likely candidates for rehab or renovation, and which properties were too far gone to repair. As a result of the survey, the Land Bank could better see what blocks and neighborhoods had market possibilities and which blocks would require more sustained subsidy to return them to market strength. Based on the 2015 survey, the Land Bank confidently renovated and demolished 2,438 structures, and is currently engaging in a follow-up survey of all properties over the summer of 2021.²⁰

While a property survey would, ideally, be led by the city (or county), it does not have to be. It could be led by a nonprofit (or even the Community Foundation or hospital) and carried out as a service project for college students and volunteer organizations. Ideally, survey results could live within the city land bank or with code enforcement staff and be used to inform data-driven decisions for reinvestment, demolition, or other programs.

Invest in Code Enforcement and Urge County Leadership to Support City Staff Actions

Building and maintenance codes are an important tool to support public health and safety, setting standards for essential structures like foundations, walls, paint, roofs, and garbage. In addition to posing a safety hazard for occupants, noncompliant properties can depress adjacent property values and reduce the attractiveness of a neighborhood. Code violations were a major theme in several interviews, with stakeholders noting that noncompliance and a lack of enforcement drove away prospective developers and prompted some residents to leave the city. To motivate unengaged property owners, code enforcement can issue special assessments on chronically noncompliant properties and move to foreclose on problem properties.

²⁰ Lucas County Land Bank "Neighborhood data: Neighborhood Survey Projects" <https://lucascountylandbank.org/services/data-collection-and-access>

To encourage voluntary compliance from vulnerable residents, cities can engage property owners through compassionate means. In early 2020, the City of Springfield, Ohio, committed to more strongly enforcing health and safety codes in low- and moderate-income neighborhoods through a partnership with the Neighborhood Housing Partnership of Greater Springfield (NHP), a nonprofit dedicated to increasing and preserving homeownership. Noncompliant homeowners cited by the city who alert code enforcement that they will struggle to rectify the violation are referred to NHP who then helps establish a timeline for rectifying the violation and connects the homeowner to appropriate resources as needed, like getting placed on a church service project list or helping them locate and purchase a second-hand lawnmower. Springfield's compassionate code enforcement establishes flexibility and patience with homeowners and is a replicable model for cities looking to engage low-income owners while improving neighborhood conditions. Properties fall out of code compliance for a variety of reasons; to compassionately address violations and complaints, city staff can consider partnering with social worker services housed with organizations like SOMC or the Counseling Center to pair a licensed social worker with a code enforcement officer when engaging with property owners.

Code enforcement interventions rely on coordination with local court systems and county leadership. The city Code Enforcement Department can communicate with property owners, issue citations, and place penalties/

fees as a lien against the property, but all subsequent steps require the participation of the local courts. The judicial system can add additional pressure for a property owner to fix violations and pay fines, and in extreme cases, will oversee the foreclosure process to change ownership of the property. To remediate properties with unengaged owners or properties that are chronically noncompliant, the city will need support from other governmental bodies in addition to increasing their code enforcement efforts internally.

PRIORITY 3

Protect Homeowners and Occupied Homes

- Establish a Homeowner Repair Assistance Program
- Provide Support to Grow Homeownership Opportunities for City Residents
- Reintroduce a Rental Property Registration Ordinance
- Create a Low-Interest or Zero Percent Loan Program for Local Landlords

Establish a Homeowner Repair Assistance Program

Much of the existing housing stock in Portsmouth was built prior to 1990. While historic homes add character and create a supply of Naturally Occurring Affordable Housing (NOAH), maintenance and repair costs can easily overwhelm the average homeowner. The city should support homeowners through rehabilitation and maintenance programs that protect the city's existing housing stock. Maintaining existing property will allow for diversity in

housing pricing options should any new construction occur in the near future.

Home restoration programs can be administered by a public entity or through a nonprofit agency. In Lucas County, the land bank plays a role in stabilizing and rehabbing existing homes that have experienced deferred maintenance. The Lucas County Land Bank administers the Home Preservation Initiative (HPI), which provides free consultation on most home repair and maintenance projects to homeowners who are current on their property taxes.²¹ Through partnerships with local lenders, the Land Bank can also connect HPI homeowners to low-interest loans to complete their renovation projects. On the nonprofit end, the Cleveland Restoration Society manages the Heritage Home Program, helping homeowners repair, maintain, and preserve historic homes. The program serves homeowners living in homes that are 50 years or older, and provides technical assistance and low-interest loans financed through Key Bank and Third Federal Savings & Loan.²²

Invest DSM, a nonprofit in Des Moines, IO, launched several renovation and repair programs for residents in the city's special investment district neighborhoods. Home values in these neighborhoods were not keeping pace with inflation, creating a problem for the city's tax base. As a result, Invest DSM created the Block Challenge Grant Program and the Homeowner Renovation Program.²³ The Block Challenge program provides 1:1 matching grants to groups of neighbors who apply jointly and work together to

complete exterior improvements to their properties. The Homeowner Renovation Program is designed to encourage homeowners to invest in their homes through renovation projects that improve the curb appeal, functionality, and marketability of their homes by offering a financial partnership in the form of forgivable loans/grants. Invest DSM is jointly funded by the City of Des Moines and Polk County.

The City of Portsmouth and Scioto County Commissioners jointly provide funding for a Community Housing Impact and Preservation (CHIP) Program, administered by the Scioto County Commissioners Office. CHIP provides funding for homeowner rehabilitation and repair projects for residents of Scioto County. Homeowner rehabilitation assistance can provide a maximum of \$64,000 per home for owners making 80% or less of Area Median Income (approximately \$37,150 for a household of one); homeowner repair assistance provides a maximum of \$18,000 per home for owners making 60% or less of Area Median Income (approximately \$33,889 for a household of one). Scioto County CHIP Program typically funds 7 homeowner rehabilitation projects and 13 repair projects per year. A share of the joint CHIP funding is reserved for use on properties within the City of Portsmouth.

²¹ Lucas County Land Bank "Home Preservation Initiative" <https://lucascountylandbank.org/services/hpi>

²² Cleveland Restoration Society "Heritage Home Program" <https://www.clevelandrestoration.org/for-homeowners>

²³ Invest DSM "Programs" <https://investdsm.org/programs/>

The Scioto County Commissioners could better coordinate with city staff to target existing funding to repairs in priority neighborhoods or integrate CHIP applications with city code enforcement efforts.

Complementary or companion programs should aim to serve Portsmouth residents up to 100% of area median income, which is \$60,400 for a family of three. Looser income parameters recognize that while homeowners in Portsmouth tend to be more financially stable than renters, the magnitude of rehabilitation and repair projects on older homes can be financially overwhelming for even the most secure resident. Prioritization, however, should go to those homeowners most at risk of losing their home due to limited incomes.

Provide Support to Grow Homeownership Opportunities for City Residents

Property values in the City of Portsmouth are considerably lower than statewide levels, or amounts in other metro areas of the state. Several interviewed stakeholders remarked that rental costs are considerably more expensive than costs associated with homeownership. At the same time, interviewees noted that the quality of most rental stock in the city is poor, yet rental vacancy rates are very low. Given these factors, and the fact that property values are low citywide, Portsmouth is in a unique position to offer the option of homeownership to households who would not otherwise get the opportunity in other cities in the state. Promoting homeownership in low-income or underserved communities

often requires a considerable amount of coaching and preparation, including homebuyer and financial literacy education. A range of nonprofits offer homeownership coaching and housing counseling, such as community action agencies, community development corporations, or housing advocates, like NeighborWorks. The Community Action Organization of Scioto County does not currently offer homeownership coaching, and there is not a community development corporation operating in Portsmouth. One of Ohio's 10 NeighborWorks affiliates may be encouraged to provide services in Portsmouth, but they would expect local funds to cover staff costs. The 14th Street Community Center already provides some financial literacy classes, and could be a natural host for expanding homeownership preparation programming through a NeighborWorks organization or an existing homeownership center. Partnering with an existing housing expert would help to provide expertise to city residents without having to establish a new nonprofit.

Reintroduce a Rental Property Registration Ordinance

A rental property registration program enables city officials to collect local contact information for the owners of rental property and utilize this information in cases of code violation.²⁴ Rental property registries typically require contact information from the property owners, including phone

²⁴ Greater Ohio Policy Center "Using Rental Registration as a Blight Mitigation Tactic" <https://www.greaterohio.org/blog/2019/3/8/rental-registries-as-a-blight-mitigation-tactic>

numbers and emails, registration fees, inspection requirements, and a renewal schedule. Several cities in Ohio maintain a rental property registration program, including cities as small as Marietta (pop. 13,389, Washington County), Nelsonville (pop. 4,769, Athens County) and West Carrollton (pop. 12,913, Montgomery County). The City of West Carrollton enacted their program, which includes an inspection program, in 2017 and has since seen rental property violations drop by more than 50%.²⁵

The intention of a rental property registration program is to protect code-compliant properties and contain the negative impact of properties that violate city building and zoning codes. Rental property registries can also be tied with future “good landlord” incentive programs, like a landlord training program,²⁶ inspection and renewal waivers, or a first-look priority mailing list for landbank and sheriff sales. The City of Portsmouth had established a rental property licensing program in the past, which was taken down in court. Reestablishing a new program will require considerable political will, but is a valuable step towards improving conditions in rental housing.

Create a Low-Interest or Zero Percent Loan Program for Local Landlords
Scioto County provides rehabilitation and renovation funding for low-income homeowners through the CHIP Program, but there is no equivalent funding available for local landlords who need repair assistance. The Central Ohio Community Improvement Corporation (COCIC) operates a Responsible Landlord Program, a revolving loan fund for acquisition and market-based

rehabilitation of housing in target neighborhoods on the city’s Southside.²⁷ A similar program in the City of Portsmouth should require landlords to be current on taxes or in a tax installment plan in order to participate. Additionally, the program could target local landlords by requiring applicants to live in the City of Portsmouth or within the same neighborhood as their rental property. The loan fund could be managed by the landbank or through a philanthropic partner.

PRIORITY 4

Secure Future Opportunities Through Site Control

- Leverage City-Owned Property in the Downtown and Boneyfiddle Districts
- Utilize the Abilities of a Land Bank for Long-term Land Assembly

Leverage City-Owned Property in the Downtown and Boneyfiddle Districts

The City of Portsmouth, through its own office and through the Portsmouth/Scioto County Land Reutilization Corporation, owns more than 100 properties throughout the city, including key real estate in the downtown core. City staff can contract with a nonprofit development corporation or the city’s CIC to transfer ownership of said

²⁵ Nick Blizzard, “Landlord violations show steep drop in West Carrollton” Dayton Daily News <https://www.daytondailynews.com/news/local/landlord-violations-show-steep-drop-west-carrollton/bwFEswiJDQj°qpqZyxXpNJ/>

²⁶ City of Shaker Heights “Landlord Training” <https://shakeronline.com/317/Landlord-Training>

²⁷ COCIC “Responsible Landlords Program” <https://cocic.org/what-we-do/responsible-landlord>

properties and begin remediation or demolition, depending on the quality of the structure. The Marting's Building is one example of publicly-owned property currently sitting vacant in prime section of the city's urban core. While this particular project may be too expansive to complete in the current market downtown, it is possible to renovate and rehabilitate large downtown properties for reuse through partnership and creative financing.



For example, the City of Hamilton partnered with the local community foundation, Chamber, and local bank to create a fund that helped finance redevelopment of a former department store. They made the site "white box ready" (e.g. painted, all mechanical systems in place, drywall walls in place) and then aggressively marketed the location. Within a year, the City's economic development department had secured Star Tek, a call center.²⁸ In Warren, Ohio, an abandoned department store was converted into an energy-focused business incubator. The incubator was funded with federal grants from the Department of Energy, Economic Development Administration, Ohio Historic Preservation Tax Credits, local philanthropic funds, and local loans.²⁹

²⁸ Megan O'Rourke, "Major \$6.5 million redevelopment underway for Hamilton Elder Beerman site" WXIX <https://www.fox19.com/story/28569563/organic-grocery-store-opening-in-hamilton-elder-beerman-site/>

²⁹ Phillips Sekanik Architecture "TBEIC" <https://phillips-sekanick.com/project/tbeic/>; GOPC personal knowledge of project through Village Capital Corporation

Utilize the Abilities of a Land Bank for Long-term Land Assembly

The City of Portsmouth is situated along hilly topography at the confluence of two major rivers. The city is also bordered by several designated places in unincorporated territory. Given flooding and elevation constraints, on top of political boundaries that limit options for land annexation, any new housing development in the city will have to occur on previously developed land. Scattered site development on individual residential lots is prohibitively expensive, while former industrial sites often require large upfront investments to remediate any environmental hazards before redevelopment can occur. Given these limitations, land assembly can create a composite site large enough to achieve economies of scale for new residential development, such as a 10-acre site for a 15-20 house neighborhood. Land banks are uniquely well-positioned to help assemble land, given their flexibility to acquire and hold property. A land bank can aggregate land for a multi-acre site, or offer a package of scattered lots located close to each other for a developer or builder to build on. Either the Portsmouth or Scioto County Land Reutilization Corporations can strategically acquire land in emerging neighborhoods to create 5+ acre lots over time that can support multi-unit developments. Likewise, land banks can remediate and hold commercial and mixed-use properties in downtown until an appropriate redeveloper is secured.

The City of Dayton has been aggregating land for over a decade now: working to gain ownership and control over multiple contiguous acres. Eventually, these assembled parcels may be used to build new residential neighborhoods, become sites for new manufacturing or commercial facilities, or turned to greenspace. One neighborhood in Dayton has a several-block tree farm, where trees are being grown to replace the city's aging tree canopy.³⁰

PRIORITY 5

Stabilize and Rebuild the Market

- Establish a Nonprofit Development Corporation to Hold and Redevelop Vacant and Foreclosed Properties
- Create an Incentive Program to Encourage Individuals to Relocate to the City
- Create a "Reverse Scholarship" Program to Retain Graduating Students
- Partner with Civic Groups on Creative Competitions

Establish a Nonprofit Development Corporation to Hold and Redevelop Vacant and Foreclosed Properties

Data analysis and stakeholder interviews revealed several factors that are holding back redevelopment, the biggest of which are low property values in the city, which create a sizeable appraisal gap. The current market in most neighborhoods is too modest to support new development or significant rehab of existing properties at market rates. As a consequence, current owners are often not motivated to maintain their properties, and there is not enough

available stock that is move-in ready for prospective homebuyers. Across the country, market rate redevelopment in legacy cities is challenging, and often requires a nonprofit partner to step in to lead strategic redevelopments until the market improves in emerging neighborhoods. Said nonprofit may work to "flip" existing properties and resell at market rates; under the best circumstances, this work is likely to be revenue neutral in the short term.

There is currently no nonprofit agency active in the City of Portsmouth that engages in property acquisition and redevelopment. To fill this gap, public, private, and nonprofit partners would have to establish a new nonprofit, or significantly expand capacity at an existing organization. In Youngstown, this work is conducted by the Youngstown Neighborhood Development Corporation (YNDC), which was established in 2009 in partnership with the City of Youngstown and the Raymond John Wean Foundation. On top of homeowner repair and homebuyer assistance programs, YNDC actively engages in real estate development where the organization purchases vacant units and rehabilitates them for sale back into the community. In 2020, YNDC acquired 17 vacant housing units and rehabilitated 19 units.³¹ The Lucas County Land Bank is another example of a quasi-public agency engaging in home renovation and

³⁰ Garden Club of Dayton "Davinci Urban Tree Farm" <https://gardenclubofdayton.org/news/davinci-urban-tree-farm/>

³¹ YNDC "2020 Annual Report" http://www.yndc.org/sites/default/files/2020%20Annual%20Report%20Web_0.pdf

resale in weak market neighborhoods; in 2020, the Lucas County Land Bank completed 87 renovations and sold 56 properties.³² In Columbus, Nationwide Children’s Hospital has been engaging in redevelopment work through its Healthy Homes Initiative; since 2009, Healthy Homes has rehabbed or built over 100 homes in the city’s Southside neighborhoods with the goal of providing and preserving affordable homeownership options.³³

Nonprofit redevelopment work can be executed by public, private, or nonprofit partners who have a deep understanding of the construction and redevelopment process and can connect with financial lending institutions - banks, philanthropic foundations, or private groups - to fund the initial work. Existing organizations that could expand and potentially take on this work include: the city community investment corporation (PCIC); the Community Action Organization of Scioto County; Main Street Portsmouth; or Friends of Portsmouth.

Create an Incentive Program Encouraging Individuals to Relocate in the City

Only 20% of individuals who work in Portsmouth also live in the city; the other 80% live elsewhere and commute in to the city. Individuals who commute in to the city come from places in nearby townships, like West Portsmouth, Wheelersburg, Rosemount, and Scioto Dale. Anecdotal information from stakeholder interviews indicated that housing supply is fairly limited in these adjacent places, which could indicate an opportunity to incentivize relocation to the City of Portsmouth.

In Columbus, OH, The Ohio State University offers a down payment assistance program for faculty and staff under the University District Homeownership Incentive Program.³⁴ The program provides a zero-interest forgivable loan in the amount equal to 6% of the home’s appraised value (capped at \$15,000), which is applied toward the down payment, closing costs and/or reduction in principal amount on a home purchased in the University District Homeownership Incentive Area.

With the rise in popularity of remote work during the COVID-19 pandemic, some cities are creating innovative incentive programs in the hope of capturing satellite workers interested in unique, amenity-rich, and affordable locations. The City of Tulsa, OK created the Tulsa Remote program in 2020, which offers benefits including a \$10,000 grant and monthly stipends for individuals moving to Tulsa and employed outside of Oklahoma.³⁵ Incentive programs can apply to households purchasing or renting within the City of Portsmouth and be managed by large employers, like SOMC, or directly through the city.

³² Lucas County Land Bank “Property Renovation Report” <https://assets.lucascountylandbank.org/uploads/documents/Property-Rehab-Report-2020.pdf>

³³ Healthy Homes “South Side Homeownership” <https://healthyhomesco.org/homeownership/>

³⁴ Campus Partners “Homeownership Incentive Program” <https://www.campuspartners.org/homeownership-incentive-program>

³⁵ Tulsa Remote <https://tulsaremote.com/>

Create a “Reverse Scholarship” Program to Retain Graduating Students

The presence of Shawnee State University is a major asset for the City of Portsmouth, and efforts could be made to better retain graduating students. The Hamilton Community Foundation in the City of Hamilton, Ohio, created the “Talent Attraction Program Scholarship” in 2018 to help attract and retain young professionals into the city. The scholarship provides recipients a monthly scholarship to be used for student loan payments. Recipients must live within designated neighborhoods in the city, and must work within the city or Butler County. The program offers up to \$10,000 over 30 months in student loan repayment assistance.³⁶ To help attract and retain recent graduates, Scioto County leaders could consider expanding the Scioto Community Foundation’s current scholarship program to include a student loan repayment program.

Partner with Civic Groups to Plan Creative Competitions

Many cities, including Portsmouth, struggle with dual challenges of high construction costs and a shortage of new homes. Innovating construction materials and processes can be one solution to expand opportunities for new housing products. The City of Columbus and Franklin County recently announced the Next Home Housing Design Competition to encourage innovative designs and ideas to build a home for a construction budget of \$170,000 or less.³⁷ The competition launched as part of a partnership with COCIC, the Neighborhood Design Center, the City of Columbus Land Redevelopment Division, and with additional support

from the American Institute of Architects, Columbus, and the Building Industry Association of Central Ohio. The competition aims to draw in high-quality, replicable, and adaptable ideas for new housing products that can begin to fill Central Ohio’s housing shortage. Civic organizations, like Main Street Portsmouth or Friends of Portsmouth, could host a similar competition to crowdsource groundbreaking ideas, while possibly partnering with the city land bank to provide building sites for project winners.

³⁶ “Scholarships for Recent College Graduates (TAP) Scholarship.” Hamilton Foundation. <https://www.hamiltonfoundation.org/scholarships/scholarships-for-recent-college-graduates-tap-scholarship/>

Rutledge, Mike. “He moved to Hamilton because of a new program gaining wide attention. Here’s what it does.” Hamilton Journal-News. December 26, 2018. <https://www.journal-news.com/news/local/moved-hamilton-because-new-program-gaining-wide-attention-here-what-does/TIAIGj4Ij199IXxF32B6MP/>

³⁷ City of Columbus “City and County Officials Announce Competition to Address Housing Affordability” <https://www.columbus.gov/Templates/Detail.aspx?id=2147519824> AND Next Home 2021 <https://nexthome2021.org/>

ESRI Tapestry Segmentation

GOPC utilizes ESRI Demographics, a proprietary database, for demographic analysis. ESRI Demographics provides a Tapestry Segmentation for different markets throughout the country. Tapestry Segmentation classifies neighborhoods into 67 unique segments based not only on demographics but also on socioeconomic characteristics. Below are the descriptions of the top five segmentations that make up Portsmouth's population. ESRI's tapestry descriptions are from the national viewpoint and not specific to the City of Portsmouth.

Small Town Simplicity

Small Town Simplicity includes young families and senior householders that are bound by community ties. The lifestyle is down-to-earth and semirural, with television for entertainment and news, and emphasis on convenience for both young parents and senior citizens. Residents embark on pursuits including online computer games, renting movies, indoor gardening, and rural activities like hunting and fishing. Since 1 in 4 households is below poverty level, residents also keep their finances simple—paying bills in person and avoiding debt.

Hardscrabble Road

This slightly smaller market is primarily a family market, married couples (with and without children) and single parents. Younger, highly diverse (with higher proportions of black, multiracial, and Hispanic populations), and less educated, they work mainly in service, manufacturing, and retail trade industries. Unemployment is high (almost twice the national rate), and median household income is half the national median. Almost 1 in 3 households have income below the poverty level. 60% of householders are renters, living primarily in single-family homes, with a higher proportion of dwellings in 2 to 4-unit buildings. This market is struggling to get by.

Midlife Constants

Midlife Constants residents are seniors, at or approaching retirement, with below average labor force participation and above average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban.

City Commons

This segment is primarily comprised of single-parent and single-person households living within large, metro cities located primarily in the eastern half of the U.S. While more than a third have a college degree or spent some time in college, nearly a quarter have not finished high school. These residents strive for the best for themselves and their children. Most occupations are within Office and Administrative Support.

Social Security Set

An older market segment located in metropolitan cities across the country. One-fourth of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. In the aftermath of the Great Recession, early retirement is now a dream for many approaching the retirement age; wages and salary income in this market are still earned. Residents live alone in low-rent, high-rise buildings, located in or close to business districts that attract heavy daytime traffic. But they enjoy the hustle and bustle of life in the heart of the city, with the added benefit of access to hospitals, community centers, and public transportation.

Information about segmentations can be found on the following site:

<https://doc.arcgis.com/en/esridemographics/data/tapestry-segmentation.htm>

2020 Households

Rank	Tapestry Segment	Percent	Cumulative Percent
1	Small Town Simplicity	27.8%	27.8%
2	Hardscrabble Road	15.4%	43.2%
3	Midlife Constants	14.4%	57.6%
4	City Commons	9.9%	67.5%
5	Social Security Net	8.8%	76.3%
6	Traditional Living	8.4%	84.7%
7	Retirement Communities	7.2%	92.0%
8	Heartland Communities	4.5%	96.5%
9	College Towns	2.5%	99.0%
10	Rural Bypasses	0.7%	99.7%
11	Rooted Rural	0.3%	99.9%
12	Southern Satellites	0.1%	100.0%

Market Type Methodology

GOPC used data from the U.S. Census Bureau, the City of Portsmouth, and the Office of the Scioto County Auditor to measure indicators of strength and distress at the Census Block Group level. The indicator metrics analyzed included:

- Median Sales Value - sales marked as valid on residential parcels, over \$5,000, from 2016-2020, excluding vacant residential land
- New Residential Construction - any new construction between 2000 - 2020, including new construction on vacant residential parcels
- Residential Remodels - any remodeling between 2000 - 2020, including remodels on vacant residential parcels
- Percent of Homeownership - source: U.S. Census Bureau ACS 5-Year survey, 2019
- Percent of Residential Property Tax Delinquency as of 2020 - including vacant residential parcels
- Percentage of Long-Term Vacant Units - source: U.S. Census Bureau ACS 5-Year survey, 2019
- Number of Code Violations - source: City of Portsmouth

Residential parcels indicate any parcel whose land use code fell between 500 - 599 on auditor records. Vacant residential land were any parcels whose land use code fell between 500 - 509.

Each indicator metric was ranked and assigned a point value between 1-4, corresponding with the quintiles for all values in each of the 28 Census Block Groups. Point values were summed to represent a Market Score, which was then used to determine the Market Type for each Block Group. Downtown and Commercial/Industrial Hub Market Types were assigned based on the share of residential parcels compared to the total parcels in each Block Group

Block Group	Market Score	Market Type
391450029022	19	Commercial/Industrial
391450025001	15	Distressed
391450030001	13	Commercial/Industrial
391450030002	16	Middle Neighborhood
391450030003	25	Stable
391450030004	21	Emerging
391450031001	15	Distressed
391450031002	13	Commercial/Industrial
391450031003	16	Middle Neighborhood
391450032001	13	Distressed
391450033001	27	Stable
391450033002	23	Stable
391450034001	13	Distressed
391450034002	26	Stable
391450034003	14	Distressed
391450034004	18	Emerging
391450034005	9	Distressed
391450035001	18	Emerging
391450035002	14	Middle Neighborhood
391450035003	12	Distressed
391450036001	20	Downtown
391450036002	17	Downtown
391450036003	17	Downtown
391450037001	25	Stable
391450037002	17	Commercial/Industrial
391450037003	23	Emerging
391450038002	32	Stable
391450038003	19	Commercial/Industrial