

Columbus Housing Community Reinvestment Policy

The Department of Development is proposing a geographic expansion of the residential tax incentive program, pursuant to the City's Housing Strategy to accelerate housing creation while also promoting inclusive, economically diverse neighborhoods and supporting the development of affordable housing throughout the City.



Current Residential Incentive Policy

Affordability Requirements updated in 2022

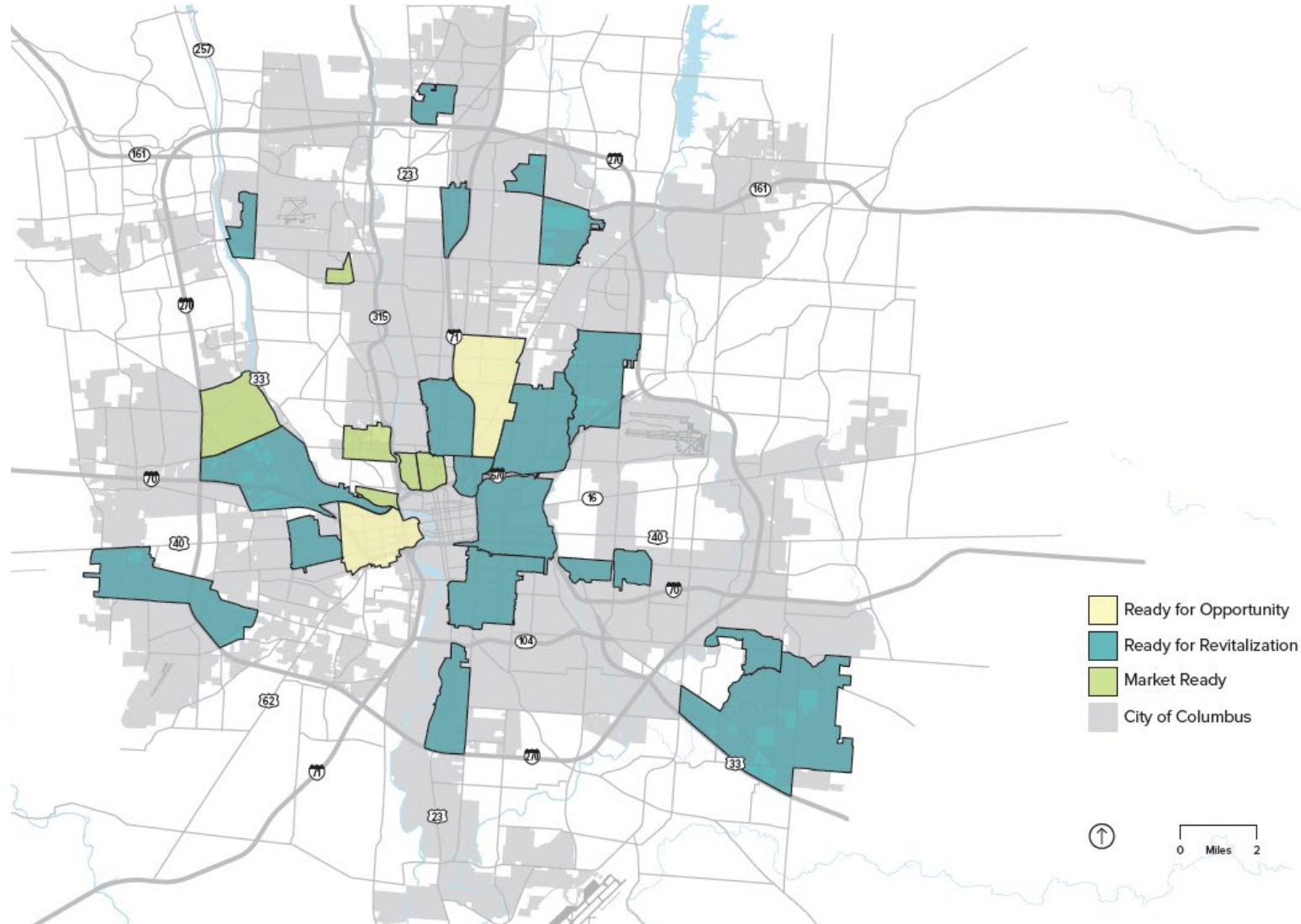
- Affordability is now required in all three market conditions
- Expanded the affordability requirements to include more or deeper affordability in order to receive the abatement.
- Added affordability requirements for owner occupied units in Market Ready and Ready for Revitalization

Policy Outcomes 2018 – Present

- 7,058 units (25% of the total)
- 1,943 total affordable units (27% of the total)
- 3.1% of the parcels within the abatement areas are currently abated

Current Policy Administration

- Limited to existing CRA boundaries
- Current CRA boundaries do not align with or reflect other city priorities.
- Limits the use of the tool without significant time and expense in other areas
- Current CRA boundaries are overly large which creates challenges in market designation and right-sizing affordability requirements.



CHALLENGE: Central Ohio is on track to build fewer units in 2023 than were built in 2022.

- In order to meet the housing needs of the growing population and make up for the last decade of underbuilding the region needs to double the number of homes built each year.
- Columbus housing unit building permits are on track to be down 10% from last year
- Regionally housing production is on track to be down 3% from last year
- To date, this year the region added 14,000 jobs and added only 8,962 housing units, well under the 1-to-1 ratio needed to build an adequate housing infrastructure.



Barriers to New Housing Construction

Regulatory Barriers

- Zoning Code Update
- Streamlining Development Review Process

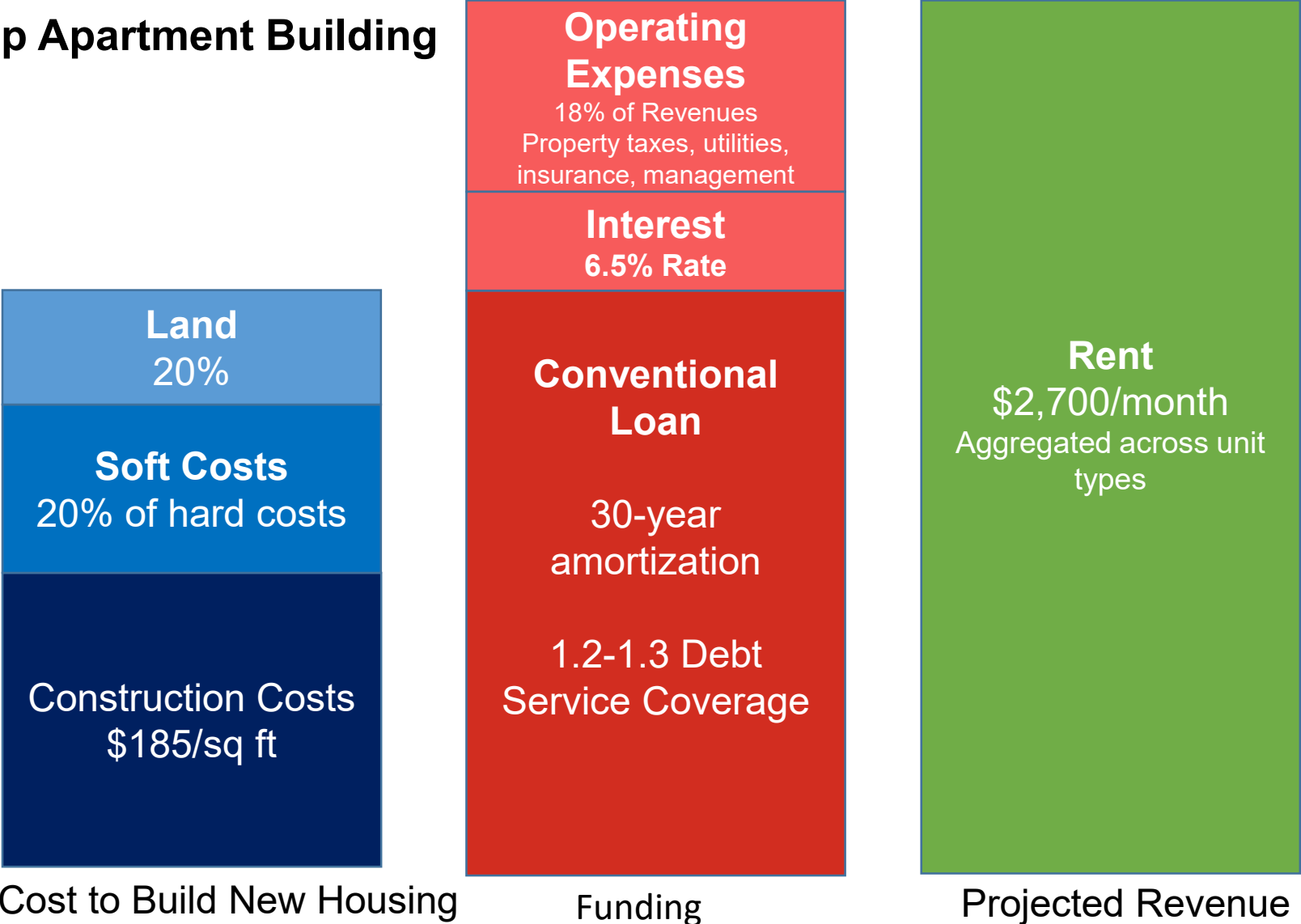
Cost Barriers

- Materials
- Labor
- Land
- Interest Rates



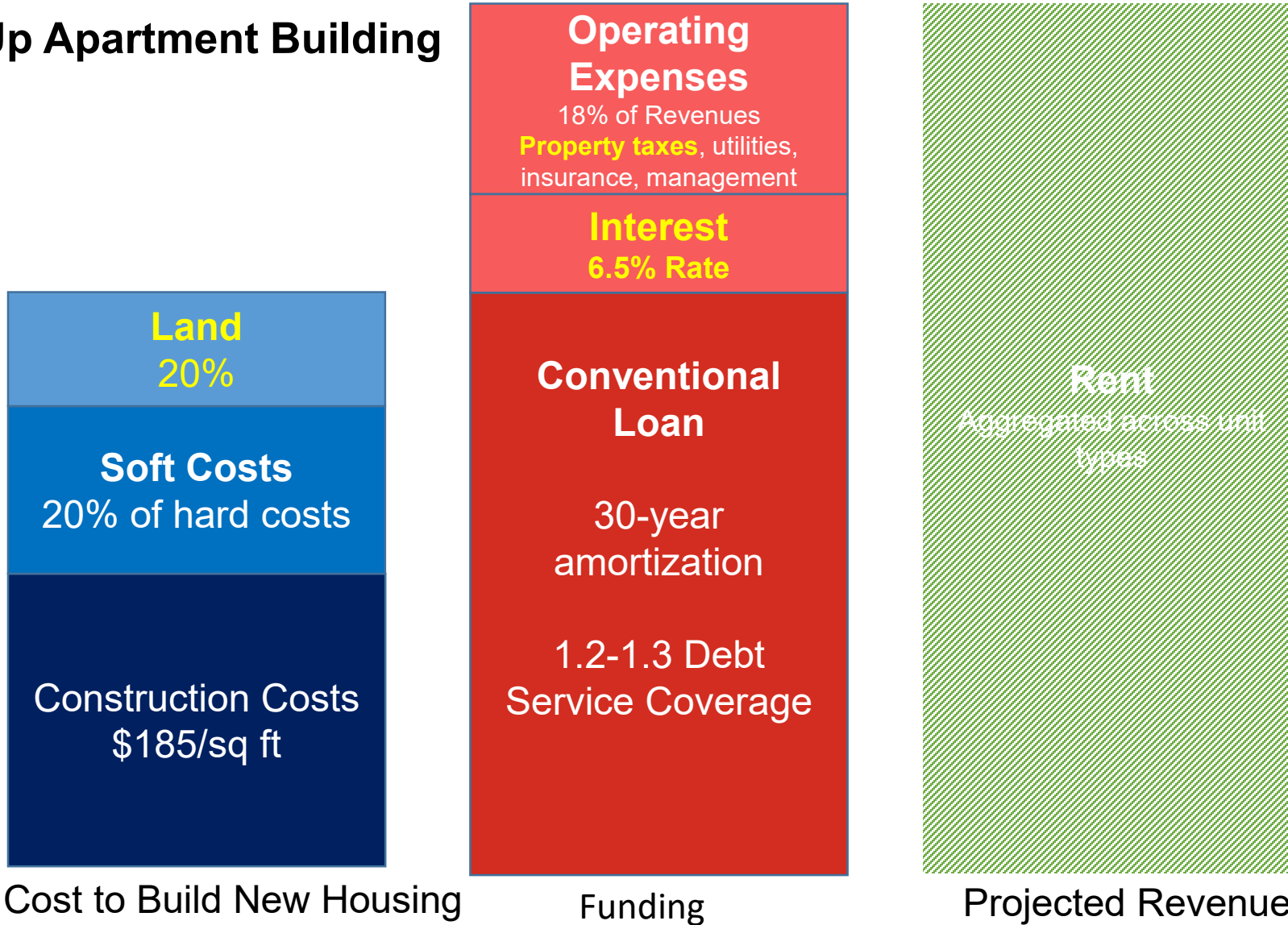
New Housing Construction Feasibility

3-Story Walk Up Apartment Building

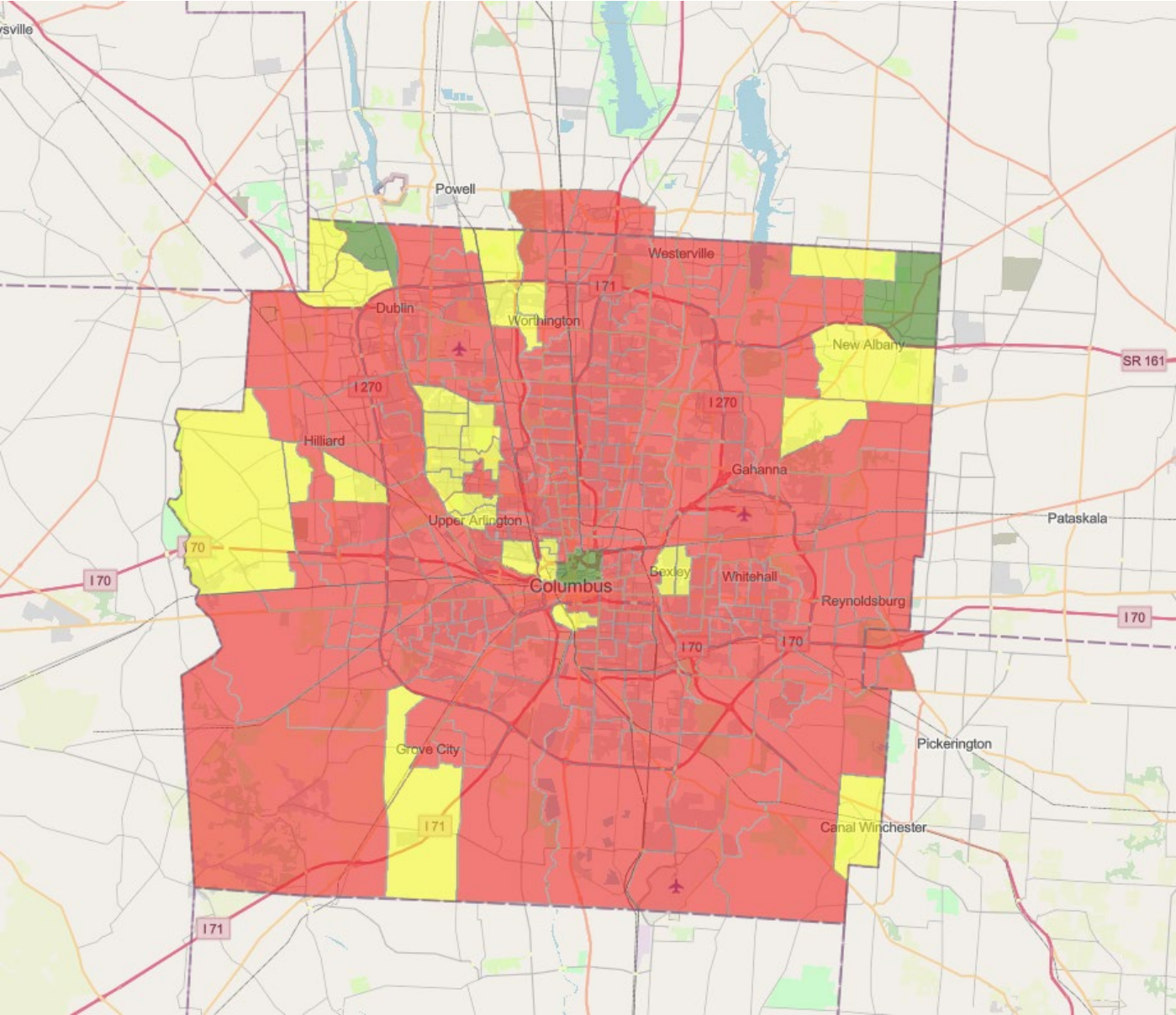


New Housing Construction Feasibility

3-Story Walk Up Apartment Building



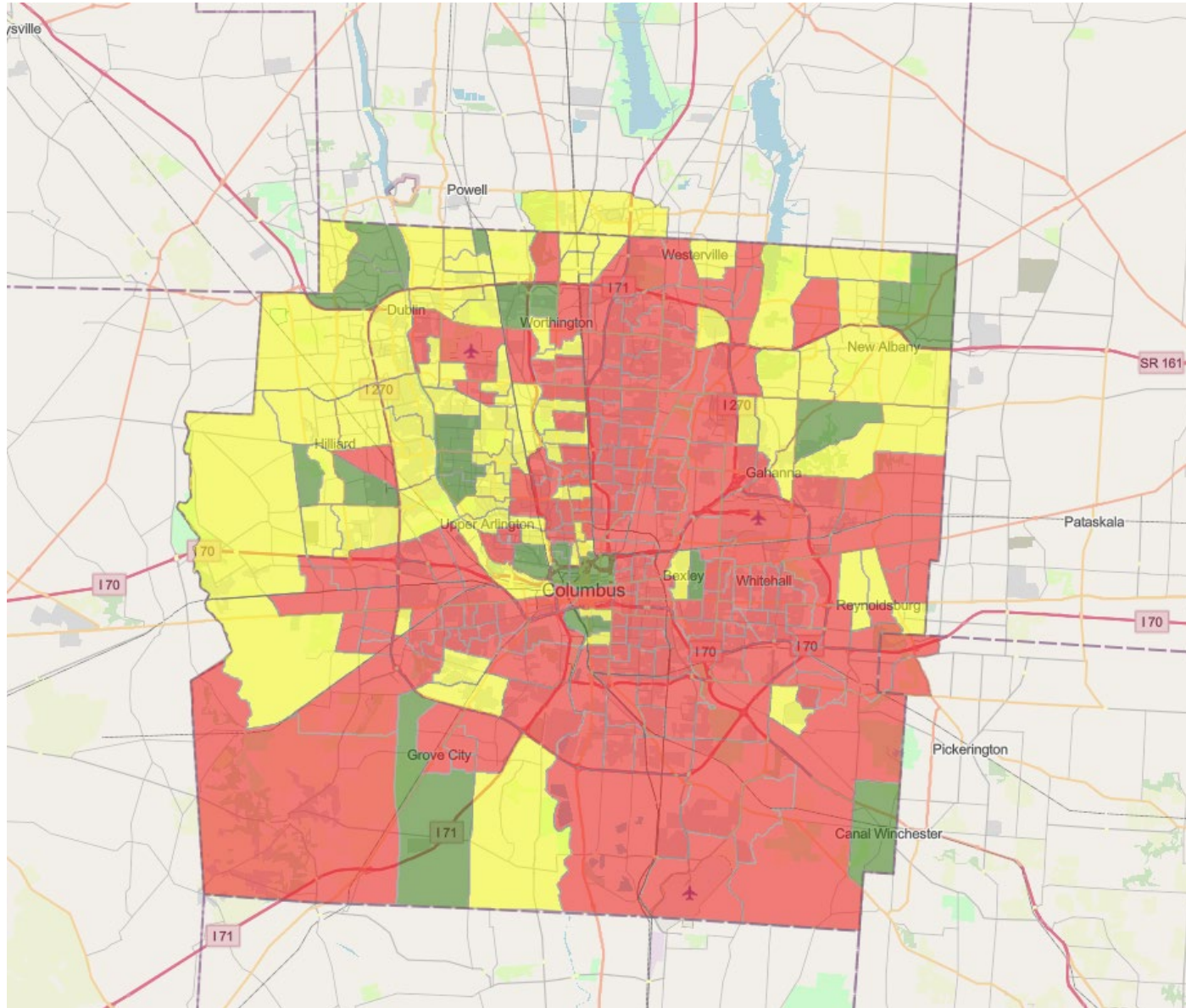
Building a 3-Story Walk Up Apartment Building



- 6.5% Interest Rate
- 20% Land Cost
- No Tax Incentive

- Feasible
- Potentially Feasible
- Not Feasible

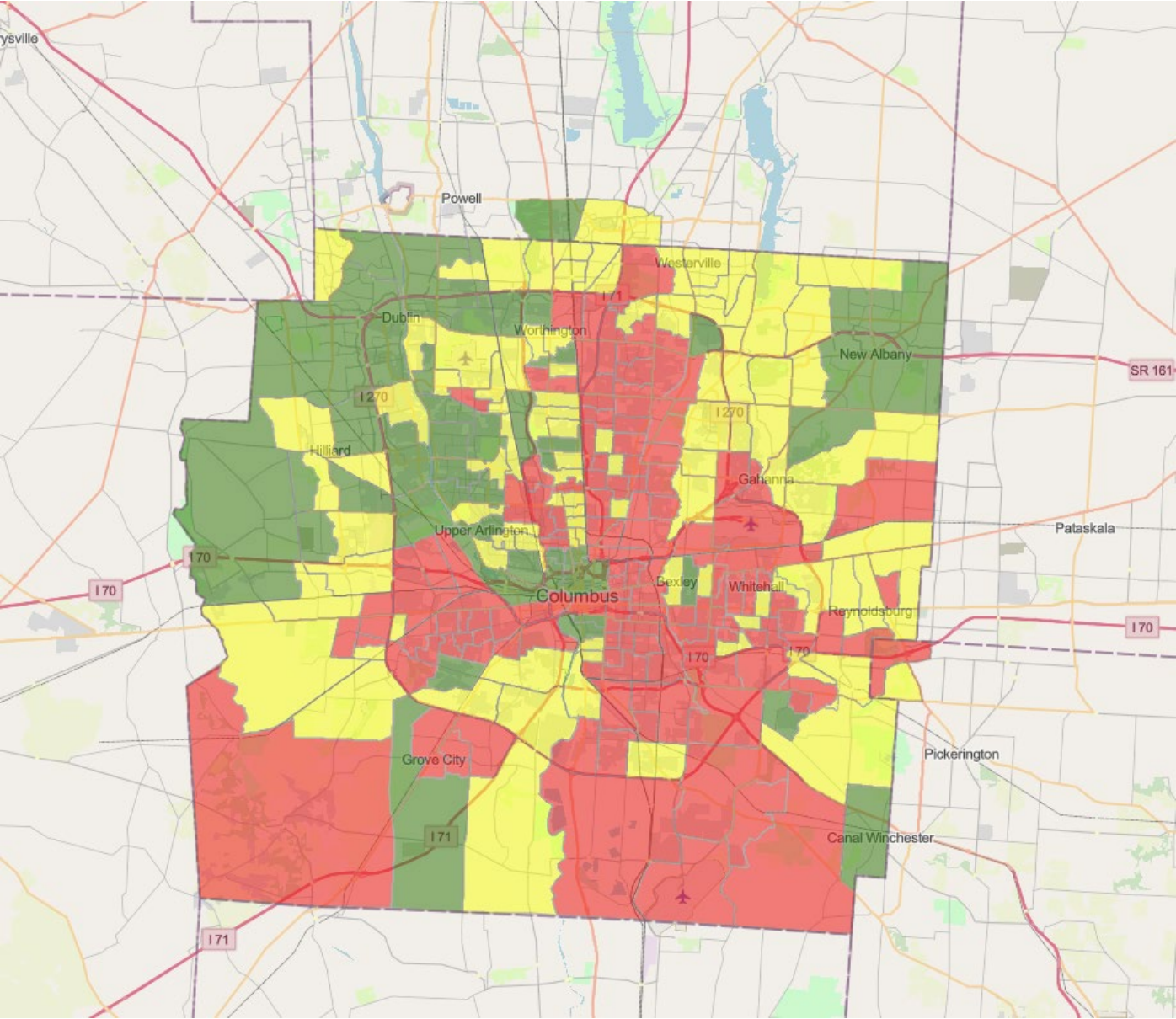
Building a 3-Story Walk Up Apartment Building



- 6.5% Interest Rate
- 20% Land Cost
- **Including the Tax Incentive**

- Feasible
- Potentially Feasible
- Not Feasible

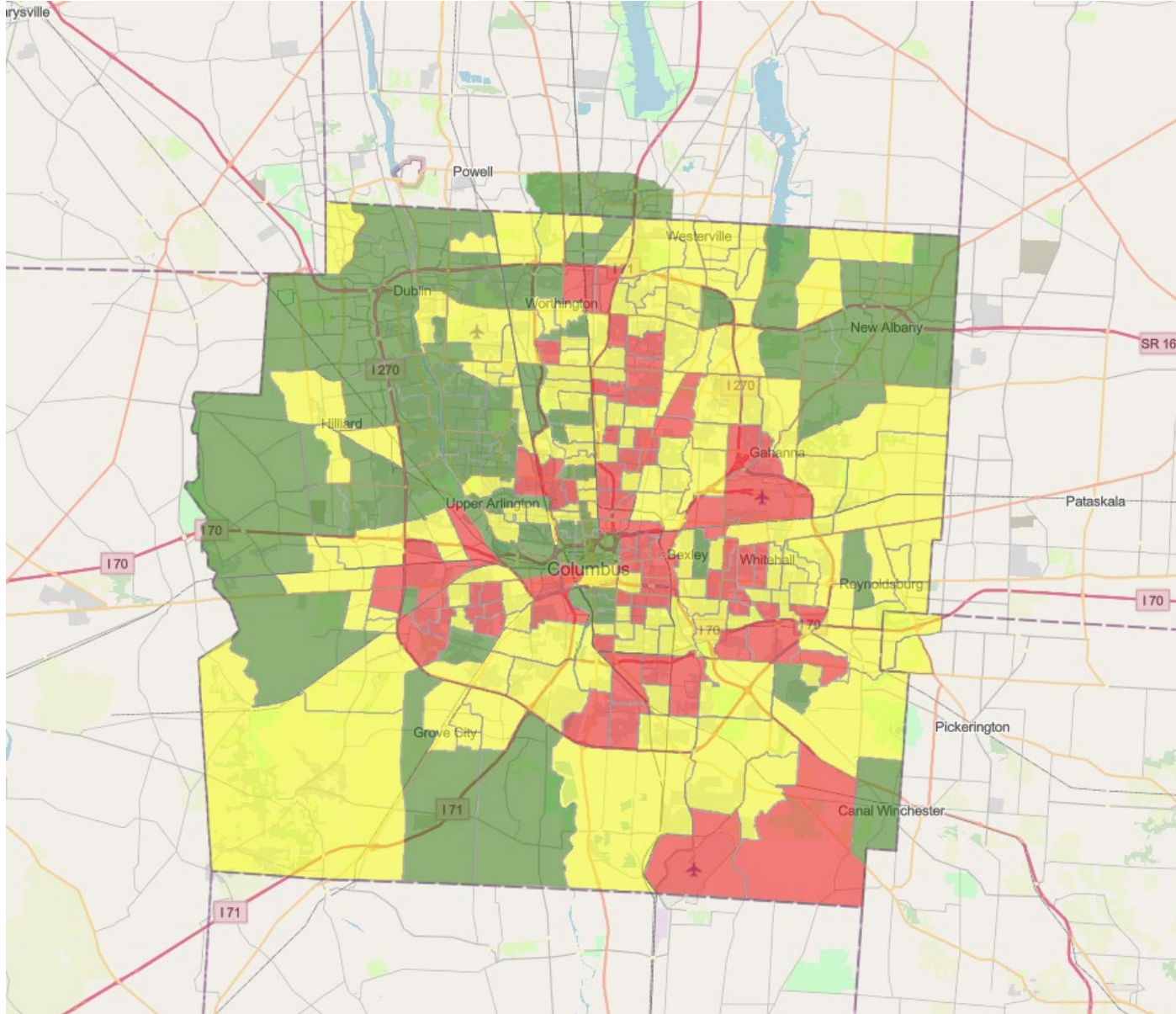
Building a 3-Story Walk Up Apartment Building



- 6.5% Interest Rate
- **Increase Density: 10% Land Cost**
- **With the Tax Incentive**

- Feasible
- Potentially Feasible
- Not Feasible

Building a 3-Story Walk Up Apartment Building

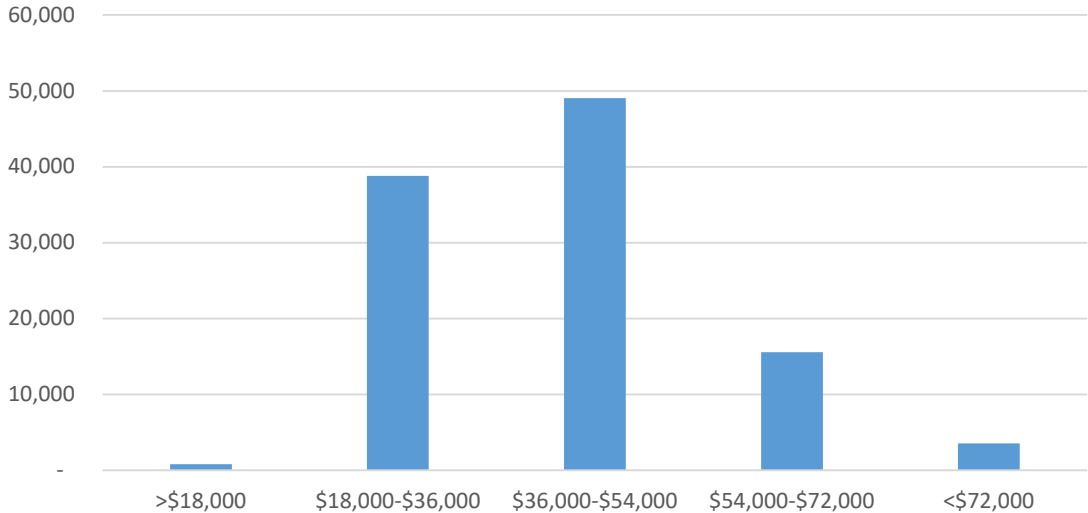


- **5.5% Interest Rate**
- **Increase Density: 10% Land Cost**
- **With the Tax Incentive**

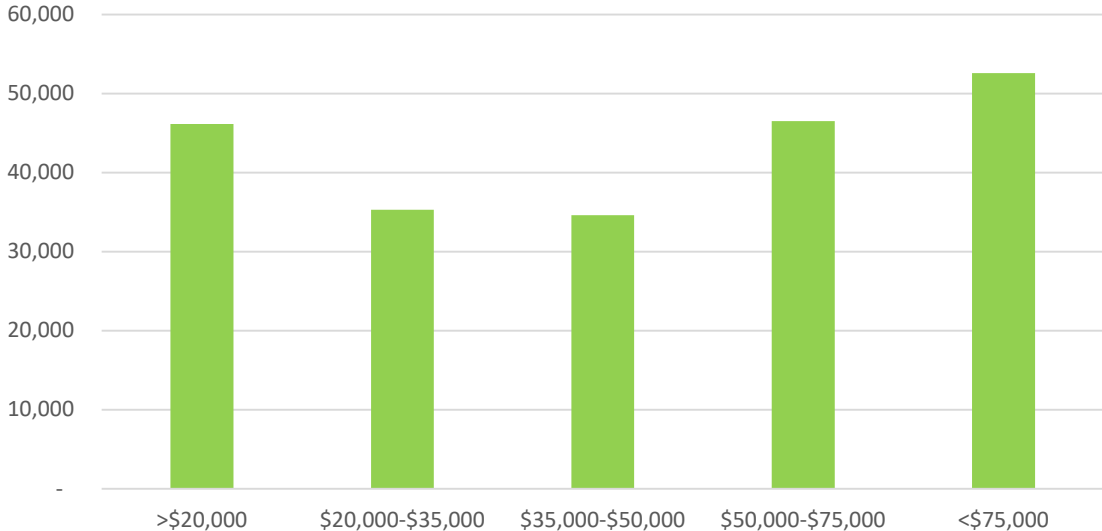
- Feasible
- Potentially Feasible
- Not Feasible

Units at all Price Points are Needed

Available apartment units affordable to income levels in Columbus

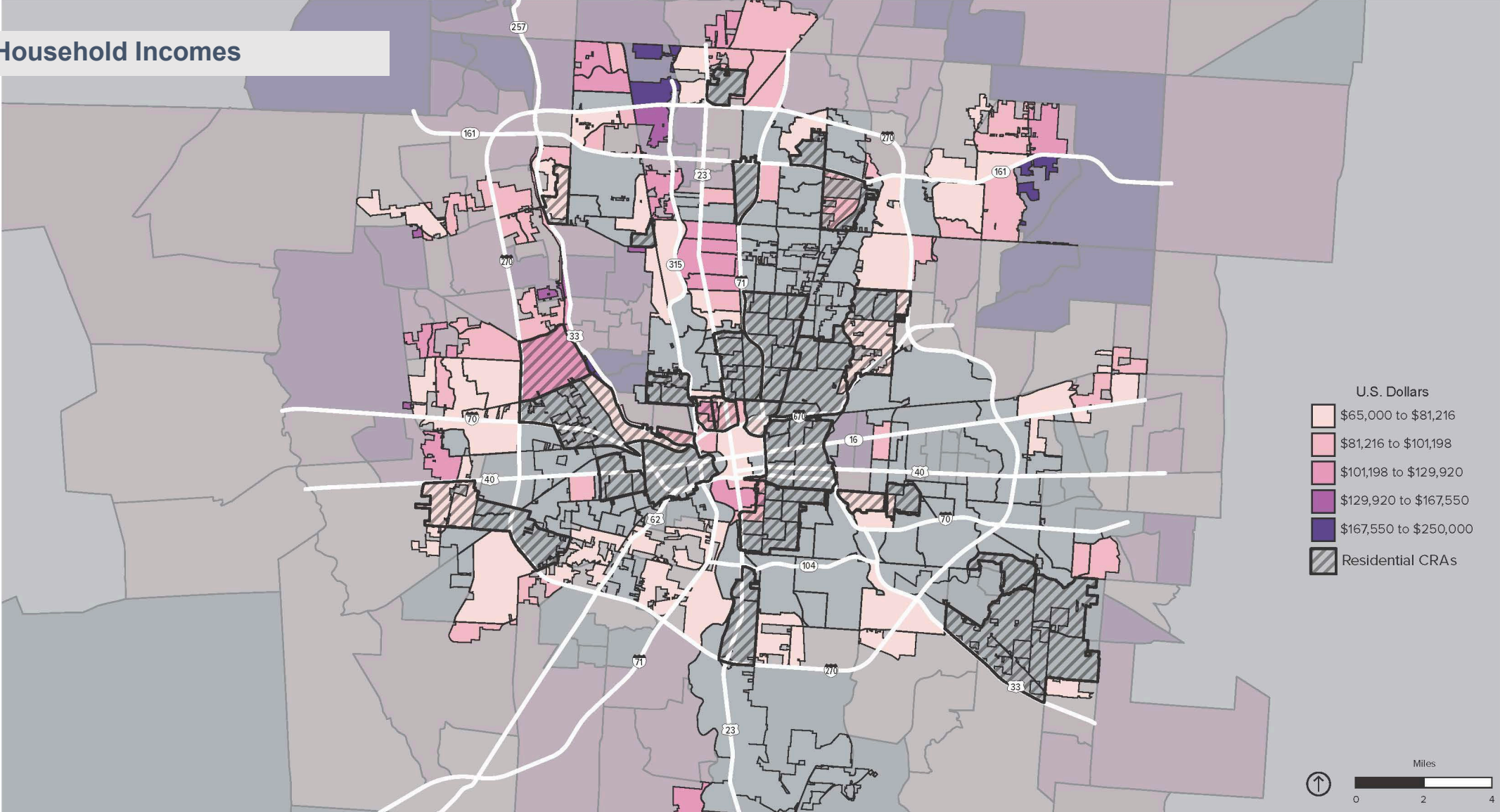


Rental Household Incomes in Columbus



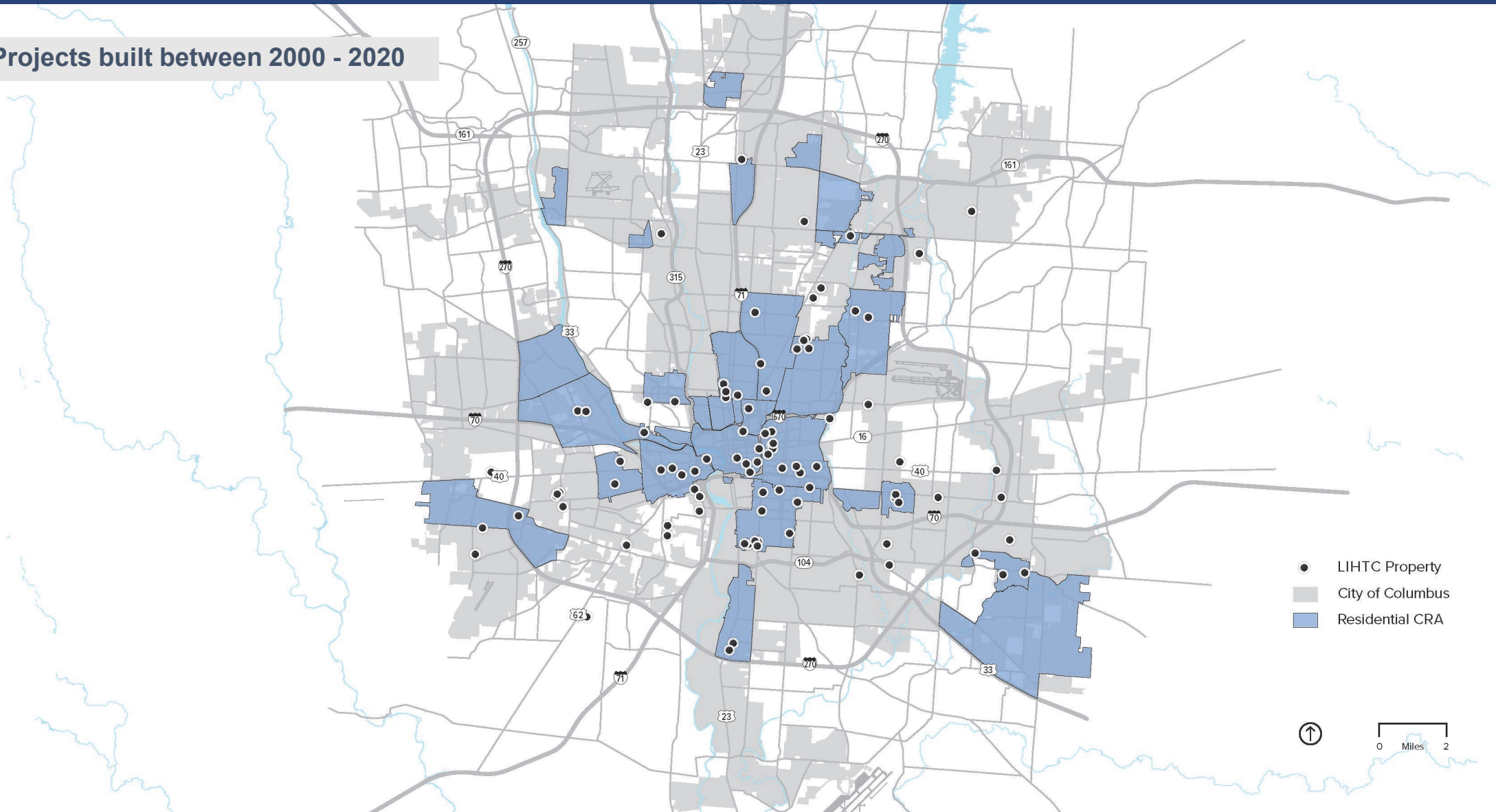
As the primary inclusionary housing tool the limited application of the incentive results in no mixed income projects in areas where wealth is concentrated.

Median Household Incomes



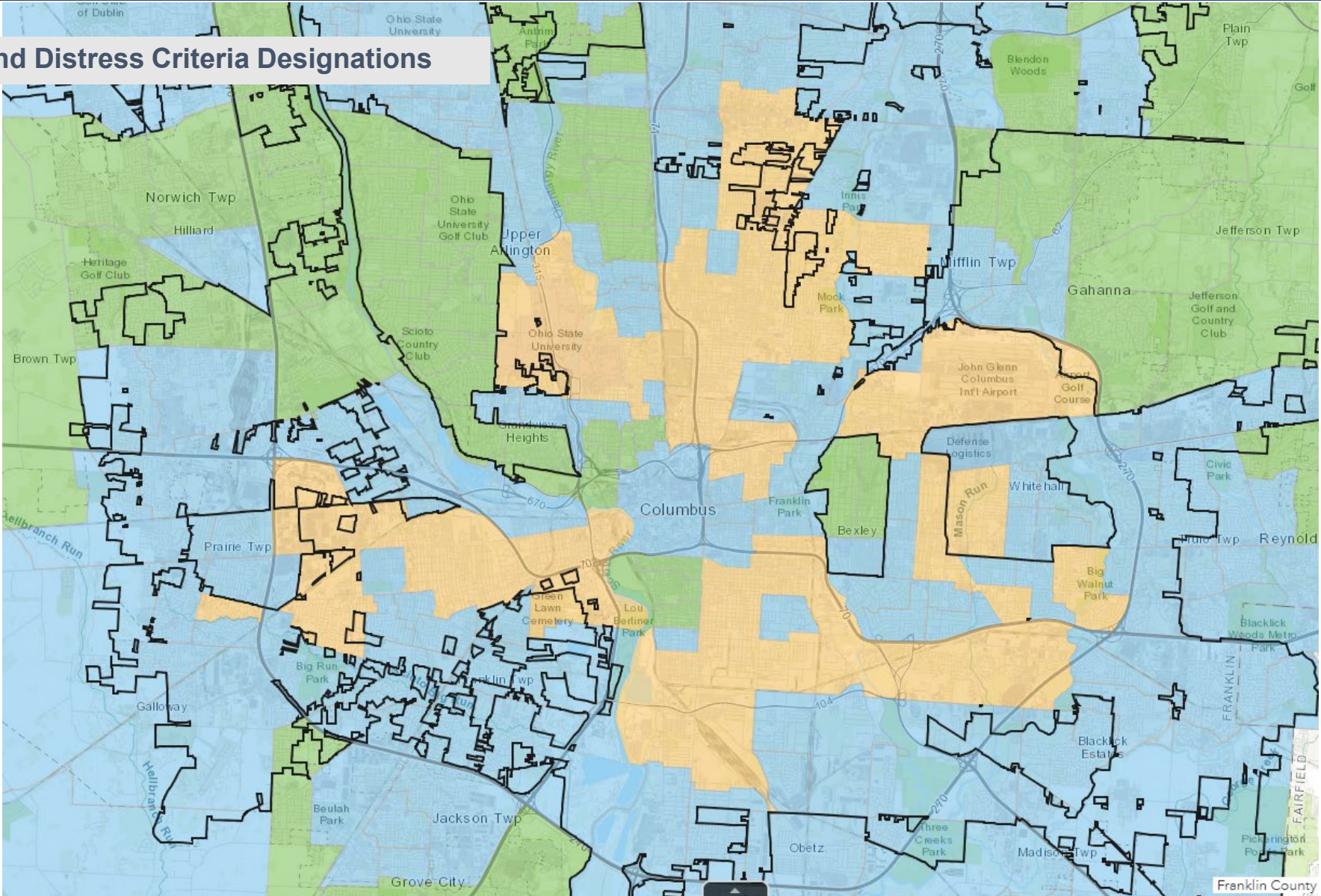
Low Income Housing Tax Credit projects cannot be built without the tax incentive and therefore affordable housing will be concentrated into the existing CRA boundaries.

LIHTC Projects built between 2000 - 2020



CHALLENGE: The existing CRA boundaries do not respond adequately or reflect market conditions accurately to right size the affordability requirements or align with other significant efforts in the City.

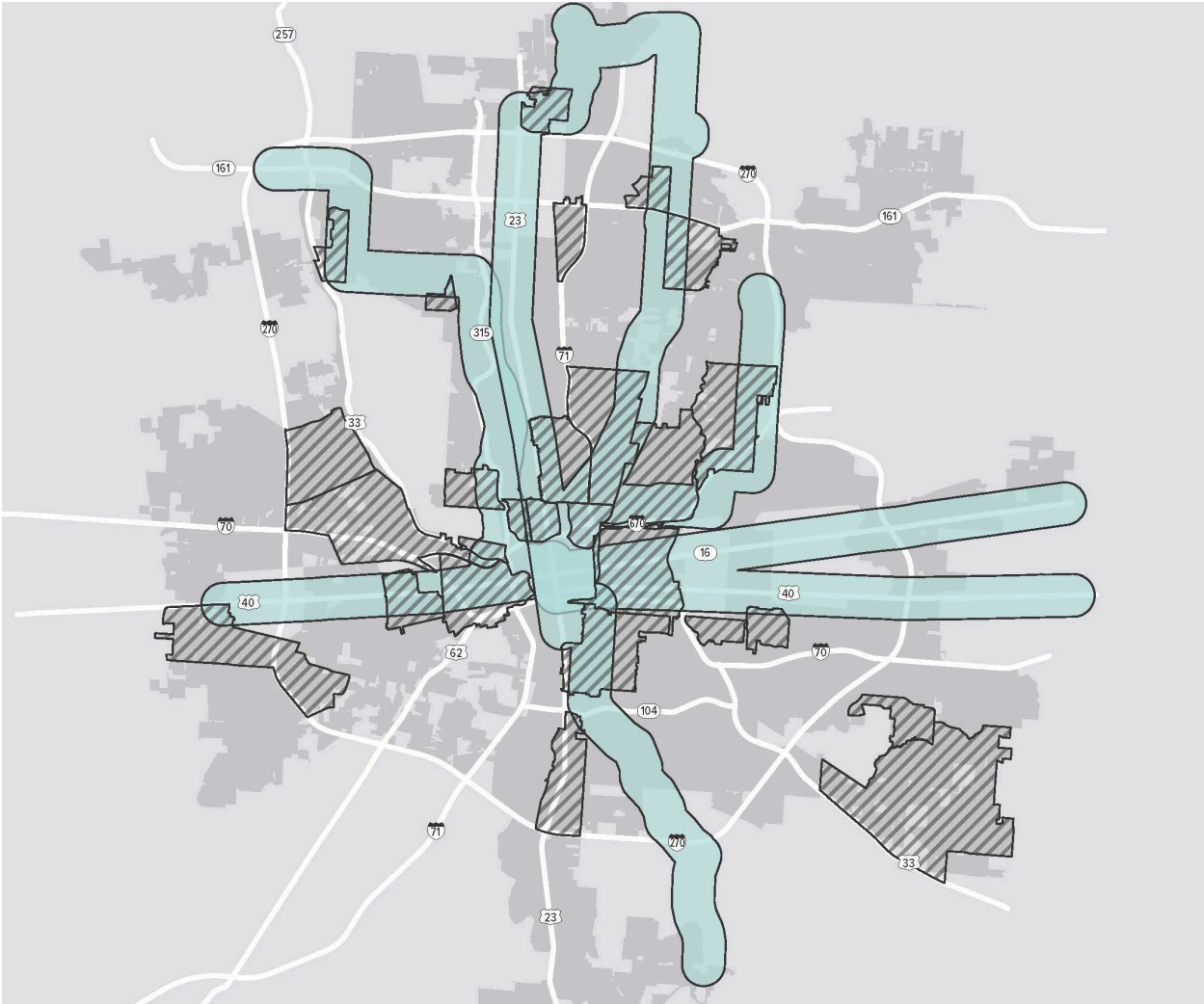
Columbus CRA and Distress Criteria Designations



CRA boundaries do not align with current priorities including Zone In and LinkUS and therefore will not support and leverage those investments.

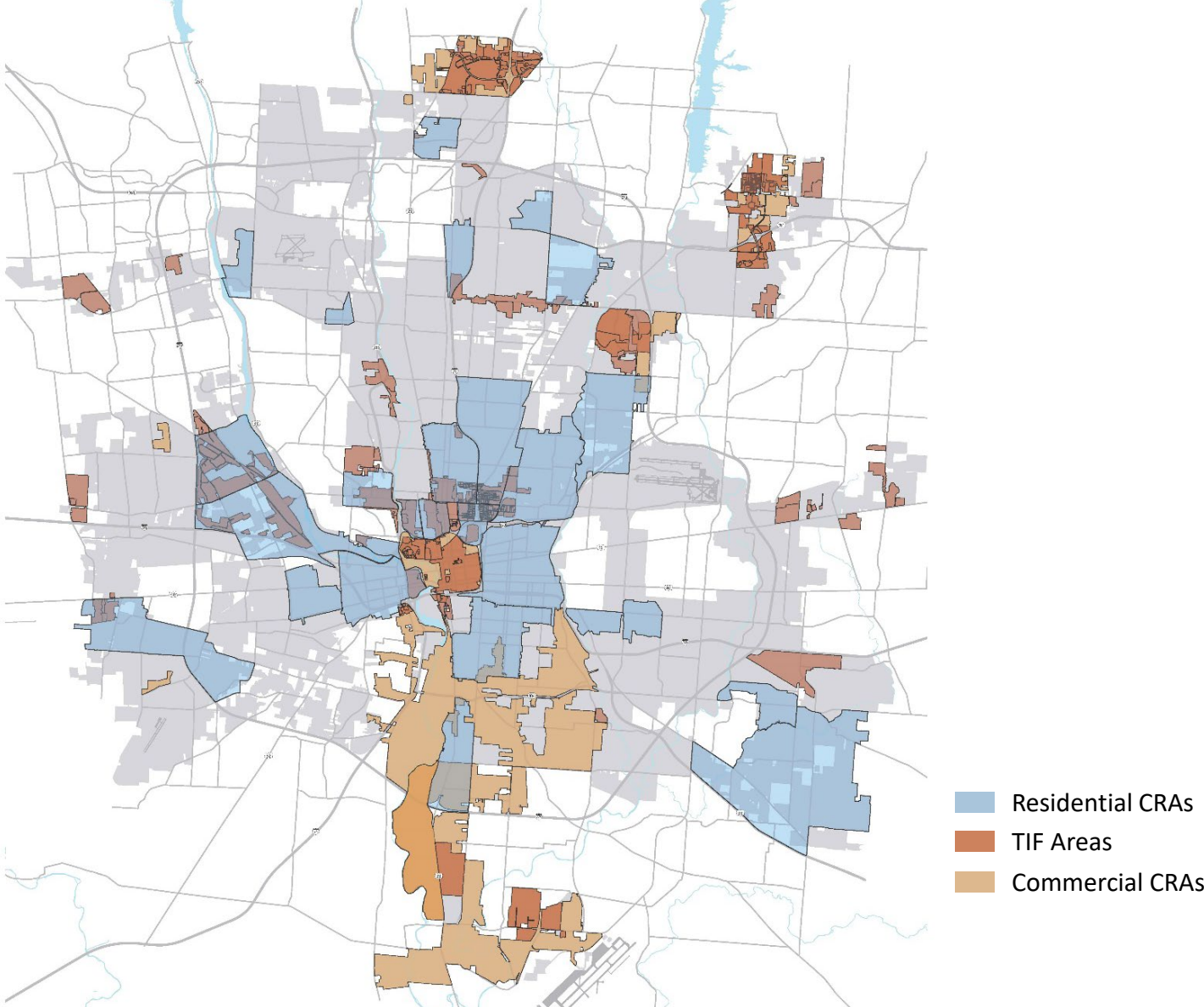


CRA Boundaries with Zone In Corridors



CRA Boundaries with LinkUS Corridors

CRA boundaries do not align with current job creation and economic development priorities disconnecting housing opportunities from employment centers.



PROPOSAL

Columbus Housing Community Reinvestment Policy

Expand the availability of the residential tax incentive tool to increase housing production, include affordable units in areas close to jobs and other opportunities, and support 100% affordable housing developments throughout the city.

- Expand access to the residential tax incentive to the municipal boundaries of the City of Columbus except for areas with:
 - Existing TIF agreements
 - Existing legacy Community Reinvestment Areas
 - Existing Commercial Community Reinvestment Areas
- Align the area designations with census tract boundaries and eliminate all existing residential CRA boundaries
- Create a predictable and consistent process that is applied across the city
- Maintain existing affordability requirements with the update expected in 2025
- Maintain annual reporting requirements to City Council

