A HOUSING ACTION PLAN FOR AKRON

SUMMER 2024

Produced by
GREATER OHIO POLICY CENTER
WITH REINVESTMENT FUND
for the City of Akron

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Executive Summary

To help the City of Akron make data-driven decisions that can spur new development and improve the quality of existing homes for all Akron residents, the City engaged Reinvestment Fund and Greater Ohio Policy Center. This research team updated an analysis of Akron's housing markets and provided a strategic workplan to support and advance housing of all types in Akron. This work was guided by a multi-sector steering committee and follows on research undertaken in 2017.

Key takeaways from the Market Value Analysis:

Housing Values

Housing values have increased across Akron. Citywide, values have increased 75%, but certain neighborhoods have experienced increases of more than 100%, like South Akron and East Akron.

Distress Indicators

Some neighborhoods that were deeply distressed in 2017 have stabilized and homes have increased in value by $20,000 to $40,000 due to blight elimination actions, such as demolition. This includes areas such West Hill and Sherbondy Hill.

Foreclosures

Foreclosures have been halved since 2017, but that could be a function of covid-related mortgage assistance programs.

Blight and Vacancy

Between 2017 and 2022 the removal of blighted properties across the city's most distressed neighborhoods created opportunities for future productive uses.

Affordable Pricing

Overall, housing across the city remains accessibly priced to meet the needs of a diverse range of residents – for those with very modest incomes to more affluent residents.

2023 Market Value Analysis
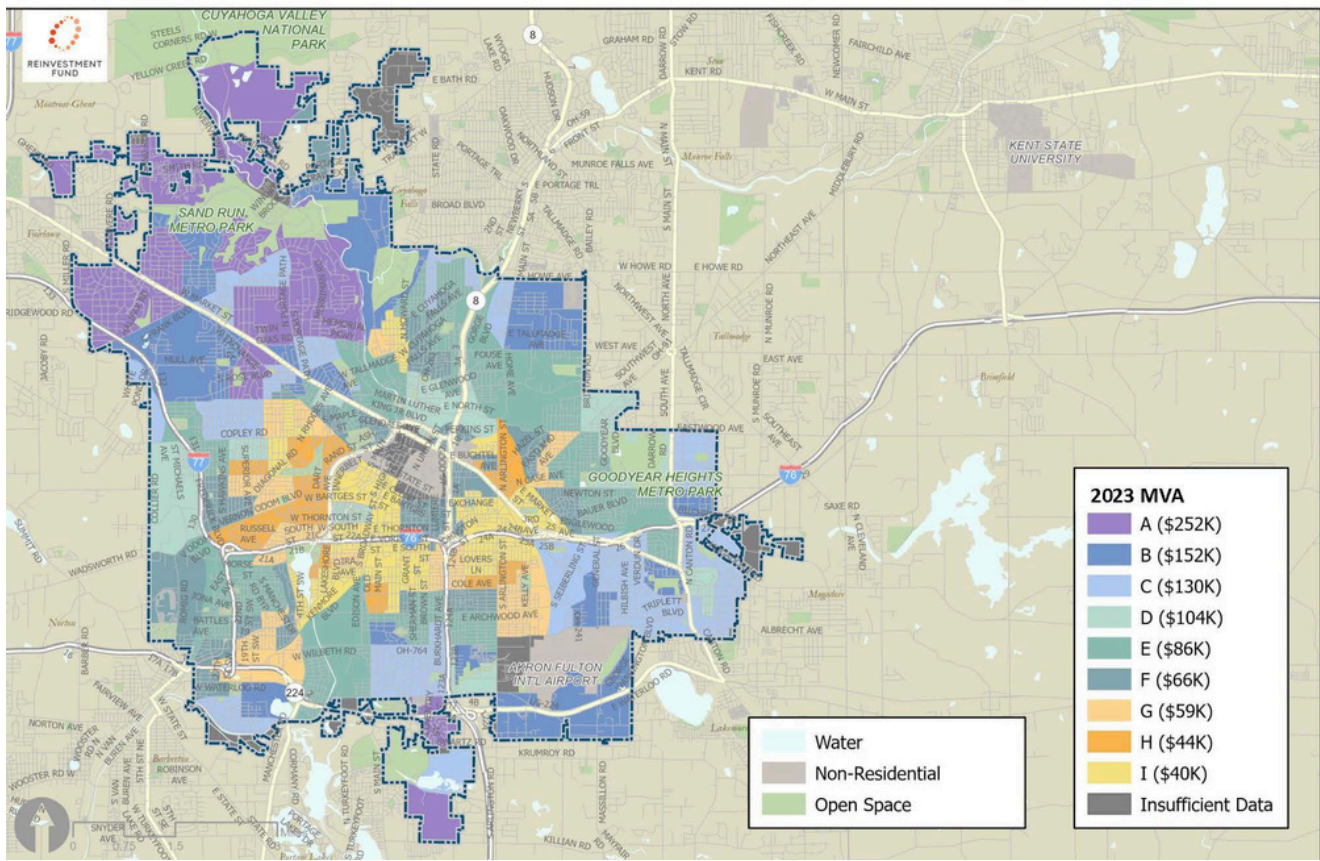
View an interactive version of this map at https://www.arcg.is/fymuy

To continue encouraging equitable residential development in Akron, while keeping long-term residents in their homes, the strategic workplan offers 23 recommended actions that:

- Enhance Existing Neighborhoods
- Protect Vulnerable Residents, and Retain/Attract Residents
- Lower Barriers to Development and Redevelopment

While the City of Akron will need to lead on many recommendations, housing is a complex issue that requires an "all hands-on deck" approach. Community Development Corporations (CDCs), financial institutions, philanthropy, developers, property managers, and real estate investors can all contribute to creating new and rehabilitated homes while ensuring existing residents are not displaced.

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Strategic Workplan

Recommendations to Spur New Development and Ensure all Akronites Have a Quality Home They Can Afford

Background

In 2017, the City of Akron commissioned Reinvestment Fund to undertake a data-rich analysis of its housing markets. This Market Value Analysis would go on to help the City and other stakeholders better understand the current state of housing in the city and help guide future city investments.

The same year, Knight Foundation engaged the Greater Ohio Policy Center to recommend interventions the City and other stakeholders could utilize to create the conditions that would encourage additional market-rate residential development. Although much has changed since 2017, the City and its partners remain committed to stimulating new development and ensuring quality housing for homeowners and renters.

To that end, in 2023, the City of Akron commissioned another Market Value Analysis from Reinvestment Fund to understand how much has changed for the better and for the worse since 2017, and to identify emerging trends. Greater Ohio Policy Center—working side-by-side with Reinvestment Fund—developed this strategic workplan for housing, based on the 2023 Market Value Analysis and input from a variety of stakeholders.[1]

A multi-sector Steering Committee guided the development of the 2023 Market Value Analysis and strategic workplan.[2] Their involvement ensured quantitative conclusions in the Market Value Analysis and recommendations in the workplan were grounded in the lived experiences of practitioners and residents.

[1] Reinvestment Fund's 2017 Market Value Analysis established a detailed data baseline for the city. Greater Ohio Policy Center's 2017 report provided recommendations for the Akron residential, market-rate, housing market. While RF and GOPC did not closely coordinate their analyses in 2017, both studies informed the Planning to Grow Akron plan in 2019. RF and GOPC worked on the same consultant team for the 2023 analysis and recommended workplan.

[2] Steering Committee members included: Patrick Bravo, Summit County Lank Bank; Kyle Julien, Western Reserve Community Fund; Jamie McMillen, Akron-Cleveland Realtors; David Messner, City of Akron; Erin Meyers, Akron Metropolitan Housing; Steve Millard, Greater Akron Chamber; Dana Novotny, K. Hovnanian Homes; and Cheryl Stephens, East Akron Neighborhood Development Corporation. This project was commissioned by Jason Segedy, Planning Director for City of Akron. City staff contacts for this research are: Helen Tomic, Planning Department and Dylan Garritano, Planning Department.

Recommendations

GOPC's 23 recommended actions for the City of Akron and its residential development partners fall into three broad categories:

1. Enhance Existing Neighborhoods
2. Attract, Retain, and Protect Residents
3. Lower Barriers to Development and Redevelopment

Methodologies

To develop the strategic workplan, the research team:

- Reviewed existing tools and initiatives, and planned programs at the City's disposal
- Gathered feedback from over 25 stakeholders on current challenges and identified opportunities in housing in Akron. The team conducted one-on-one and small group interviews with: city staff, philanthropy, real estate developers (nonprofit and for-profit; single family and multi-family), property managers, landlords, realtors, and community development corporation leaders (CDCs).
- Cross-referenced input with 2023 Market Value Analysis

The methodology utilized to create the 2023 Market Value Analysis is described in the MVA data slide deck.

The recommendations below offer paths forward for building new housing products and rehabbing or renovating existing homes. This plan takes an "all-of-the-above" approach to housing because Akron needs additional rental stock and homeownership opportunities at all price points.

1. Enhance Existing Neighborhoods

Maintaining and continuing to improve Akron's neighborhoods directly benefits long-time homeowners and renters, and creates a welcoming environment for future development and residents. To continue stabilizing and strengthening Akron's neighborhoods, the City and partners should consider the following actions:

0-12 months

In the Short Term

Pro-actively enforce building codes (and health and safety codes) in G, H, and I markets, which includes West Akron, Sherbondy Hill, South Akron, and East Akron. These are areas experiencing above average rates of active code complaints and low rates of new construction and renovations. For now, because the City has limited resources, complaint-driven code enforcement can continue in other parts of the city.

Enhance Existing Neighborhoods

0-12 months

In the Short Term

Pro-actively enforce the City's rental license program.
Neighborhoods with many low- and moderate-income renters also have disproportionately high rates of property code violations. A portion of landlords are conscientious and keep their properties in good repair. But the data suggests that not all landlords are engaged. Strong enforcement of the rental license program, especially in renter-majority **F, H, and I markets** (like Kenmore, Summit Lake, and East Akron), will protect vulnerable tenants who live in privately-owned properties with modest value. The rental license program requires properties to be in good-repair to qualify for a license, which ensures habitable homes for residents and prevents nearby housing values from being negatively impacted by problematic properties.

As one CDC leader said, "**I think it's critical that the City do whatever they can to 'shore up' the neighborhoods that they already have. Ensure that the bad actors don't feel comfortable that they can do the things they do.**" Pro-active enforcement of the rental registry can help. If necessary, the City should adjust its budget to create sufficient resources to hire code enforcement staff that will enforce code and run the rental registry.

Enhance Existing Neighborhoods

In the Short Term

Coordinate with Summit Co. Land Bank to invest state demolition and development funds. The Summit Co. Land Bank is a long-time partner of the City's, especially when it comes to clearing back taxes on abandoned properties. In 2024, Summit Co. Land Bank will be responsible for administering several state-funded programs that can help enhance existing neighborhoods and set the stage for new development.

In particular, the City and land bank should consider directing state demolition funds to **G, H, I markets** (ex. West Akron, Sherbondy Hill, Summit Lake, South Akron, Middlebury, East Akron) to continue eliminating blight. The City and land bank should consider investing Welcome Home Ohio funds in **D, E, F, and G markets**, especially in the transitional areas between those markets and **G, H, and I markets.** The "WHO program," will provide funds for acquiring, and rehabbing or building housing for homeowners earning less than $180,000. **D, E, F, and G markets** have many parcels available for redevelopment (due to past demolition efforts) and an existing cohort of homeowners, making it possible to place "WHO homes" near long-time homeowners. These markets are also showing general trends of strengthening in their median sales values.
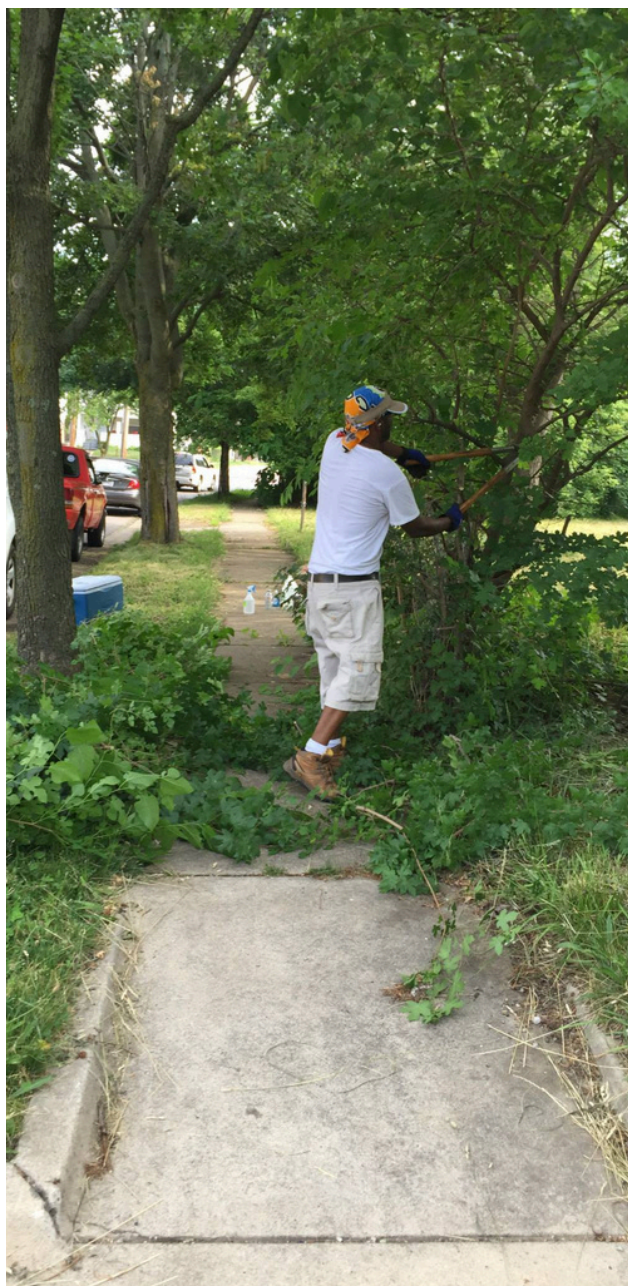
Enhance Existing Neighborhoods

In the Midterm

Local nonprofits educate residents on the consequences of deferred maintenance. Property owners (whether owner-occupied or rental) may not always have the experience or resources to plan for large expenditures.

Several interviewees expressed concern that "**small landlords (and homeowners) don't account for depreciation on their properties and end up in a bind because big repairs come later down the line and they're no longer able to afford to maintain the property.**" Other interviewees noted that Akron has "**a large retired population that are often renting out their homes to keep it in the family,**" which suggests these landlords are not professional property managers.

Local nonprofits, working with other entities, like CDCs, or Legal Aid, could provide resources and recommendations to their residents on ways to help avoid deferred maintenance. Resources might include: ongoing focused discussions of long-term costs in homeownership classes, referrals to entities that can assist with mortgage, utilities, and/or property tax payments, information on how to apply for the homestead exemption, courses on common home repairs, and referrals to financial institutions that provide lending products appropriate for modest homeowners and/or small-time landlords.

Enhance Existing Neighborhoods

12-36 months

In the Midterm

Consider offering home repair grants again, but in targeted neighborhoods. In 2022, the City created a home repair grant program for homeowners, utilizing federal ARPA funds. The program was over-subscribed, forcing the City to utilize a lottery to pick grant recipients. The need for home repair funds is still acute. The City should consider utilizing remaining ARPA funds or CDBG funds in the future to continue repairing existing homes.

However, moving forward, assuming funds are limited, the City should adjust application guidelines so that only homeowners in **G markets** can utilize funds. **G markets**, include Sherbondy Hill, Kenmore, East Akron, Middlebury, and Goodyear Heights. These neighborhoods have elevated homeownership rates that exceed the city average and home values that are almost half of the city's average median sales price. Preserving homeownership in these "middle neighborhoods" is important for keeping existing residents in their homes, protecting generational wealth, and creating a bulwark against real estate investors that will convert formerly owner-occupied single-family homes into rentals.

Enhance Existing Neighborhoods

+36 months

In the Long Term

Create a Revolving Loan Fund that small, local landlords can utilize to repair their rental properties. The overall share of residents renting their homes is increasing in Akron in part due to the continued conversion of owner-occupied single-family homes to investment rental properties. That said, a notable portion of Akron's rental properties are owned by residents who own fewer than a dozen properties and live in Summit County.

Offering below-market loans to local, small-time, landlords to help them maintain their properties benefits tenants who live in the properties and helps to maintain neighborhood stability. If funds are limited, these loans could be open only to properties located in **F, H, and I markets** (e.g. parts of West Akron, Sherbondy Hill, Kenmore, Summit Lake, East Akron, Middlebury, Goodyear Heights). These markets have high rates of renters and modest housing values.

The City is probably the best entity to administer a Loan Fund for local landlords but the fund itself could be seeded by philanthropy or financial institutions, or potentially ARPA funds, or even general revenue funds. If such a program is created, the application process should be easy to navigate, and the process to certify the repair or improvement should be reasonable.

The City of Lakewood, Ohio, has had a "rental restoration loan" program for landlords for several years and could serve as one model. [3]

[3] https://www.lakewoodoh.gov/lakewood-launches-rental-restoration-program/

2. Attract, Retain and Protect Residents

Housing values and rents have increased in Akron since 2017. Understandably, city officials and advocates are concerned that residents with limited means are experiencing financial pressures as a result of housing costs. Simultaneously, the goal to grow the city's population remains.To protect vulnerable residents and retain and attract new residents, the city should consider the following steps:

0-12 months

In the Short Term

Support local nonprofits in creating Homeseller programs and continue to support homeowner readiness programs.
Nonprofits, including CDCs, in Akron have experience providing classes that prepare prospective homeowners to buy a home. However, many programs have been suspended or scaled back due to funding constraints. Philanthropy, financial institutions, and other funder partners should consider investing CDCs and/or other nonprofits to support this work.

As more and more institutional real estate investors make cash offers on homes, neighborhood leaders around the state of Ohio are considering creating homeseller classes, which walk through the process of selling a home, including discussions of what sales to cash-offer investors do to the overall fabric of a neighborhood. Educational bullet points, like those Columbus's Franklinton Development Association shares through doorhangers are a good precursor to a more in-depth class.[4]

Funding to support nonprofits, like CDCs, in creating and administering homeseller classes can come from philanthropy or financial institutions.

[4] Door hanger text: https://franklintondevelopment.org/beware-of-predatory-buyers

Attract, Retain and Protect Residents

In the Short Term

Implement pilot programs identified at the 2022 Akron Eviction Summit. After the inaugural Eviction Summit, city leaders announced plans for several tenant protection programs. A Right to Counsel program will launch in early 2024; this pilot program will be the first step toward measuring impacts and improving outcomes for Akron renters, particularly Black and female tenants, who are often disproportionately represented among eviction filings.[5]

Implementing the Right to Counsel program, and others identified at the Summit, will demonstrate the commitment of city staff to follow-through on resident requests. [6]

0-12 months

[5] Preliminary studies of pilot RTC programs in other cities point to substantial benefits for unrepresented tenants facing eviction https://www.reinvestment.com/wp-content/uploads/2023/06/ReinvestmentFund_PHL-Right-toCounsel-June2023.pdf

[6] For example, Community Action Akron Summit, United Way of Summit and Medina, and other local organizations disbursed $63 million in emergency rental assistance and foreclosure prevention assistance from June 2020 to late 2022. https://www.beaconjournal.com/story/news/local/2022/10/17/summit-county-cares-program-ending-rent-utility-assistance-akron-housing-help-united-way-211-covid/69563919007/

Attract, Retain, and Protect Residents

In the Midterm

Consider creating a home repair and maintenance loan pool for qualified senior citizens. CDCs report that elderly residents with limited incomes are being squeezed as property values increase. The age of housing in Akron means that many homes require expensive major repairs, or expensive modifications to allow residents to age in place. Offering below-market loans to income-limited seniors will help them safely remain in their homes and will protect an asset that can be passed onto the next generation. This type of loan fund could be funded with City resources, such as ARPA or CDBG funds.Alternatively, philanthropy could fund such a program and rely on the City or CDCs to administer the loan program.

Given that funds will likely be limited, the home repair loan program could be available in **select markets, such as G or E** (ex. Sherbondy Hill, Kenmore, East Akron, Goodyear Heights, and North Hill) to protect homeownership in modestly valued neighborhoods.

Realtors, speaking from their personal experiences reported that since early 2022, nearly every single-family home listed at less than $100,000 in Akron was purchased with cash by an investor. In other words, modestly priced single-family homes are rapidly becoming or remaining rental properties. A below market loan pool will help qualified seniors maintain their homes and lessen the pressure to sell the home. A condition of utilizing the Loan Pool could be a requirement to attend a Homesellers class as described above.

Attract, Retain and Protect Residents

In the Midterm

Continue investing in walk and bike infrastructure. Realtors reported that clients regularly chose to buy in Akron instead of other Summit Co. suburbs because of Akron's access to the Tow Path and the amenities offered within the city, especially in downtown and Highland Square. All agreed that the character of Akron's houses and the city's walkability and bike-ability were major draws for many clients.

Bike and pedestrian infrastructure can benefit all residents, especially if routed in ways that connect neighborhoods to job centers.

Attract, Retain and Protect Residents

+36 months

In the Long Term

Investigate and develop incentive programs that will attract and retain residents. To support population growth in the City, local government officials, nonprofit partners, philanthropy, and the private sector should investigate and develop programs that fit best with their long-term goals and will support growth. Some programs to consider are:

Potential Incentive Program	Description
"Reverse scholarship" program	This program, usually funded by philanthropy, provides student loan debt forgiveness to college graduates. The "Talent Attraction Program" at the Hamilton Community Foundation (in Ohio) is one example.[6] This program provides grants to recent graduates who buy homes in three designated neighborhoods in the city of Hamilton. In Akron, such programs could apply to **F and H markets**, where growing homeownership numbers would benefit the neighborhood.
Down payment assistance program	There are a number of down payment assistance programs available through major financial institutions in the Akron market, such as Huntington. That said, families that earn more than 80% or 100% area median income continue to struggle to come up with a sufficient down payment to purchase homes on the open market. Financial institutions that operate in the Akron market should continue to develop lending products that will help moderate income families purchase homes. Private sector employers who want to recruit a talented workforce, such as the hospital systems, should also consider down payment assistance grants. These products can be limited to areas that the City wants to grow or protect homeownership, such as **F markets** (ex: parts of Kenmore, West Akron, Goodyear Heights, North Hill).
Acquisition strike fund	Cleveland Neighborhood Progress recently secured $3 million in the state operating budget and allocated $7 million in APRA funds to create a fund to support housing and commercial development in its "middle neighborhoods". In Akron, financial institutions or others could help CDCs create a fund that the CDC could use to purchase a market rate house that it then sells to a moderate income family. Again, this type of fund will be most effective if it operates in one or more select neighborhoods where the city and other stakeholders are trying to protect existing rates of homeownership (such as **G markets**) or increase homeownership, such as **F or H markets.**

3.Lower Barriers to Development

Nonprofit developers, who often build workforce housing, senior housing, and housing for other vulnerable populations, face the same challenges as for-profit developers. As of late 2023, all developers and builders, no matter whether they are building for renters or homeowners, are struggling with increased supply costs, labor shortages, and high interest rates. Working to lower barriers to development and redevelopment will assist with the production of new housing across the income and tenure spectrum. Below are steps that the city and its partners can take to help remove or limit barriers.

In the Short Term
Maintain the residential tax abatement program as it is.

While increased housing values indicate a strengthening housing market, Akron's housing market is still modest compared to others in the region and state. Nonprofit and for-profit developers were unequivocal: the residential tax abatement program is a necessary tool for new development and for encouraging the redevelopment of existing properties.

0-12 months

"**If you really want to develop your city don't change a thing about [the tax abatement program]… Without it, [developer's current project] doesn't exist**," said one developer.

GOPC did find that smaller nonprofit developers were unclear about what types of activities are eligible for the tax abatement program. Information about the tax abatement program on the City's website and collateral materials should be clear and accurate to help existing and new developers and builders understand the full extent of the tool.

Lower Barriers to Development

0-12 months

Continue to update and share resources and program information on the City website.

With the internet now being the primary resource people consult, an information-rich, easy to navigate, website will help reduce routine inquires that eat up limited staff time. A clear website with program terms and checklists will also help new developers and builders consider the Akron market.

Increase City staffing to meet development and neighborhood needs.
Many stakeholders that GOPC spoke with noted that individual City staff members were competent and had the requisite knowledge of local and state, and federal programs. However, many stakeholders said that it was hard to get a hold of staff. This is likely because the existing staff is stretched thin and departments like planning, community development, and code enforcement may be too lean.

As the City considers its operating budget for 2024 and beyond, making resources available for select positions could improve the City's overall ability to respond to opportunities and serve current residents and stakeholders. Increasing staff capacity will also help achieve the next two recommendations: clearly community development steps and cultivate an 'open for business' mindset.

Adopt an 'Open for Business' Culture.
Several stakeholders that GOPC interviewed noted that staff responses to external inquiries were not always timely.

Developers and builders interpret sensitivity to dates and timely responses as indicators of a city's seriousness and commitment to support development. An "open for business" mindset among city staff can increase confidence in investing in the City as a development partner.

Lower Barriers to Development

In the Short Term

Clearly communicate the development steps needed to bring a real estate project to fruition.

0-12 months

GOPC found that smaller (often nonprofit) developers did not always feel confident that they knew what they needed to do to get the appropriate sign-offs for a new real estate project. While larger, well-established, developers said they did not have problems, they also noted they had professional development teams shepherding projects through.

Additionally, smaller, nonprofit developers, felt that their sub-contractors (ex: plumbers, electricians, etc.) did not always know how to pull permits, successfully prepare for reviews, etc. Developers who want to support new and growing minority contractors were especially concerned that confusion over building and permitting processes could pose a barrier to equitable opportunities and growth in the city.

To help existing and future developers succeed in Akron, City staff or another entity—like the Urban League, which administers the Minority Contractor Capital Access Program—can create a flowchart and/or checklist that sequences steps and states clearly the information or actions required at each step.

Lower Barriers to Development

12-36 months

Eliminate or reduce parking requirements

Parking requirements increase costs on multifamily developments and may hamper future "gentle density" efforts, like 'granny flats' and accessory dwelling units.

Akron is a bikeable, walkable city and continues to pursue funding for bike/pedestrian infrastructure.

Eliminating or dramatically reducing parking requirements will support non-motorized transportation and lower cost barriers that can stymy new development.

## Identify ways to support emerging contractors and developers

The city has supported programming that helps minority, veteran, LGBTAQ+ and women contractors go to scale. In the mid-term, the city should assess this programming and continue to identify additional opportunities that will assist emerging contractors and developers. [7]

Developers, especially nonprofit developers of affordable and affordably-priced housing want to utilize minority contractors and believe there are not enough contractors in the Akron market.

The City's financial and technical support (as described above with outlining the permitting progress) can help combat the contractor shortage in Akron.

Promote technical school training

The need for workers and companies in the skilled trades (ex: construction, plumbing, electric, HVAC, etc.) is urgent nationally and locally in Akron.Nonprofit partners, especially those that provide workforce coaching, should promote technical school training to help build the pool of future contractors.

[7] http://www.mccap.org/
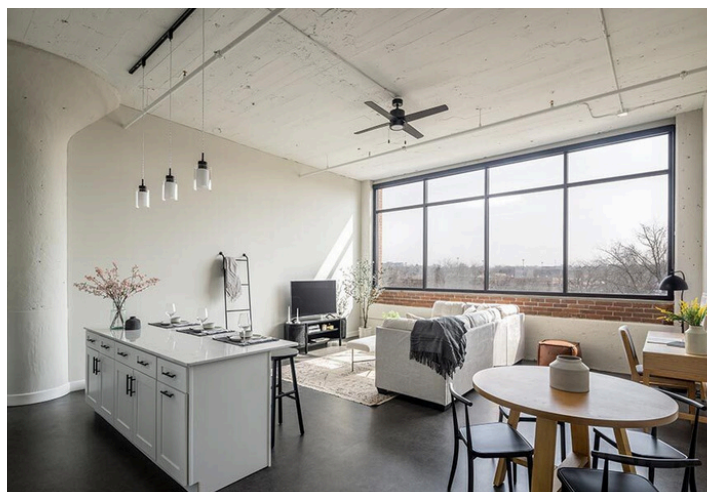
Lower Barriers to Development

In the Long Term

+36 months

Work with the County to change minor subdivision rules.

Summit Co.'s Engineering Department oversees real estate subdivision projects for the city of Akron. Currently, the Summit Co. planning regulations have a much greater set of requirements for subdivisions with more than five parcels (e.g. major subdivisions) versus subdivisions with five or fewer parcels (e.g. minor subdivisions).[8] To lower requirements, and thus costs of new subdivisions within the city, City of Akron staff have zoned contiguous small subdivisions to essentially create a major subdivision. While creative, this is clunky and the not best use of staff resources.

The City and County should consider adjusting the parcel threshold for minor subdivisions in Summit Co. For example, subdivisions with 25 parcels or less, could be subject to the less onerous process of creating a minor subdivision. This would make it easier and less expensive to create subdivisions at the scale they are likely to occur within the city of Akron.

+36 months

Clarify steps to Akron's certification process to become a Community Housing Development Organization (CHDO).

Nonprofit developers that produce housing for low- and moderate-income families can access federal HOME funds if they are locally certified as a community housing development organization (CHDO). New and small CDCs are unclear how to become certified as CHDOs by the city of Akron.

A checklist of required materials and/or a flowchart of steps can be posted to the new Akron website, for example. The website could also include the scoring rubric the City uses to allocate the competitive funds available to CHDOs.

[8] https://www.summitengineer.net/files/12141/file/2016-summit-county-subdivision-regulations.pdf

Lower Barriers to Development

+36 months

In the Long Term

Lower minimum lot frontage requirements.

City of Akron regulations define buildable lots as having 50-foot frontage and unbuildable lots as having less than 50-foot frontage. Over 21,000 homes in Akron are currently on lots that have less than a 50-foot frontage.[9] Allowing for more compact frontage requirements would increase opportunities to build housing on 6,000 or more vacant parcels.[10] This would be a higher use of these lots than the common use as a residential side yard.

City of Cincinnati has 25', 35', and 40' lot frontage minimums in their three highest density single-family districts.[11] City of Cleveland's proposed form-based code will allow for up to 3 or 4 units per lot in Cleveland with frontage at 35 feet.[12]

[9] https://gracejulien.github.io/projects/akron_unbuildable
[10] https://gracejulien.github.io/projects/akron_unbuildable
[11] https://library.municode.com/oh/cincinnati/codes/code_of_ordinances?nodeId=TIXIZOCOCI_CH1403SIMIDI
[12] https://planning.clevelandohio.gov/fbc/assets/Cleveland_Form-Based%20Code_DRAFT_June2.pdf

Conclusion

While many recommendations are for the City of Akron to lead on, housing is a complex issue that will require a "all hands-on deck" approach. Community Development Corporations, financial institutions, philanthropy, developers, property managers, and landlords can all contribute to creating new homes while ensuring existing residents are not displaced.

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Acknowledgments

Appendix I
Summary of Housing Action Steps for Akron

STRATEGIC PILLARS & KEY ACTIVITIES	Short Term (0-12 mon)	Mid Term (12-36 mon)	Long Term (36+ mon)
1. Enhance Existing Neighboods			
1a. Pro-actively enforce building codes	X	X	X
1b. Pro-actively enforce rental license program	X	X	X
1c. Coordinate with Landbank to invest demo and development $	X	X	
1.d Nonprofits educate on consequences of deferred maintenance		X	
1e. Offer home repair grants, in targeted neighborhoods		X	
1f. Create Revolving Loan Fund for small local landlords			X
2. Protect Vulnerable Residents; Retain & Attract New Residents			
2a. Support nonprofits in creating Homeseller programming	X		
2b. Implement pilot programs identified at the 2022 Akron Eviction Summit	X		
2c. Consider creating home repair and maintenance loan pool for qualified senior citizens		X	
2d. Continue investing in walk and bike infrastructure		X	X
2e. Investigate and develop incentive programs that will attract and retain residents, like: a) "Reverse scholarship" program, b) Down payment assistance program, c) Acquisition strike fund			X
3. Lower Barriers to Development and Redevelopment			
3a. Maintain the residential tax abatement program as it is	X	X	
3b. Continue to update the City's website	X		
3c. Increase City staffing to meet development and neighborhood needs	X	X	X
3d. Clearly communicate development steps	X	X	X
3e. Adopt an "Open for Business" culture	X	X	X
3f. Eliminate or reduce parking requirements		X	
3g. Increase support of emerging contractors		X	
3h. Promote technical schools training		X	
3i. Work with County to change minor subdivision rules			X
3j. Lower minimum lot frontage size requirements			X
3k. Clarify Community Housing Development Organization (CHDO) certification steps			X

APPENDIX II: MARKET VALUE ANALYSIS

FOR

HOUSING ACTION PLAN FOR AKRON

SUMMER 2024

Appendix II

Analysis of Existing Conditions – Market Value Analysis

Cities across the country use the Market Value Analysis (MVA) to inform community revitalization. Built on local administrative data, the Akron MVA establishes a baseline of information to support the Housing Action Plan for the City of Akron. The results of the analysis identify markets in need of development but also places where public investment can build off existing strength to stimulate private market activity and capitalize on larger public investment activities.

The MVA is a unique tool that characterizes markets by creating an internally referenced index of a municipality's residential real estate market. It identifies high demand markets, areas of greatest distress, and the various market types in between. MVA results offer insight into the variation in market strengths and weaknesses within and between traditional neighborhood boundaries. Boundaries between market clusters become instructive places for thinking about the direction of market change and ultimately the appropriateness of different types of investments or intervention strategies.

Reinvestment Fund typically works with an MVA Steering Committee. In Akron, the Steering Committee met twice to review underlying data and provide feedback on the MVA model results. In addition to providing local knowledge and context, the Steering Committee supported the development of the Housing Action Plan in Akron by offering their insights on which programs and policy tools will be best suited to the strengths and challenges of different market types.

The MVA is conducted at the Census block group level. Block groups represent relatively stable geographic areas and provide an opportunity to understand market differences within and between traditional neighborhood boundaries. Reinvestment Fund staff performed a cluster analysis to create categories of similar block groups. The goal is to form distinct clusters with comparable characteristics within each group, with differences between clusters that are notable and meaningful.

Reinvestment Fund staff field validated the MVA by driving throughout Akron to confirm that the data matched conditions on the ground. Staff conducted subsequent rounds of field validation to ensure the accuracy of the model results. Where the model did not adequately capture differences within smaller areas, Reinvestment fund split block groups into smaller geographies to more accurately reflect market variation.

Definitions of 2023 Market Value Analysis Indicators

Variable		Definition	Source
Property Values and Investment	Median Home Values, 2020 to 2023Q1	The median value of all residential home sales occurring between 2020 and 2023Q1, excluding homes purchased for values below $1,000	Akron Cleveland Assoc. of REALTORS
	Variance of Sales Price, 2020 to 2023Q1	The variance of home values (Average Value ÷ Standard Deviation)	Akron Cleveland Assoc. of REALTORS
	Share of Homes with Permits, 2017 to 2022	The share of residential properties with non-demolition permits issued between 2017 and 2022	City of Akron Plans and Permits
Distress and Vacancy	Share of Mortgage Foreclosures, 2020 - 2022	Share of owner-occupied residential properties that had a mortgage foreclosure filing from 2020-2022	Summit County Clerk of Courts
	Share of Homes with an Active Code Enforcement Case, 2022	The share of residential properties that were issued a maintenance-related violation, 2022	City of Akron Housing Division
	Vacant Properties as a Share of Residential Properties Vacant Land	Share of residential units that are vacant, 2020 Residential parcels as a share of housing units, 2022	Decennial Census Dept. of Planning and Urban Development
Housing Characteristics	Density of Housing Units	Number of households per acre of land	Dept. of Planning and Urban Development
	Percent Owner Occupied Households	Percent of households that reported owning their home	ACS (2017-21)
	Share of Renter Households with Subsidy	Number of subsidized units (public housing and voucher) as a share of renter households	Akron Metro. Housing Authority

Akron Market Value Analysis, 2017
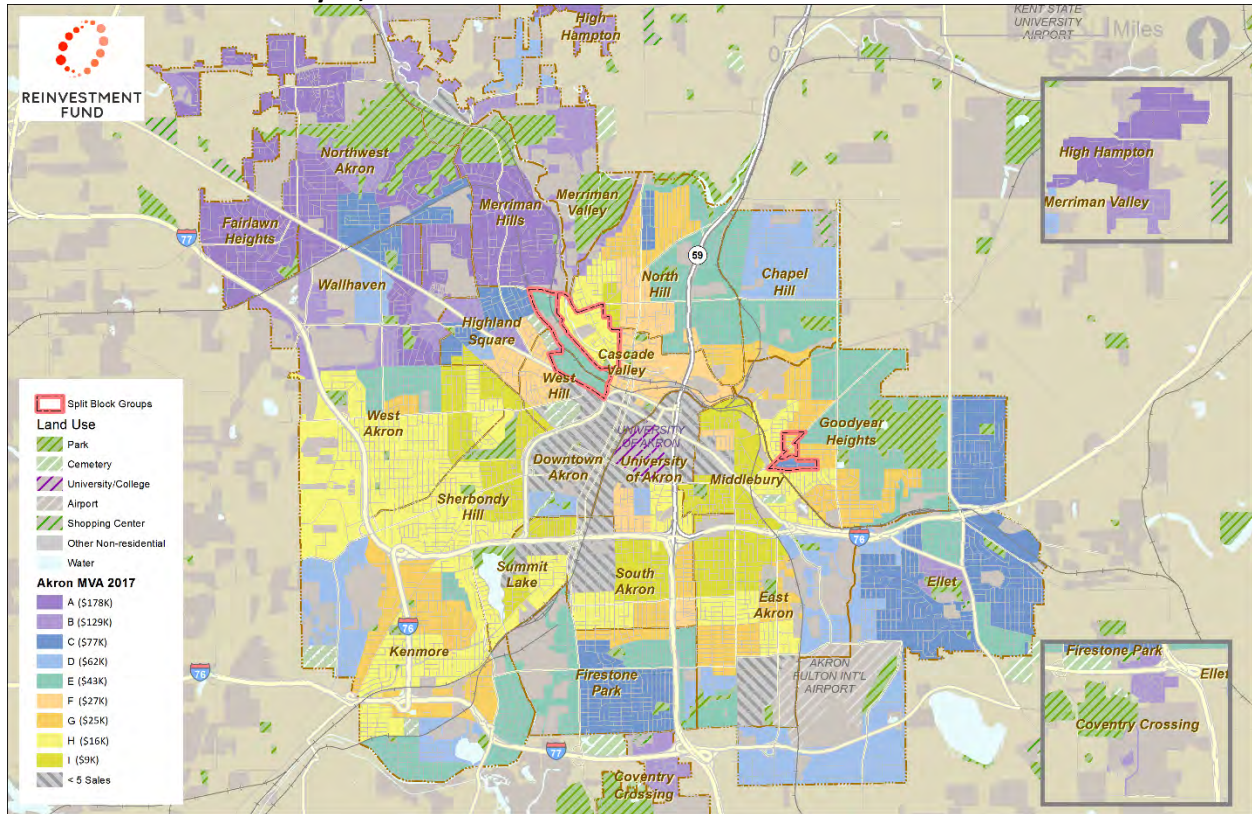
Akron Market Value Analysis, 2023
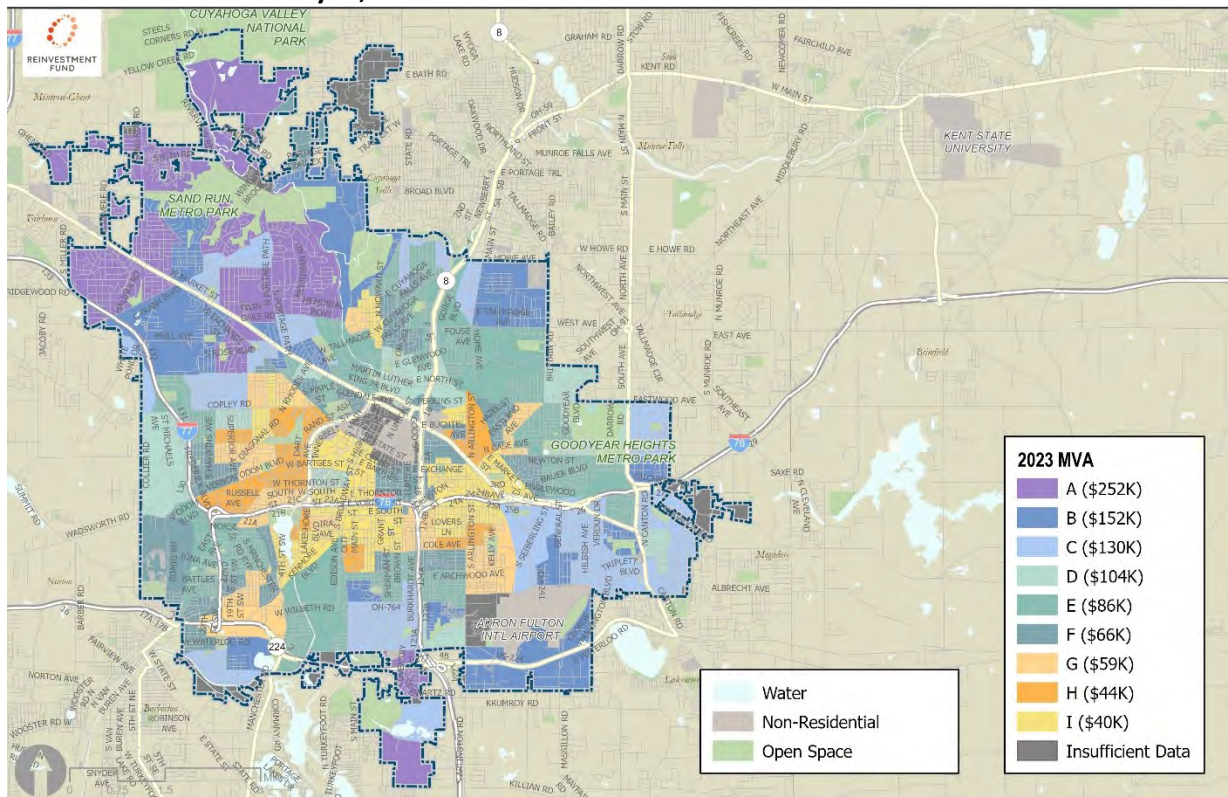
The MVA Results generated nine distinct market types in Akron. Defining characteristics of the Akron residential real estate market include:

- The overall increase in home sales prices across all market types, particularly in the "A", "G", "H", and "I" markets. In the previous MVA, "A" markets had a median sales price of $177k and now the median sales price is $253k. Similarly, "G" markets median sales price increased from $25k to $59k, "H" markets median sales price increased from $16k to $44k, and "I" markets' median sales price increased from $9k to $40k.
- Foreclosures are down. In the 2017 Akron MVA, foreclosures rates in the double-digits, in the 2023 MVA the highest foreclosure rate was 5% in "I" markets.
- Vacancy rates are high, most likely the result of extensive demolition work since the last MVA. Vacant parcels are well cared for and should be independently assessed as opportunities for development, side-yard expansion, or some other intervention – but not necessarily an indicator of distress.

Akron MVA Market Types

The nine clusters reflect key features of distinct characteristics across Akron's neighborhoods. However, from a policy perspective, it is often useful to consolidate the market types into three broad categories: Strong (purple/blue markets), Middle (green markets), and Stressed (orange/yellow markets).

Average Block Group Characteristics in Akron by Market Type, 2023

		# Block Groups	Median Sale Price	Variance in Sales Price	% Permits	% Foreclosures	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
Strong	A	18	$252,836	0.40	1%	0%	0%	8%	2.26	83%	6%
	B	21	$152,241	0.35	3%	1%	1%	7%	3.98	35%	20%
	C	34	$129,716	0.33	0%	0%	1%	9%	4.40	72%	7%
Middle	D	9	$104,100	0.44	1%	1%	1%	25%	4.22	53%	88%
	E	45	$86,409	0.43	1%	1%	2%	11%	4.75	59%	16%
	F	31	$66,258	0.45	0%	3%	3%	13%	4.76	26%	18%
Weak	G	19	$59,369	0.49	0%	2%	6%	23%	3.96	62%	43%
	H	13	$43,777	0.64	2%	4%	6%	25%	3.08	37%	96%
	I	20	$39,538	0.62	1%	5%	7%	23%	3.58	35%	25%
	Unclassified	10	$121,500	0.10	0%	15%	1%	1%	3.75	39%	21%
	City Average	216	$102,897	0.44	2%	2%	3%	11%	4.07	52%	25%

Strong Markets

Akron's eighteen "A" markets account for about 8% of the city's block groups and are located mainly in the north of Akron, with a few markets in the south. "A" markets are the strongest markets in Akron and generally have high home sales prices, low levels of distress, and the highest owner occupancy levels. The median sales price in "A" markets ($252,836) is more than double the average block group's median sales price. The average owner occupancy rate in "A" markets (83%) is the highest share of homeowners in the city.

The twenty-one "B" markets comprise around 10% of all block groups in the city and are scattered along the edges of Akron. "B" markets are strong markets with comparatively high sales prices, low levels of distress, and low owner occupancy rates. The median sales price in "B" markets ($152,241) is almost 50% higher than the typical block group's median sales price. Only 35% of households own their homes, which is less than the average block group. Compared to other strong markets, "B" markets have higher rates of rental subsidy, with one in five renter households utilizing a housing subsidy. "B" markets also have the highest share of new construction in Akron at 3%.

The city's thirty-four "C" markets make up approximately 16% of Akron's block groups and are one of the largest market types in the city. "C" markets have higher than average median sales prices, low levels of distress, and very high owner occupancy rates. The median sales price in "C" markets is about 30% higher ($129,716) than the median sale price of the average block group. "C" markets are similar to "A" markets with their high owner occupancy rate; almost three-quarters of households are homeowners, and very few renters have a rental subsidy.

Middle Markets

The "D" market consists of only nine block groups and is the smallest market in the city. "D" markets have a median sales price of $104,100 and 53% owner occupancy rate, both just slightly above the citywide average. "D" markets have a high share of vacant parcels and the highest share of subsidized rentals at 88%.

Akron has forty-five "E" markets, representing about one in five block groups in Akron. It is the largest market type, and most "E" block groups are located on the edges of Akron towards the northeast and southwest. "E" markets also represent a substantial portion of the "middle" market, although these block groups have a median sales price below the average block group, at $86,409. These markets have average rates of distress and owner occupancy.

The thirty-one "F" markets account for around 14% of Akron's block groups and are one of the largest market types in the city. "F" markets have the lowest median sales price ($66,259) compared to the other middle markets. "F" markets also tend to have more elevated levels of foreclosures and active complaints than the other middle markets across the city. Most households in "F" markets are renter occupied, and most of these renters do not receive a subsidy.

Stressed Markets

Akron's nineteen "G" markets comprise almost 9% of all block groups, located mostly towards the city center along the highways. "G" markets are generally "stressed", with a median home sales price ($59,369) well below the median home sales price of the average block group in Akron. "G" markets also have elevated levels of distress, reflected in the share of active complaints and vacant parcels found in these block groups. These markets are predominately occupied by homeowners, with a 62%

homeownership rate, that is above the city average. Among the renter households in "G" markets, an elevated share receive some form of rental subsidy compared to the city average.

"H" markets include thirteen block groups, roughly 6% of Akron block groups. "H" markets are located around the center of Akron and have a median home sales price ($43,777) less than half of the average block group's median sales price in Akron. "H" markets have distress levels above the city average, with high shares of foreclosures and active complaints. Over half of residents are renters, almost all of which have a subsidy.

The city has 20 "I" markets, consisting of around 9% of Akron's block groups located predominately in the center of Akron. With a median home sale price of $39,538, the "I" markets have the lowest median home sales price of all market types in Akron. "I" markets also have the highest levels of foreclosures and active complaints in the city. Around a third of households are renters, of which about one in five are subsidized.

Socio-Demographics by Market Type, 2016 – 2020

Market Type		Population	Race, Ethnicity, and Age					Highest Educational Attainment (Population 25+)		Family Poverty	
			White, Non-Hispanic	Black, Non-Hispanic	Hispanic	Youth (Under 18)	Elderly (65 or Older)	High School or Less	Bachelor or Greater	Families	Families in Poverty
Strong	A	21,709	83%	9%	3%	19%	25%	19%	56%	5,863	4%
	B	24,526	62%	25%	2%	19%	18%	46%	24%	5,522	18%
	C	33,467	76%	14%	3%	19%	19%	42%	26%	8,015	8%
Middle	D	10,106	49%	42%	2%	19%	19%	41%	18%	2,462	27%
	E	45,484	56%	27%	5%	23%	14%	54%	13%	10,402	16%
	F	25,038	48%	34%	3%	22%	9%	51%	13%	5,110	29%
Stressed	G	13,501	41%	51%	1%	24%	14%	60%	9%	3,107	23%
	H	8,310	23%	70%	2%	28%	13%	51%	8%	1,999	36%
	I	15,560	36%	49%	5%	25%	9%	60%	8%	3,172	30%
Akron		197,701	57%	30%	3%	21%	15%	46%	22%	45,294	18%
Ohio		11,675,275	78%	12%	4%	22%	17%	42%	29%	2,952,151	10%

Strong Markets ("A", "B", and "C" Markets)

Akron's strong markets consist of around 40% of the city's population. Residents in strong markets tend to be less racially and ethnically diverse, older, and more educated than those in other markets. Almost three quarters of residents are White. Strong markets have the lowest shares of Black residents in Akron. Around one in five residents is 65 or older and in "A" markets, over half of residents 25 years and older have a bachelor's degree or greater. These markets also have the lowest poverty levels in Akron.

Middle Markets ("D", "E", and "F" Markets)

Similar to the strong markets, around 40% of Akron's population lives in middle markets. Residents in middle markets generally represent the city overall. Over half of residents are White, around a third are Black, and about 4% are Hispanic. One in five residents is 18 years old or younger, and around 13% are age 65 or older, similar to citywide averages. Approximately half of residents in middle markets have a high school degree or less and about one in five families live in poverty.

Stressed Markets ("G", "H", and "I" Markets)

About 20% of Akron's population lives in stressed markets. Residents in stressed markets are generally the most racially and ethnically diverse, younger, less educated, and poorer than those in other markets. Around 35% of residents are White, and stressed markets have the highest share of non-White residents in Akron as over half of residents are Black and 3% are Hispanic. On average, residents living in stressed block groups are younger and have lower educational attainment than the city average. These markets also have the highest levels of poverty in Akron.

Akron Market Value Analysis & Housing Action Plan

Fall 2023

About Reinvestment Fund

- We are a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.

- Since 1985, Reinvestment Fund has made $2.7 billion in cumulative investments and loans.

- We are supported by 830 investors that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.

How we work:

Lending & Investing

Capacity Building & Capital Access Programs

Policy Solutions
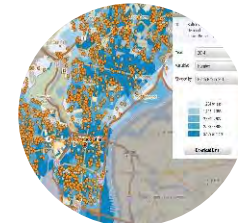
PolicyMap

REINVESTMENT FUND

Market Value Analysis

The Market Value Analysis

The **Market Value Analysis** (MVA) is a tool to help residents and policymakers identify and understand the elements of their local real estate markets. It is an objective, data-driven tool built on local administrative data and validated with local experts.

With an MVA, public officials and private actors can more precisely target intervention strategies in weak markets and support sustainable growth in stronger markets.
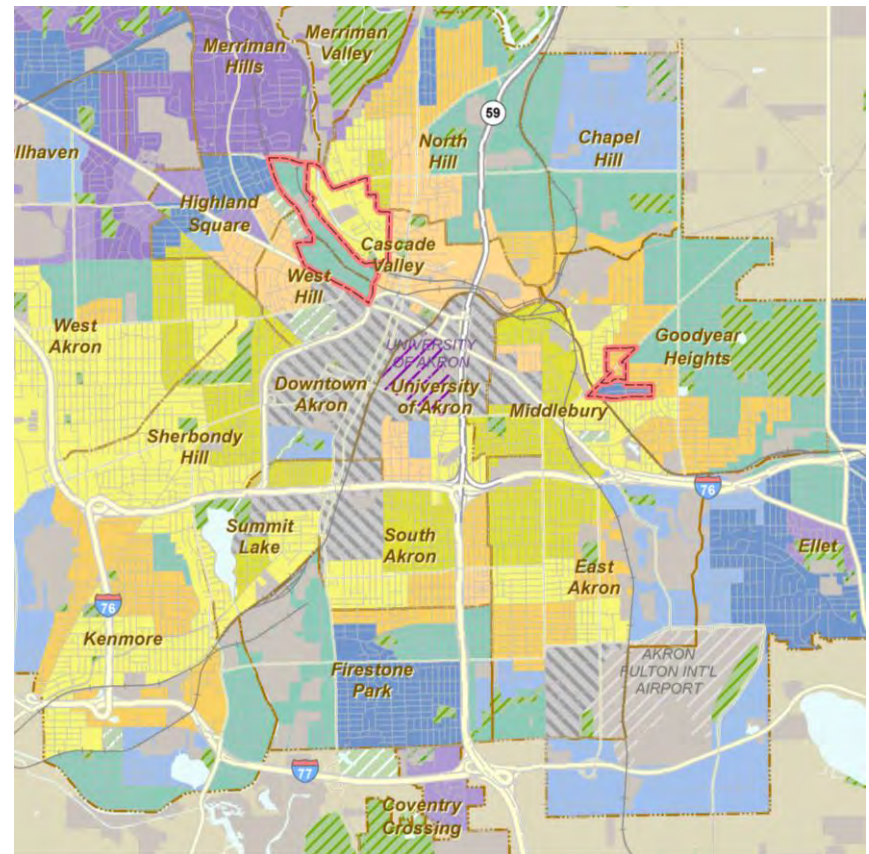
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Our Normative Assumptions

When analyzing markets we begin with these principles:

- Public **subsidy is scarce**; acting alone, subsidies cannot create a market

- Public policy and subsidy must **leverage private investment** or create conditions for investment to occur

- In distressed markets, **build from strength** by investing near strong assets

- All **residents are customers** with an expectation of quality public services and amenities

- The best decisions are based on the sound and **objective analysis** of quantitative and qualitative data

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Who is Using the MVA

MVAs have been funded by government agencies, local foundations, and financial institutions in cities and counties around the country:

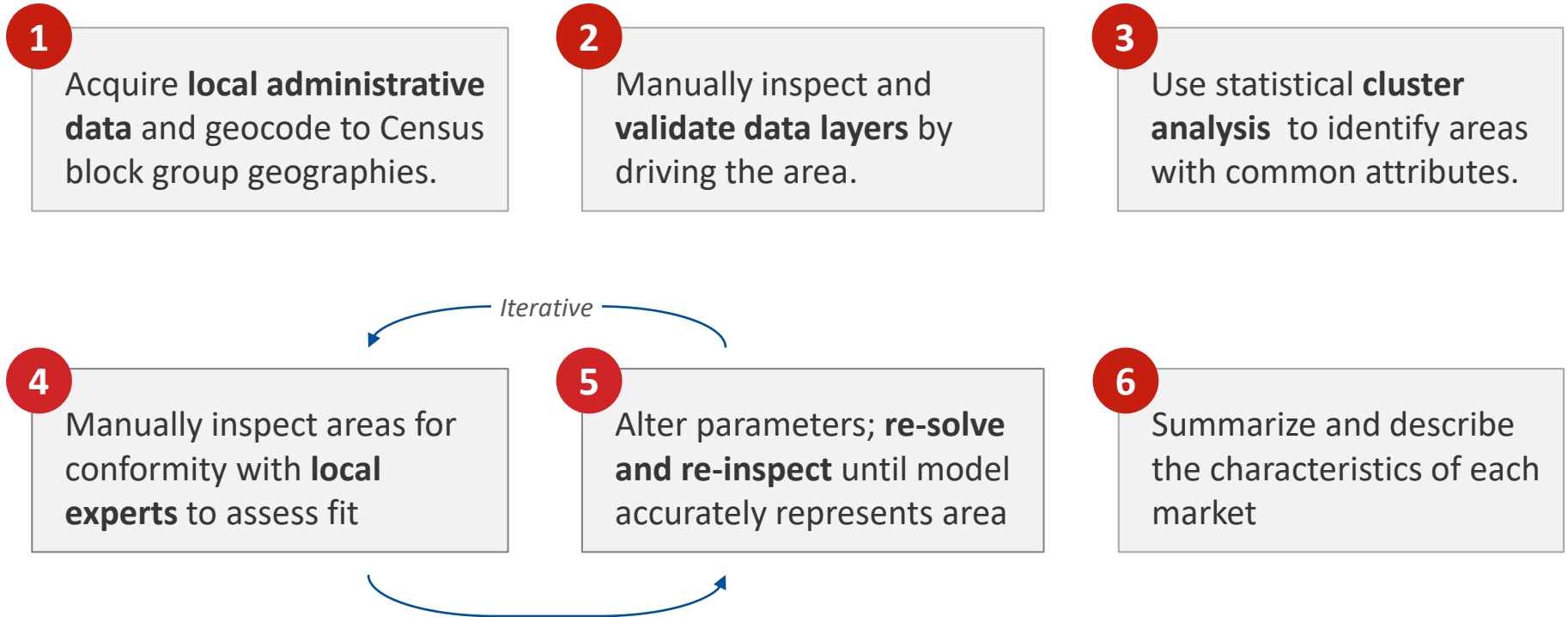|		
Allegheny County, PA	Irving, TX	Philadelphia, PA
Akron, OH	Jacksonville, FL	Pittsburgh, PA
Atlantic City Area, NJ	Kansas City, MO	Prince George's County, MD
Baltimore, MD	Milwaukee, WI	Reading Area, PA
Bethlehem, PA	Mt. Vernon, NY	Richmond, VA
Camden, NJ	Nashville, TN	San Antonio, TX
Dallas, TX	New Jersey (8 regions)	Selma, AL
Denton, TX	New Orleans, LA	St Louis, MO
Detroit, MI	Newark, NJ	State of Delaware
Houston, TX	Northampton County, PA	Washington, DC
Indianapolis, IN	Paterson, NJ	Wilmington, DE

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MVAs in Action: How Cities Use the MVA

- Component of a local land banking strategy (Phila., NOLA, Pittsburgh, Wilmington)
- Guide capital budget (Detroit)
- Focus code enforcement (Phila., Baltimore, Indianapolis, NOLA)
- Benchmark quality of life measures (Phila.)
- Equitable development strategy (DE/DSHA)
- Target statewide Strong Neighborhoods Revolving Loan Fund (DE/DSHA)
- Inform LIHTC QAP (DE/DSHA)
- Develop CDBG ConPlan / Comprehensive plan (Detroit, Wilmington, St. Louis, Richmond, Dallas)
- Assessment of Fair Housing (Phila., Richmond)
- Assess changes in the market over time (Phila., Baltimore, Pittsburgh)
- Evaluate development opportunities (Pittsburgh, Phila., Houston, Detroit, St. Louis, cities in NJ)
- Target demolition and acquisition activities (Baltimore, Phila., Detroit, NOLA)
- Select transformative tipping point projects (Phila., Baltimore, Pittsburgh, NOLA)
- Engage partners – philanthropic, non-profit, government – in coordinated efforts to rebuild neighborhoods (Baltimore, Milwaukee, NOLA)
- Guide federal Neighborhood Stabilization Program Investment (States of PA & NJ, Houston, Detroit)

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The MVA Process

1 Acquire **local administrative data** and geocode to Census block group geographies.

2 Manually inspect and **validate data layers** by driving the area.

3 Use statistical **cluster analysis** to identify areas with common attributes.

Iterative

4 Manually inspect areas for conformity with **local experts** to assess fit

5 Alter parameters; **re-solve and re-inspect** until model accurately represents area

6 Summarize and describe the characteristics of each market

Lessons from 15+ years of experience

Validating Data is Critical.

Researchers must systematically visit and observe neighborhoods in the city to understand the data and final model.

Geographic Scale Matters.

MSA and Census tract geographies are too large to accurately reflect the nuances of local real estate markets.

One Size Does Not Fit All.

MVA components and models share some similarities across cities but must be customized to the unique traits of each city.

Integrate Local Knowledge.

All models are tested with local experts to incorporate qualitative feedback from each geography.

Incorporating Local Knowledge and Expertise

The **Local Steering Committee** works with the Reinvestment Fund team to help adapt the MVA methodology to the local context, review interim findings, and affirm final results.

Tasks and Responsibilities

Help Team Secure Local Housing Data	Help Validate Models and Methods	Contribute Local Knowledge of Markets
Advise on Data Issues and Limitations	Support Dissemination with Community	Recommend Strategic Actions for Public & Private Actors

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2023 Steering Committee Members

Patrick Bravo, Summit County Land Bank

Kyle Julien, Development Finance Authority

Herman Hill & Erin Myers, Akron Metropolitan Housing Authority

Jamie McMillen, Akron/Cleveland Association of Realtors

Lori Howerton, Home Builders Association of Portage and Summit Counties

Kyle Kutuchief, John S. and James L. Knight Foundation

Steve Millard & Gregg Cramer, Greater Akron Chamber of Commerce

Chuck Vannoy & Dana Novotny, K Hovanian Homes

Cheryl Stephens, East Akron Neighborhood Development Corporation

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2023 Akron MVA Model

Observations from our Validation Trips

Water
Non-Residential
Validation Driving Route
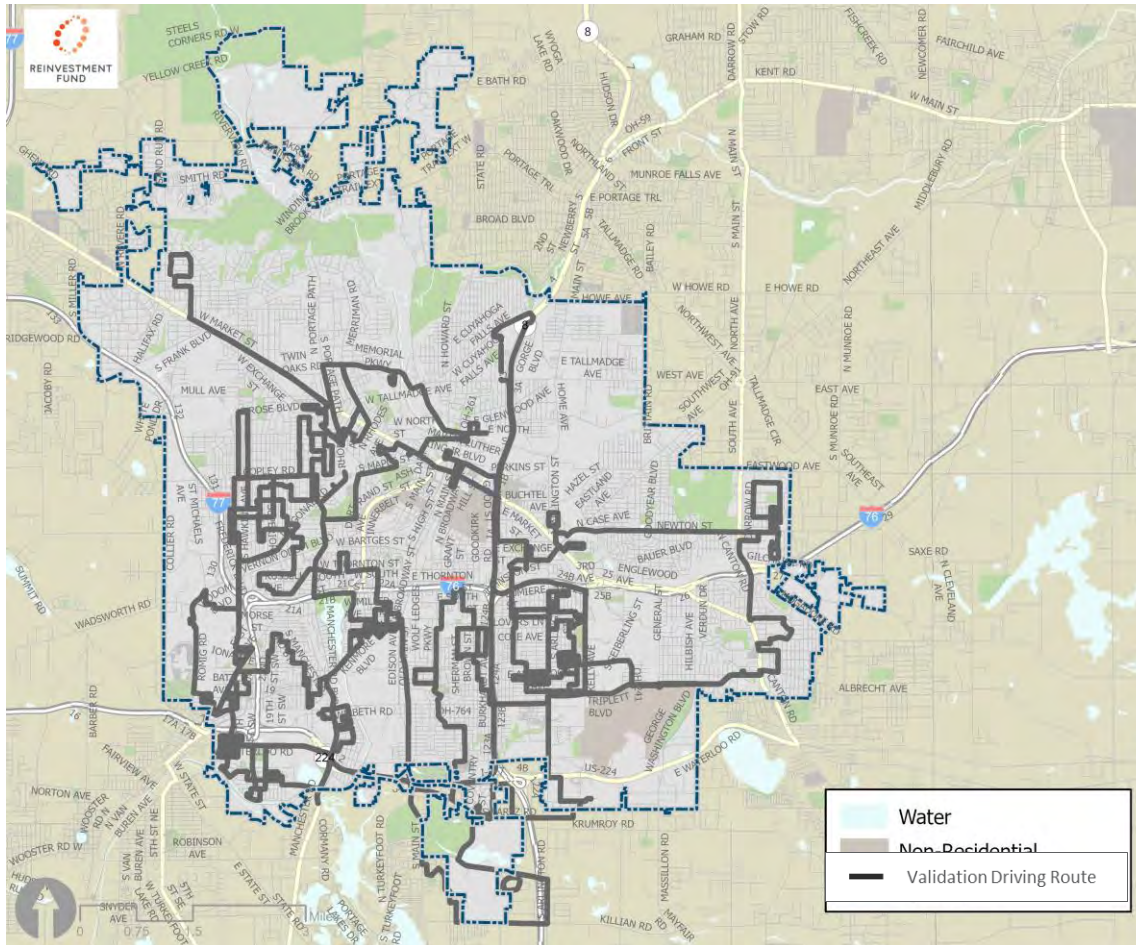
Citywide Observations

- **Increases in median sales price.** Especially G, H, and I markets, but also A markets.

- **Foreclosures are down.** Last time seeing double digit rates, this time highest is 5% in I markets.

- **Vacancy rates are high.** Most likely the result of extensive demolition work since last MVA. Vacant property is mostly well cared for and should not be interpreted only as an indicator of distress.

REINVESTMENT FUND

Akron Market Value Analysis

2023 MVA

- A ($252K)
- B ($152K)
- C ($130K)
- D ($104K)
- E ($86K)
- F ($66K)
- G ($59K)
- H ($44K)
- I ($40K)
- Insufficient Data

Water

Non-Residential

Open Space
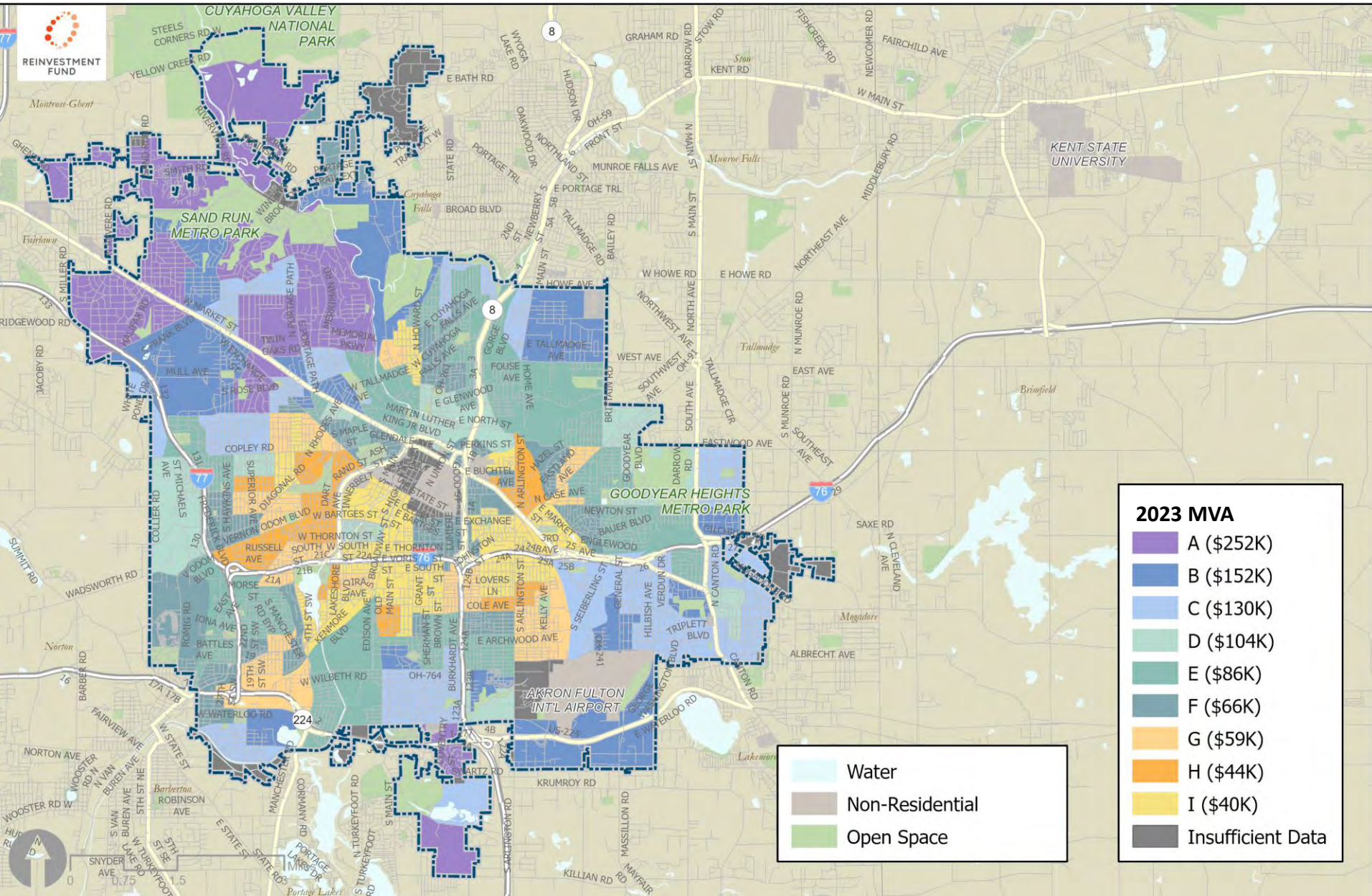
Akron Market Value Analysis Model

	# Block Groups	Median Sale Price, 2020-22	Variance in Sales Price, 2020-22	% Foreclosures a share of Owner Occ HUs, 2020-22	% New Construction & Renovation Permits	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
A	18	$ 252,836	0.40	0%	1%	0%	8%	2.26	83%	6%
B	21	$ 152,241	0.35	1%	3%	1%	7%	3.98	35%	20%
C	34	$ 129,716	0.33	0%	0%	1%	9%	4.40	72%	7%
D	9	$ 104,100	0.44	1%	1%	1%	25%	4.22	53%	88%
E	45	$ 86,409	0.43	1%	1%	2%	11%	4.75	59%	16%
F	31	$ 66,258	0.45	3%	0%	3%	13%	4.76	26%	18%
G	19	$ 59,369	0.49	2%	0%	6%	23%	3.96	62%	43%
H	13	$ 43,777	0.64	4%	2%	6%	25%	3.08	37%	96%
I	20	$ 39,538	0.62	5%	1%	7%	23%	3.58	35%	25%
Unclassified	10	$ 121,500	0.10	0%	15%	1%	1%	3.75	39%	21%
City Average	216	$ 102,897	0.44	2%	2%	3%	11%	4.07	52%	25%

REINVESTMENT FUND
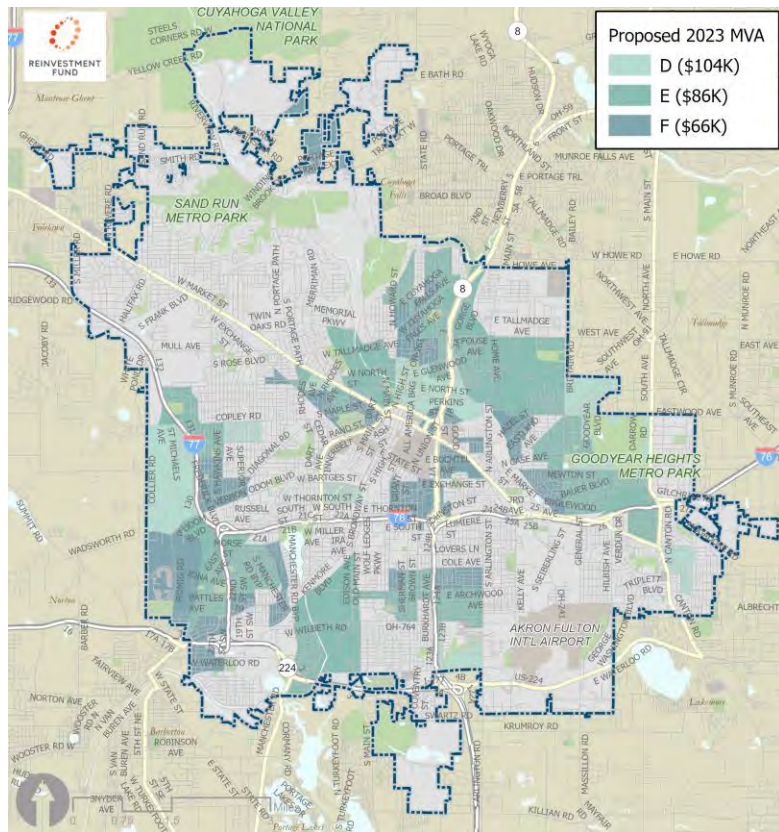
Purple Markets

	# Block Groups	Median Sale Price, 2020-22	Variance in Sales Price, 2020-22	% Foreclosures a share of Owner Occ HUs, 2020-22	% New Construction & Renovation	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
A	18	$ 252,836	0.40	0%	1%	0%	8%	2.26	83%	6%
City Average	216	$ 102,897	0.44	2%	2%	3%	11%	4.07	52%	25%
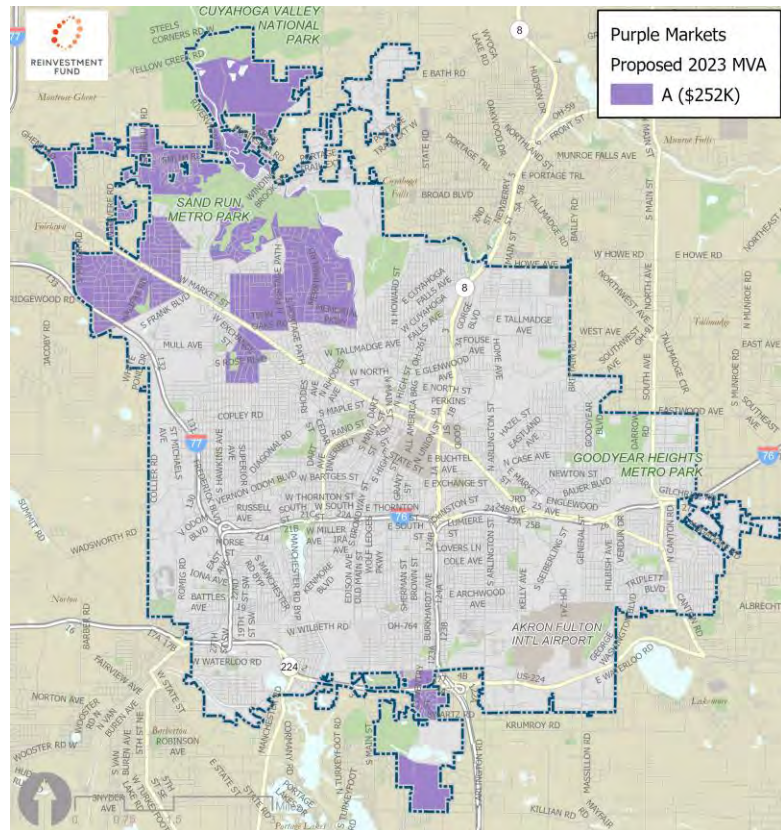
- A markets have a median sales price greater than twice the city's block group average.

- Highest share of homeowners.

- Very few indicators of distress.

- Largely located along the perimeter of the city.

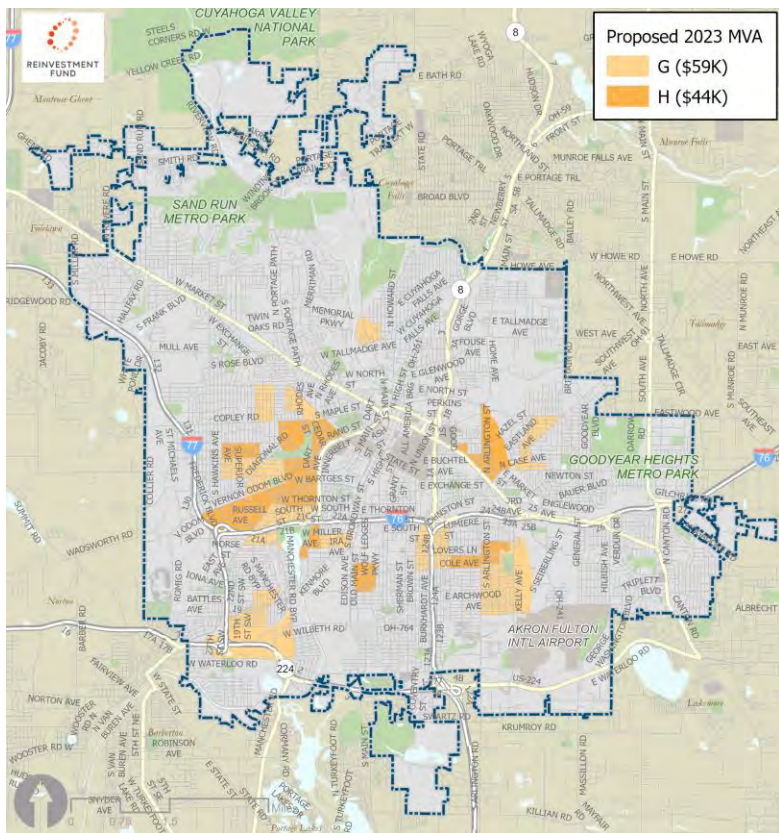REINVESTMENT FUND

Blue Markets

	# Block Groups	Median Sale Price, 2020-22	Variance in Sales Price, 2020-22	% Foreclosures a share of Owner Occ HUs, 2020-22	% New Construction & Renovation	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
B	21	$ 152,241	0.35	1%	3%	1%	7%	3.98	35%	20%
C	34	$ 129,716	0.33	0%	0%	1%	9%	4.40	72%	7%
City Average	216	$ 102,897	0.44	2%	2%	3%	11%	4.07	52%	25%
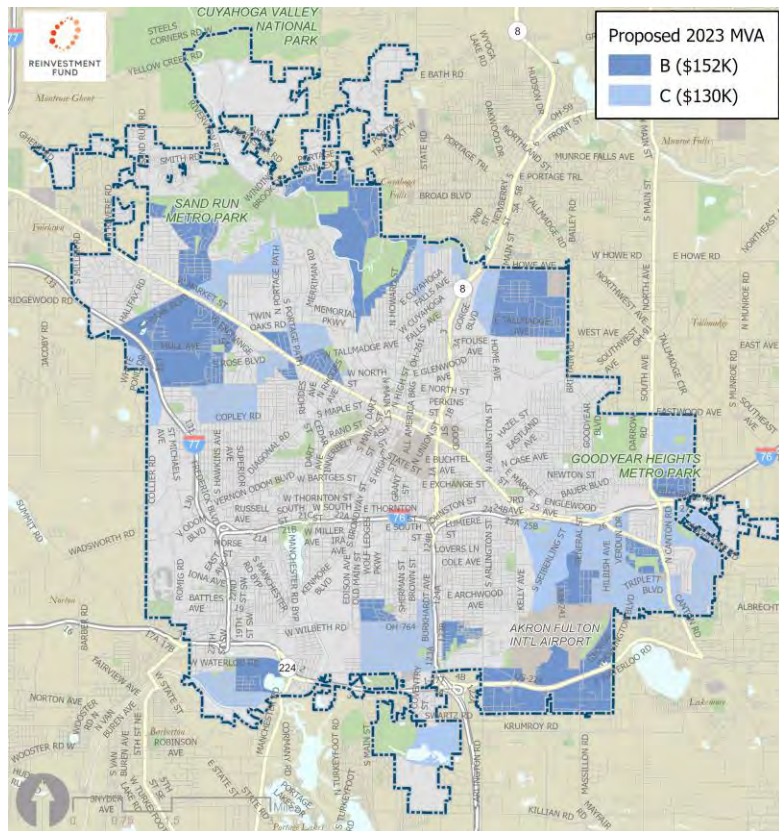
- B and C markets have home prices above the city average.

- B markets have more renters than homeowners.

- B markets have a higher share of subsidized renters than C markets.

- B markets have the highest share of new construction and renovation permits.

- C markets have more homeowners than renters.

- C markets have more vacancy than B markets but are still below the city average.

Green Markets

	# Block Groups	Median Sale Price, 2020-22	Variance in Sales Price, 2020-22	% Foreclosures a share of Owner Occ HUs, 2020-22	% New Construction & Renovation	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
D	9	$ 104,100	0.44	1%	1%	1%	25%	4.22	53%	88%
E	45	$ 86,409	0.43	1%	1%	2%	11%	4.75	59%	16%
F	31	$ 66,258	0.45	3%	0%	3%	13%	4.76	26%	18%
City Average	216	$ 102,897	0.44	2%	2%	3%	11%	4.07	52%	25%

Proposed 2023 MVA
- D ($104K)
- E ($86K)
- F ($66K)

- D markets have median sales prices just above the citywide average, a high share of homeowners, a high share of subsidized rental properties, and a high share of vacant parcels.
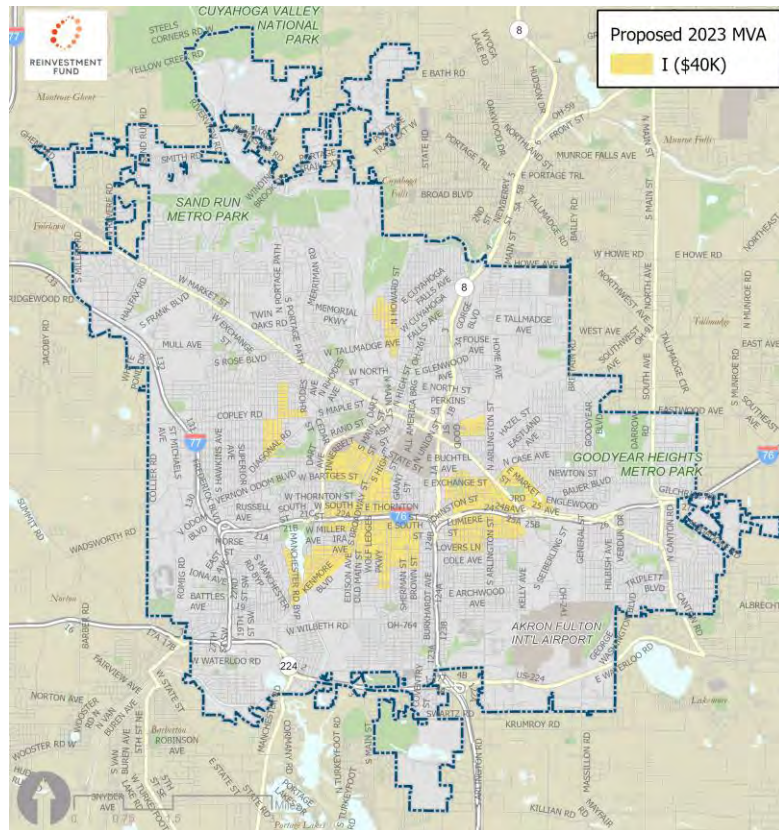
- E and F markets have median sales prices below the city average.

- D and E markets are mostly homeowners.

- F markets are mostly renters, most renters are not using subsidy.

- D markets have the fewest number of block groups, E have the most.

REINVESTMENT FUND

Orange Markets

	# Block Groups	Median Sale Price, 2020-22	Variance in Sales Price, 2020-22	% Foreclosures a share of Owner Occ HUs, 2020-22	% New Construction & Renovation	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
G	19	$ 59,369	0.49	2%	0%	6%	23%	3.96	62%	43%
H	13	$ 43,777	0.64	4%	2%	6%	25%	3.08	37%	96%
City Average	216	$ 102,897	0.44	2%	2%	3%	11%	4.07	52%	25%

Proposed 2023 MVA
G ($59K)
H ($44K)

- G and H markets have median sales prices below the citywide average.

- G markets are mostly homeowners.

- H markets are mostly renters, most renters are using some type of subsidy.

- Both G and H markets have a high share of vacant parcels.

- Both G and H markets have a high share of active complaints.

- H markets have average levels of permitting, G markets are below the city average.

Yellow Markets

	# Block Groups	Median Sale Price, 2020-22	Variance in Sales Price, 2020-22	% Foreclosures a share of Owner Occ HUs, 2020-22	% New Construction & Renovation	% Active Complaints	% Vacant Parcels	Acres per Household	% Owner Occupied	% Rentals with Subsidy
I	20	$ 39,538	0.62	5%	1%	7%	23%	3.58	35%	25%
City Average	216	$ 102,897	0.44	2%	2%	3%	11%	4.07	52%	25%

Proposed 2023 MVA
I ($40K)

- I markets have median sales prices less than half the citywide average.

- I markets have high shares of many distress indicators: active complaints and foreclosures are above the city average.

- High levels of vacancy.

- Most homes are renter occupied; a quarter of rental units are subsidized.

- Median sales prices in I markets have increased by over 300% since the last MVA. The median sales price in I markets in 2017 was $9,100.

REINVESTMENT FUND

Population and Demographics

Demographics by Market Type

Population Distribution Within Markets: White residents are 58% of the city's population but are 83% of residents in the strongest "A" markets. Black residents are 29% of Akron's population and are overrepresented in weaker markets including "G", "H" and "I" markets.

Resident Population and Demographics by MVA Market Type

	White, Non-Hispanic		Black, Non-Hispanic		Asian, Non-Hispanic		Hispanic		Other, Non-Hispanic		Total Population	
A	17,933	83%	2,040	9%	514	2%	587	3%	635	3%	21,709	100%
B	15,220	62%	6,080	25%	1,220	5%	471	2%	1,535	6%	24,526	100%
C	25,308	76%	4,664	14%	1,229	4%	918	3%	1,348	4%	33,467	100%
D	4,958	49%	4,222	42%	560	6%	231	2%	135	1%	10,106	100%
E	25,576	56%	12,326	27%	2,428	5%	2,155	5%	2,999	7%	45,484	100%
F	11,963	48%	8,548	34%	2,089	8%	712	3%	1,726	7%	25,038	100%
G	5,492	41%	6,901	51%	596	4%	150	1%	362	3%	13,501	100%
H	1,926	23%	5,853	70%	21	0%	186	2%	324	4%	8,310	100%
I	5,558	36%	7,673	49%	478	3%	771	5%	1,080	7%	15,560	100%
City Total	113,934	58%	58,307	29%	9,135	5%	6,181	3%	10,144	5%	197,701	100%

Demographics in "E" markets are the closest match to city averages

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Demographics by Market Type

Population Distribution Across Markets: This table shows the proportion of each group across each market type.

Resident Population and Demographics by MVA Market Type

	White, Non-Hispanic		Black, Non-Hispanic		Asian, Non-Hispanic		Hispanic		Other, Non-Hispanic		Total Population	
A	17,933	16%	2,040	3%	514	6%	587	9%	635	6%	21,709	11%
B	15,220	13%	6,080	10%	1,220	13%	471	8%	1,535	15%	24,526	12%
C	25,308	22%	4,664	8%	1,229	13%	918	15%	1,348	13%	33,467	17%
D	4,958	4%	4,222	7%	560	6%	231	4%	135	1%	10,106	5%
E	25,576	22%	12,326	21%	2,428	27%	2,155	35%	2,999	30%	45,484	23%
F	11,963	10%	8,548	15%	2,089	23%	712	12%	1,726	17%	25,038	13%
G	5,492	5%	6,901	12%	596	7%	150	2%	362	4%	13,501	7%
H	1,926	2%	5,853	10%	21	0%	186	3%	324	3%	8,310	4%
I	5,558	5%	7,673	13%	478	5%	771	12%	1,080	11%	15,560	8%
City Total	113,934	100%	58,307	100%	9,135	100%	6,181	100%	10,144	100%	197,701	100%

"E" markets are the most common market type and home to the most people.

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Household and Family Income by Market Type

Resident Income and Family Poverty by MVA Market Type

	Median Household Income	Number of Families in Poverty	Share of Families in Poverty
A	$ 87,824	234	4%
B	$ 47,460	996	18%
C	$ 52,943	660	8%
D	$ 35,820	654	27%
E	$ 45,100	1707	16%
F	$ 30,387	1482	29%
G	$ 37,369	714	23%
H	$ 24,425	719	36%
I	$ 30,976	942	30%
City Avg.	**$43,893**	**8,180**	**18%**

"D" and "H" Markets have a high share of renters in subsidized housing.
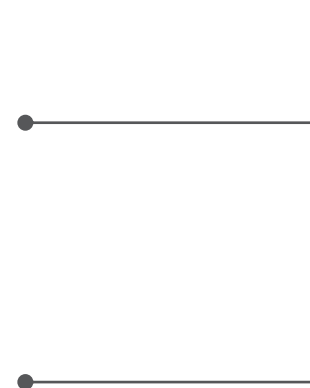
REINVESTMENT FUND

MVA Overlays

Changes from 2017 MVA

Affordability Analysis

Mortgage Analysis

A Brief History of MVAs in Akron
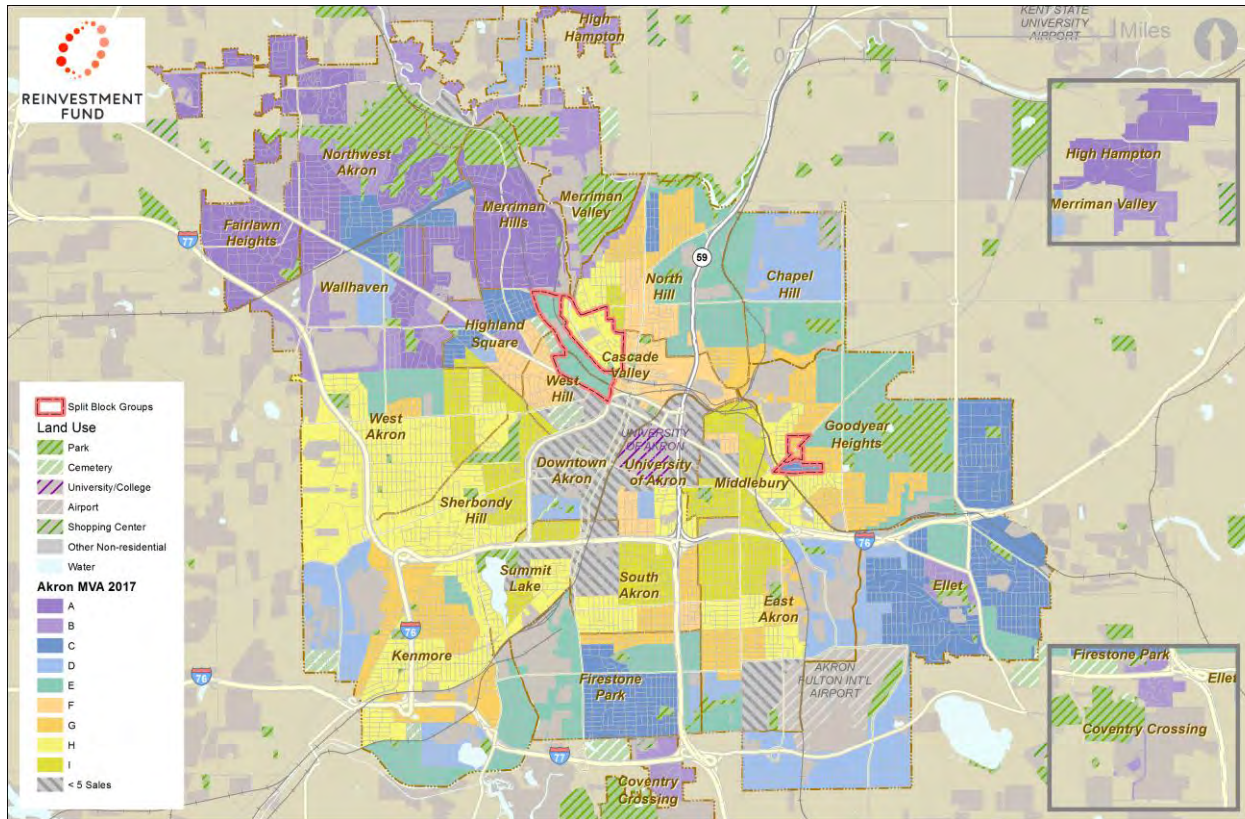
The 2023 MVA is the second Market Value Analysis completed in Akron. Each MVA follows the same general template, with a few modifications each year to improve accuracy and utility:

- Similar number of categories each year
- Similar inputs each year

Market Definitions Over Time

Improvements across the city's housing markets led us to modify our color scheme for this year's MVA.

2017 MVA

	Median Prices, 14 - 16
A	$178k
B	$129k
C	$77k
D	$62k
E	$43k
F	$26k
G	$25k
H	$16k
I	$9k

2023 MVA

	Median Prices, 20 - 22
A	$253k
B	$152k
C	$130k
D	$104k
E	$86k
F	$66k
G	$59k
H	$44k
I	$40k

Previous Market Value Analysis Classifications

MVA 2017

Changed from Weak to Middle Markets

Consistently Weak Markets

	Median Prices, 15 - 17
A	$178k
B	$129k
C	$77k
D	$62k
E	$43k
F	$26k
G	$25k
H	$16k
I	$9k

Water
Non-Residential
Open Space

Proposed Market Value Analysis Classifications

MVA 2023

REINVESTMENT FUND

Changed from Weak to Middle Markets

Consistently Weak Markets

Water
Non-Residential
Open Space

A ($252K)
B ($152K)
C ($130K)
D ($104K)
E ($86K)
F ($66K)
G ($59K)
H ($44K)
I ($40K)
Insufficient Data
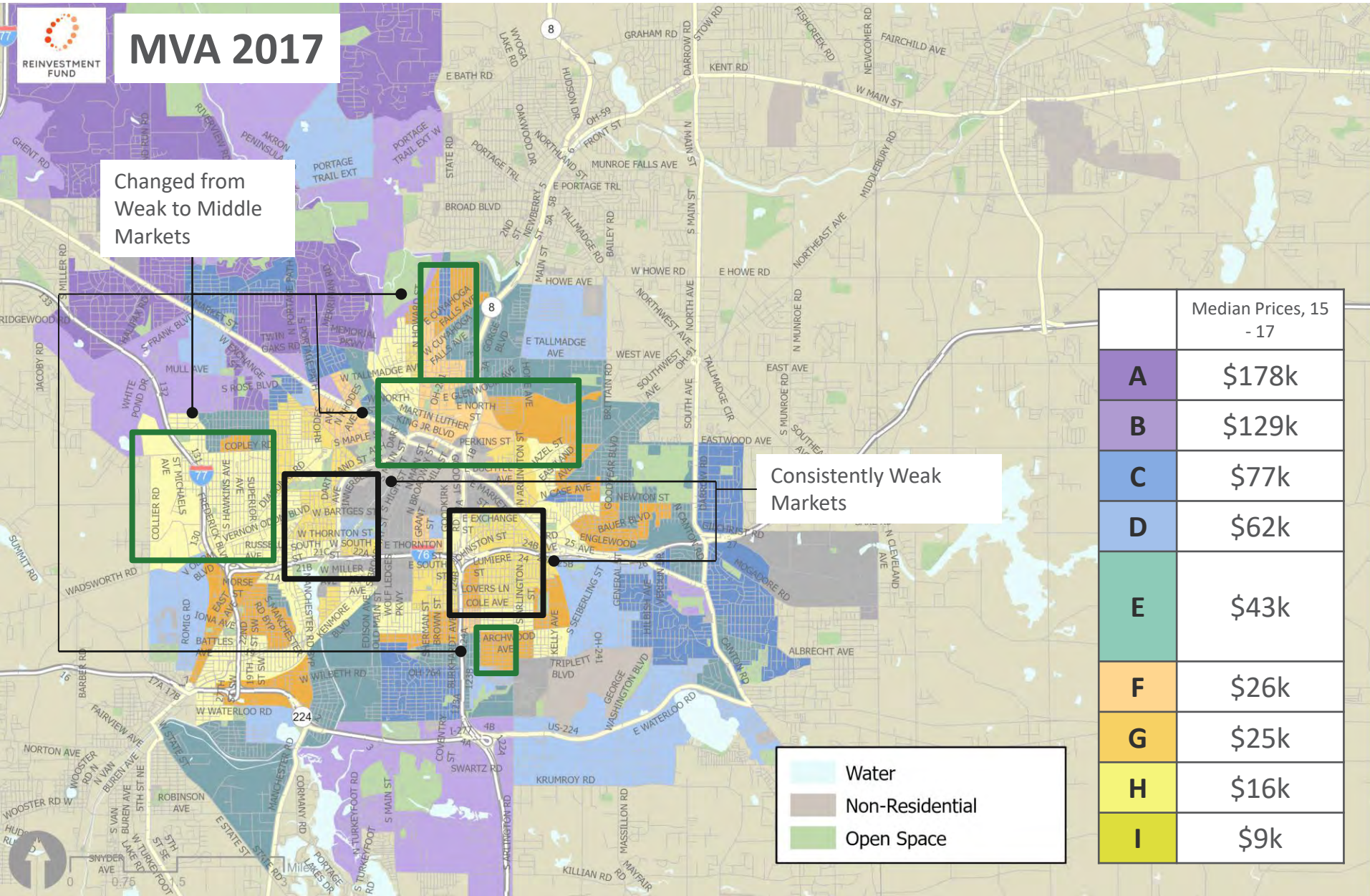
Increase In Sales Prices Drives Market Change

MVA 2017

For the 2017 MVA, the median sales price for these markets was less than $50,000.
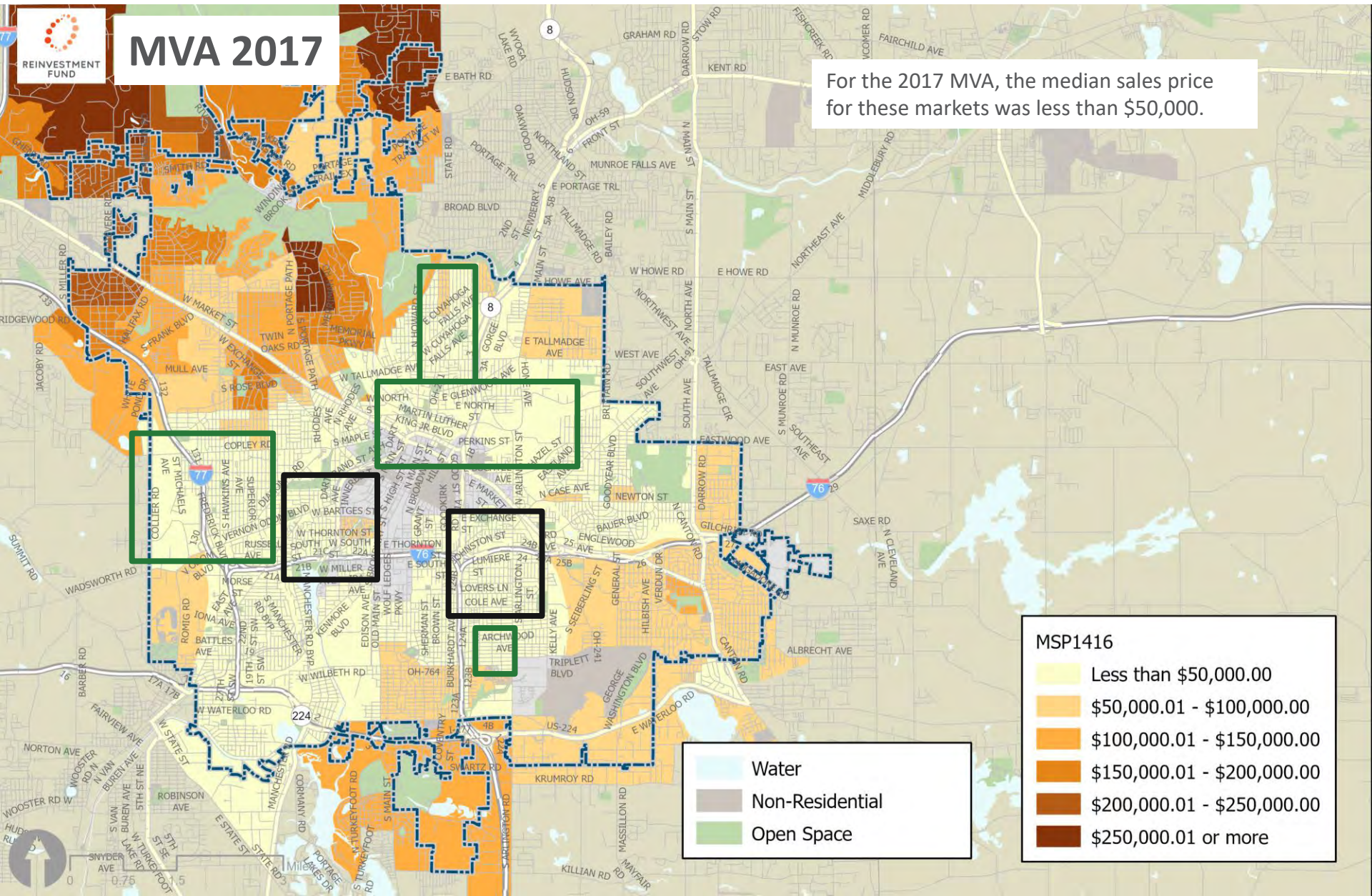
MSP1416
- Less than $50,000.00
- $50,000.01 - $100,000.00
- $100,000.01 - $150,000.00
- $150,000.01 - $200,000.00
- $200,000.01 - $250,000.00
- $250,000.01 or more

Water
Non-Residential
Open Space

Increase In Sales Prices Drives Market Change

MVA 2023

In 2023 the areas outlined in green are middle markets having experienced substantial increase in median sales price. Median sales prices have also increased in the areas outlined in black, but these are still the weakest markets in Akron.

MSP2022

- Less than $50,000.00
- $50,000.01 - $100,000.00
- $100,000.01 - $150,000.00
- $150,000.01 - $200,000.00
- $200,000.01 - $250,000.00
- $250,000.01 or more

- Water
- Non-Residential
- Open Space
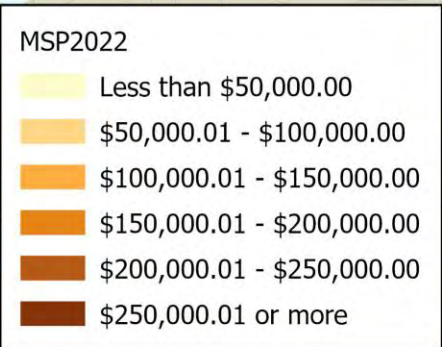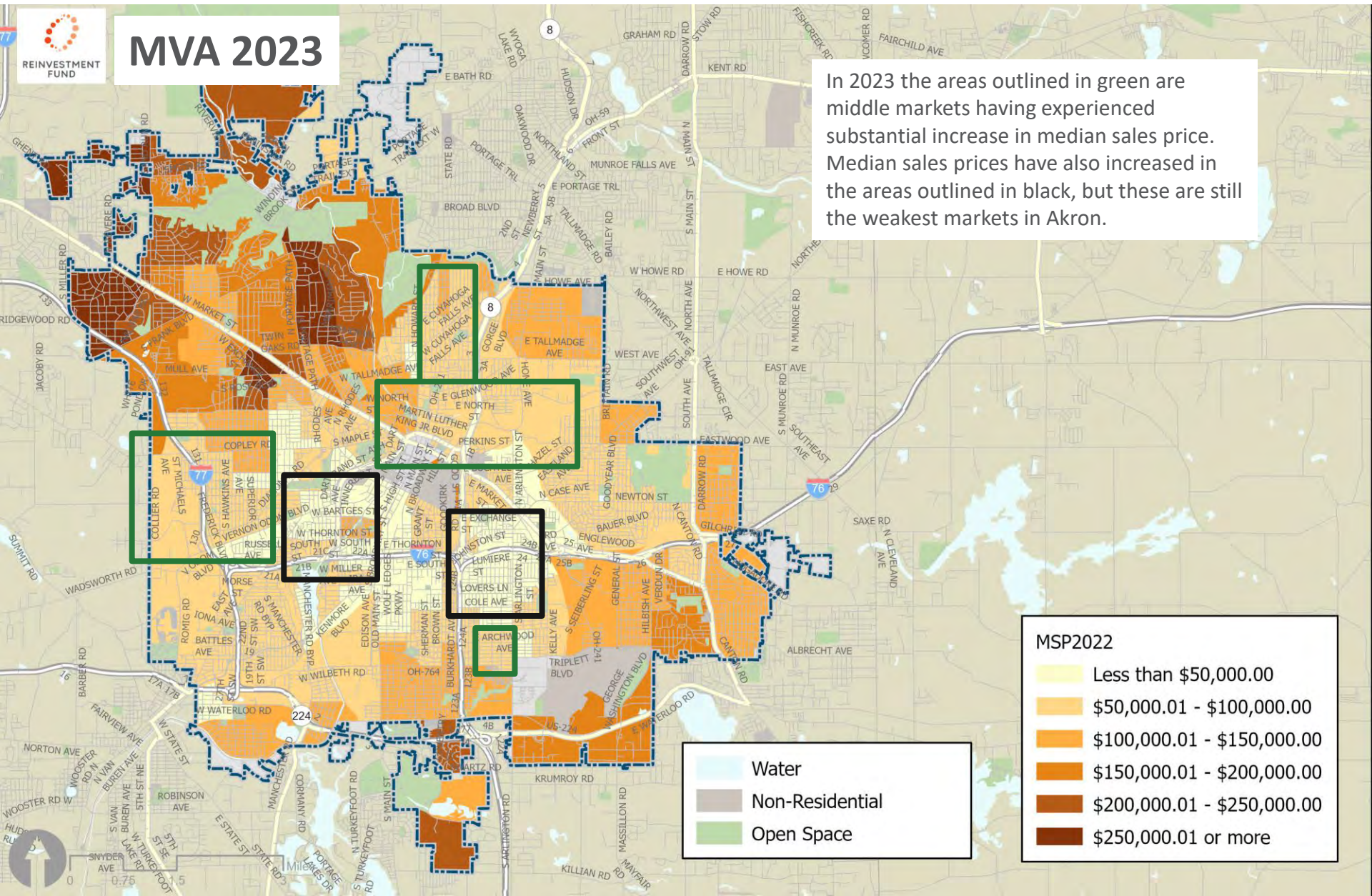
Market Definitions Over Time

2017 MVA

2023 MVA
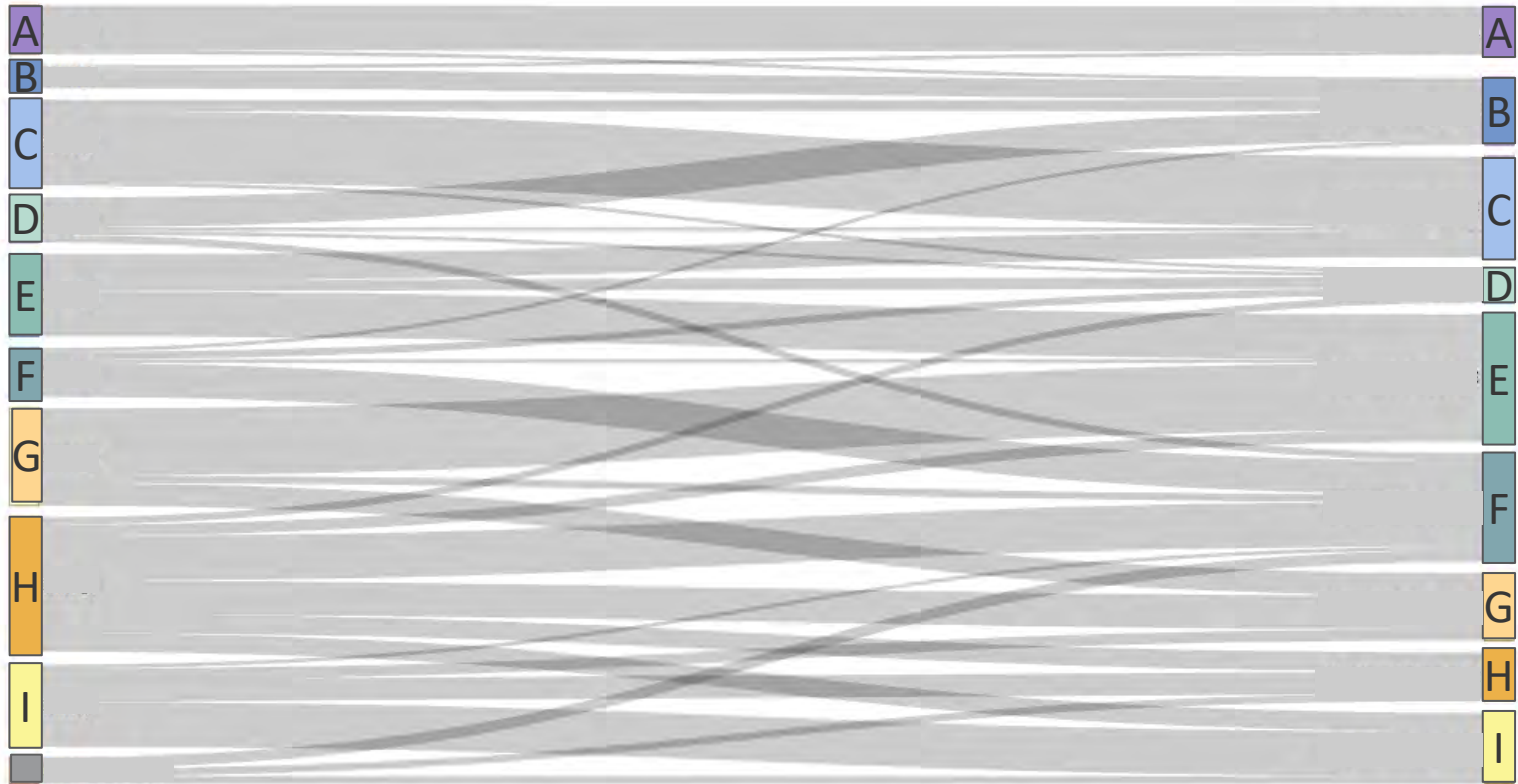
Market Change 2017 to 2023

14% of Akron's block groups experienced improvement since the 2017 MVA, either moving from a yellow market to an orange one, or from an orange market to green market, or from a green market to a blue market or from a blue market to a purple one.

Market Changes

Water	Improvement
Non-Residential	Minor Change
Open Space	Insufficient Data
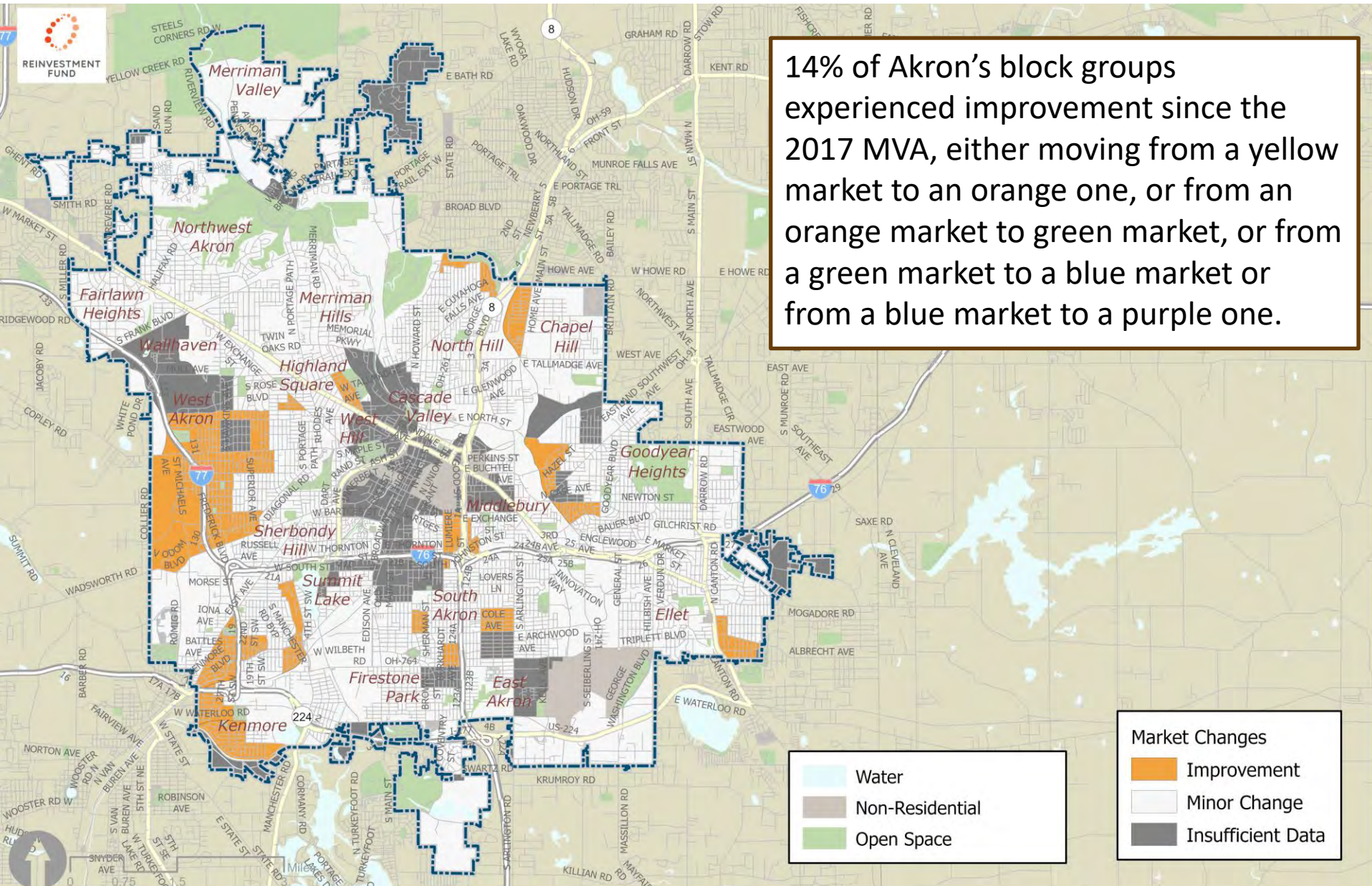
Displacement Risk Ratio

Measuring Resident Displacement Risk

Our Approach to Measuring Housing Market
Pressure and Resident Displacement Risk

The concern driving this approach to measure is the *involuntary* aspect of displacement. → Households forced to leave their neighborhoods due to circumstances beyond their control (e.g., rising taxes, rent increases, condo conversions).

The analysis identifies areas where current housing prices are be unaffordable to long-term residents. → Assumes housing should be close to 3x family income (following HUD guidelines).

Examines ratio of a long-term residents' income to current housing prices to spotlight areas of concern. → Healthy neighborhoods should be stable or follow regional trends. Areas with rapid increases (or decreases) in ratios signal potential concern.

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The Displacement Risk Ratio

Calculating the Displacement Risk Ratio

1 Find incomes of "long-term residents" who lived in homes during beginning time period (2014)

2 Use inflation rate to calculate income of long-term residents between beginning time period and today (2021-22)

3 Calculate ratio of long-term resident income and actual home prices over time

4 Remove city average from individual block group ratios to account for regional trends

Interpreting Displacement Risk Ratio Values

Higher DRR values reflect a more challenging environment for long-term residents and the existence of displacement pressure.

Possible concerns about market of demand   *Homes no longer attainable for long-term residents*

-2.5   -1.5   -0.5   0.0   +0.5   +1.5   +2.5   3.5+
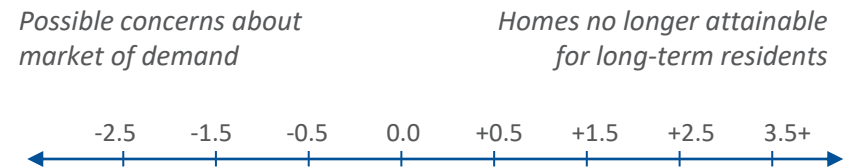
Lower values may reflect a lack of market value and concerns with excess housing supply or vacancy/abandonment.

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Displacement Risk Ratio, 2017 – 2018

Citywide DRR
2017 - 2018
1.0
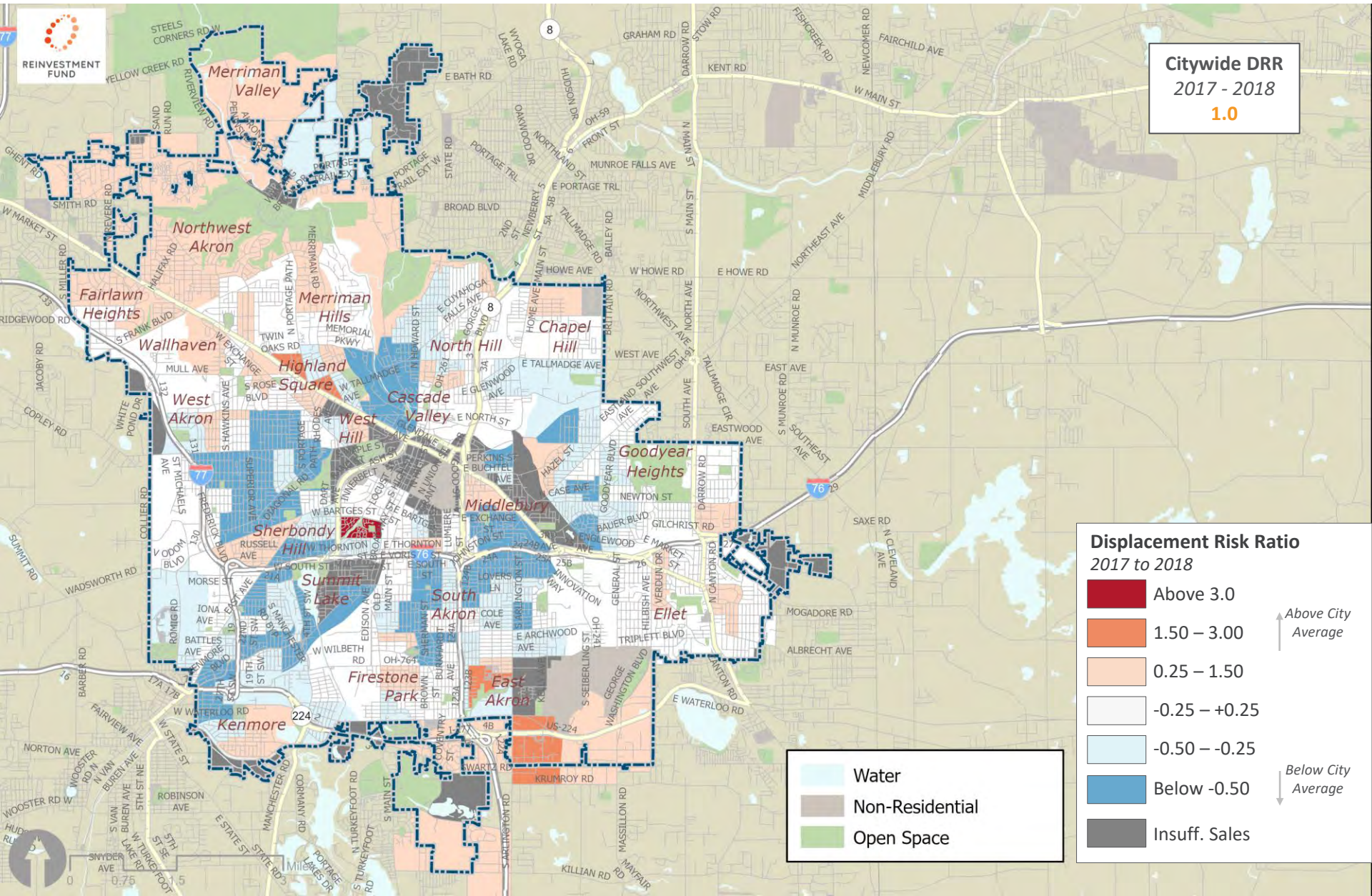
Displacement Risk Ratio
2017 to 2018

■	Above 3.0
■	1.50 – 3.00
■	0.25 – 1.50
□	-0.25 – +0.25
■	-0.50 – -0.25
■	Below -0.50
■	Insuff. Sales

Above City Average

Below City Average

■	Water
■	Non-Residential
■	Open Space

Displacement Risk Ratio, 2021 – 2022

Change in Displacement Risk Ratio, 2017 – 2018 to 2021 - 2022
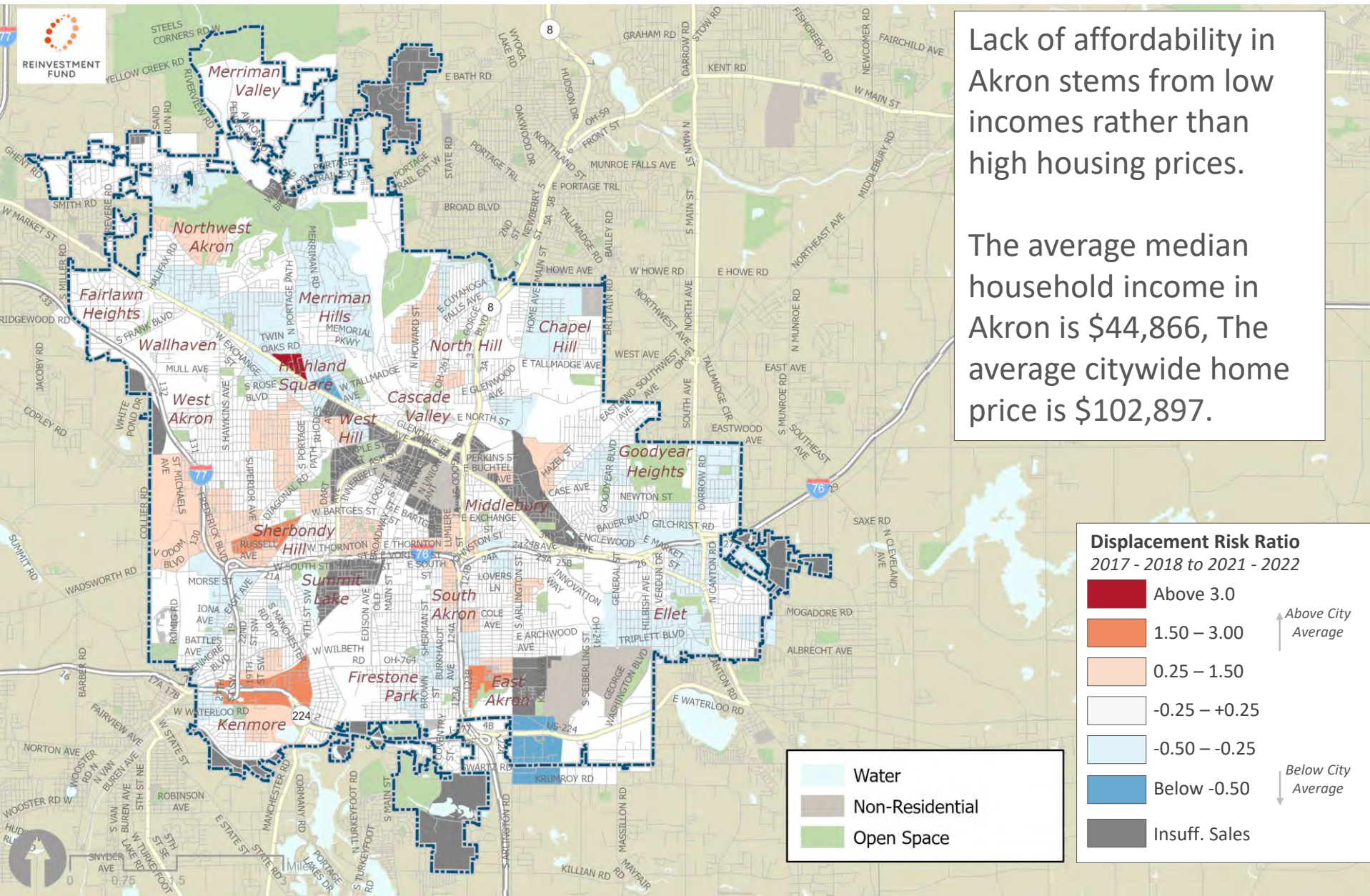
Lack of affordability in Akron stems from low incomes rather than high housing prices.

The average median household income in Akron is $44,866, The average citywide home price is $102,897.

Displacement Risk Ratio
2017 - 2018 to 2021 - 2022

Above 3.0	*Above City Average*
1.50 – 3.00	
0.25 – 1.50	
-0.25 – +0.25	
-0.50 – -0.25	
Below -0.50	*Below City Average*
Insuff. Sales	

Water	
Non-Residential	
Open Space	

Identifying Types of Market Stress

Neighborhood #1's risk of resident displacement peaked in 2016 and has since become more affordable.

Neighborhood #2's risk of resident displacement is due to a weak market and potential disinvestment.

DRR Trends in Two Example Neighborhoods
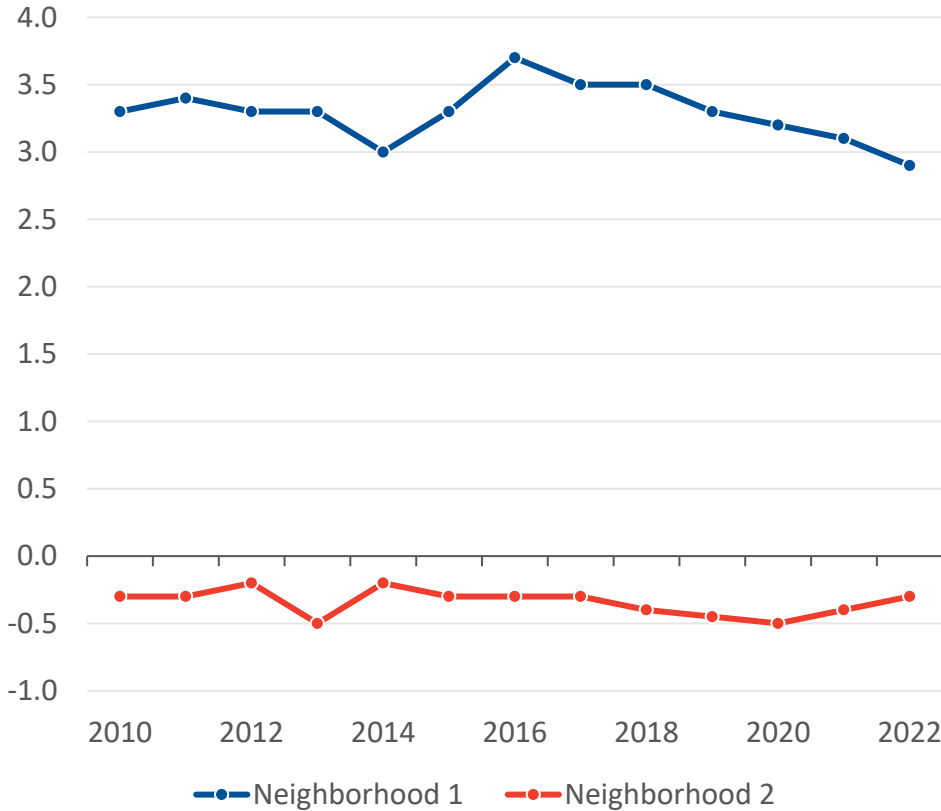
MVA Classifications and Change in DRR Categories

Akron Has Mostly Weaker but Stable Areas

Opportunity for Preserving Affordability

Types of Housing Considerations

- Focus on Preservation of Affordability
- Focus on Housing Quality and Neighborhood Stabilization
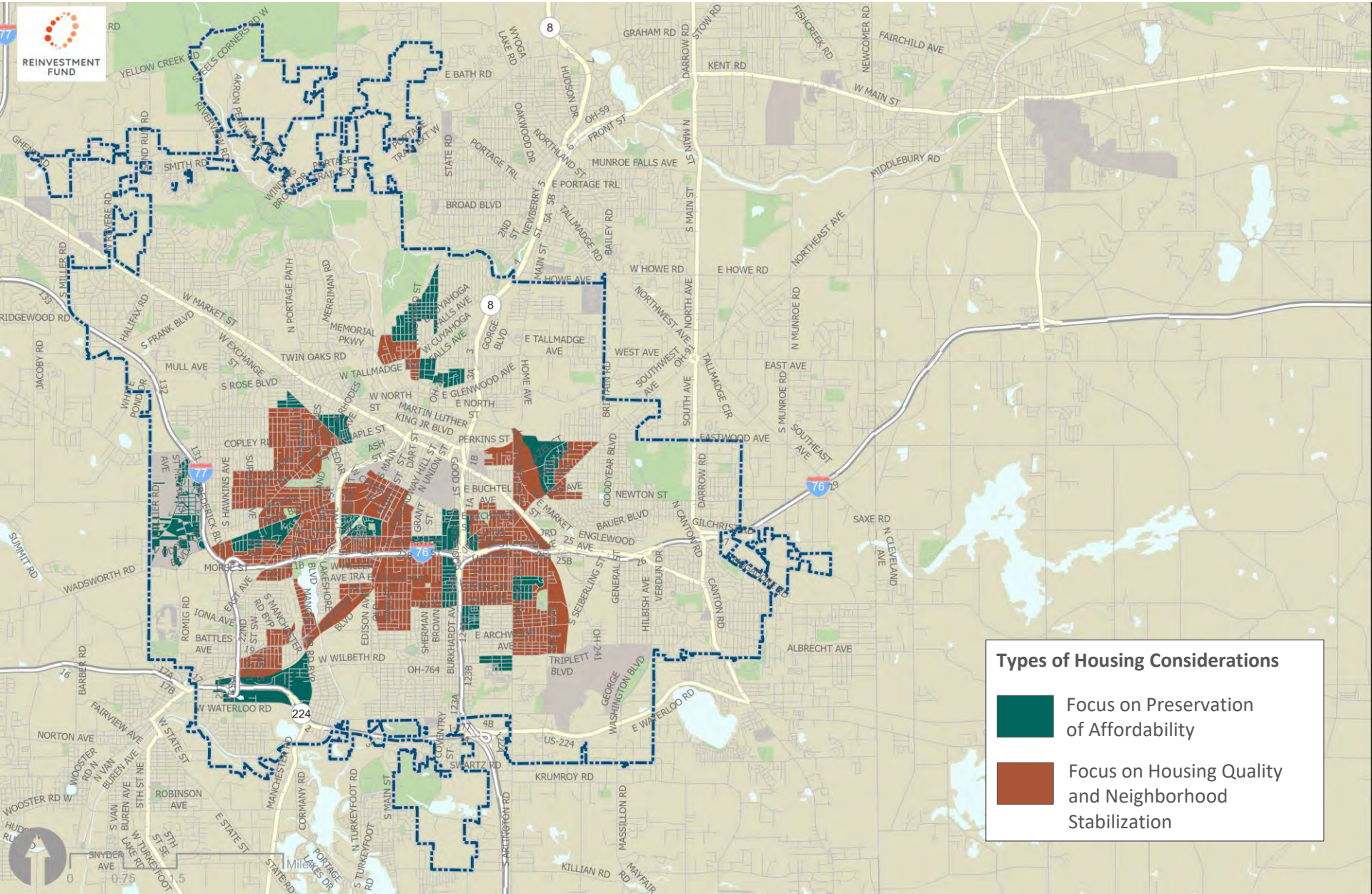
Affordability

Housing Affordability: 120% of City Median Family Income ($60,122)

Share of Markets Affordable at 120% Median Income ($60,122)

A	B	C	D	E	F	G	H	I
0%	86%	100%	100%	100%	100%	100%	100%	100%

Areas Affordable at 120% Median Family Income

- Affordable
- Unaffordable

- Water
- Non-Residential
- Open Space
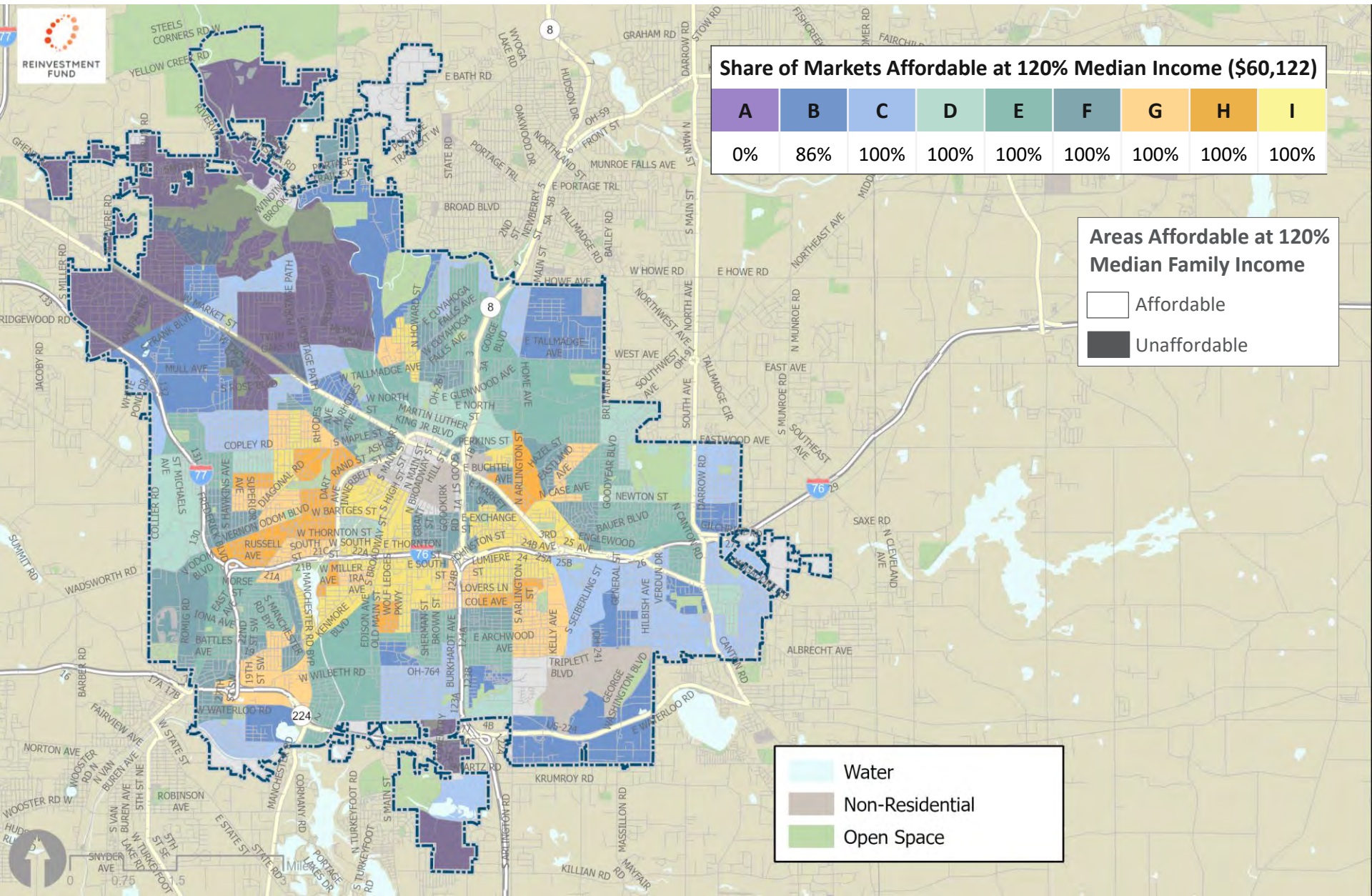
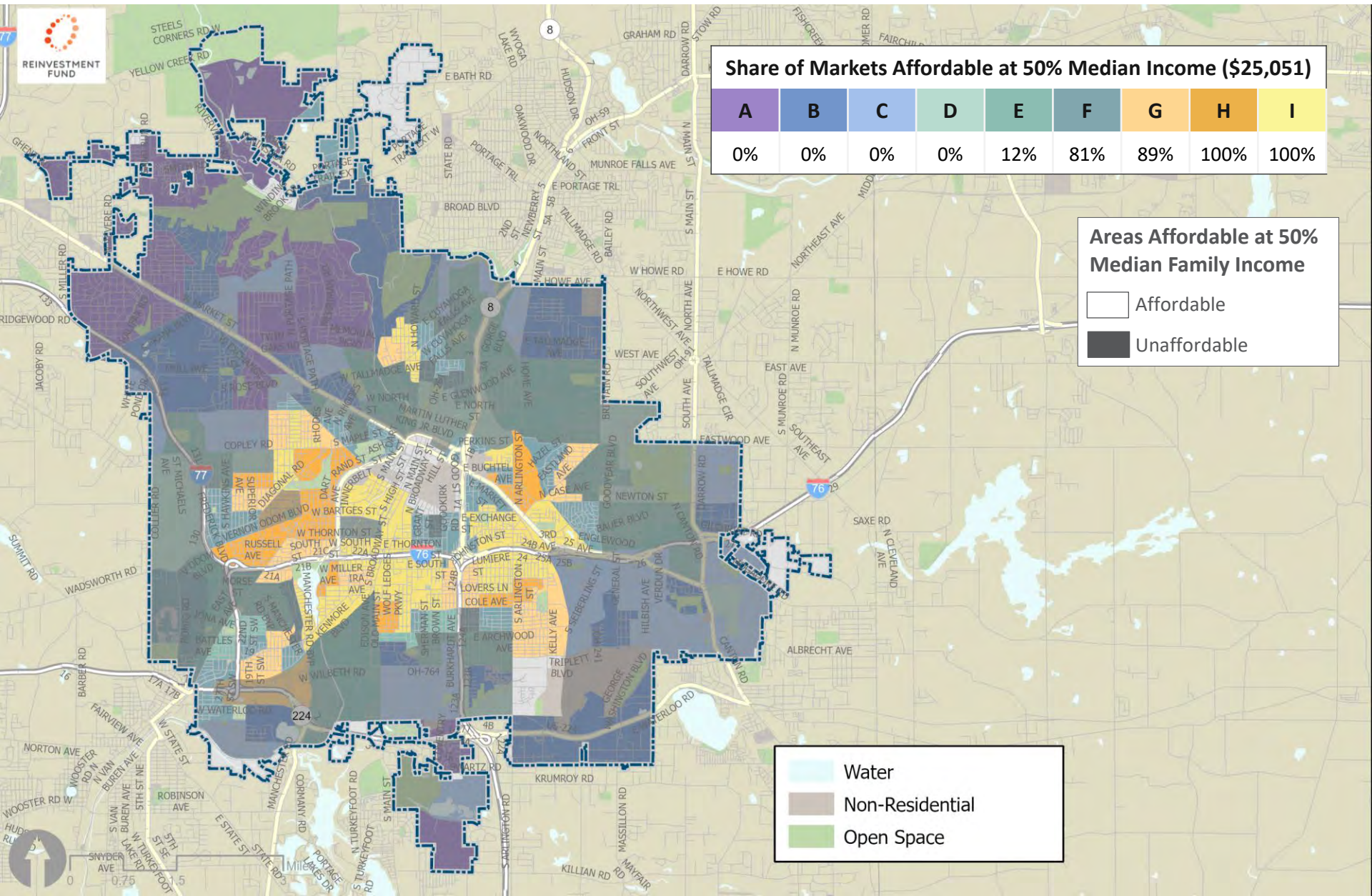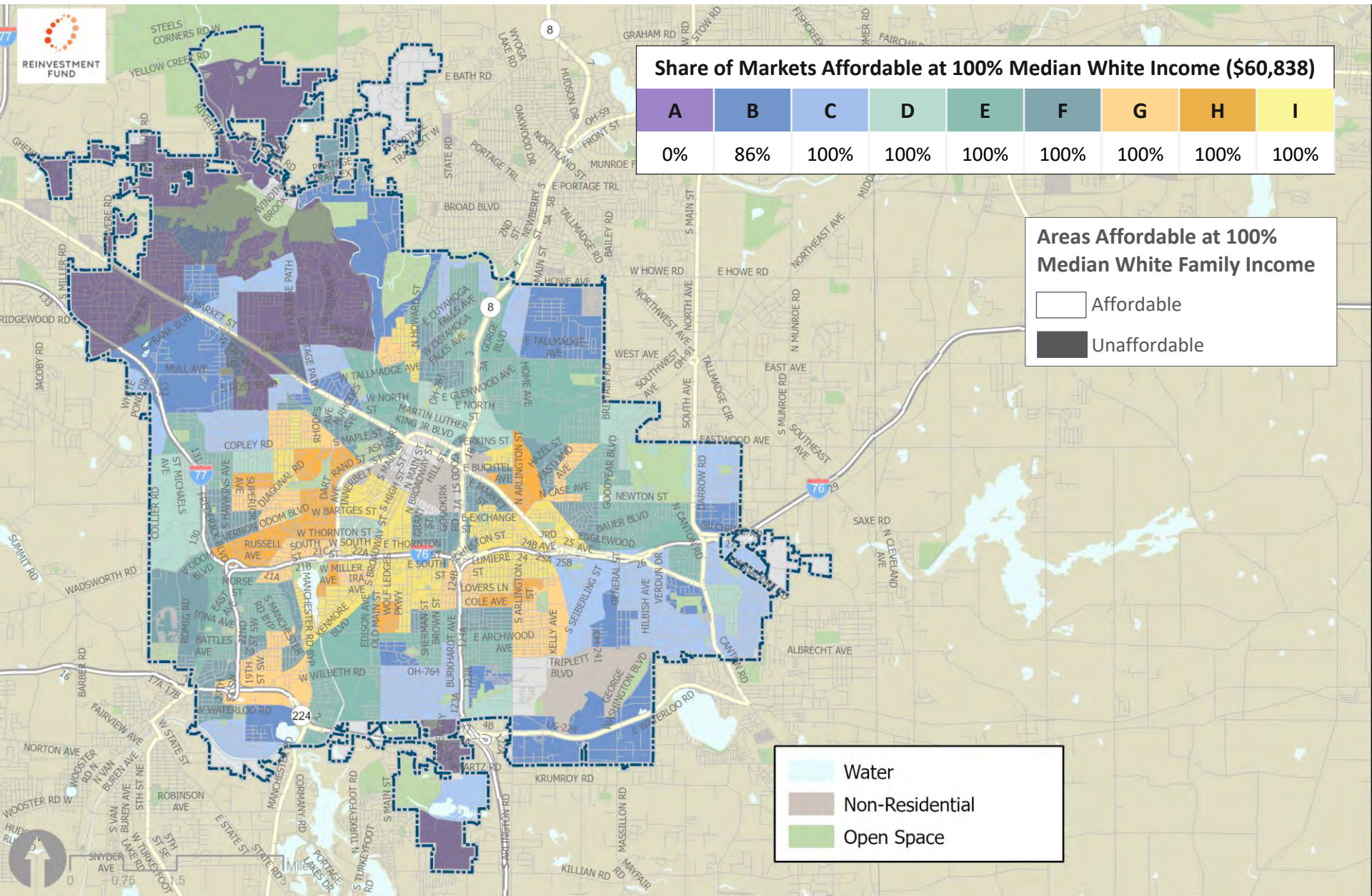# Housing Affordability: 100% of City Median Family Income ($50,102)

Share of Markets Affordable at 100% Median Income ($50,102)

A	B	C	D	E	F	G	H	I
0%	57%	88%	100%	100%	100%	100%	100%	100%

Areas Affordable at 100% Median Family Income

- Affordable
- Unaffordable

- Water
- Non-Residential
- Open Space
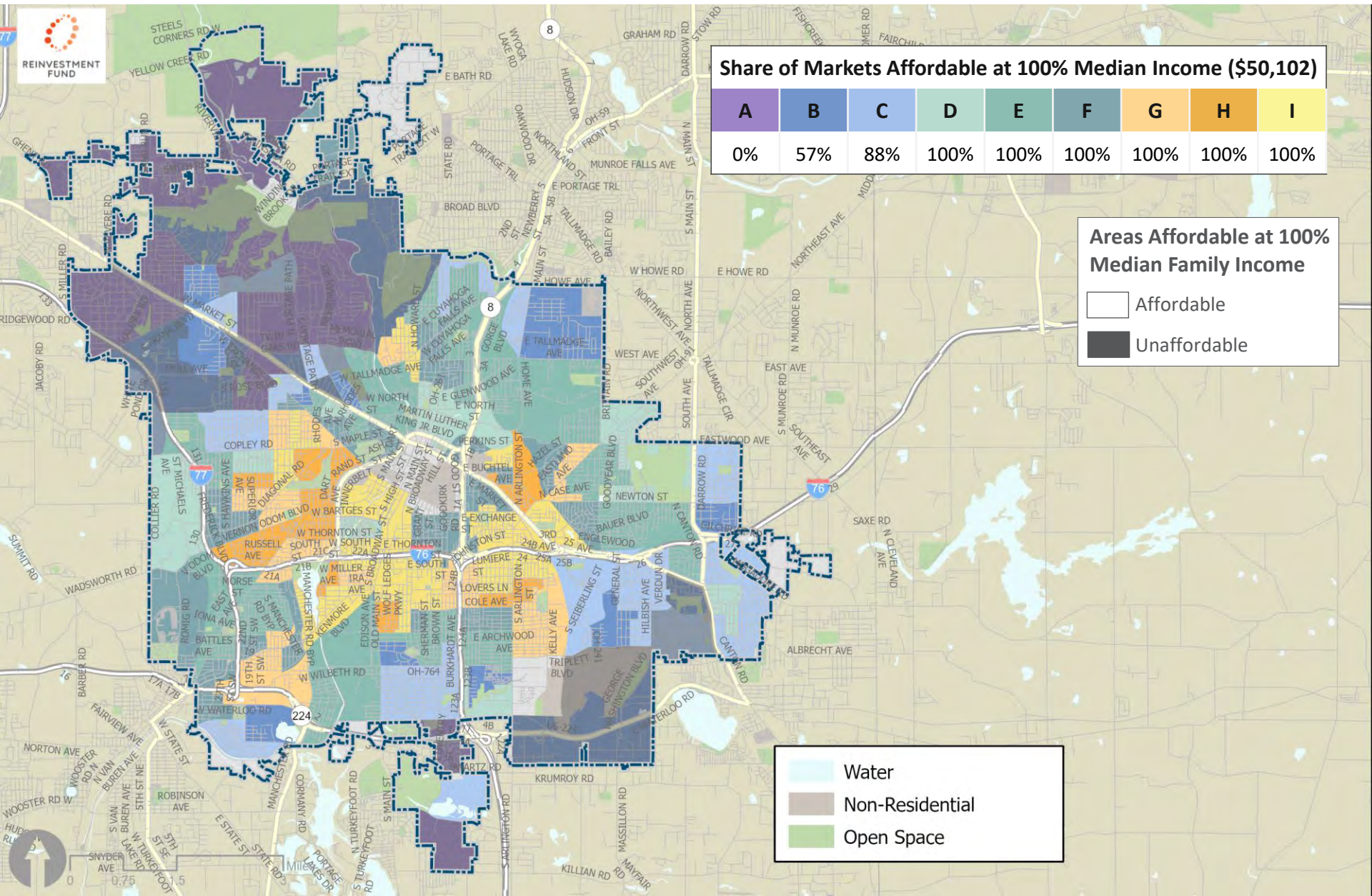
Housing Affordability: 80% of City Median Family Income ($40,082)

Share of Markets Affordable at 80% Median Income ($40,082)

A	B	C	D	E	F	G	H	I
0%	19%	29%	78%	100%	100%	100%	100%	100%

Areas Affordable at 80% Median Family Income

- Affordable
- Unaffordable

- Water
- Non-Residential
- Open Space
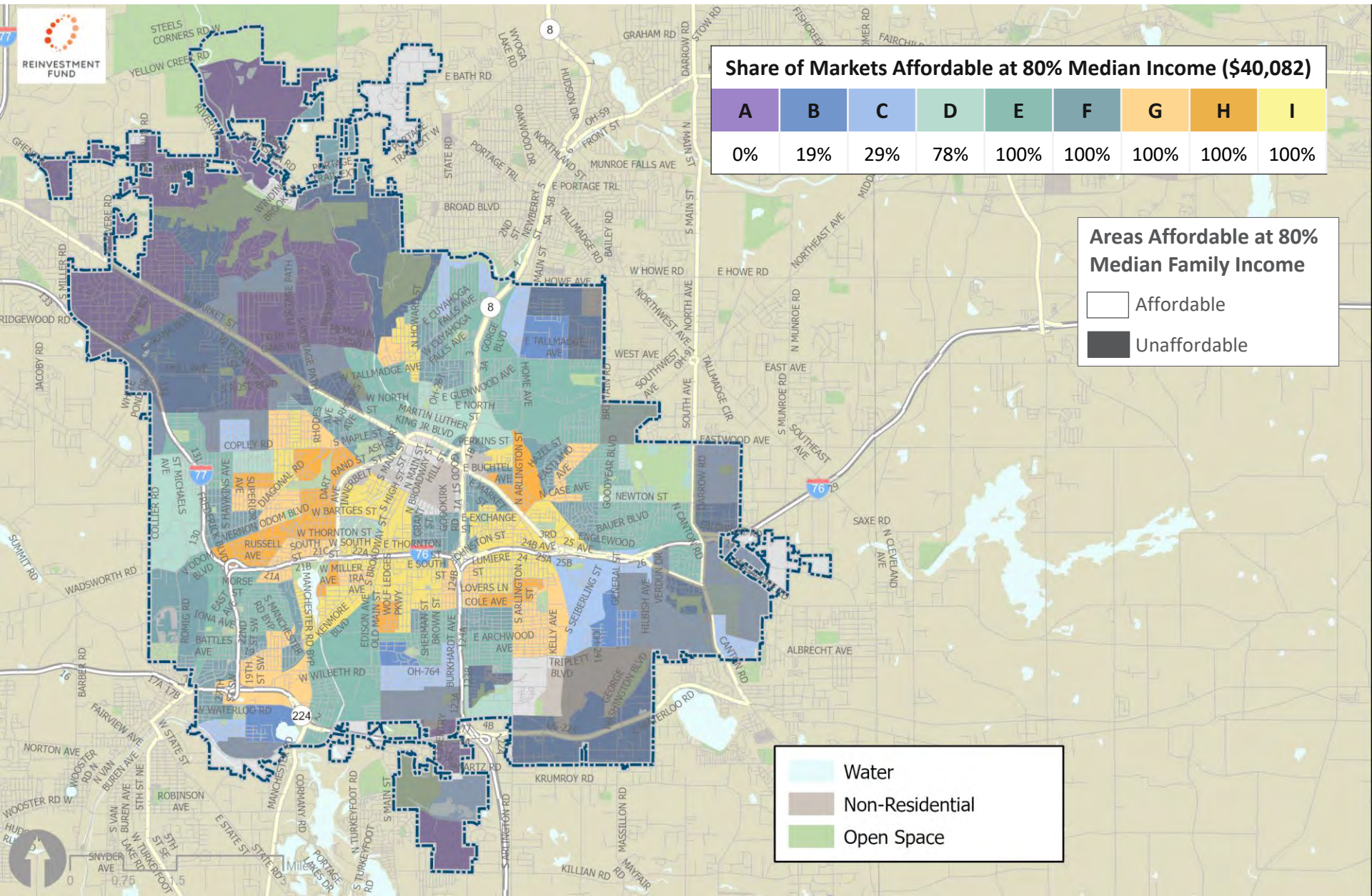
# Housing Affordability: 50% of City Median Family Income ($25,051)

Share of Markets Affordable at 50% Median Income ($25,051)

A	B	C	D	E	F	G	H	I
0%	0%	0%	0%	12%	81%	89%	100%	100%

Areas Affordable at 50% Median Family Income

Affordable
Unaffordable

Water
Non-Residential
Open Space

Housing Affordability: 100% City Median White Family Income ($60,838)

Share of Markets Affordable at 100% Median White Income ($60,838)

A	B	C	D	E	F	G	H	I
0%	86%	100%	100%	100%	100%	100%	100%	100%

Areas Affordable at 100% Median White Family Income

- Affordable
- Unaffordable

- Water
- Non-Residential
- Open Space

Housing Affordability: 100% City Median Black Family Income ($36,017)

Share of Markets Affordable at 100% Median Black Income ($36,017)

A	B	C	D	E	F	G	H	I
0%	0%	6%	56%	100%	100%	100%	100%	100%

Areas Affordable at 100% Median Black Family Income

- Affordable
- Unaffordable

- Water
- Non-Residential
- Open Space
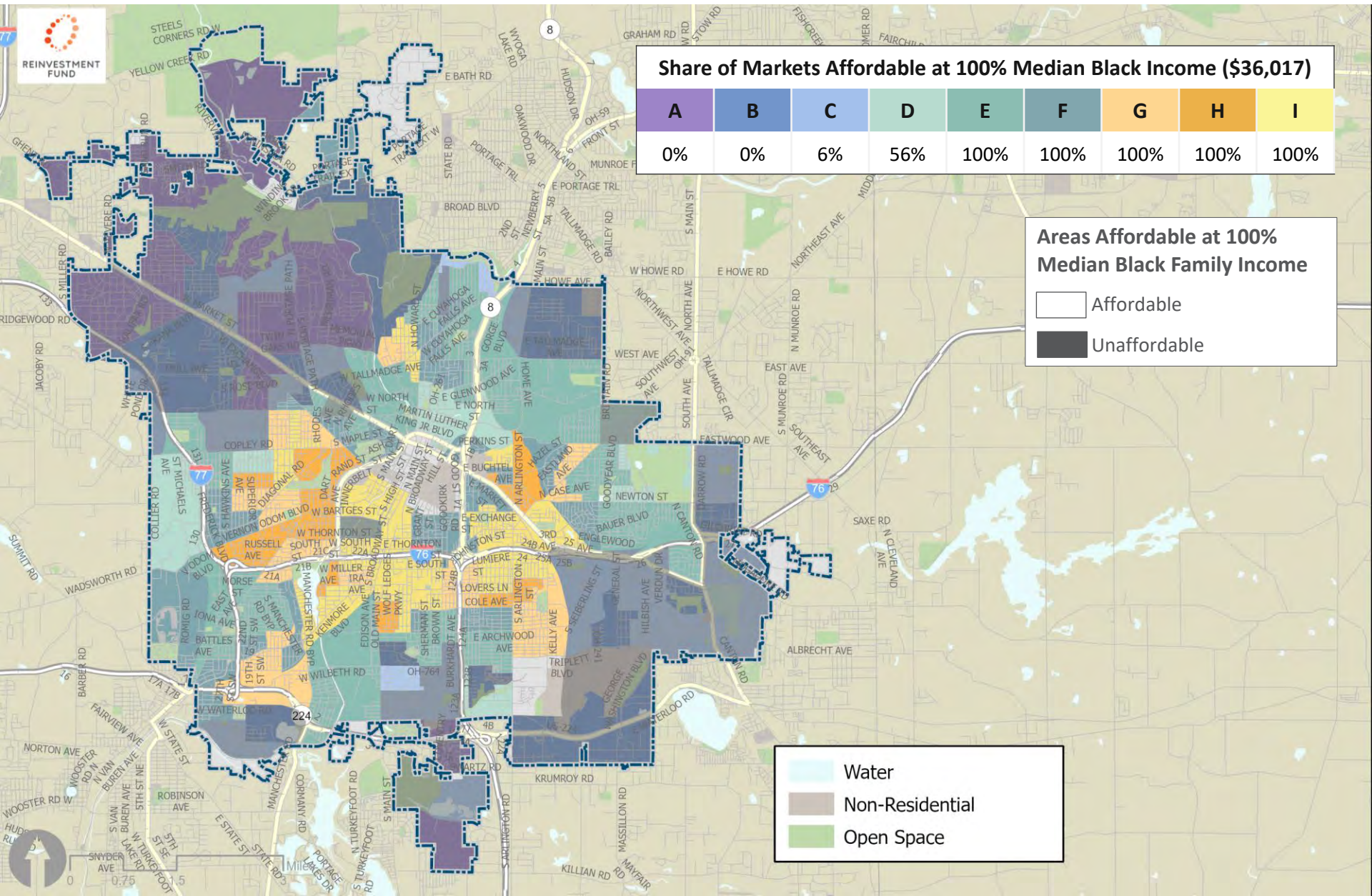
Cost Burdened Renters

Share of Renters Spending 30% of Their Income or More on Rent

A	B	C	D	E	F	G	H	I
28%	38%	37%	41%	43%	54%	62%	42%	56%

"D" and "H" Markets have a high share households in subsidized housing
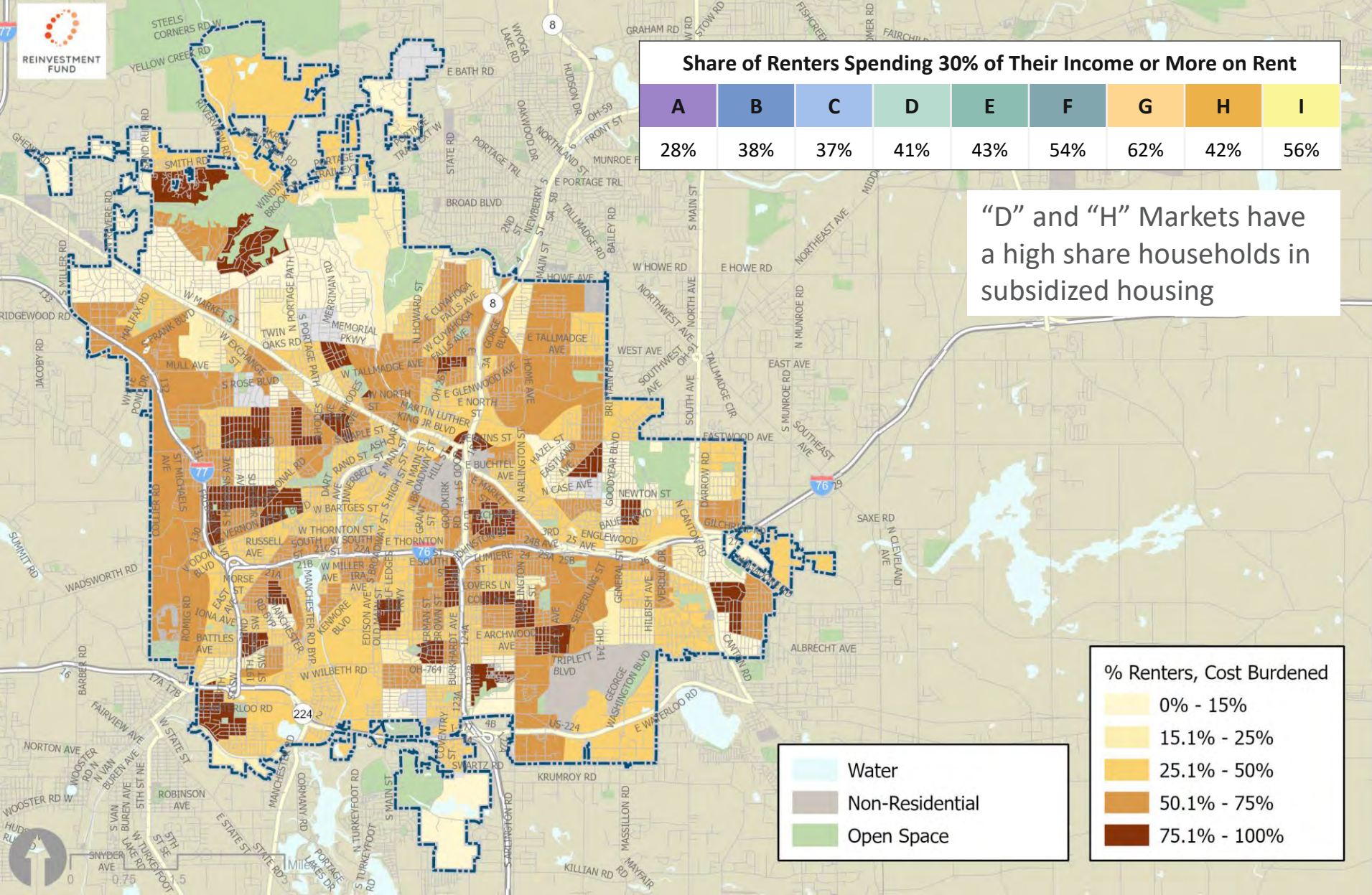
% Renters, Cost Burdened
- 0% - 15%
- 15.1% - 25%
- 25.1% - 50%
- 50.1% - 75%
- 75.1% - 100%

- Water
- Non-Residential
- Open Space

Mortgage Activity

Mortgage Access

Access to mortgage credit to refinance or purchase a home is a critical component of a well functioning housing market. When credit is not accessible, cash and institutional buyers have an advantage over current/prospective homeowners.

Home Mortgage Disclosure Act (HMDA) data offers a way to understand home purchase and refinance lending taking place in the different MVA market types.

Types of Questions We Can Answer with HMDA and MVA Data

Mortgage Application Activity. *Where do we see higher or lower application rates?*

Mortgage Application Outcomes. *How do denial rates vary by market type?*

Cash vs Mortgage Purchases. *Where do cash purchases predominate?*

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Access to Home Mortgage Credit

The table below shows mortgage outcomes from Home Mortgage Disclosure Application filings. The share of cash sales are estimated by comparing the number of originated loans with the number of residential transactions.

Mortgage Application Volume and Mortgage Utilization was Much Lower in Weaker Markets

Home Purchase Application Outcomes, 2020 - 2022 | | | | *Applications per Household, 2020 - 2022* | | *Estimated Home Sales with Mortgages, 2020-2022* | | |
|---|---|---|---|---|---|---|---|---|---|
| | Originated Loans | Rejected Apps | Withdrawn Apps | Total Apps | Total Households | App per 100 Households | Originated Loans | Home Sales | Estimated Mortgage Sales |
| **Purple Markets** | 1,078 (78%) | 76 (6%) | 224 (16%) | 1,379 (100%) | 11,204 | 12.3 | 1,078 | 1,167 | 92% |
| **Blue Markets** | 1,916 (80%) | 146 (6%) | 347 (14%) | 2,409 (100%) | 26,477 | 9.1 | 1,916 | 2,648 | 72% |
| **Green Markets** | 1,644 (76%) | 208 (10%) | 316 (15%) | 2,169 (100%) | 39,420 | 5.5 | 1,644 | 3,774 | 44% |
| **Orange Markets** | 180 (71%) | 35 (14%) | 39 (15%) | 254 (100%) | 5,762 | 4.4 | 180 | 421 | 43% |
| **Yellow Markets** | 47 (67%) | 6 (8%) | 18 (25%) | 71 (100%) | 5,206 | 1.3 | 47 | 348 | 14% |
| **All Markets** | 4,866 (77%) | 470 (7%) | 945 (15%) | 6,282 (100%) | 88,069 | 7.1 | 4,866 | 8,358 | 58% |

*Only Includes first lien, home purchase applications for owner-occupied single-family homes

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Access to Home Mortgage Credit

Mortgages are the lifeblood of a neighborhood. Akron's affordability is a strength, but it can be difficult to secure financing for loans of less than $100,000. Here are the financial institutions originating the most loans in Green, Orange and Yellow markets where mortgage loans are likely to be less than $100,000.

Market with Average Median Sales Price	Name of Financial Institution	% of Originated Mortgages *	Estimated Mortgage Sales
Green Markets ($78k)	Huntington National Bank	8%	44%
	Fairway Independent Mortgage Corporation	8%	
	CrossCountry Mortgage, LLC	7%	
	Rocket Mortgage	3%	
	Ruoff Mortgage Company	3%	
Orange Markets ($53k)	Huntington National Bank	14%	43%
	Fairway Independent Mortgage Corporation	8%	
	Rocket Mortgage	6%	
	CrossCountry Mortgage, LLC	6%	
	JPMorgan Chase Bank, NA	3%	
Yellow Markets ($42k)	Huntington National Bank	11%	14%
	Fairway Independent Mortgage Corporation	8%	
	Rocket Mortgage	7%	
	First Ohio Home Finance Inc	4%	
	Union Home Mortgage	3%	

*Only Includes first lien, home purchase applications for owner-occupied single-family homes

REINVESTMENT FUND

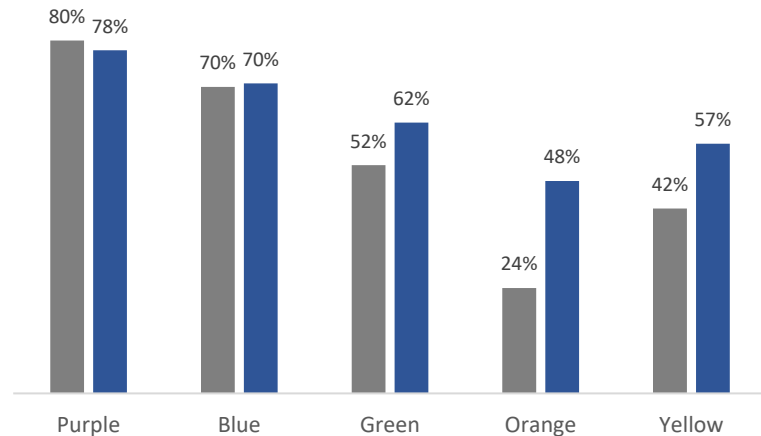# Approvals and Denials by Race and Markets

Black Borrowers are Under-Represented Among New Mortgage Originations in All Market Types

Resident Population vs Race of Originated Loans, 2020 - 2022

Black Population and Black Borrowers
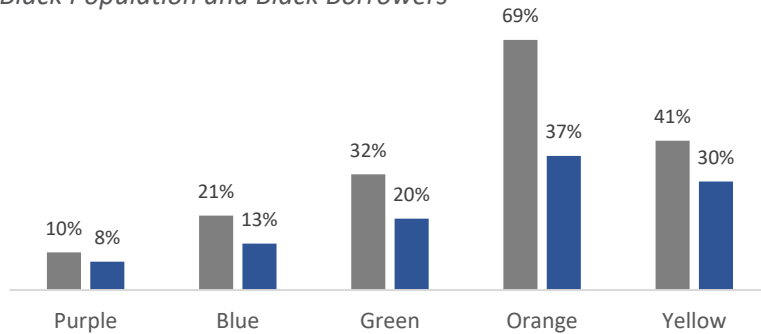
White Population and White Borrowers

Legend: Share of Population (gray) | Share of Mortgages (blue)

Higher Denial Rates Among Black Borrowers May Contribute to Disparities

Share of Denied Purchase Applications, 2020-2022

	White Borrowers	Black Borrowers	All Other Borrowers
Purple Markets	4%	11%	8%
Blue Markets	5%	8%	9%
Green Markets	7%	13%	13%
Orange Markets	13%	15%	12%
Yellow Markets	8%	13%	0%
All Markets	**6%**	**11%**	**10%**

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MVA Components

Property Value and Investment

- Median Sales Prices, 2020 to 2023Q1
- Coefficient of Variance for Sales, 2020 to 2023Q1
- New Construction Permits, 2018 to 2022Q3
- Rehab Permits, 2017 – 2022Q2

Blight, Distress, and Vacancy

- Vacant Housing Units, 2020 and Vacant Land Parcels, 2022
- Active Complaints, 2022
- Foreclosure Filings, 2020 – 2022

Housing Characteristics

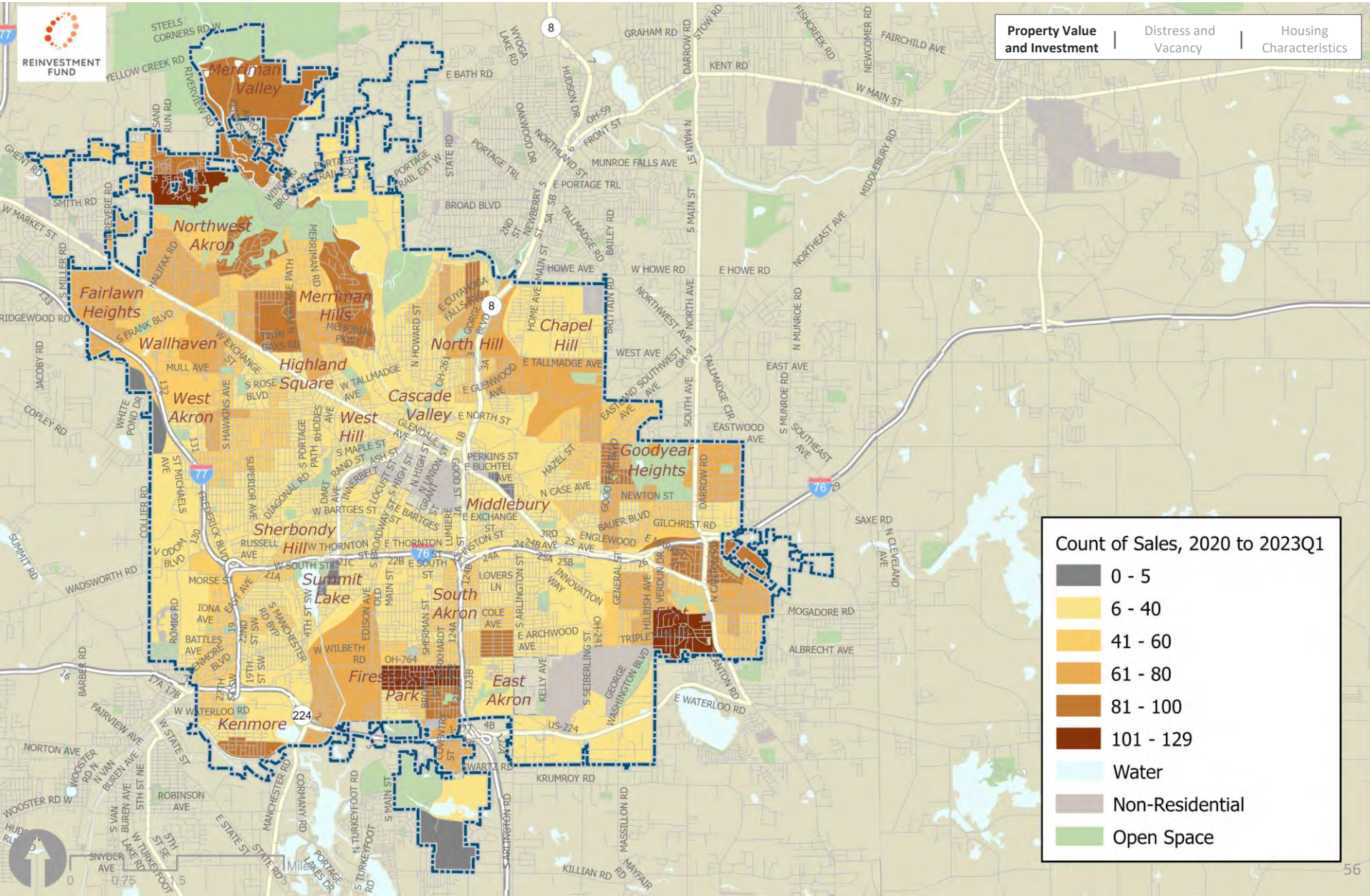- Owner-Occupied Households, 2017-21
- Subsidized Rental Housing Units, 2022
- Housing Density, 2020

2023 MVA Variables, Sources, and Definitions

	Variable	Definition	Source
Property Values and Investment	Median Home Values, 2020 to 2023Q1	The median value of all residential home sales occurring between 2020 and 2022, excluding homes purchased for values below $1,000	Akron Cleveland Assoc. of REALTORS
	Variance of Sales Price, 2020 to 2023Q1	The variance of homes values (Average Value ÷ Standard Deviation)	Akron Cleveland Assoc. of REALTORS
	Share of Homes with Permits, 2017 to 2022	The share of residential properties with non-demolition permits issued between 2017 and 2022	City of Akron Plans and Permits
Distress and Vacancy	Share of Mortgage Foreclosures, 2020 - 2022	Share of owner-occupied residential properties that had a mortgage foreclosure filing from 2020-2022	Summit County Clerk of Courts
	Share of Homes with an Active Code Enforcement Case, 2022	The share of residential properties that were issued a maintenance-related violation, 2022	City of Akron Housing Division
	Vacant Properties as a Share of Residential Properties	*Share of residential units that are vacant, 2020	Decennial Census
	Vacant Land	Residential parcels as a share of housing units, 2022	Dept. of Planning and Urban Development
Housing Characteristics	Density of Housing Units	Number of households per acre of land	Dept. of Planning and Urban Development
	Percent Owner Occupied Households	Percent of households that reported owning their home	ACS, Census (2017-21)
	Share of Renter Households with Subsidy	* Number of subsidized units (public housing and voucher) as a share of renter households	Akron Metro. Housing Authority

* 2017 MVA used water shut offs and land bank data for vacancy and data from Akron Metro Housing for subsidy
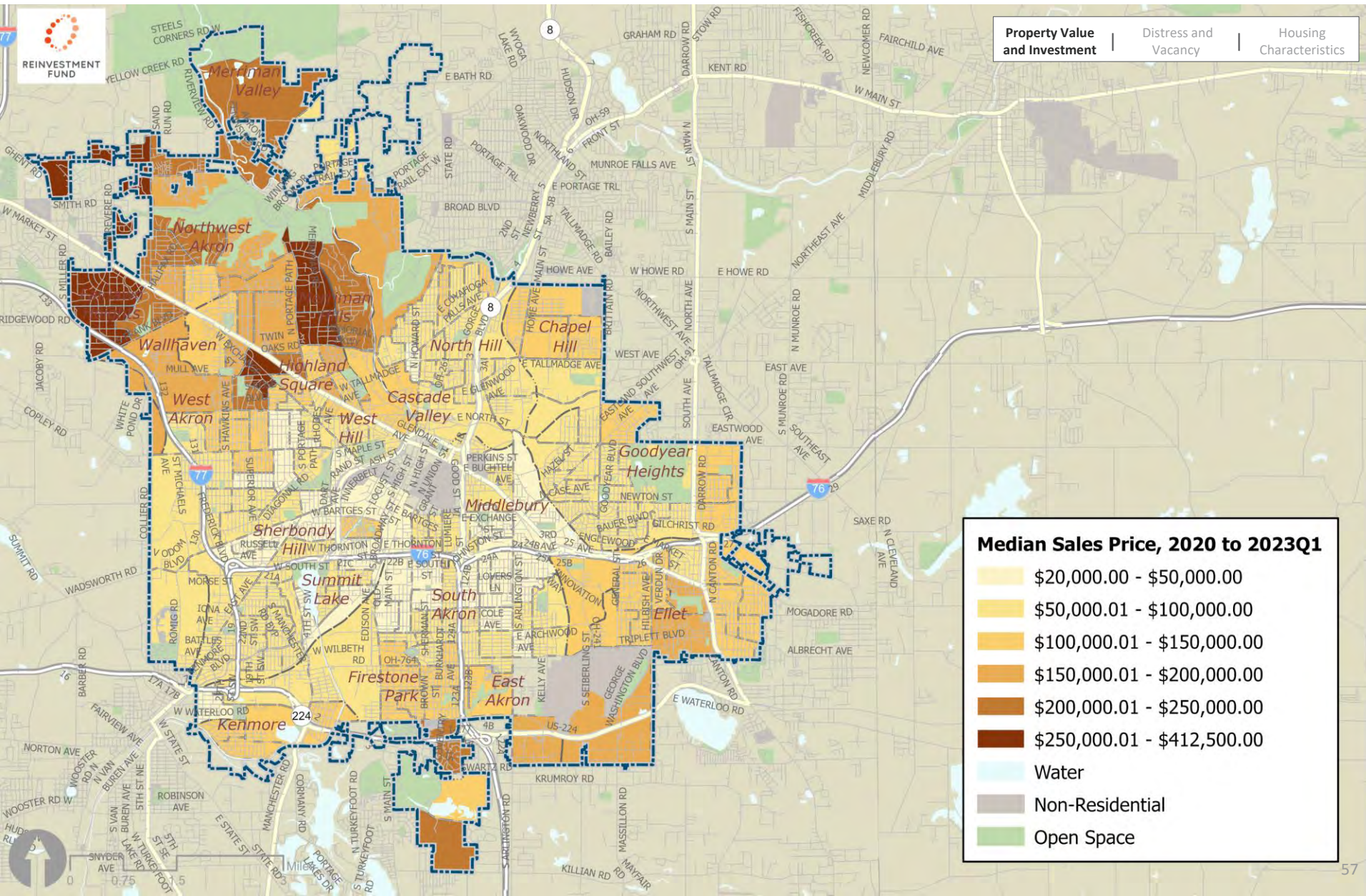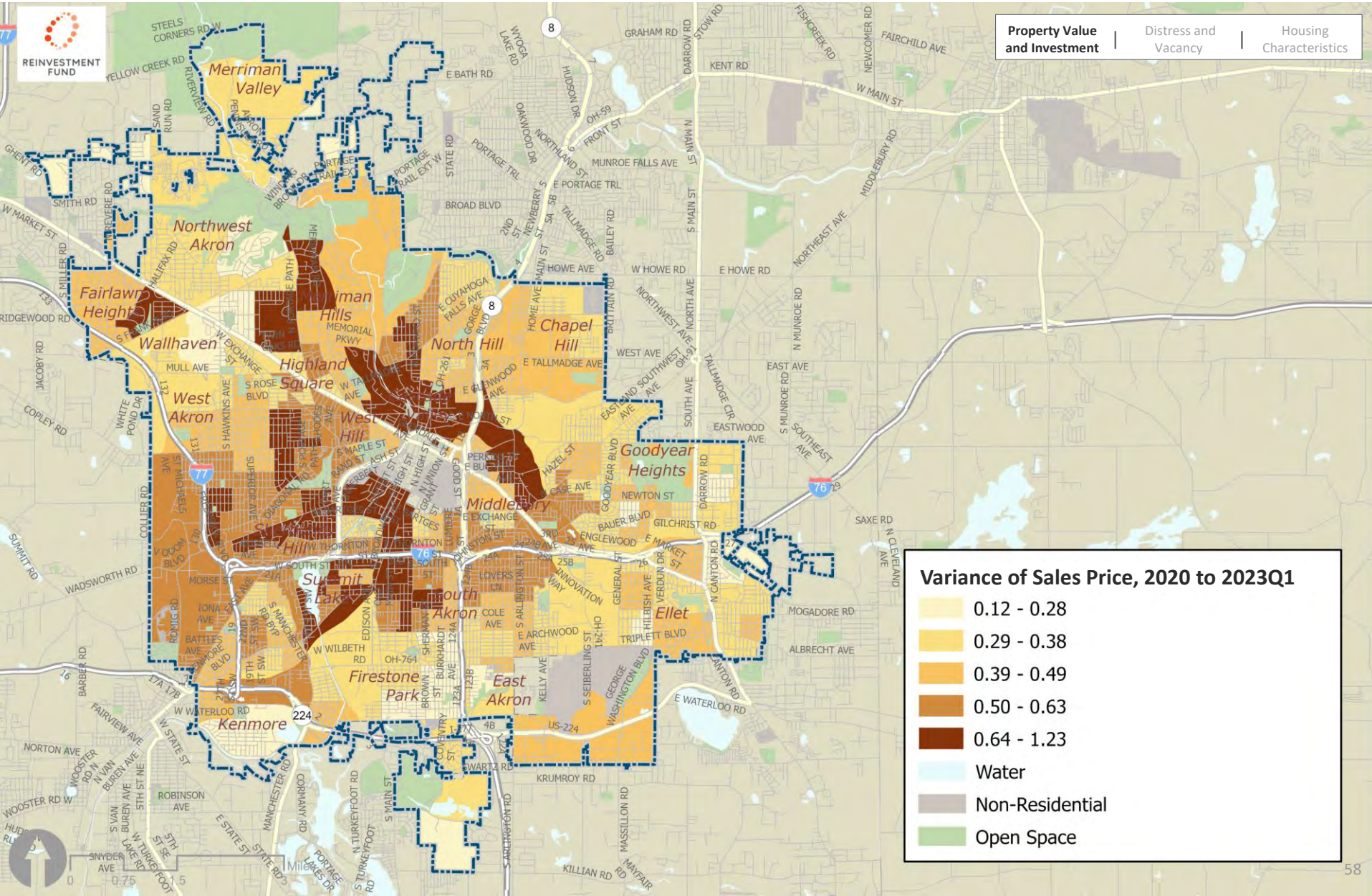
Median Home Sale Price, 2020 to 2023Q1

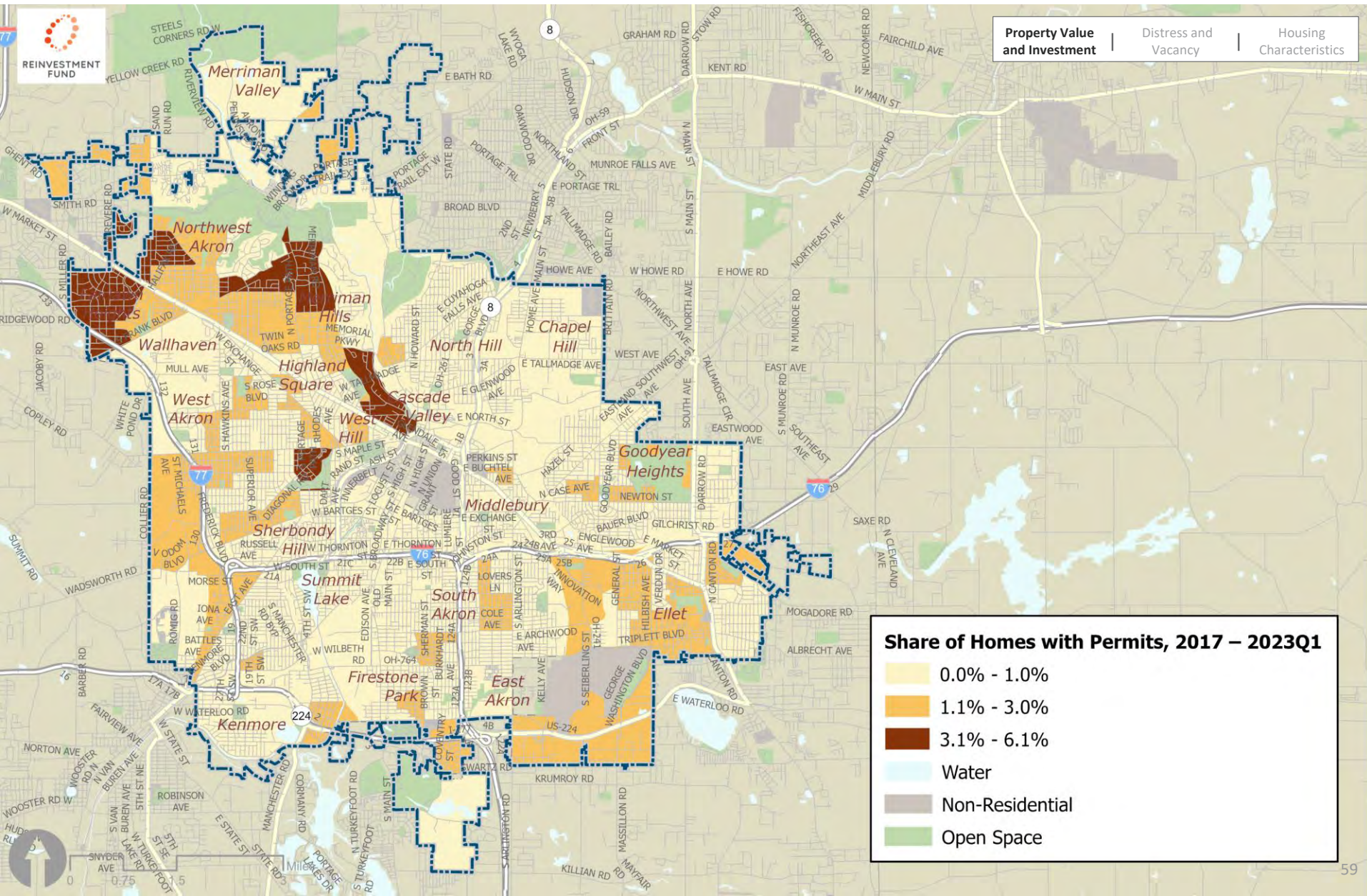**Median Sales Price, 2020 to 2023Q1**

- $20,000.00 - $50,000.00
- $50,000.01 - $100,000.00
- $100,000.01 - $150,000.00
- $150,000.01 - $200,000.00
- $200,000.01 - $250,000.00
- $250,000.01 - $412,500.00
- Water
- Non-Residential
- Open Space

57

Variance of Sales Prices, 2020 to 2023Q1

Variance of Sales Price, 2020 to 2023Q1

- 0.12 - 0.28
- 0.29 - 0.38
- 0.39 - 0.49
- 0.50 - 0.63
- 0.64 - 1.23
- Water
- Non-Residential
- Open Space

Share of Homes with All Types of Permits, 2017 – 2023Q1

Property Value and Investment | Distress and Vacancy | Housing Characteristics

Share of Homes with Permits, 2017 – 2023Q1

- 0.0% - 1.0%
- 1.1% - 3.0%
- 3.1% - 6.1%
- Water
- Non-Residential
- Open Space

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Share of Homes with New Construction or Renovation Permits, 2020 to 2022

Property Value and Investment | Distress and Vacancy | Housing Characteristics

Share of Homes with Permits, 2017 – 2023Q1

- 0.0%
- 0.1% - 10.0%
- 10.1% - 30.0%
- 30.1% - 63.4%
- Water
- Non-Residential
- Open Space
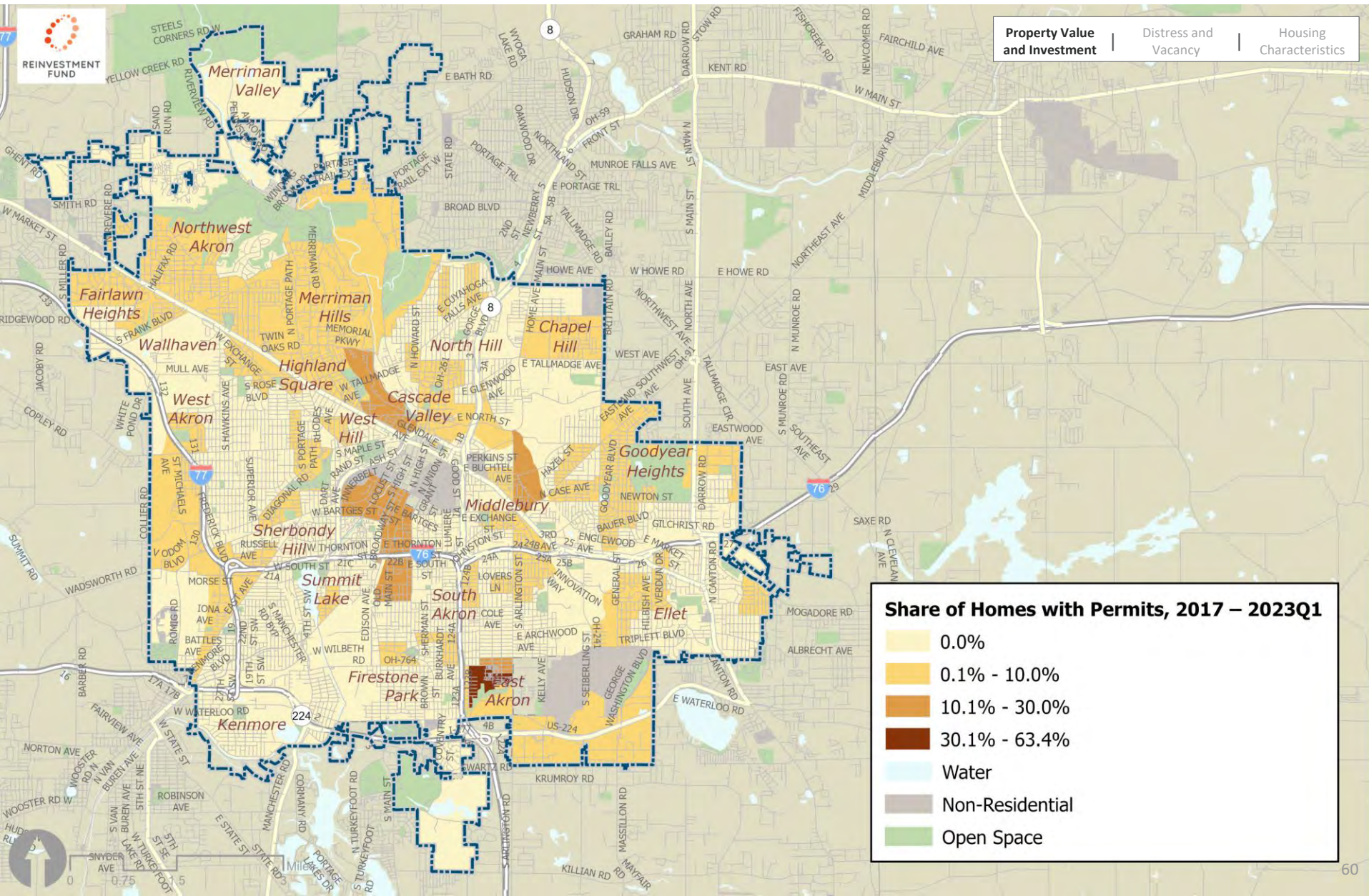
Mortgage Foreclosure as a Share of Occupied Homes, 2020-2022

Mortgage Foreclosure, 2020-2022

- 0%
- 0.1% - 5%
- 5.1% - 10%
- 10.1% - 18.2%
- Water
- Non-Residential
- Open Space
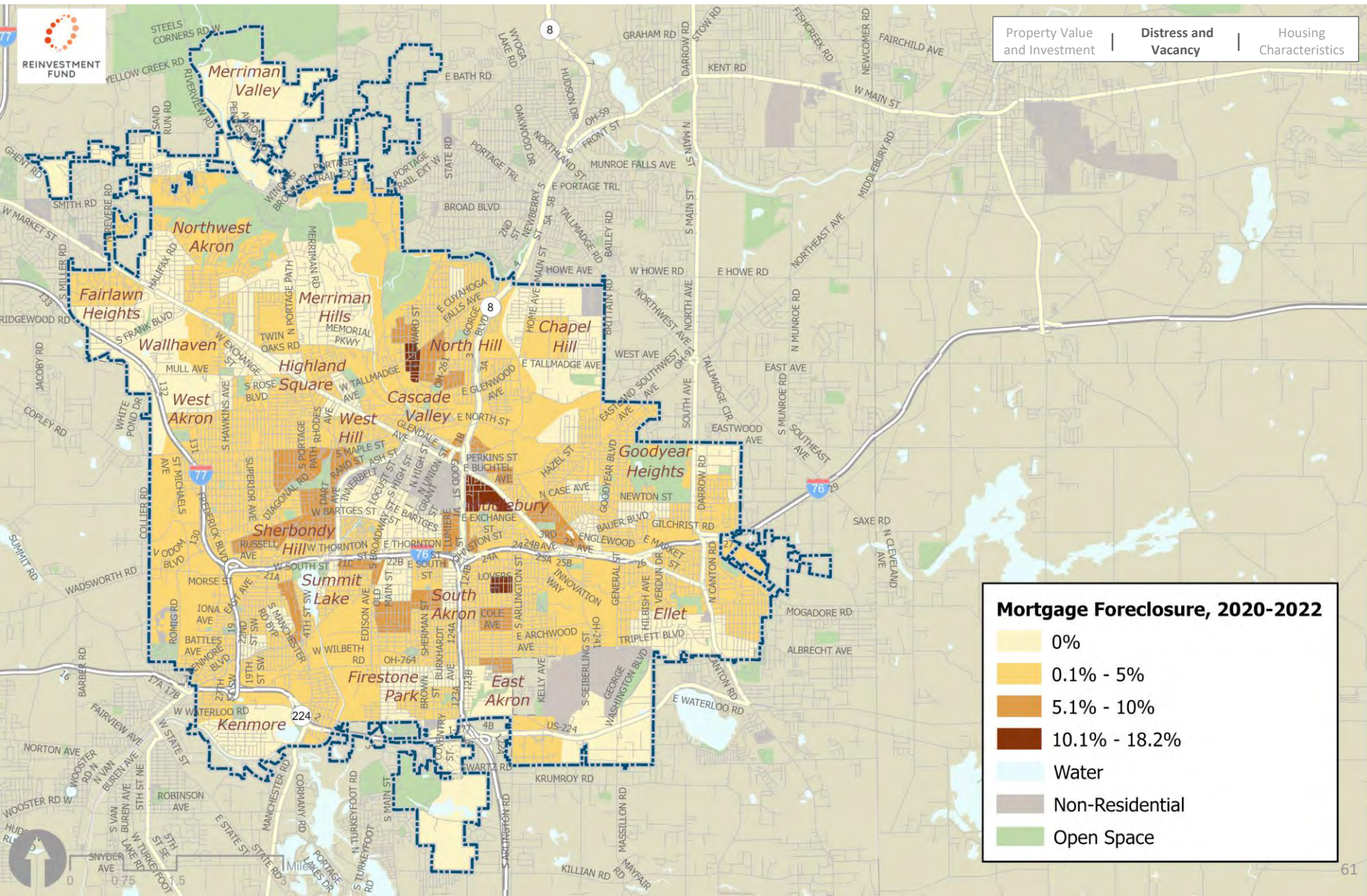
Share of Homes with an Active Code Enforcement Case, 2020-2022
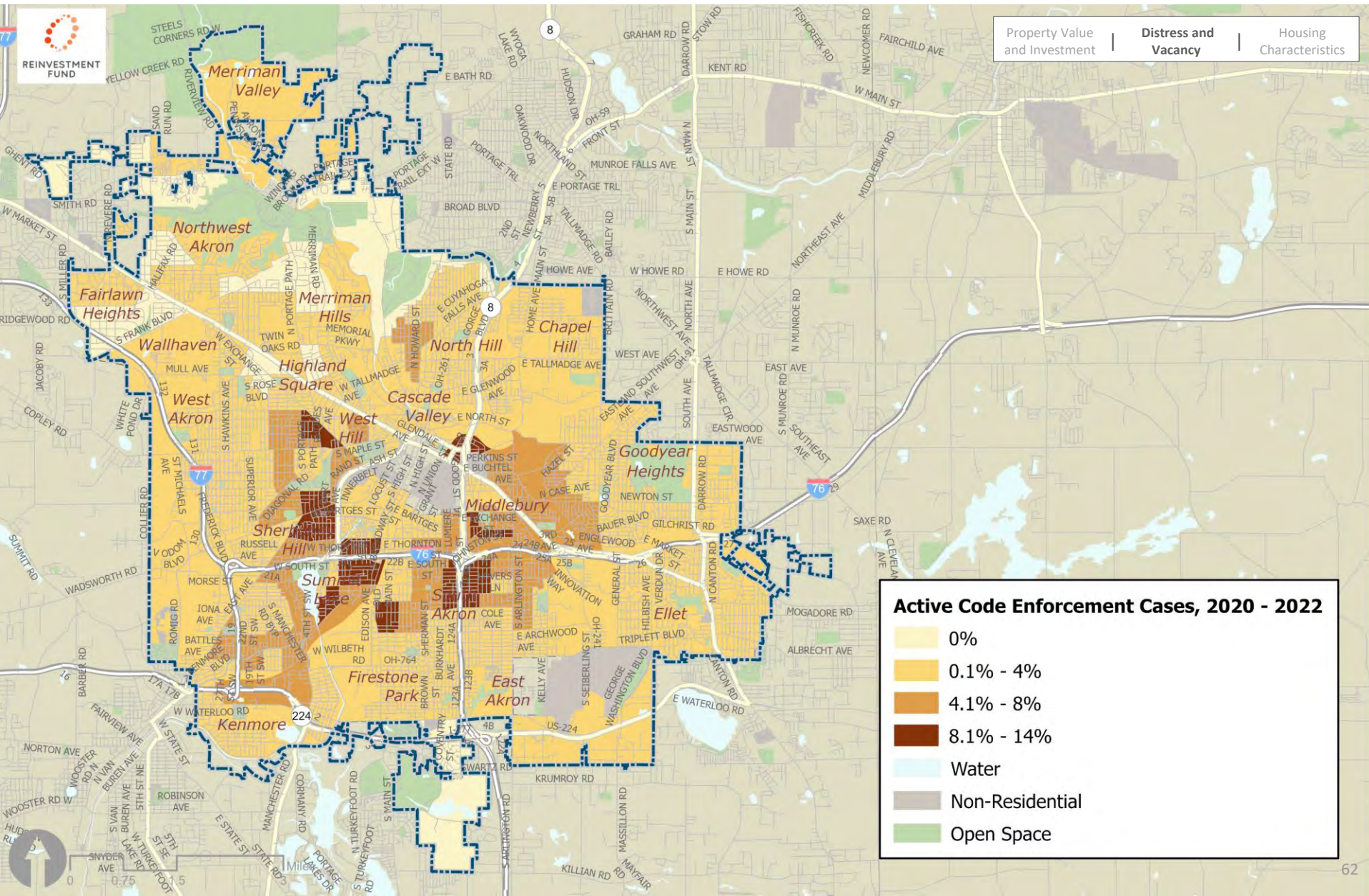
Vacant Land Area, 2022
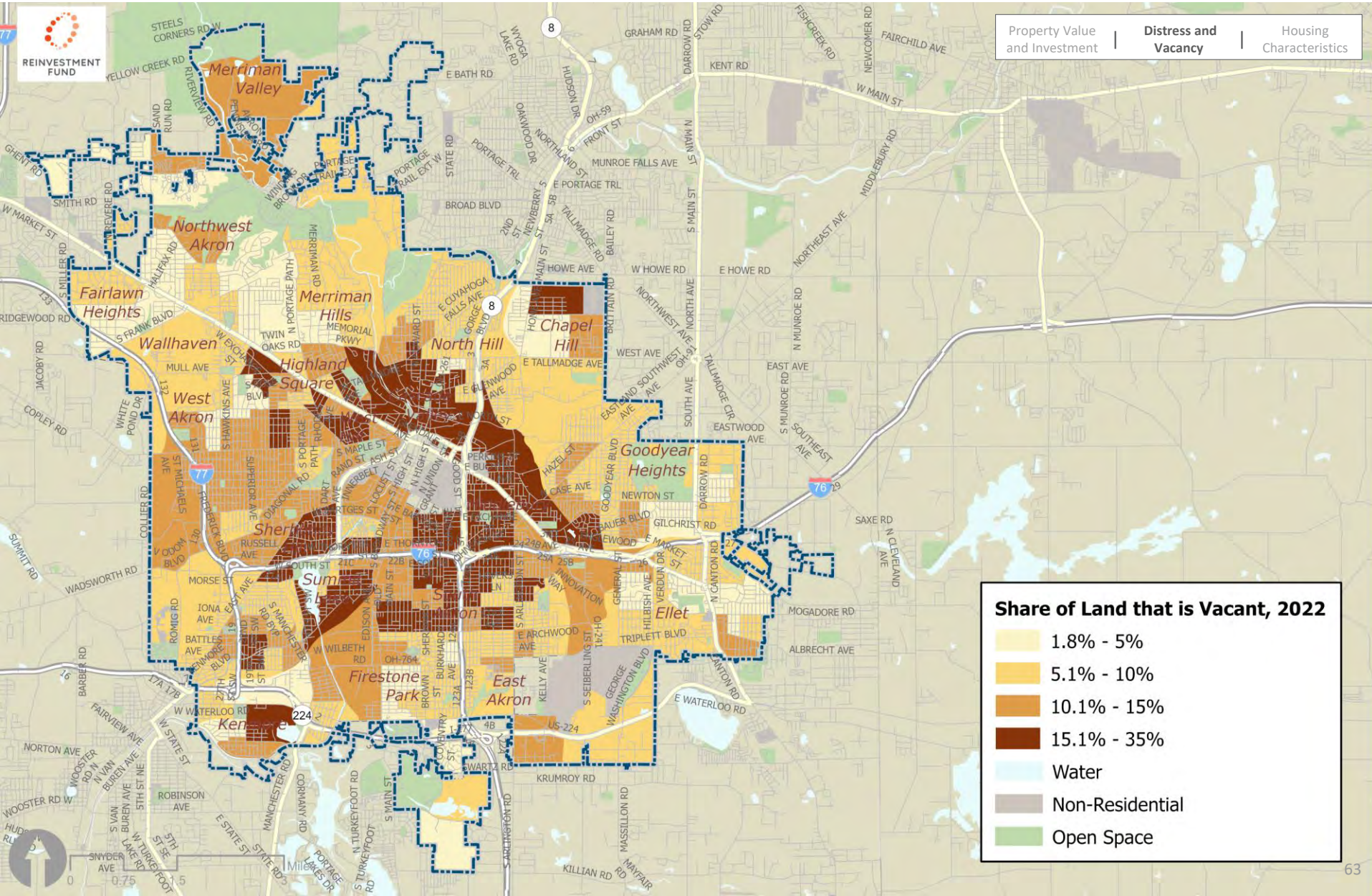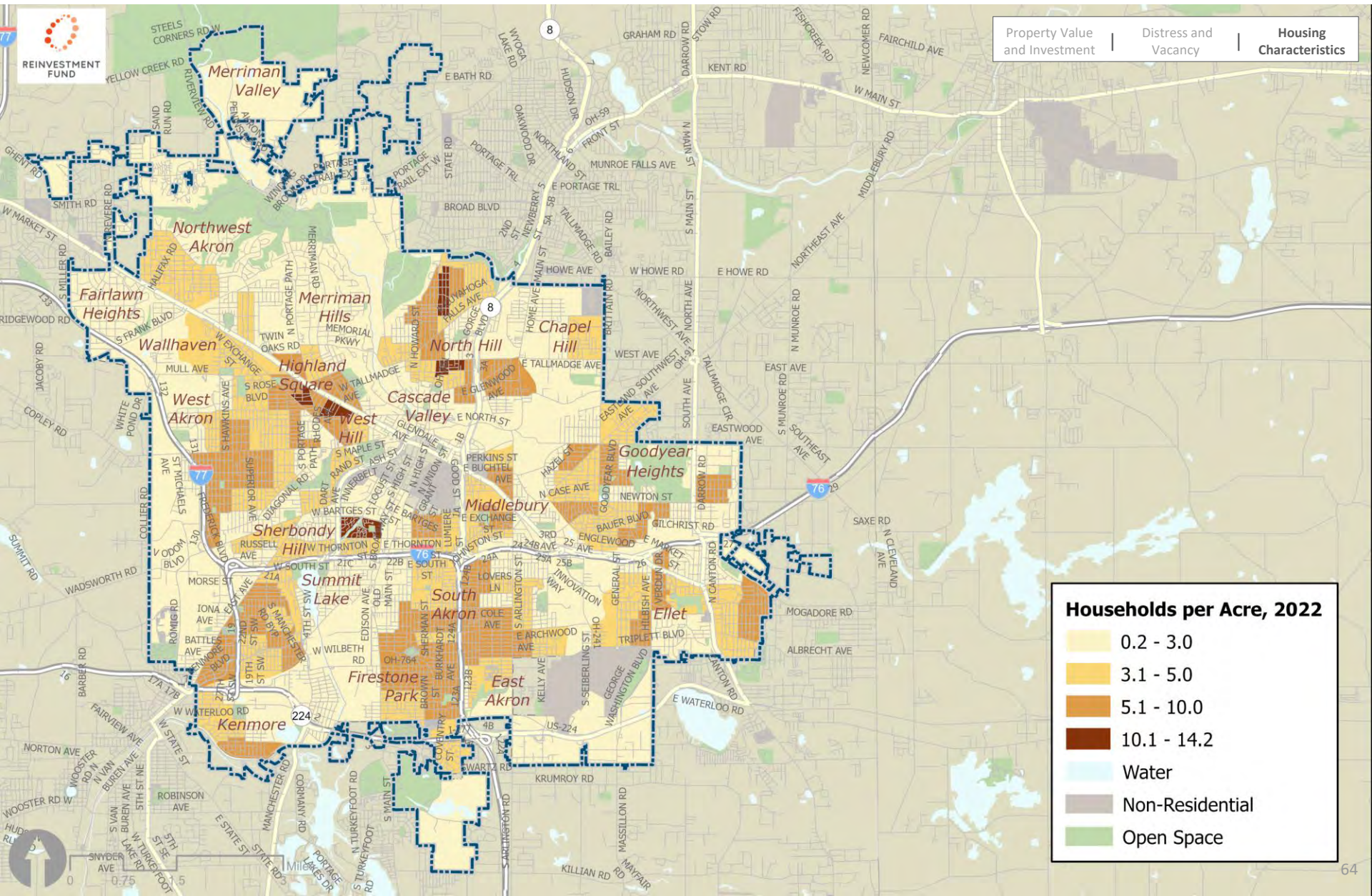
Share of Land that is Vacant, 2022

- 1.8% - 5%
- 5.1% - 10%
- 10.1% - 15%
- 15.1% - 35%
- Water
- Non-Residential
- Open Space

63

Residential Density

Households per Acre, 2022

- 0.2 - 3.0
- 3.1 - 5.0
- 5.1 - 10.0
- 10.1 - 14.2
- Water
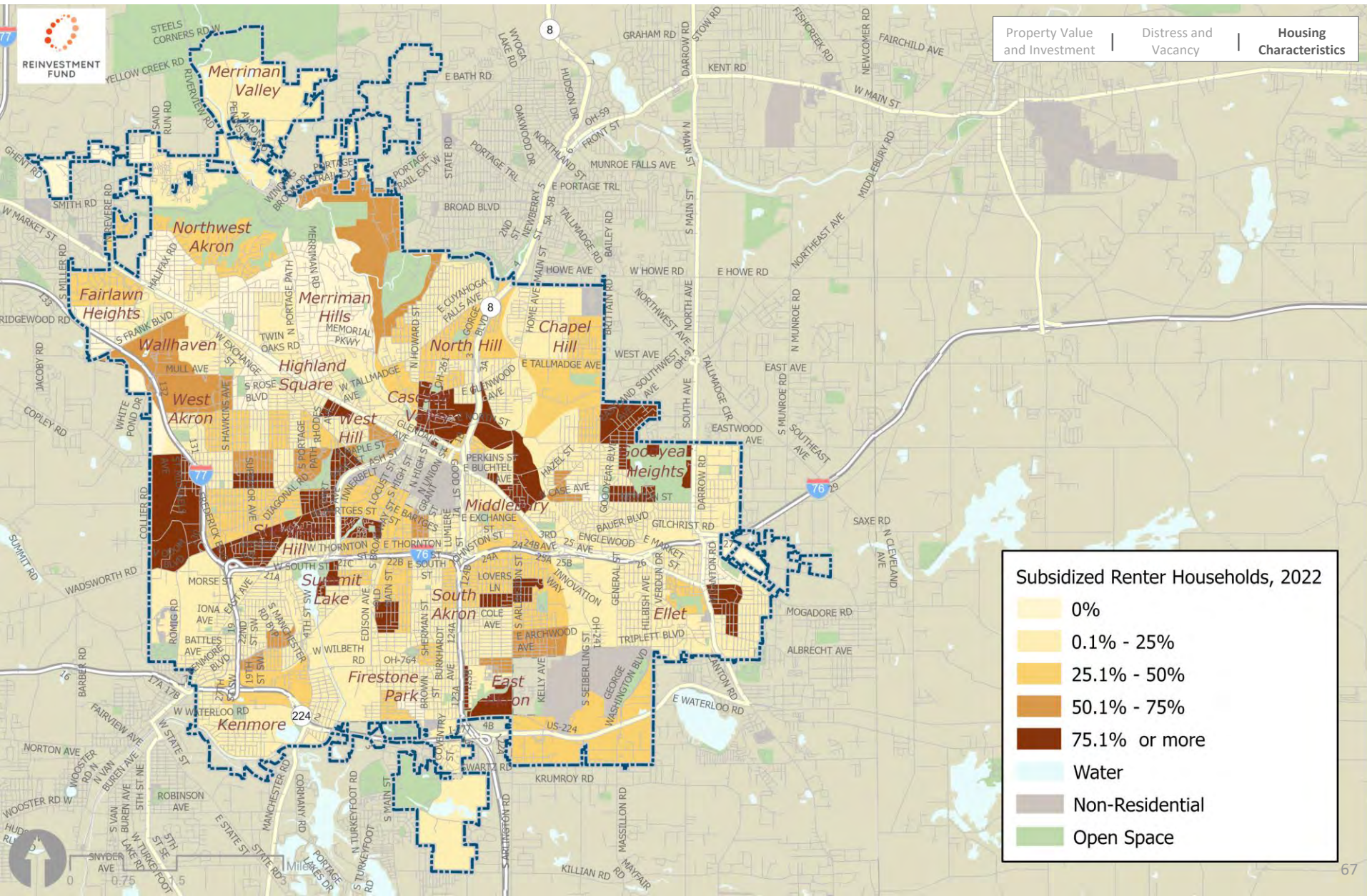- Non-Residential
- Open Space

Residential Land Use, 2022

Legend — Residential Land Use, 2022:
- 7.7% - 60%
- 60.1% - 80%
- 80.1% - 99.7%
- Water
- Non-Residential
- Open Space
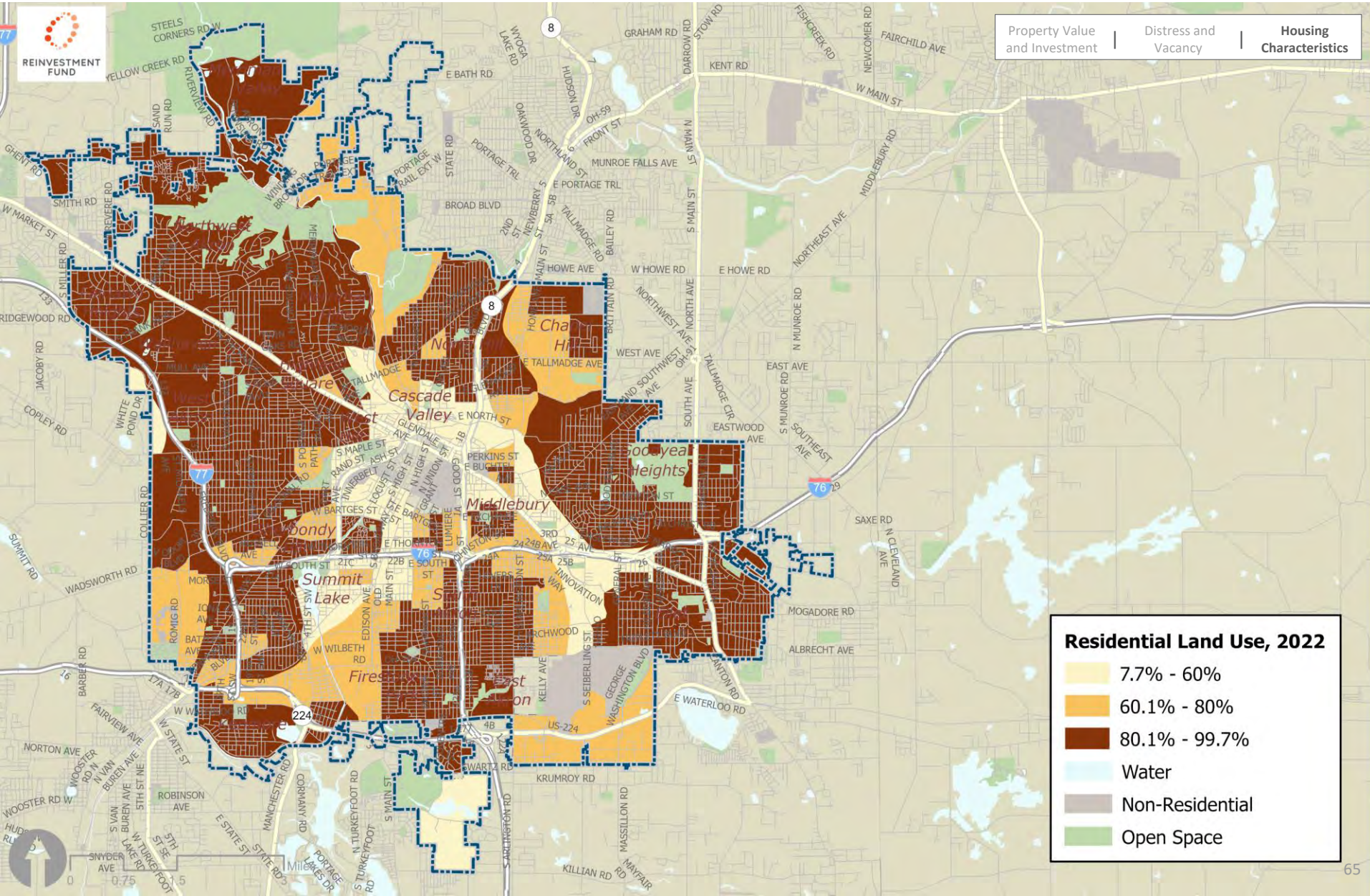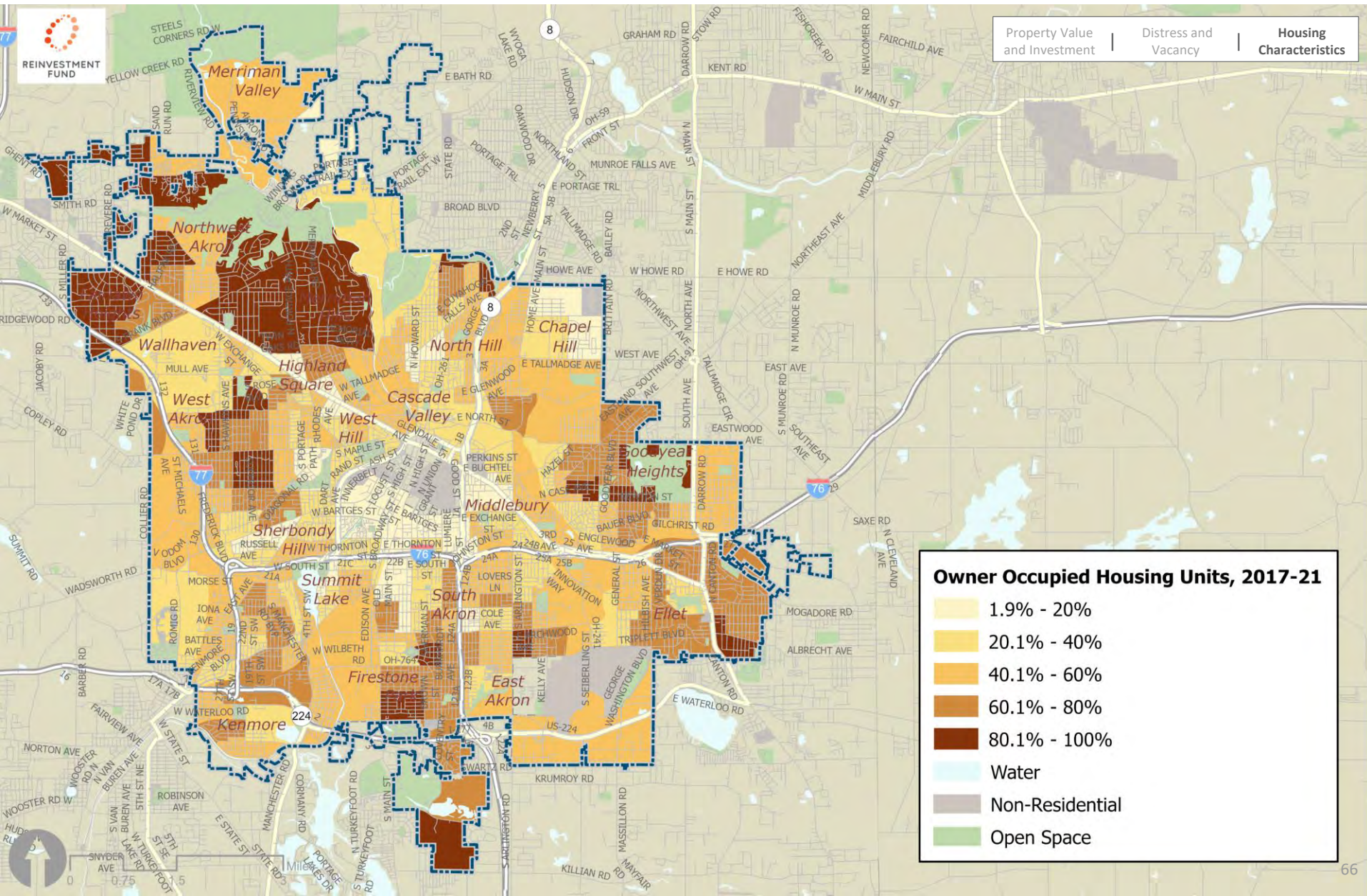
Subsidized Renter Households as a Share of All Renters, 2022

Subsidized Renter Households, 2022

- 0%
- 0.1% - 25%
- 25.1% - 50%
- 50.1% - 75%
- 75.1% or more
- Water
- Non-Residential
- Open Space

New Research from Reinvestment Fund

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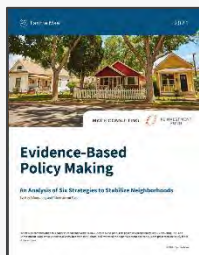
Evidence-Based Policy Making: Six Research-Based Strategies to Stabilize Neighborhoods
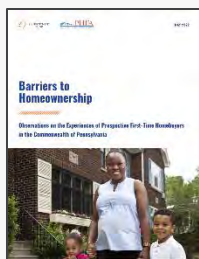https://www.reinvestment.com/insights/evidence-based-policy-making/

Philadelphia Home Appraisal Bias Task Force Report and Recommendations
https://www.reinvestment.com/insights/philadelphia-home-appraisal-bias-task-force-report-and-recommendations/
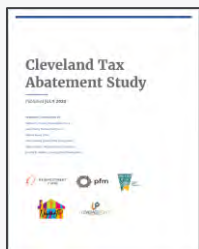
Cleveland Tax Abatement Study
https://www.reinvestment.com/insights/cleveland-tax-abatement-study/

Barriers to Homeownership: Observations and Experiences of Prospective First-Time Homebuyers in the Commonwealth of Pennsylvania
https://www.reinvestment.com/insights/barriers-to-homeownership/

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