

Affordable Housing Frequently Asked Questions

Q: What do we mean by “affordable housing?”

A: Examples of affordable housing include:

Project-Based Section 8

The Section 8 Project-Based Assistance provides rental assistance for very low and extremely low households. Project-based subsidies are tied to a specific unit for the length of the term of a Housing Assistance Payment (HAP) contract.

Rural Development Section 515

Section 515 rural rental housing loans are direct, competitive mortgage loans made by the USDA to provide affordable multifamily rental housing for very low, low and moderate income families, elderly individuals and individuals with disabilities. Tenants of Section 515 properties must be very low, low or moderate-income individuals, with the moderate-income level capped at \$5,500 above the low-income limit (between 50% AMI and 80% AMI). Persons with very low and low incomes, the elderly, and persons with disabilities are eligible for rental assistance if they are unable to pay the basic monthly rent within 30 percent of their monthly income. For an explanation of AMI, see below.

Low Income Housing Tax Credits (LIHTC). LIHTCs are awarded by the State of Ohio to private developers of qualified projects in order to permit owners to charge lower rental rates for at least 15 years. LIHTC are used to offset the cost of acquisition, substantial rehabilitation, or new construction of rental housing that will be occupied by low-income residents

Public Housing

Public housing is built and managed by local housing authorities in xx counties in Ohio and administered by HUD. Rents are set at 30% of the tenants income with the remainder of the costs paid by an Annual Contributions Contract from HUD. Eligibility for public housing is based on annual gross income, elderly or disabled status and citizenship.

Section 236

In past years HUD provided Section 236 low interest mortgages to developers, for rental or cooperative housing owned by private nonprofit or limited-profit landlords. Rents in Section 236 developments are capped at a *rate and there are income eligibility requirements for tenants.

Q: What is AMI?

Eligibility for subsidized housing programs are often determined by area median income (AMI) levels. Below are the definitions of extremely low-income, very low-income and low-income:

Individuals with incomes below 30% of area median income (AMI) are considered to be “extremely low income.”

Individuals with incomes below 50% of area median income (AMI) are considered to be “very low income.”

Individuals with incomes between 50% and 80% of area median income (AMI) are considered to be “low income.”

Q: How much affordable housing is there in Ohio?

A: # of units

Affordable Housing Type	Number of Units
Project-based Section 8	75,298 units
Rural Development Section 515	14,496 units
Low Income Housing Tax Credits	70,085 units
Public Housing	
Section 236	

Q: What are the threats to affordable housing?

A: Threats to affordable housing include the lack of federal or state oversight, increases to operating costs that outstrip maximum rents and initial undercapitalization. Other threats include deterioration of subsidized properties, owner prepayments and opt-outs.

Gentrification:

Gentrification is a threat to affordable housing. Gentrification is the buying and renovation of houses and stores in deteriorated urban neighborhoods by upper- or middle-income families or individuals. Often gentrification improves property values, but also displaces low-income families when affordable housing is converted to market rate housing.

As property values in a neighborhood increase due to gentrification, owners of affordable housing may be tempted to “opt-out” of their contracts by prepaying their mortgage. This allows owners to relieve themselves of rent restrictions and charge higher rents.

Physical deterioration and neglect of properties:

Many subsidized properties have significant physical improvement needs in the immediate future. Often, due to undercapitalization, property owners don’t have enough money in their reserves to address its physical needs over time, leading some to leave the subsidy program in order to sell the property or charge higher rents. Programs like the HUD Mark-to-Market program exist to enable property owners to restructure their debt, improve cash flow and make necessary improvements to their property.

Q: How many manufactured homes, parks and lots are there in Ohio?

A: There are nearly 234,190 manufactured homes in the state of Ohio, an average of 2,661 manufactured homes per county. There are 1,855 parks, based on the Ohio Department of Health's list of manufactured home parks from 2006 and there are 118,318 lots.

To learn more about manufactured homes, parks and communities, please utilize the resources below:

Association of Manufactured Home Residents in Ohio

<http://www.amhro.org/>

Ohio Department of Health

2006 Manufactured home park list

<http://www.odh.ohio.gov/ASSETS/C391FE53438D42FB880A9D4C33E8C4F7/MHPList2006.pdf>

Manufactured Home Source

<http://www.manufacturedhomesource.com/>

Ohio manufactured homes, dealers & mobile home parks & communities:

<http://www.manufacturedhomesource.com/search/OH>

Q: How is "affordable housing" different from Section 8 housing choice vouchers?

A: The Housing Choice Voucher Program (sometimes called Section 8 voucher or "metro") provides rental assistance to low-income households to choose privately owned rental housing. The Section 8 Rental Voucher Program is administered by public housing authorities (PHA). Public housing authorities pay landlords the difference between 30% of the household income and the PHA determined amount 80% to 100% of fair market rent (FMR).

Benefits

1. Allows tenants to choose their own units from the private market

Drawbacks

1. Tenants lack some of the legal protections that are available in project-based assistance.
2. Funding for vouchers can be affected by Congress or market forces.

Q: How do I find affordable housing in my community?

A: There are several resources to help you find affordable rental housing in your community:

Ohio rental housing locator

<http://www.ohiohousinglocator.org/>

“Search for housing in Ohio”

HUD National Housing Locator

http://portal.hud.gov/app_nhls/

HUD Low-rent Apartment Search

<http://www.hud.gov/apps/section8/index.cfm>

Housing Cleveland

<http://www.housingcleveland.org/>

“A free service to list and to find affordable housing in Cuyahoga County, Ohio

Q: Why should local communities care about "federal housing?"

A: Affordable housing helps local communities meet the housing needs of their citizens. Assisted housing is also important because federal enforcement of housing quality standards is always better when local officials are involved and informed about the quality of housing in their community.

Can be an asset to communities, reduce transient population, provide shelter for people who do minimum wage jobs, etc.

People that are responsible for monitoring assisted are more involved when local officials are involved.

It's not all someone else's problem

Q: Who lives in assisted housing?

A: Below are demographic profiles of different types of affordable housing based on HUD User data from 2000. *(Insert link to Excel Spreadsheet here)

Public Housing

Total units: 54,410

Household income of tenants: \$9,200
Percent disabled: 17%
Percent minority: 63%
Percent African American: 60%

Section 8 Certificates & Vouchers

Total units: 70,545
Household income of tenants: \$9,900
Percent disabled: 15%
Percent minority: 54%
Percent African American: 51%

Section 8 Moderate Rehabilitation

Total units: 5,248
Household income of tenants: \$7,800
Percent disabled: 18%
Percent minority: 60%
Percent African American: 55%

Section 8 New Construction or Substantial Rehabilitation (includes 202 & 811 units)

Total units: 44,395
Household income: \$9,400
Percent disabled: 14%
Percent minority: 28%
Percent African American: 26%

Section 236

Total units: 44,987
Household income: \$9,500
Percent disabled: 11%
Percent minority: 44%
Percent African American: 41%

LIHTC

Total units: 45,872
*No other data available

USDA Rural Section 515

Percentage elderly: 38.6%
Percentage elderly/disabled: 25.1%

Percent VLI: 96.2%

Percent LI: 3.4%

Percent Overburdened:

30-40% of Income: 52%

41-50% of Income: 20.5%

51%+ of Income: 27.5%