Ontario Housing Needs Assessment

Marshall Park
Ontario, OH

Contents

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Introduction

This document provides a Housing Needs Assessment for the City of Ontario. 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 Ontario regarding its housing market, land uses, zoning, and site suitability. The report concludes by identifying recommendations to strengthen Ontario's housing market and encourage development of affordable, attainable, and market-rate housing.

Throughout the broader *Richland County Housing Needs Assessment and Action Plan*, 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.
- **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 (this link is customized to Ontario and the map automatically opens to Ontario, but the user can pan and zoom to other portions of the county). 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 related to Ontario's housing market. It first summarizes the node's demographic data before discussing housing tenure, cost burdens, and the node's affordable housing inventory. Note that the data presented here are sourced from the American Community Survey 2016–2020 estimates, and that we have interpolated Census tract data to Ontario. We discuss this method in more detail in the Housing Inventory Report.

Demographics. Compared to Richland County as a whole, Ontario's population is slightly more likely to consider itself non-Hispanic White (91% vs. 85% of the county's population) and is more likely to have attended college (61% of the population vs. 51% for all of Richland County). Among all the nodes, Ontario has the highest proportion with a graduate degree (11% of the population vs. 6% of Richland County's population).

In terms of age distribution, Ontario's population tracks Richland County closely, with approximately 20 percent of its population over the age of 65, 30 percent of its population between the ages of 45–64, and a quarter of its population in the age cohorts of under 19 and 20–44 each, respectively.

For special housing populations, Ontario's poverty rate of three percent is well below the county's poverty rate of 14 percent, and as expected there are no tracts of concentrated poverty in Ontario. However, 16 percent of Ontario's population has at least one disability, and the most common disabilities among residents include ambulatory (6% of the population), independent living (5% of the population), and hearing and cognitive disabilities (5% and 6% of the population, respectively).

Housing tenure and demographics. Per the most recent U.S. Census, about 79 percent of housing units in Ontario are owned while another 21 percent are rented. This means that Ontario's homeownership rate is higher than the county's overall homeownership rate (which is 67%), and that Ontario has the highest homeownership rate of any node in the county (tied with the rural townships). Postal service vacancy data indicates that slightly below one percent of

residential units in Ontario are vacant, and that, while Ontario has always had a small proportion of vacant units, this proportion has decreased since 2012 (when it was 1.9%).

In terms of the demographics of both owners and renters, a majority of owners and a plurality of renters in Ontario are in the 35–64 age range (56% of owners and 49% of renters). However, over one third (35%) of homeowners in Ontario are over the age of 65. This suggests a substantial proportion of the population is either currently or will soon be looking for senior housing units that will allow them to age in place. Ontario also has one of the lowest percentages of young (under age 35) homeowners in the county (9% of all homeowners in the node), suggesting the need for additional attainable housing options that could serve as starter homes.

Housing cost burden. Thirty-two percent of renters in Ontario are cost-burdened, meaning they pay over 30 percent of their income toward housing costs (including rent and utilities). Of those, 15 percent are severely cost-burdened, meaning they pay over 50 percent of their income toward housing costs. While high, these numbers are below the county-wide figures of 44 percent cost-burdened and 21 percent severely cost-burdened, respectively. In addition, 17 percent of Ontario homeowners are cost-burdened.

Housing inventory. While the majority of housing units in Ontario are single-family detached (70%), this figure is actually somewhat below the county-wide figure of 73 percent and is the third lowest among the nodes (following Mansfield and Shelby). Relative to the other nodes, Ontario has a large number of one-unit attached housing (14% of all housing) as well as small (2–4 unit) apartment buildings (10% of all housing units). Ontario's housing stock is also relatively newer than most of the county, with 39 percent of units built after 1980 (compared to only 28% of the county's housing stock). Ontario has relatively few mobile homes, and very few housing units suffer from serious housing problems (such as lacking plumbing or kitchen facilities or being overcrowded).

Affordable housing inventory. We have mapped affordable housing developments across Richland County at this link. As of Summer 2022, there are 93 affordable units in Ontario. The majority of those units are subsidized through the Low-Income Housing Tax Credit (LIHTC) program (88 units). In addition, there are five units in Ontario subsidized through the HOME program. Compared to other nodes with similar populations (namely Shelby), there are many fewer affordable units in Ontario relative to the node's population.

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. Per these data, there are 19 HCV households in the Census tract (Tract 24) that comprises Ontario, with a total of 52 household members. Again, this is a lower rate of voucher

families compared to other nodes in the county, likely due to the higher cost of rental housing in Ontario which exceeds the amount that a voucher would pay.

Summing it up. Overall, Ontario's current housing and demographic conditions suggest a housing inventory heavily oriented toward single-family homes occupied by well-educated young and middle-aged adults. Despite this orientation, though, Ontario does have a sizeable number of multifamily units, including condos and townhomes. The node's poverty rate is exceptionally low, and while there are a number of Ontario residents with a disability, this figure is comparable to or lower than other nodes in the county. Despite Ontario's relative affluence, there are still many renters in the node who are cost-burdened, and the city only has a handful of subsidized units. Thus, there appears to be a need to increase the number of affordable housing units in Ontario.

Housing Market Analysis

This next section provides an overview of Ontario'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 multi-family (4+ unit) permits [here](#) and mapped them [at this link](#) for all of the nodes in Richland County. In general, while few single-family permits have been filed in Ontario in recent years, a relatively large number of multifamily (including two- and three-unit dwellings) have been filed in that time frame.

In the last 10 years (2013 and beyond), 123 residential permits have been filed in Ontario. Of those, 79 were for single-family dwelling units, while 29 were for two-family dwellings and 11 were for three-family dwellings. In addition, there were four permits filed for apartment buildings, which were for the Buckeye Village apartment complexes. This complex was initially built to target OSU-Mansfield students but has since transitioned to appealing to all residents. Ontario is the only node that has seen substantial multifamily construction during this time period.

Sales data

We have created a data visualization of home sales by quarter in Ontario going back to January 2012 [at this link.](#) In analyzing these sales, a few things are apparent about Ontario's housing market.

First, the sales volume in the city has increased substantially over time. Prior to 2017, there were only a handful of quarters in which over 20 home sales occurred in Ontario. However, beginning in the 3rd quarter of 2019, there have been at least 20 homes sold in Ontario in every quarter

with only two exceptions (the fourth quarter of 2021 and the first quarter of 2022). The increased number of home sales indicates rising demand for housing in Ontario.

Second, the number of low-priced home sales—those under $100,000—has decreased dramatically over the time span presented. In fact, only one home has been sold in Ontario this year for under $100,000, and in 2021 there were only 12 homes sold in Ontario in this price range. Prior to 2021, in most quarters there were at least 10 home sales in this price range in every quarter in Ontario.

Third, there has also been an increase in sales in higher price tiers (those exceeding $200,000) since mid-2019, including some sales in very high price ranges (those above $300,000). In the two most recent quarters, at least half the homes sold in Ontario went for over $200,000, which stands in sharp contrast to sales in the node prior to 2019 when only 10–20 percent of homes sold would fetch this price range. Given the relatively low amount of new housing construction in Ontario, this suggests the rapid appreciation of the existing housing stock.

Overall, then, we find that the sales data in Ontario indicates:

- Increasing demand overall for housing in the node
- Appreciation of the lowest-priced housing (under $100,000 and increasingly under $150,000) in the node into relatively higher sales bands
- Homes sold in the node are almost evenly divided between the 'attainable' and the 'market-rate' bands.
- While there is demand for higher-priced housing in the node, home sales in these bands still remains relatively low (often fewer than 10 homes sold per quarter).

We have also mapped home sales from 2021 on the Housing Needs Assessment 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 62 tax delinquent properties in Ontario, for a delinquency rate of 1.5 percent (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 do appear to be certain concentrations in the eastern and southeastern portion of Ontario, in those areas closest to the Mansfield city limit.

Demolitions

According to the Richland County Land Bank, as of Summer 2022, they have not conducted any demolitions on properties in Ontario.

Zoning Analysis

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

Zoning Map

The majority of Ontario that is zoned for residential is zoned R1; this includes many large areas on the edges of Ontario and in the western part of the city (see zoning map here). Closer to the high-density corridors of Ontario, though, there are some areas of R3 zoning. There is also a small area of R3 zoning at the southwestern corner of the interchange from US-30 and Lexington-Springmill Road.

Zoning Codes

We have summarized Ontario's zoning code at this link and have summarized all residential zoning codes in the county (except for those in the rural townships) at this link. Unique among the nodes, Ontario's R1 zoning code has the largest minimum lot size, at 14,450 sq. ft. It also mandates some of the largest minimum lot widths (85') and lowest densities (2.6 units per acre) among the R1 zoning districts in the county. It does not provide for any conditional uses beyond single-family dwellings. Mandating larger lot sizes and lower densities makes the development of attainable housing uneconomical in today's cost environment, and pushes any housing that could be developed into higher price points, especially given the relatively high cost of land in Ontario.

Ontario's R2 zoning district allows for one- and two-family dwellings by right and has somewhat higher density allowances (3 units per acre for single-family, 4.6 units per acre for two-family) compared to the R1 zoning district. Relative to other nodes' R2 districts, though, Ontario mandates some of the lowest-density two-family dwellings in the county. Combined with the node's relatively high land costs, this drives up the price of development in the node. There are no conditional uses permitted in the R2 zoning district either.

Ontario's R3 zoning district allows for one-family detached and two-family dwellings in addition to one-family attached, townhouse, and apartment dwelling units. For the latter housing types, the zoning district mandates a mix of dwelling unit types, with no more than half of the developable acres dedicated to the same multiple-family dwelling unit type. It also mandates no more than six apartments in a single structure, and that points of ingress and egress to the

development be from "major arterial or collector streets." The R3 zoning district allows for housing for the elderly as a conditional use.

Finally, Ontario has several additional zoning districts that also allow for housing. These include:

- Ontario allows for one- and two-family dwellings by-right in its OS (Office Service) District. It also allows housing for the elderly, rest homes, and nursing homes as a conditional use in these districts.
- For any zoning district where centralized sewer and water is not provided, it mandates a one-acre minimum lot size for any residential usage.

Housing Development and Site Suitability Analysis

This section presents a site suitability analysis for Ontario. It first details opportunities to encourage the development of market-rate housing and identifies a site for potential multifamily development. The section then discusses the suitability of developing affordable housing either through the competitive tax credit program or through other programs.

Market-rate housing

Conversations with local development stakeholders have identified Ontario as one of the most in-demand nodes for housing development in Richland County. However, several aspects of how Ontario approaches housing development have been identified as barriers to housing development. For one, many developers feel that too much of the city is zoned for R1, and that there is insufficient land zoned for higher-density residential uses. To address this shortage, the city should consider:

- Expanding the amount of land zoned for higher-density residential (likely near the high-trafficked corridors of OH-309, US-30, and Lexington-Springmill Road)
- Allowing residential land uses in its B (Business District) zone
- Allowing two-unit dwellings in its R1 zoning districts.

Like some of the other nodes in the county (namely Lexington), there is a limited amount of developable land remaining in Ontario. Thus, any additional housing development would need to either be through the redevelopment of existing land or through annexation of surrounding township land. Regarding the former, there are some opportunities available to transition vacant or under-utilized land along Park Ave W to higher-density (R3) residential use. This could also address the concern raised earlier that there is not enough land in the city zoned for higher-density residential to meet current demand. Additionally, any redevelopment plans for the Richland Mall site could include higher-density residential development; in fact, there are many examples of cities using abandoned mall for housing development.

To that point, the Richland Mall site may be the most attractive site in Ontario for multi-family housing development. The mall would not need to be fully redeveloped into housing, but a portion of the site could be parceled off to a multi-family development—either as part of a larger, mixed-use redevelopment or just as housing. For instance, our team has identified this approximately 10-acre site on the western edge of the mall property (see Exhibit 1 below). The site is zoned B (Business), which per Ontario's current zoning does not allow for housing development.

The type of development that this site could support would likely be a market-rate apartment or townhouse complex that appeals to young professionals (including singles and families) who appreciate the proximity to the amenities that . It may also appeal to couples where one person works in Delaware County or the northern Columbus suburbs and another works in Richland or a surrounding county. An example of the type of apartment development that the site could support would be the District at Ashland, which is a contemporary, market-rate development with amenities like a pool, dog park, professional property management, and many outdoor amenities. This development has achieved rents well in excess of $1.50 per square foot, which is generally the threshold for profitable multifamily development in today's cost environment. It's possible that, given the proximity of this site to the Columbus suburbs, rents for the development could be in excess of the District at Ashland.

As noted above, Ontario's zoning code is not conducive to multi-family development, as the maximum allowable units per acre in its R3 zone is 11 (and only then for efficiency/studio multifamily units). A contemporary garden apartment style development (two- to three-stories, walk up, with surface parking) typically achieves a density of approximately 20 units per acre (see this site for a reference guide for density of various types of housing). A townhouse-style development can typically achieve 12–18 units per acre.

To support this type of development, Ontario may consider allowing for Planned Unit Development (PUD)-style development in its B (Business) zoning district. This development type would allow developers to propose a broader redevelopment of part or all of the Richland Mall site. We have included an example of successful mall redevelopments in the *Strategy Guide and Action Plan* developed through this project.

Exhibit 1: Possible Ontario multifamily development site
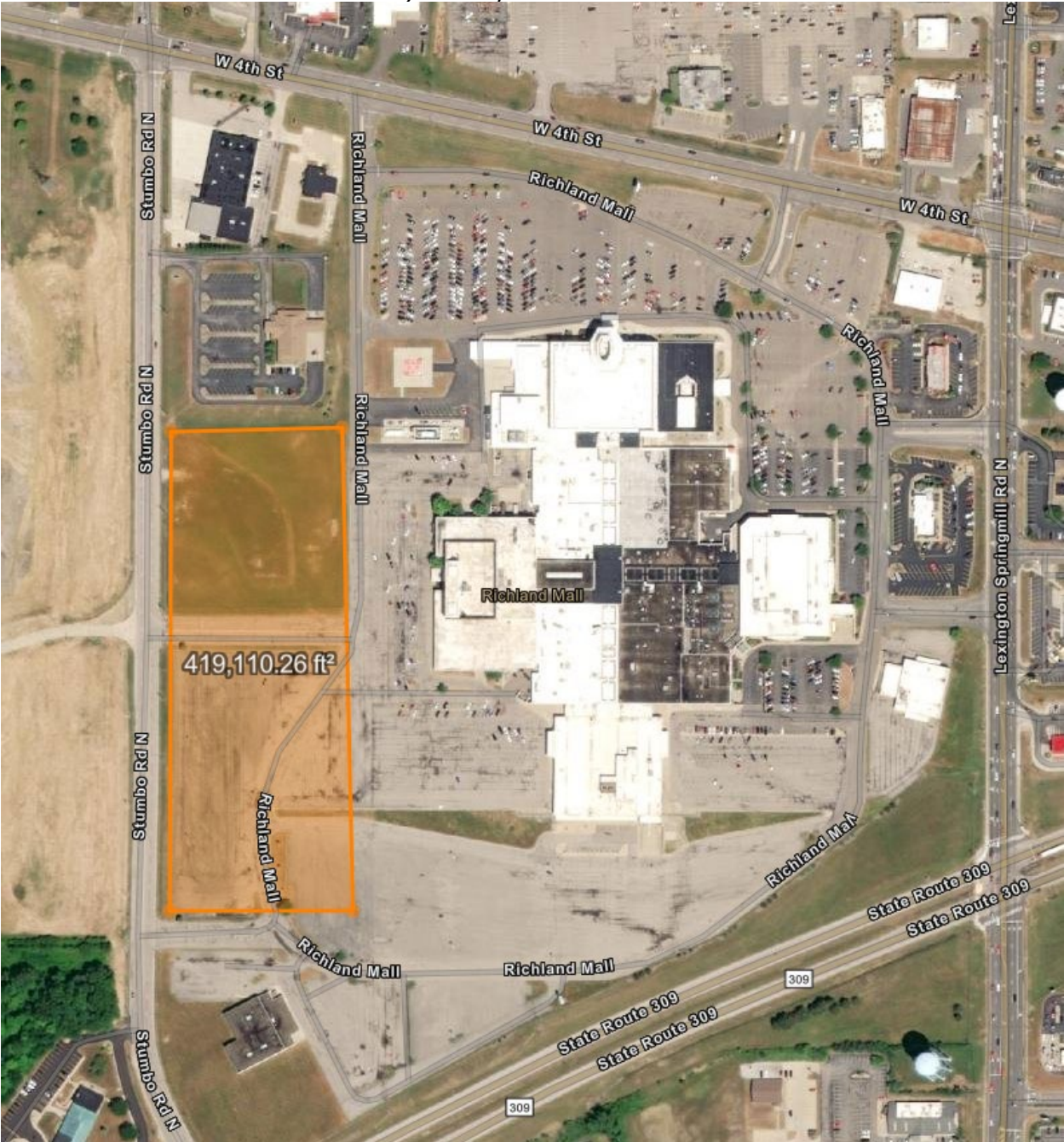
Affordable housing

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.

For competitive tax credits, OHFA has adopted (in both its current QAP and in prior ones) 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. Ontario's lone Census tract (Tract 24) is considered metro/suburban by OHFA. OHFA has created an interactive map here with the various geographic criteria it considers when awarding competitive tax credits for new construction. In terms of the Census tract which comprises Ontario (Tract 24), developments would receive points for the following criteria:

- Transit access: Given Ontario's transit access, the development would score 1 point out of a possible 5 points.
- Number of bedrooms: developments can receive 5 points if 15 percent or more of units are three or more bedrooms
- Amenity proximity: developments in Ontario would receive points for proximity to the following amenities
  - Supermarket: 3 points (all of Ontario)
  - Pharmacy: 2 points (anywhere in Ontario east of roughly Rock Road)
  - Medical clinic: 1 point (anywhere in Ontario east of roughly Rock Road)
  - Public park: 1 point (anywhere in Ontario *except* for roughly a quarter mile east or west of Lexington-Springmill Road)
  - Public library: 1 point (anywhere in Ontario east of roughly Rock Road)
  - Public school: 1 point (virtually anywhere in Ontario except for about a quarter mile within the intersection of 4th St. and Fulwell Dr.)
- Low poverty area: any development in Ontario would receive the maximum of 5 points
- Job access: any development in Ontario would receive the maximum of 5 points

- Neighborhood revitalization: These points are available to only family (i.e., non-senior) developments. There are three ways to earn points under this category.
  - Nearby real estate investment: developments can earn 5 points if 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
  - Revitalization plan: developments can earn 5 points if they are is in the area of a revitalization plan dated within the past 10 years,
- Neighborhood opportunity: any development in Ontario would earn 4 out of a possible 5 points
- Senior center (senior developments only): any development within 2 miles of the Area Agency on Aging would earn the maximum of 5 points.

In conclusion, while developments in Ontario would earn points from most of the geographic criteria that OHFA has outlined, because they wouldn't receive the maximum number of points, it's unlikely that any competitive LIHTC developments in Ontario would be awarded tax credits under the current QAP. In particular, developments in Ontario would miss out on points related to transit access, where they would score only one point out of a maximum of 5 points. In conversations with staff at the Ohio Housing Finance Agency, they pointed out that many developments in areas that would seemingly score high (such as Ontario) have not been awarded competitive tax credits under this QAP due to the number of points assigned to transit access.

Despite that, there are opportunities for affordable developments in Ontario using non-competitive tax credits or through other means. In fact, given the many opportunities in Ontario (good schools, access to employment, relatively low crime), developing additional affordable housing in Ontario 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 City of Ontario. Based on the findings presented in this document, we make the following recommendations to address Ontario's housing needs and to strengthen its housing market.

Expand zoning for multifamily residential housing. Ontario is home to one of only two market-rate rental properties in the county, and the only one with a traditional apartment building layout (Buckeye Village). Given the demand for market-rate housing in nearby communities (such as Ashland and Galion), as well as the many amenities that Ontario offers, it is one of two places in the county where market-rate rental housing could be developed profitably (at a price point of

over $1.50 per square foot). Thus, to increase the city's housing stock, the city could consider expanding the amount of land zoned for higher-density residential.

Simplify zoning rules for multifamily residential housing. Unique among the nodes, Ontario requires that no more than 50% of the net developable acres within a development are of the same multiple-family dwelling unit type. Furthermore, the R3 zoning prohibits more than six units in any apartment dwelling structure, and the calculations for net living area, maximum density, and maximum floor area ratio are quite complex. Simplifying the zoning rules for this type of housing—as well as allowing any developments to be of the same housing type by-right—would further spur the development of multifamily housing in Ontario.

Consider allowing for higher-density single- and two-family dwelling units. Ontario's R1 and R2 zoning districts mandate some of the lowest-density single- and two-family dwelling units in the county. This, combined with the relatively high cost of land in Ontario, makes development of these housing types prohibitively expensive, especially given the sales prices of existing single- and two-family housing in the node—which, while some of the highest in Richland County, are still below what it would cost to develop new housing profitably in the node.

The city's low density R1 and R2 zoning likely has a negative impact on the supply of attainable housing in the node as well. As noted earlier, Ontario has the lowest proportion of young (under age 35) homeowners in the county. This is likely due to the relatively high cost of housing in Ontario, which prohibits many young buyers from purchasing in the city. Expanding the supply of attainable housing in the node will help ensure that young people who grow up in Ontario will be able to purchase homes in the node as well.

Expand the number of affordable housing units in the city. As noted earlier, Ontario has relatively few dedicated affordable units (93) and, given the relatively high cost of housing in the node, only a handful of Metro HCV households reside in Ontario. Given the node's many amenities, good schools, and access to employment, it is considered a 'high-opportunity' tract by the Ohio Housing Finance Agency. Developing affordable housing in the node will not only be enriching to the residents who will live in it but will also provide housing for the many workers in the city's service industries so that they can live near where they work.

Beyond these recommendations, though, developers interviewed through this project did note that the permitting process in Ontario is rather straightforward, especially compared to the other jurisdictions in the county. They also appreciated how the city's leadership has become more pro-housing development in recent years.