



# Over-the-Rhine Community Housing

## Housing/Affordability/Poverty and Cincinnati FAQ, 2014:

### **Question:** What does “affordable housing” mean?

**Answer:** The United States Federal Department of Housing and Urban Development (HUD) has a legal definition for “affordable housing”: “The generally accepted definition of **affordability** is for a household to pay **no more than 30 percent of its annual income on housing**. Families who pay more than 30 percent of their income for housing are considered **cost burdened** and may have difficulty affording necessities such as food, clothing, transportation and medical care. An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing, and **a family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States.**” (source: <http://www.hud.gov/offices/cpd/affordablehousing/>)

### **Question:** Why is finding an affordable place to live such a challenge? What rent prices are “affordable” to minimum wage and low wages?

**Answer:** There are many people who have jobs that pay wages which are not very high, including jobs that pay minimum wage. \$7.85 is the lowest hourly wage allowed by law that employers can pay non-tipped employees in Ohio who are over the age of 15. (source: <http://hr.osu.edu/hrpubs/MinimumWagePoster.pdf>)

Wage	Hours/Week	Weeks/Year	Annual Income	Monthly	"Affordable" Rent
\$7.85/hour	40	52	\$16,328.00	\$1,360.00	<b>\$408.20</b>
\$10.00/hour	40	52	\$20,800.00	\$1,733.33	<b>\$577.78</b>

Since the Federal department of Housing and Urban Development (HUD) considers housing “affordable” only if you pay **30% of your monthly income or less**, banks will not provide mortgages that are un-affordable, and property management companies will not rent an apartment to an individual if the individual can not “afford” it. (This is why many college students who live off campus can not rent apartments without their parents co-signing the lease.) Someone making **\$7.85** an hour working full time can **afford** no more than **\$408.20 in rent**. Someone making **\$10** an hour working full time can **afford** no more than **\$577.78 in rent**.

### **Question:** What are the fair market prices for apartments in the state of Ohio? How “affordable” are these rent prices?

**Answer:** The biggest hurdle to finding housing is that the average/Fair Market Rent is higher than what someone making a low wage can “afford”. (source: [http://www.ohiohome.org/compliance/fairmarketrents\\_13.pdf](http://www.ohiohome.org/compliance/fairmarketrents_13.pdf))

Wage	"Affordable Rent"	Fair Market Rent Prices in Ohio:
\$7.85/hr	<b>\$408.20</b>	<b>\$557</b> /month for a 1 BR
\$10.00/hr	<b>\$577.78</b>	<b>\$740</b> /month for a 2 BR

As you can see, someone making even **\$10** an hour working full time can just barely "**afford**" a 1 BR apartment at **Fair Market Rent**. Often times a landlord simply will not even rent an apartment to someone unless the potential tenant(s) can prove that they can "afford" the apartment based on the 30% formula. Landlords, especially Property Management Companies, often require potential renters to bring in proof of their income in the form of pay check stubs.

**Question: Why is affordable housing important in Cincinnati?**

**Answer:** This is extremely important in Cincinnati because Cincinnati has the nation's **3rd highest rate** of people living below the poverty line. (source: [http://en.wikipedia.org/wiki/List\\_of\\_the\\_poorest\\_places\\_in\\_the\\_United\\_States](http://en.wikipedia.org/wiki/List_of_the_poorest_places_in_the_United_States))

- There are approximately 296,943 people living in Cincinnati. (source: <http://quickfacts.census.gov/qfd/states/39/3915000.html>)
- **34.1% of Cincinnatians live in poverty**, meaning approximately **93,214 people** in our city live at or below the poverty line. (source: [http://en.wikipedia.org/wiki/List\\_of\\_the\\_poorest\\_places\\_in\\_the\\_United\\_States](http://en.wikipedia.org/wiki/List_of_the_poorest_places_in_the_United_States))
- **Cincinnati has the 2<sup>nd</sup> highest rate of children living in poverty in the nation**; 53.1% of Cincinnati children live in poverty (source: [http://citybeat.com/cincinnati/blog-5372-cincinnati\\_ranks\\_no\\_2\\_for\\_highest\\_child\\_poverty.html](http://citybeat.com/cincinnati/blog-5372-cincinnati_ranks_no_2_for_highest_child_poverty.html))

Poverty line:

Family Size	Annual Income
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910

(source: <http://aspe.hhs.gov/poverty/14poverty.cfm>)

Using the "poverty line" for 1 person, which \$11,490, as an example equates to a housing "affordability" of rent that is no more than **\$314.16 per month**. As we have seen, the fair market rent price for a 1 bedroom apartment is \$557 per month, which not even someone making minimum wage and working full time with a salary of \$16,016 can afford. Therefore, affordable housing is extremely important to Cincinnati. **In addition to the 90,864 people who live below the poverty line, there are even more families and individuals who struggle to afford a place to live. In order for an individual to pay only 1/3 of their gross annual income for rent they would have to make \$9.60/hr**

**Question: How does Over-the-Rhine Community Housing help?**

**Answer:** Over-the-Rhine Community Housing has approximately 410 apartments spread out over 98 buildings in Over-the-Rhine; we house about 550 residents, including children. We rent our apartments out **below market rate** in order to provide housing that is affordable. We start our 1 bedroom apartments at \$350 per month, and our 2 bedroom apartments at \$475 per month.