



The Road So Far

A status report on the Roadmap for Increasing Black Homeownership as of October 2023.

A year after Housing Opportunities Made Equal of Greater Cincinnati (HOME) and a group of more than 30 partners published the Roadmap for Increasing Black Homeownership, we are tracking the progress in the region on the six recommendations proposed in the Roadmap. Like the original Roadmap, this status update is intended to provide both a summary of the current housing landscape and immediate concrete recommendations for increasing and preserving Black homeownership in Cincinnati and Hamilton County.

Summary of Progress

In the last year, progress has been made on both policy and funding. Elected and appointed officials at the City of Cincinnati and Hamilton County are clearly more focused on Black homeownership than in years past. There is a

new emphasis on creating policy and providing funding to produce new affordable housing and support existing low- and moderate-income homeowners so they can maintain and stay in their homes. More resources have been allocated for home repair programs; incremental policy changes have been made (e.g., permitting ADUs in single-family zones; modest tax abatement reform), while other more substantial and targeted reforms related to zoning and tax policy remain proposals. Federal COVID resources for mortgage assistance played an important role in keeping 12,000 families in their homes over the pandemic.¹

Unfortunately, the housing market is increasingly challenging for low-income and Black homeowners. Home prices and rents have soared since the pandemic. In 2019, the median price of a home in Cincinnati was \$173,302. By 2023, it increased 40% to \$243,642.²

¹ via Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

² <https://www.zillow.com/home-values/4099/cincinnati-oh/>



Image Source: Zillow, Median Home Price Chart, Cincinnati, <https://www.zillow.com/home-values/4099/cincinnati-oh/>

Market conditions like the lack of for-sale housing, rising interest rates, and lagging housing production contribute to the increasingly competitive housing market. Lending and underwriting criteria are increasingly difficult to navigate for low- and moderate-income homeowners and first-time buyers. Significant pandemic-era programs that provided mortgage assistance to prevent foreclosures are ending with no alternatives offered.

These competing trends mean we are not only **not making progress**, but we are instead **falling behind** on the *Roadmap's* goal to eliminate the gap between Black and white homeowners in this region. In 2000, 34% of Black households were homeowners; by 2010 it was about 38%.³ Today, only 33% of Black households own their own home in Hamilton County, compared to 70% of white households that are homeowners.⁴ This is one of the largest gaps in homeownership compared to other regions.⁵ **Without immediate additional support for increasing and maintaining Black homeownership, we are likely to see this gap continue to widen.**

Homeownership rates	Hamilton County	City of Cincinnati	Cincinnati Metro Area
All households	59%	39%	67%
White	70%	52%	74%
Black or African American	33%	25%	34%
Two or more races	37%	24%	47%
Hispanic or Latino origin (of any race)	40%	27%	46%
Black-White Homeownership Gap	37%	27%	39%

Source: 2021 American Community Survey 5-Year Estimates, Table S2502

While incremental progress has been made toward the recommendations in the Roadmap, those changes alone are not enough to counteract the broader trends in the housing market that make homeownership unattainable for far too many Black households. **To make real progress toward the goal of creating a fair and balanced housing market for Black households, we need to make bolder changes to the programs and policies that negatively impact Black homebuyers and allocate more resources to protect existing Black homeowners.**

³ United States Census Bureau, Decennial Census, 2000 and 2010

⁴ United States Census Bureau, American Community Survey, 2021 5-year estimates, Table S2502

⁵ <https://zillow.mediaroom.com/press-releases?item=137710HousingAwealthgrows--almost#Closed>

Through interviews with stakeholders and reviews of relevant reports or data, the below information summarizes the status of each of the *Roadmap's* six policy recommendations.

1. Expand Lending to Black and Low-Income Homeowners That is Fair and Non-Predatory

The *Roadmap* calls for expanded lending to Black homeowners and homebuyers in conjunction with more equitable appraisal and underwriting practices. Specific recommendations include:

- (1) Establishing home loan products with criteria and underwriting that expand the credit box for borrowers, including lower credit scores (between 580 and 650), use of alternative credit scoring models and lower mortgage amounts.
- (2) Developing Special Purpose Credit Programs to specifically address significant gaps in the Black homeownership rate.
- (3) Expanding downpayment assistance and closing cost assistance.
- (4) Supporting organizations that provide HUD-certified housing counseling to provide classes and counseling to first-time homebuyers and preserving homeownership.
- (5) Funding fair housing organizations to investigate and enforce fair lending laws.
- (6) Additional recommendations around ensuring equitable appraisal practices, investing in CDFIs to create new loan programs, and expanding homesteading program model.

There are a few lenders offering loan products targeted to lower-income and Black borrowers. Many of these programs are focused on Community Reinvestment Act (CRA) goals of serving low- and moderate-income borrowers and communities. Less prevalent are lenders offering Special Purpose Credit Programs which explicitly focus on reducing the Black homeownership gap, although more guidance and toolkits are becoming readily available.⁶ Huntington Bank recently rolled out a Special Purpose Credit Program – Home for Good – to borrowers

in the Cincinnati market from historically under-resourced communities. Regional lenders need to be thinking creatively about how they can serve high-quality products to Black borrowers.

The City of Cincinnati has **\$2 million** set aside for the American Dream Downpayment Initiative (ADDI) which has **only served 38 people since 2020**. The County is also preparing to launch a lending program for low- and moderate-income homeowners.⁷

These programs are insufficient to overcome the considerable headwinds of the current housing market. Even if a resident overcomes the complicated eligibility requirements, difficult to meet underwriting standards, and lack of public-facing information, they still may not be able to take advantage of these borrower assistance programs because of the **lack of affordable inventory** and the **significant downpayments** that are required to purchase a home in the current market.

Organizations like Working In Neighborhoods (WIN) and The Homeownership Center are HUD-certified housing counseling agencies that provide credit counseling services and homebuyer training programs, WIN serves about 300 households a year.⁸ These organizations are doing excellent work, yet the market forces like lack of supply and rising mortgage costs constrain their ability to effectively serve everyone in need of assistance.

In 2022, only 15% of all home loans were made to Black households in Hamilton County, where 26% of households are Black.⁹ Further, Black applicants are **more than twice** as likely to be denied a home loan than a white applicant.¹⁰ A forthcoming report from HOME will provide more information on the home mortgage lending trends and practices of the top lenders in the region. Equitable lending practices are a critical component in leveling the housing market for Black households and this lending reporting will provide a first of its kind look at the region's current practices.

⁶ Mortgage Bankers Association and National Fair Housing Alliance, Special Purpose Credit Program Toolkit, <https://spcptoolkit.com/>

⁷ via Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

⁸ *Id.*

⁹ 2022 Home Mortgage Disclosure Act data accessed via LendingPatterns; Data from the 2021 American Community Survey 5-Year Estimates.

¹⁰ *Id.*



2. Support Existing Homeowners

The *Roadmap* calls for protecting existing Black homeowners, particularly those legacy homeowners that have owned their home for decades. The *Roadmap* calls for establishing loan and grant funds for home repairs for interior and exterior repairs, as well as adding accessibility; emergency foreclosure assistance programs; and legal counsel to assist with wills, estates, and resolving tangled title issues.

Home Repair

Over the past two years, the City and the County have allocated over \$17 million in funding for home repair or home improvement programs to protect vulnerable homeowners from consequences of deteriorating housing conditions.¹¹ These funds are divided between many different programs administered by 10 different agencies. The dizzying array of program eligibility requirements, cumbersome application processes, varied “points of entry,” and eligible expenses, make these programs difficult to access. **Beyond issues with accessing these programs, the more fundamental problem is that the financial needs of homeowners far outweigh the available resources.**

Cost-burdened homeowners (housing costs exceeding 30% of household income) represent 19% of all homeowners in Hamilton County and 22% of all homeowners in the City of Cincinnati.¹² Of cost-burdened households, 40% of those in the County are severely cost-burdened (housing costs exceeding 50% of household income).¹³ Within the City, that number rises to 46%.¹⁴ In Hamilton County, 54% of cost-burdened homeowners make less than \$35,000, while 73% of those homeowners make less than \$50,000.¹⁵ In Cincinnati, those numbers rise to 58% of cost-burdened homeowners making less than \$35,000 and 76% making less than \$50,000.¹⁶ The significant number of cost-burdened homeowners, particularly the high prevalence of severely cost-burdened homeowners and low-income homeowners, combined with the age of our region’s housing stock – in the County, the median owner-occupied housing was built in 1961, and in Cincinnati, the median is pre-1939 – create an environment where home repairs are increasingly necessary yet out of reach for many homeowners.¹⁷

Hamilton County

54% of the cost-burdened homeowners in Hamilton County make less than \$35,000. 73% of cost-burdened homeowners make less than \$50,000.

42% or 16,126 of the cost-burdened homeowners in Hamilton County are ages 65 and above.

Hamilton County

38,235 homeowners or 19% of homeowners in Hamilton County are cost-burdened.

40% of the cost-burdened homeowners in Hamilton County are severely cost-burdened (15,377 households).

The City of Cincinnati

58% of the cost-burdened homeowners in the City of Cincinnati make less than \$35,000. 76% of cost-burdened homeowners make less than \$50,000.

39% or 4,827 of the cost-burdened homeowners in the City of Cincinnati are ages 65 and above.

The City of Cincinnati

12,279 homeowners or 22% of homeowners in the City of Cincinnati are cost-burdened.

46% of the cost-burdened homeowners in the City of Cincinnati are severely cost-burdened (5,616 households).

Image Source: LISCS Greater Cincinnati, The Need for Home Repair Support, <https://bit.ly/LISCHomeRepair>

Many home repair programs are designed to support senior and disabled households, and there is very little available to support other kinds of households, including those with children. Agencies and program managers cite the lack of resources to support and counsel applicants, the difficulty with lending underwriting requirements, and a lack of reputable contractors to do work as significant barriers to accessing these resources.¹⁸ This means that homeowners in need of serious and immediate home repairs are often placed on waitlists that are years long.¹⁹ While on these long waitlists, homeowners are at risk of hefty fines for the code violations they are actively seeking help for. Homeowners can contest these fines, but this information is not widely known nor the whole solution.²⁰ **The current system places significant additional burdens on homeowners who are already seeking help.**

¹¹ via Community / Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

¹² LISCS Greater Cincinnati, The Need for Home Repair Support, <https://bit.ly/LISCHomeRepair>; Data from the 2021 American Community Survey 5-Year Estimates.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ via Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

¹⁹ *Id.*

²⁰ *Id.*

In addition to the home repair grant programs, regional lenders are offering various home improvement loan products that could be beneficial to Black borrowers, but at present, there is no easy way for potential borrowers to determine what products exist or what the underwriting criteria is for those products. Additionally, loans are not always an appropriate tool, particularly given the high prevalence of cost-burdened homeowners and low-income households.

LISC Greater Cincinnati and HOME have already hosted a Convening on Home Repair to connect various stakeholders and encourage finding collaborative solutions. From the convening, working groups were established around topics to develop focused solutions and actionable next steps.

Foreclosure Prevention & Legal Assistance

Federal COVID relief dollars for mortgage assistance, totaling over \$66 million, kept 12,000 families in their homes in 2022 and 2023.²¹ At the end of 2023, COVID resources have been mostly spent and there are no replacement funds for these programs. Without replacement funding, the most vulnerable Black homeowners will be at greater risk of losing their homes to foreclosure.

Additionally, there is a continued need for more resources for legal representation to help low-income homeowners

with wills, estate planning, and probate to preserve the generational wealth built through homeownership. Thanks to the advocacy of the Legal Aid Society of Southwest Ohio, many pandemic-era programs did not make financial assistance contingent on a homeowner being the recorded title holder.²² With these programs ending, homeowners who previously qualified for pandemic-era financial assistance will be unable to access many of the remaining programs unless they possess a clean title. Black homeowners are disproportionately affected by these issues because of their century-long exclusion from the legal system and continuing lack of access to estate planning and other legal services.

Immediate Action

- The conclusion of pandemic-era programs to support existing homeowners with mortgage, property tax, and utility assistance and the present lack of replacements make securing new and recurring funding a top priority.
- LISC Greater Cincinnati and HOME home repair working groups should continue to advance goals to streamline and consolidate application requirements across home repair programs and expand staffing capacity to meet the strong demand for these resources.

3. Modify Zoning to Be More Inclusive

The *Roadmap* makes three specific recommendations regarding zoning in order to increase supply of housing:

- (1) Modify zoning codes to permit Accessory Dwelling Units (ADUs) in single-family zones;
- (2) Increase density by permitting moderate intensity uses (two- and three-family dwellings) to be built in single-family zoning districts; and,
- (3) Implement inclusionary zoning provisions that would require housing developers to include units at price points affordable to low-income households along with market rate units.

The City of Cincinnati has already modified its zoning code to allow ADUs in all single-family zones. This new provision will take effect in early October 2023.²³

The City of Cincinnati is also considering a series of zoning and land-use changes – known as “**Connected Communities**”.²⁴ After a series of community engagement sessions over the last year, specific proposals are expected soon. The scope of proposed zoning modifications and the number of locations that would be eligible for increased density will dictate how closely the **Connected Communities** project aligns with the *Roadmap*. These new provisions are most likely to meaningfully increase the housing stock available to Black homeowners if they enable increased density in the neighborhoods and communities where these types of housing do not currently exist, including single-family zoned districts.

Hamilton County recently created a new Model Zoning Code for use by communities throughout the County.²⁵ The Model Code provides new provisions to encourage the development of more diverse neighborhoods and types of

²¹ via Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

²² *Id.*

²³ <https://www.cincinnati-oh.gov/planning/planning-projects-and-studies/completed-past/accessory-dwelling-units/>

²⁴ <https://www.cincinnati-oh.gov/planning/connected-communities/>

²⁵ via Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

housing, (ADUs, attached single-family, Transit Oriented Districts -TODs, mixed use buildings, and more multi-family options). The Model Code also includes updated Planned Unit Development (PUD) regulations and options for more streamlined decision-making processes. The County has made this Model Code available to encourage communities to update their Codes and make new and possibly more affordable housing options possible.

Presently, no jurisdiction has adopted the Model Code. Hamilton County Planning and Development staff are working with interested communities to update their Codes. While these provisions have the potential to reduce the barriers to developing new affordable housing that better meets the needs of Black households in the places they want to live, without widespread adoption the Model Code will not change the current zoning barriers.

Finally, one of the most powerful changes to zoning in the region would be the introduction of inclusionary zoning. Inclusionary zoning requires projects to include units at price points affordable to low-income households in addition to any market rate housing they intend to develop. We are not aware of any current conversations about these kinds of changes.

Immediate Action

- Work with the City and the County to see that these provisions are widely implemented, particularly in areas where there is currently little or no affordable housing.

4. Provide Property Tax Relief to Low-Income Homeowners

The *Roadmap* calls for providing property tax relief as another critical support to preserve Black homeownership, particularly for legacy and low-income homeowners that live in neighborhoods where property values are increasing.

The Ohio Homestead Exemption is the only current program that offers property tax relief in the region. Seniors and disabled veteran households are eligible for the program, but it requires an application in order to qualify for it. There are a lot of homeowners that could qualify for this program but do not know about it or how to apply for it. Information and applications are available on the Hamilton County Auditors website.²⁶

Hamilton County has a \$5 million emergency mortgage assistance program – funded via a one-time pandemic-era relief program – available to homeowners that may be behind on property taxes and be in danger of foreclosure.²⁷ Homeowners are referred to this program via community partners like Legal Aid, WIN, HOME, and Community Action Agency; and those community partners have worked together to host outreach events for homeowners to access these funds. While these resources are still available today, without a secure and recurring funding source, these resources will be unable to meet the growing needs of homeowners.

The recent property re-appraisal in Hamilton County (and the State of Ohio as a whole), has resulted in an

increase of, on average, 30% in tax appraised values in 2023.²⁸ While individual tax bills will vary, residents of certain neighborhoods can expect their property taxes to substantially increase in 2024. **As property values continue to increase, more support will be necessary to simply maintain current levels of Black homeownership.** Considering the already high levels of cost-burdened households and homeowners in particular, legacy homeowners and those on fixed income are going to be particularly vulnerable to property tax increases.



Image Source: WKRC Local 12

In light of the recent tax increases, state lawmakers have shown interest in a variety of proposals to lower property taxes for Ohioans. A bipartisan proposal, co-sponsored by Rep. Dani Isaacsohn (D-Cincinnati), called the **“70 Under**

²⁶ <https://www.hamiltoncountyauditor.org/>

²⁷ via Stakeholder Interviews conducted by HOME & Blume Community Partners from June-September 2023.

²⁸ <https://local12.com/news/local/property-owners-concerned-about-higher-preliminary-values-issued-in-hamilton-county-rent-mortgage-taxes-auditor-home-house-taxation-value-cincinnati-ohio>

70 Plan,” would freeze property taxes at their current rate for Ohioans older than 70 whose household income is less than \$70,000.²⁹ This proposal would have a significant positive impact on preserving Black homeownership by

protecting legacy homeowners from losing their homes to rising property taxes. Instead of falling further behind and losing generational wealth, this proposal would enable low-income legacy homeowners to plan for their family’s future.



Immediate Action

- The conclusion of pandemic-era programs to support existing homeowners with mortgage, property tax, and utility assistance and the present lack of replacements make securing new and recurring funding a top priority. Grant dollars must be available for property tax relief to vulnerable homeowners.
- Pass the “70 Under 70 Plan” to protect low-income legacy homeowners.
- Focus public education and outreach to reach vulnerable homeowners who can qualify for existing assistance programs and include information about contesting assessment values.



5. Modify Tax Abatement Incentives to Support Black Homeowners

The Roadmap recommendations call for a modified tax abatement policy that targets abatements in weak housing markets and to legacy and low-income homeowners. The City of Cincinnati’s prior tax abatement policy – in place until September 2023 – permitted abatements for new housing and renovations citywide. Data showed that most abatements were granted to properties in high-income neighborhoods that are predominantly white.³⁰

The Roadmap envisions a more targeted abatement policy that would provide the highest level of abatement to weaker neighborhoods with higher levels of Black and low-income residents, while further restricting and eliminating tax abatements in wealthier neighborhoods. In wealthier and rapidly developing neighborhoods, only affordable housing or existing low-income homeowners should qualify for abatements.

The City recently modified their residential tax abatement policy, effective September 1, 2023.³¹ The new policy creates a three-tiered system that provides the maximum abatement in low- and moderate-income neighborhoods, and the least amount of abatement to the highest-income neighborhoods.³² Departing from the Roadmap’s recommendations, the new policy still permits abatements in high-income strong market neighborhoods, for up to 2/3 the value of an abatement available in a low-income neighborhood. The City is also revising the application process to make it easier for homeowners to apply for tax abatements, including focusing outreach directly to low-income communities that have been historically left out of this program.³³ The City committed to reviewing the abatement policy in three years for any further modifications.



Immediate Action

- Track how the new abatement policy changes the award of abatement benefits, including monitoring income and racial demographics of homeowners benefiting from abatements.
- Further refine the abatement policy to provide tax incentives to weaker neighborhoods while eliminating residential abatements in high-income neighborhoods.

²⁹ <https://www.cincinnati.com/story/news/politics/2023/09/26/ohio-debates-decreases-to-property-taxes-as-home-values-rise/70960949007/>

³⁰ City of Cincinnati, Residential Tax Abatement Study, 2022
<https://choosecincy.com/wp-content/uploads/2022/06/Cincinnati-RTA-FINAL-Report.pdf>

³¹ <https://choosecincy.com/homeowner-renter-assistance/residential-tax-abatement/>

³² <https://choosecincy.com/wp-content/uploads/2023/07/2023-Residential-CRA-Program-Reform-Summary-REV6.14.23.pdf>

³³ <https://choosecincy.com/homeowner-renter-assistance/residential-tax-abatement/>

6. Monitoring

The *Roadmap* calls for annual monitoring to track progress on closing the gap between Black and white homeownership rates. To create a full picture of progress, information on homeownership, tax abatements, new housing production, foreclosures and lending needs to be tracked and published by race.

There are a number of reports and data sets that relate to housing and homeownership in the City and the region. The most complete data and information on homeownership and housing production is currently being provided by LISC Greater Cincinnati through their reporting on [Housing Our Future](#),³⁴ [Place Matters](#),³⁵ and various County Housing Action Plans.³⁶ The City of [Cincinnati Residential Tax Abatement Program report on Evaluating Options for a Tiered Program 2022](#),³⁷ and the [Cincinnati Financial Freedom Blueprint 2023](#)³⁸ highlight racial inequity in the housing market. The City of Cincinnati publicly reports much of their data via CincyInsights.³⁹ The Chamber of Commerce's Embracing Growth Report⁴⁰ and recent

[State of the Region: Cincinnati 2023](#)⁴¹ also provide information on housing topics and market trends. HOME is currently conducting research on mortgage lending practices in the region with the intention of publishing a public report later in 2023.

While much of the data called for in the *Roadmap* is available and being reported, there is no single place to track annual regional progress on Black homeownership. A single set of metrics aimed at tracking Black and white homeownership rates annually must be maintained and published by an independent source. LISC Greater Cincinnati's Housing Our Future can be that source for tracking and reporting the homeownership data by race. **HOME intends to continue publishing status reports on the *Roadmap*, but robust and accurate reporting will only be possible with detailed data and information provided by the City of Cincinnati, Hamilton County, and regional housing partners.**

³⁴ <https://www.lisc.org/greater-cincinnati/what-we-do/housing-our-future/>

³⁵ <https://www.lisc.org/greater-cincinnati/what-we-do/place-matters/>

³⁶ <https://www.hamiltoncountyohio.gov/common/pages/DisplayFile.aspx?itemId=18307154>

³⁷ <https://choosecincy.com/wp-content/uploads/2022/06/Cincinnati-RTA-FINAL-Report.pdf>

³⁸ <https://www.cincinnati-oh.gov/manager/financial-freedom/>

³⁹ <https://insights.cincinnati-oh.gov/stories/s/CincyInsights/s59x-yqy3/>

⁴⁰ <https://cincinnati-chamber.com/wp-content/uploads/2023/07/Principles-for-Regional-Housing.pdf>

⁴¹ https://cincinnati-chamber.com/wp-content/uploads/2023/09/sotrreport_2023web.pdf



Housing Opportunities Made Equal of Greater Cincinnati, Inc.

2400 Reading Road, Suite 118

Cincinnati, OH 45202

513-721-4663

www.homecincy.org

