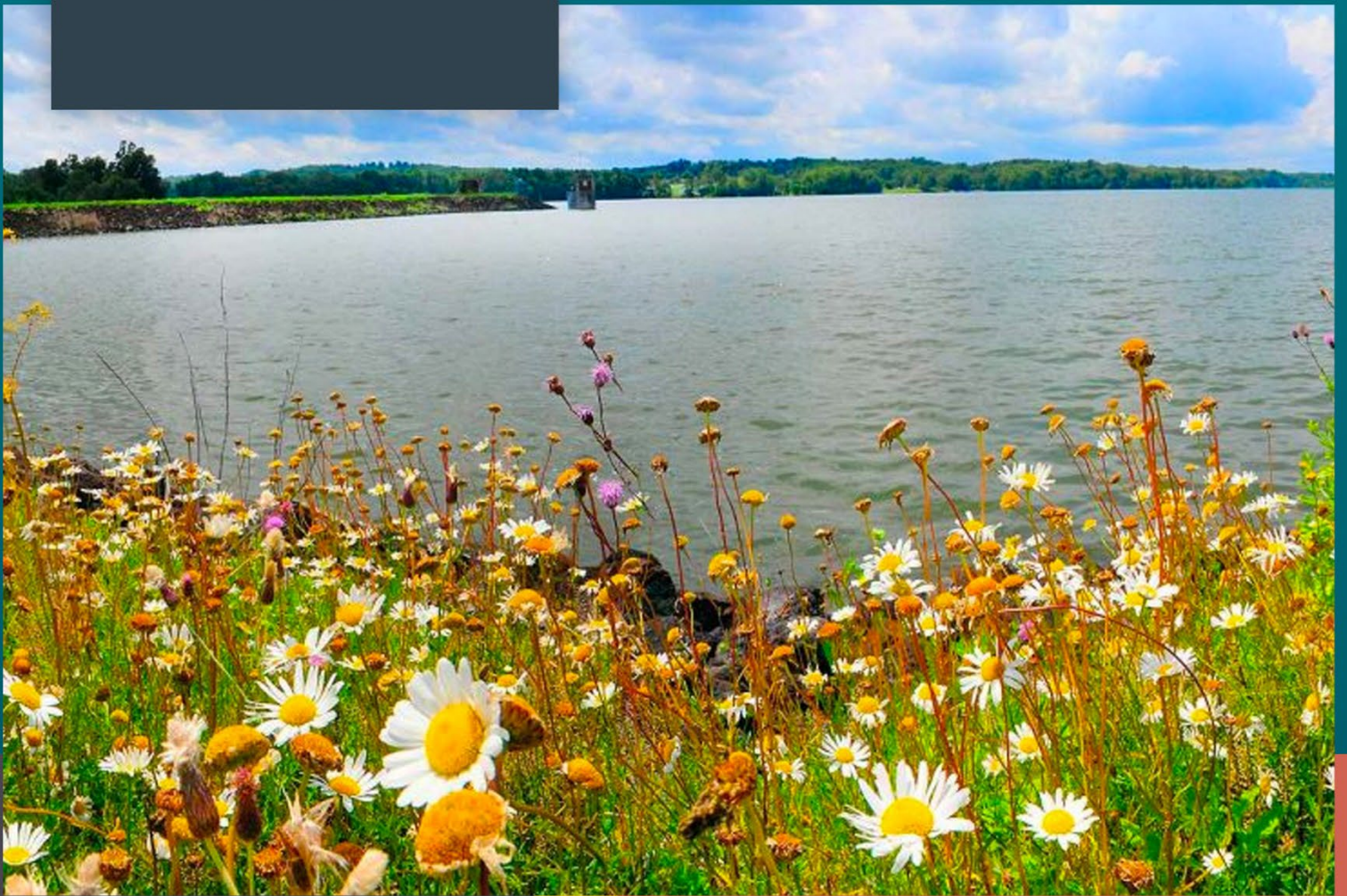




# Rural Townships Housing Needs Assessment



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# Rural Townships Housing Needs Assessment

## Introduction

This document provides a Housing Needs Assessment for the rural townships of Richland County.<sup>1</sup> The Housing Needs Assessment reviews information presented in other portions of the *Richland County Housing Needs Assessment and Action Plan*, as well as presenting analysis unique to the rural townships regarding its housing market, land uses, zoning, and site suitability. The report concludes by identifying recommendations to strengthen the rural townships’ housing market and encourage development of affordable, attainable, and market-rate housing.

Throughout the broader *Richland County Housing Needs Assessment*, we have divided the housing market into three tiers: affordable, attainable, and market-rate.

- **Market-rate housing** comprises housing for households earning above 120 percent of area median income, or over \$62,280 for a single-person household or \$88,920 for a family of four. Households in this income category are seeking a higher-end housing product with amenities like more square footage, a larger yard, pool, finished basement, or other comforts. For Richland County, we define market-rate homeownership as homes selling for over \$200,000. For market-rate rental housing, we define it as rental properties with rents that exceed \$1.00 per square foot.
- **Attainable housing** comprises housing for households earning between 80–120 percent of Area Median Income. Per HUD’s 2022 income limits, this comprises single person households earning between \$41,550–\$62,280 a year and four-person households earning between \$59,300–\$88,920 a year. Households in this income category earn too much to qualify for federal rental assistance, and they are often in the market for ‘starter’ or entry-level homes. For Richland County, we define ‘attainable’ homeownership as houses in good condition that are available for \$100,000-\$200,000, and attainable rental housing as unsubsidized units that rent for between \$0.70 and \$0.99 per square foot.

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<sup>1</sup> The rural townships include Plymouth, Cass, Blooming Grove, Butler, Sharon, Jackson, Franklin, Sandusky, Troy, Monroe, Perry, Weller, Worthington

- **Affordable housing** comprises housing for households earning below 80 percent of the Area Media Income (AMI). For 2022, this amount is \$41,550 for a single-person household and \$59,300 for a family of four in Richland County. While not all households earning below those amounts reside in subsidized housing—in fact, the vast majority do not—80% AMI is typically the limit for most subsidized housing programs. For this study, we define affordable homeownership as houses in good condition that are available for under \$100,000, and affordable rental housing as either subsidized rentals or any unit that rents for under \$450 per month.

We have created a Richland County Housing Needs Assessment map [at this link](#). All of the mapped data collected through this project will be mapped at that link. We have created a short 'how to' video of how to use the map [here](#).

## Housing Data Review

This first section reviews key data points related to the housing market of Richland County's rural townships. It first summarizes the node's demographic data before discussing housing tenure, cost burdens, and the node's affordable housing inventory.

**Demographics.** Compared to Richland County as a whole, the rural townships' population is much more likely to identify as non-Hispanic White (96% vs. 85% of the county's population); in fact, the rural townships have some of the highest non-Hispanic White population proportion in the county. In terms of educational attainment, the population of the rural townships closely matches Richland County's population as a whole, with about half of all residents having attended at least some college while about 43 percent have a high school diploma as their terminal degree.

In terms of age distribution, the rural townships' population also closely resembles that of Richland County as a whole. Approximately 20 percent of the population is over the age of 65, about 25 percent of the population is under the age of 20, and a little over half the population is between the ages of 20–65. Within that last category, about 15 percent of the population is 'near elderly'—meaning they are within the ages of 55–64.

For special housing populations, the rural townships' poverty rate of 7 percent is well below the county's poverty rate of 14 percent, and as expected there are no tracts of concentrated poverty in the rural townships. However, 13 percent of the rural townships' population has at least one disability, and the most common disabilities among residents include ambulatory (6% of the population), cognitive (5%), hearing (5%), and independent living (5% of the population).

**Housing tenure and demographics.** Per the most recent U.S. Census, about 79 percent of housing units in the rural townships are owned while another 21 percent are rented. This means that the rural townships' homeownership rate is higher than the county's overall homeownership rate



(which is 67%), and that the rural townships have the highest homeownership rate among any of the nodes (tied with Ontario). Postal service vacancy data indicates that about one percent of residential units in rural townships are vacant and that the rural townships' vacancy rate declined modestly from 2012 (when it was 1.5%).

Compared to the county, the age distribution of homeowners in the rural townships is very similar, with about 55 percent of homeowners being middle-aged (between 35–64 years old) while about a third are over the age of 65 and about 10 percent are between the ages of 15–34. While the rural townships have relatively few renters, what renters they do have skew somewhat older than the county as a whole (20% are over the age of 65).

**Housing cost burden.** Thirty-seven percent of renters in the rural townships are cost-burdened, meaning they pay over 30 percent of their income toward housing costs (including rent and utilities). Among all renters in the rural townships, however, 17 percent are severely cost-burdened, meaning they pay over 50 percent of their income toward housing costs. While the rate of severely cost-burdened renters is lower in the rural townships compared to many of the other nodes in Richland County, it still constitutes a substantial portion (440 households) of the node's renter population. In addition, 19 percent of the rural townships' homeowners are cost-burdened, meaning they pay over 30 percent of their income toward mortgages and other housing costs. This figure is the third highest among the nodes in the county (behind Mansfield and the urban townships), suggesting the need for outreach to the node's homeowner population.

**Housing inventory.** As expected given the node's rural character, the vast majority of housing units in the rural townships are single-unit detached homes (83%); this is the highest rate of single-unit detached homes among nodes in the county (tied with Bellville). Another noteworthy feature of the rural townships' housing stock is the large number of mobile homes in the node; per recent Census data, there are nearly 650 mobile homes across the townships. This is the second-largest number of mobile homes in any node, behind only the urban townships.

The Census also tracks several indicators of substandard housing, and while they remain rare, the rural townships have some of the highest rates in the county of these issues. Of note, the rural townships have the highest rate of homes lacking complete plumbing facilities (1% of all homes) and homes having no telephone service available (2.7%). Additionally, the rural townships have the third-highest rates of both overcrowding (1.4%, behind Mansfield and the urban townships) and homes lacking complete kitchen facilities (1%, behind Bellville and Mansfield).

**Affordable housing inventory.** We have mapped affordable housing developments across Richland County at [this link](#). As of Summer 2022, there are no subsidized housing units in the rural townships. Given the substantial number of households with a severe rent burden in the node,

this creates an opportunity to develop affordable housing in the rural townships. In particular, the USDA's Section 515 Rural Housing grant program may be a valuable source of affordable housing funding.

Metro Housing has issued approximately 1,900 Housing Choice Vouchers (HCV) to tenants in Richland County, and we have mapped the location of those voucher holders at the Census tract level [at this link](#). These data are at the Census tract level, so we are unable to directly identify how many HCV households reside in the rural townships specifically. However, across the Census tracts that exclusively span the rural townships, it appears that approximately 10–15 HCV holders reside in the node.

**Summing it up.** Overall, the rural townships' current housing and demographic conditions suggest a housing inventory heavily oriented toward single-family homes occupied by middle-aged and older adults. The node's poverty rate is quite low, and while there are a number of residents with a disability, this figure is comparable to or lower than other nodes in the county. In terms of the node's housing inventory, while the vast majority of housing units are single-family detached, the node also has a large number of mobile homes. Given current development pressures in the mobile home market, the node may see mobile home parks purchased in the coming years and redeveloped as other types of housing, thus leading to the displacement of existing residents.

Two other features of the rural townships' housing inventory are particularly noteworthy. First, the node has some of the highest rates of various housing problems, including lacking kitchen and bathroom facilities and overcrowding. The townships and county government may want to consider programs to update housing units to a livable standard in the short-term. Second, the node contains no subsidized housing units, despite having many renters who are severely cost-burdened. Thus, county officials may consider approaching developers who are skilled at developing rural subsidized housing (such as through the Section 515 program) to address the shortage of affordable housing in the rural townships.

## Housing Market Analysis

This next section provides an overview of the rural township's housing market. It first reviews residential permitting in the node over the past twenty years before reviewing home sales in the node over the last 10 years.

### Permitting data

We have visualized single-family, 2- to 4-unit, and multifamily (4+ unit) permits [here](#) for all of the nodes in Richland County and have mapped permits [here](#). Among all the nodes, the rural townships have seen the highest rates of permitting over the period tracked by the data (since 2002). Of all permits filed in the node over that period, virtually all (1,220 out of 1,231) have

been for single-unit dwellings. Unique among the nodes, the rural townships are the only node in Richland County that has seen appreciable home construction over the past 10 years.

In the last 10 years (2013 and beyond), 365 residential permits have been filed in the rural townships. Of those, all for single-family dwelling units. In fact, the last multifamily permit filed in the rural townships was done so in 2007. While permitting has in general increased across Richland County in the past few years, the rural townships have not seen such an increase; in fact, the 40 permits filed in 2021 were the lowest in the node since 2017, when 35 permits were filed.

### Sales data

We have created a data visualization of home sales by quarter in the rural townships going back to January 2012 [at this link](#). Broadly, sales trends in the rural townships mimic many of the other nodes in the county (with the exception of Mansfield and Shelby), as home have appreciated out of the 'affordable' tier (selling for under \$100,000) and into the attainable (\$100,000–\$200,000) and increasing the market rate (\$200,000+) tiers. More specifically, we identify the following trends for home sales in the rural townships.

First, the number of affordable and lower-end attainable home sales—those selling for less than \$150,000—have declined precipitously over the last two years and especially since early 2022. Within this period, we see the number of sales below \$50,000 declining to nearly zero by 2022, and sales below \$100,000 have also virtually disappeared in the most recent quarters.

Second, there has also been an increase in sales in higher price tiers (those exceeding \$200,000) since late 2020, including some sales in very high price ranges (those above \$250,000). In recent quarters, sales over \$200,000 have comprised nearly a third of all home sales in the rural townships. Unique among the nodes, though, home sales in the rural townships often include sizeable land sales (e.g., a home located on 10 acres), and the analysis here is unable to isolate the price of the home specifically relative the land it was sold on).

Third, while sales in the rural townships increased throughout the 2020–2021 period, in recent quarters the number of sales has been flat or decreased on a year-over-year basis. As noted earlier, the rural townships are the only node that has seen appreciable home construction in the last 10 years, so it is unclear if the increase in sales volume is due to increased housing demand, new construction, or some combination of the two. However, the recent decrease in sales volume (which largely predates the increase in interest rates), coupled with higher sales prices, suggests there is unmet demand for housing in the node.

**Summing it up.** Overall, then, we find that the sales data in the rural townships indicates:

- Increasing demand overall for housing in the node as evidence by increasing home sale prices.

- Appreciation of the lowest-priced housing (under \$100,000 and increasingly under \$150,000) into relatively higher sales bands.
- While most homes sold in rural townships are in the 'attainable' housing category, there are increasingly large numbers that are sold in the 'market-rate' category.

We have also included home sales from 2021 on the Housing Needs Assessment online map ([link here](#)).

## Tax Delinquencies and Demolitions

Tax delinquencies and demolitions can signal either neighborhoods at risk of decline (tax delinquencies) or neighborhoods in significant decline but with land available for redevelopment (demolitions).

### Tax delinquencies

As of Summer 2022, there are 303 tax delinquent properties in the rural townships out of approximately 19,000 total parcels in the node (a delinquency rate of approximately 1.6%) (see map [here](#)). Here, tax delinquent properties are at least two years delinquent on their taxes. While these properties are spread throughout the node, there does appear to be a few concentrations in the rural townships, including in Plymouth Township and in and near Lucas in Monroe Township.

### Demolitions

According to the Richland County Land Bank, as of Summer 2022, they have conducted demolitions on four properties in the rural townships (map [here](#)). Of those, two are just outside Shelby in Sharon Township.

## Zoning Analysis

This next section provides an overview of land use and zoning in the rural townships. It first reviews the city's zoning map before moving to an analysis of the city's zoning codes.

### Zoning Analysis

Given the number of zoning codes across the rural townships (in addition to the small jurisdictions within the rural townships, like Lucas and Butler), we have not analyzed each township's zoning code separately. However, in this section, we provide some summary comments on the zoning districts across the rural townships.

While the majority of Richland County is zoned, several townships do not have zoning codes (see [map here](#) of zoning in the rural townships). These include:



- Butler
- Cass
- Jefferson
- Plymouth
- Worthington

However, within those townships, specific municipalities (Plymouth, Shiloh, Butler, and Bellville) do have zoning codes that pertain to land within the municipalities' jurisdiction.

Across the rural townships with zoning, the vast majority of land is zoned for low density residential. There are some exceptions to this, and those are mostly in areas that immediately abut municipalities. For instance, Jackson Township has some R2 zoning near Shelby, while Troy Township has some higher-zoned land near Lexington.

Another interesting characteristic of the rural townships is the difference between the existing land use and the zoning code. Again, most of the land in the rural townships is zoned for low density residential (at least within the townships that do have zoning), while the majority of the land use in these townships is agriculture. This low-density zoning, then, encourages residential development throughout the townships instead of concentrating development into certain areas where services could more easily be provided. As a result, much of the residential development in the rural townships is quite sprawling, which leads to higher cost of service provision.

## **Housing Development and Suitability Analysis**

This section presents a housing development analysis for the rural townships. It first details opportunities to encourage the development of market-rate housing in the rural townships. It then discusses the suitability of developing affordable housing either through the competitive tax credit program or through other programs, and discusses a site in Troy Township that would score highly on the competitive tax credit program.

### Market-rate housing

The fact that the vast majority of residential permits filed in the last 10 years in the county have been in the rural townships suggests ample demand for new housing in the townships. However, the existing patterns of sprawling residential development in the townships, should it continue, will lead to enhanced service delivery costs or lower quality of services. It is unclear how financially sustainable this development pattern will continue to be.

To minimize sprawl while continuing to encourage housing development within them, the rural townships could consider implementing agricultural-only zoning districts along some land to both encourage farmland preservation and to encourage residential development in other parts of their

townships. This would allow residential development to continue but in a somewhat more concentrated way, thus facilitating the easier delivery of services. It would also make future development patterns in the townships more predictable, thus allowing for the townships to better predict their service needs in the future.

Beyond continued demand for the growth of large-lot rural residential developments, the rural townships—particularly Troy, Jefferson, and Perry Townships—to capture both spillover residential interest from Lexington and Bellville (Troy and Jefferson Townships) and to capitalize on their proximity to the Columbus market for commuters. These townships will likely see substantial development pressures in the coming years as the Intel facility opens in Columbus and as development continues to creep north in the Columbus market. Getting ahead of the curve on this development is crucial, and in particular Jefferson and Perry Townships may consider either instating zoning (for Jefferson Township) or introducing new residential zones to encourage development (Perry Township, which is currently zoned exclusively for low-density residential).

### Affordable housing

The largest affordable housing program in the U.S. is the Low-Income Housing Tax Credit program, or LIHTC. LIHTC programs are administered by the Ohio Housing Finance Agency (OHFA). There are two types of tax credits available through LIHTC—competitive (9%) tax credits and non-competitive (4%) tax credits. The allocation process for both types of tax credits is governed by a Qualified Action Plan (QAP), which OHFA produces once every two years.

As expected given their name, there is strong demand for receiving competitive tax credits, and the QAP sets out the criteria by which OHFA will award those tax credits to developments. To minimize the amount of discretionary review of tax credits, OHFA has adopted (in both its current QAP and in prior ones) strict geographic criteria that award ‘points’ to tax credit proposals under the title of ‘New Affordability Pool Priorities.’ Given the incredibly competitive nature of these proposals, it’s crucial that proposed developments be located in the highest-scoring areas. In fact, missing out on even a single point means that projects may not be funded.

One unique aspect of how OHFA awards tax credits is that it has classified every Census tract in the state as central city, metro/suburban, and rural. OHFA then awards tax credits to developments in each of these ‘pools,’ so that a disproportionate number of tax credit developments are not awarded to, say, central city tracts.

OHFA has created an interactive map [here](#) for rural tracts with the various geographic criteria it considers when awarding competitive tax credits for new construction. Given the expansive nature of the rural townships, in this section we will focus on areas that could receive the maximum number of points under OHFA’s current scoring system.

One should note that OHFA's scoring system is very heavily weighted toward transit access for new developments. For developments in Richland County's rural tracts, they can receive the maximum number of possible points (5) if the development coordinates an on-demand transportation service. The development can also receive 3 points if it provides transportation at no cost to the resident and is available at least five times per week.

Within the rural townships, the only area that could receive the maximum number of possible points based on geographic criteria would be in Troy Township north of Lexington (in Census Tract 22, any area north of Lexington-Steam Corners Rd/OH-39). These areas have access to all the amenities that OHFA scores on, as well as being considered 'very high' opportunity and being within 5 miles of a senior center.

We have identified a potential site for this development in the image below (see Exhibit 1). This approximately 8.5-acre site is located at the corner of State Route 97 and Gass Road. The site is currently zoned R1, so it would require a rezoning (and likely a variance) to allow for more dense residential development. However, at a density of 8 units per acre, the site could support approximately 60 duplex housing units. The site does not currently have sewer access, though it is less than a half mile from the Lexington municipal boundary. There are also many wells in the area, suggesting that the site could also operate a community sewer. Given the site's proximity to Lexington, Ontario, and the recreation opportunities of Clear Fork Reservoir, the site would likely lease up very quickly.

Exhibit 1: Potential competitive tax credit site in Troy Township. Clear Fork Reservoir is to the north of the image



One should note, though, that to obtain the maximum number of points on its LIHTC application, the site would need to coordinate an on-demand travel service for tenants. This may be more appropriate for a senior development, as the property could operate a small van (similar to what you see at many senior homes). Given senior’s likely smaller travel needs (i.e., not needing to commute to a job), the transportation service would also likely be less expensive for a senior development than for a non-targeted development.

Beyond that area, a few parts of the rural townships could receive the maximum number of points *if* (i) they’re located within “two miles of real estate and/or community development investments of at least \$10,000,000” completed in 2019–2021 or planned for 2022–2024 or (ii)

they are is in the area of a revitalization plan dated within the past 10 years. These areas would be southern Jackson Township as well as the far northwestern corner of Monroe Township (immediately northwest of Lucas).

Of note, the primary limiting factors for scoring in the rural townships are (i) being located within 5 miles of a medical center and (ii) being located within 5 miles of a pharmacy. These requirements limit possible developments to only those areas within 5 miles of the business centers of the larger municipalities in Richland County that offer these services (for instance, the only medical centers are in Mansfield and Ontario).

Beyond the tax credit program, there are opportunities for affordable developments in the rural townships using non-competitive tax credits or through other means. In fact, given the many opportunities in the rural townships (good schools, access to employment, relatively low crime), developing additional affordable housing in the rural townships would greatly benefit the lives of those who would live there. Further, it would provide a nearby workforce for many of the service-sector businesses that are located in the node.

## Identifying Housing Needs and Recommendations

This document has provided a Housing Needs Assessment for the rural townships of Richland County. Based on the findings presented in this document, we make the following recommendations to address the rural townships' housing needs and to strengthen their housing market.

**Consider unifying zoning codes across the townships.** The jurisdictional fragmentation common across Ohio, whereby each township can adopt its own zoning code, leads to confusion among developers and additional development costs. The rural townships (and the jurisdictions within them) should consider unifying zoning codes across their boundaries, such that an 'R1' zoning designation has the same parameters in each of the townships. This simplification would promote development in the rural townships by making the zoning codes of each jurisdiction easier to understand.

**Consider encouraging the development of an application for competitive tax credits in Tract 22.** As noted earlier, Ohio's QAP changes every two years, and the criteria against which proposals are judged change with that QAP. Under the rules of the current QAP, any tax credit development in Tract 22 (in Troy Township) would be very competitive, especially regarding the QAP's 'New Affordability Pool Priorities.' To promote tax credit development, the township or county could identify a suitable parcel and then put together an RFP requesting that an experienced tax credit developer partner with the county and a local non-profit to develop the



parcel. The development could either target families or seniors, though it would need to provide on-demand transportation services to earn the most possible points.

**Identify ways to minimize sprawl and encourage residential development in certain areas.**

Virtually all of the land in the rural townships is zoned for low-density residential development, which has promoted sprawling housing development across all of the townships. To minimize the burden of new housing on infrastructure, the townships may consider modifying their zoning practices to encourage housing developments in certain parts of their townships while zoning other areas specifically for agriculture. This, combined with potential reform of subdivision rules, could encourage housing development along certain corridors while promoting farmland preservation in other parts of the county.