

The Columbus Dispatch

Income divide and rising rents make more neighborhoods unaffordable

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Apartment-hunting leaves Cleophas Alexander more frustrated than hopeful. The 63-year-old has been trying to find a new place in a decent city neighborhood, and because he doesn't have a car, it can't be too far from a bus line and stores.

"The best I can do right now will take at least half my income," said Alexander, who has a criminal record and is working hard to rebuild his life.

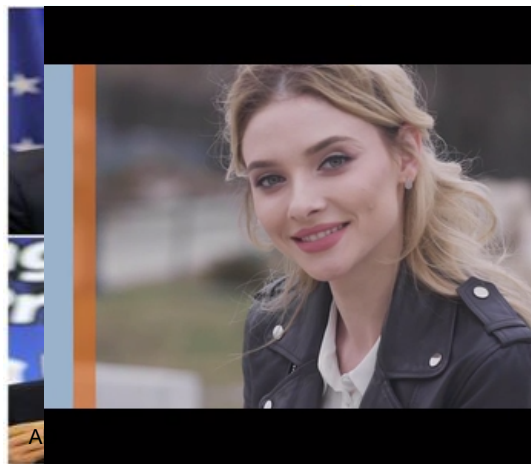
Ashanti Jefferson is feeling the pinch of Columbus' booming rental market in other ways. Jefferson, an administrative assistant at Nationwide Children's Hospital with a master's degree, can manage her \$800-a-month rent. But after paying utilities, child-care costs and other expenses, she has little left to save for a down payment on a house.

"I can't see my way to homeownership," said Jefferson, 25. "I feel cut off from that path."

Although rental costs in the Columbus area remain lower than in many other large U.S. cities, they are increasing at an above-average clip, outpacing wage gains and troubling renters and community leaders who worry about the growing need for affordable housing.

"Everyone is concerned about housing," said Steve Schoeny, Columbus development director. "(There isn't) a sound-bite answer to this."

"Dividing Lines," a three-part series in The Dispatch last month, revealed stark and widening income differences in Columbus neighborhoods and suburbs.



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The gap also extends to housing affordability, as fast-developing city neighborhoods attract young professionals and other high earners opting for urban living.

“It’s like they’re pushing poor people out of the city,” said Jefferson, who moved to Canal Winchester after struggling to find a city apartment that felt both safe and affordable.

The average rent of a Columbus-area apartment has risen more than 4 percent each of the past two years, and it is forecast to rise an additional 4.2 percent this year to \$898 a month, according to the commercial real estate firm Marcus & Millichap. The average Downtown rent is nearly \$1,300.

“You have actually seen some pretty aggressive rent increases because demand has exceeded supply,” said Rob Vogt of Vogt Strategic Insights, which does real estate market studies. “That has made the affordability issue even more of a problem.”

Affordable-housing developers know they can’t meet all the demand, so they target areas where their investments can have the most impact.

“As quickly as units are built, they are filled,” said Joseph McCabe, vice president of development with the Westerville-based affordable-housing company The Woda Group.

The development sweet spots are those that are trending up and have a large population of people who need affordable housing, but also where developers can still buy land at relatively low prices.

“The opportunities are gone in places like the Short North and Italian Village and Clintonville,” he said.

A few years ago, McCabe bought a house in Franklin Park, where home values have risen more than 50 percent over the past five years, according to Zillow.

“I’ve gotten to know people in the community who have lived here 30 years, and when they moved in it was an affordable area. But for those who didn’t buy, rents kept going up,” McCabe said.

“Two or three years ago, you never heard of someone paying rents of \$1,600 or more here. Now, you see it. I’m hearing people say, ‘I don’t know how much longer I can stay here because I can’t afford the rent.’”

Hal Keller’s nonprofit Ohio Capital Corporation for Housing manages 2,700 affordable units, and there are waiting lists for all of them. He regularly fields offers from for-profit developers who want to acquire properties in neighborhoods such as Italian Village, Olde Towne East and Weinland Park.

“People call us and I say no,” said Keller, the agency’s president. “It’s our mission to preserve this.”

In other cases, high-end projects are replacing affordable housing.

A group of developers, for example, is building a \$50 million, 230-unit mixed-use project on the site of the former Riverside-Bradley public housing complex in East Franklinton. The developer has promised that 50 of the units will be “workforce housing,” affordable to people near or a little above median area incomes.

But the area used in the calculations includes a wider area of Downtown, not just chronically impoverished Franklinton. So based on income levels ranging from \$39,000 to \$58,560 for one-person households and \$50,150 to \$75,240 for a three-person household, rents likely will be out of reach for many who now live in the area.

Rents could, according to the formula, range from \$993 for a studio to \$1,915 for a two-bedroom apartment.

Rita Parise, Columbus’ housing administrator, said the city looks at East Franklinton as more of a Downtown/Short North market.

“We tried to look at what the going rents, the market rates, are there,” she said.

Defining affordability is at issue in Franklinton, where residents wonder about the future. Many welcome the improvements but don’t want to be priced out.

“We hear ‘affordable,’ but affordable to who?” asked Regina Morin, a community organizer and case manager at Gladden Community House in Franklinton. Many of her clients are on fixed incomes of less than \$800 a month.

“It’s not like their rents have gone from \$400 to \$800 at once, but it’s the \$25, \$50, \$75 increases that add up,” she said. “We see a lot of people who pay their rent and have nothing left.”

To preserve affordable housing in high-demand neighborhoods, some cities — Portland, Ore., Palm Beach, Fla., and Montgomery County, Md., outside Washington, D.C. — have created “inclusionary zoning” with regulations to require that a certain percentage of new housing is affordable.

Columbus city officials say the market here can’t bear that, at least not yet. But some neighborhoods could be ripe for linkage fees, or a charge to developers who don’t provide some share of affordable housing, the city’s Schoeny said. “It’s something we’ve been looking at for a while,” he said.

In Weinland Park, a north-of-Downtown neighborhood that was renovated to include a supply of affordable and subsidized housing, neighbors see the delicate balance and hope that it holds.

Ian Brandeberry, 26, moved there this month, living with a roommate in one side of a renovated duplex on North 6th Street for \$1,250 a month. It’s close to his job at Battelle and to the Short North, where he likes to hang out.

He walks his dogs up North 5th Street, just north of where Jennifer Johnson lives with her six children in one side of a duplex — it hasn't been renovated — for \$600 a month.

"I love the way that they're redoing the area, remodeling homes," said the 33-year-old Johnson, an early-literacy specialist for Community Properties of Ohio, which manages rental units. She hasn't had a raise in a while and wonders whether the area will one day become unaffordable for her and others.

"I'm worried," she said.

Michael Wilkos, a Weinland Park resident who heads community research for The Columbus Foundation, said the rental problem is tied to the area's income divide. "The economy is just not generating enough jobs that pay a living wage that allows people to afford the rents for the new products being built in the marketplace," he said. "It's not so much a gentrification problem as it is an income segregation problem."

A challenge for his and other city neighborhoods is to have a middle-income housing supply instead of just high- and low-priced "bookends," Wilkos said. "Those who are in the middle band are very much getting squeezed in this marketplace."

Alexander isn't sure where he'll fit someday. He sailed through job-training and computer classes at IMPACT Community Action, works at a food pantry and is taking carpentry classes while living in a faith-based halfway house. He doesn't have a Section 8 voucher and likely couldn't get one unless he becomes homeless.

The place next door to IMPACT, the anti-poverty agency on Bryden Road, definitely isn't an option. The majestic Olde Towne East building, once a dormitory for the old Columbus School for Girls, had fallen into disrepair and sat empty until it was recently renovated. Now its 12 units are beautifully refurbished, with granite counter tops, stainless-steel appliances and one-bedroom rents ranging from \$950 to \$1,650, said Nina Masseria of Carriage Trade Realty.

Alexander wants leaders to make sure Columbus will still have places for people like him.

"Columbus is bustling; it's growing," Alexander said. "But it can't forget about housing for the little people."