Cleveland
HOUSING PLAN 2030

CITY OF CLEVELAND OHIO

Cleveland 2030: A Housing Equity Plan

November 2021

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"This Plan offers innovative and effective strategies to address our housing needs."

Fellow Clevelanders,

I am pleased to present Cleveland 2030: A Housing Equity Plan. As we emerge from the COVID-19 pandemic together, there is unprecedented need in Cleveland for equitable access to housing and housing resources, but also unprecedented energy, ideas, and resources to address that need. This plan outlines actionable strategies to:

- Create a housing stock that is accessible, affordable, and desirable to all residents
- Ensure that those who have historically been excluded from housing opportunities are prioritized for resources and protections
- Enable collaboration across agencies and service providers and efficiently leverage funds to achieve our goals

The creation of this Plan has been a joint effort between the City's Regional Development Cluster, including the Departments of Community Development, Economic Development, Building and Housing, and the City Planning Commission, and a broad coalition of community stakeholders. It reflects the input of thousands of Cleveland residents through public listening sessions, surveys, interviews, and focus groups. Many generously devoted their time in working groups to develop the actions showcased here.

I am extremely proud of how Cleveland has come together to identify new housing solutions for our city.

Sincerely,

Frank Jackson
Mayor

PLAN FRAMEWORK

ENVISION

The **Housing Equity Plan** is an action plan with a broad set of programs, policies, and investments that, over the next decade, will:

- Ensure that all Clevelanders—renters, homeowners, and those who are unhoused—have access to a **safe, healthy, and affordable home** in a **vibrant neighborhood**
- Tackle the **racial and geographic divides** that define the Cleveland housing market
- Promote growth that **lifts up individuals and communities that have been excluded** from housing opportunity, including the opportunity to participate in housing design and development
- Support Clevelanders who want to **remain in their homes**, and **attract new residents** to the city

TARGET

The need for new tools and resources to increase access to desirable and affordable housing is clear. In Cleveland, about 9,300 homeowner households and 26,300 renter households are severely cost-burdened, meaning they pay over half of their income for housing each month. In addition, current trends suggest that 55,600 currently habitable homes will need substantial repairs by 2030, and that around 20,000 units would need to be built to replace those lost to severe deterioration. Finally, longstanding trends of population decline mean that, without new investments in homes and neighborhoods, the city is projected to lose 310 households every year between 2020 and 2030.

COALESCE

The Housing Equity Plan is a collaborative, community-wide effort to identify solutions. The Plan was commissioned by the City of Cleveland's Departments of Community Development, City Planning, and Economic Development. One of the key objectives of the planning process has been to build a strong and broad coalition of housing stakeholders—including providers of market-rate and affordable housing, housing service providers, experts, and residents—to inform this plan's recommendations, drive implementation, and generate the capital to achieve our collective vision. The city and this coalition will now work together to continually revisit, update, and implement this Plan, drawing on the more than 140 recommendations developed in the planning process.

In addition to establishing new tools to stimulate housing investment in the city's neighborhoods, the Housing Equity Plan will be integral to the development of an updated comprehensive plan for the city.

A SPOTLIGHT ON EQUITY

DEFINITION

What is an equitable housing market? A robust housing market provides affordable, decent, and desirable housing. But an *equitable* housing market takes this one step further: all Clevelanders, regardless of race, ethnicity, family status, or disability, have access to a full range of housing choices and neighborhoods. Furthermore, those who have historically been excluded from opportunities like homeownership, participation in housing trades, and leadership in housing-related decision-making are prioritized for these opportunities going forward. The result is diversity and inclusion in every aspect of the housing market, from governance to production to consumption and wealth creation.

EQUITABLE ACTIONS

How does this Plan promote housing equity? Many of the actions put forward in this Plan are specifically designed to promote equity in housing outcomes, as well as equitable access to housing resources and opportunities. Some examples include:

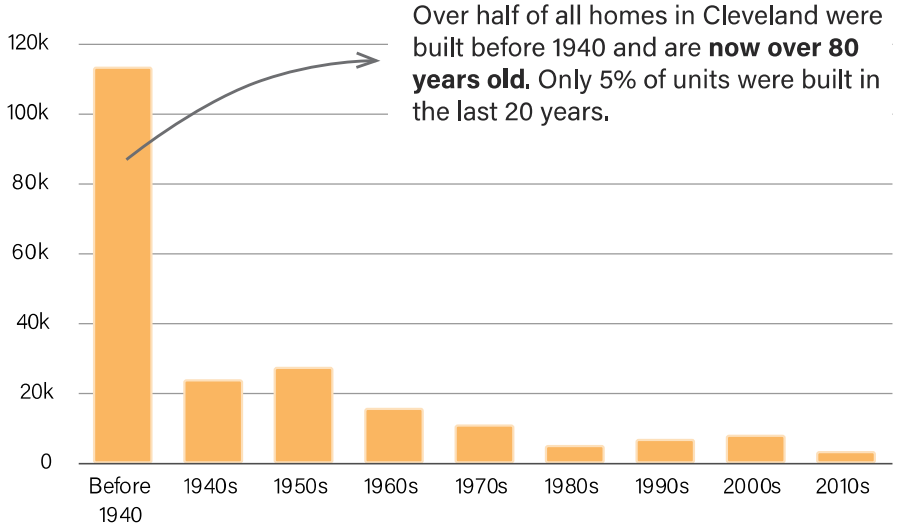
- By the end of 2021, develop an **equity framework** to guide all housing programs and decisions.
- Support **minority developers and contractors** through affirmative access to financing, technical assistance, and youth mentorship.
- Include affordable, accessible options in high-opportunity neighborhoods, and **target underserved neighborhoods** for infrastructure improvements.
- **Protect vulnerable households from displacement** via targeted tax relief for long-time homeowners and a suite of new protections for renters.
- Assess progress using a **housing scorecard** that includes equity metrics, like the number of grants and loans provided to households of color and the volume and nature of investments in traditionally underserved communities.

Equitable Participation in this Planning Process. Equity and inclusion were at the forefront of each of the four phases that informed Cleveland's 10-Year Housing and Investment Plan, including:

- **A representative survey** of housing conditions, preferences, and concerns captured over 1,600 Cleveland residents, including over 807 residents of color and nearly 600 residents with incomes below $25,000
- **In-depth analysis** of key housing metrics in Cleveland, including access to mortgages, loans, and low-poverty neighborhoods, by race and ethnicity
- **Two public listening sessions** with over 200 Cleveland residents
- **Interviews and focus groups** with over 180 housing stakeholders, including appraisers, realtors, prospective homebuyers, developers, disability and fair housing advocates, and affordable housing and service providers representing every community in Cleveland
- **Leadership** in the Advisory Committee and Stakeholder Working Groups that reflects a commitment to gender, racial, and ethnic diversity

HOUSING NEEDS

AGING HOMES



Over half of all homes in Cleveland were built before 1940 and are **now over 80 years old.** Only 5% of units were built in the last 20 years.

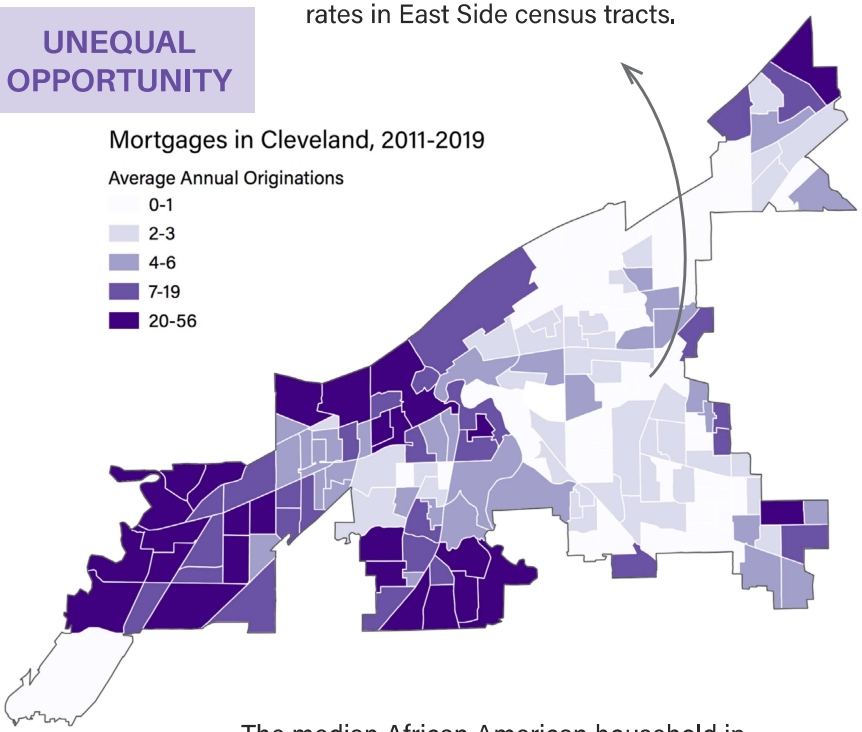
Cleveland has a vacancy rate of nearly 14%, compared to 7% in Cuyahoga County. As of January 2021, 7,700 units in the city were considered **vacant and distressed.**

Property surveys in 2015 and 2018 found that on the East Side, **the number of structures in "excellent" and "good" condition declined**, and the number in need of significant repairs increased.

Permits for alterations and repairs are concentrated on the West Side of Cleveland, even though property surveys report the worst conditions on the East Side.

UNEQUAL OPPORTUNITY

The East Side of Cleveland, which is predominantly African American, continues to see **far lower rates of home mortgage lending.** There are both fewer mortgage applications *and* higher denial rates in East Side census tracts.



The median African American household in Cleveland had an income of $23,600 in 2019, about half the median income for White households ($42,300), **resulting in higher housing cost burdens** among African Americans.

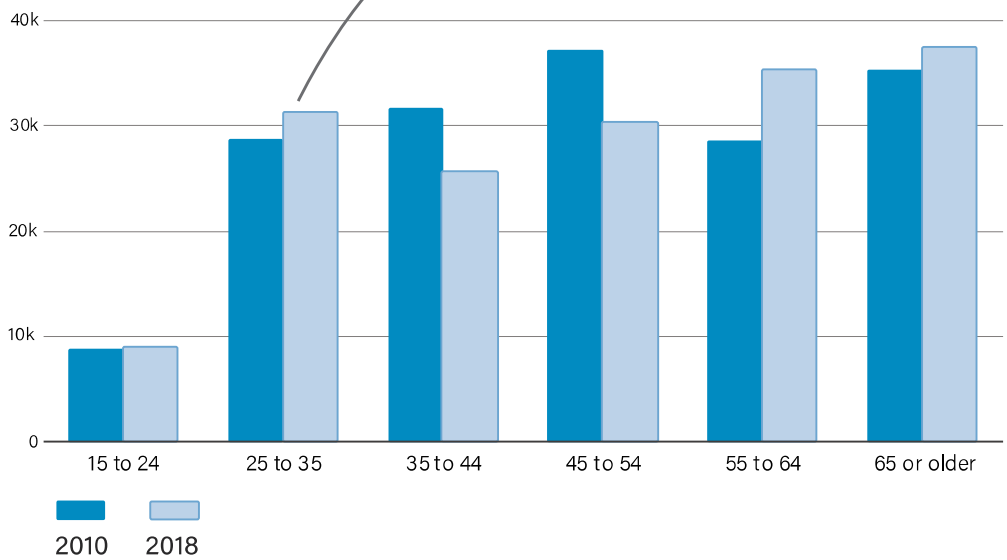
About two thirds of African American, Latino/a, and Asian households **rent their homes**, compared to less than half of White households.

The majority of tenants **experiencing eviction** in Cleveland are African American women with children.

HOUSING NEEDS

CHANGING PROFILE

Since 2010, the city has seen an increase of 3,000 households headed by people aged **35 or younger**, and of 9,000 households headed by those aged **55 and older.**



Households are shrinking. 1- and 2-person households make up over 70% of households in Cleveland, and the share continues to rise. Non-family households make up over half of all households.

A related trend is the rise in rentership. About 60% of households in Cleveland rent their homes, and both the share and the total number of renters has been steadily rising.

Cleveland is home to vulnerable populations. As of 2018, 34% of Clevelanders are impoverished, up from 31% in 2010. Refugees, justice-involved individuals, and youth transitioning out of foster care are also especially vulnerable to housing insecurity.

A NEED FOR INVESTMENT

The number of homes repaired through city-financed programs such as Repair-a-Home and the Senior Homeowner Assistance Program (SHAP) has **declined over time** due to new application requirements and a shrinking pool of qualified contractors. In 2019, 75 homes were repaired, compared to over 300 in 2009.

The number of Housing Trust Fund loans for the development of new housing **has declined since 2000**. In 2016, only 5 loans for a total of $2.63 million were awarded to support the development of 151 units.

In its first 6 months, the Right to Counsel program provided free legal assistance to 323 tenants in Housing Court. **But Cleveland averages over 8,000 eviction cases per year**.

In FY 2018, HUD received $27.4 million in federal entitlement funding for housing. It had another $27.5 million left over from the previous year. But the city **spent only about 50% of these funds** by the end of the fiscal year.

A high concentration of blighted and abandoned homes are concentrated in the East Side of Cleveland.

TARGETS

TARGETS

In order to address these needs, the City of Cleveland has set a target to **protect**, **preserve**, and **produce** **100,000 homes** over the next 10 years. These targets recognize that the need for housing interventions is deepest at the lowest income levels. The market will likely produce additional units at higher income levels without intervention.

- **Protect 35,600 housing units** through equitable affordability interventions, including down payment assistance, affordable home loans, renter protections and legal aid, rental assistance, and property tax exemptions.
- **Preserve 41,400 housing units** through housing quality interventions, including home repair assistance, small landlord loans, and compassionate code enforcement.
- **Produce 23,000 housing units** through new construction or substantial rehabilitation supported by targeted development incentives, revised zoning, and streamlined approval processes.

Achieving these targets also requires the city and its partners to **position** themselves to collaborate effectively across agencies and stakeholders, adequately fund new and existing efforts, and provide a welcoming environment for new investment.

2030 Housing Targets by Income Band

AMI Range	Household Income Range	Ownership Units			Rental Units			Total Units in 2030
		Protect	Preserve	Produce	Protect	Preserve	Produce	
<30% AMI	$0 to $22,000	7,800	9,000	500	25,700	17,400	6,300	68,100
30-50% AMI	$22,000 to $36,500	1,300	7,000	1,500	400	8,000	3,300	21,500
50-80% AMI	$36,500 to $58,400	250		2,500	100		2,200	4,650
80-120% AMI	$58,400 to $87,600	20		3,200	30		1,000	3,250
>120% AMI	Over $87,600			1,800			700	2,500
Total	Total	9,370	16,000	9,500	26,230	25,400	13,500	100,000

THE FOUR PILLARS

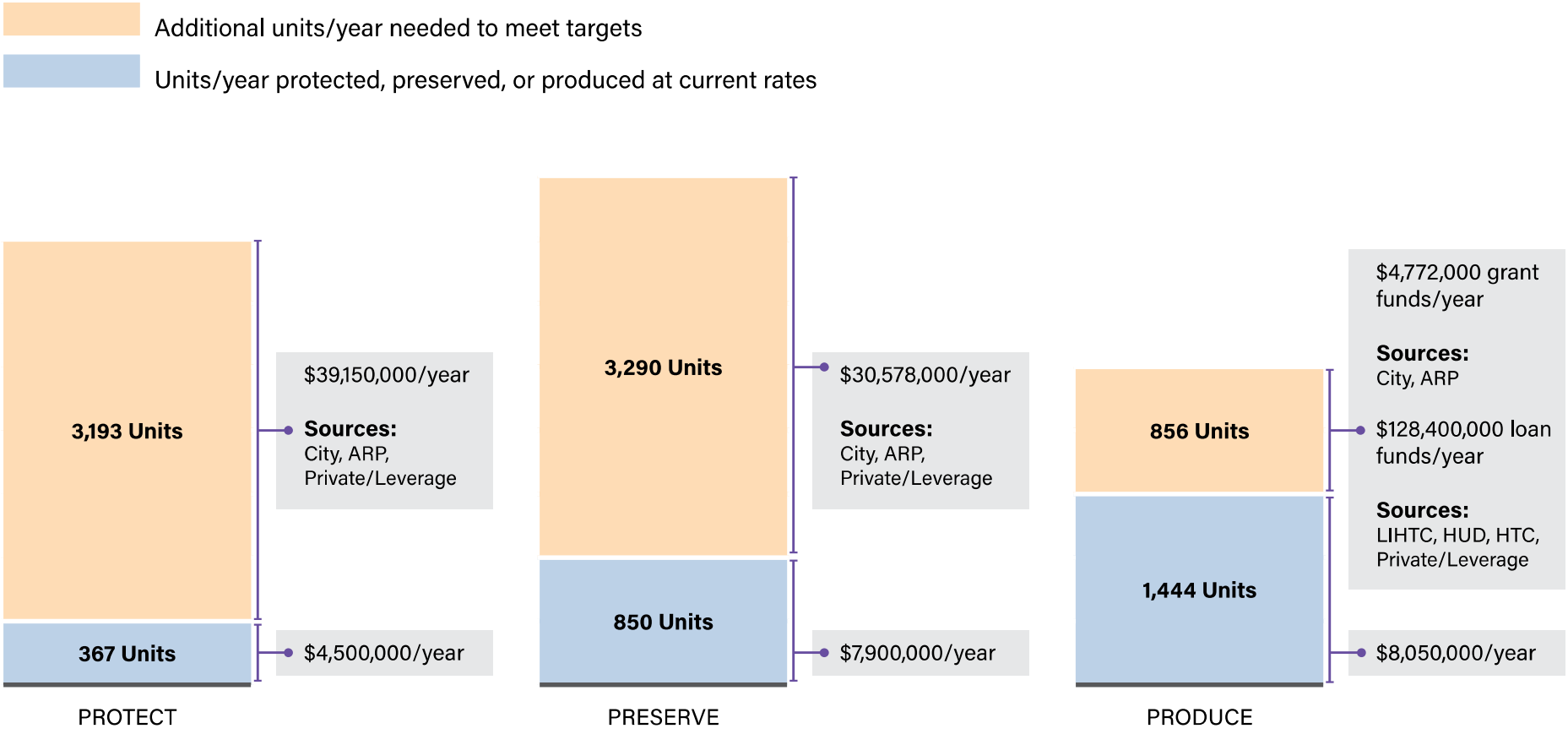
EQUITY. The actions in this Plan are designed to **protect** households from housing instability and displacement; to **preserve** existing housing as safe, livable, and affordable; to **produce** a range of housing types in all neighborhoods; and to **position** the City of Cleveland and its partners to achieve these goals. All four of these pillars are rooted in a vision for an **equitable** housing market in which those who have historically been excluded, and continue to be excluded, from housing opportunities are prioritized for those opportunities going forward.

PROTECT	PRESERVE	PRODUCE	POSITION
Ensure equitable access to housing resources.	Invest in the quality of existing homes.	Ensure equitable participation in housing development.	Invest in neighborhood infrastructure.
Enable equitable development without displacement.	Create and sustain a skilled repair workforce.	Create a range of housing choices in all neighborhoods.	Increase awareness of and access to housing programs.
Protect renters from forced moves and severe rent burdens.	Compassionately enforce housing quality standards.	Create a predictable, practical development process.	Adequately fund existing and new efforts.
	Address the appraisal gap.		Hold the city and its partners accountable to this Plan.

CAPACITY. The success of this Plan relies on the capacity of the City of Cleveland and its partners to implement its recommendations. For this reason, many of the recommendations themselves aim to build up this capacity through stronger partnerships, creative financing mechanisms, streamlined city processes, and accountability measures.

RESOURCING THE PLAN

Estimated Units and Cost per Year. The Plan's 10-year target of protecting 35,600 units, preserving 41,400 units, and producing 23,000 units (for a total of 100,000 units) is estimated to require a total investment of approximately $2.2 billion, including $204.5 million in currently available funding and about $2 billion in additional resources. Funding sources include American Rescue Plan (ARP) relief dollars, federal entitlement funds and tax credits, and public and private dollars invested in the expanded Housing Trust Fund or dedicated to specific programs and projects. The chart below breaks down the resources needed on an annual basis.



HOW TO USE THIS PLAN

PLAN COMPONENTS

Timeline. The actions in this Plan are categorized as short-, medium-, and long-term. Short-term actions can be taken within 1-2 years of the Plan's adoption. Medium-term actions are envisioned to begin implementation by 2025. Long-term actions require the greatest degree of planning and coordination, and will be in place by 2030.

Short-term:
Medium-term:
Long-term:

Neighborhoods. The Plan references three groups of neighborhoods, "**strong-market**," "**middle-market**," and "**underinvested**." Some actions in this plan are appropriate for strong- and middle-market areas, while others should target underinvested neighborhoods. These categories are based on the **Market Study** which accompanies this plan. However, the much more sophisticated and real-time Middle Neighborhoods tool should be used to inform investments in middle-market and edge communities.

Housing Report Card. The Plan is accompanied by a housing report card. The city will report its progress towards its targets by issuing a report card every year between 2022 and 2030.

The Ten-Year Housing and Investment Plan is also accompanied by a full appendix.
The appendix contains the following materials:

- Community Engagement Overview (Including Working Group Recommendations)
- Analysis of Resident Surveys
- Analysis of Developer Surveys
- Review of Existing Housing Programs in Cleveland
- Report on Existing Housing Conditions in Cleveland
- Cleveland Housing Market Study
- Cleveland's Peer Cities Report
- Additional submitted feedback

PROTECT

An equitable housing plan will ensure that residents who have historically been excluded from housing opportunities are prioritized for resources and protected from negative outcomes such as eviction, foreclosure, and displacement.

- **Ensure equitable access to housing resources.**
- **Enable equitable development without displacement.**
- **Protect renters from forced moves and severe rent burdens.**

Photo: Michel G. via Flickr Creative Commons

PROTECT | Ensure equitable access to housing resources

GOAL

Ensure equitable access to housing resources. A 2018 study of mortgage lending patterns conducted by the Fair Housing Center for Rights and Research notes that Cuyahoga County has a long history of racial segregation, mortgage redlining, and predatory lending based on race. The report found that "despite a demand for credit, people in predominantly African American neighborhoods [in Cuyahoga County] often cannot get mortgages to buy houses in their neighborhoods." This is due in part to the fact that banks approve very few mortgages (less than 2%) for households earning less than $25,000, and the median Black household in Cleveland has an income of only $23,600. In addition, banks are typically unwilling to offer mortgages of less than $50,000, and the median house value in many East Side neighborhoods is less than $48,000. Without a significant shift in the availability of housing capital, a large share of Cleveland's population will continue to be locked out of homeownership and other housing opportunities.

Develop an equity framework to guide all programs and decisions. Commit resources to develop and implement an equity framework by the end of 2021 that will prioritize resources and opportunities for communities with the greatest need, and set standards for community participation in decision-making. Annually report on the disbursement of resources, and on larger housing outcomes, by race and ethnicity.

Timeline: ○

Expand down payment assistance. Expand funding and other resources to down payment assistance programs for a broad range of buyers—not just seniors, veterans, or those who can be underwritten for a traditional first mortgage.

Timeline: ○ ●

Expand access to home purchase and improvement capital. Act as a subordinate or third lender, or capitalize a loan loss reserve, to underwrite small-dollar home purchase loans primarily under $70,000. Similarly, support small loans to address systems and other repairs. Scale up alternative lending programs that serve prospective buyers with lower incomes and/or credit scores, such as CHN Housing Capital's "Believe Mortgage."

Timeline: ○ ●

Existing Down Payment Assistance. In 2018-2020, CHN Housing Partners closed a total of 142 home purchase loans to buyers with incomes at or below 80% of AMI; 49 of these closed with down payment assistance. Greater Cleveland Habitat for Humanity closed 59 home purchase loans over the same period, 25 of which were accompanied by down payment assistance. Finally, Greater Circle Living (an employer-assisted housing program that incentivizes employees of the Cleveland Clinic, Cleveland University, Case Western Reserve University, and other University Circle employers to live in the neighborhoods surrounding these institutions) provided down payment assistance to a total of 56 households between 2018 and 2020.

Believe Mortgage. CHN Housing Capital's "Believe Mortgage," which launched in April 2021, provides small-dollar home purchase loans to borrowers with low incomes and moderate credit scores. CHN also helps borrowers tap down payment assistance programs to assemble the 3% down payment required for the loan. Early evidence suggests that the program can actually help lower families' housing costs by helping them become homeowners, and prevent displacement by helping renters purchase their units.

PROTECT | Enable equitable development without displacement

GOAL

Enable equitable development without displacement. New development is essential for providing a range of housing options and amenities, and for generating revenue to support public programs. But increased property values and rents resulting from new investment can increase housing costs for incumbent households. Some census tracts in Cleveland's Downtown and on the near West Side have experienced significant increases in both housing values and rents since 2000. In the worst case, these cost pressures can result in the displacement of vulnerable households to lower-cost neighborhoods where they do not access the benefits associated with new development.

Existing Tax Relief. Currently, about 24,550 parcels in Cleveland benefit from the State of Ohio's Homestead Tax Exemption, which shields the first $25,000 of a home's value from property taxes. However, this program is open only to qualifying senior and disabled homeowners.

Protect vulnerable homeowners against property tax increases. Create a tax relief program to exempt low-income, long-time homeowners from increases in their property taxes, especially seniors and others with fixed incomes, and especially in areas with rapidly appreciating property values.

Timeline: ○

Adopt additional legislation promoting tenant rights. Reduce the negative outcomes associated with rent increases by adopting source of income protections, pay-to-stay legislation, and fair chance laws against discriminatory screening of residents with criminal histories.

Timeline: ○ ●

Promote the development of new affordable housing units. This point is further developed in the "Produce" section of this report, but it is important to highlight here that funding the development of new affordable housing for low-income households is an important component of any strategy aimed at protecting households from displacement.

Timeline: ○

Existing Tenant Protections. Cleveland tenants do not currently enjoy any protections beyond those set out in Ohio law. State law provides that landlords must keep their properties in livable condition; keep all electrical, plumbing, heating, and ventilation equipment in good working order; and give 24 hours' notice before entering a tenant's unit. If the landlord refuses to make necessary repairs within a reasonable timeframe, the tenant can hold rent in escrow without risk of eviction. In the event of lease violations, the landlord may not evict the tenant without serving a formal 3-day notice to vacate and filing for eviction in Housing Court. If the tenant vacates within 3 days, the landlord may not also file for eviction.

PROTECT | Protect renters from forced moves and rent burdens

GOAL

Protect renters from forced moves and severe rent burdens. Renters make up nearly 60% of Cleveland households, a share that continues to increase. Cleveland renters are disproportionately young and low-income, and can face housing instability due to rent increases, poor housing conditions outside of their control, and eviction. Refugees, justice-involved individuals, and youth exiting foster care are especially vulnerable to discrimination and exploitation. Cleveland's eviction filing rate is substantially higher than the statewide rate; in 2019, over 8,000 eviction cases were heard in Housing Court, resulting in over 3,500 evictions. The Poverty Center has found that most evicted families in Cleveland are low-income single mothers of color.

Fund a shallow rent subsidy. Create a shallow rent subsidy to help tenants cover rent arrears, forward rent, or relocation costs in the event of an unexpected inability to pay rent. Prioritize renter households with children, especially those who have received an eviction notice or who are at high risk of homelessness.

Timeline: ○

Explore rental insurance. Consider other forms of support to protect renters against financial shocks, such as a rental insurance program that allows tenants to pay a small premium each month to insure against months when a loss of income or medical expense causes them to fall behind on rent.

Timeline: ○ ●

Expand efforts to divert cases from housing court. Expand and formalize eviction diversion efforts educating landlords and tenants about their rights and responsibilities, mediating landlord-tenant disputes, and connecting tenants with resources to pay rent, relocate, or access other homelessness prevention services.

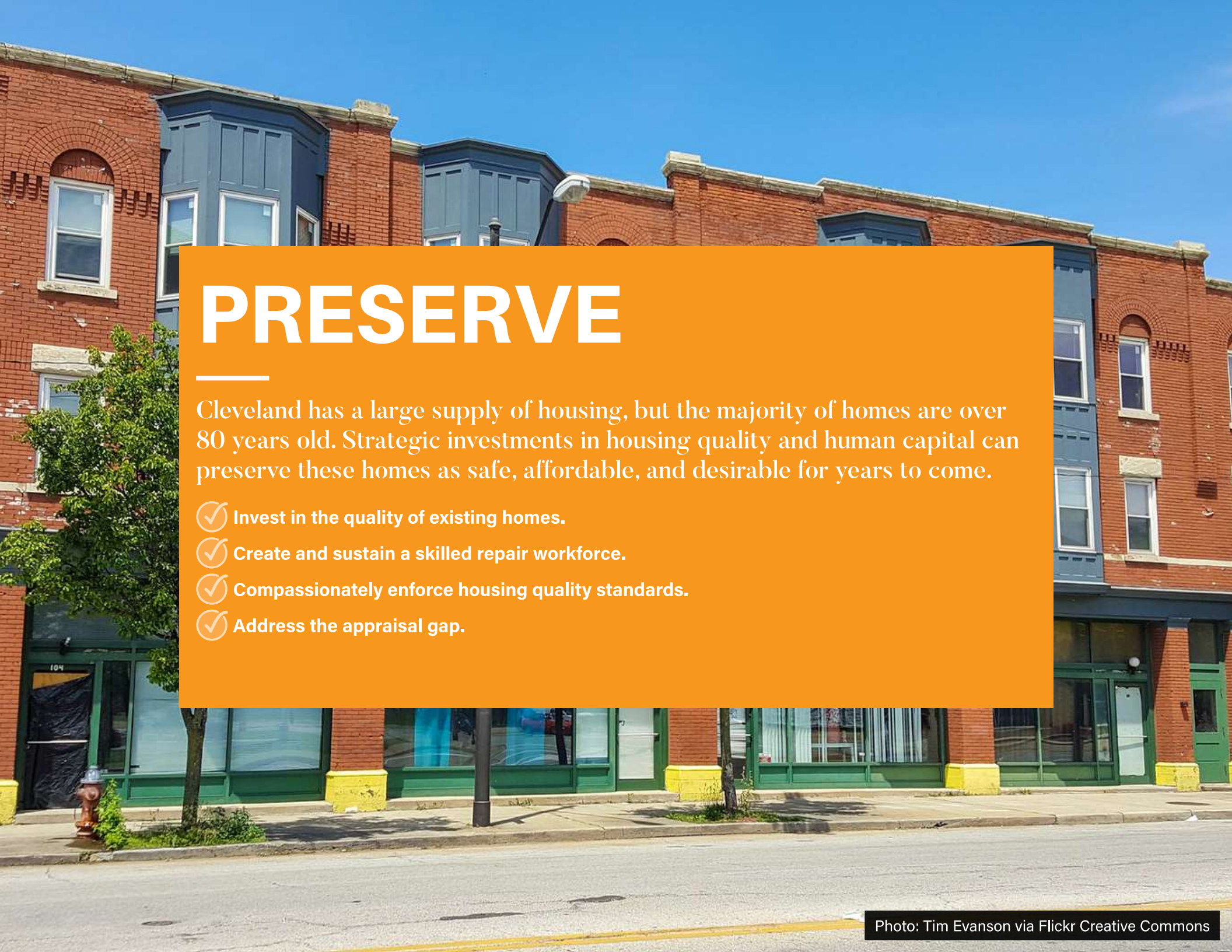
Timeline: ○

Expand Housing Court representation. Work with the Legal Aid Society to expand the availability of free legal representation to all low-income tenants facing eviction.

Timeline: ○

Emergency Rental Assistance. A shallow rent subsidy will build on Cleveland's current emergency rental assistance program, which the Department of Community Development, EDEN, and CHN Housing Partners operate to distribute federal relief dollars to households that cannot pay their rent due to the impacts of COVID-19. The city-funded portion of the program assisted nearly 4,000 households between July 2020 and June 2021.

Right to Counsel. In its first six months (July-December 2020), Cleveland's Right to Counsel (RTC) program provided free legal services to tenants in 323 Housing Court cases; 93% of assisted clients seeking to avoid an eviction or involuntary move succeeded in doing so. However, this represents a small slice of need; in 2019, Housing Court heard 8,038 eviction cases and only 5% of tenants had legal representation (compared to 73% of landlords), according to court records. Because of limited funding, the RTC program is currently only available to Cleveland households with children and with incomes at or below the federal poverty line, which excludes about 62% of tenants who show up to Housing Court.



PRESERVE

Cleveland has a large supply of housing, but the majority of homes are over 80 years old. Strategic investments in housing quality and human capital can preserve these homes as safe, affordable, and desirable for years to come.

- **Invest in the quality of existing homes.**
- **Create and sustain a skilled repair workforce.**
- **Compassionately enforce housing quality standards.**
- **Address the appraisal gap.**

Photo: Tim Evanson via Flickr Creative Commons

PRESERVE | Invest in the quality of existing homes

GOAL

Invest in the quality of existing homes. Poor housing conditions are a significant challenge in Cleveland. Over half of all housing units in the city were built before 1940 and are now over 80 years old. Only a very small share (5%) was built within the last 20 years. A 2015 citywide property inventory conducted by the Western Reserve Land Conservancy graded over 6,000 as grades D or F because they exhibited major exterior cracks, rotting wood, broken or missing windows, open holes, or were filled with trash. In addition, 20,300 properties were only in "fair" condition (rated C). Worryingly, the number of C-rated properties had increased when WRLC re-inventoried neighborhoods on the East Side, at a rate of 1.3% per year. If this rate holds, over 40% of structures will be in only "fair" condition by 2030.

Develop a credit enhancement program for purchase-rehab loans. Provide a credit enhancement to lower the cost of acquisition-rehab financing for buyers who agree to live in the home that they purchase and renovate within a targeted neighborhood.

Timeline:

Create an emergency home repair program. Draw on fast and flexible local funds (not entitlement funds) to offer up to $20,000 of grant-based emergency home repair assistance per qualifying household. When a gap remains between the available emergency funding and repair need, assist the homeowner in accessing additional low-cost home repair financing (see below).

Timeline:

Increase access to private home repair financing. Seed a revolving public-private loan fund with a publicly subsidized loan loss reserve to offer small-dollar home repair and improvement loans, including deferred or forgivable loans tailored to low-income homeowners and low-cost amortizing loans to moderate-income homeowners.

Timeline:

Existing Home Repair Assistance. Currently, the City of Cleveland expends $500,000 in the average year to make 10 home repairs via the Repair-a-Home program, which provides low-interest loans to homeowners at 30-80% of area median income. The Senior Homeowner Assistance Program (SHAP) provides about 100 repairs per year via $1,250,000 in grants to low- and moderate-income owner-occupant seniors and adults with disabilities. Grants are provided via the Age-Friendly Home Investment Program to make about 100 small repairs per year for low-income seniors and adults with disabilities, averaging $1,275,000 in annual spending. In addition, a variety of Cleveland organizations provide home repair assistance, including CHN Housing Partners (approximately 7,000 projects annually, totaling $16.9 million in grant funds invested in weatherization and energy conservation repairs in 2020) and Community Housing Solutions (2,000 minor home repairs for low-income families and seniors per year).

The city's Lead Hazard Control Program makes an additional 85 repairs per year to remediate lead hazards to families at or below 80% of area median income that include children under the age of 6, for a total of $750,000 in annual spending.

Create a small landlord loan or loan guaranty program. Address housing conditions by providing low-interest loans to small landlords for needed repairs to affordable units and enforcing housing quality standards for rental homes. Provide education and technical assistance to help small landlords plan for and make periodic investments in their properties.

Timeline:

Invest in home repair and maintenance education. Scale up existing home repair education efforts by the Healthy Homes Initiative, Community Housing Solutions, and others through better funding, outreach, tool-lending programs, and hiring/training skilled practitioners.

Timeline:

Explore new strategies to preserve subsidized affordable housing. Over 15,000 affordable units in Cleveland's private rental market may see their subsidy contracts expire by 2030. Explore innovative tools to preserve these units as affordable, including rules requiring owners of subsidized rental housing to report approaching expirations and establishing a right of first refusal, as well as mechanisms to finance the acquisition and recapitalization of affordable housing projects.

Timeline:

Lead Safe Home Fund Loans and Grants. Administered by CHN Housing Partners, this program offers grants to income-eligible applicants and low-interest loans to qualified borrowers to facilitate lead-safe work in rental properties throughout Cleveland. The 10-year, $19+ million loan fund is capitalized by private investors, philanthropy, and national Community Development Financial Institutions (CDFIs). Grant funding is capitalized by the public sector and philanthropic dollars. This fund provides a model that can be leveraged for home repair, landlord loans, and similar efforts.

Existing Home Repair Education. The local nonprofit Community Housing Solutions provides tools for loan and home maintenance workshops to 2,500 households annually. The Home Repair Resource Center, which is based in Cleveland Heights, also operates a tool lending library to members, as well as home repair classes and free walk-in programs, as well as workshops geared specifically toward seniors.

GOAL

Create and sustain a skilled repair workforce. Maintaining a pool of qualified and insured contractors is essential to good home repair and rehabilitation. Some of the challenges that can limit contractor capacity include the large upfront costs associated with individual projects, which a contractor can wait a month or more to see reimbursed; regulatory requirements for certifications, insurance, and detailed work scopes that small-time contractors find difficult to meet; and the low profit margins associated with individual small-scale repair jobs.

Invest in contractor capacity. Work together with Community Development Corporations (CDCs) and Community Development Financial Institutions (CDFIs) to invest in contractor capacity by providing a steady pipeline of bundled projects, providing advance capital, and creating a review portal that can be accessed to review contractors' prior work and skills without subjecting contractors to onerous documentation requirements for each new project. Work with providers of certified contracting and construction training to expand access for minority and women businesses and workers.

Timeline: ○ ○

Contractors on the Rise. The Village Capital Corporation, a subsidiary of Cleveland Neighborhood Progress, launched a new program in 2019 to provide minority contractors with a $100,000-$200,000 line of credit to conduct home repairs in Cleveland. In its first year, Contractors on the Rise enrolled nine minority contractors, seven of whom went on to purchase and remodel their first homes using the capital provided.

PRESERVE | Compassionately enforce housing quality standards

GOAL

Enforce housing quality standards without harming low-income property owners. Building codes are a crucial tool in ensuring that homes are safe and healthy to live in. But low- and moderate-income landlords and homeowners often lack the resources to keep their units up to code and issuing citations may further erode their financial stability. Another challenge is that the building code may be more difficult to enforce for some groups, such as investors who live in another state or country. While investment in Cleveland's housing stock is much-needed, research has shown that out-of-state investor purchases of foreclosed-upon or blighted homes in Cleveland are often associated with negative outcomes such as abandonment, condemnation, and tax delinquency.

Implement a compassionate code enforcement program. Increase staffing and adopt a customer-service approach ("how can we help you?") for code enforcement. Implement a proactive, publicly accessible tracking system, conduct periodic inspections in addition to responding to tenant complaints, and work cooperatively with small, low-income, and nonprofit owners to bring their properties up to code, tapping emergency and small landlord home repair programs when necessary.

Timeline: ○ ○

Curb predatory investment. Expand and enforce rental registry requirements in order to collect more information about absentee investors and their property managers. Use these data to target code enforcement and to make it more difficult for bad actors to secure additional deed transfers. Engage the Sheriff's Department to reduce bulk-buying sight unseen. Hold property managers liable for code enforcement violations.

Timeline: ○

The Healthy Homes Initiative. The City of Cleveland funds a team of neighborhood specialists to help renters, homeowners, and landlords identify and remove environmental hazards and bring homes into compliance with the housing code. Specialists help residents apply for housing resources and offer trainings and workshops on a variety of housing topics. In 2020, specialists inspected about 20,700 parcels, identified over 12,000 violations, and made referrals to more than 10 housing programs.

PRESERVE | Address the appraisal gap

GOAL

Address the appraisal gap. An appraisal gap occurs when the appraised value of a home is lower than its asking price, or the cost of repairs needed to make the unit livable. Since banks are typically only willing to underwrite mortgages up to a proportion of the appraised amount, this leaves a gap that the buyer must cover with cash—an impossibility for many homeowners. The appraisal gap disincentivizes homebuying and slows down the revitalization of Cleveland neighborhoods, particularly predominantly African American neighborhoods where (according to the Federal Reserve Bank of Cleveland) homes are consistently appraised at lower values than similar properties in other neighborhoods.

Improve appraisal accuracy. Work with the appraisal industry to assemble comprehensive market data that can facilitate non-biased appraisals. In neighborhoods where the Multiple Listing Service (MLS) is an incomplete record, build better property profiles with up-to-date photos, so that these properties may be used as real estate comps.

Timeline: ○

Create a priority for down payment assistance for prospective homebuyers facing appraisal gap issues. Prioritize the allocation of down payment assistance funds in neighborhoods where appraisal gaps are widespread.

Timeline: ○ ●

Appraisals. In a 2020 study on single-family appraisals, Emily Braman and Alan Weiner found that there are several challenges facing the appraisal profession, including: 1) a shortage of appraisers entering the field; 2) a proliferation of sales under $25,000 that were not reported through the Multiple Listing Service, and which sometimes included multiple transfers on the same day; 3) differences in appraisers' and realtors' perception of the value of certain amenities, and animosity between the two professions; 4) the potential for implicit bias among appraisers against predominantly African American neighborhoods; and 5) out-of-town investor purchases and investments, which are often made in cash and difficult to verify.

PRODUCE

Building new homes is essential to a robust housing market. Cleveland can create a full range of housing choices in every neighborhood through targeted incentives, sensitive zoning, and streamlined, equitable processes for financing and approving new development.

- **Ensure equitable participation in housing development.**
- **Create a range of housing choices in all neighborhoods.**
- **Create a predictable and practical development process.**

Photo: Trailside in Slavic Village via Knez Homes

PRODUCE | Ensure equitable participation in development.

GOAL

Ensure equitable participation in housing development. Despite regulations prioritizing small and minority-owned businesses for city contracts and HUD resources, structural barriers continue to exclude minority contractors and developers from participating in opportunities to build and rehabilitate housing in Cleveland. Some of the actions elsewhere in this Plan address these barriers by making the development process more transparent and predictable for everyone, and by investing in the capacity of all small contractors. But these actions must be part of a larger effort to actively empower minority contractors and developers.

Support, and increase the number of, minority developers through financing and technical assistance. Work with nonprofit partners to create an equitable development program with the explicit goal of empowering Black and minority developers. Provide access to flexible capital, knowledge of upcoming requests for development, and legal assistance, as well as one-on-one technical mentorships focused on project budgeting, navigating city processes, project management, and community engagement.

Timeline: ○ ●

Create a minority youth developer program. Create a program modeled on Dream Builders 4 Equity in St. Louis, which provides paid summer jobs to youth, enabling them to work alongside minority contractors to learn about real estate and construction. The program works with neighborhood associations to identify priority vacant properties for rehabilitation. The homes rehabilitated through the program are then sold by African American-owned brokerages to first-time homeowners. Finally, the revenue from home sales is used to start a college savings fund for each student participant.

Timeline: ○ ●

Section 3 Program. For $200,000+ projects funded using U.S. Department of Housing and Urban Development (HUD), Section 3 requires that 30% of new hires by participating contractors must be low-income Cleveland residents. It also requires that 10% of the total dollar amount for construction work must go to Section 3 businesses (businesses that are certified as either 51% owned and controlled by low- or very low-income persons, or have 75% of labor performed by low-income Cleveland residents). In addition, 3% of all non-construction awards must go to certified Section 3 businesses.

Small, Minority-Owned, and Female-Owned Businesses. The City of Cleveland's Office of Equal Opportunity offers a certification process for Cleveland Small Businesses (CSBs), Minority Business Enterprises (MBEs), and Female Business Enterprises (FBEs). Currently, at least 30% of city construction contracts must go to CSBs or to bidders/proposers that have committed to subcontracting with certified CSBs; similarly, individual departments must promote the participation of MBEs and FBEs as both prime contractors and subcontractors whenever possible.

PRODUCE | Create a range of housing in all neighborhoods

GOAL

Create a range of housing choices in all neighborhoods. Cleveland currently has an overabundance of large, single-family homes. As of 2019, nearly half (47%) of all housing units in the city are standalone single-family structures. Yet Cleveland households are getting smaller (only about 55% of households today include more than one person) and older (a third of households are headed by persons aged 60 and older). A wide range of housing types, including housing accessible to those with disabilities, are needed to accommodate changing demands. At the same time, most new development has occurred in just a handful of neighborhoods and remains out of reach for many Clevelanders. More equitable development patterns can ensure that strong-market neighborhoods include affordable options, and that disinvested neighborhoods participate in the benefits of growth.

Update zoning to allow for a greater variety of housing types. Modify the zoning code to: allow for and encourage tri- and fourplexes and other forms of "soft density" citywide; allow for accessory dwelling units; maximize the potential of irregular lots; and provide flexibility for creative housing options that better match current and changing needs.

Timeline: ○

Promote housing development in underinvested neighborhoods. Deepen development incentives, such as acquisition and construction subsidies, for housing construction and rehabilitation projects in underinvested neighborhoods. Target these incentives in alignment with locally driven community revitalization and master plans.

Timeline: ○ ●

Provide affordable housing options in strong-market neighborhoods. In strong-market neighborhoods, implement inclusionary zoning requiring developers to include a certain share of affordable units in new projects. In other neighborhoods, incentivize the inclusion of affordable units, for example by permitting additional density, waiving parking requirements, and/or reducing fees in exchange for units reserved for low- and moderate-income households.

Timeline: ○ ●

Existing Development Incentives. In 2019, the city invested $1.55 million to subsidize the development of 311 affordable housing units and in 2016 (the most recent year for which data are available), made five loans for a total of $2.63 million to support the development of 151 new market-rate units. The majority of incentivized units have not been in underinvested neighborhoods but in strong-market neighborhoods.

In 2020-2021, the city piloted a construction/rehab gap financing program to close the difference between the cost of construction and appraised value basis for single-family homes. The program provided $1.4 million in 2020.

The Mayor's Neighborhood Transformation Initiative. The NTI combines funding for housing with investments in mixed-use development, infrastructure, and entrepreneurship and workforce development in specific target neighborhoods (Glenville, Buckeye-Woodhill, East 79th Street Corridor, and Clark-Fulton). This holistic approach creates a vibrant ecosystem that inspires and sustains further private investment in the housing stock.

Preserve and improve the Cleveland Tax Abatement. The tax abatement is required to be renewed by City Council in 2022. The city should take this opportunity to consider the recommendations put forward in the Cleveland Tax Abatement Study and explore scaling the size of the abatement by home type, price, and location in order to encourage its use for homes in a wider range of neighborhoods and price points.

Timeline: ○

Require housing to be accessible to those with limited mobility. Ensure that all newly constructed multifamily housing meets minimum FHA accessibility requirements and mandate the inclusion of extra-accessible units (meeting UFAS) in market-rate development.

Timeline: ○ ●

Cleveland's Tax Abatement. Currently, Cleveland's tax abatement program abates 100% of property taxes on new homes citywide, as well as on increases in property value as a result of certain rehabilitations, for 15 years. In 2019, the abatement was awarded for 625 new multi-family units, 117 new single- or two-family units, and 102 single- or two-family rehabs. These units were overwhelmingly concentrated in strong-market neighborhoods like Detroit Shoreway, Tremont, University Circle, and Downtown.

Accessibility Requirements. Under the Fair Housing Act, all rental housing built in structures with four or more connected units since 1991 should comply with the Fair Housing Act (FHA) Accessibility Guidelines, which call for wheelchair-accessible entrances and common areas, bathroom walls strong enough for grab bar installation, kitchens and bathrooms that are maneuverable in a wheelchair, and accessible light switches and other controls. These requirements have not been strictly enforced, however. In addition, market-rate development is not currently required to include "extra-accessible" units, i.e., units that comply with Uniform Federal Accessibility Standards (UFAS). By contrast, federally assisted new residential construction with five or more units must build 5% of those units to meet UFAS.

PRODUCE | Create a predictable development process

GOAL

Create a predictable and practical development process. New housing development in Cleveland is contingent on narrow margins, so that unforeseen costs, delays, or requirements can render a new project infeasible. Listening sessions and surveys with Cleveland developers identified several barriers, including an outdated zoning code that necessitates variances and triggers design review, lengthy review times for permit applications, and inconsistency in the way design standards are applied. In addition, projects depend on developers' ability to access subsidies and secure adequate financing.

Implement form-based zoning citywide. Use a participatory process to adopt a form-based zoning code that allows desirable development by-right, minimizing the need to apply for variances.

Timeline: ○ ◐

Streamline the permitting process. Improve and expand the online permitting system so that it is friendly to users and based on a standardized electronic workflow that all Building and Housing staff use and can access remotely. Ensure that new, standardized processes are accompanied with training and documentation for all staff.

Timeline: ○

Expedite permitting for priority projects. Advocate for a change to the Ohio Building Code to allow a "green tape program" that includes a fast-tracked development approval process and waivers for certain requirements and fees for projects with an affordability component.

Timeline: ○ ◐ ●

Form-based Zoning in Cleveland. Currently, the Cleveland Planning Commission is piloting form-based zoning in three neighborhoods based on extensive public engagement: Detroit Shoreway, Hough, and the Opportunity Corridor.

Reduce the complexity and cost of acquiring land from the Cleveland Land Bank. Shorten and simplify the land bank application process and reduce processing times to 2-3 weeks for proposals that meet predetermined, transparent standards for highest and best use. Base land bank acquisition costs on fair market value (FMV), determined via a routine process, rather than asking developers to shoulder the cost of appraisals. Forgive acquisition costs based on the desirability and/or performance of the development.

Timeline:

Explore other cost reductions. Consider reducing the cost of development and operation by lowering taxes and fees; supporting financing for development-related infrastructure investments in sewer, water, and other systems; and proactively remediating brownfields and assembling development-ready sites in target locations.

Timeline:

The Cleveland Land Bank. The City of Cleveland's Land Reutilization Program, commonly called the City Land Bank, acquires vacant lots with the goal of transferring them to responsible parties who can return them to productive use. As of September 2020, the City Land Bank holds nearly 16,000 vacant parcels, for a total of about 1,840 acres of land. At the same time, the Land Bank sells only about 225 parcels per year. Most dispositions take the form of leases, not sales. Among parcels sold, only about half are developed for new housing; the rest are sold for yard expansions, greening, or non-residential development.

POSITION

A strong and equitable housing market will require the City of Cleveland to effectively collaborate across agencies and service providers, provide a predictable environment for developers and other stakeholders, and efficiently leverage available funding.

- **Invest in neighborhood infrastructure.**
- **Increase awareness of and access to housing programs.**
- **Adequately fund new and existing efforts.**
- **Hold the city and its partners accountable to this plan.**

Photo: Blake Lewis via Flickr Creative Commons

POSITION | Invest in neighborhood infrastructure

GOAL

Invest in neighborhood infrastructure. The quality of a home is a function not just of housing conditions, but also of neighborhood conditions. Uneven investments in neighborhood amenities like trees, streets, broadband infrastructure, libraries, and schools have contributed to strong housing markets in some areas of Cleveland, but out-migration and neglect in others. An estimated 7,700 vacant and distressed housing units (as of January 2021) also affect home values and quality of life in affected neighborhoods.

Make basic neighborhood infrastructure upgrades. Create a robust program of basic neighborhood infrastructure upgrades, such as roads, sidewalks, parks, lighting, trees and internet, particularly in underinvested neighborhoods. Work with partners to support quality transit, libraries, schools, and Metroparks.

Timeline: ○ ○ ●

Coordinate infrastructure investments with investments in housing. Align the street maintenance schedule, the development of new transit routes and multimodal infrastructure, as well as the delivery of broadband infrastructure with major housing investments to ensure that the housing stock is not only diverse, but also desirable and accessible.

Timeline: ○ ○

Selectively demolish abandoned housing. Target demolition to eliminate vacant and abandoned housing units that would be especially difficult to rehabilitate, and whose lots can best be redeveloped to provide more diverse, accessible housing options.

Timeline: ○

Demolitions. Between 2015 and 2018, federal funding via the Hardest Hit Fund to county land banks in Ohio resulted in 3,750 demolitions in East Side neighborhoods. The Western Reserve Land Conservancy estimates that a residential demolition costs approximately $10,000 per house.

POSITION | Increase awareness of and access to programs

GOAL

Increase awareness of, and access to, Cleveland's housing programs. Listening sessions with residents and other stakeholders suggest that many of Cleveland's housing programs are currently underutilized because of a lack of outreach, difficulties completing complex applications, and lack of coordination between city departments and with external partners, which slows down the delivery of assistance. A more collaborative ecosystem of service providers can maximize Cleveland's capacity to manage outreach, intake, and delivery of housing resources.

Create a universal application for housing programs. Rather than having separate applications and reviews for each program and service, create a universal application that is available on the city's website, at city offices, and via partner organizations.

Timeline: ○

Address barriers to application completion. Reduce overly burdensome documentation requirements and provide additional support to help residents navigate the application process. Require that this process passes a user test for language and disability access, as well as meeting standards for maximum completion time.

Timeline: ○

Increase awareness of available housing resources. Launch an effective neighborhood-based outreach strategy modeled on the COVID-19 vaccination campaign. Partner with United Way 2-1-1 to create and maintain a comprehensive housing resource directory that is accessible to all residents via the 2-1-1 system. Better integrate data gathered via 2-1-1 to understand residents' most pressing housing needs and to inform responses.

Timeline: ○ ●

United Way 2-1-1. The United Way 2-1-1 Help Center provides free and confidential access to a bilingual (English-Spanish) Community Resource Navigation Specialist who will review the caller's situation, help them develop a plan, and act as their advocate if they are faced with any barriers to service. In 2015, Navigation Specialists responded to more than 250,000 contacts across four Ohio counties. The most common topic callers needed help with was housing, especially utility and rent payment. Nearly all (97%) of the callers surveyed said they would contact 2-1-1 again if they needed assistance.

Universal Application. The Department of Community Development has already begun moving toward a universal application for home repair and other programs via a platform called Neighborly. Once an applicant completes their request, the Neighborly system can direct it to the home repair provider that best fits the particular request. The system also allows applicants to check on the status of their request at any time.

Integrate service delivery across providers. Work with service providers to build an integrated delivery system (a "one-stop shop") for home repairs and other housing services that facilitates easy access to layered resources—including public and nonprofit subsidies—for residents. Back this public-facing housing services "shop" with a robust data-sharing and referral system among providers.

Timeline: ○ ○ ●

Maintain a strong Continuum of Care to address ongoing homelessness needs. Sustain current funding levels to the Cleveland/Cuyahoga Continuum of Care (CoC). Complete the Housing First Initiative's goal of ending long-term homelessness by building permanent supportive units, and work to address needs in family and youth homelessness. Ensure that outcomes are equitable across the population of those experiencing homelessness by tracking key metrics by race, gender, and other characteristics, and by using these data to inform resource targeting and provider training.

Timeline: ○ ○

Cleveland/Cuyahoga Continuum of Care. The Continuum of Care (CoC) is a network of agencies led by the County's Office of Homeless Services that receives HUD funding to prevent and resolve homelessness. The CoC provides emergency shelters, rapid re-housing services, permanent supportive housing and services, and programs to reduce youth homelessness. NEOCH (Northeastern Ohio Coalition for the Homeless), a CoC member agency, reports that in 2020, 3,805 adults and 1,292 children went through the CoC's coordinated intake process. This likely represents a small share of all those who experienced homelessness at some point during that year.

Housing First Initiative. In 2002, a coalition of housing developers and service providers launched an initiative to end chronic homelessness in Cleveland and Cuyahoga County by providing subsidized permanent housing with wrap-around services. The Initiative has produced over 780 units in 13 buildings, plus over 280 scattered-site units. Since the first building was opened in 2005, Cuyahoga County has seen an 80% drop in long-term homelessness.

POSITION | Adequately fund new and existing efforts

GOAL

Adequately fund new and existing efforts. The actions described in this Plan require capacity to actively pursue and efficiently allocate federal and state funds, such as Community Development Block Grant (CDBG) and HOME Improvement Program funds, as well as COVID-19 relief funds that are meant to support housing stability. They also require the assembly of flexible financing that is less restricted by federal requirements and that leverages non-public sources.

Expand the Housing Trust Fund. Significantly expand the city's Housing Trust Fund (HTF) to support this plan's recommendations, including providing small landlord repairs and do, investing in CDFIs, providing down payment assistance, and incentivizing priority development. Structure the HTF with three tiers. Public funds, including general operating dollars and federal entitlement funds, provide a loan loss reserve ("Class C"). These funds are leveraged to attract more flexible funds from foundations, CDFIs, and other civic organizations in a second loss position ("Class B"), as well as more traditional loan funds from banks and businesses in the priority return position ("Class A").

Timeline: ○ ○

Expand available non-public capital. Strengthen CDFIs—both by investing in existing local CDFIs and by attracting regional and national CDFIs—and broaden the pool of institutional investors.

Timeline: ○ ○ ●

Get public dollars out the door. Adopt rules that give staff the authority to approve financing deals meeting predetermined standards in order to reduce approval delays. For large and/or mixed-use projects, implement a streamlined review process and funding formula, and create a clear process for approving additional funding for projects that have already passed through the application pipeline but require further support. Finally, publish housing trust fund and entitlement spending data on a monthly basis to increase transparency.

Timeline: ○ ○

Housing Trust Fund. Currently, Cleveland's Housing Trust Fund only includes federal entitlement funds, including Community Development Block Grant (CDBG), HOME Investment Partnership, and Emergency Solutions Grant (ESG) dollars. These funds are used for housing development loans in a competitive proposal process administered by the Department of Community Development. In 2020, the HTF held about $16 million as a result of COVID-19-related increases in federal funding. However, in prior years, funding awarded through the HTF has been as low as $2.63 million (2016).

POSITION | Hold the city and its partners accountable

GOAL

Hold the city and its partners accountable to this Plan. Sometimes, communities engage in an intensive planning process only to have the final document sit on a shelf, never to be implemented. One of the key strategies of this particular Plan is to integrate tools—such as a clear timeline, straightforward benchmarks, regular progress updates, and greater public access to information—that allow the Plan's stakeholders to hold each other, and themselves, accountable to their shared goals.

Issue a housing report card. Create accountability for this plan's implementation by releasing an annual housing report card that details progress towards each recommendation and towards overall targets and by using the city's website to share housing trend data at the neighborhood level in an easy-to-understand format.

Timeline: ◯

Existing Data Sources. Cleveland is fortunate to have excellent data infrastructure in the form of NEOCANDO's Neighborhood Data Warehouse and Property Data Portal, as well as robust property inventories conducted by the Western Reserve Land Conservancy. These existing data systems can inform a detailed housing report card.

TIMELINE

SHORT TERM

PROTECT

- Develop equity framework.
- Tax relief program for long-time, low-income homeowners.
- Fund a shallow rent subsidy.
- Expand efforts to divert cases from housing court.
- Expand Housing Court representation.
- Promote the development of new affordable housing units.

PRESERVE

- Increase access to private home repair financing.
- Invest in home repair and maintenance education.
- Explore new strategies to preserve subsidized affordable housing.
- Curb predatory investment.
- Improve appraisal accuracy.

PRODUCE

- Update zoning to allow for a greater variety of housing types.
- Preserve and improve the Cleveland Tax Abatement.
- Streamline the permitting process.
- Reduce the complexity and cost of acquiring land from the Cleveland Land Bank.
- Explore other cost reductions.

POSITION

- Selectively demolish abandoned housing.
- Create universal application for housing programs.
- Address barriers to application completion.
- Issue a housing report card.

TIMELINE

MEDIUM TERM

PROTECT

- Expand down payment assistance.
- Expand access to home purchase and improvement capital.
- Adopt additional legislation promoting tenant rights.
- Explore rental insurance.

PRESERVE

- Develop a credit enhancement program for purchase-rehab loans.
- Create an emergency home repair program.
- Create a small landlord loan or loan guaranty program.
- Invest in contractor capacity.
- Implement a compassionate code enforcement program.
- Create a priority for down payment assistance for prospective homebuyers facing appraisal gap issues.

PRODUCE

- Support, and increase the number of, minority developers through financing and technical assistance.
- Create a minority youth developer program.
- Promote housing development in underinvested neighborhoods.
- Provide affordable housing options in strong-market neighborhoods.
- Require housing to be accessible to those with limited mobility.
- Implement form-based zoning citywide.

POSITION

- Coordinate infrastructure investments with investments in housing.
- Increase awareness of available housing resources.
- Maintain a strong Continuum of Care to address ongoing homelessness needs.
- Expand the Housing Trust Fund.
- Get public dollars out the door.

TIMELINE

LONG TERM

PRODUCE

- Expedite permitting for priority projects.

POSITION

- Make basic neighborhood infrastructure upgrades.
- Integrate service delivery across providers.
- Expand available non-public capital.

GLOSSARY

Property Tax Relief. Localities have developed a variety of tools to protect households from displacement or tax foreclosure in areas with rapidly rising property values. One tool is a "circuit breaker," which caps a qualifying household's property tax based on their income. Another is a tax exemption like Philadelphia's **Longtime Owner Occupants Program** (LOOP), which limits the increase in a home's property tax assessment, and locks in that assessment, for low-income homeowners who have occupied their home for 10 years or more. Tax relief often requires specific state authorization. Tax relief programs can be paired with tax payment installment plans or payment agreements to help qualifying homeowners stay current.

Source of Income Protections. Laws prohibiting discrimination against tenants based on their source of income ("**SOI laws**") exist in various forms in 20 states and in over 100 cities and counties across the U.S. These protections forbid landlords from denying prospective tenants or otherwise treating these tenants differently because they have a housing voucher or other public assistance.

Pay-to-Stay Legislation. Many evictions in Cleveland occur on the basis of just **one missed rent payment**. Pay-to-stay laws give tenants the chance to pay their rent in full up until their eviction hearing. Yellow Springs, Toledo, and Lakewood, and other Ohio jurisdictions have **adopted** such legislation, while South Euclid, Cleveland Heights, Maple Heights, and others are considering it.

Fair Chance Laws. "**Fair chance**" laws limit landlords' right to ask about or discriminate on the basis of tenants' criminal history (typically, an exception is made for sex crimes). Such laws have been enacted in Seattle, Detroit, Cook County, New Jersey, and other jurisdictions.

Shallow Rent Subsidy. Shallow rent subsidies are particularly effective for households on fixed incomes, those with volatile income or employment, and other unstably housed or recently rehoused tenants. They can be flat dollar amounts or vary based on fair market rent, income, or unit size, but differ from vouchers in that they provide a lower level of assistance, usually for a set duration. Shallow rent subsidies often target specific populations such as veterans or those who have received rapid rehousing assistance. They have been piloted in Philadelphia, Washington, D.C., and other cities.

Rental Insurance. Public rental insurance is a relatively new concept. The idea is that a tenant pays a small insurance premium so that if some predetermined event like a job loss or major illness causes them to fall behind on rent, the insurance pays the landlord a fixed amount for a fixed number of months.

Eviction Diversion. Eviction diversion programs typically pair legal assistance and housing or financial counseling with financial assistance to help tenants and landlords avoid evictions. Programs that include mediation place tenants and their advocates face-to-face with landlords to work out a resolution such as a rent payment plan. A good example is the Ramsey County Housing Court Clinic in Minnesota, which runs every Tuesday and Thursday in Housing Court, to help tenants apply for emergency assistance, refer them to other services, and facilitate negotiations with landlords.

Equity Framework. Equity frameworks help policymakers make decisions and allocate resources in an equitable manner. An example is San Antonio's COVID-19 Equity Framework and Rapid Response Tool, which creates a protocol for decision-making that requires equitable participation and an "equity impact" analysis of resource accessibility, who benefits and/or is burdened, and what strategies can improve equitable implementation. In Cincinnati, the Peaslee Neighborhood Center's Equitable Development Rubric helps stakeholders and policymakers score new development projects.

Purchase-Rehab Loan Programs. Pittsburgh's Community Acquisition and Rehabilitation Loan Program (CARL) is a pilot program that offers combined mortgage and rehab financing up to $300,000 in targeted census tracts through the city's Urban Redevelopment Authority (URA), the Pittsburgh Community Reinvestment Group, and local lenders. The URA provides a 15% loan guarantee (allowing participants to avoid purchasing private mortgage insurance) as well as technical and inspection assistance. First-time homebuyers and those with low credit scores must take a homebuyer class.

Small Landlord Loan Program. The Philadelphia Redevelopment Authority (PRA)'s Small Landlord Loan Program (SLLP) is an example of a program offering loans and technical assistance to small landlords (those owning four units or fewer) for health and safety-related repairs. All loans must be made to properties with rents affordable at or below the city's median income, and one-third of loans must be to properties affordable at or below 50% of median income. The redevelopment authority provides a loan loss reserve fund covering all losses on 20% of the loan portfolio for the participating lender(s).

Support for Small Contractors. The Construction Career Pathways Project (C2P2) brings together a variety of agencies, including governments and school districts, in the Portland metro area to eliminate barriers to accessing and sustaining construction careers for women and people of color. Strategies include ensuring a steady funding stream to pre-apprenticeship programs, investing in ongoing support to apprentices, and improving job site culture through workplace trainings. In Connecticut, the New Haven Regional Contractors Alliance helps small, minority, and women contractors access practical training and mentorships and stay informed about the latest opportunities and regulations through a computerized database and a newsletter.

Compassionate Code Enforcement. Best practices in compassionate code enforcement include adopting proactive rental inspection programs, developing cooperative compliance models, and partnering with community organizations. The City of Greensboro, North Carolina, partners with the Greensboro Housing Coalition, a local nonprofit organization, to conduct public education about code requirements, and code enforcement staff and GHC counselors to work together to solve housing issues and prevent displacement. The Alameda County Healthy Homes Department trains code enforcement officers to help property owners understand the elements of healthy and housing and identify resources to bring the property into compliance.

Right of First Refusal. A right of first refusal grants qualified non-profit developers, government agencies, or tenant associations priority in purchasing a subsidized rental property if the property's owner decides to opt out of the subsidy program. The right can be to an exclusive period during which to make an offer, or the option to match offers made by private buyers. Either way, the goal is to allow entities that will preserve the property's affordability time to assemble financing without having to compete with market-rate developers. Washington D.C.'s **Tenant Opportunity to Purchase Act** (TOPA) is paired with a loan program and free technical assistance to help tenants exercise their right of first refusal.

Inclusionary Zoning. **Inclusionary zoning** (IZ) policies require a given share of new residential construction to be priced below market rate for a certain period of time. They usually apply only to projects with at least ten units, and the requirements may differ for rental and for-sale projects. Some IZ programs allow developers to build the required affordable units off-site, or to contribute to a cash fund for affordable housing in lieu of providing these units themselves. IZ policies do not produce affordable housing on a large scale, and the units they do produce typically do not serve the lowest-income households, but they can be critical tools for ensuring that high-opportunity areas remain inclusive. IZ may be tied to density bonuses or other benefits in areas where the market cannot support a mandate (see Austin's **Affordability Unlocked** program).

Form-based Codes. Instead of regulating land uses like traditional zoning codes do, **form-based codes** regulate the form and mass of buildings, the relationship between building facades and public space, and the scale and type of streets and blocks. The code is accompanied by clear diagrams and examples, as well as a glossary. An example is the **Land Development Code** for Peoria, Illinois.

Green Tape Programs. Fee waivers, expediting, and code relief can all decrease the cost of construction, and are usually used to enable desirable but less profitable forms of development (green buildings, affordable housing, and ADA-accessible housing). Austin's **S.M.A.R.T Housing** program combines all three tools for projects certified as "Smart," i.e., affordable, accessible, and transit oriented. The program scales fee waivers to the percentage and type of units that are affordable. Smart projects enter a special accelerated development review process.

One-Stop Shop for Housing Resources. The Harris County Housing and Community Resource Center is an example of a one-stop shop, offering an affordable housing search tool for renters, free listing opportunities for landlords, access to homebuyer education and financial assistance, emergency shelter, and other resources. Residents can call or email a resource navigator for personal assistance.

Housing Reports and Dashboards. The Boston Indicators Project is an example of an accountability mechanism. It was created in 2000 through a partnership between the City of Boston, the Boston Foundation, and the Metropolitan Area Planning Council to curate an online database of 350 measures of wellbeing, and grew to include the annual Greater Boston Housing Report Card.

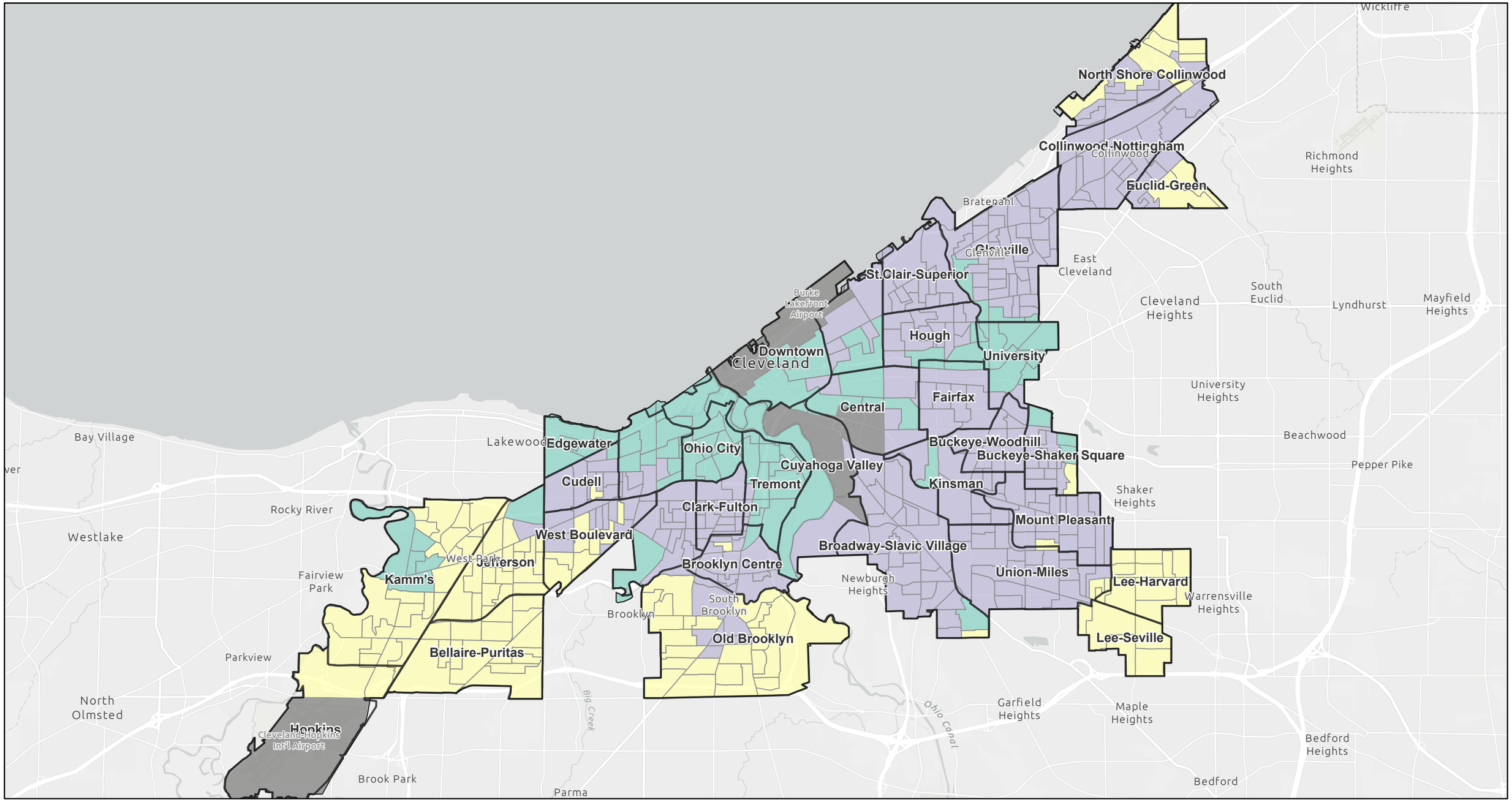
HOUSING REPORT CARD

TARGETS

Annual progress towards housing targets.

	Metric	Total Number	Share in Strong-Market Neighborhoods	Share in Middle-Market Neighborhoods	Share in Underinvested Neighborhoods	Share Persons or Households of Color (if applicable)
Protect	Down payment assistance grants					
	Affordable purchase loans					
	Households given rental assistance					
	Households given property tax protection					
	Households given free legal counsel		n/a	n/a	n/a	
Preserve	Home repair grants					
	Home repair loans					
	Small landlord loans					
	Construction and rehab workers trained		n/a	n/a	n/a	
Produce	Total new/gut rehab units					
	Purchase-rehab loans					
	New affordable units					
	New accessible units					

City of Cleveland Neighborhood Tiers



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SPA Neighborhoods

Middle Neighborhoods Tax Abatement 2021

Market Rate

Middle Market

Underinvested

N/A

1:144,448

0 1.25 2.5 5 mi

0 2 4 8 km

Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA

City of Cleveland
Department of Community Development

TARGETS 2

Annual progress towards housing targets.

	Metric	Value
Position	Housing trust fund total – public dollars	
	Housing trust fund total – private dollars	
	Share of CDBG, HOME, ESG allocation spent	
	Share of universal housing resource applications completed	
	Average # days to process universal housing resource application	

EQUITY

Annual progress toward promoting equity.

	Metric	Value
Equity	Share of mortgage originations to applicants of color	
	Share of cost-burdened households that are households of color	
	Share of evictions affecting tenants of color	
	Number of certified minority-owned contractors/developers	
	Share of city contracts to minority-owned contractors/developers	

STATUS

Programs and policies launched, ongoing, and completed.

	Action	Status
PROTECT	Develop and implement an equity framework to guide assistance	
	Expand down payment assistance	
	Expand access to home purchase and improvement capital	
	Protect vulnerable homeowners against property tax increases	
	Adopt additional legislation promoting tenant rights	
	Fund a shallow rent subsidy	
	Explore rental insurance	
	Expand efforts to divert cases from Housing Court	
	Expand Housing Court representation	
PRESERVE	Develop a credit enhancement program for purchase-rehab loans	
	Create an emergency home repair program	
	Increase access to home repair financing	
	Create a small landlord loan program	
	Invest in home repair and maintenance education	
	Explore new strategies to preserve subsidized affordable housing	
	Invest in contractor capacity	
	Implement a compassionate code enforcement program	
	Curb predatory investment	
	Improve appraisal accuracy	
	Create a priority for down payment assistance to those facing appraisal gap issues	

STATUS KEY

- **Launched**
- **Ongoing**
- **Completed**

STATUS

Programs and policies launched, ongoing, and completed.

	Action	Status
PRODUCE	Support minority developers through financing and technical assistance	
	Create a minority youth developer program	
	Update zoning to allow for a greater variety of housing types	
	Promote housing development in underinvested neighborhoods	
	Provide affordable housing options in strong-market neighborhoods	
	Preserve and improve the Cleveland Tax Abatement	
	Require housing to be accessible to those with limited mobility	
	Implement form-based zoning citywide	
	Streamline the permitting process	
	Expedite permitting for priority projects	
	Reduce the complexity and cost of acquiring land from the Cleveland Land Bank	
	Explore other cost reductions to promote development	
POSITION	Make basic neighborhood infrastructure upgrades	
	Coordinate infrastructure with housing investments	
	Selectively demolish abandoned housing	
	Create a universal application for housing programs	
	Address barriers to application completion	
	Increase awareness of available housing resources	
	Integrate service delivery across providers	
	Expand the Housing Trust Fund	
	Expand available non-public capital	
	Get public dollars out the door	

STATUS KEY

- **Launched**
- **Ongoing**
- **Completed**

COMMUNITY ENGAGEMENT APPROACH

July 2021

Overview

The Ten-Year Housing Plan for Cleveland will help determine the needs and opportunities in the city's housing market for the next decade. While an innovative approach to data and market analysis will shape the city's understanding of housing opportunities, the community engagement and analysis was designed to help the city understand the needs of existing and future renters, homeowners, and housing suppliers. At the end of the community engagement process, the team hoped to 1) understand which existing housing programs and activities are considered successful and which require adjustment; 2) understand the roles that non- and for-profit developers, housing service providers, and lenders can play in the housing plan; and 3) identify the community's top priorities and desired interventions in the housing market.

The market research and public engagement teams relied on a City Team and Advisory Committee throughout the process. The City Team included representatives from the City of Cleveland including: Directors of Community Development Tania Menesse and Michiel Wackers, Commissioner of Administrative Services Joy Anderson, Trudy Andrzejewski of the Mayor's Office, Economic Development Specialist Brianna Butler, Director of City Planning Freddy Collier, Director of Building and Housing Ayonna Blue Donald, Director of Economic Development David Ebersole, Commissioner of Neighborhood Development James Greene, Commissioner of Neighborhood Services Louise Jackson, Director of the Middle Neighborhoods Initiative Jason Powers, Bank Relations Manager Aisha Weeks, and Chief of Sustainability Jason Wood. The project team met with the City Team bi-weekly to receive feedback and guidance on the plan's progress.

The Advisory Committee was comprised of a broader set of stakeholders that met at the end of each phase of the process. The committee's members were:

- Alesha Washington, Program Director for Vibrant Neighborhoods and Inclusive Economy, The George Gund Foundation
- Anna Perlmutter, Resident and Co-Founder, Equitable Landlord Collaborative
- Arleesha Wilson, Resident and Housing Attorney
- Ayonna Donald, Director of Building and Housing, City of Cleveland
- Bo Knez, Founder and President, Knez Homes
- Clifford King, Assistant Vice President, CRA Officer, Dollar Bank
- David Ebersole, Director of Economic Development, City of Cleveland
- David Eddy, Vice President and Relationship Manager, Northern Ohio, PNC
- DJ Valentine, Vice President, CRA Mortgage Sales Manager, Huntington Bank
- Dominic Ozanne, President and CEO, Ozanne Construction
- Ed Rybka, Chief of Regional Development, City of Cleveland
- Freddy Collier, Director of the City Planning Commission, City of Cleveland
- Genevieve Mitchell, Resident
- Gloria McClendon, President and CEO, Greater Cleveland Credit Union
- Jeff Beam, Regional Vice President of Real Estate Development, The Community Builders
- Jeff Patterson, CEO and Safety Director, Cuyahoga Metropolitan Housing Authority
- Kareem Abdul-Salaam, President and CEO, Structures Unlimited
- Karen Paganini, President and CEO, K&D Properties
- Keisha Gonzalez, Program Manager, Social Impact Investing and Community Development Initiatives, The Cleveland Foundation
- Kevin Nowak, Executive Director, CHN Housing Partners
- Kris Keniray, Resident and Associate Director, Fair Housing Center for Rights and Research
- Linda Warren, Senior Vice President of Placemaking, Cleveland Neighborhood Progress
- Mark McDermott, Vice President and Ohio Market Leader, Enterprise Community Partners
- Michiel Wackers, Director of Community Development, City of Cleveland
- Pete Snavely, President and CEO, Snavely Group
- Tim Tramble, President and CEO, Saint Luke's Foundation

This document outlines the scope and process of public engagement for the plan. It lists our stakeholders engaged between September 2020 and June 2021, by method of engagement (survey, interview, focus group, or a combination thereof). When identifying stakeholders to engage, we created a selection process to target stakeholders by housing market, geographic area, and population served. We attempted to oversample areas and engage markets and populations that have been long underserved by the housing market. Through the engagement process we ensured that we were speaking with a diverse set of stakeholders representing different organization types, housing markets, and housing needs. This document also included a list of questions proposed to each stakeholder, and the memorandums from the process.

Phase I: Kickoff and Listening Sessions, September 2020 - January 2021

- In August 2020, the team created a website at www.clevelandhousingplan.com that served as a central point for information about the plan. The site included a plan overview, meeting schedules, public event summaries, recordings, and presentations, and a housing resource hub to keep viewers informed about the housing plan process. The website is available in English,

Spanish, Mandarin, and Arabic. The website also allowed for community comments on the plan and its public documents.

- The team released two waves of a community survey to gauge existing housing needs, conditions, and experiences of residents across the City of Cleveland. The first survey was attached to every rent relief application, a program funded by the federal government CARES Act and administered by the Cleveland Housing Network for all of Cuyahoga County. The second survey was distributed through social media networks and the city, and captured all residents, regardless of rent relief needs. Each survey had over 1,000 respondents for a total of 2,132 respondents, or just under one percent of the city's total population. Responses to these surveys shaped the working groups formulated in Phase II.
- In October 2020, the team created a housing supplier survey targeted to those in development and related industries. The team attempted to capture the needed tools and incentives to develop in Cleveland, what aspects in the process were helpful and which stymied development, and the types of amenities and households these suppliers were serving. The team created four surveys to capture the different provider types and industries: multi-family, single family, out-of-market, and ancillary services (such as architects, appraisers, property managers, and other industries supportive of housing suppliers and developers). The survey was distributed to for-profit and nonprofit developers, appraisers, realtors, architects, and engineers. The goal of this survey is to understand the market conditions that support housing construction and rehabilitation in all Cleveland neighborhoods, and what is needed to continue to enhance the quality and quantity of housing choice available. This survey received just over 80 responses, and helped to shape our focus groups with developers conducted during Phase I.
- The team conducted a series of individual and group interviews that enabled stakeholder groups, including nonprofit organizations, for-profit developers and lenders, and agencies such as CMHA and the HUD regional office, to contribute their experience and ideas to the plan. From September 2020 to December 2020, the engagement team reached out to groups and individuals to begin listening to their housing needs with individual or group sessions. The list of stakeholders who attended these meetings is attached to the end of this appendix. In total, about 181 stakeholders were interviewed in individual or group formats.
- The engagement team recruited and trained eight neighborhood "ambassadors" who led resident listening sessions in Cleveland's communities. The ambassadors received four two-hour trainings on the housing plan process and goals, the history of housing in the US and Cleveland, existing programs and policies for housing, as well as facilitation and note-taking practices. The ambassadors served as facilitators during the public meetings and were also responsible for leading smaller listening sessions based on the research and engagement teams' identification of under-engaged communities. Seven virtual focus groups targeting returning citizens, persons living with disabilities, renters, Spanish-speaking residents (2), and Mandarin-speaking residents (2) were held; additionally, two open focus groups were convened. In total, 54 individuals participated in focus groups. For those unable to participate in online conversations neighborhood ambassadors were also responsible for creating and administering paper surveys. These surveys were translated into Spanish and Arabic and made available at several local grocery stores and churches.
- The engagement team also conducted two focus groups with for-profit developers, who specialized in either single family or multi-family new construction and renovations, inside and outside of the Cleveland metropolitan area. The focus groups followed up on the findings of

the survey, to get more qualitative data on how developers were working in and out of Cleveland.

- The engagement team conducted two focus groups with appraisers, both from the commercial and residential sectors, to better understand the emerging issue of the “racial appraisal gap” identified by national research and media and local stakeholders. Approximately eight appraisers attended these two sessions, and notes from these interviews informed our recommendations for working group topics and questions in Phase II.
- The engagement team conducted one focus group with eight realtors, and six individual one-on-one telephone interviews with current or recent homebuyers. These stakeholders represented buyers in Cleveland, but also those purchasing in first ring suburbs and other nearby communities. The purpose of these meetings was to understand what buyers were looking for, what they were finding in Cleveland, and why they chose to live in Cleveland vs surrounding communities.
- The engagement team, in partnership with local organizations, hosted an initial online public meeting about the plan and timeline. These meetings served as large public listening sessions, where the team and ambassadors led small breakout rooms in Zoom to answer questions from the public and hear their needs and preliminary recommendations. The engagement team held two public meetings—one in the evening of January 28 and one on the afternoon of January 30. The meeting was advertised through the City Team’s program contacts, CDC mailing lists and social media accounts, and the neighborhood ambassador program (see flyer). The City also ran an advertisement on the local public television station two weeks prior to the meeting. The meetings were recorded, ASL interpreters and live captioning were available, and Spanish translation was made available. The recordings (excluding the breakout room sessions) were posted on the website, alongside a summary and a copy of the presentation. Residents were encouraged to leave comments as another form of engagement and feedback.

- Data from the surveys, stakeholder interviews, and public meetings and website were synthesized with the Existing Conditions data report to generate six themes around which Phase II working groups were organized. These themes were vetted by the Advisory Committee and the City Team. The team also presented these findings to the Mayor of Cleveland.

Phase II: Subject Matter Working Groups, April 2021 - May 2021

- Based on data and feedback in Phase I, the engagement team formed six working groups on the following topics: Housing Affordability and Accessibility (to address issues of homeownership affordability and accessibility for marginalized groups and people with disabilities), Housing Quality and Maintenance (to address the quality of homes—owner-occupied and rentals—across the city), Neighborhood Investment (to address infrastructure and other non-homeowner issues in the city), Filling Finance Gaps (to address the "capital stack" or sources of funds to develop new and renovate existing housing, as well as to address finance gaps on the demand side of the home purchase process), Housing Stability and Tenant Protections (to address stability for rental housing and tenants), and City Processes and Capacity (to address city processes and capacity to develop, assess, and maintain a diverse and quality housing stock in the city).
- These working groups were facilitated by at least one member of the advisory committee and one member of the research/engagement team, excluding the City Processes and Capacity group, which was facilitated by the research team. Selection of group members was done together with each group's co-facilitators and was intentionally drawn from well-rounded groups of specific stakeholders (e.g., a private or non-profit developer, a resident, a social service or housing provider, a lender in each group), but also relied heavily on the networks and knowledge of our co-facilitators. Working groups met twice, for at least ninety minutes, to generate recommendations and prioritize them. These groups used housing market data from our research team, and summaries from the Phase One listening sessions, to inform their recommendations. The groups then worked with members of the housing team to produce six separate memos. These memoranda were presented to the City Team and co-facilitators to begin the synthesis process of Phase III.
- During these meetings, the project team met with a group of housing researchers and academics from local colleges, universities, think tanks, and the Federal Reserve Bank. This meeting was intended to assist in synthesizing the recommendations (Phase III) around successful housing interventions in the context of the City's administrative capacity.

Phase III: Synthesizing Recommendations and Action Steps, June 2021

- The memos from Phase II produced approximately 120 recommendations across the six working groups. In Phase III, the engagement team invited the co-facilitators of each of the working groups (excluding themselves, as leaders of the City Processes and Capacity team) to help synthesize the recommendations into a core set of actions for the Ten-Year Plan. This cross-sector conversation was useful in identifying core priorities for the city and local capacity in the housing ecosystem, and helped to establish norms and accountability around the action plan's recommendations and targets. The second meeting in Phase III was with the City Team to specify the recommendations with greater refinement so that there was increased coordination across all housing partners. The engagement team was also producing a comprehensive list of existing housing programs and resources that is attached as an appendix to this report.

Phase IV: Plan Release and Listening Sessions – July - August 2021

- In Phase IV, the engagement and research team produced a final set of recommendations, targets, timelines, and scorecards for the Ten-Year Housing and Investment Plan. The

engagement team presented these recommendations to groups of stakeholders for final feedback to increase cooperation, collaboration, and capacity around the plan. These stakeholders include the Advisory Committee, CDC and social service provider leadership, developers, lenders, and the public. The project team integrated this feedback to finalize and, in July 2021, release the plan to the City for implementation.

Limitations

The City of Cleveland commissioned the work for this project before shelter-in-place orders were issued in the city and state. As a result of these orders, there was limited engagement, particularly for hard-to-reach populations that were most vulnerable during the Covid-19 pandemic (e.g., people experiencing homelessness, people experiencing mental health episodes, people without reliable Internet, people without access to health care services). Engagement with longstanding organizations that primarily service hard-to-reach, vulnerable, or otherwise marginalized groups expressed hesitation or chose not to meet with the engagement team as a result of “planning fatigue.” Planning fatigue is the feeling of disempowerment from groups due to planning processes that rarely result in successful implementation over time. The turnout for public meetings, response rate for the surveys, and “word-of-mouth," and the engagement was more successful than expected given the pandemic. But the inability to reach and engage deeply with vulnerable populations is a limitation to this engagement strategy.

Interview Questions

Introductory statements:

- Introductions: interviewer(s)/facilitator(s)
- Purpose of interview/focus group
- Purpose of 10-year housing study is to make recommendations to "provide a decent home for everyone in Cleveland that they can afford"
- Confidentiality statement: this is confidential; we will report information/ideas/comments in the aggregate; if we quote you, we will not identify the speaker; everyone in the room is asked to keep any statements by any participant confidential
- Group norms/Zoom etiquette/follow up

For all organizations:

1. What is your/your organization's connection to housing in Cleveland? (if facilities or services, collect data on quantity/type, number of individuals served, development projects built or in progress, properties protected, etc.)
2. Who are your most important collaborators in the work you do related to housing? How does that collaboration work?
3. From your organization's perspective, what are the biggest challenges related to housing (and your constituents related to housing) facing Cleveland today? What do you think are the cause(s) of these challenges?
4. What are your ideas about how those challenges could be met?
5. What are the biggest successes, what is going well, and why?
6. Are other cities doing things to support housing affordability and investment that you think would work well in Cleveland?
7. What are your big ideas about housing in Cleveland for the future? What should go in the 10-year plan?
8. What needs to happen at the City, State, County, and Federal levels?
9. What do you think are critical first steps/low-hanging fruit/work that should be done right away; or necessary catalysts to jumpstart bigger projects?
10. What do you think you and/or your organizations' role could be in the next 10 years? How do you see it evolving? What are your plans for the future?
11. Who is doing innovative work that inspires you, especially organizations like yours?
12. What other ideas do you have that we haven't spoken about? -
13. Who else should we be sure to talk with?
14. Would you be interested in participating in a Subject Matter Working Group? If so, what subject(s) would interest you?

<u>Additional specific questions:</u>

CDCs, Appraisers, Lenders, Development (for-profit and nonprofit)

1. Discuss the concept of weak vs strong market in the neighborhoods. What are they doing to strengthen the housing market? How is it going? Do they see patterns or changes in recent years, and due to Covid-19?
2. How does Zillow impact buyers interested in the Cleveland Market?

Real Estate, Development (for-profit and nonprofit)

1. Who is buying in Cleveland neighborhoods? Why do they choose to live here? Who is not buying, and why?
2. What can you tell us about the market for new housing and rehab housing?
3. What would it take to get new and rehabbed affordable housing jumpstarted in the "middle neighborhoods" and the "weak market neighborhoods"? (be specific per neighborhood) What would convince YOU to develop in these neighborhoods?
4. What is driving demand in strong market neighborhoods? People are willing to pay more in rent or home price, in your opinion why?
5. What are the most prominent challenges in the housing development process/programs in Cleveland?
6. What are the most important successes/programs in the housing development process in Cleveland?

Appraisers, Lenders:

1. Discuss the "gap" between value of home before rehab and need to obtain financing in order to rehab. What is your experience with the need to appraise properties at their future value? How is that going? Do you see any trends? What are the solutions?
2. Lenders: what policy changes or incentives would it take for you to be able to make smaller mortgage/home improvement loans (<$50,000)? What would it take for you to be able to adopt more flexible lending criteria?

Developers/Construction:

1. Discuss the cost of construction and how that influences their ability to deliver new and rehab product. What are the solutions? - are there trends?
2. Why are you working in Cleveland? - where else are you working, and why? What influences your choice of places to build?
3. What is happening with the availability of capital investment in order to build? Do you see trends (pre- and post-COVID)?
4. Do you see any trends in lease-up rates, length of tenure, or vacancy rates?
5. Are there any specific unit, property or neighborhood features or amenities that are being more highly demanded?

Potential Buyers and Renters:

1. What is your situation with regard to looking for a home? - how long have you been looking, when do you intend to move? Do you currently own a home? Where do you currently live, and why? Why are you looking for a new home?
2. Where are you looking, and why? What are the most important factors in your search?
3. What type of housing are you looking for?
4. If you are considering a home in Cleveland, which neighborhoods? Why? Which would you not consider, and why?
5. If you are not considering a home in Cleveland, why? What would it take for you to consider buying a home in Cleveland?

Social Service Agencies

1. Who are the constituents you serve?
2. What are the issues you see people experiencing with regard to housing?
3. What special considerations are involved in meeting the housing needs of the people you serve?
4. What are your recommendations in response to these needs for the 10-year housing plan?

Foundations/Philanthropy

1. What is your grantmaking approach to housing needs and projects?
2. What are the gaps you are trying to fill - how could these be met for the long term?

City/County Departments

1. What is the main mission of your department/area with regard to housing in the city? What major task areas are involved?
2. What resources are available to you to pursue this mission? (staff/funding sources)
3. Who do you collaborate with to get this work done?
4. What additional work could be done in your area, and what resources would be needed?

Memoranda from Phase II Working Groups

Housing Stability and Tenant Protections Working Group

Recommendations

The following recommendations have been made by the members of the Housing Stability & Tenant Protections working group:

1. **Adopt additional legislation promoting tenant rights**
    - **a.** Discriminatory Screening Protections
        - i. Protections to combat source of income discrimination
            1. Source of income (SOI) discrimination is when a landlord refuses to rent a unit to a prospective tenant based on his or her source of income. For example, a landlord may advertise rentals with "No Section 8" or similar statements. This is currently legal and happens often in Cleveland. According to The Fair Housing Center's recent report, Housing Voucher Discrimination and Race Discrimination in Cuyahoga County, landlords with units in the City of Cleveland, outside areas with heavy concentrations of existing housing vouchers, deny housing voucher participants affordable rental units more than 95% of the time (Source: *It's Time to End Source of Income Discrimination in Cleveland,* August 2019, Fair Housing Center)
            2. Sample ordinance from St. Paul
        - ii. Prevention of criminal history discrimination, including misdemeanors
            1. Fair Chance Housing: In 2016 the U.S. Department of Housing and Urban Development issued guidance that challenged the legality of criminal background screening, using a "disparate impact" analysis. This guidance acknowledged the racial disparities embedded in the American legal system, and illustrated how those disparities impact access to housing. Despite this guidance, past involvement with the criminal justice system remains a major barrier to housing. This is true in many cases regardless of the offense, the time elapsed since release, or who in the household has the record. Fair chance housing would reduce barriers to housing due to past involvement in the criminal justice system by further limiting how criminal background can be used in the housing application process, providing increased transparency to the prospective renter as to why they may be denied housing, and creating a system for appeal. Through fair chance housing, we can reduce barriers to housing for returning citizens and reduce the demand for emergency shelter, where many returning citizens end up living because they are unable to find residency elsewhere.

               In Ohio, according to the Ohio Department of Rehabilitation and Corrections, 9,837 individuals were released from correctional facilities between 2013 and 2015 and returned to Cuyahoga County, while 53,827 individuals were released from Cuyahoga County Jails between 2016 and 2017. Without stable housing an individual risks accidentally violating their

post-release control, needing to live in an emergency shelter or doubling up with family and friends. Each scenario has the potential of increasing the chance of reoffending (Reentry Housing Coalition Memo).

2. Examples of recently passed ordinances: Oakland, Cook County, Seattle

b. Pay to Stay Legislation

i. Under Ohio law, a landlord has no duty to accept a late payment, which means a renter can be evicted for being just one day late on rent. Under a Pay to Stay ordinance, a landlord may not proceed with an eviction for non-payment of rent if the renter tenders full rent and fees by the eviction hearing (Cities in Ohio with Pay to Stay: Yellow Springs, Toledo, Dayton, Akron, Cincinnati, Lakewood, Euclid)

c. Long-term Renter Protections

i. Change of ownership should trigger a requirement for notice to tenants and allow a grace period before a tenant has to vacate a unit. Tenants, or a local nonprofit organization, should also have first right of refusal in the event of:

1. Sale of property
2. Foreclosure
3. Death of owner
4. Termination of rent-to-own agreements

d. Legislation preventing abrupt, drastic increase in rent prices

i. Example: DC has maximum rent increase (source: National Apartment Association, Urban Institute Rent Control Brief)

2. Create programs addressing history of racial inequity and land access in the City

a. Establish community land trusts

b. Require affordable units with new developments. Process could be standardized by establishing a Community Benefits Agreement (CBA) process at the city level

c. Create and support alternatives to credit checks

d. First-time homebuyer programs

i. Increase knowledge of and access to these programs; this will increase community ownership and minimize ability of speculators to purchase

e. Establish a flexible shallow rent subsidy program

i. To preserve housing stability for low-income Cleveland families, a flexible rent subsidy program would support low-income families who are rent burdened (example: DC Flex Program, Shallow rent subsidy program examples)

ii. The most common allowable increase in rent is an annual adjustment, based on the increase in the Consumer Price Index (CPI-W). For most tenants, the most that their rent can increase is the CPI-W percentage plus 2%, but not more than 10%. For tenants who are elderly or disabled, the maximum increase in rent charged is the CPI percentage only, but not more than 5% (more about DC Rent Control)

3. **Fund advocacy organizations to educate and support landlords and tenants**

a. Funding advocacy organizations to educate tenants on their rights including

    i. All new potential legislation
    ii. First right of refusal
  b. Education and training on rights and responsibilities of being a landlord
  c. Creating landlord/tenant collectives to build community and provide balance to an imbalanced relationship
  d. Funding for mediation to settle disputes between landlords and tenants can divert court cases

4. **Address Housing Condition (also covered in another group)**
  a. Low-interest loans/grants for "ma and pa" landlords who require lead abatement and home improvements
  b. Better enforcement of the housing code to address poor-quality rentals

Additional resources/references

- Creating Community Controlled, Deeply Affordable Housing: A Resource Toolkit for Community Activists & Allied Community-Based Housing Developers

Committee Co-Facilitators, Stakeholders, and Meeting Dates

The Housing Stability Stakeholder Group was co-facilitated by Jeffery Patterson, Chief Executive Officer of Cuyahoga Metropolitan Housing Authority, and Arleesha Wilson, Esq., The Law Office of Arleesha Wilson.

Attendees included:

- Marilyn Burns, Community Leader and Advocate
- Margie Glick, Director of Advocacy Lutheran Metropolitan Ministries
- Jen Griffin, Director of Housing Programs, EDEN Inc.
- Devinity Jones, HIV Prevention and Trans Wellness Coordinator, LGBTQ Community Center
- Maria Smith, Supervising Attorney, Legal Aid Society of Cleveland
- Molly Martin, Director Strategic of Initiatives, NEOCH

The group met twice, on May 6, 2021 and May 13, 2021. During the first meeting (1.5 hours), the group discussed issues related to tenant protections and housing stability in Cleveland and began brainstorming solutions. During the second meeting (1.5 hours), the group cited solutions to identified issues as well as examples of legislation in other cities.

Neighborhood Investment Working Group

The Issues

While many aspects of the Cleveland Housing Plan discussion have focused on Cleveland's housing stock itself, and the needs of households in relation to specific housing characteristics, the topic of neighborhood quality and investment arose repeatedly in Phase I listening sessions. Respondents to the community survey, and participants in focus groups, public meetings, and interviews often brought up concerns related to neighborhood quality. Respondents highlighted the lack of investment and homeownership opportunities as a result of uneven neighborhood development. There are some "hot" neighborhoods, and there are others that lack any investment ("weak market neighborhoods"), including those identified as "middle neighborhoods." In the "hot" neighborhoods, rising property values can make it difficult for existing residents to stay. And in "weaker" neighborhoods, even if someone is interested in purchasing or investing in a property, the poor quality of surrounding housing and infrastructure can deter that investment.

Respondents also noted the importance of the role the City and other housing stakeholders can play in creating more equitable neighborhood investment, and ways that the City and other housing stakeholders maintain existing neighborhood investment and amenities.

The Neighborhood Investment working group identified the following themes related to Neighborhood Investment, particularly in weak market neighborhoods:

1. Neighborhood environment, amenities and infrastructure are critical to attracting residents and strengthening weak market neighborhoods.
    - Infrastructure—roads, fiber, transit, safety
    - Housing and commercial areas in good condition
    - Parks and open space, playgrounds, places for families
    - Shopping and other amenities
    - Pedestrian and bike transportation to major amenities should be easy
    - Pedestrian walkability is important

2. Maintenance and rehab are critical for strengthening neighborhoods, making them attractive, and ensuring naturally occurring affordable housing where mid-price-range families can find places to live long term
    - Financial support to help people afford maintaining their homes—and once in place, work to ensure people know about it and have access to it
    - Prioritizing rehabbing older homes and multi-family structures rather (and in addition to) than building new; will help to provide the 3- and 4- bedroom homes needed to attract and keep long term family residents at affordable price points
    - Code enforcement is key to encourage ongoing maintenance (cheaper than deferred); and hold out-of-town landlords accountable to maintain properties

3. Incentive programs can help but must be provided for both residents and developers
    - Incentivize people to stay long term, and avoid sudden increase in costs when incentives run out

    - Allow people to layer multiple sources of incentives
    - Loopholes need to be closed at the state level to ensure workable property tax protection for low-income residents as neighborhood values strengthen
    - Provide good communication about programs and incentives available
4. Housing can be leveraged to strengthen all neighborhoods by creating jobs, training, and wealth building opportunities
    - Historic preservation, rehabbing and retaining older structures, and creating new sustainable and green development is an opportunity to create and train residents for good jobs in all neighborhoods
    - There is a need to explore good structures for transferring vacant properties to residents who will maintain and can build wealth—land trusts and philanthropy need to have property ownership by residents as the end result
    - Small landlords should be supported in owning/maintaining properties
5. The best role for the City is to prioritize doing what no one else can do; strengthen partnerships for other housing-related activities
    - Providing and maintaining infrastructure
    - Public safety
    - Leveraging project approvals for community benefits agreements providing gap financing, jobs, training, and infrastructure
    - Code enforcement and inspection
    - Zoning and planning/market policy targeted at incentivizing the type of development desired/needed in each neighborhood
    - Tax abatements and other incentives and tax protections (also the County)

Priority Recommendations

In addressing these issues, the group prioritized the following potential solutions, in order of priority. Three overarching recommendations which apply to all of them were also identified:

- Work with partners to create a large, flexible and strong CDFI that is scaled with enough capacity to address major housing issues. It was acknowledged that the capacity of current CDFIs is limited.
- It was strongly felt that the City should focus on what they do best, and what other partners cannot do, and develop strong partnerships with others to address the full range of housing needs in the City. The top three prioritized recommendations below were all seen as tasks best taken up by the City.
- It is recognized that development and redevelopment have a powerful role in shaping the future of neighborhoods, and this role has too often been driven by inherently racially biased policy in the past. Development and redevelopment policy should be harnessed in all neighborhoods to overcome histories of disinvestment and discrimination, and create strong places to live, work, and play that provide opportunities for all residents.

Priority 1. Address tax and incentive policy comprehensively to incentivize appropriate development, and incentivize long-term residents to stay in Cleveland

- Work with partners to close loopholes at the state level to ensure workable property tax protection for low-income residents as neighborhood values strengthen
- Work with County and School District to provide tax abatement incentives for both residents and developers, particularly in weak market neighborhoods
- Allow residents to layer multiple incentives
- Design resident tax incentives to avoid sudden drop-offs that could force people to move
- Address the need for incentives to support construction and rehabilitation that provide- higher quality housing options for low to moderate income families, both buyers and renters, especially 3- and 4-bedroom units.

Priority 2. Create a robust program of neighborhood infrastructure upgrade and reconditioning for roads, sidewalks, lighting, stormwater, internet, public power, public safety, bike routes/lanes, and parks, particularly in weak market neighborhoods.

- Consistently implement the Complete and Green Street ordinance[1] in all neighborhoods
- Prioritize the CHEERS[2] plan, and the Midway project from Bike Cleveland[3]
- Aggressively pursue noise reduction, traffic calming, and appropriate light pollution controls if not in Complete Streets ordinance
- Create Culture Plans[4] for neighborhoods to support existing culture as neighborhoods evolve
- Strengthen neighborhood planning processes to be responsive and accountable to neighborhood needs
- Connecting parks and open space should be prioritized, especially in underserved neighborhoods—incorporate green infrastructure projects; provide easy access within 15 minutes' walk to all residents
- Implement the Cleveland Tree Coalition Tree Canopy Plan[5] in all neighborhoods including prioritizing tree maintenance; integrate a strategic long-term maintenance plan for trees into City operations, including education/outreach/inspection to prevent tree loss

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[1] The City of Cleveland passed a Complete and Green Streets ordinance in September 2011. In effect as of January 2012, the ordinance requires implementation of sustainable policies and guidelines in all construction projects within the public right of way. See Sustainable Transportation and Complete and Green Streets Plan 2013. A copy of the ordinance is posted at Ordinance 798-11

[2] The Cleveland Harbor Eastern Embayment Resilience Study (CHEERS) outlines a plan for additional parkland and habitat along Cleveland's Lake Erie shoreline in proximity to the St. Clair-Superior and Glenville neighborhoods. See CHEERS.

[3] The Midway – Cleveland's Protected Bikeway Network will consist of 60 miles of landscape-buffered, two-directional center lane bike lanes–with separate bike signal system–which will connect Cleveland neighborhoods to each other and to key regional assets. See Midway.

[4] "Cultural Plans" in neighborhoods are an example of culturally sensitive planning and city strategy for neighborhoods. For example, see NYC's neighborhood cultural planning web page, https://createnyc.cityofnewyork.us/the-cultural-plan/issue-areas/nc/.

[5] See http://www.clevelandtrees.org/cleveland-tree-plan/

- Prioritize street safety through implementing the Midway project and Vision Zero[6] for pedestrian and bike safety
- Prioritize deterrents in neighborhoods such as improved lighting and cameras in all neighborhoods including introducing LED lighting in streets and alleys, street bumps
- Implement "simple enforcement" such as sobriety checks and traffic enforcement, provide police presence/visibility

Priority 3. Strengthen weak market neighborhoods through a comprehensive code enforcement program:

- Ensure adequate staffing levels
- Train and support staff to take a "customer service approach" ("how can we help you"), reaching out to neighbors and seeking ways to help and educate
- Implement a point-of-sale code enforcement program
- Clarify and upgrade standards for property condition and maintenance
- Apply code enforcement uniformly and hold out-of-town landlords accountable
- Work with partners to adequately fund and administer maintenance and rehabilitation programs to support property owner and landlord maintenance and rehabilitation

Additional priority recommendations included the following. These are not prioritized and include tasks that can be addressed by partners.

A. Work with partners to strengthen related neighborhood amenities and services including schools, transit, vibrant neighborhood commercial activity, and fiber optic network
   - Connections to Metroparks
   - Partner with business and arts and culture organizations to think about programming open spaces
   - Support NOACA's efforts to limit sprawl, and encourage NOACA to think about re-igniting older industrial neighborhoods to keep businesses in places that are ready for reuse
   - Encourage the City of Cleveland to leverage the work of CMSD and Say Yes to Education
   - Strengthen community amenities in all neighborhoods such as restaurants, retail, locally owned businesses, neighborhood pride in businesses, top quality places to do business, business planning/response to neighborhood needs (i.e., Dollar General on Ford Ave)

B. Work with partners to create innovative approaches to property lease, transfer, and rehabilitation that will build wealth for homeowners and small landlords, especially in weak market neighborhoods

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[6] See Bike Cleveland web page; this appears to be a current project in progress under the Cleveland Vision Zero Task Force.

- Modify Sheriff's Sale process for tax-foreclosed properties to be more community-based and supportive of individual homeownership, for example by giving residents priority in property acquisition
- Prioritize purchase/rehab loans and acquisition for residents
- Require purchasers to show they are local and responsible
- Ensure that Council and CDC development planning decisions have robust neighborhood engagement and information, including neighborhood-level meetings with affected neighborhoods (For example, require Council/CDC planning processes to hold 3 meetings with community involvement in making planning decisions)

C. Prioritize historic preservation and housing rehabilitation to leverage naturally occurring affordable housing, job training, and neighborhood stability, especially in weak market neighborhoods
   - Implement the City's Middle Neighborhoods[7] plan
   - Adopt a "Fix it First" strategy incentivizing preservation in allocating City resources, and encouraging developers to look at rehab
   - Address need for education on benefits and meaning of historic preservation (of what and for whom)
   - Encourage adaptive reuse of housing, preserving historic character while upgrading property
   - Support historic markers to preserve history/narrative at the neighborhood level, beyond the building/place itself

D. Leverage City planning and zoning policy to incentivize exemplary, high quality, sustainable housing development and rehabilitation in weak market neighborhoods and others:
   - Upgrade zoning based on planning for market-driven demand in each neighborhood, addressing family and multi-generational family needs as well as singles/couples as appropriate and incorporate universal design
   - Provide PUD type zoning and other flexible options to encourage creative development and reuse of existing structures
   - Implement community benefits agreements as part of development review and approval to provide jobs, training, education, gap financing, infrastructure upgrades, and amenities in major development and redevelopment projects
   - Continue to incentivize green and sustainable development practices, and expand incentives to encourage innovation and use of state-of-the-art approaches to construction, housing quality, infrastructure, and neighborhood amenities

Potential Gaps

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[7] The Cleveland Middle Neighborhoods initiative is working on this issue. A formal plan has not been adopted as of yet. See powerpoint presentation presented to Council in 2020 for a summary of the issues and possible solutions; news item.

Although the group addressed a wide variety of issues and solutions related to neighborhood investment, potential remaining questions include drilling down to specific programs which might address some of the issues identified above. This would require further research on successful programs elsewhere, starting with the Peer Cities as examples, along with others such as Detroit, and further work within City Departments and with partners to identify solutions that would work best in Cleveland.

For example:

- Looking at the slower recovery and lack of recovery among many mostly east-side neighborhoods in the wake of the last foreclosure crisis, how can the City concentrate investment and resources in those communities to help families who are under water or whose property values have depreciated rebuild and recover?
- How do we invest in neighborhoods to bring in companies, support existing businesses, highlight retail and parks, neighborhood gardens, tree planting, etc.?
- How do we address vacant property in a way that keeps existing residents, but welcomes new residents?
- Resourcing mechanisms that capture appreciation for community/resident benefit (Land trust, REIT, CIF, etc.)
- Resourcing private public facing improvements (paint, fencing, landscaping, porches)

Co-Facilitators, Stakeholders, and Meeting Dates

The Neighborhood Investment Working Group was co-facilitated by Linda Warren (Cleveland Neighborhood Progress) and Keisha Gonzalez (Cleveland Foundation).

Group members included:

- Alesha Washington, George Gund Foundation
- Joyce Pan Huang, Midtown Cleveland
- Tim Tramble, St Luke's Foundation
- Jeremy Taylor, Detroit Shoreway Community Development Organization, Hough Community Land Trust
- Ricardo Leon, MetroWest Community Development Organization
- Bradford Davy, Fund for our Economic Future
- Phillip Studmire, Cleveland Neighborhood Progress, Near West Land Trust
- Kevin Hudson, Levin Group
- Ron Calhoun, Cleveland resident

The group met twice, on May 6 and May 13, 2021. During the first meeting (1.5 hours), the group discussed issues related to neighborhood investment in Cleveland and began brainstorming recommendations. During the second meeting (1 hour), the group solidified these recommendations and

identified priorities. Group members were also given opportunities to review/edit/comment on the draft recommendations, and on this memorandum.

Housing Quality and Conditions

The Issues

Poor housing quality and conditions are a significant challenge in Cleveland. Over half of all housing units in the city were built before 1940 and are now over 80 years old. Only a very small share (5%) was built within the last 20 years. The City's Department of Building and Housing estimates there to be approximately 7,700 housing units that are "vacant and distressed." A 2015 citywide property inventory conducted by the Western Reserve Land Conservancy graded over 6,000 as grades D or F because they exhibited major exterior cracks, rotting wood, broken or missing windows, open holes, or were filled with trash. In addition, 20,300 properties were only in "fair" condition (rated C). Worryingly, the number of C-rated properties had increased when WRLC re-inventoried neighborhoods on the East Side, at a rate of 1.3% per year. If this rate holds, over 40% of structures will be in only "fair" condition by 2030.

The Housing Quality and Conditions stakeholder group identified the following key issues related to this topic:

- Lack of access to capital and other resources for home repair
- Persistent vacancy and neighborhood blight
- A need for healthy, efficient, and safe homes
- A need to improve code enforcement
- Rising prevalence of out-of-town real estate investors contributing to poor property conditions
- A need for homeowner and landlord education regarding repair and maintenance
- A need to build the capacity of local contractors to carry out repairs

Priority Recommendations

In addressing these issues, the group prioritized the following potential solutions:

1. **A locally funded emergency home repair program**. The City's current CDBG-funded home repair programs are not sufficient to meet demand. The regulations associated with CDBG require a bid process that takes too long for emergencies and impose documentation burdens that make them onerous for many households to access. The City should develop a revolving loan fund with a 15-20% loan loss reserve using a flexible, non-federal funding source (a combination of local, private, and philanthropic dollars) that offers home repair grants, deferred loans, and amortizing loans based on the applicant's ability to pay. The grants/loans available must be large enough to accommodate the large repairs (at and above $20,000) required to ensure basic health and safety in many Cleveland homes. Repairs should be targeted to seniors and inheritors who would otherwise sell to predatory investors (the focus in this case should be to prepare the property for sustainable homeownership).
2. **An integrated delivery system to conduct home repairs and provide other housing-related services**. The City should work with home repair and housing service providers to implement a one-stop shop for home repairs and other housing services. By accessing a single portal, property

owners should be able to find the services available to them in their neighborhood. This portal would be backed by a robust data-sharing and referral system that also allows each participating service provider to document that funding regulations were met.

3. **Investment in contractor capacity**. The City should again collaborate with an entity or network of organizations that invests in technical assistance to local (especially minority and female) contractors, be able to vouch for them without submitting them to an onerous certification process, help them access advance capital or a rolling line of capital to cover the upfront costs of repair and reduce risk, and to manage a steady pipeline of bundled projects that provide consistent income.
4. **Policies that curb predatory investment**. The City should collect more information about absentee investors, for example by requiring them to provide the name and contact information for a local agent, such as a property manager, in the rental registry. Second, the City should implement policies to curb predatory investment, such as preventing additional deed transfers to investors who are already delinquent on property taxes or have outstanding code violations for another property and engaging the Sheriff's Department to prevent bulk-buying sight unseen. Finally, the City should ramp up code enforcement for "bad actors" and the Law Department should hold property managers, not just investors, liable for violations.
5. **Expanded access to home improvement capital**. The City should partner with banks to develop alternative lending programs that underwrite homeowners who have less-than-perfect credit scores but who are still likely to be able to repay a home improvement loan based on utility payment records and other factors. The City can invest the core capital to a loan loss reserve in order to provide credit enhancements that reduce the risk to private lenders. All participating lenders should participate in the credit enhancement programs according to the same terms (i.e., no individual bank should be permitted to demand a larger reserve or higher credit standards for borrowers).
6. **Scaled-up home repair education efforts**. The City should work with its partners to better fund home repair education programs, allowing for better outreach efforts, tool lending banks, and the recruitment of skilled practitioners to teach maintenance and repair skills. Home repair classes should *not* be mandated in exchange for the receipt of loans or subsidized repairs, since this can act as a barrier to much-needed assistance.

Other Recommendations

The group also generated additional recommendations for consideration.

1. Develop a strategy ensuring that it targets publicly funded home repairs to neighborhoods where banks are simply unable to accept the level of risk.
2. Partner with the trades to develop home repair apprenticeship programs.
3. Create an insurance bond pool for small contractors.
4. Emulate Detroit by adopting statutory tools that could get viable vacant properties back on the market more quickly.
5. Coordinate code enforcement across municipalities in the region and share data via Neocando in order to target bad actors. A strategy and vision need to come from the very top, i.e., the Mayor.

6. Combine weatherization with larger repairs. Currently, many properties (up to half of all those inspected by CHN) are disqualified for weatherization assistance because they have larger unmet needs.
7. Implement R-PACE for residential energy efficiency improvements *but only with strong consumer protections and a mission-driven provider,* modeled on the Lucas County Land Bank's program (Toledo, OH).
8. Expand the lead-safe certification and lead remediation program to include all healthy home conditions, including black mold and pests, when the lead problem has been adequately addressed. Continue to track and fund lead safety successes in order to provide the momentum for future efforts.
9. Consolidate small contractors into a larger conglomerate with a stated mission to address home repairs across the city.
10. Do not tie emergency home repair assistance to financial wellness courses, which are often described as demeaning and useless. Use education as a carrot, not a stick.
11. Emulate Detroit's Rocket Mortgage program that pools rental properties going through tax foreclosure and gives tenants the opportunity to buy their home.
12. Provide property tax relief when home repairs are needed.
13. Fund a larger-scale appraisal gap program using federal relief funds.
14. Increase the capacity (both staff and technological) of the code enforcement team and separate it from rental registration so that staff are not stretched too thin.
15. Combine code enforcement with home repair assistance in order to mitigate the unequal burden on small, low-income property owners.
16. In the deed and escrow program, lower thresholds for local actors and raise them for external actors.
17. Stop requiring extremely detailed scopes from small contractors or developers, which increases turnaround time and cost to unsustainable levels.
18. Demolish vacant and dilapidated structures at a slower and more strategic pace, prioritize rehabilitation where possible.

Potential Gaps

Although the group addressed a very wide variety of issues and solutions related to housing quality and conditions, potential remaining questions include:

- How could the City Land Bank support better housing quality?
- Is there potential to use home repair assistance in combination with homesteading as an incentive to young families to move to Cleveland?
- Are there ways to specifically support "mom and pop" landlords in improving the quality of their rental properties?

Co-Facilitators, Stakeholders, and Meeting Dates

The Housing Quality and Conditions Stakeholder Group was co-facilitated by Justin Fleming (Cleveland Neighborhood Progress) and Emily Lundgard (Enterprise Community Partners).

Attendees included:

- Tikeesha Allen (Home Repair Resource Center)
- Kwame Botchway (Village Capital, Contractors on the Rise)
- Kory Clark (Burten Bell Carr Development, Inc.)
- Frank Ford (Western Reserve Land Conservancy and Vacant and Abandoned Property Action Council)
- Kevin Nowak (CHN Housing Partners)
- Jeff Verespej (Old Brookyln Community Development Corporation)

The group met twice, on April 29 and May 6, 2021. During the first meeting (1.5 hours), the group discussed issues related to housing conditions in Cleveland and began brainstorming solutions. During the second meeting (1 hour), the group solidified these solutions and identified priorities.

Housing Affordability and Accessibility

Co-Facilitators, Stakeholders, and Meeting Dates

In May 2021, Kris Keniray (Fair Housing Center for Rights & Research) and Chris Alvarado (Slavic Village Development Corporation) convened a group of stakeholders to discuss housing affordability and accessibility for the Cleveland Ten Year Housing and Investment Plan. Kris Keniray is also a resident and a member of the Advisory Committee for the housing plan. The working group members included:

- Dana Arrington, CHN Housing Partners
- Khrystalynn Shefton, Famicos Foundation
- Donzel Shepherd, resident/disability rights activist
- Beverly Williams, resident
- Monique Winston, WFG Title and Insurance

The group met on May 4 and May 11. The first meeting (1.5 hours) was dedicated to identifying underserved groups, what problems these groups face, and what policies can best address these problems. The second meeting (1 hour) elaborated on the policies and prioritized them for the plan.

Barriers to Housing Affordability and Accessibility

Although median owner-occupied housing costs for Cleveland homeowners have decreased in the last decade (from just over $1,100 per month to about $700 per month), getting access to housing finance capital to purchase or rehabilitate a single-family home has become increasingly difficult in the city. The decrease in homeownership costs is no doubt linked to the increase in homes without a mortgage. In 2010, 25,137 units had no mortgage (31.3% of units), while in 2018, 30,395 units (43.5%) had no mortgage.

A 2018 study of mortgage lending patterns in Cuyahoga County conducted by the Fair Housing Center for Rights & Research notes that Cuyahoga County has a long history of racial segregation, mortgage redlining, and predatory lending based on race. The report found that “despite a demand for credit, people in predominantly African American neighborhoods [in Cuyahoga County] often cannot get mortgages to buy houses in their neighborhoods.” A very small share of mortgages (about 2%) are approved for households earning less than $25,000, even though they make up 27% of Cuyahoga County’s total households. The median income for Black households is barely $30,000 in Cuyahoga County. Income explains some (but not all) of their underrepresentation among mortgage recipients. Households with incomes between $50,000 and $75,000 are most heavily overrepresented, by contrast; they receive 27% of mortgages but only make up 17% of all households. For people with disabilities, particularly those receiving SSI, the inability to save—or have assets more than $2000—limits their ability to save for homeownership’s immediate costs of down payment, inspection, and closing.

In addition to racial discrimination and redlining, people with disabilities and seniors face outright discrimination in home lending. A 2019 report from the Iowa Policy Project, Policy Matters Ohio, COWS,

and the Economic Analysis and Research Network (EARN) ranked Ohio 11th out of 12 midwestern states on policies that directly address racial discrimination and inequity.[8]

According to the 2019 American Housing Survey data for the Cleveland-Elyria metropolitan area (the most granular geography available), thousands of homes in the region have "accessibility problems," i.e., they are not accessible for occupant household members of at least 6 years of age who rely on assistance from another person in daily life or are living with a long-term condition. In total, about 41,200 units (5% of all units surveyed) are not accessible for their occupants with respect to entering the home or property; 21,400 units do not have an accessible bathroom, and 18,500 units do not have an accessible bedroom. Only 36% of households that include a member using a mobility device reported that their home meets their accessibility needs "very well."

In Cleveland, as of 2019, less than 10% of all occupied housing units have been built since the original passage of the American Disabilities Act in 1990. Thus, only 15,690 units, of more than 170,549 total, have been constructed subject to the ADA. In Cuyahoga County as a whole, the percentage of occupied units built since 1990 is slightly higher, at 12%, representing about 65,000 units.

Of the occupied units built in Cleveland since 1990, two-thirds are rental units (10,461 units total). Unsurprisingly, rent tends to be higher in these newer units. The average gross rent in rental units built since 1990 is $868, compared to $661 for units built in the 1960s, '70s, and '80s, and $739 for units built before 1960. This is concerning because Cleveland residents living with a disability are disproportionately impoverished. The disability poverty rate is 39%, compared to the citywide poverty rate of 33%.

Housing Affordability and Accessibility Issues

At the start, the group identified several populations that were currently underserved through Cleveland's homeownership programs:

- People with disabilities
- Millennials and young families
- Senior/aging homeowners
- Long-term renters
- Credit-deficit households
- Households that earn 80-120% of Area Median Income (AMI)

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[8] Gordon, Colin. "Race in the Heartland: Equity, Opportunity, and Public Policy in the Midwest." University of Iowa and the Iowa Policy Project. October 2019. https://files.epi.org/uploads/Race-in-the-Midwest-FINAL-Interactive-1.pdf

Priority Recommendations

1. Fund and resource down payment assistance programs for a broader range of buyers
    a. Currently, OHFA funds have very specialized programs (teachers, veterans, seniors, low-income, etc.); recommend expanding to address the above underserved groups in Cleveland's market/target to specific neighborhoods/households to address racial wealth gap
2. Work with banks to underwrite loans under $50,000, act as subordinate or third lender if needed for some small home repair loans
    a. This is a serious area of need, and existing programs such as the Huntington Bank program are inadequate to meet the level of need
    b. Collaboration with area appraisers, banks, and the city to create the pool to guarantee this process
3. Provide greater equity in allocating existing program funds across the city—the city needs to target areas with the greatest need instead of allocated equally
    a. City needs to reform programs so they are not first-come, first-served. This limits those with the least resources or connections—areas without strong CDCs and councilmembers may see less resources
4. Create a comprehensive "homeownership" directory and resource guide that is accessible to all residents about homeownership needs: education programs, how to maintain your housing, programs to repair and modify housing, available contractors, etc. Format could be in the council member ward newsletters or other public facing document distributed on a regular basis
    a. Expand CHORES program in support of this initiative
    b. There is a need for more and higher quality contractors in the city—see housing conditions recommendations
5. Better alignment between the Housing Plan and Cleveland Metropolitan School District; strengthening and investing in neighborhood schools and amenities such as parks and green spaces. The CMSD portfolio model makes it difficult to develop strong neighborhoods anchored by quality schools
    a. This may also mean phasing out tax abatements and down payment assistance in order to get those tax dollars back into school budgets
6. Ensure that all newly constructed multifamily housing subject to the fair housing act accessibility guidelines meets those minimum accessibility requirements. Incentivize/mandate the inclusion of extra-accessible (UFAS) units in market-rate, multi-family developments. Enforce compliance with both during the design and plan review process (accessible housing stock is limited, difficult/costly to modify existing housing stock, and people with disabilities face a disappearing housing market)
    a. City can use carrot or stick approach to enforce this process, but should establish its own targets to create a certain number of accessible market-rate units or rehabilitate units for accessibility by 2031

Full List of Recommendations

1. Fund local appraisal gap programs to address those at the bottom end of the income and home value ranges

2. Fund and resource homeownership education programs that are available through the lifecycle of the homeownership process (currently, HUD-affiliated programs are charging for some homeownership education programs such as credit report cleanups) and expand to different populations—completion of course will earn resident down payment assistance or other incentives (weatherization, roofing, etc.)
    a. Modeled after Ohio Housing Finance Agency which has HEPs for veterans, schoolteachers, state workers, etc.
    b. Consider developing a curriculum for K-12 education around homeownership and civic pride—create long-term Cleveland residents who can make informed housing choices in the future
    c. Can use these programs to address the racial homeownership and wealth gap
3. Fund and resource down payment assistance programs for a broader range of buyers
4. Work with banks to underwrite loans under $50,000, act as subordinate or third lender if needed for some small home repair loans
5. Provide greater equity in allocating existing program funds across the city—the city needs to target areas with the greatest need instead of allocated equally
    a. City needs to reform programs so they are not first-come, first-served; this limits those with the least resources or connections—areas without strong CDCs and councilmembers may see less resources
6. Create a single system for uploading documentation for program eligibility—the time and cost to duplicate these vital records is high for both CDCs and residents
7. Reduce some of the restrictions (such as documentation) around programs (e.g., SHAP) that make it difficult to actually get money out of the door
8. Revise city homeownership and repair programs to account for size of the home when allocating grant money—there is about a 1000 ft^2 difference between homes in some neighborhoods
9. Develop and resource programs to target middle-income homeowners who do not apply for federal subsidy programs but usually do not have the income/assets for conventional lending (80-120% AMI households)
10. Mandate accessible (using fair housing act accessibility guidelines) units in market-rate, multi-family developments, enforce during the design and plan review process (currently, difficult to modify existing housing stock and people with disabilities face a disappearing housing market)
11. Create a city program analogous to Healthy Homes—provides direct service to residents by connecting them to existing programs and resources offered by the city to facilitate homeownership
12. Create a comprehensive “homeownership” directory and resource guide that is accessible to all residents about homeownership needs: education programs, how to maintain your housing, programs to repair and modify housing, available contractors, etc. Format could be in the council member ward newsletters or other public facing document distributed on a regular basis
    a. Expand CHORES program in support of this initiative
    b. There is a need for more and higher quality contractors in the city—see housing conditions recommendations
13. Create a tax abatement for accessible and universal design buildings to encourage more development for greater housing accessibility
    a. Put stronger mandates around the use of HUD 504 funds to incentivize different housing options for people with different types of disabilities
14. Create programs to target student loan debt and debt forgiveness for younger families

15. Better alignment between the Housing Plan and Cleveland Metropolitan School District; strengthening and investing in neighborhood schools and amenities such as parks and green spaces. The CMSD portfolio model makes it difficult to develop strong neighborhoods anchored by quality schools
    a. This may also mean phasing out tax abatements and down payment assistance in order to get those tax dollars back into school budgets
16. Homestead and senior programs for property tax increases: the cost of property taxes keeps homeownership (and neighborhood stability) low—those on fixed incomes are not able to keep up with rising property taxes and new homeowners are not equipped to deal with changes in their mortgage payment
17. City needs to push market-rate developers to produce more mixed-income and affordable/accessible options
18. Eliminate PMI through city subsidies to reduce homeowner monthly costs
19. Implement lease-purchase programs with long-term renters in weak housing markets to induce development and stabilize neighborhoods
20. Leverage community benefits agreements with local lenders to directly address some of the lending issues (lower loan amounts, third lender subordinate, elimination of PMI before appraisal hits 78%)
21. Widespread support across the state around Community Land Trusts or Housing Trusts to purchase properties and parcels to maintain affordability and shared equity in the neighborhood
22. Create a First-Look, First Right-of-Refusal process for local residents to purchase homes in their neighborhood
23. Increase modification funds and who is eligible (include renters, given the lack of owner-occupied options for people with disabilities)

Potential Gaps

- How to reconcile the tension between lowering the costs and barriers to homeownership while also allowing homeowners to build wealth/equity in their homes and communities?
- How to reconcile the tension between underfunded schools in the city and the need to incentivize development and maintain affordability through property tax abatement and exemptions?
- How to account for the tax abatement cliff—when the tax abatement ends and the property is worth less than its purchase price?

Filling Financing Gaps

The Issues

The City of Cleveland has a broad set of housing needs, which require a broad and deep set of financing tools. This committee aimed to identify some of the key financing tools that would advance the goals put forward in the housing plan.

Priority Recommendations

In addressing these issues, the group prioritized the following potential solutions:

1. **Expand the pool of capital** by investing in existing CDFI and broadening the pool of institutional investors.
2. Use general operating dollars to **develop a housing trust fund** that could fund acquisition/rehab, serve as the foundation for a loan loss reserve, and provide down payment assistance.
3. **Increase existing agency capacity** to review and approve financing and deals, and generally get public dollars out the door.
4. **Reduce the cost of development** and operation by reducing taxes and fees, extending abatements, making land bank application process easier, and supporting the financing for development related infrastructure investments.

Other Recommendations

The group also generated additional recommendations for consideration.

1. Change State law in neighborhoods to mitigate for tax increases to existing residents who cannot afford them
    a. Consider abatements on land value
    b. Also consider extending abatements beyond 15 years
2. Create an appraisal gap grant program for both new construction and rehab
3. Cover costs of sewer and water lines to reduce costs
4. Less cumbersome down payment assistance grant
5. More education around tax abatement program
6. Focus development on hot spots
7. Diversify financing and make it inclusive
8. Make City Land Bank process easier
9. Career Pathways program: There needs to be a connection or mentorship program between high school students going into the trades to address the workforce challenges
10. A pool of capital that could be used to create mortgages, or a loan loss reserve

    a. the City of Cleveland through the transfer ordinance granted CHN $2 million loan loss reserve, which can raise 5-10x the lending capital
    b. Small mortgage loans are hard for people to get, first mortgages under $70,000, people who don't have perfect credit
11. Emergency and non-emergency home repair program
12. Construction gap financing
13. increase the limit for the Housing Trust Fund to the wards to $700,000 or $800,000. If there is a way to streamline the process to get these funds, more development would be happening
14. Loans/financing for renovation recapitalization to preserve existing portfolios
    a. It was a specified area that CDCs got CDBG funds to do home repair and renovations
15. Scale the tax credit
16. Lease purchase program is tremendously successful.
17. Local housing trust fund
    a. Allocate local budgetary authority either through the general fund or pass a levy, extra recorder fee, or property transfer fees to fund an ongoing trust fund
18. Have GCP and other economic development organizations include employee housing in business deals and feed a fund for down payments and security deposits
19. Make the historic tax credit deeper (i.e., increasing the amount of qualified rehabilitation expenditures from 25%), extend this to homeowners, simplify the process for them, increase the overall authority so there isn't a decrease in the number of projects that get tax credits
20. Create a state LIHTC credit, which would allow for additional subsidy into a project and more affordable and workforce housing development
21. Making sure they have proper staffing to administer these programs
22. Housing trust fund for home repairs, down payment assistance, acquisition/rehab fund, that comes from general fund not federal sources
23. Loan loss reserve to help leverage targeted funds for naturally occurring affordable housing
24. Reduce real estate tax rates to close financing gaps
25. Reduce permit fees
26. Scale PACE in the commercial and residential space, helping to retrofit units
27. Development of something like CDA for smaller community projects
28. Focus and reinvest in our local CDFIs and bring additional investment and institutional support into town
29. Infrastructure funding/support

Co-Facilitators, Stakeholders, and Meeting Dates

The City Processes and Local Capacity Stakeholder Group was co-facilitated by Pete Snavely (Snavely Group) and James Poznik (National Development Council)

Attendees included:

- Leslie Bednar, Resident, Realtor at Howard Hanna
- Clifford King, Dollar Bank
- Bo Knez, B.R. Knez Construction, Inc.
- Anya Kulcsar, Detroit Shoreway
- Esbeey Madera, All Phase Construction

- Kevin Nowak, CHN Partners
- Karen Paganini, K&D Properties
- Kareem Abdul Salaam, Structure Unlimited and Management, LLC

City Processes and Local Capacity

The Issues

The City of Cleveland interacts with the residents and housing professionals in many ways. Examples of these processes include development approval and permitting, inspections and code enforcement, communicating information about available programs, and providing home repair and other services to residents. At the same time, successful City processes rely on a diverse and engaged local community of housing professionals, service providers, and residents. In order to meet the goal of this planning process—i.e., to ensure a wide range of quality and affordable housing options to all Cleveland residents—strategies are needed to build the capacity of both the City and its partners to produce, preserve, and protect housing.

The City Processes and Local Capacity stakeholder group identified the following key issues related to this topic:

- *Providing Housing-related Services*
    - City home improvement programs, such as the Senior Homeowners Assistance Program (SHAP), require burdensome documentation and notarization that make them difficult to access, especially for low-income or otherwise vulnerable residents.
    - The application to build on City Land Bank lots is unnecessarily complex and takes 1-2 months to process, compared to the County application, which is short and takes 2 weeks to transfer.
- *Communicating Information*
    - There is a lack of awareness among both residents and developers about what public programs are available and how to access them.
- *Code Enforcement and Inspections*
    - The City does not hold out-of-town investors or their property managers accountable for property maintenance, leading to poorly maintained rentals that encourage high turnover and instability.
- *Development Approval and Permitting*
    - The permitting process is subject to long delays, potentially related to understaffing.
    - Not all City staff have remote access to the server, making it difficult for them to work remotely.
    - The development approval process can be arbitrary and unpredictable. The process does not adequately account for the variation in lot types, sizes, and grades, which makes some requirements impractical for certain developments.
    - The design review process imposes too many requirements for affordable housing, decreasing its feasibility.
    - City departments responsible for development approvals are not responsive, making it difficult for developers to access needed information.
    - The online development approval software is not user-friendly and is not consistently used by the City's development plans examiners.
    - The City increasingly passes water and sewer improvement costs to the developer. This makes the cost of developing a home unpredictable until the various lines are exposed and inspected, well after a buyer has secured their funding.

- *Accountability and Inclusivity*
    - There is a lack of mechanisms for holding the City accountable to provide fair, timely, and effective processes.
    - There should be more opportunities to residents to comment on and participate in important public decisions.
    - Racial equity and inclusivity training should be provided to City staff implementing programs, not just those in leadership positions.

Priority Recommendations

In addressing these issues, the group prioritized the following potential solutions:

7. **Increase awareness of the City's housing resources and initiatives**. Create an awareness campaign targeting housing resources to property owners in certain priority neighborhoods. Use messaging modeled on the successful COVID-19 vaccination campaign and design an accessible, unified portal for all housing-related programs. Create satellite offices and launch a door-knocking campaign to distribute resources to disconnected residents, rather than interacting with them primarily through penalties and rules enforcement.
8. **Lower barriers to existing programs**. Streamline the process to apply for existing programs such as the City's home repair programs and Land Bank programs. Reduce income documentation requirements and eliminate notarization to the extent possible under HUD requirements. Provide additional support to help residents navigate the application process.
9. **Build the capacity of Building and Housing and other relevant departments** by hiring and training additional staff and ensuring that all staff can access the City servers remotely.
10. **Implement a clustered development approval process.** For priority projects, bring together representatives of every department that weigh in on the permitting and development process so that developers can address all issues at once, rather than passing their proposal from one department to another.
11. **Adopt a universal software and electronic workflow for the development approval process.** Ensure that plans and other documents can easily be submitted online, and that all City staff involved in development approvals use the same system.

Other Recommendations

The group also generated additional recommendations for consideration.

1. Create a matching program to support home repairs for moderate-income homeowners. Match funds for roof replacements and other repairs or revive the former model rebate program.
2. Reduce the unpredictable costs of water and sewer improvements. The City can reassume responsibility for, and/or subsidize, water taps and sewer replacements. Utility companies can also be called on to support these efforts.
3. Waive certain development requirements for affordable projects. Rather than making it *more* expensive to develop affordable units, certain design requirements, prevailing wage requirements, and other costs should be waived or reduced, and approvals should be expedited, for units that will be offered below-market.

4. Model the City Land Bank's application process on the County's process by reducing the application length and reducing turnaround time to two weeks.
5. Hold property managers responsible for bringing properties up to code, rather than pursuing the numerous out-of-town investors who own these properties. Require absentee owners to list their property manager in the rental registration.
6. Increase code enforcement for properties rented for short terms and/or by the room. Increase the frequency of inspections and adopt fees to discourage landlords from renting out rooms with no amenities at exorbitant rates.
7. Create more opportunities for public comment at City Council sessions and ensure that extensive community engagement, including face-to-face communication, occurs before major projects.
8. Require or incentivize on-the-ground staff to pursue training with the Racial Equity Institute.
9. Ensure that new initiatives are effectively communicated across City departments, rather than remaining siloed.
10. Develop mechanisms to preserve institutional knowledge within the City, so that new staff acquire the expertise of more senior staff before they leave their positions.
11. Adopt an expansive rather than punitive interpretation of HUD guidelines for programs funded by CDBG and other HUD funds, and encourage City staff to advocate on behalf of residents for the greatest possible flexibility and access.
12. Preserve the tax abatement in order to continue to bring both affordable and higher-end buyers into the city.

Potential Gaps

Although the group addressed a very wide variety of issues and solutions related to housing quality and conditions, potential remaining questions include:

- How can the City make its webpages more user-friendly and informative?
- How can City processes related to repairs and rehabs be made less onerous to accommodate DIY homeowners and small landlords?
- Are there additional ways the City can make its housing programs more accessible to residents?
- What strategies can the City use to more quickly and effectively train new staff?
- How can the City work together with nonprofit and community-based partners to identify and respond to housing quality issues?
- Is there room for the City to increase the accuracy and fairness of appraisals, for example by disclosing the information from land bank sales publicly, by adding approved permits to public record in a timely manner, and by sharing more data with lenders?
- Can the Planning Commission and other bodies responsible for development approvals be encouraged to support innovation in development materials, methods, and designs?
- How can the zoning code be updated to reflect a greater emphasis on density and affordability?
- How can the City more quickly disburse funds to its partners, so that the barriers to partnering with the City are not prohibitive to smaller or community-based organizations?

Co-Facilitators, Stakeholders, and Meeting Dates

The City Processes and Local Capacity Stakeholder Group was co-facilitated by Vincent Reina and Claudia Aiken (University of Pennsylvania, PennPraxis).

Attendees included:

- August Fluker (City Architecture, Inc.)
- David Fragapane (Civic Builders LLC)
- Toni Johnson (Cleveland resident)
- Jayme Lucas-Bauer (Old Brooklyn Community Development Corporation)
- Alexis Mendoza (Central Properties Management)
- Domenic Ozanne (Ozanne Construction Company, Inc.)
- Denise VanLeer (Fairfax Renaissance Development Corporation)

The group met twice, on April 29 and May 6, 2021. During the first meeting (1.5 hours), the group discussed issues related to housing-related City processes in Cleveland and began brainstorming solutions. During the second meeting (1 hour), the group solidified these solutions and identified priorities.

List of Stakeholders

Category	Entity	Phase	Engagement Method
Cleveland Residents Goals of engagement: listen to the housing concerns and priorities of residents			
	Residents • Landlords • Homeowners • Renters • CMHA residents • Community leaders	1-4	Advisory Committee, Interviews
Political Leadership Goals of engagement: listen to the issues and concerns of political leaders			
	Mayor Frank L. Jackson	1,4	Interview, Briefing
Taxing/Public Service Entities Goals of engagement: discuss issues pertaining to taxes and incentives			
	CMSD	4	Interview
	RTA	4	Interview
	NEORSD (sewer district)	4	Interview
	Cleveland Metroparks	4	Interview
	Cleveland Public Library	4	Interview
	Port Authority	4	Interview
Housing Authority Goals of engagement: 1) obtain/confirm inventory of facilities and services; waiting lists; who participates 2) obtain input on biggest issues and possible solutions			
	CMHA	1	Interview
	HUD – Field Office	1	Interviews
Housing-Related City Departments Goals of engagement: understand needs/concerns of each department in depth, and issues they are facing; understand front-line staff's concerns and how they will be affected by implementation; obtain data as needed on various issues; hear ideas about ways to improve			
	Regional Development	1-4	Advisory Committee, Interview
	Community Development	1-4	Advisory Committee, Interview
	Planning	1-4	Advisory Committee, Interview, Group Interview
	Economic Development	1-4	Advisory Committee, Interview
	Building and Housing	1-4	Advisory Committee, Interview
	Neighborhood Services	1-4	City Committee, Interview, Group Interview
	Middle Neighborhoods	1-4	City Committee, Interview
	Bank Relations	1-4	City Committee, Interview
	Department of Aging	1-4	CAHA Attendance
	Community Engagement Specialists	1	Group Interview
County Departments and County-Level Efforts Concerned with Housing Goals of engagement: understand big issues and ideas for resolving			
	CAHA (Cuyahoga Affordable Housing Alliance)	1	Group Interview
	VAPAC (Vacant and Abandoned Properties Action Council)	1	Interview
Redevelopment/Land Reuse Goals of engagement: understand big issues and ideas for resolving; confirm any data they may have/could provide			
	Cuyahoga County Land Reutilization Corporation	1	Group Interview
	Western Reserve Land Conservancy	1-3	Group Interview, Working Groups
Housing Development, Construction, Design, and Sales Goals of engagement: understand issues and ideas for resolving			
	Appraisers (6)	1	Group Interview

	Community Development Corporations • CHN Housing Partners • Stockyard/Clark Fulton/Brooklyn Center CDO • Metro West CDC • Slavic Village Development • Greater Collinwood CDC • Tremont West CDC • Midtown CDC • Old Brooklyn CDC • Union Miles CDC • Historic Gateway District • Bellaire Puritas • Fairfax Renaissance Development Corp. • Famicos Foundation • Burten Bell Carr Development, Inc. • Detroit Shoreway Development Corp. • Westown CDC	1-4	Group Interview, Interviews, Working Groups, Briefing
	Single-Family Developers (8)	1-3	Group Interview, Working Groups
	Multi-Family Developers (15)	1-3	Group Interview, Working Groups
	Architects (1)	2,3	Working Groups
	Realtors (8)	1	Group Interview
	Prospective Homebuyers (4)	1	Group Interview
Housing and Social Service Providers Goal of engagement:			
	Legal aid and fair housing groups • Legal Aid Society • Fair Housing Center	1-4	Interview, Advisory Committee, Working Groups
	Disability advocates and service providers • Cleveland Hearing and Speech Center • Cuyahoga County Board of Disabilities • Cleveland Sight Center • Achievement Centers for Children • Services for Independent Living • Community Center for Deaf and Hard of Hearing • The Upside of Downs	1	Group Interview
	Home repair education and service providers • Home Repair Resource Center • Contractors on the Rise	2	Working Groups
	Other housing/social services providers • EDEN • United Way 2-1-1 • The Community Builders • Northeastern Ohio Coalition for the Homeless • Maximum Accessible Housing • Lutheran Metro Ministry • Benjamin Rose Institute on Aging • LGBT Center of Greater Cleveland • Empowering and Strengthening Ohio's People (ESOP) • YMCA of Greater Cleveland • CareSource Behavioral Health Team	1	Interviews
Financial Institutions Goal of engagement:			

	Foundations • St. Luke's Foundation • Cleveland Foundation • George Gund Foundation • Fund for Our Economic Future	1-4	Advisory Committee, Interviews, Working Groups
	CDFIs • CHN Housing Partners • Cleveland Neighborhood Progress • Enterprise Community Partners	1-4	Advisory Committee, Working Groups, Interviews
	Banks • Huntington Bank • Greater Cleveland Credit Union • Dollar Bank	1-4	Advisory Committee, Interviews
Academic/Research Institutions			
	Poverty Center/NEOCANDO, Case Western Reserve University	1	Interview
	National Initiative on Mixed-Income Communities, Case Western Reserve University	1	Interview
	Levin College of Urban Affairs, Cleveland State University	1	Interview
	Federal Reserve Bank of Cleveland	1	Interview

RESIDENTIAL SURVEYS REPORT

July 2021

A housing survey for Cleveland residents was administered beginning July 1, 2020 and has collected responses on a rolling basis from that point forward. Responses were collected in two ways. First, a link to the survey was included in the application for COVID-19 rental assistance in Cleveland. The first 200 rent relief applicants who filled out the survey were mailed gift cards for Dave's Market in Cleveland as a thank-you for their participation. This method of survey distribution was designed to reach those who might otherwise be less likely to fill out a survey. The second outreach method involved distributing the survey link via City listservs, CDC mailing lists, and other contacts.

This analysis is based on responses collected through July 16, 2021. Over 2,000 responses were submitted. After removing partial responses and responses from non-Cleveland addresses, the sample included 1,648 valid responses: 737 from rental assistance applicants and 911 from the general population.

Respondent Demographics

As shown in the map on the following page, the survey sample is distributed fairly well across Cleveland, with the highest shares of responses from the following zip codes: 44113 (15%), 44102 (13%), 44111 (10%), and 44109 (8%).

About half of respondents to the survey self-identified as non-Hispanic White (51%), 39% as non-Hispanic Black/African American, 5% as Latino/a, and 1% as Asian or Pacific Islander. This skews somewhat less diverse than Cleveland as a whole, which is 34% non-Hispanic White, 48% non-Hispanic Black/African American, 11% Latino/a, and close to 3% Asian. The dual distribution methods helped create a more balanced sample than might otherwise have been achieved; rental assistance applicants who completed the survey were 72% Black/African American while general respondents were 78% White.

About a quarter (23%) of respondents reported that they live with a disability or long-term health concern.

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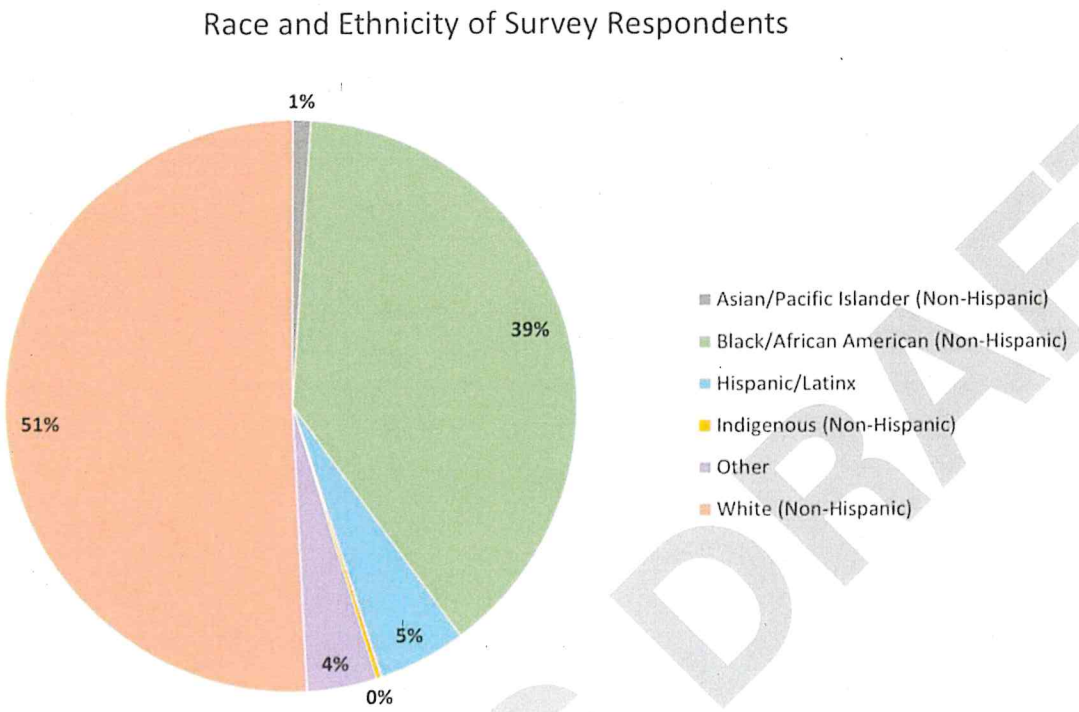
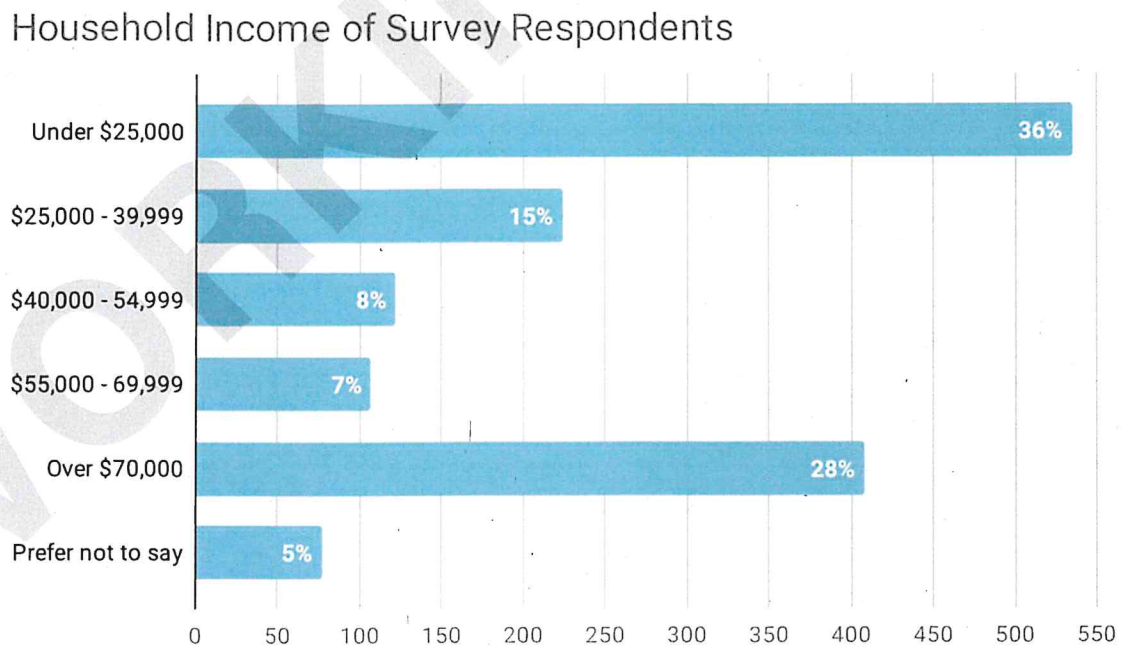


In terms of income, survey respondents represent a broad range. About a third (36%) have annual household incomes less than $25,000, while 28% have incomes over $70,000, and another third falls in between these two groups (see the chart below).



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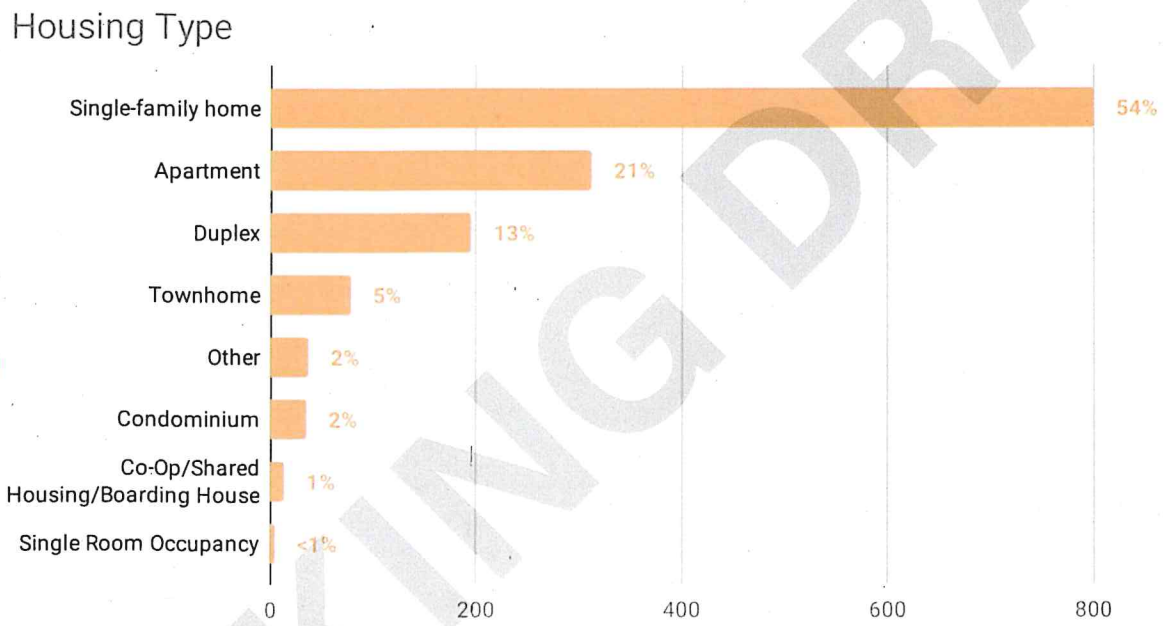
Housing Types

Slightly more than half (53%) of respondents are renters, including the 2% who rent from the Cuyahoga Metropolitan Housing Authority (CMHA). About 40% are homeowners. The remainder have alternative tenure situations, such as living with relatives or another household without paying rent, or living in a car, hotel/motel, or on the street. Like race/ethnicity, tenure types differ spatially, with West Side zip codes seeing higher rates of homeownership and East Side zip codes seeing higher rates of renter-ship (see maps, below).

More than half (54%) of respondents live in single-family homes. The remainder live predominantly in apartments, duplexes, or townhomes.



Housing Costs

The average monthly rent or mortgage payment reported by respondents is $757, with most paying between $500 and $900 (see chart below). Close to a fifth (17%) pay $1,100 or more. These figures do not include utilities, property taxes, insurance, or other housing costs. About 13% of respondents pay $0 in rent or mortgage costs, usually because their home is fully paid off, but sometimes as a result of one of the alternative tenure situations described above.

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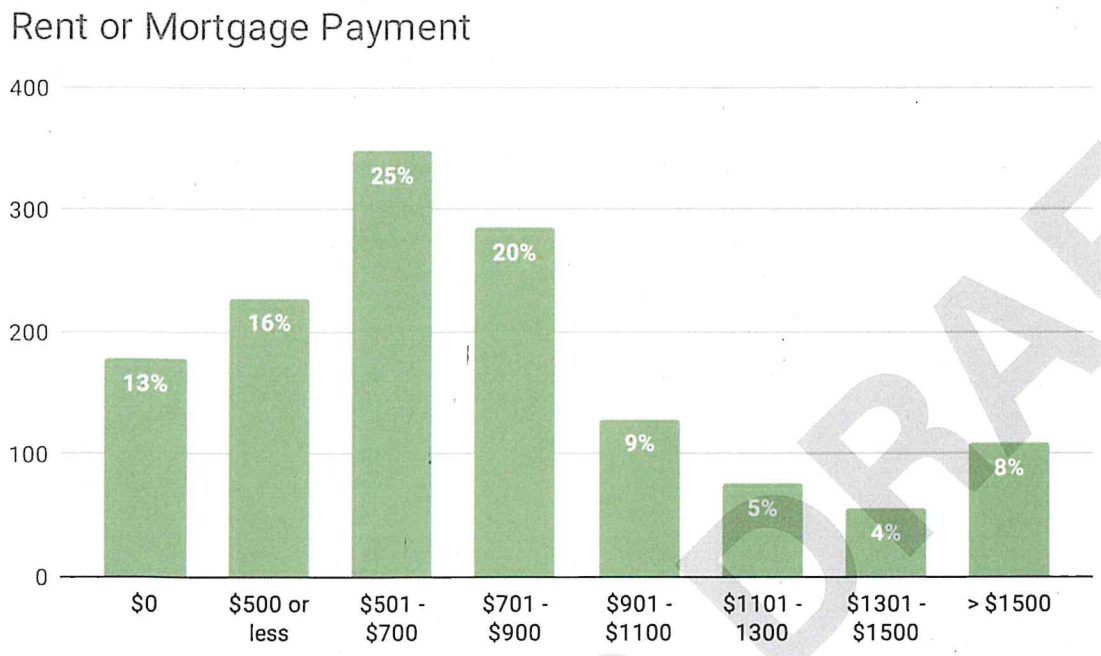

Housing Mobility

Survey results reflected high housing turnover among a subset of respondents. About 20% of respondents reported having moved more than once in the past 3 years. In addition, when asked how long they planned to stay in their current home, 14% said they would stay for less than 3 months, 8% for 3 to 6 months, and 13% for 6 to 12 months. As shown in the maps below, those who had moved more than once, and/or planned to move within the next three months, were concentrated in the following zip codes on the East Side: 44103, 44104, and 44105. A high share (21%) of respondents in zip code 44113 on the near West Side had also moved more than once in the past 3 years.

Respondents were asked to select the reason(s) for past moves. Of those who had moved at least once in the past 3 years, 46% sought a better-quality home, a better neighborhood, or both. By contrast, 29% moved to save money, because of landlord issues, as the result of eviction, or a combination of these.

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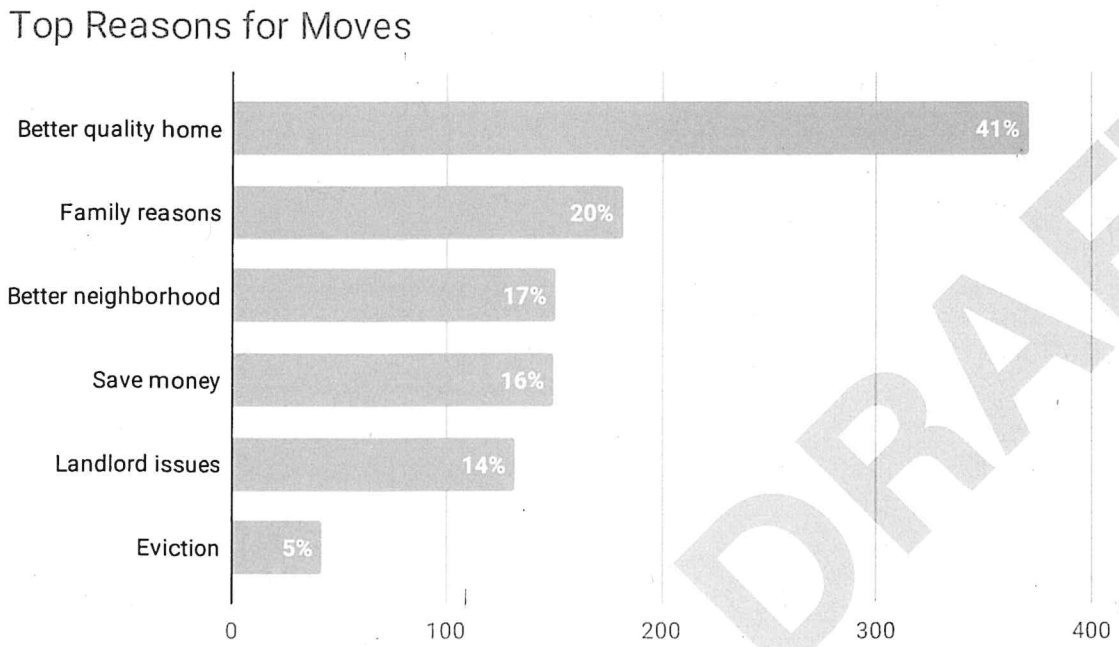

Housing Satisfaction

Just over 600 respondents (41%) were dissatisfied with their current housing situations. The top reasons respondents selected to explain their dissatisfaction included feeling that the neighborhood is unsafe, an inability to make repairs (either because the respondent cannot afford them, or the landlord is not making them), and not having enough room. Many respondents also typed in additional reasons, including pest and mold infestations, negative landlord relationships, difficulty navigating a multi-level home, and having neighbors who made them feel unsafe. A small sample of write-in explanations for dissatisfaction includes:

- "I wish we had a bathroom on the first floor."
- "I need a safer place for the kids."
- "My home tested positive for black mold."
- "I can't pay to fix up my home."
- "The whole neighborhood has been neglected for 40 years."
- "The landlord makes me feel uncomfortable."

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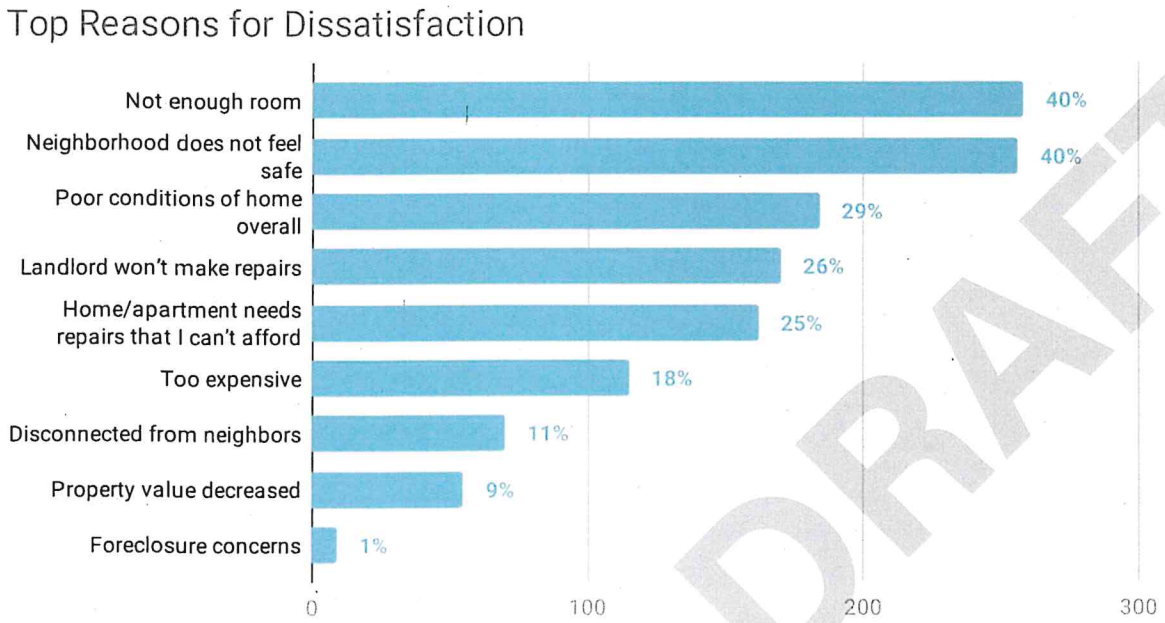

Of those who were satisfied, the top reasons included location, good value, and neighborhood amenities. A small sample of write-in explanations for housing satisfaction includes:

- "No mortgage, neighborhood offers...the diversity we want."
- "Walkable, good park, transit."
- "Rent is cheap."
- "I feel connected to my landlord."
- "I feel safe, and it's close to work."
- "Supportive environment for my disability."

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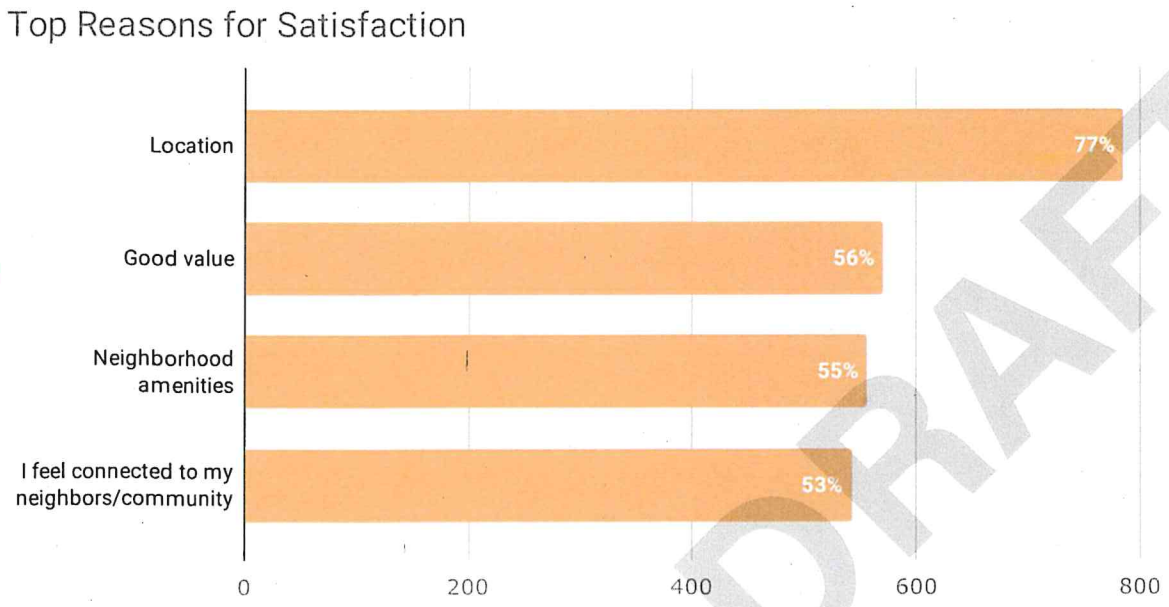

Housing satisfaction and dissatisfaction was strongly associated with zip code. Those in West Side zip codes were more likely to be satisfied, while those in certain East Side zip codes were more likely to report dissatisfaction.

Housing Experiences

Additional survey questions asked about specific housing experiences, such as discrimination during the housing search process, landlord harassment, and interactions with (potentially) predatory buyers.

On the topic of housing insecurity, over a third (36%) of respondents reported that their income was not stable enough to cover all their housing costs each month. A quarter (29%) had experienced a utility shutoff because they were unable to pay. A third (34%) had lived in a home with unsafe or unsanitary conditions at some point, and 23% did not feel safe in their current home. A small sample of reasons for feeling unsafe include:

- "Gunfire can be heard from all directions every night."
- "The [security] cameras don't work. Two days ago someone in the parking lot pulled a gun on me [because I asked them] to move their car."
- "Possibility of asbestos."
- "My house got broken into."
- "The basement floods when it rains, there is black mold on the walls and floors."
- "Constant violence."
- "The police are slow to respond."
- "Domestic violence."
- "My kids' father is stalking me and we have black mold."

WORKING DRAFT

Over 120 respondents (10% of those who answered this question) reported having been harassed by their landlord. A third (30%) had received one or multiple cash offers for their home. Landlord harassment and the experience of cash offers differs by zip code, probably partly because of the geographic distribution of renting and homeownership in the city.

Nearly a third of respondents reported having experienced housing discrimination or knowing someone who had (16% and 12%, respectively) during a housing search process. Common forms of discrimination included housing providers and real estate agents refusing to rent to or deal with a person or falsely denying that housing was available, and mortgage lenders denying a mortgage. Respondents also reported housing providers who refused to make appropriate accommodations for a disability. Respondents indicated that discrimination usually occurred on the basis of race, family status, and source of income.

Over 40% of respondents who had school-aged children reported that they had incurred higher housing costs in order to accommodate their children's education, for example, by moving to a more expensive neighborhood with access to a good school. A high share of those with school-aged children said their children did not attend their neighborhood school (38%), attended a public school outside of their neighborhood (14%), or attended a private school in their neighborhood (13%) rather than attending the neighborhood's public school (36%).

WORKING DRAFT

DEVELOPER SURVEYS REPORT

April 2021

Surveys were given to four groups (local multi-family developers, local single-family developers, local ancillary development professionals, and multi-family developers working in markets outside of Cleveland) in Fall-Winter, 2020. At that time, most of the state was in lockdown so some responses regarding COVID-19 impact may no longer be accurate.

Multi-Family Developers

Respondents:

- **There were 13 respondents who had developed an average of 622 units in Cleveland in the last 5 years (predominantly 1- and 2-bedroom units)**
- **85% of units developed in the last 5 years were market-rate**
- **Average per-square-foot rents were from $1.53 to 2.82, with the highest reported at $3.59**
- **Respondents reported that, on average, 62% of tenants were age 18–44**
- **Respondents reported an average of 7 Historic Tax Credit projects in the last 5 years and an average of 444 units in these properties**
- **13% of respondents were minority business entities (MBEs), female-owned business entities (FBEs), or Cleveland small businesses (CSBs) registered in the City of Cleveland**

About one-third (33%) of the multi-family developer respondents indicated that the Opportunity Zone had influenced project locations.

Most (83%) of respondents indicated they believe there is a trend toward new construction, with some indicating a lack of historic properties in the right locations or citing difficulties with the State tax credit process. One respondent commented that rents in historic renovation properties were too high.

Nearly one-third (29%) of respondents indicated that they have delayed or cancelled projects due to COVID-19. All respondents indicated issues related to COVID-19, such as having to take more time to complete construction due to labor and materials delays, increased costs, difficulties in financing, and delayed government approvals. On average, respondents reported a 6% drop in occupancy, from 95% to 85%.

A significant share (43%) of respondents felt that Downtown was near capacity on Historic Tax Credits. Some (14%) indicated Historic Tax Credit capacity issues in Detroit Shoreway, Little Italy, Ohio City, and Tremont.

Respondents indicated that they include the following amenities in their multi-family projects:

- Internet/Wi-Fi 83%
- Fitness Center 66%
- Outdoor Space 33%
- Pet Friendliness 33%
- Community Space 33%
- Bike Storage 17%

Suite amenities included:

- Washer/Dryer 66%
- High-End Kitchens/Stainless Appliances 33%

Of the respondents who indicated the areas where they are actively working, the most common were:

- Downtown 60%
- Ohio City 44%
- Glenville 40%
- Tremont 40%
- Detroit Shoreway 20%
- Fairfax 20%
- University Circle 20%
- Little Italy 20%
- Midtown 20%

Respondents cited the following as **benefits** of developing in Cleveland:

- Tax Abatement 71%
- Land Acquisition Cost 57%
- Walkability 57%
- Gap Financing 43%
- Bank Financing 43%
- Parking Availability 43%
- Neighborhood Retail 29%
- Appraised Values 29%
- Brownfield/Asbestos Funding 28%
- HUD Financing 14%
- Public Perception of Safety 14%
- Public Transit 14%
- Lake Erie 14%

Respondents cited the following as **challenges** to developing in Cleveland:

- Brownfields and/or Asbestos Issues 86%
- City Approval Process 71%
- Planning Review and Approval 71%

- Permitting Process 71%
- Requirements on Construction 71%
- Public Perception of Safety 71%
- Appraised Value Issues 71%
- Public Transit 57%
- Neighborhood Retail 57%
- Architectural Review Board 43%
- Land Acquisition costs 43%
- Construction Cost 43%
- Vacancy Rates 43%
- Walkability 43%
- Parking Availability 43%
- Bank Financing 29%
- Community Approach to Density 29%
- Police Response 14%
- Oversupply of Housing 14%
- Gentrification Concerns 14%
- Gap Financing 14%
- Cap Rates Higher than Other Areas Creating a Gap 14%
- No State Advocacy to Support Housing 14%
- City's Passive Approach to Development (especially small to mid-sized) 14%

Respondents cited the following changes the City could make to support housing development:

- Support Placemaking and Urban Amenities 43%
- Continue Tax Abatement 29%
- Revamp Permit and Inspection Process (Possibly Outsource) 29%
- Denser Zoning 29%
- Streamline Approval Process 14%
- Gap Financing 14%
- Gap Financing Not Tied to Job Creation 14%
- Fund Infrastructure (Streetscapes, Sanitary and Storm Sewers) 14%
- Advocate to State for Historic Tax Credit Penalty for Cleveland to End 14%
- Do Not Provide Incentives until Oversupply is Absorbed 14%

Single Family Developers

Respondents:

- **There were 13 respondents representing single-family development in Cleveland**
- **Units developed in the last 5 years were predominantly 2- and 3-bedroom units (51%)**
- **96% of units developed were market-rate**

- **Average sales prices for 2-3-bedroom units were $316,396- 396,000, with the highest reported at $500,000 and the lowest at $35,000**
- **Respondents estimated that 36% of buyers were first-time homebuyers and 29% were empty nesters**
- **81% of respondents worked on new construction as opposed to rehab projects**

Three-quarters (75%) of respondents indicated that the COVID-19 pandemic had influenced home sales prices.

The same share (75%) of respondents indicated that there were decreases ranging from 10% to 90% in the number of prospective homebuyers as a result of COVID-19. The estimated decrease was dependent on location as indicated by "East Side" or "West Side," with East Side numbers decreasing the most. Two respondents, however, indicated *increases* in the number of homebuyers as large as 50%.

A majority of single-family developers responding to the survey reported that home prices had risen between 5 and 20% as a result of COVID-19 and noted increased materials cost, including a 75% increase in window costs and a 100% increase in the cost of lumber. One developer noted, however, that sales prices on the "East Side" continue to decrease.

Half (50%) of the respondents indicated that incentives were needed to support housing development and indicated such incentives could/should include tax abatements, downpayment assistance, and closing cost assistance.

Developers indicated that they include the following amenities in their home projects:

- Off-Street Parking/Garage 100%
- Front Porch 78%
- Smart Home 22%
- Security System 11%

Of the respondents who indicated the areas where they are actively working, the most common were:

- Tremont 100%
- Ohio City 83%
- Detroit Shoreway 83%
- Fairfax 50%
- Slavic Village 50%
- Glenville 50%
- Downtown 33%
- Old Brooklyn 17%
- Clark Fulton 17%

Respondents cited the following as **benefits** of developing in Cleveland:

- Tax Abatement 83%
- Land Acquisition Cost 66%
- Approach to Density 17%
- Gap Financing 17%
- Lack of Competition 17%
- Bank Financing 17%
- Walkability 17%

Respondents cited the following as **challenges** to developing in Cleveland:

- City Approval Process 100%
- Architectural Review Board 100%
- Planning Review and Approval 100%
- Permitting Process 100%
- Requirements on Construction 50%
- Community Approach to Density 50%
- Public Perception of Safety 50%
- Overall Difficulty 50%
- Gentrification Concerns 33%
- Parking Availability 17%
- Cost of Water/Sewer Connections 17%
- Getting Inspections 17%
- Land Bank Lots Go to Bigger Developers 17%
- Bank Financing 17%
- Appraised Value Issues 17%
- Land Acquisition Costs 17%
- Tax Abatement Process 17%
- Lack of Consistency between Design Boards, Planning, Council 17%

Respondents reported that the following programs work well:

- Tax Abatement 100%
- Land Bank 40%
- Appraisal Gap Financing 20%
- Down Payment Assistance 20%

Respondents cited the following changes the City could make to support housing development:

- Streamline Approval Process 60%
- Expand Appraisal Gap Subsidies where Needed 40%
- Continue Tax Abatement 20%
- Create Consistent Standards for Approval 20%
- Revamp Permit and Inspection Process 20%
- Hire More Plans Examiners 20%
- By-Right Zoning 20%

- Safety and Schools 20%
- Funding for Utility Tap-Ins for Affordable Housing Projects 20%

Ancillary Development Professionals

- **The 33 respondents to this survey included attorneys (26%), appraisers (21%), real estate advisors (18%), architects (6%), and other professionals involved in housing development (29%).**
- **About a fifth (17%) of respondents were minority business entities (MBEs), female-owned business entities (FBEs), or Cleveland small businesses (CSBs) registered in the City of Cleveland**

As a result of COVID-19, 23% of survey respondents felt that Cleveland's Central Business District had become less desirable. About 19% believe that multi-family development has slowed, while 15% believe that single-family development is either unchanged or stronger in "hot" neighborhoods.

Other concerns related to COVID-19 included income challenges for residents and tenants; rising costs of construction materials and labor; a lack of affordable housing; and an increase in out-of-town investors buying homes but not maintaining them.

Of the respondents who indicated the areas where they are actively working, the most common were:

- Ohio City 61%
- Downtown 55%
- Tremont 52%
- Detroit Shoreway 42%
- Midtown 27%
- Glenville 21%
- Little Italy 21%
- Fairfax 18%
- Slavic Village 18%
- Clark Fulton 15%
- West Park 12%
- University Circle 9%
- Citywide 6%
- Old Brooklyn 6%
- Hough 3%

Respondents cited the following as **benefits** of developing in Cleveland:

- Tax Abatement 85%
- Walkability 61%
- Public Transit 42%
- HUD Financing 39%
- Neighborhood Retail 39%
- Bank Financing 39%
- Parking Availability 18%
- Appraised Values 18%

- Brownfield Funding 18%
- Tax Credits 6%
- Permit Process 6%
- Public Perception of Safety 6%
- Planning Review and Approval 3%
- CDCs 3%
- Skilled Tradesmen 3%
- City Requirements for Construction 3%
- Architectural Review Board 3%
- City Approval Processes 3%

Respondents cited the following as **challenges** to developing in Cleveland:

- City Approval Process 58%
- Permit Process 58%
- Public Perception of Safety 58%
- City Requirements on Construction 55%
- Appraised Values 45%
- Bank Financing 42%
- Planning Review and Approval 39%
- Architecture Review Board 27%
- Neighborhood Retail 27%
- Parking Availability 24%
- Walkability 18%
- Public Transportation 18%
- Brownfield Issues 12%
- Planning Staff Not Helpful 6%
- HUD Financing 6%
- Neighborhood Meetings 3%
- Lack of Planning for Landbank Properties 3%
- Outdated Tech at City Hall 3%
- Perceptions that Developers are Greedy 3%
- Overreach by Boards/Commissions 3%
- Code Violations 3%
- Too-High Real Estate Taxes 3%
- Quality of School System 3%
- Neighborhood Meetings 3%

Respondents reported that the following programs work well:

- Tax Abatement 83%
- Land Bank 55%

- Tax Increment Financing 52%
- Vacant Property Initiative 41%
- HOME funds 28%
- CDBG funds 24%
- Down Payment Assistance 21%
- Housing Trust Fund 17%
- Weatherization 10%
- Historic Tax Credits 3%
- County Landbank 3%

Respondents cited the following changes the City could make to support housing development:

- Streamline City Approval Process 19%
- Continue Tax Abatement 15%
- More Funding for Affordable and Mixed Income Housing 11%
- City Responsiveness 7%
- More Greenspace 7%
- Grant Abatement Earlier in Process 7%
- More Selective Abatement 4%
- Keep Current Assistance Programs and Add New Programs 4%
- Create a Rental Assistance Program 4%
- Reduce Property Taxes 4%
- Create more Public Parking 4%
- Improve Lighting in Public Areas 4%
- Create Incentives that Reward More than Developers 4%
- Improve Public Safety 4%
- Improve Schools 4%
- Improve Neighborhood Retail 4%
- Address Code Violations to Attract Investment 4%
- Target Resources around jobs and Transit 4%
- Fix Zoning Code 4%
- Engage Residents on Development Projects 4%
- Bring Technology to City Hall 4%
- Keep Historic Tax Credits 4%

In addition, respondents cited the following as longer-term changes the City could make to support housing development:

- Streamline City Approval Process 14%
- Attract Jobs/Market City to Prospective Residents/Employers 11%
- Increase Walkability 11%
- Provide Grants for Home Rehabs 7%

- Gap Financing for Affordable and Mixed-Income Housing 7%
- Prevent Tax Increases for Neighbors in Development Areas. 7%
- Develop Ridesharing Programs 4%
- Add Bike Lanes 4%
- Improve Public Safety 4%
- Improve Public Transportation 4%
- Improve Neighborhood Retail 4%
- Improve Public Schools 4%
- Stimulate Bank Financing in Underserved Neighborhoods 4%
- Prevent Redlining 4%
- Provide Incentives to Homebuyers 4%
- Eliminate Prevailing Wage Requirement 4%
- Update Zoning Code 4%
- Prioritize Rehabilitation 4%
- Make Housing Rehab Tax Credit Work Better 4%
- Promote Aging in Place Housing Design 4%
- Increase Greenspace/Amenities 4%
- Use Special Assessment Districts 4%
- Create a Parking Authority to fund Downtown Parking 4%
- Focus on Transit Oriented Development 4%
- Fund Public Infrastructure to Support Private Development 4%

Multi-Family Developers from Other Markets

The RFP team reached out to developers who operate in Pittsburgh, Columbus, Indianapolis, and Northeast Ohio (excluding Cleveland).

Respondents:

- **There were 14 respondents who, on average, developed 10 projects and 1,647 units in the last 5 years**

- **The average respondent owned and/or managed 2,341 units, of which 64% are 1- and 2-bedroom units**
- **82% of units were market-rate**
- **Average per square foot rents ranged from $1.42 to $2.00**
- **Respondents reported that an average of 29% of tenants are aged 18–44**
- **Respondents reported developing an average of 0 Historic Tax Credit projects in the last 5 years**

On average, respondents reported a 6% drop in occupancy, from 95% to 85%, as a result of COVID-19—the same decrease as reported by multi-family developers in Cleveland.

Respondents gave the following as the "number one reason" they had not invested in Cleveland in the last 5 years:

- No Opportunity that meets Investing Criteria 46%
- Lack of Code Enforcement 8%
- Adverse Property Tax Climate from School Districts 8%
- Lack of Strong Executive-Based Job Market 8%
- Asbestos Issues Too Expensive 8%
- Cleveland Residents Cannot Support Senior Living Rents 8%
- Population Growth, Job Growth, Tech Job Growth, Millennial Growth Do Not Meet Criteria 8%

Respondents said that, compared to the vacancy rate in the city where they develop most frequently, the vacancy rate in Cleveland is:

- Higher 75%
- Lower 25%

Respondents cited the following as **benefits** of developing in Cleveland:

- Land Acquisition 100%
- Neighborhood Retail 50%
- Appraised Values 50%
- Public Transit 50%
- Planning Process and Approval 50%
- City Approval Process 50%
- Construction Cost 50%

Respondents cited the following as **challenges** to developing in Cleveland:

- City Requirements on Construction 50%
- Community Approach to Density 50%
- Overall Difficulty 50%
- Bank Financing 50%
- Vacancy Rates 25%
- Parking Availability 25%
- Tax Abatement 25%
- Public Perception of Safety 25%
- Brownfield & Asbestos Issues/Funding 25%
- Attracting Capital due to Lack of Growth 25%

Respondents cited the following changes the City of Cleveland could make to attract out-of-state investment in housing:

- Improve Code Enforcement 25%
- Bring in White Collar Jobs to Attract Younger Residents 25%
- Diversify City with a Focus on Mixed-Use-Friendly Deals 25%
- Help Research/Analytical Firms Recognize Cleveland Growth Potential 25%
- Convince Institutional Capital Market Cleveland is Worth Investment 25%
- Negotiated Approach to PPP on Targeted Districts/Sites 25%
- Entrepreneurial Mindset to Make Something Happen 25%

We would love your feedback on this draft! Please email any and all comments to clevelandhousingplan@gmail.com

HOUSING PROGRAMS IN CLEVELAND

July 2021

Public Programs

Department or Agency	Program Name	Program Description
State of Ohio	Homestead Tax Exemption	The exemption shields first $25,000 of home's value from taxation for qualifying seniors and disabled homeowners.
Cleveland Department of Community Development	Block Grant Development Program	The City receives funds from the Department of Housing and Urban Development (HUD) to operate programs that benefit low- and moderate-income residents, eliminate blight and property deterioration, and/or serve an urgent need. All projects are proposed in a 5-year strategic plan.
	Housing Trust Fund	Cleveland funds a low-level housing trust fund with Community Development Block Grant dollars.
	Repair-a-Home Loan Program	This program offers low-interest loans from 0 to 3% to income-eligible homeowners 30% to 80% of area median income. Eligible repairs include code-related, mechanical, health and safety repairs.
	Construction Gap Financing Program	A pilot program in 2020/2021 to provide competitive construction/rehab financing assistance for single-family homes under $250,000 in appraised value. The program's intent is to close the difference between cost of construction and appraised value basis for standard mortgage loans.
	Senior Homeowner Assistance Program (SHAP)	Grants to eligible low- and moderate-income owner-occupant seniors and adults with disabilities for critical health and safety housing repairs.
	Residential Tax Abatement Program	Program abates 100%, for 15 years, of the tax increment over pre-development values, for homeowners and developers.
	City Land Bank Program	Resident and nonresident applicants can apply to acquire city-held vacant properties for reuse, based on review for acceptable use.
	Lead Hazard Control Program	A City program to assess properties, provides grants for hazard control to low-income

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		(below 80% AMI) Cleveland families that include children under 6 or a pregnant person living in homes built prior to 1978. Landlords must make a small contribution.
	Section 3 Program	A City program to ensure that HUD requirements are met for the hiring of low-income residents by contractors engaged in City construction projects that utilize HUD funds.
	Storefront Renovation Program	The City provides competitive program to assist with storefront renovation on neighborhood commercial streets. Façade renovations may benefit residential units in mixed-use properties.
	Residential Exterior Paint Program	Low-income homeowners and tenants can apply for up to $600 in free paint and materials to paint their home, labor not included.
	Healthy Homes Initiative	The City provides neighborhood specialists based at each CDC to assist residents with code enforcement, housing assessment, and housing program application, information and referral, and training and education.
	Emergency Rental Assistance	CARES Act and Treasury ERA dollars for COVID-19 relief are provided to qualifying tenants through the Department of Community Development, CHN Housing Partners, and EDEN.
Cleveland Department of Building and Housing	Online Building Permit Program	Permits are provided for commercial/residential building, electrical, HVAC, plumbing, rental registration.
	Code Enforcement	The Division of Code Enforcement enforces Cleveland's building/zoning/housing code ordinances; enforcement is complaint-based.
	Records Administration	The Division of Records Administration maintains records on property history, re: violations, permits, etc. Rental registration, certificate of occupancy, certificate of disclosure required; letters of authorized use and code violation are available via records request and online.
	Rental Registration	Rental registration is required for all rental units unless vacant/unoccupied or rent-free.
	Lead Certification	All owners of rental properties must prove their properties are lead-safe by obtaining an inspection and certificate.
Cleveland Dept of Finance, Assessments and Licenses Division	Online Permit Search	Search building records, public service permits, lead status inventory, property information, license records.
Cleveland Planning Commission	Healthy Neighborhoods Initiative	The City received a PEW Charitable Trust grant to perform Health Impact Assessments and develop community design standards in Hough and East Side Greenway neighborhoods.

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	Vital Neighborhoods Working Group	City-based working group identifies and implements small scale projects which align with sustainability principles
	Boards and Commissions (various)	Boards and commissions that conduct project and development reviews include the Planning Commission, Zoning Board of Appeals, Landmarks Commission, Neighborhood-based Design Review Boards, and the Board of Building Standards and Appeals.
	Cleveland Lakefront Development	The Cleveland Planning Commission led the Lakefront Development Plan and chose a developer to build a new mixed-use neighborhood on the lakefront.
Cleveland Office of Sustainability	Advanced and Renewable Energy Program	City participates in aggregated electricity program, providing reduced rates to residents and small businesses through combined buying power.
City Department of Economic Development	Neighborhood Transformation Initiative (NTI)	The Initiative focuses on four neighborhoods with the potential to change based on their proximity to thriving neighborhoods: Buckeye-Woodhill, East 79th Street Corridor, Clark-Fulton, and Glenville. It provides programs to support residential development, mixed-use development, small business entrepreneurship, and workforce development.
	Cleveland Impact Fund	The fund includes $44 million to support mixed-income, mixed-use development in NTI target neighborhoods.
	Brownfields Program	The City facilitates the reuse of brownfields properties through environmental assessment assistance, land banking, and funding/finance/implementation assistance.
Cleveland Department of Aging	Home Repair Resource Guide	A guide to grant, loan, and technical assistance programs for home repair for eligible seniors and adults with disabilities in Cleveland.
	Age-Friendly Home Investment Program	The program provides a low level of grant assistance to low-income seniors and adults with disabilities for one priority home repair.
	Senior Home Maintenance Assistance	The City provides home repair, indoor and outdoor chore services, lawn care, bedbug assistance, and assistance with hazardous tree branch removal, in partnership with Depts of Community Development, Public Works, Consumer Affairs and Law to eligible low-income seniors and adults with disabilities.
Cleveland Department of Public Works	Urban Forestry Free Tree Program	Cleveland property owners can request a free street tree in the right-of-way in front of their home, to be planted during the spring and fall planting seasons.

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	50-50 Sidewalk Repair Program	The City will cover 50% of the cost of repairing sidewalks, driveway aprons, and curbs on residential properties, on a request basis.
Cuyahoga County Land Reutilization Corporation (Cuyahoga Land Bank)	Cuyahoga County Housing Program	6-year, $30 million program to shift the Land Bank's focus from demolition to housing rehabilitation, homeowner assistance, and jumpstarting the housing market.
	Cuyahoga Land Bank Program	The Cuyahoga Land Bank works with partner communities, including Cleveland, to acquire and dispose of vacant and abandoned properties per agreement with that community. In Cleveland, vacant land may be returned to the City land bank after any structure demolition. Structures may also be rehabbed or sold to rehab developers/contractors/property owners.
	Demolition Program	The Land Bank demolishes severely blighted and hazardous structures, as planned in collaboration with municipalities.
	Deed in Escrow Program	The Land Bank property is sold to small property owners and rehabbers, and the deed held in escrow until rehabilitation is completed according to land bank standards.
	In-House Renovation and Resale	The Land Bank completes rehabilitation with pre-qualified contractors and then sells the house on the private housing market.
	Property Preservation	The Land Bank works with contractors, including offenders in community service, to inspect, secure, and maintain properties to prevent deterioration until a final use can be facilitated.
	Strategic Land Assembly	The Land Bank acquires adjacent lots strategically planned in collaboration with municipalities to create larger parcels suitable for redevelopment initiatives.
Cuyahoga County Department of Development	Housing Enhancement Loan Program (HELP)	Property owners may apply for lower-interest loans for property repairs and maintenance through participating banks. Participating banks include Key Bank and Huntington Bank.
Cuyahoga County Office of Homeless Services	Homeless Services	In partnership with the community, the Office of Homeless Services coordinates a continuum of care including prevention, shelter services and permanent supportive housing intended to prevent and reduce homelessness.
	Housing First	The Cuyahoga County Office of Homeless Services works with partners to provide supportive services to people who are experiencing chronic homelessness, moving people into permanent, stable housing before connecting them with services.

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Cuyahoga County Veterans Service Commission	Veterans Assistance	The Commission provides general veterans assistance for emergency needs includes rent/mortgage assistance, security deposits, utilities.
	GI Home Loans	The Commission facilitates low-interest, low-down-payment, longer-term loans for eligible veterans and family members. It can also assist with applications.
Veterans Administration (VA)	Homeless Services	The VA works with partners to provide shelter and assistance to veterans experiencing homelessness.
	Veterans Supportive Housing (HUD VASH)	A partnership between the VA and HUD provides housing vouchers and supportive services for eligible veterans and their families.
Cuyahoga Metropolitan Housing Authority (CMHA)	Public Housing	CMHA provides subsidized housing units to eligible low-income families, seniors, and people with disabilities. Properties include high rises, low rises, and family developments, and scattered site units. Residents must apply and pay 30% of income for rent.
	Housing Choice Voucher Program	Rent subsidy vouchers are available to low-income families who pay no more than 30% of their income for rent and can choose the location of the unit throughout Cuyahoga County. Landlords must comply with inspection requirements, and in many communities are not prohibited from turning down voucher holder tenants. The selection of voucher holders is by application and lottery.
	Landlords Program	Provides outreach, training, and assistance to enable landlords to comply with CMHA property and inspection standards for voucher tenants.
	Multi-Family Program	CMHA works with developers to develop affordable housing using Low Income Housing Tax Credits. CMHA is also a pilot location for HUD's Rental Assistance Demonstration (RAD) program, in which public housing authorities may convert public housing into project-based Section 8 housing.

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Nonprofit Programs
(Not Exhaustive)

Organization	Program Name	Program Description
CHN Housing Partners	Home purchase loans and downpayment assistance	CHN assists homebuyers up to 80% AMI. The "Believe Mortgage" program provides low-downpayment home purchase loans to buyers with low credit scores.
	Home weatherization assistance (Home Energy Efficiency Services)	CHN offers federally- and utility-funded services to assist low-income homeowners with lowering their energy use (and reducing costs).
	Lease Purchase Program	CHN's flagship program provides 15-year lease leading to purchase of a home for low-income homeowners. Since 1987, 2,189 properties have been successfully leased/sold through the program.
	Family Success Initiative	Lease-purchase program participants receive 5 years of deep financial counseling. A national model supporting their long-term success in the program.
	Single Family Homes Sales	CHN lists single family homes for sale and assists with the transaction.
	Affordable Rentals	CHN owns and rents affordable apartments in three complexes.
	Utility Assistance	CHN assists homeowners and renters with working out a utility payment plan and provides direct financial assistance during

		peak winter/summer months. CHN also provides assistance in choosing an electric supplier.
	Finance and Tax Assistance	CHN provides assistance with financial counseling and high-quality tax preparation to low- and moderate-income households
	Northeast Ohio Rent Help	CHN administers Covid-19 rental assistance program to assist households having difficulties paying rent, and provides eviction prevention counseling
	Mortgage and Tax Assistance	CHN helps Cuyahoga County homeowners who are having difficulties paying their mortgage or property taxes, and provides foreclosure and eviction prevention counseling.
	Financial, Homeownership and Computer Classes	CHN provides classes on household financial management and homeownership, and internet/computer classes.
	Lead Safe Program	CHN provides loans, grants and incentives to help landlords obtain their lead certification.
	Housing Real Estate Partnerships	CHN works with partners to facilitate new construction, rehab, property and asset management, lease-purchase program administration.
Western Reserve Area Agency on Aging (WRAAA)	Aging and Disability Resource Center	Housing-related services include advocacy, assistance, and information/referral related to home-based services, assisted/independent living and nursing care.
EDEN Inc. (Emerald Development and Economic Network)	Permanent Supportive Housing	200 1-BR and efficiency units of permanent housing with available support services for very low-income residents who also have a disability and also are at risk for chronic homelessness
	Permanent Supportive Housing Subsidy	Long-term subsidy provided to very low-income heads of households with a disability and at risk of chronic homelessness, through payments to private landlords who meet EDEN standards; services provided by partners.
	Sponsor-based rental assistance	Long-term project-based subsidy in partnership with nonprofit partners; eligible tenants must be low income, have a disability, and be at risk for chronic homelessness.
	Eviction Prevention Services	EDEN provides short-term rental assistance and eviction prevention assistance through various funds.
	Rapid Re-Housing	Short-term (4-6 months) emergency assistance, housing and supportive services to low-income individuals and families who are experiencing homelessness.
	Rapid Re-Housing for Survivors of Domestic Violence	Short-term housing and supportive services provided to households where the head of household is experiencing domestic violence.

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	Returning Home	Long- and short-term housing subsidy with private landlords; with supportive services, for individuals who have recently been incarcerated, are homeless, and have a disability.
	Community Transition Program	Long- and short-term housing subsidy with private landlords; with supportive services, for individuals who have recently been incarcerated, and participated in Recovery Services offered during incarceration.
	Housing Location Services	EDEN identifies housing and works with tenant and landlords to facilitate housing search process and successful relationship; for households at risk of becoming homeless.
	Housing Assistance Program	Short-term (2+ years) housing subsidy with private landlords for low-income households with a member with a severe mental health disability.
Cleveland Restoration Society	Heritage Home Program	Cleveland Restoration Society provides this program to participating municipalities, including the City of Cleveland. Property owners are offered free technical assistance, connections to qualified contractors, and low-interest loans for repairs to homes more than 50 years old. Loans are offered by Key Bank and Third Federal Savings and Loan.
Northeast Ohio Coalition for the Homeless (NEOCH)	Cuyahoga Affordable Housing Alliance (CAHA)	Members of many organizations involved with housing in Cuyahoga County meet monthly to coordinate a response to pending and active issues related to affordable housing. In particular, action is planned and taken on affordable units at risk of being removed from subsidized status, as well as advocating for new affordable units.
	Homeless Congress	NEOCH meets regularly with sheltered and unsheltered residents and advocates to collaborate on ideas and act as a bridge to state and local agencies and organizations.
	Cleveland Street Chronicle	A quarterly newspaper written, distributed, and promoted by people with lived experience of homelessness.
	Street Outreach	NEOCH staff, volunteers and participants provide relationally based, trauma-informed street outreach services and collaboration with other service providers and groups.
Step Forward (formerly Council for Economic Opportunities in Greater Cleveland)	Home Energy Assistance Programs (HEAP)	Assistance to low-income residents of Cuyahoga County in paying their utility bills (heat in winter and cooling in summer). Six different programs provide emergency and non-emergency winter heating assistance; summer cooling assistance; a percentage of income payment plan for those who can afford to pay something; a fuel fund in

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		partnership with First Energy for electric bill assistance; and a consumer advisory hotline.
Community Housing Solutions	Housing Counseling	Assistance with pre-purchase and foreclosure prevention for 1,000 families annually.
	Family Stability Initiative	Assistance and counseling for families with school age children who are at risk of foreclosure, to keep families in place and children stable in school.
	Tool Loan and Home Maintenance Training	Two locations, east side and west side, have tools for loan and provide training and workshops in home maintenance.
	Minor Home Repair/Elderly Minor Home Repair	Minor home repairs for low-income families and seniors.
	Energy Conservation	Assistance with installing energy conservation measures in homes of low-income households.
Frontline Service	Coordinated Intake	Provides the front door for people experiencing homelessness who have no place to sleep and no other options. Provides assistance with exploring alternatives to shelter, emergency shelter referral, emergency services referral. County funded program operated by Frontline Services.
	Project for Assistance in Transition from Homelessness (PATH)	County funded program/street outreach operated by Frontline Services. Outreach workers meet homeless persons where they are and connect to Coordinated Intake, health care, other services.
	Cleveland Mediation Center	Assistance with a range of issues and crisis management, including housing-related issues such as landlord-tenant and eviction prevention mediation.
	Bridges to Housing	Assistance to young adults facing homelessness, including those aging out of foster care.
Legal Aid Society of Cleveland	Legal Assistance	Partnership of Legal Aid and United Way to provide legal representation to people facing eviction, and to advocate for policy including right to counsel on housing cases.
	Tenant Information Line	Partnership of Legal Aid and United Way to provide legal representation to people facing eviction, and to advocate for policy including right to counsel on housing cases.
	Housing Justice Alliance/Right to Counsel	Partnership of Legal Aid and United Way to provide legal representation to people facing eviction, and to advocate for policy including right to counsel on housing cases.
Fair Housing Center for Rights and Research	Fair Housing Advocacy and Enforcement	Assistance to victims of housing discrimination, including fair housing complaints and process, education, investigating a complaint, and discrimination testing.
Home Repair Resource Center	Home Repair Resources	Handouts, information, brochures, and video about home repair techniques.

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	Tool Lending Library	Wide range of tools available to members, most for free, some for a fee; borrowers must purchase their own "consumables" such as filters and blades
	Senior Repair Program	Workshops and resources for seniors on aging in place; assistance with specific needs such as free grab bars; assistance with hiring and managing contractors and reviewing their work.
	Home Repair Classes	Classes for everyone, women, and free walk-in programs to provide expert advice and training.
Maximum Accessible Housing of Ohio	Accessible Housing	Provides fully accessible housing for low-income people with physical disabilities in Lorain, Cuyahoga, and Lake Counties; operates Anderson Center for Accessible Living to provide information, education, and outreach related to housing accessibility.
AIDS Task Force of Greater Cleveland	Housing Assistance to Persons with Aids	Assists low-income persons with an AIDS diagnosis with temporary and permanent housing availability and placement, and utility retention and payment assistance.
ESOP (Empowering and Strengthening Ohio's People)	Housing Stability Program	Counseling and technical assistance on financial wellness, home purchase and ownership, home finance, property tax delinquency, aging in place, rental assistance, and foreclosure prevention with a focus on older adults.
	Branches Real Estate	Full service nonprofit real estate company assisting seniors with securing housing and transitioning out of their homes.
	Zero-Interest Small Dollar Loans	Provides small loans to older adults to deal with financial or housing crisis.
Breaking Chains	Housing Counseling and Financial Wellness	Counseling and technical assistance on financial wellness, home purchase and ownership, home finance, property tax delinquency, and foreclosure prevention. Has counseled 20,000 clients since 2013.
Western Reserve Land Conservancy (WRLC)	Property Inventories	WRLC conducts parcel-by-parcel housing and property condition evaluation for communities for a fee. They have conducted many studies in communities throughout Ohio, including the City of Cleveland, which have formed the basis for vacancy/blight policy.
Greater Cleveland Habitat for Humanity	Own-A-Home	Habitat builds and restores single family homes on the East Side of Cleveland and sells them at affordable prices to low-income families.
	ReStore	ReStore collects and re-sells items for home improvement at affordable prices, such as plumbing fixtures, cabinets, furniture, furnishings, tools, lumber, electronics, flooring, and appliances. Proceeds benefit Habitat projects.

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United Way 2-1-1	2-1-1 Hotline	Provides information and referral to agencies and organizations that can help with housing and utility needs.
Lead Safe Cleveland Coalition	Lead Safe Resource Center	LSCC provides community outreach and organizing, landlord and tenant education. Grants, loans and incentives for remediation are available for landlords and property owners. The Coalition also leads a training program to certify workers who are assessing and removing lead hazards in homes.
Environmental Health Watch	Healthy Homes Audit	Provides audits identifying health hazards in the home and provides technical assistance on next steps for remediation.
Rebuilding Together Northeast Ohio	She Builds	Provides training to women who then work together to repair and rebuild single family homes and community centers.
	Safe at Home Program	Provides minor repairs for safety and accessibility to homeowners over 60 or who have a disability.

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Cleveland
HOUSING PLAN 2030

Existing Conditions Report

July 2021

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1. EXECUTIVE SUMMARY

EXISTING CONDITIONS

This report analyzes key trends affecting housing demand, supply, and affordability in the City of Cleveland. The analysis will inform the Cleveland 10-Year Housing and Investment Plan, which will serve as a blueprint for housing programs, policies, and investments in Cleveland over the next 10 years, with the goal of giving Cleveland households access to decent, affordable housing and a range of housing options. This report is based primarily on data from the years 2010-2018, but incorporates earlier and more recent data where possible. Few data are yet available to capture the effect of the COVID-19 pandemic on Cleveland, but early evidence suggests that it will exacerbate existing vulnerabilities in the housing market. Key trends and conditions drawn from our analysis are summarized below.

SOCIOECONOMIC TRENDS

- The rate of population decline in Cleveland is slowing. Key demographic trends include the in-migration of younger, more educated residents; international in-migration; and aging in place.
- Household size continues to decline, with more and more households composed of just one or two members. A related trend is the increase in renter-ship as opposed to homeownership, since renter households tend to include fewer members.
- The share of both very young and senior-aged householders is growing as the share of middle-aged householders decline.
- Household incomes fell after the Great Recession and have not recovered.

THE HOUSING STOCK

- Most homes in Cleveland are single-family detached. Even in the rental market, this is true for about a third of homes. Most homes have 2-3 bedrooms, even as household sizes decline.
- Vacancy rates remain high, especially on the East Side. The number of severely deteriorated structures has declined due to demolitions, but the number of C-rated structures has grown, indicating continued maintenance challenges. Access to home improvement credit and City home repair assistance is limited.
- The volume of code violations has decreased since 2012, mostly due to a decline in condemnations.
- Home sales are rising, as are home prices. Outside investors continue to play a significant and two-edged role in Cleveland's housing market—providing needed captital but in some cases contributing to blight.
- There is a lack of housing supply at both the high end and middle of the market, which increases cost pressure on lower-quality units and steers prospective higher-income residents to other jurisdictions.

AFFORDABILITY

- Housing costs in Cleveland have declined, but housing has actually become less affordable as incomes have dropped and as deferred maintenance costs have accrued. As a result, over 20% of residents are severely housing cost burdened - meaning they must devote more than half of every paycheck to housing. By contrast, only 15% of Ohio residents are severely housing cost burdened.
- High housing cost burdens leave residents vulnerable to displacement, not just in neighborhoods that may be gentrifying, but also in low-cost neighborhoods where a cycle of evictions repeatedly displaces low-income residents.
- Affordability challenges are exacerbated by an increasingly decentralized job market, which makes it difficult for car-less households to access employment, and by an under-performing school system.

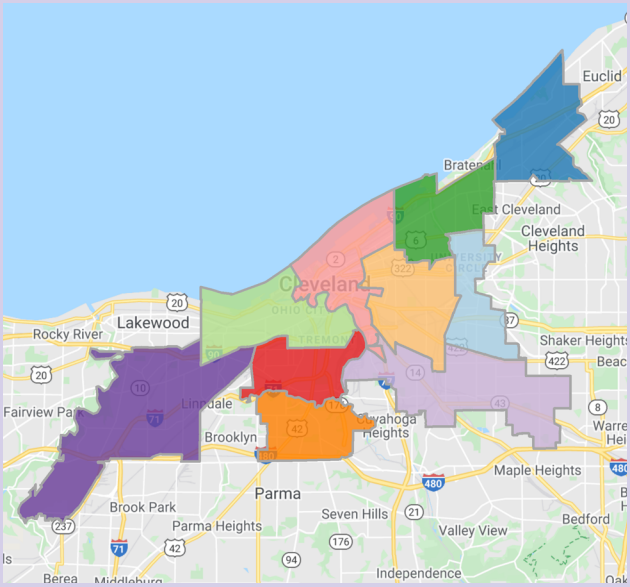
RACIAL INEQUITIES

- Racial and ethnic inequities appear in every component of Cleveland's housing market. Black and Hispanic residents have consistently lower incomes than White residents. They apply for mortgages at lower rates and are denied at higher rates. They are segregated into high-poverty neighborhoods with low-quality housing that is nevertheless unaffordable to many residents. Blacks are starkly overrepresented among those experiencing eviction and homelessness.
- These inequities are perpetuated in the school system and in the spatial mismatch of predominantly Black neighborhoods and stable, accessible jobs.

PUBLIC INVESTMENT

- Since 2014, the City has significantly reduced support for home repairs and rehab and development loans and other subsidies.
- Absent additional efforts to support private lending, City investments are unlikely to "prime the pump" for further private lending in distressed neighborhoods. Values have dropped so significantly that regulatory lending requirements have effectively redlined entire sections of the city.
- A City/County partnership is near to achieving the number of permanent supportive housing units set out by the Cleveland Housing First Initiative in 2006. But efforts to address less visible or chronic homelessness through greater housing affordability are crucial going forward.

NEIGHBORHOOD KEY



This report analyzes housing market trends at several levels of geography, including the city, county, metro area, census tract, zip code, and neighborhood. We use 10 study neighborhoods defined by the City of Cleveland and contiguous with census tract boundaries, as follows:

- Circle North | University Circle | Buckeye | Shaker | Larchmere
- Collinwood
- Detroit Shoreway | Ohio City | Tremont
- Glenville | Hough | Central
- Greater Downtown
- Metro West Neighborhoods
- Midtown | Opportunity Corridor | Fairfax
- Old Brooklyn
- Southeast
- West Park

2. DEMOGRAPHIC TRENDS

TOTAL POPULATION

Cleveland's population, like the county's, has declined since the 1980s. Since 2010, the city's population decreased by 5.33% while the county's decreased by 3.09%. The population of the Cleveland-Elyria-Mentor Metropolitan Area has also decreased, by 1.19%, since 2010.[1] However, the rate of decline in the city has slowed to about 1,060 net fewer persons per year, compared to a rate of nearly -7,000 in the 2000s. If this trend holds, we would expect Cleveland to reach a population floor of about 385,800 by 2040.

The number of households has also decreased by a much smaller percentage than population, which tells us that the number of persons per household (household size) is shrinking. As of 2018, there are about 170,000 households in the City of Cleveland, and 540,000 county-wide. The Center for Population Dynamics at Cleveland State University calculated that up to 93.5% of Cuyahoga County's population loss since 1970 might be explained by decreases in household size, rather than by households leaving the county. But in the City of Cleveland, decreases in household size only explain 34.6% of population losses since 1950.[1] There can be no doubt that the City of Cleveland continues to experience significant out-migration, and low levels of in-migration, resulting in the erosion of households as well as population.

According to Census data for the components of population change, Cuyahoga County lost 45,042 net residents between April 1, 2010, and July 1, 2019. This was despite a natural increase of 9,350 (the result of 136,186 births minus 126,836 deaths). The loss was due to net out-migration of 54,207 people. There was net in-migration from abroad (28,625 net in-migrants) but overwhelming domestic outmigration (82,832 net out-migrants).

These trends continued in the 2018-2019, with a net population loss of 6,646 that can be attributed to net domestic out-migration of 8,342 persons, despite a natural increase of 495 and net international in-migration if 1,220 residents.

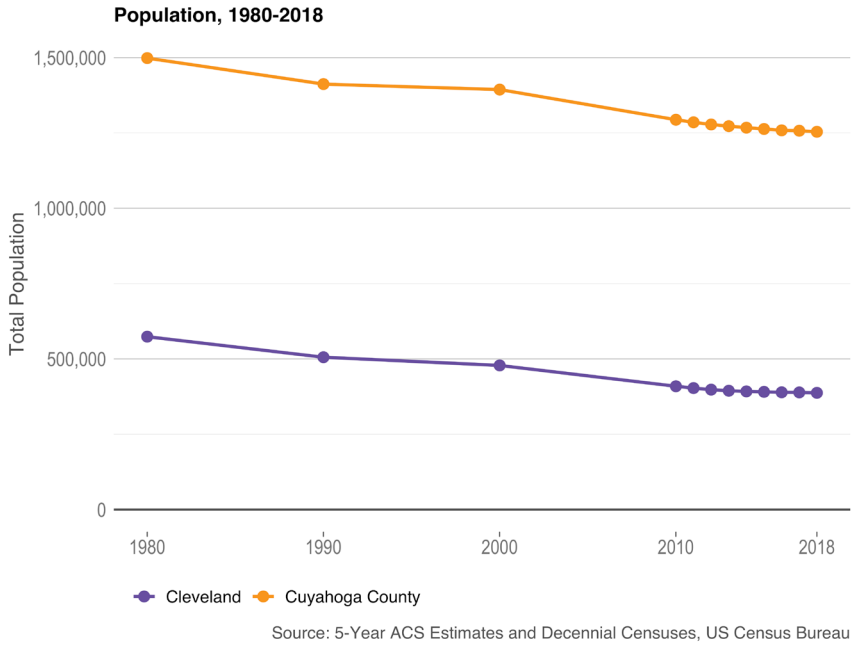


Table 1. Population Change 2010-2018

	2010	2018	% Change
City of Cleveland			
Population	409,221	387,398	-5.33%
Total Households	170,464	169,365	-0.64%
Cuyahoga County			
Population	1,293,825	1,253,783	-3.09%
Total Households	538,944	538,531	-0.08%
Cleveland Metro Area			
Population	2,086,589	2,061,766	-1.19%
Total Households	846,121	857,453	1.34%

[1] The Cleveland-Mentor-Elyria Metropolitan Area includes Cuyahoga County (which is its densest and most populous county) as well as the four adjoining counties of Lorain, Medina, Geauga, and Lake.

[2] Richey Piiparinen, Jim Russell, Charlie Post, and Kyle Fee. "Center for Population Dynamics Quarterly Brief July 2016: Population Loss and Development Trends in Cleveland." Maxine Goodman Levin College of Urban Affairs, Cleveland State University. https://engagedscholarship.csuohio.edu/cgi/viewcontent.cgi?article=2370&context=urban_facpub

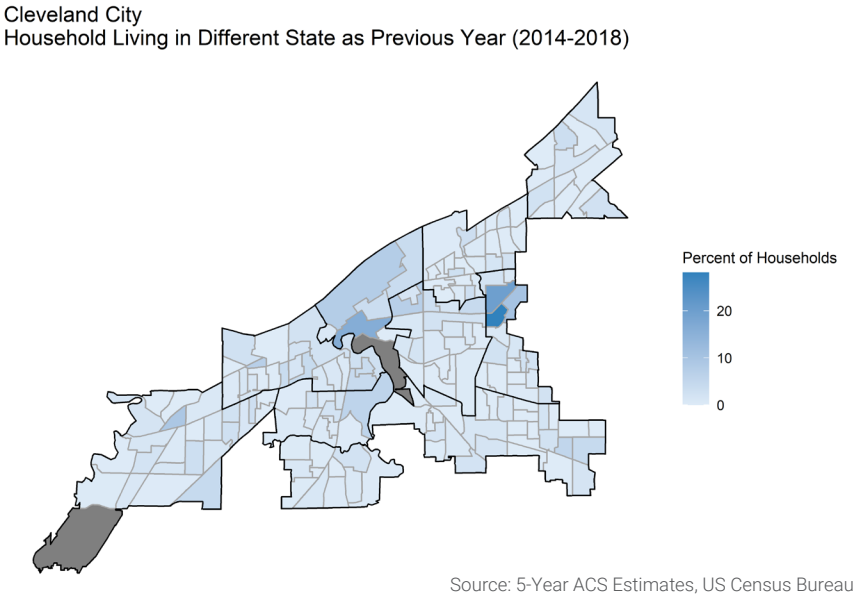
MIGRATION DYNAMICS

Households in Cleveland are more likely to have moved into their current unit within the last few years than are households in the county or metropolitan area as a whole (see Table 2). In fact, more than half of households in Cleveland moved in the last decade. The higher rate of mobility in Cleveland is linked to the higher share of city households that live in rental housing. When we focus on renters alone, mobility rates are almost identical across the city, county, and metro.

In-migration to Cleveland is principally from elsewhere in the U.S. (40%) or from other Ohio counties (38%), but an important share of in-movers come from abroad (22%). Not surprisingly, in-movers from a different state make up over 20% of households in University Circle, but they also make up a larger-than-average share in the Greater Downtown. The median in-migrant to Cleveland has a lower income than the median incumbent resident. Cleveland residents who lived in the same house a year ago have a higher median individual income ($20,200) compared to those who moved from a different Ohio county ($16,103), from a different state ($15,442), or from abroad ($8,439).

Table 2. Geographic Mobility by Year

	Moved in 2015 or later	Moved in 2010 or later
City of Cleveland		
Households	34,918	89,795
Share	21%	53%
Cuyahoga County		
Households	94,557	244,479
Share	18%	45%
Cleveland Metro Area		
Households	138,517	363,523
Share	16%	42%



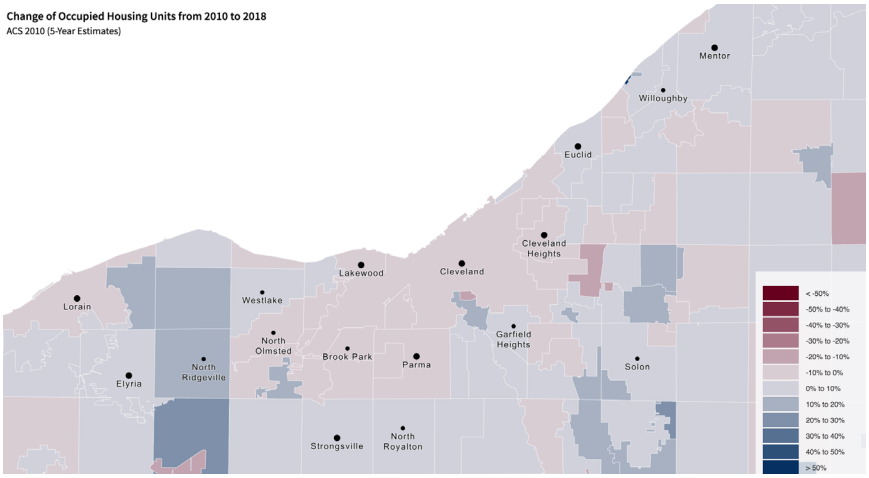
Source: 5-Year ACS Estimates, US Census Bureau

Table 3. Geographic Mobility in Past Year, by Origin

	City of Cleveland		Cuyahoga County		Cleveland Metro Area	
	Households	*Share*	*Households*	*Share*	*Households*	*Share*
Same House 1 Year Ago	306,407	80.1%	1,050,247	84.7%	1,759,767	86.3%
Moved within City/Town	44,421	11.6%	69,405	5.6%	92,320	4.5%
Moved from Different City, Same County	15,124	4%	71,599	5.8%	102,376	5.1%
Moved from Different Ohio County	6,334	1.7%	21,500	1.7%	47,305	2.3%
Moved from Different State	6,648	1.7%	19,308	1.6%	28,244	1.4%
Moved from Abroad	3,599	0.9%	7,654	0.6%	9,753	0.5%

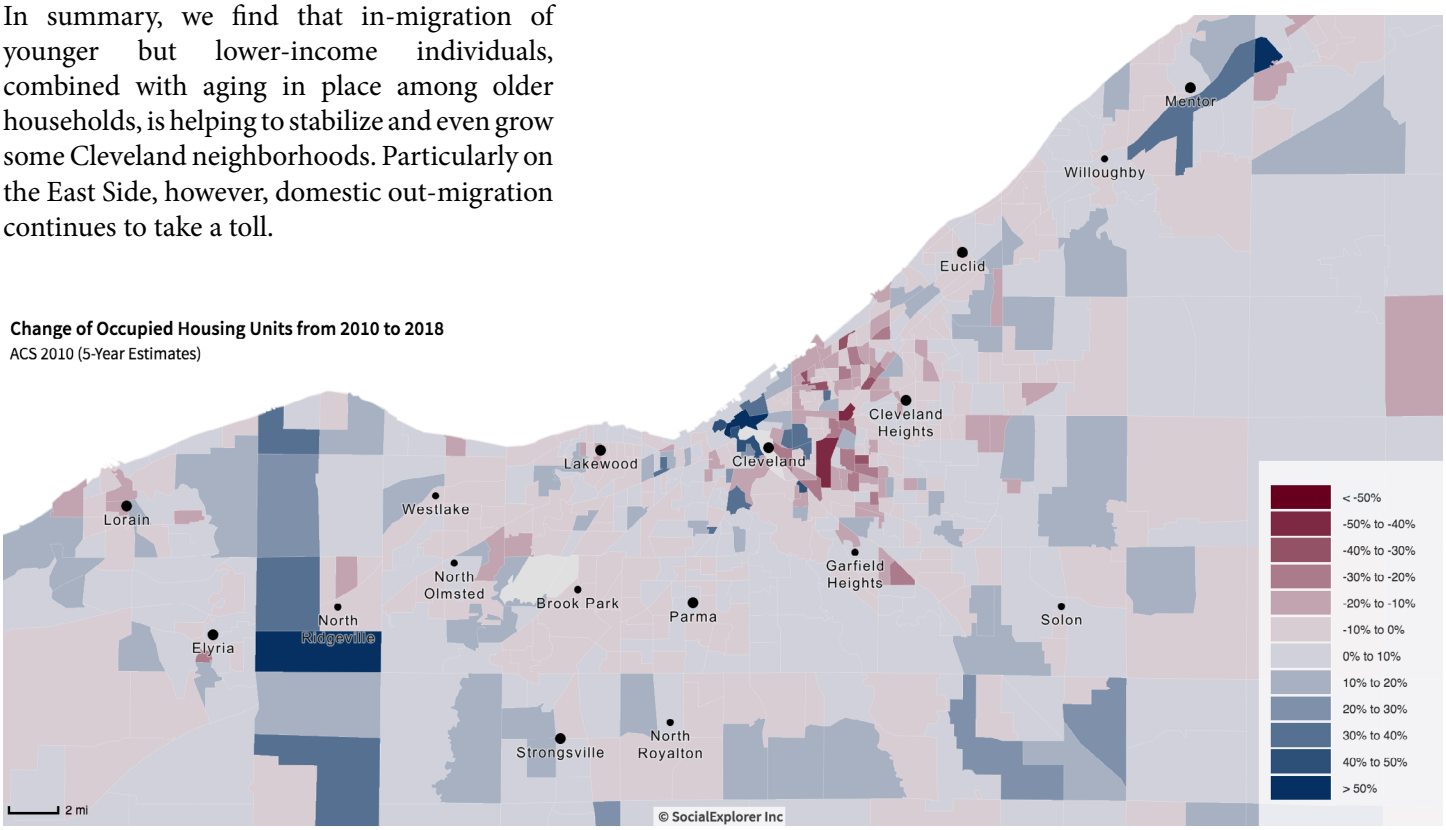
MIGRATION, CONTINUED

The typical in-migrant to Cleveland is relatively young (with a median age of 26.6 if they moved from a different Ohio county and 27 if they moved from a different state or from abroad). They are also more educated, with 32% having a college degree, compared to 16% of those who lived in the same house a year ago. In-migrants are most likely to be non-Hispanic White (50%), followed by Black (22%), Hispanic (19%), or Asian (10%).



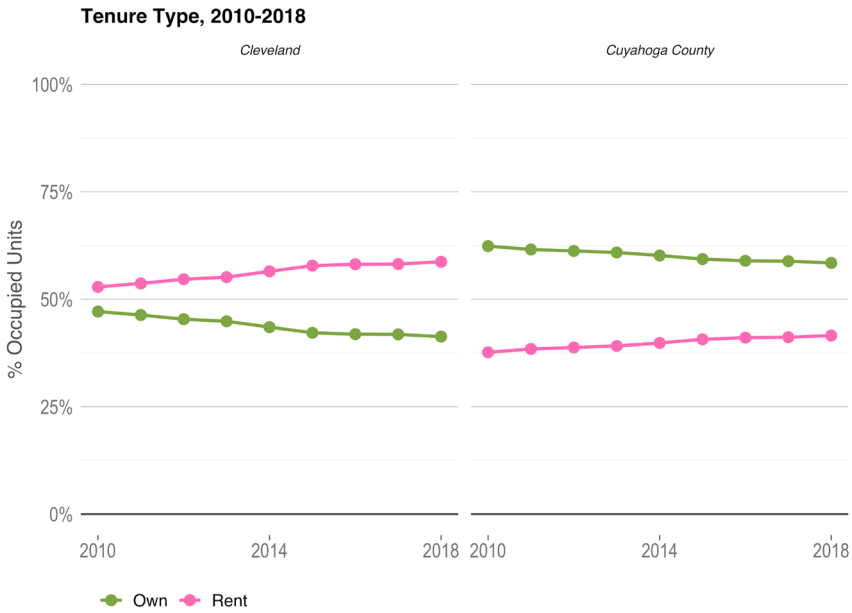
If we look at the percent change, since 2010, in households by county subdivision, we see that Cleveland is experiencing a slow decline in population while some suburbs (though not Lakewood, Cleveland Heights, Parma, Brook Park, or North Olmsted) are experiencing gains. Zooming in to the census tract level, it becomes apparent that not all parts of Cleveland are losing households; indeed, some tracts in the downtown and on the West Side added more than 40% of their 2010 households by 2018. However, many tracts on the East Side are rapidly losing population.

In summary, we find that in-migration of younger but lower-income individuals, combined with aging in place among older households, is helping to stabilize and even grow some Cleveland neighborhoods. Particularly on the East Side, however, domestic out-migration continues to take a toll.



TENURE

In Cleveland, renting is more common than owning a home, while in the county at large, the opposite is true. In both areas, however, the absolute number and share of renters is increasing while the number and share of owners is falling. Renters now make up 59% of Cleveland households, while homeowners make up 41%. The shares of renters and homeowners are 42% and 58%, respectively, in the county.

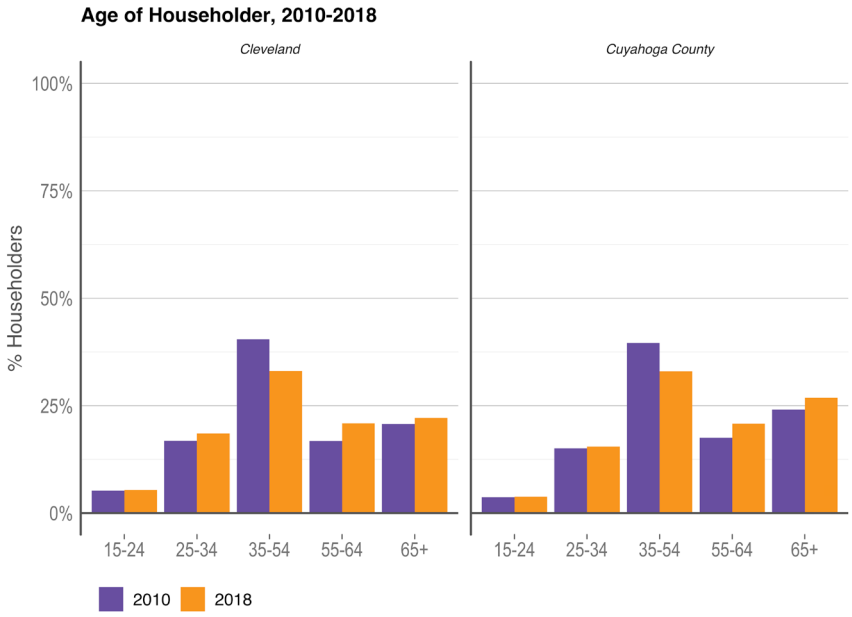


Source: 5-Year ACS Estimates and Decennial Censuses, US Census Bureau

AGE

Middle-aged heads of household make up the largest share of householders in both Cleveland and Cuyahoga County, though this group has shrunk between 2010 and 2018. Meanwhile, the share of older and elderly householders has grown, particularly in the county. Younger householders (aged 34 or younger) have also become more predominant, especially in the city.

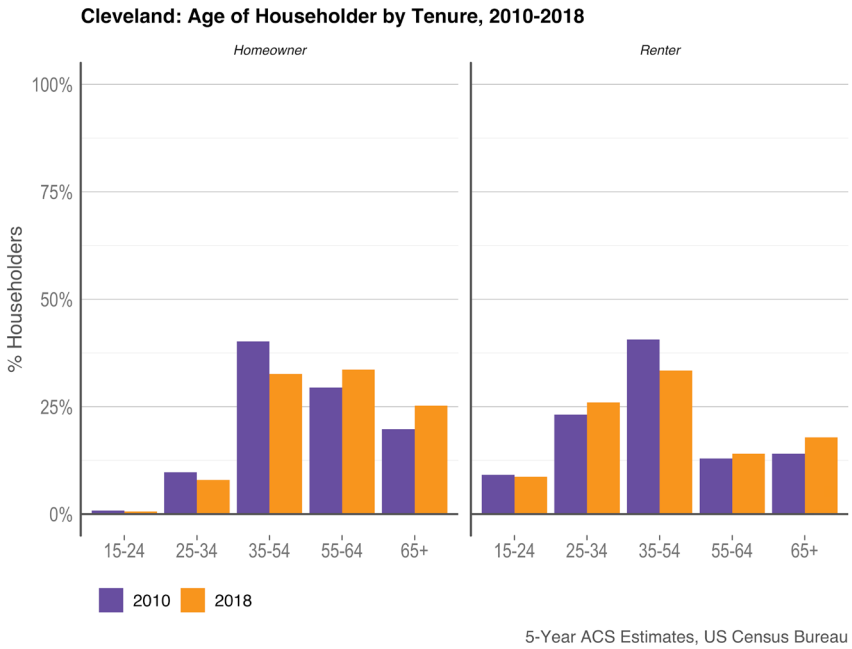
It is important to note that this shift in Cleveland's age composition is due as much to aging in place as to migration. In Cuyahoga County, the number of residents aged 65 and older increased by approximately 4,000 between 2017 and 2018, but during that period, 410 more seniors migrated out of the county than migrated in.



5-Year ACS Estimates, US Census Bureau

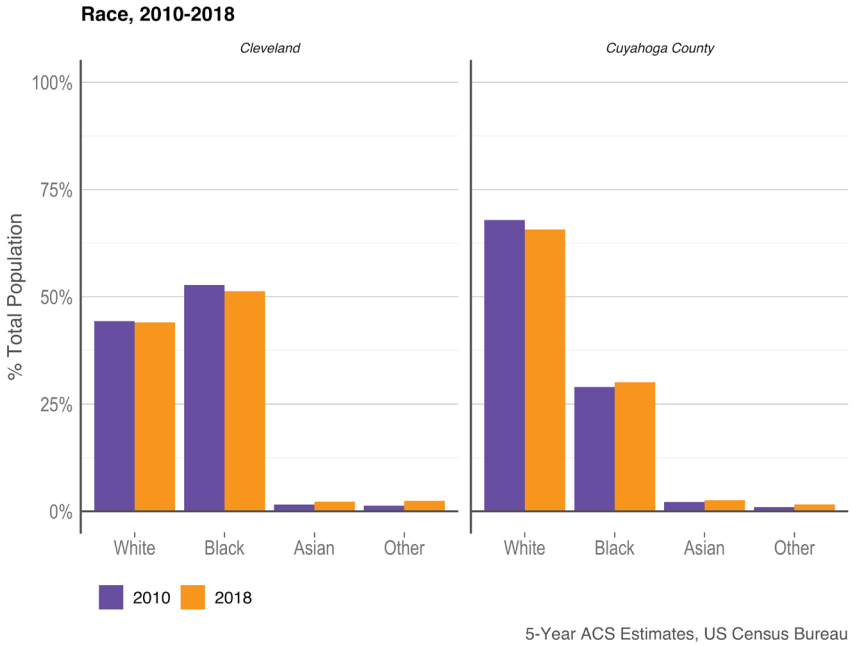
AGE, CONTINUED

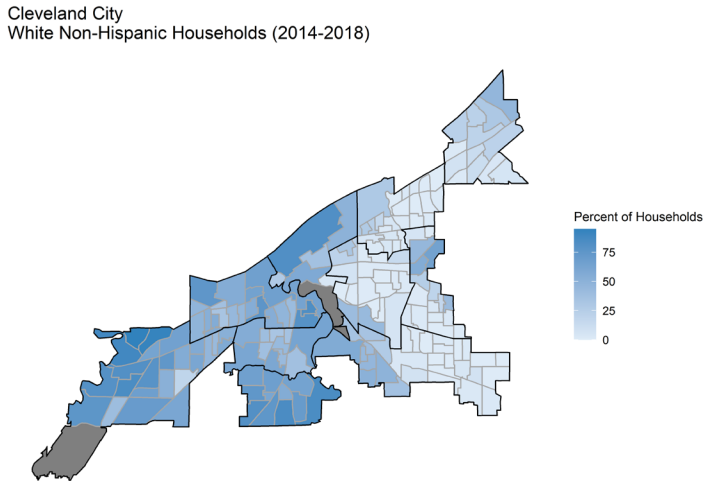
Householder age varies by tenure. In the City of Cleveland, renters tend to be younger than homeowners, with far more clustering in the 15-34 age groups than homeowners, who tend to be older and are becoming more so.

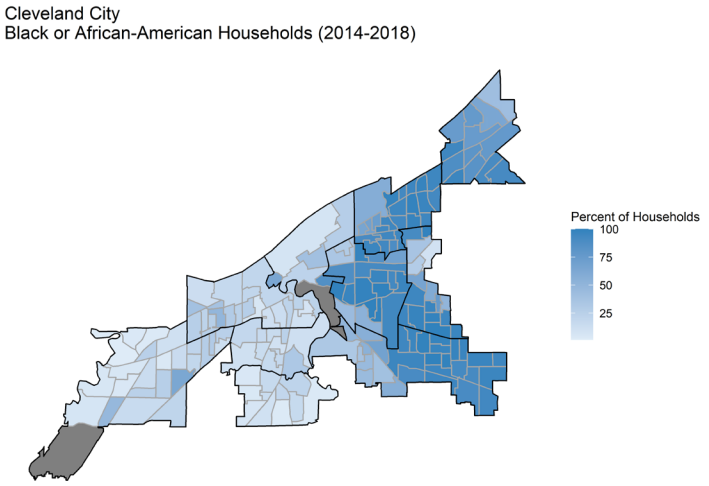


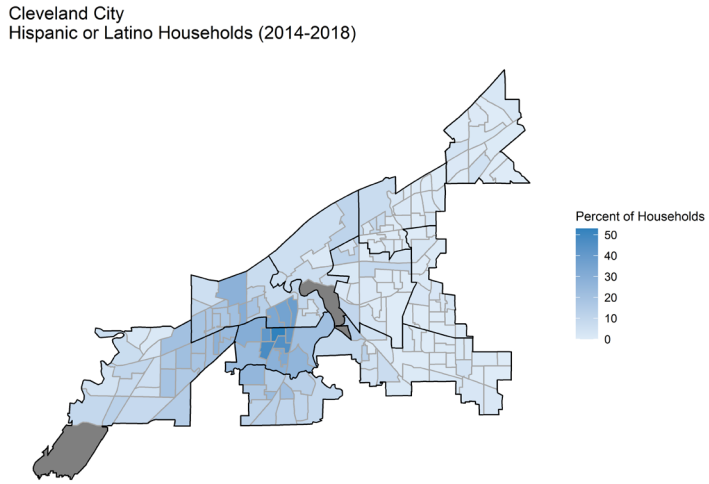
RACE AND SEGREGATION

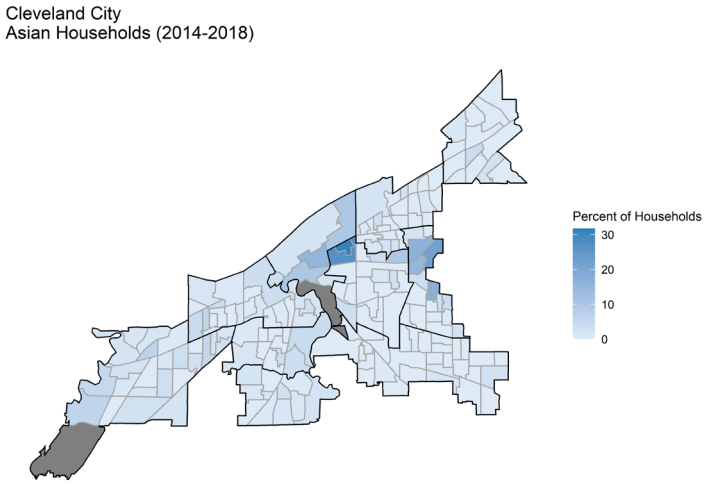
Both Cleveland and Cuyahoga County remain largely Black and White, though they are diversifying, with slightly more residents identifying themselves as neither Black nor White in 2018 than in 2010. In 2018, 38% of Cleveland householders are non-Hispanic White, 50% are Black, 2% are Asian, and 9% are Hispanic/Latino (the remainder identifying as "other"). In the county as a whole, 62% of householders are non-Hispanic White, 30% are Black, 3% are Asian, and 4% are Hispanic/Latino.











Source: 5-Year ACS Estimates, US Census Bureau

RACE AND SEGREGATION, CONTINUED

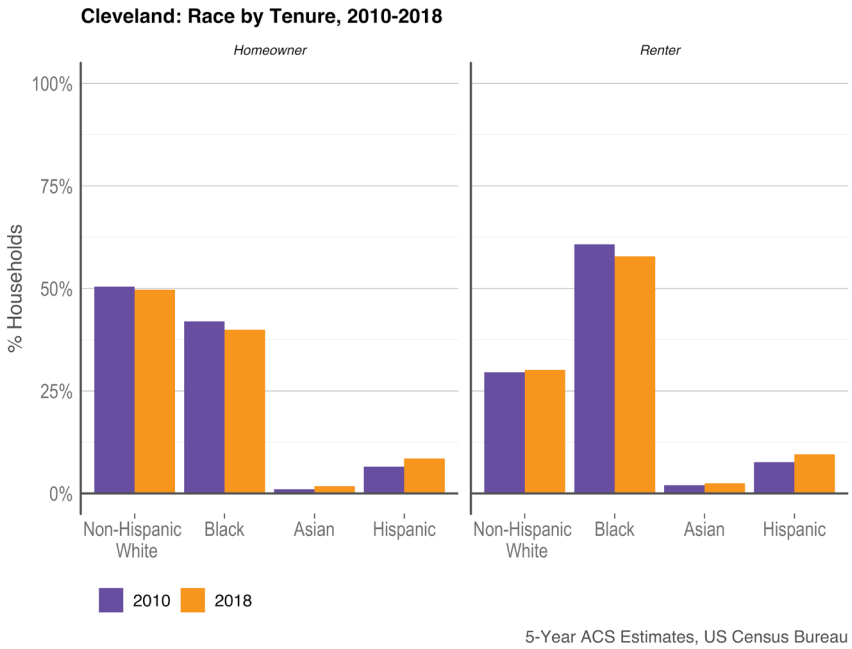
Cleveland and its greater metro area remain starkly segregated by race. In 2018, the Brookings Institution reported the Cleveland metro to be the fifth worst metro area in the nation in terms of Black-White segregation, after Milwaukee, New York, Chicago, and Detroit, with a segregation index value of 72.9 (meaning that about 73% of Blacks would need to relocate in order to be fully integrated with Whites). Furthermore, Cleveland had made very little progress in reducing segregation since 2000.[1] As shown in the maps above, White, Non-Hispanic households are concentrated on the West Side in neighborhoods such as West Park, Old Brooklyn, Metro West, and Detroit Shoreway-Ohio City-Tremont. Black households, by contrast are concentrated on the East Side. This includes the study neighborhoods of Collinwood, Glenville-Hough-Central, Circle North-University Circle-Buckeye-Shaker-Larchmere, Midtown-Opp Corridor-Fairfax, and Southeast. There are far fewer Hispanic and Asian households in Cleveland. In the median tract, Hispanics make up 3% of households and Asians make up less than 1%. The highest concentration of Hispanic households can be found in western areas such as Metro West and Detroit Shoreway-Ohio City-Tremont. There is a small concentration of Asian households in two neighborhoods: Midtown-Opp Corridor-Fairfax and Circle North-University Circle-Buckeye-Shaker-Larchmere.

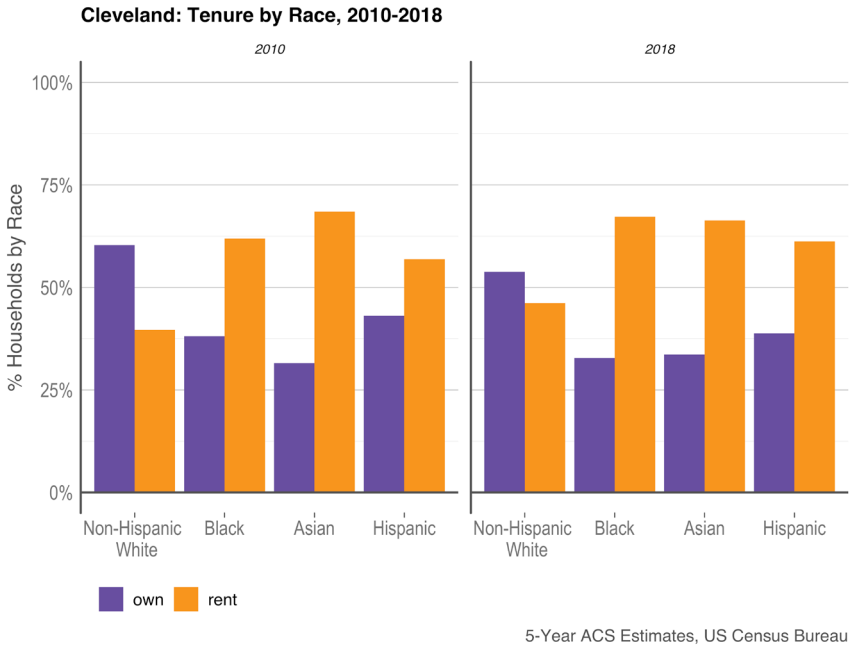
[1] Frey, William H. "Black-White Segregation Edges Downward Since 2000, Census Shows." Brookings Institution, December 17, 2018. https://www.brookings.edu/blog/the-avenue/2018/12/17/black-white-segregation-edges-downward-since-2000-census-shows/

RACE, CONTINUED

Focusing on the City of Cleveland, we see that renters are much more likely than homeowners to be Black, and slightly more likely to be Asian or Hispanic, while nearly 50% of homeowners are White.

This is made even more clear in the second graph at right: non-Hispanic Whites are the only racial/ethnic group in Cleveland that is more likely to own than to rent, although this may not always be the case—between 2010 and 2018, the gap between owning and renting for Whites shrank considerably. Meanwhile, Blacks, Asians, and Hispanics are all more likely to rent than own, and for Blacks and Hispanics, this is even more true in 2018 than it was in 2010.



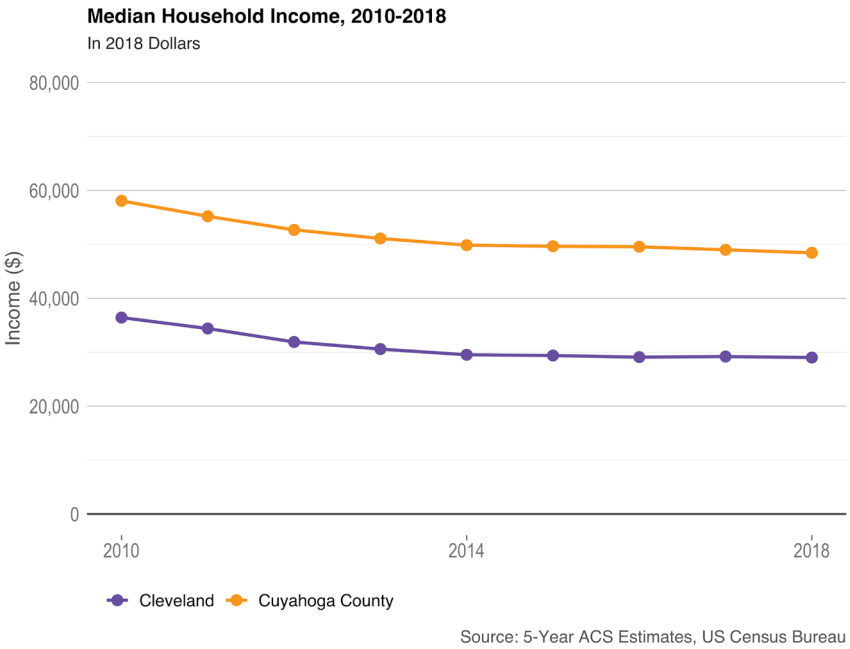


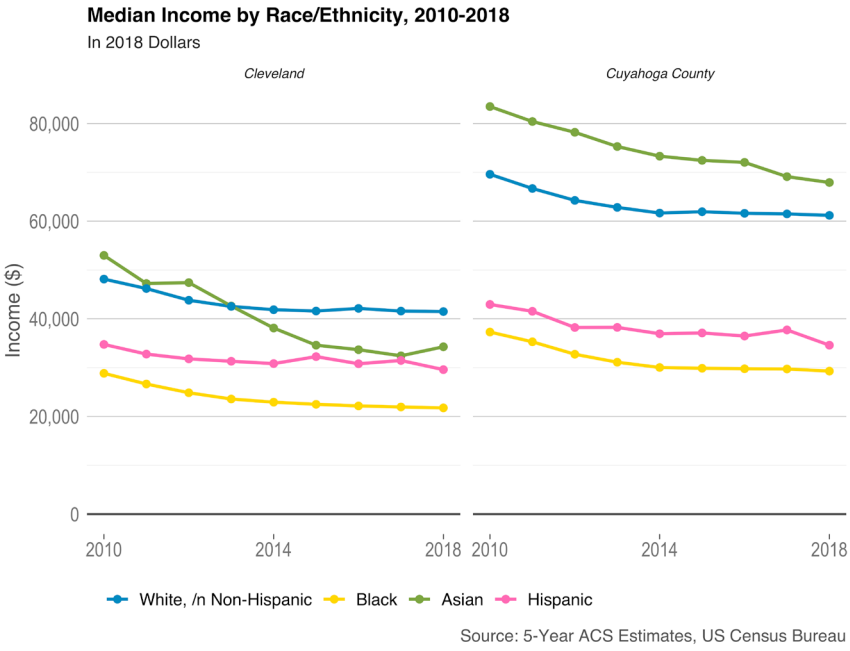
INCOME

Inflation-adjusted income in both Cleveland and Cuyahoga County decreased between 2010 and 2014 and then stabilized thereafter. The median Cleveland household makes $29,008 in annual income as of 2018, whereas the median household county-wide has an income of $48,435. Compare this to $36,421 in the city and $58,067 in the county in 2010 (in 2018 dollars).

The incomes of all racial/ethnic groups in Cleveland and Cuyahoga County have decreased, with the greatest inflation-adjusted decrease occurring for Asians, who fell from being the highest-earning group in Cleveland to the second highest by 2018. Blacks and Hispanics have consistently lower incomes, and Blacks in particular have seen a relentless decrease in their inflation-adjusted incomes. Black households in Cleveland now have a median income of only $21,769, which is below the poverty threshold for a family of four.

These numbers do not yet take into account the income losses associated with COVID-19. According to Household Pulse Survey Data collected by the U.S. Census Bureau for October 14-27th, 2020, 42% of the 8.8 million adult Ohioans surveyed have experienced a loss of employment income in their household since March 13th, 2020. This is very similar to the national figure of 45%. About 20% of Ohioans, and 24% of Americans, expected to lose employment income in the next 4 weeks. Loss of household employment income was more common among Black and Asian Ohioans (53% and 65%, respectively). It was also significantly more common among households that include children (50%, versus 38% for respondents whose households have no children). The likelihood of having lost employment income increased as household income decreased; thus, Ohioans in households earning less than $25,000 had lost income at a rate of 51%, but among those earning over $200,000, only 21% had lost income.[1]



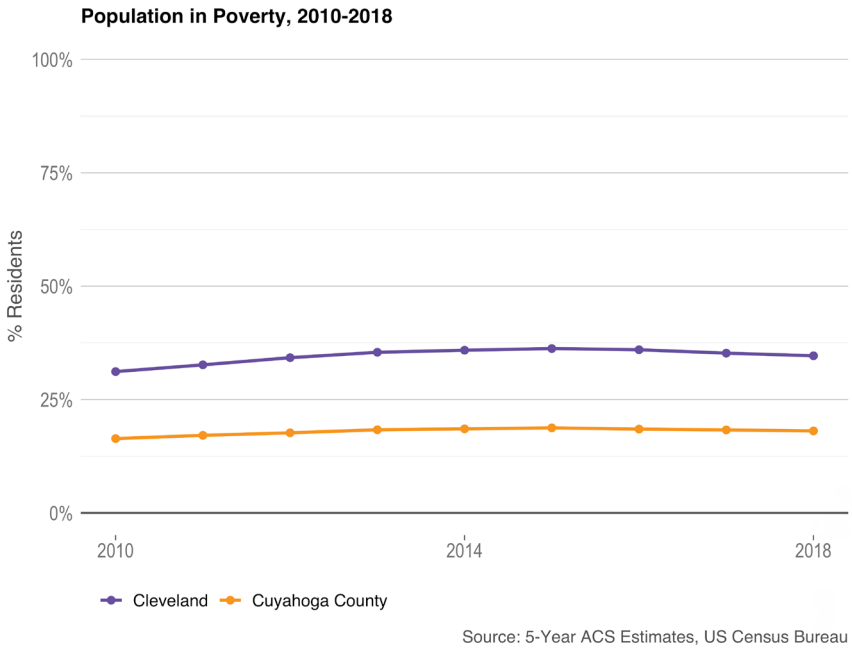


[1] U.S. Census Bureau. Household Pulse Survey, Week 17. https://www.census.gov/programs-surveys/household-pulse-survey/data.html

POVERTY

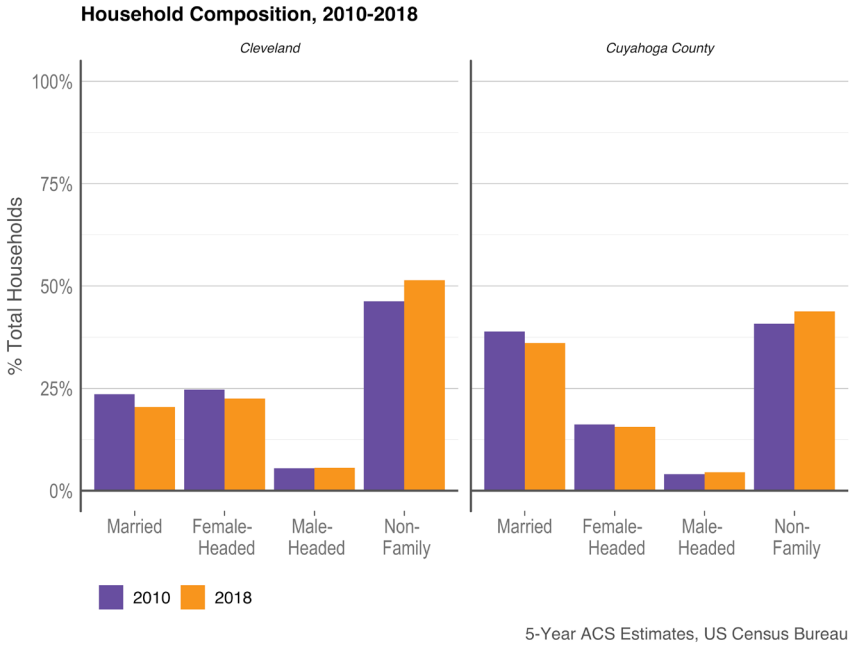
Not surprisingly, as incomes have decreased, poverty has increased. As of 2018, 34% of Clevelanders and 18% of residents county-wide are impoverished, compared to 31% and 16%, respectively, in 2010.

Between 2010 and 2017, the share of the city that falls into a Racially or Ethnically Concentrated Area of Poverty (R/ECAP), according to HUD's definition, expanded from about a quarter to nearly half. Over two-thirds (78%) of residents in these areas are people of color, 45% live below the poverty line, and 42% are housing cost burdened.[1]



HOUSEHOLD COMPOSITION

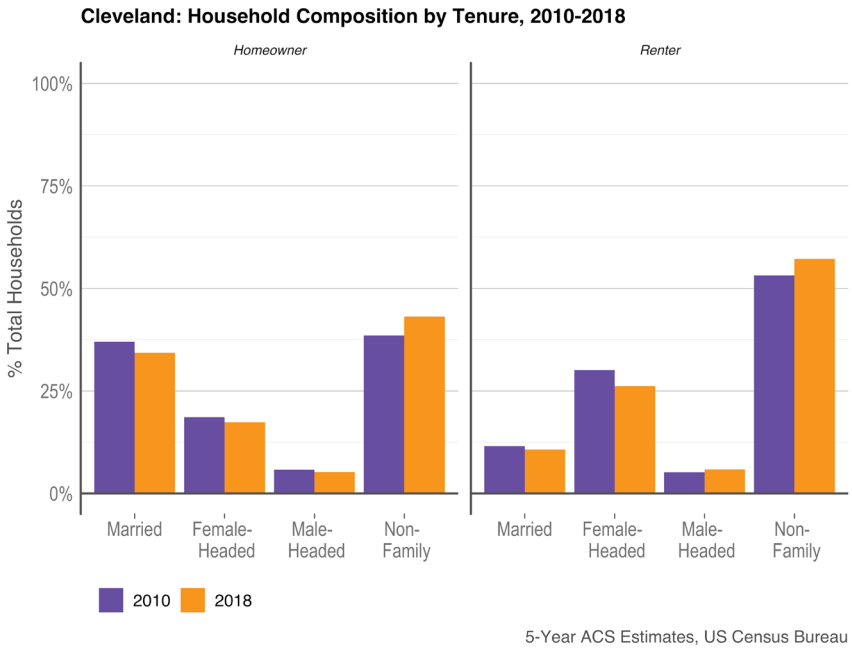
In both Cleveland and the county, non-family households predominate, compared with married couples and male- or female-headed family households.[2] Non-family households now make up over half of all households in the city, likely reflecting the increase in renter-ship and decrease in household size. Female-headed households are also common in Cleveland, but less so than in 2010.



[1] R/ECAPs are census tracts where at least half of residents identify as people of color and the poverty rate is either greater than 40% or three times greater than the average poverty rate in the metropolitan area. Source: Norton et al. Cleveland Tax Abatement Study, July 2020.
[2] A nonfamily household consists of a householder living alone (a one-person household) or a household in which the householder shares the home exclusively with people to whom they are not related.

COMPOSITION, CONTINUED

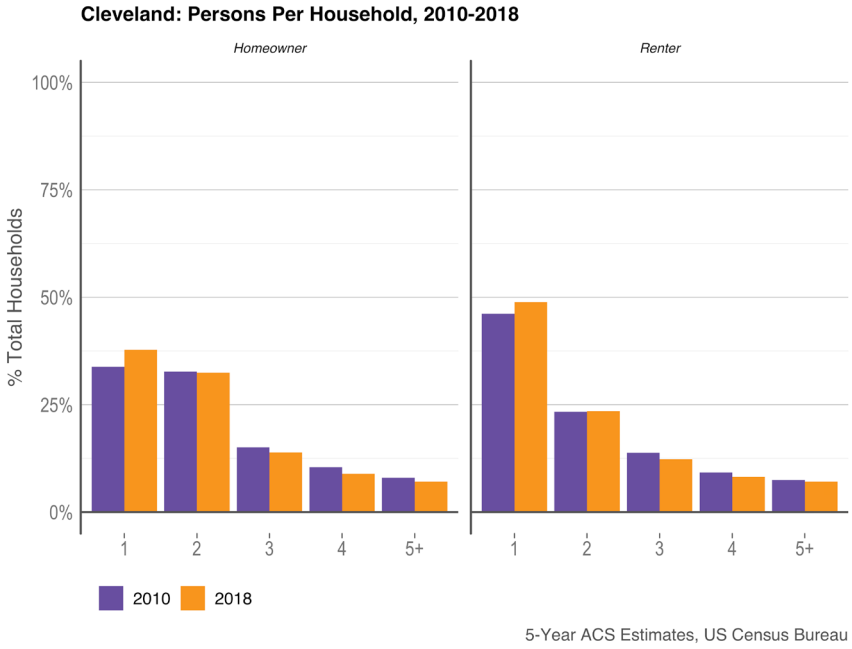
Breaking household composition out by tenure shows that non-family households are very common among Cleveland renters (at 57%). As such, the increase in renter-ship has likely helped drive the increase in non-family households. However, non-family households are fairly common (at 43%) among homeowners as well, and their share of all owner-occupant households has also grown since 2010. Meanwhile, all other composition types have shrunk.



HOUSEHOLD SIZE

Both Cleveland and Cuyahoga County households have been shrinking in size, with 1- and 2-person households making up a large and growing share of all households. In 2018, 44% of all households in Cleveland, and 38% of households county-wide, were single-person households.

Not surprisingly, single-person households are concentrated among Cleveland's renters, but 38% of owner-occupant households are also made up of only one person living alone. Since homeowners are also aging, this suggests issues of older, isolated homeowners who may find it difficult to maintain their home's condition or retrofit it in order to allow safe aging in place.

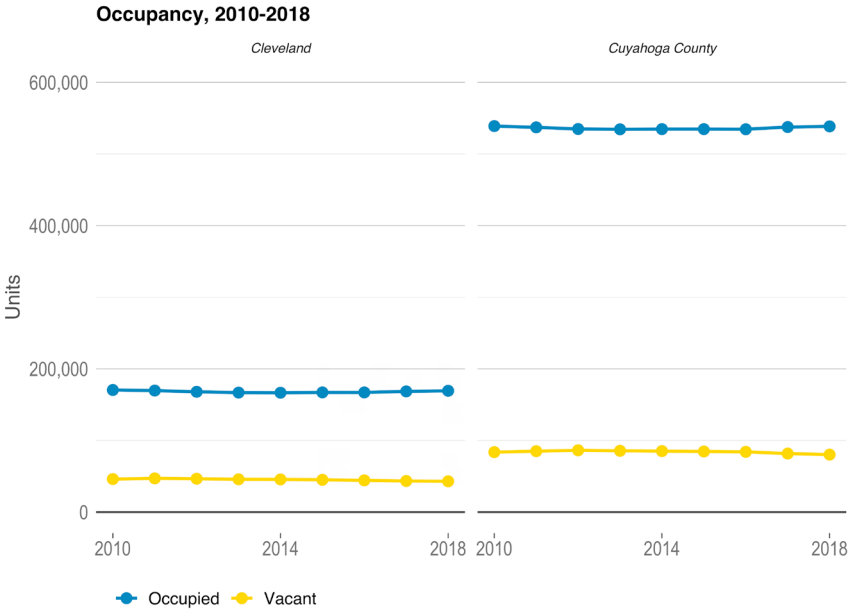


3. HOUSING SUPPLY

TOTAL UNITS

Both Cleveland and Cuyahoga County have fairly stable housing supplies comprising 212,347 units and 618,792 units, respectively. Cleveland's housing stock saw a net decrease of approximately 4,200 units between 2010 and 2018, while the county's shrank by only 3,845 (meaning that the suburban part of the county built new units to offset some of its losses). Vacancy rates decreased very slightly in both jurisdictions, according to American Community Survey estimates.

In 2010-2018, an average of 1,280 units were demolished by the City each year, but this does not account for the total number of units that drop out of the housing market on an annual basis. In 2018, according to the American Community Survey, Cleveland had about 34,000 units that were vacant and neither for rent nor for sale. In the average year since 2010, this number has increased by 690 units, in spite of demolitions. Thus we might estimate that 2,000 units drop out of Cleveland's housing market each year.

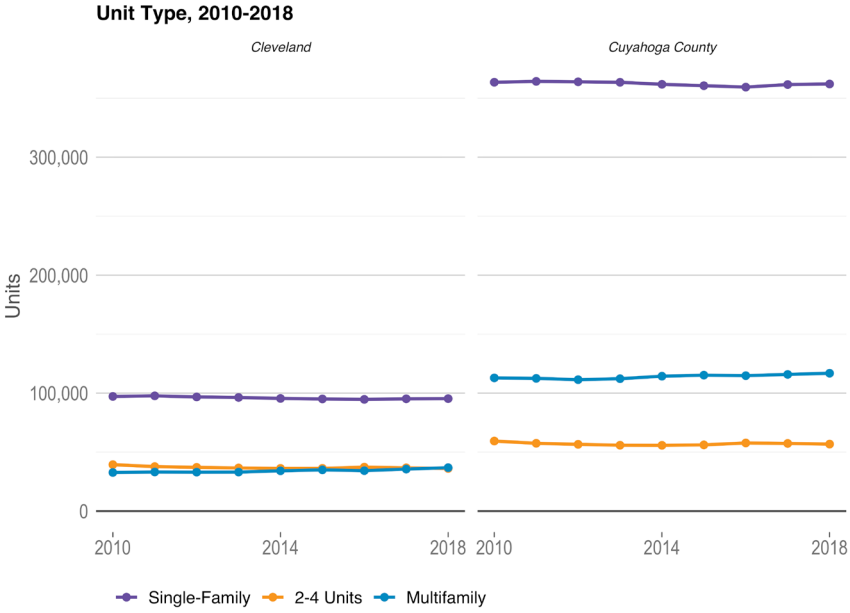


Source: 5-Year ACS Estimates and Decennial Censuses, US Census Bureau

UNIT TYPE

Single-family homes predominate in both the city and county, though much more so in the county. Interestingly, there are more multifamily homes (units in structures with 5+ units) in the suburban part of the county (80,032) than there are within the city borders (36,806).

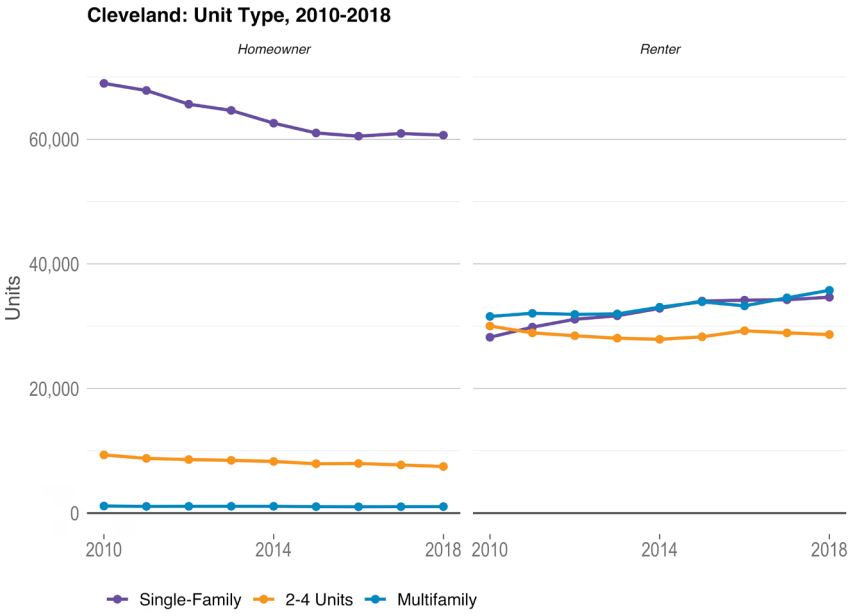
When we break out unit type by tenure (see the following page), we find that homeownership units in the City of Cleveland are overwhelmingly single-family, but rented units have about an equal chance of being multifamily (36%) or single-family (35%), with smaller buildings of 2-4 units trailing behind at 29% of rentals. These percentages are not unusual in older cities with large stocks of row homes, but in Cleveland, the majority (80%) of single-family rentals are detached, stand-alone structures.



Source: 5-Year ACS Estimates, US Census Bureau

UNIT TYPE, CONTINUED

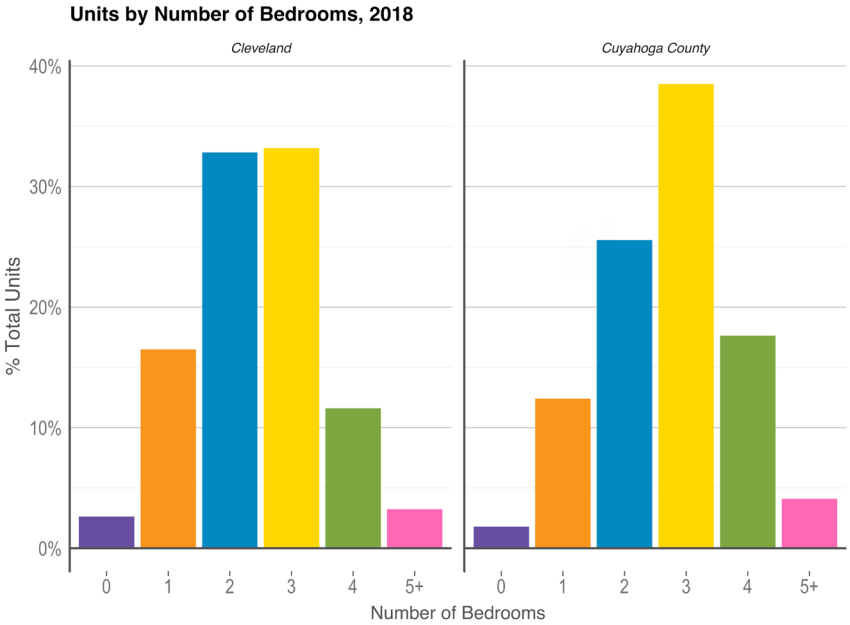
A report by the Poverty Center at Case Western Reserve University found that, in 2018, there were 103,386 rental units located in 54,786 rental properties in Cleveland. These properties were owned by 36,659 property owners. Further, about 42% of rental units are single-family structures; 24% are in doubles; 21% are in small buildings (3-20 units); and only 12% are in large buildings with over 20 units.[1]



Source: 5-Year ACS Estimates, US Census Bureau

UNIT SIZE

Most homes in the city have either two or three bedrooms, while those in the county skew larger (3+ bedrooms). Trends in home size have remained steady in both jurisdictions since 2010, with 1-bedroom units increasing only slightly, despite the increase in single-person households.



5-Year ACS Estimates, US Census Bureau

[1] Claudia Coulton, Francisca García-Cobián Richter, Youngmin Cho, Jiho Park, and Robert Fischer. Characteristics of Rental Properties and Landlords in Cleveland: Implications for Achieving Lead Safe Rental Housing. Center on Poverty and Community Development, Case Western Reserve University, September 2020.

ACCESSIBILITY

The Fair Housing Act Amendments of 1988 added disability as a protected class to federal fair housing law. The amendments were accompanied by Fair Housing Act Accessibility Guidelines, which developers were given three years to adopt before they went into effect in early 1991. In Cleveland, as of 2019, less than 10% of all occupied housing units have been built since the passage of the Fair Housing Act Accessibility Guidelines. Thus, less than 16,000 units of more than 170,549 total have been constructed since the passage of the guidelines. In Cuyahoga County as a whole, the percentage of occupied units built since 1990 is slightly higher, at 12%, representing about 65,000 units. But of these, only rental housing built in structures with four or more connected units are actually subject to the guidelines—likely less than 4,000 units in the city and 12,000 in the county.

By contrast, the 2015-2019 American Community Survey estimates that over 75,873 Cleveland residents, or 20% of the population, currently lives with a disability. Note that the ACS defines disability based on six survey questions that ask about hearing difficulty, cognitive difficulty, ambulatory difficulty, difficulty dressing or bathing (self-care), and difficulty doing errands alone such as visiting a doctor's office or shopping (independent living).

Rent tends to be higher in the 10,461 rental units built in Cleveland since 1990. The average gross rent in rental units built since 1990 is $868, compared to $661 for units built in the 1960s, '70s, and '80s, and $739 for units built before 1960. This is concerning because Cleveland residents living with a disability are disproportionately impoverished. The disability poverty rate is 39%, compared to the citywide poverty rate of 33%.

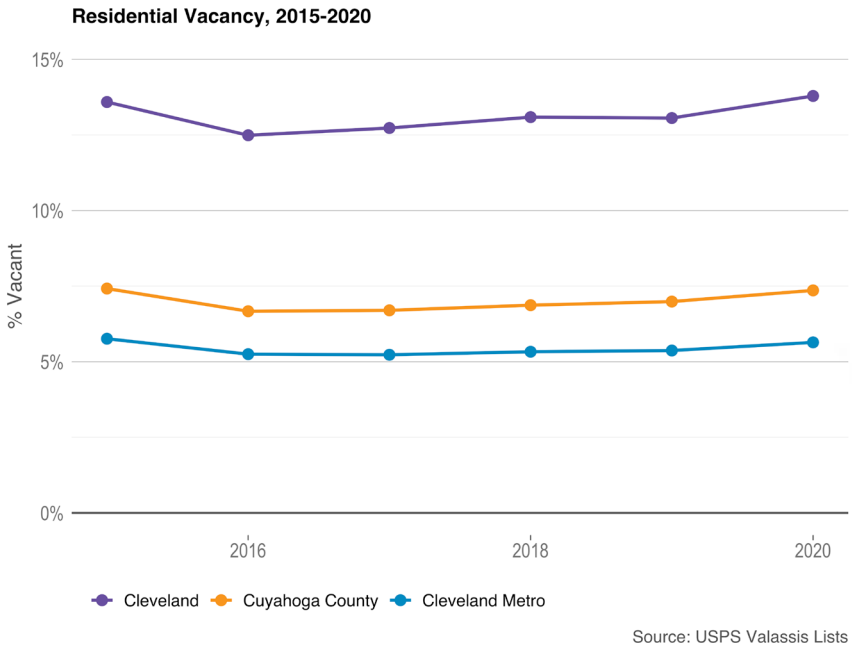
According to the 2019 American Housing Survey data for the Cleveland-Elyria metropolitan area (the most granular geography available), thousands of homes in the region have "accessibility problems," i.e., they are not accessible for occupant household members of at least 6 years of age who rely on assistance from another person in daily life or are living with a long-term condition. In total, about 41,200 units (5% of all units surveyed) are not accessible for their occupants with respect to entering the home or property; 21,400 units do not have an accessible bathroom, and 18,500 units do not have an accessible bedroom. Only 36% of households that include a member using a mobility device reported that their home meets their accessibility needs "very well."

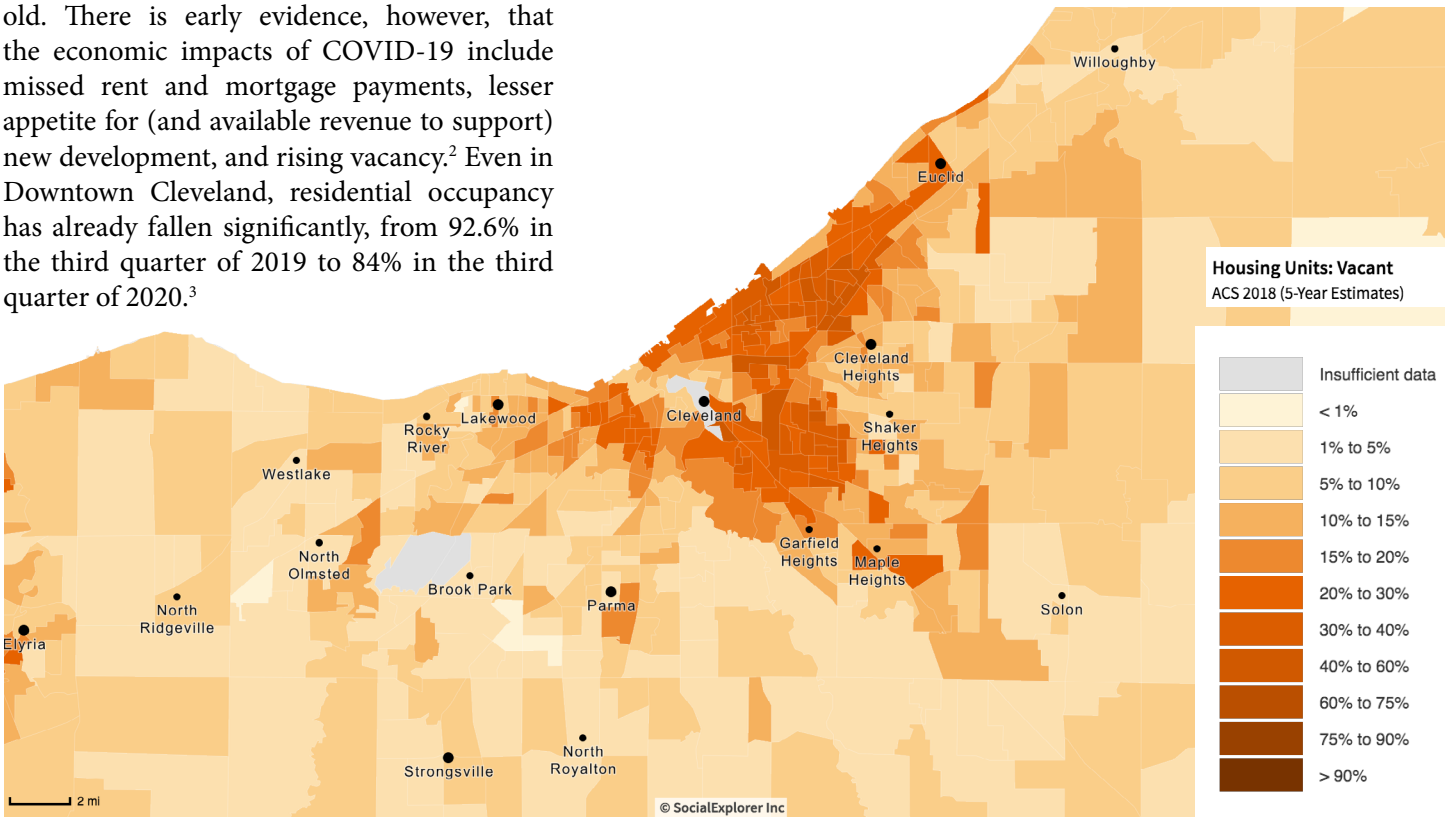
VACANCY

According to data maintained by the U.S. Postal Service, although vacancy decreased following the recession, it began rising again in Cleveland, Cuyahoga County, and the metropolitan area in 2019. As of the second quarter of 2020, the City of Cleveland has a vacancy rate of 13.79%, compared to 7.36% in the county and 5.64% in the metro area.

A 2015 property inventory by the Western Reserve Land Conservancy found 8% of Cleveland buildings to be vacant, and 18% of Cleveland lots to be vacant. Note, however, that these figures include not just residences, but also schools, churches, offices, shops, and industrial buildings.[1]

The COVID-19 pandemic is causing rapid change in housing markets that is difficult to track, given that even the most recent administrative and census data are 1-2 years old. There is early evidence, however, that the economic impacts of COVID-19 include missed rent and mortgage payments, lesser appetite for (and available revenue to support) new development, and rising vacancy.[2] Even in Downtown Cleveland, residential occupancy has already fallen significantly, from 92.6% in the third quarter of 2019 to 84% in the third quarter of 2020.[3]





[1] Western Reserve Land Conservancy. Cleveland Neighborhoods by the Numbers: 2015 Cleveland Property Inventory, 2015. https://www.wrlandconservancy.org/wp-content/uploads/2016/08/ClevelandPropertyInventory_issuu_updated122016.pdf

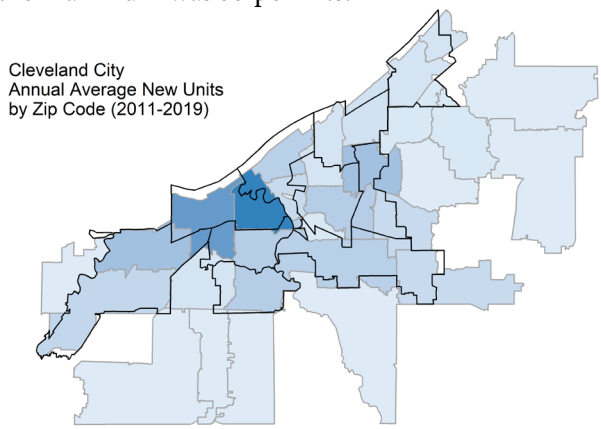
[2] Development trends may not yet reflect softening demand for downtown rentals. See Eric Heisig. 2020. "Cleveland Planning Commission Gives OK to New Apartment Buildings as Vacancies Increase Downtown." Cleveland.com. August 22, 2020.

[3] Downtown Cleveland Alliance. Q3 Market Updates, 2019 and 2020. https://www.downtowncleveland.com/work/resources-reports

NEW UNITS

Data provided by the City of Cleveland Department of Building and Housing show that about 200 permits were awarded for new "residential" structures in 2019. Apartment buildings with four or more units are grouped with "commercial" structures and thus excluded from this count. Permitting has averaged 154 permits in 1-3 unit residential structures per year since 2010.

Permits for new 1-3 unit residences were concentrated in the Detroit Shoreway-Ohio City-Tremont and Greater Downtown study neighborhoods between 2010 and 2019, as shown in the map below. Across all zip codes, the median for new residential construction permits averaged over 2010-2019 was 0 permits, the 75th percentile was 2 permits, and the maximum was 33 permits.

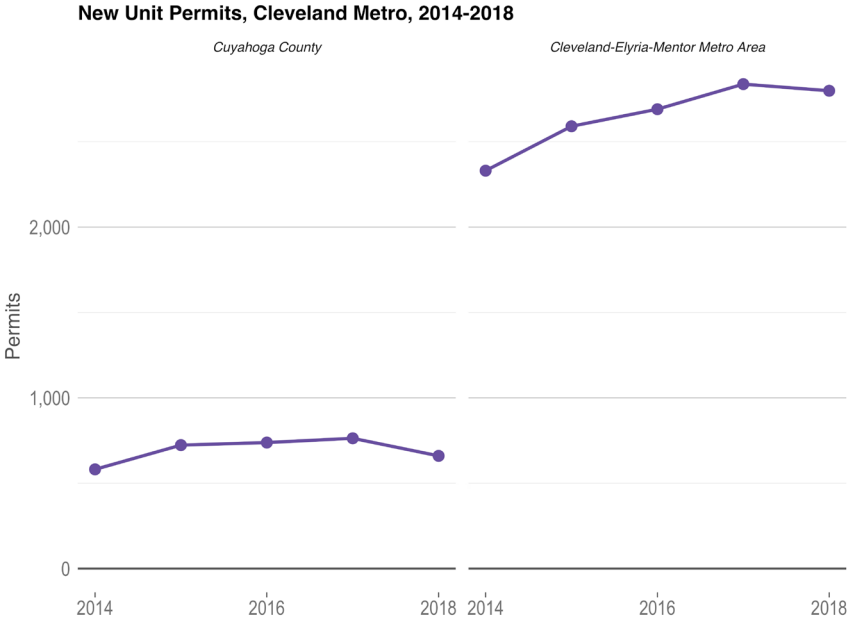


Source: City of Cleveland

The number of permits for new residential construction in the county as a whole dropped steeply during the Great Recession and only began to rise again in 2013. Still, only 660 permits were awarded in 2018, compared to over 2,000 at the boom in 2004.

In contrast to permitting in the county, permitting in the metropolitan area has been rising since 2014 and reached nearly 3,000 permits in 2017 before dipping to 2,798 in 2018.

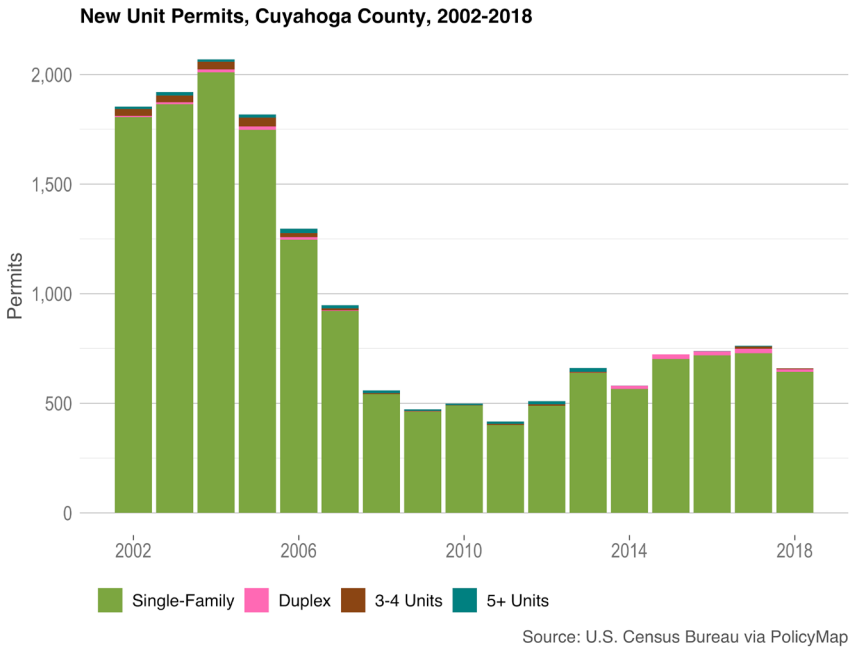
Source: City of Cleveland



Source: U.S. Census Bureau via PolicyMap

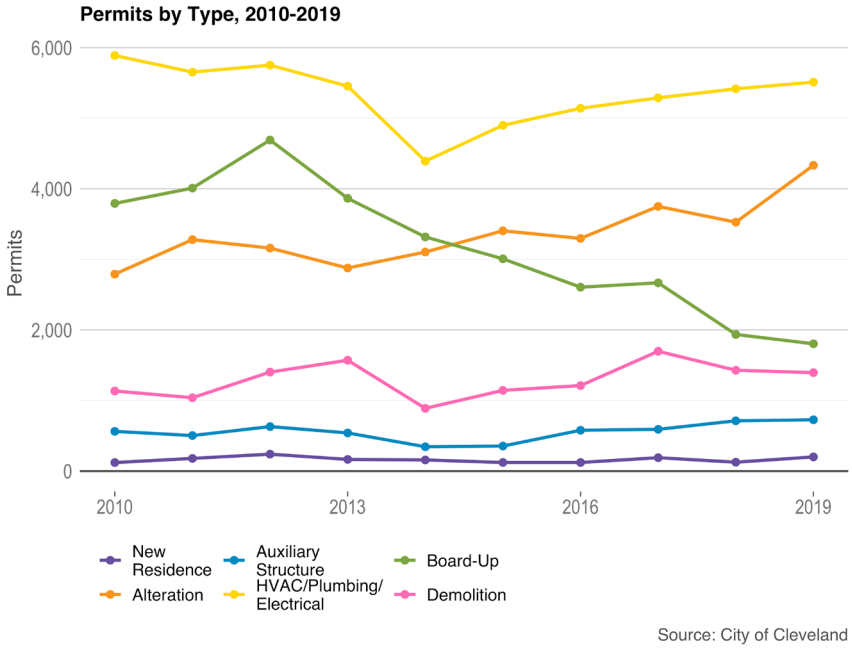
NEW UNITS, CONTINUED

The overwhelming majority of permits in the county have been and continue to be for single-family homes, with a small amount (10-20 permits per year since 2014) going to 2-unit structures and similar numbers going to structures with more than two units.

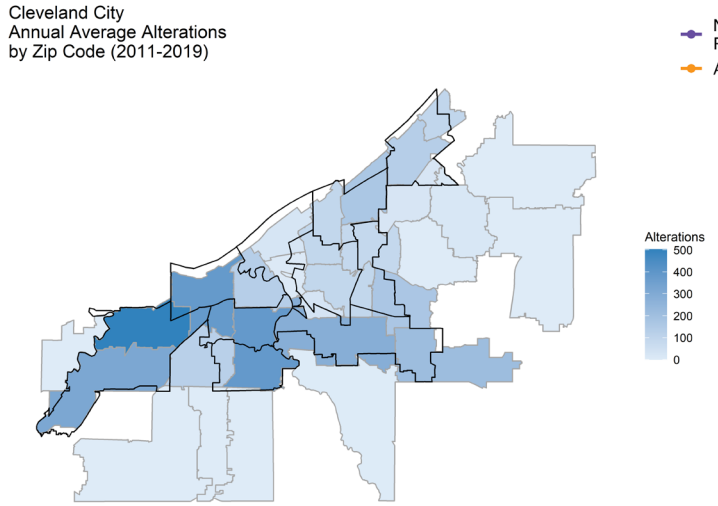


REHABS AND REPAIRS

The City of Cleveland's Department of Building and Housing adjusted the way it catalogs permit data in 2014, which makes it difficult to compare permitting before and after that year. These data clearly show, however, that since 2014, permits for residential alterations (the orange line in the graph at right) and work on HVAC, electrical, and plumbing systems (in yellow) have increased in number. Permits to construct new residential structures (dark purple) are a tiny fraction of all residential building permits.



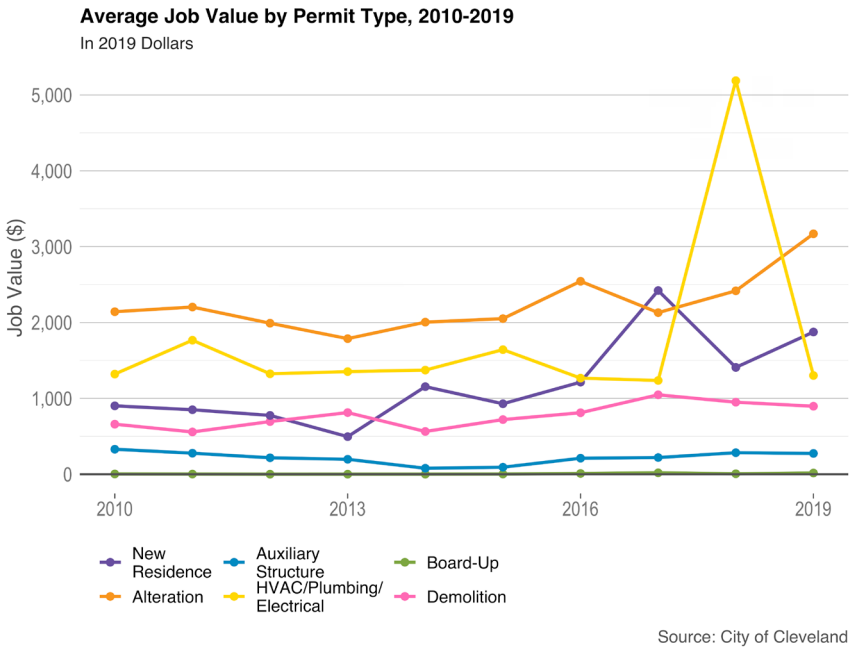
Annual average alterations permits are heavily concentrated in zip codes on the West Side of Cleveland. West Park has the highest number of alterations and Detroit Shoreway-Ohio City-Tremont, Metro West, and Old Brooklyn also have a relatively high number of alterations. The median number of alterations permits per zip code is 1, while the mean is 58 and the 75th percentile is 73 permits.



Source: City of Cleveland

REHABS, CONTINUED

The graph at right shows the estimated value of all the work permitted. The data show that the value of alterations and new construction has increased since 2010. A spike in the value of HVAC, plumbing, and electrical work in 2018 is due primarily to a single permit for a $5 million plumbing job. This permit is most likely the result of a data entry error.



RESIDENTIAL SALES

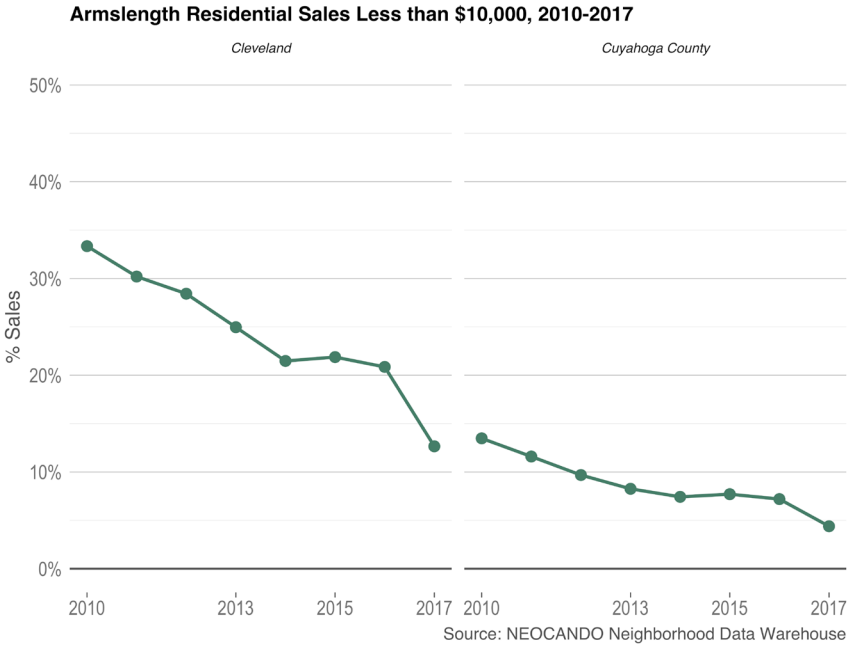
The NEOCANDO database at Case Western Reserve University tracks arms-length residential sales. Arms-length sales are typical real estate transactions. They exclude sales between friends or family members, transfers between parent companies and subsidiaries, transfers to financial institutions or government agencies, and other sales which tend to artificially lower median sales prices. As the graph at right shows, the volume of arms-length sales has been rising in Cleveland, and more dramatically in Cuyahoga County, since 2011.

SALES, CONTINUED

Importantly, the recent study on the Cleveland Tax Abatement found that many housing market transactions in Cleveland are not traditional sales in which home-buyers use a conventional mortgage to purchase a home: "In recent years, most home sales in the city have been cash transactions in all census tracts, with the exception of the highest cost areas." Indeed, only 29% of home sales in Cleveland 2015-2019 were associated with a mortgage origination. Many residential transactions (about 41% 2015-2019) involve an institutional buyer (e.g., an LLC, bank, or investor); investor purchases were especially common in Cleveland's East Side.[1]

As the volume of sales has risen, so has the median sales price. The median sale in Cleveland was $37,000 as of 2017, and $101,000 in Cuyahoga County as a whole. Compare this to the inflation-adjusted 2010 median prices of $21,802 and $89,906 in the city and county, respectively. However, it is important to note that sales prices remain low, and that—according to the Cleveland Tax Abatement study—only 9 of the city's 462 block groups (2%) show home price appreciation to a degree that would be associated with a high risk of resident displacement.[2]

Meanwhile, the volume of residential sales for less than $10,000 has been falling over the past decade. Less than 15% of sales in the city, and less than 5% in the county, were transactions of less than $10,000 in 2017 (the most recent year for which data are available). This decrease may be related to efforts to discourage outside investors from scooping up low-cost real estate in the city, which became a concern following the foreclosure crisis of 2008.[3]



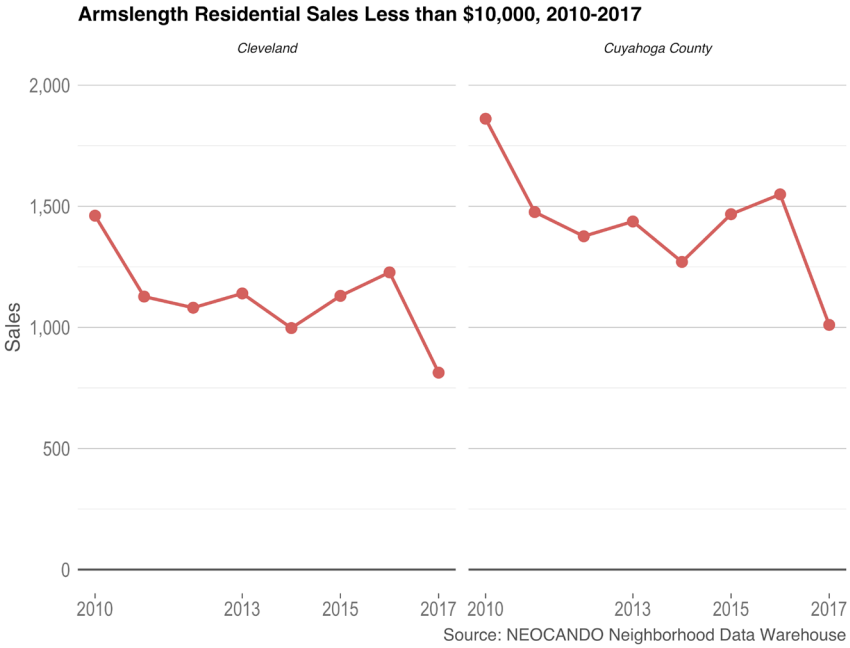
[1] Michael Norton, Jason Rosch, Randall Bauer, Alison Goebel, Kaela Geschke, and Jennifer Madden. Cleveland Tax Abatement Study. July 2020.
[2] Norton et al. Cleveland Tax Abatement Study. July 2020
[3] For more information, see "Outside Investment" on p.31.

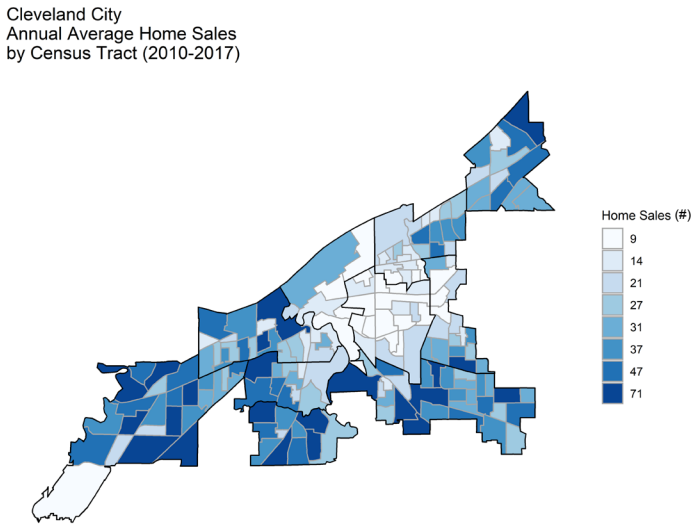
SALES, CONTINUED

When we view these less-than-$10,000 sales in absolute terms rather than as a percentage, we see that there has been less variation in their volume than we might expect. While they have decreased, especially since 2016, their decrease in the share of all sales is also a function of the increase in arms-length residential transactions overall. In 2017, there were still more than 800 sales of less than $10,000, out of 6,427 total sales.

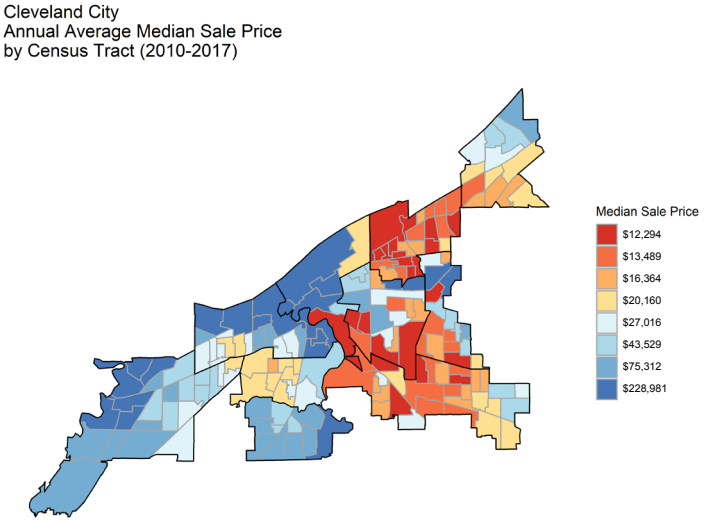
Home sales appear to be scattered throughout the city. The median number of sales per census tract (if we average sales volumes 2010-2017) is 27 sales while the 25th and 75th percentiles are 14 and 37 sales, respectively. The West Park neighborhoods saw the highest volume of sales, but tracts in the Southeast study area and in the northeast corner of Collinwood were also active. Meanwhile, much of Midtown-Opp Corridor-Fairfax saw low home sales volumes.

The average annual median home sale price is heavily skewed by Greater Downtown. Home sales averaged $228,981 in the highest-priced downtown tract, which was a stunning 1,035.8% higher than the citywide tract median value of $20,160. Outside of Greater Downtown, there are high sales prices in parts of Detroit Shoreway-Ohio City-Tremont.





Source: NEOCANDO Neighborhood Data Warehouse

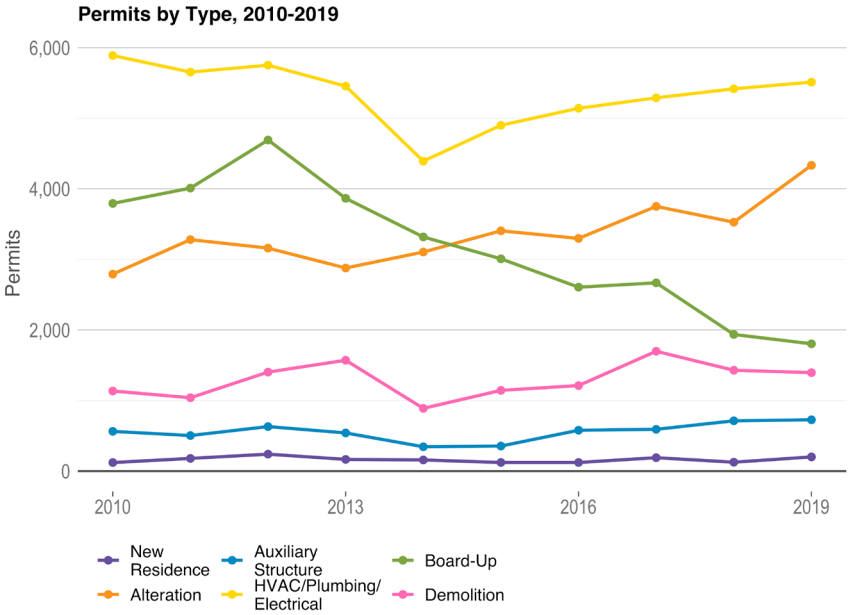


Source: NEOCANDO Neighborhood Data Warehouse

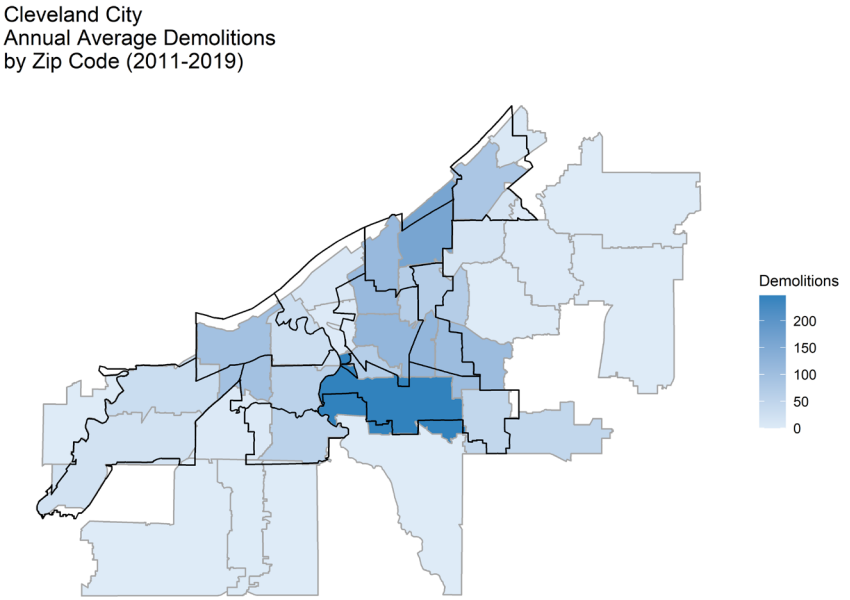
DEMOLITIONS

Residential demolition permits (pink) increased to a peak of nearly 1,700 in 2017 but fell to about 1,400 in 2019. Permits to board up vacant units (in green) have fallen dramatically, from nearly 5,000 such permits in 2012 to less than 2,000 in 2019. According to the Western Reserve Land Conservancy, a residential demolition costs approximately $10,000 per house. Between 2005 and 2015, the City of Cleveland spent $63.6 million to demolish deteriorated buildings, using federal stimulus funds, CDBG funds, a City bond issue, and City general funds. In addition, the Cuyahoga County Land Banks spent $7 million in four rounds of demolitions.[1] In 2016, the U.S. Department of the Treasury reauthorized the Hardest Hit Fund, which made $90 million in reimbursable demolition funds available to county land banks in Ohio (the funds must be spent by the end of 2020). The additional funding resulted in 3,750 demolitions in East Side neighborhoods between 2015 and 2018.[2]

Demolitions are concentrated in the Southeast study neighborhood of Cleveland (as shown in the map at right). If we average demolitions for each year 2011-2019, the median zip code saw 0 demolitions. Zip codes in the 75th percentile saw at least 13 demolitions. Yet in one zip code in the Southeast, the annual average for demolitions was 247.



Source: City of Cleveland



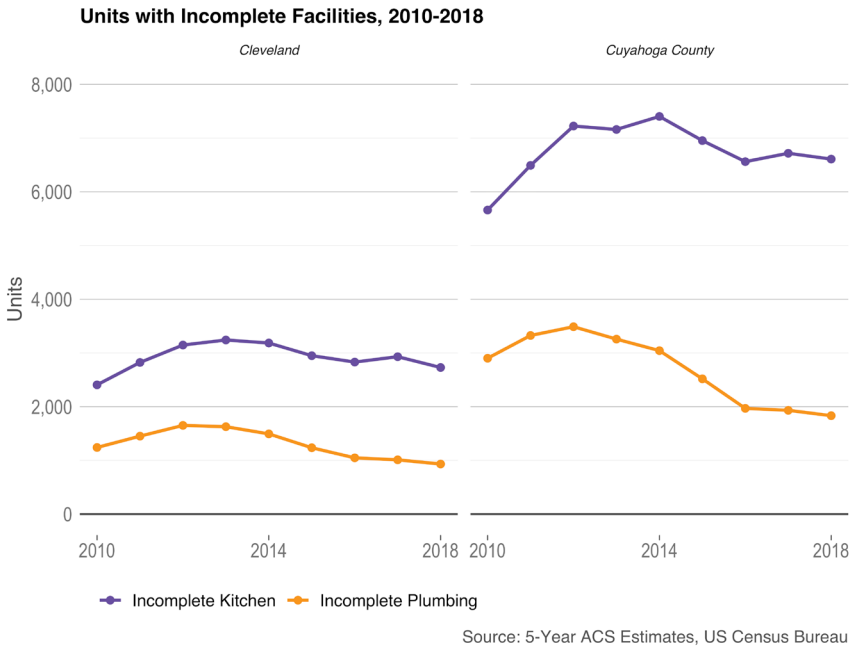
Source: City of Cleveland

[1] Western Reserve Land Conservancy. Cleveland Neighborhoods by the Numbers, 2015.
[2] Western Reserve Land Conservancy. Cleveland Neighborhoods by the Numbers: 2018 Update, 2018. https://www.wrlandconservancy.org/cleveland-propertyinventory2018/

4. HOUSING CONDITIONS

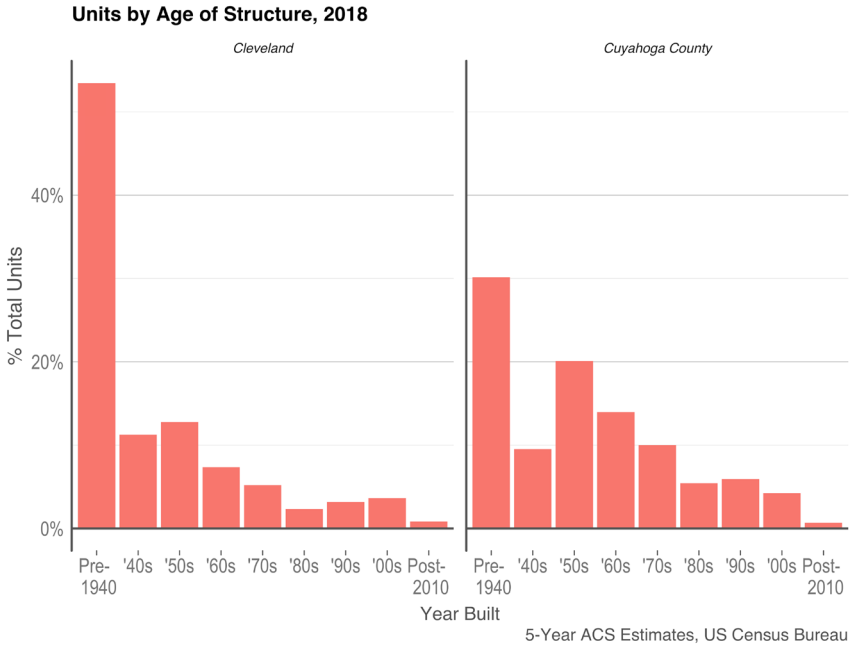
FACILITY COMPLETENESS

The American Community Survey includes very few data points on housing conditions. Incomplete plumbing and/or kitchen facilities can be an indication that a housing unit is in poor condition. Plumbing is classified as "incomplete" if a unit lacks any of the following: hot and cold running water, a flush toilet, or a bathtub or shower. Kitchens are incomplete if they lack either a sink with a faucet, a stove or range, or a refrigerator. The number of units in Cleveland and Cuyahoga with incomplete plumbing or kitchen facilities is very small; they each comprise less than 2% of the total stock. The number of units in this condition appeared to have increased slightly after the Recession, and then declined, but the margin of error is too large to draw any definitive conclusions.



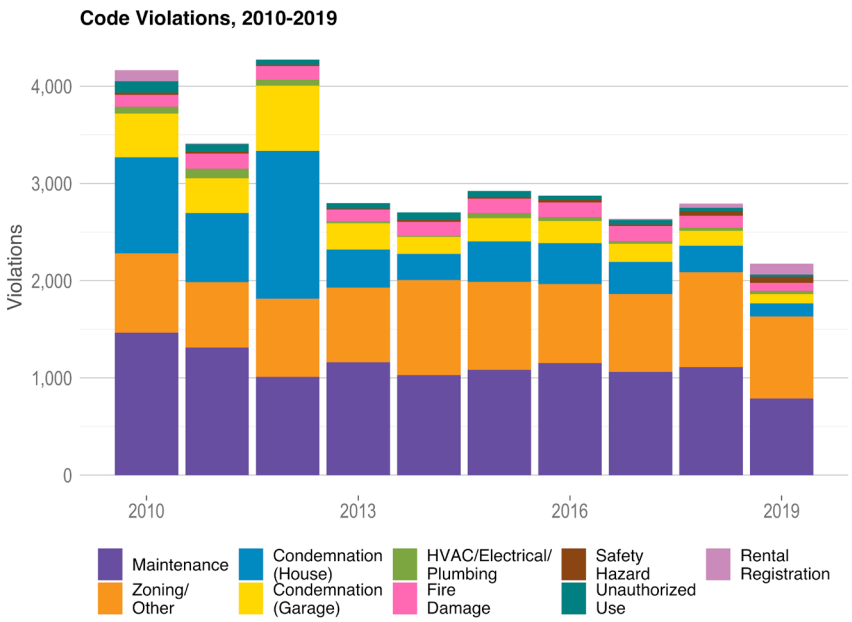
HOUSING AGE

A better indicator of housing conditions is structure age. AHS data show that the earlier a home was built, the less likely it is to have heating, central air conditioning, a complete kitchen, or complete plumbing. Using a measure of housing adequacy also based on AHS data, the National Association of Homebuilders finds that housing age and the share of inadequate units are directly correlated, except for a spike in poor-quality housing built in the 1970s. As shown in the graph at right, over 50% of housing in Cleveland, and about 30% in the county as a whole, was built before 1940 and is now over 80 years old. Only a very small share (4.9% in the city and 5.3% county-wide) was built in the last 20 years.



CODE VIOLATIONS

Code violations are not a reliable indicator of housing conditions because they may fluctuate as a result of code enforcement policy and capacity. Nevertheless, it may be useful to note that the volume of code violations has decreased since 2012, mainly as a result of declining condemnations of vacant homes and garages. In 2019, for the first time, zoning violations outnumbered maintenance violations. Enforcement of rental registration also stepped up in 2019.

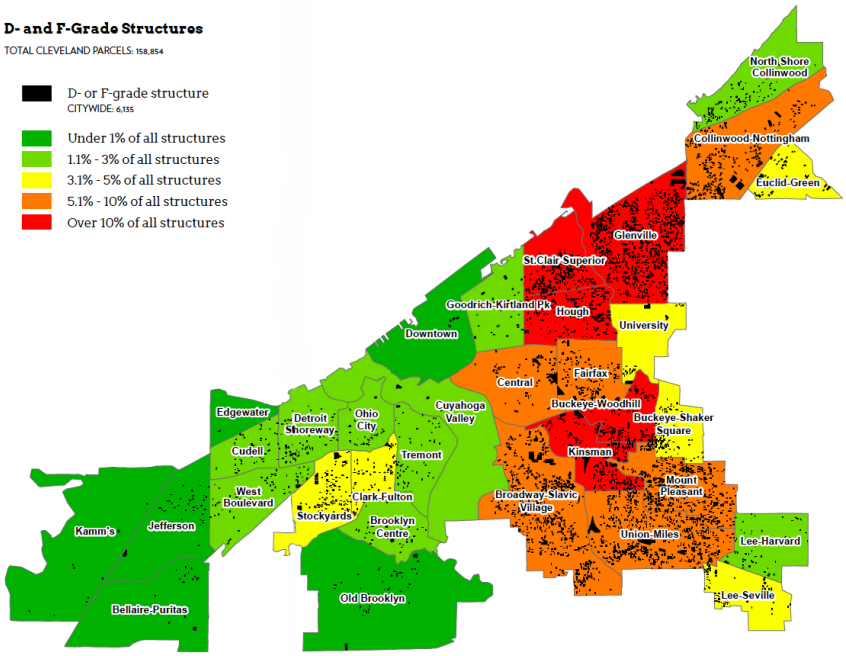


Source: City of Cleveland

PROPERTY INVENTORIES

Cleveland's Department of Building and Housing estimates the number of vacant and distressed properties in the city based on condemnations, board-ups, the County land bank's inventory, and property surveys. These properties have structures that either need to be razed or need to receive extensive rehabilitation. As of January 2021, there were 3,999 parcels with approximately 7,700 units considered to be vacant and distressed.

In 2015, the Western Reserve Land Conservancy's Thriving Communities program surveyed all 158,854 property parcels in the City of Cleveland, using a team of 16 surveyors and a property assessment application created by Loveland Technologies. The inventory assigned grades of A through F to each building in the city based on their exterior condition ("A" being excellent, and "F" being deterioration to the point of being unsafe). It found over 6,000 "deteriorated structures," i.e., structures graded D or F because they exhibited major exterior cracks, rotting wood, broken or missing windows, open holes, and/or were filled with trash. Among vacant structures, 37% were graded D or F. A large number of structures were found to be in excellent condition (about 48,500), good condition (about 50,000), or fair condition (20,300). Among occupied structures, only about 2% were "deteriorated."[1]



Source: Western Reserve Land Conservancy

[1] Western Reserve Land Conservancy. Cleveland Neighborhoods by the Numbers, 2015.

INVENTORIES, CONTINUED

Neighborhoods with high shares of D- or F-rated structures were overwhelmingly concentrated on the East Side of Cleveland. In 2018, the Land Conservancy updated its data for 13 neighborhoods on Cleveland's East Side (Broadway-Slavic Village, Buckeye-Shaker Square, Buckeye-Woodhill, Collinwood-Nottingham, Fairfax, Glenville, Hough, Kinsman, Lee-Harvard, Lee-Seville, Mount Pleasant, St. Clair-Superior, and Union Miles) that it considered to be most at-risk, based on vacancy, poor condition in 2015, and low home sales prices. The update found a total of 2,559 deteriorated structures in the 13 study neighborhoods (compared to 4,451 in 2015), out of 52,299 structures for which a grade was given. Only 12% of surveyed structures were vacant, compared to 16% in 2015. All 13 neighborhoods saw a decrease in the number of D- and F-rated structures, with St. Clair-Superior seeing the largest drop (15% to 17%). The update also found that the total number of structures on the East Side had decreased since 2015, while the share of vacant land had increased. Concerningly, however, the update found fewer A- and B-rated structures, and more C-rated structures, in 2018 than in 2015; despite demolitions, the remaining housing stock continues to deteriorate. If the share of C-rated structures on the East Side continues to increase at the same rate (+1.3 percentage points per year), over 40% of structures (~11,500 total) will be in only "fair" condition by 2030.[1]

A less formal property inventory was conducted in 2020 by Morgan Bulger at the Metro West Community Development Organization for the City-funded Healthy Homes Initiative. Bulger has surveyed 580 properties in Metro West's service area, which includes the Clark-Fulton, Brooklyn Centre, and Stockyards neighborhoods. Bulger found common issues to be missing or deteriorated siding, deteriorated soffits, broken and/or boarded windows, deteriorated roofing, and cracked or loose foundation masonry. About 19% of properties surveyed exhibited one or more of these serious issues.[2]

Using Cuyahoga County Fiscal Officer property characteristic records, the Poverty Center at Case Western Reserve University found in 2020 that many Cleveland rental properties continue to show signs of distress. Approximately 38% of properties are rated as being in "bad condition" and about 8% of properties have an open housing code violation. Using municipal property data and rental registration records, the Poverty Center further found that about 30% of rental properties had changed ownership within 3 years before 2018. About two-thirds of rental properties are owned by an entity with a Cleveland address, with the remainder usually having an address in Ohio. Corporate entities (LLCs, for example) accounted for only 23% of rental properties, with the rest titled in the name of individuals. Among landlords, about 43% owned at least one property in "bad condition"; 29% owned a property with very low assessed market value; and 30% owned a tax-delinquent property. Few owners (27%) had any of their properties in the rental registry; very few (7%) rented to a household using a Housing Choice Voucher.[3]

[1] Western Reserve Land Conservancy. Cleveland Neighborhoods by the Numbers: 2018 Update, 2018.
[2] Morgan Bulger. "Opportunity and Responsibility: Cleveland Needs to Step Up Our Home Repair Intervention." October 26, 2020.
[3] Coulton et al. Characteristics of Rental Properties, 2020.

OUTSIDE INVESTMENT

As the previous analysis has shown, investment in Cleveland's housing quality is sorely needed. And Greater Cleveland has in fact become one of the most profitable places in the country to flip houses and own rentals. Attom Data Solutions found that the median flipped home in Cleveland cost $60,000 and sold for $124,000 in 2019—a margin of more than 100%.[1]

Evidence shows, however, that not all investment is equal. A report published by the Joint Center for Housing Studies (JCHS) at Harvard University found that, following the foreclosure crisis, investor purchases of foreclosed-upon homes in Cleveland were frequently associated with negative outcomes, including abandonment, condemnation, demolition, and tax delinquency. The association was greatest for large, outside investors. Financial institutions often sold their distressed, foreclosed-upon properties in bulk, at "bargain basement prices." Out-of-state investors bought them sight unseen, and many did no or minimal renovation. Properties were sometimes flipped multiple times to different out-of-state investors, creating a "churning" effect that put them further out of the reach of "beneficial investors" (such as land banks or non-profits) who might be willing and able to address their blight.

Judge Raymond Pianka, who presided over the Cleveland Municipal Housing Court beginning in 1995 and was reinstated in 2007, implemented numerous programs to hold outside investors accountable to City building codes. The authors of the JCHS report found that aggressive code enforcement and penalties discouraged some of the most irresponsible investment activities, but did not result in out-of-state investors renovating properties to the standard that local investors did.[2]

Outside investors have increased in recent years and continue to have an impact on Cleveland. Local realtors reported that Cleveland is not only a national but a global market, with investors calling from Seattle and California but also from France, Australia, and China. Realtors felt that, when combined with good property management, outside investment could improve neighborhoods (but potentially drive up prices).[3, 4] Home values in Cleveland have dropped, but rents have increased, making it especially profitable to flip homes into rental businesses. Even during the pandemic, occupancy and rent collection rates remain high, and investment has boomed. Worryingly, a wave of pandemic-related foreclosures may have the result of freeing still more inventory for investors.[5]

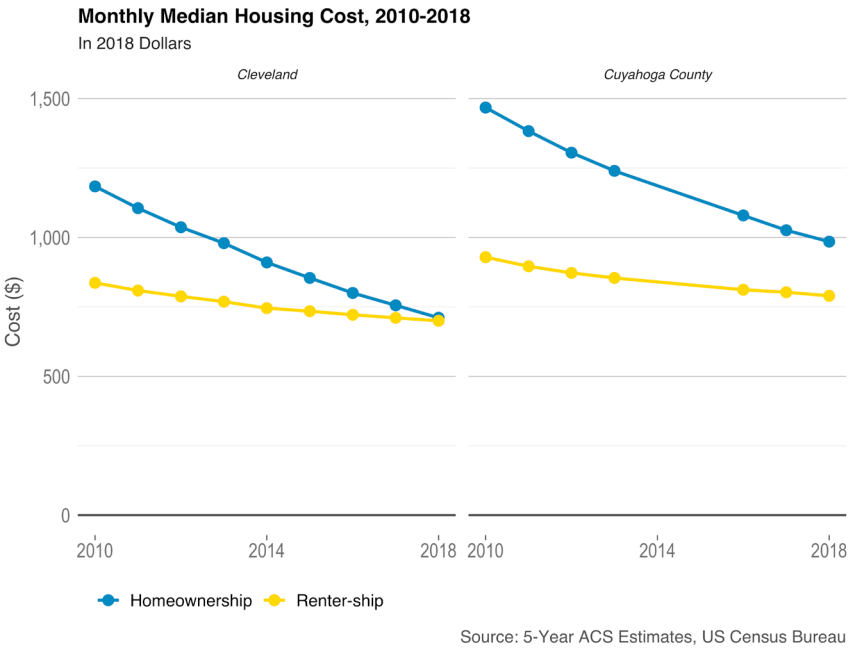
There is little data about the effects of investor landlords on housing quality or other factors. Absenteeism and investor churn may make it difficult for landlords to develop relationships with tenants or monitor their properties. As a result, out-of-state landlords may be less responsive than local ones to tenant maintenance requests or less willing to engage with tenants if they are late with their rent.[6]

[1] Ryan Dezember. 2020. "Cleveland is a House-Flipping Hot Spot, and Covid Adds Fuel." Wall Street Journal. June 8, 2020. https://www.wsj.com/articles/cleveland-is-a-house-flipping-hot-spot-and-covid-is-helping-11591629995
[2] Frank Ford et al. 2013. The Role of Investors in the One-to-Three Family REO Market: The Case of Cleveland." What Works Collaborative. Boston, MA: Joint Center for Housing Studies, Harvard University.
[3] Cleveland area realtors. Group interview. December 10, 2020.
[4] David Randall. 2016. "Real Estate Investors on U.S. Coasts Target Cheap, Out-of-State Markets." Reuters. October 7, 2016. https://www.reuters.com/article/us-usa-housing-investors/real-estate-investors-on-u-s-coasts-target-cheap-out-of-state-markets-idUSKCN1271FL
[5] Ibid, n.1.
[6] Shawn Donnan. 2020. "Two Cleveland Houses Tell a Story of America's Unequal Recovery." Bloomberg Businessweek. October 6, 2020. https://www.bloomberg.com/news/features/2020-10-06/cleveland-home-prices-tell-story-of-unequal-coronavirus-economic-recovery

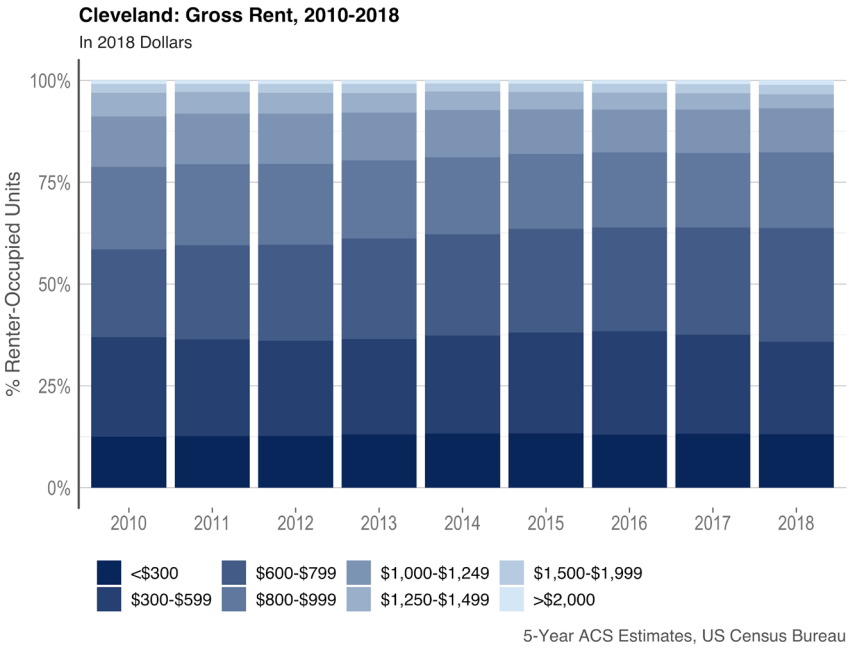
5. HOUSING AFFORDABILITY

HOUSING COSTS

Inflation-adjusted housing costs have fallen for both homeowners and renters since 2010, though much more steeply for homeowners. The median owner-occupant household in Cleveland now pays $711 in monthly housing costs (which include mortgage and insurance payments, utilities, real estate taxes, and any condo fees), while the average renter household pays almost the same amount ($700) in gross rent. The decrease in homeownership costs are no doubt linked to the increase in homes without a mortgage. In 2010, 25,137 units had no mortgage (31.3% of units), while in 2018, 30,395 units (43.5%) had no mortgage. Housing costs tend to be slightly higher in the county than in the city ($871 is the median for all households, whether they own or rent). Homeowners continue to pay more than renters in the county, though the gap is narrowing there, too.



The graph at right shows the evolution in the share of Cleveland renter households falling into eight inflation-adjusted rent brackets since 2010. The group of households paying between $300 and $600 in gross rent swelled between 2012 and 2016, before shrinking slightly by 2018. The group paying between $600 and $800 has continued to grow since 2016, absorbing all of the decreases in the lowest-rent brackets. Meanwhile, the top-paying brackets (those with over $1,250 in monthly gross rent) have shrunken since 2010. Since we know the absolute number of renter households in Cleveland is growing, this suggests that new renters are entering the rental market in the $600-$800 range and/or that households in formerly low-cost units are seeing their rents increase.

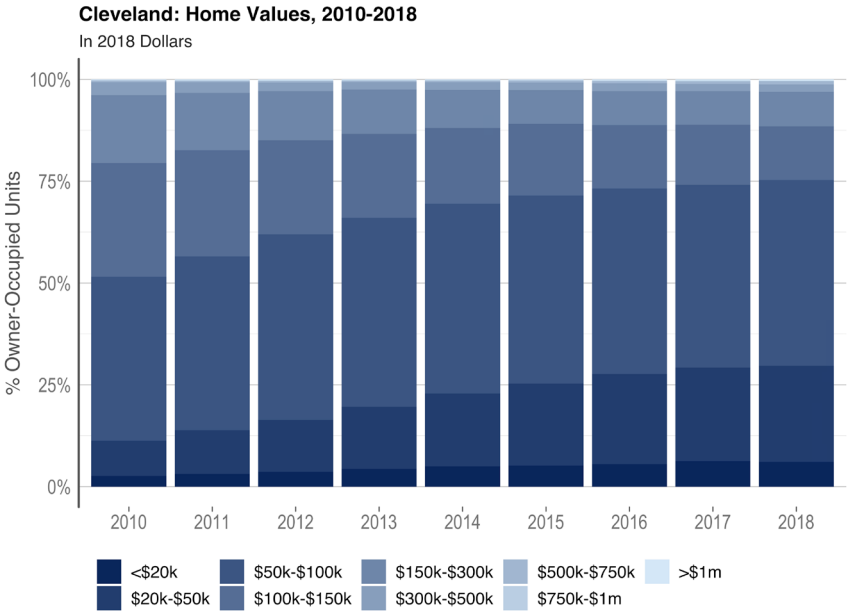


COSTS, CONTINUED

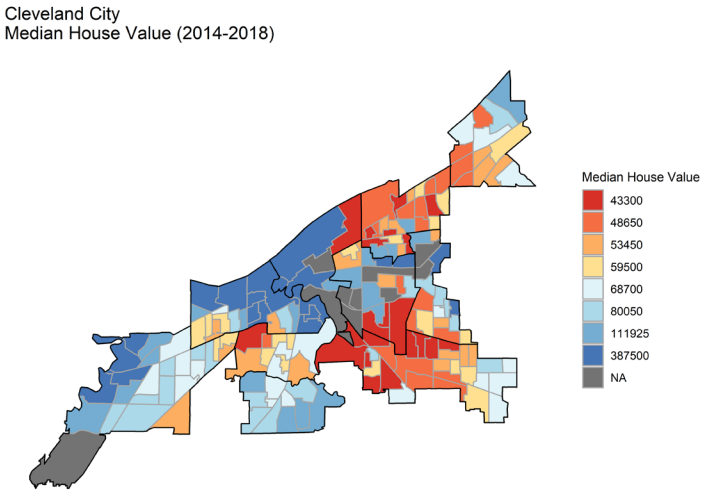
Much more dramatic is the increase, since 2010, in the share of owner-occupants with home values of $100,000 or less. This suggests that declining housing costs for homeowners are not just due to more households having paid off their mortgage; they are linked to declines in the real value of Cleveland homes, which trigger decreases in property taxes and other costs.

Home values vary significantly by census tract, as shown in the first map below. One census tract within the Greater Downtown neighborhood has a median home value of $387,500, which is 551% higher than the citywide tract median. More broadly, the highest median home values are concentrated in three neighborhoods: Greater Downtown, Detroit Shoreway-Ohio City-Tremont, and West Park. Although there are parts of Collinwood, Circle North-University Circle-Buckeye-Shaker-Larchmere with moderate or relatively high median home values, the map clearly shows that home values are higher on the West Side.

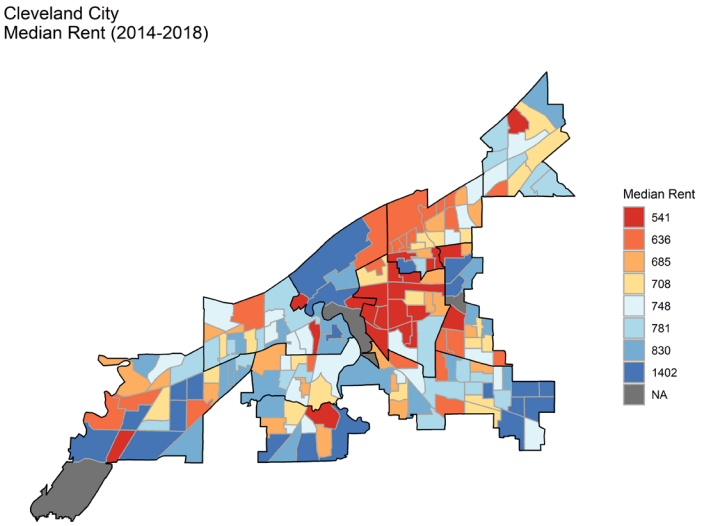
Similarly, the median rent in Greater Downtown is substantially higher than in the rest of Cleveland. In the census tract that comprises most of the Greater Downtown neighborhood, the median rent is $1,402, which is 98% higher than the citywide median of $709. The 25th percentile is $637 and the 75th percentile is $781, meaning that half of the median rents for Cleveland's census tracts fall within a range of less than $150. The Midtown-Opportunity-Corridor-Fairfax study neighborhood, by contrast, has relatively low rents.



5-Year ACS Estimates, US Census Bureau



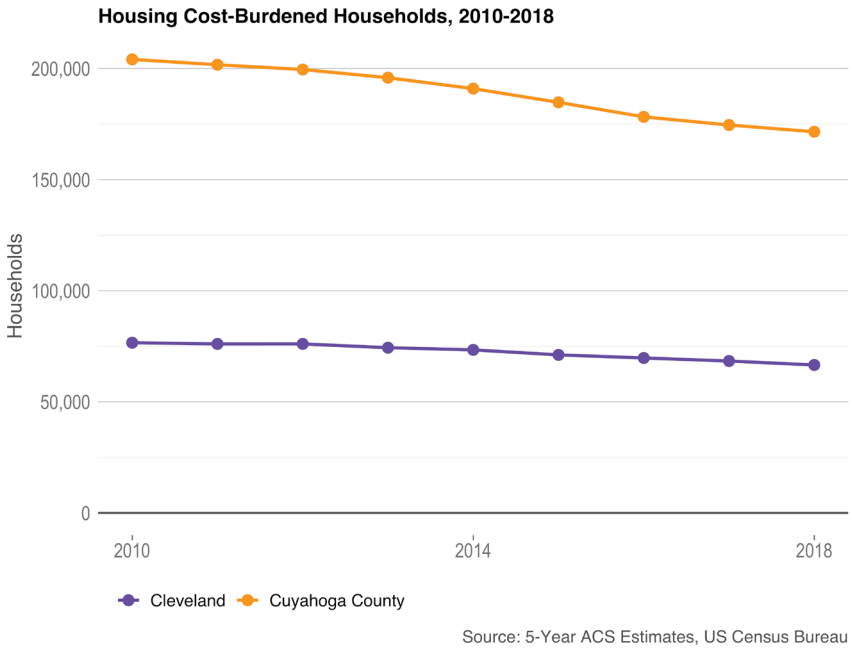
5-Year ACS Estimates, US Census Bureau



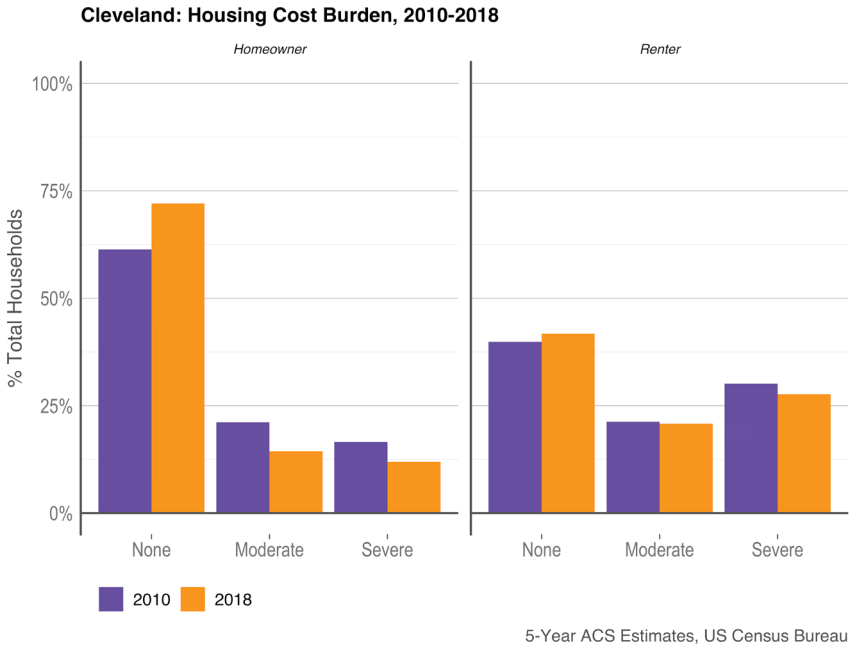
5-Year ACS Estimates, US Census Bureau

COST BURDENS

Housing cost burden is calculated as monthly housing costs divided by monthly household income. Households whose housing costs consume less than 30% of their income are not considered cost burdened. If housing costs consume 30-50% of a household's income, it is "moderately" housing cost-burdened; if they consume more than 50%, it is "severely" burdened. As housing costs have fallen, the share of households that are either moderately or severely housing cost-burdened has also fallen in both Cleveland and Cuyahoga County since 2010. Nevertheless, as of 2018, an estimated 42% of Cleveland households (more than 65,000 households) are cost burdened. About 54% of these are severely burdened. In the county as a whole, about 33% of households are cost burdened, slightly less than half of which are severely burdened.



The prevalence of housing cost burden has decreased among both Cleveland homeowners and, to a lesser extent, renters. In 2018, about 27% of Cleveland homeowners are cost-burdened, compared to 54% of renters.



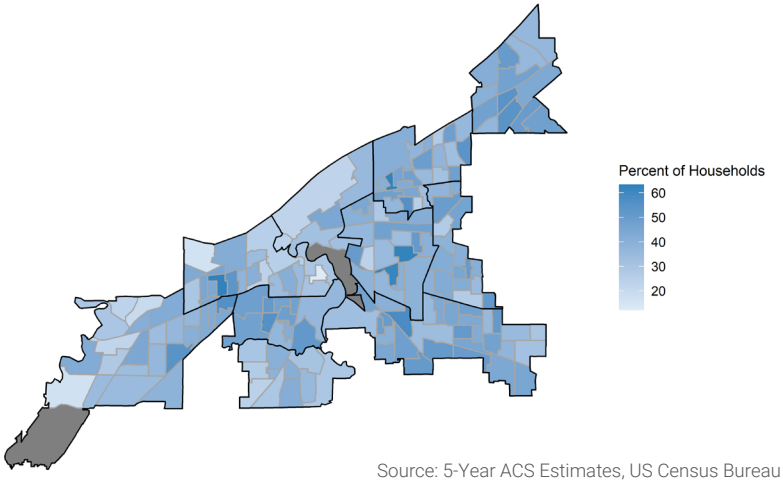
BURDENS, CONTINUED

Cost-burdened households make up a significant share of all households in most tracts in Cleveland. The median tract-level share of households that are cost burdened is 41% and the 25th and 75th percentiles are 35% and 47% percent, respectively.

The share of owner-occupied households that are cost burdened is lower overall than the share of rent-burdened households. In the bottom quartile of tracts, up to 20% of homeowners are cost burdened, while in the top quartile, at least 36% are cost burdened. These figures may be skewed by a census tract in Circle North-University Circle-Buckeye-Shaker-Larchmere, where the reported homeowner cost burden is 100%, which is either due to a very small sample size, a data collection error, or a high concentration of students with no reported income.

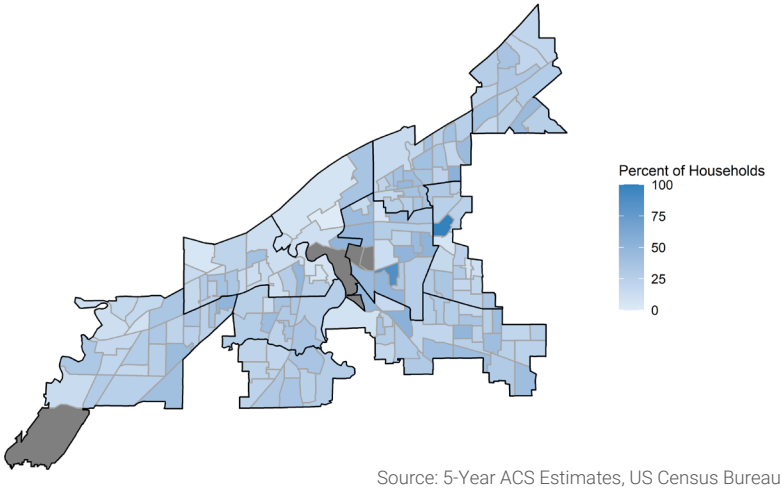
Rent burden also affects every area of the city. Across tracts, rent burden is more common than owner cost burden; while the tract median for owner cost burden was 41%, it is 52% for rent burden. Additionally, even in the bottom quartile of tracts, up to 42% of renters are rent burdened, while in the top quartile, at least 58% are rent burdened.

Cleveland City
Cost-Burdened Households (2014-2018)



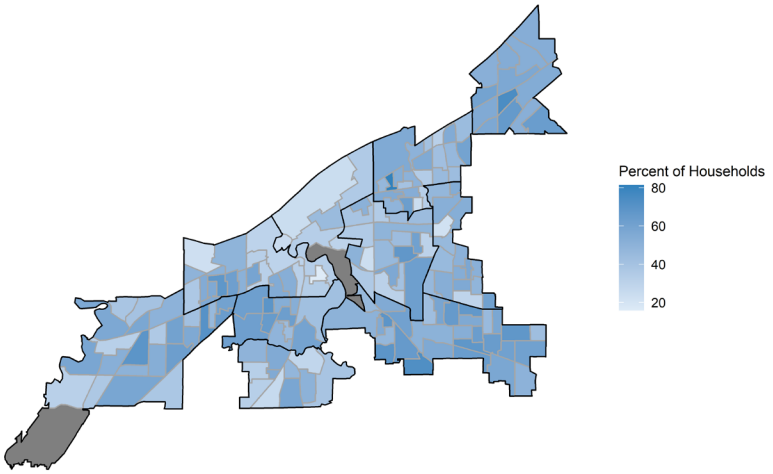
Source: 5-Year ACS Estimates, US Census Bureau

Cleveland City
Owner-Occupied
Cost-Burdened Households (2014-2018)



Source: 5-Year ACS Estimates, US Census Bureau

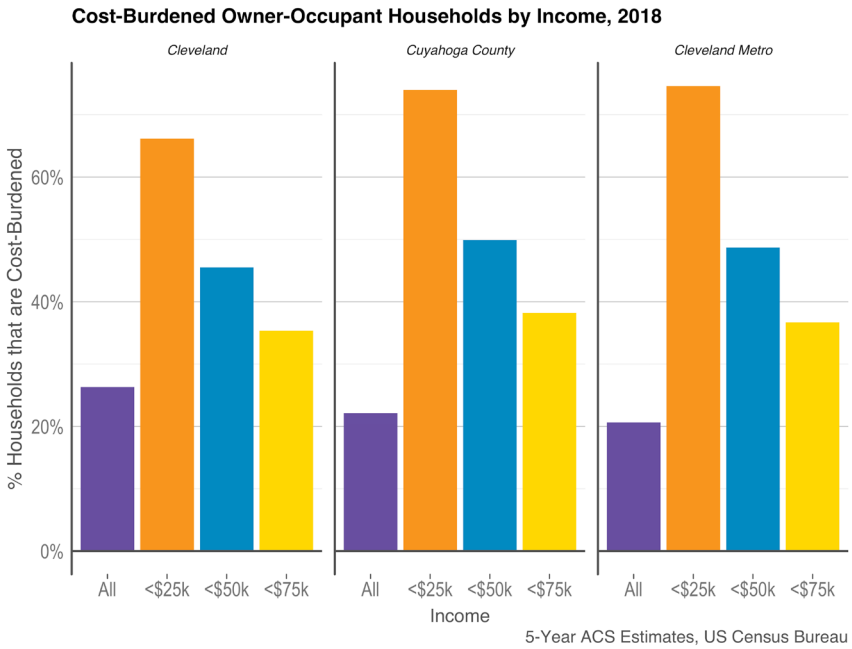
Cleveland City
Rent-Burdened Households (2014-2018)



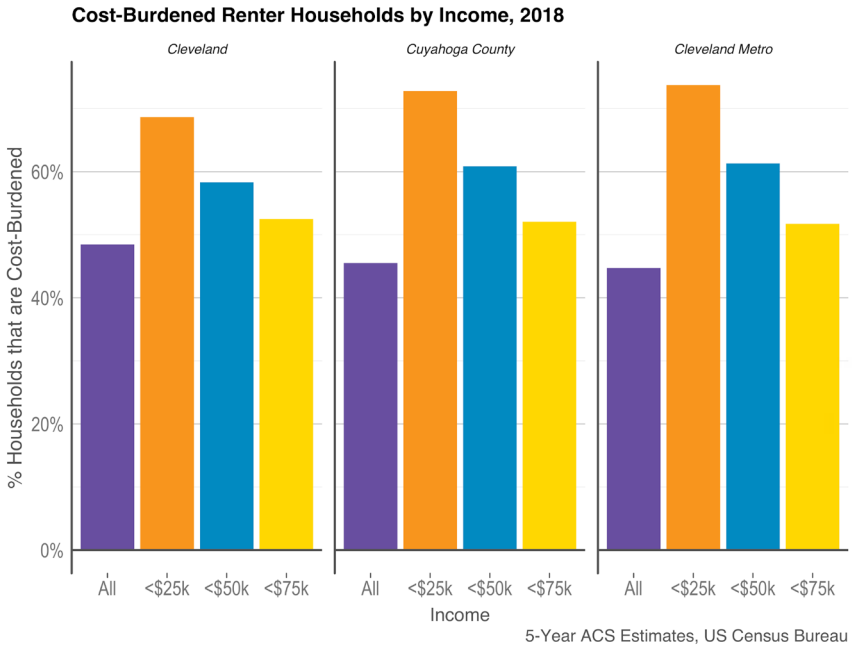
Source: 5-Year ACS Estimates, US Census Bureau

BURDENS, CONTINUED

The risk of cost burden increases sharply as household income decreases. The graph at right shows that upwards of 70% of owner-occupant households that live in Cuyahoga County or in the greater Cleveland-Elyria-Mentor Metropolitan Area and have annual incomes below $25,000 are cost burdened, compared to only about 20% of households overall. This is because housing costs tend not to drop below a certain floor, even for very low-income households, and thus eat up a large share of these households' incomes.



In Cleveland, Cuyahoga County, and the surrounding metropolitan area, renters are likely to be cost-burdened even with an annual income of $50,000. Cost burden is just as common among renters earning $25,000 or below as it is among homeowners at that income level, but it is much more common among renters earning $50,000, $75,000, or more, than among comparable owner-occupants. This indicates a pervasive lack of affordable rental housing for multiple segments of the market.



COVID-19 IMPACTS

COVID-19-related losses of employment income have clearly impacted Ohioans' ability to pay their housing costs. In the last two weeks of October 2020, 6% of Ohioans with a mortgage reported that their household is behind on mortgage payments in the Census Household Pulse Survey.

This is somewhat better than the national rate of 10%. However, the share behind on mortgage payments rose to 9% for Ohio respondents in households with children and 10% for extremely low-income respondents (those with household incomes $25,000 and below). In addition, 9% of Ohio homeowners with a mortgage reported no or slight confidence in their ability to pay November's mortgage payment.

Among Ohio renters, 18% reported that their household was behind on rent (compared to 16% of renters nationally). More than a third (37%) of Black renters were behind on rent (complete data for Hispanics and Asians are not available). About 29% of renters in households with children were behind on rent, compared to 12% of childless households. Rental arrears were most common in the $25,000-$35,000 household income band, at 29%, but affected more than 10% of every income band for which data are available. In addition, 32% of Ohio renters had no or slight confidence that they would be able to pay rent in November, compared to 27% nationally. Confidence was lowest among Blacks (63% had no or slight confidence) and households with children (44% had no or slight confidence).

Eviction moratoria and foreclosure prevention efforts have no doubt reduced or delayed the most negative housing outcomes. Nevertheless, among Ohioans with a mortgage, 1% said it was very likely they would be foreclosed upon in the next two months, and 14% said it was somewhat likely. Among renters, 11% believed it very likely they would be evicted in the next two months, and 25% thought it somewhat likely. These rates are similar to the national rates reported in the survey. They are much higher than pre-pandemic rates. In 2017, the Ohio foreclosure rate was 0.82% and the Cuyahoga County rate was 1.37%. The Ohio eviction filing rate in 2016 was 6.7%.[3]

[1] U.S. Census Bureau. Household Pulse Survey, Week 17. https://www.census.gov/programs-surveys/household-pulse-survey/data.html
[2] Foreclosure and eviction filing rates are from the Ohio Housing Finance Agency (OHFA) Office of Housing Policy. Ohio Housing Needs Assessment: Technical Supplement to the Fiscal Year 2019 Annual Plan, pp.88 and 107. https://ohiohome.org/news/documents/2019-Housing-NeedsAssessment.pdf

AFFORDABLE UNITS

Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low-income households.

Using a methodology developed by the National Low Income Housing Coalition (NLIHC), we analyzed CHAS data for the most recent years available, 2013-2017. Based on this analysis, we estimate that Cleveland faces a deficit of 18,260 rental units affordable to extremely low-income households. "Extremely low-income households" are those making less than 30% of area median income; in Cleveland, this category includes the 43,010 households who earned the equivalent of $24,600 or below in 2013-2017 (adjusting for inflation and family size). "Affordable units" are those which cost a household no more than 30% of its monthly income. Cleveland had a slight surplus of units affordable to very low-income households (those making up to 50% of area median income, or $33,950 for a family of four).

If we focus only on units that are both affordable and available, however, there is a deficit of units both for extremely low-income households and very low-income households. "Available units" are units not already occupied by a higher-income household. It is important to make this distinction, because units that an extremely low-income family could hypothetically afford are often out of reach because they have been consumed by households with marginally higher (but still very low) incomes, whose choices are also constrained.

Zooming out to the county as a whole, there is a still larger deficit of affordable rental units. Cuyahoga County, as of 2017, faced a shortage of 33,300 units affordable to extremely low-income households.

Factoring in availability, there was a deficit of 45,815 rental units both affordable and available to extremely low-income households, and a deficit of 30,980 units for very low-income households. In other words, there are only 35 affordable and available units for every 100 extremely low-income renters in Cuyahoga County, and only 72 for every 100 very low-income renter households.

Cleveland-Elyria-Mentor is not among the worst metropolitan areas in terms its affordability deficit. According to the NLIHC, the metro has a deficit of over 58,000 units affordable and available to extremely low-income households. This translates to 41 units for every 100 extremely low-income households. By contrast, the Columbus metro has a smaller deficit of 51,500 units, but the average renter is worse off—there are only 29 affordable and available units for every 100 extremely low-income renters. The worst metros in the nation are Austin-Round Rock, Texas and Las Vegas-Henderson-Paradise, Nevada, with only 14 affordable and available units for every 100 extremely low-income renters.[1]

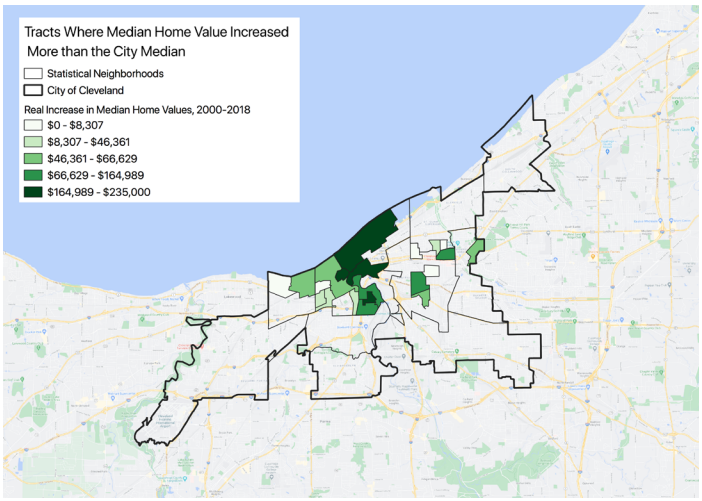
Table 4. Surplus/Deficit of Affordable Units, 2013-2017 Estimates

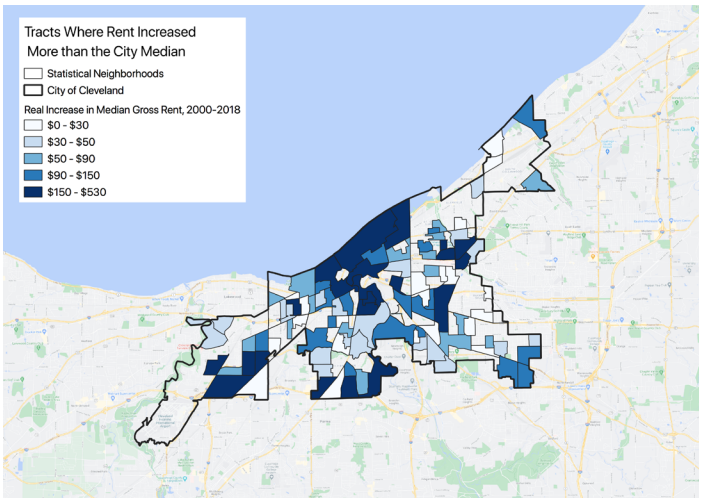
	Surplus/Deficit of Affordable Units	Surplus/Deficit of Available and Affordable Units
City of Cleveland		
Extremely Low-Income Renters	-18,260	-24,750
Very Low-Income Renters	6,140	-11,670
Cuyahoga County		
Extremely Low-Income Renters	-33,300	-45,815
Very Low-Income Renters	7,355	-30,980
Cleveland Metro Area		
Extremely Low-Income Renters	x	-58,388
Very Low-Income Renters	x	-30,867

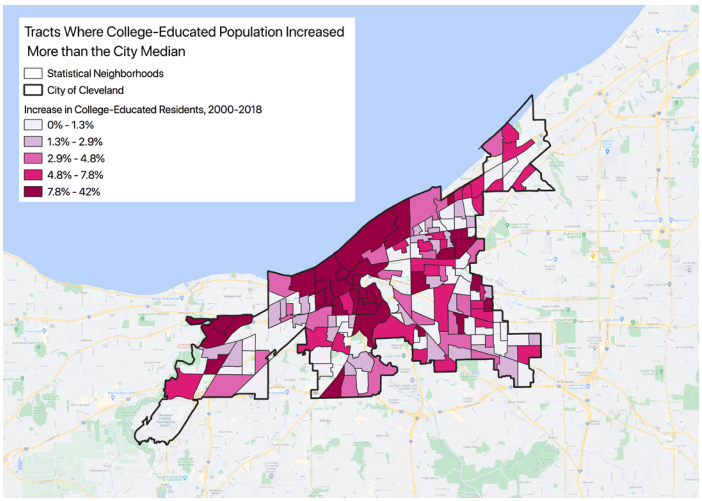
[1] National Low Income Housing Coalition. "Appendix B: Metropolitan Comparisons." The Gap: A Shortage of Affordable Homes. March 2020. https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf

GENTRIFICATION AND DISPLACEMENT

Gentrification has many different definitions, but broadly, it occurs when a population with higher income moves into a disinvested area, displacing residents either *directly* (causing existing, lower-income residents to leave) or *indirectly* (preventing lower-income residents from moving in). Signs of gentrification include increases in housing prices and changes in the population (e.g., increases in residents with college degrees). The maps below show Cleveland census tracts that saw greater-than-median increases in home values and rents, and in which the share of residents 25-plus with a college degree increased between 2000 and 2018. Very few tracts saw increases in home values during this period. The greatest inflation-adjusted increases (of over $150,000) occurred in tracts located Downtown and on the near West Side. Increases in median gross rent were more common. The highest rent increases (over $250, and up to $526) were also located in Near West neighborhoods like Tremont. Finally, the greatest increases in the share of residents aged 25-plus with a college degree occurred in Tremont and Ohio City. The conjunction of all three of these indicators in the same geographic area is indicative that gentrification occurred between 2000 and 2018.







GENTRIFICATION, CONTINUED

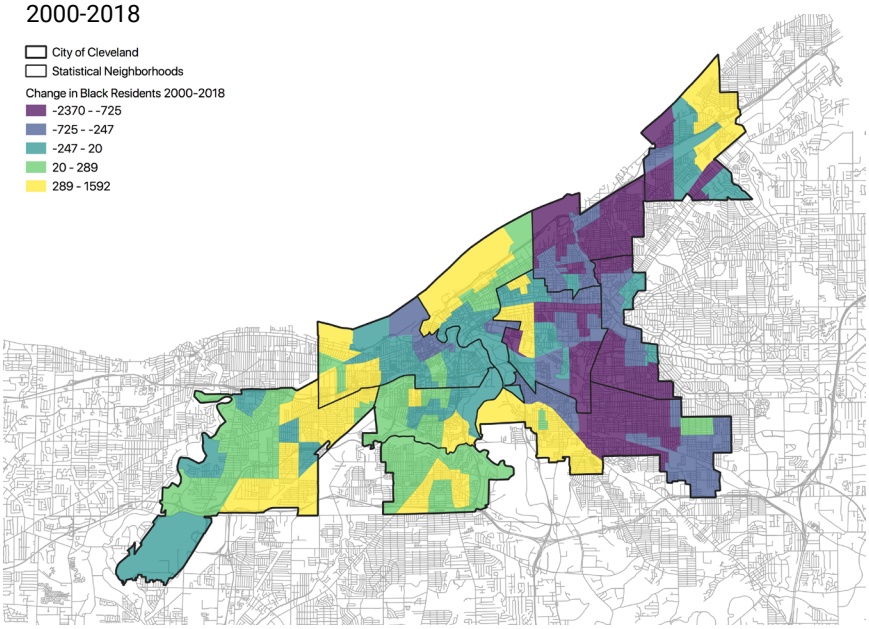
Across Cleveland's 225 census tracts, many tracts (37%) declined in rents or value 2000-2018. Another quarter (25%) could be considered "nongentrifiable," because they already had a median income higher than the city's average in 2000, and therefore were less likely to have populations vulnerable to displacement. Of the remaining tracts, 15% did not see significant increases in rents, home values, or college-educated residents. But the remaining 24% of tracts may have experienced some degree of gentrification.

Direct displacement is difficult to identify, especially in a city losing population. Cleveland lost population in 85% of its census tracts 2000-2018, with only 34 tracts seeing positive population change. Among these 34 tracts, most saw decreases in rents or home values, decreases in the White population, and increases in the Black and/or Hispanic population. Very few (5 in total) saw their White populations increase as their Black populations declined, which is a hallmark of displacement in segregated cities. Notably, these five tracts include those that saw the highest degrees of home value and rent increases, and the highest increases in the share of college-educated residents.

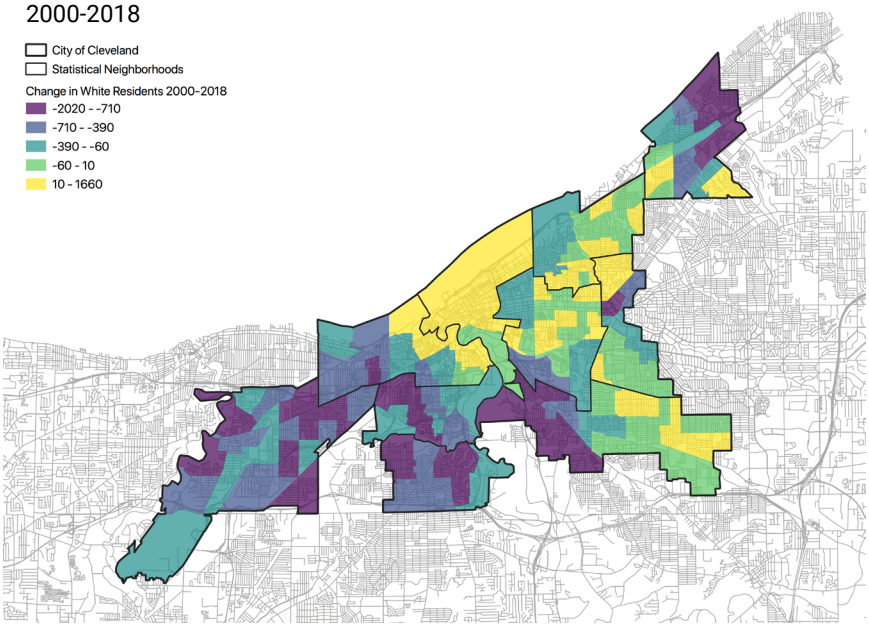
These findings are in line with those of the Cleveland Tax Abatement Study. The study, published in July 2020, found that there are a very limited number of areas where home prices have increased in recent years. Only 9 of the city's 462 block groups (2%) were found to have increases in home prices that would suggest a high risk of displacement. These block groups were found to be in Downtown, Tremont, Detroit Shoreway, Ohio City, and East of University Circle. The remaining block groups faced "steady pressure" (13%) or "declining pressure" (78%).

The study's "displacement risk ratio" is calculated as the change in the home price-to-income ratio over time. It does not include rents. The authors of the report remark that "rent levels typically follow changes in home prices," although they "tend not to decline even when home prices do."[1]

Change in Black Residents by Tract, 2000-2018



Change in White Residents by Tract, 2000-2018



Source: 5-Year ACS Estimates and Decennial Census, US Census Bureau

[1] Michael Norton, Jason Rosch, Randall Bauer, Alison Goebel, Kaela Geschke, and Jennifer Madden. Cleveland Tax Abatement Study. July 2020.

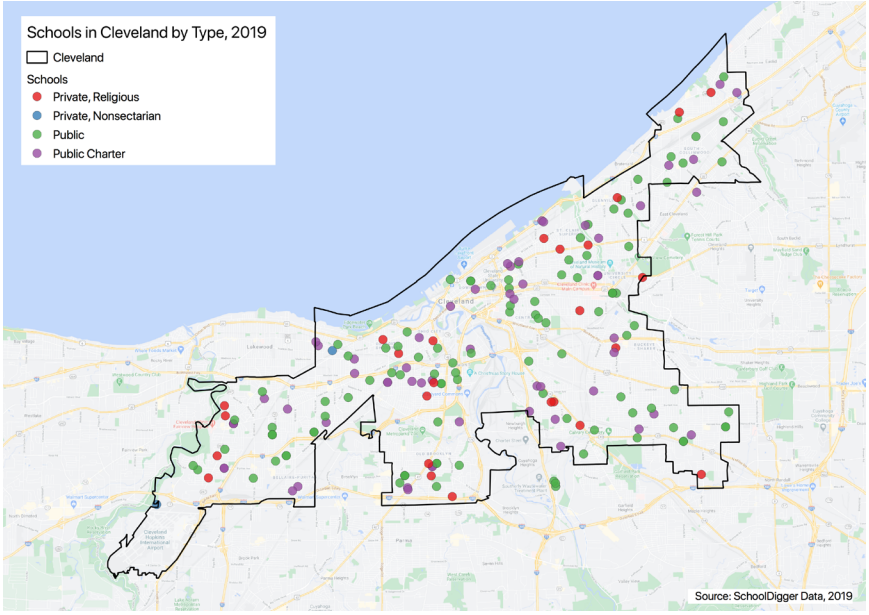
6. SCHOOLS, JOBS, AND TRANSPORTATION

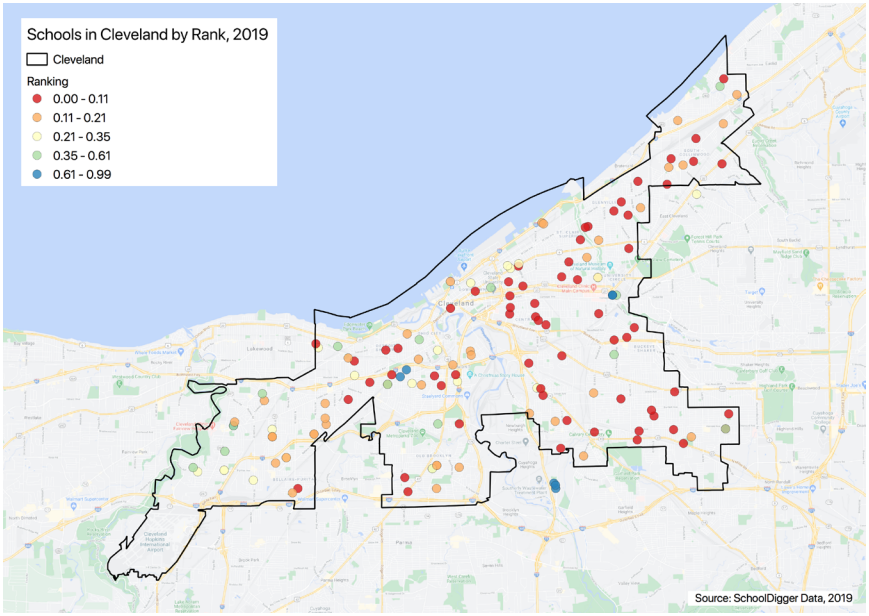
SCHOOLS

Schools and housing are linked in a host of ways. Housing quality issues, especially lead, affect students' educational outcomes.[1] The quality of schools is often a key factor in the housing location decisions of both teachers and families with children. In addition, property taxes are an important source of school funding, which means that racial and income inequities in the housing market are often perpetuated in the school system. Finally, schools affect housing demand and affordability in the long term by shaping the job readiness and earning potential of residents.[2]

The Cleveland Metropolitan School District (CMSD) includes 103 schools, including 17 "public charter" schools that receive public funding or other support. In addition, Cleveland has at least 27 private schools, the vast majority of which are religious (see map, upper right).[3, 4] In the 2017-18 school year, 45% of Cleveland K-8 students attended a charter or private school; the share reached over 60% in the Near West neighborhoods of Ohio City, Detroit-Shoreway, and Tremont.

Cleveland's school system has a legacy of racial conflict and fiscal problems. In the 1970s, a federal judge ordered the school system to desegregate through busing, constructing new schools, and reassigning students. The order faced opposition from the school board as well as many White parents, who transferred their children to private schools or moved (with government assistance) to racially segregated suburbs. By 1994, Black children represented 71% of enrollment in Cleveland Public Schools (CPS), up from 58% in 1976; the budget for educational programs and teachers had dropped; and attendance and student proficiency rates also declined.





[1] Veronica Gaitán. 2019. "How Housing Can Determine Educational, Health, and Economic Outcomes." Housing Matters. Washington, D.C.: Urban Institute. https://housingmatters.urban.org/articles/how-housing-can-determine-educational-health-and-economic-outcomes
[2] Annette Laureau and Kimberly Goyette (eds.). 2014. Choosing Homes, Choosing Schools. New York City: Russell Sage Foundation.
[3] Cleveland Metropolitan School District. 2020. "Our Schools." https://www.clevelandmetroschools.org/domain/24
[4] Cleveland Metropolitan School District. 2020. "CMSD/Charter School Collaboration." https://www.clevelandmetroschools.org/domain/2528
[5] Cleveland Metropolitan School District. 2020. "K-8 Enrollment and School Choice." https://www.clevelandmetroschools.org/cms/lib05/OH01915844/Centricity/domain/5454/ltp19/enrollment.html

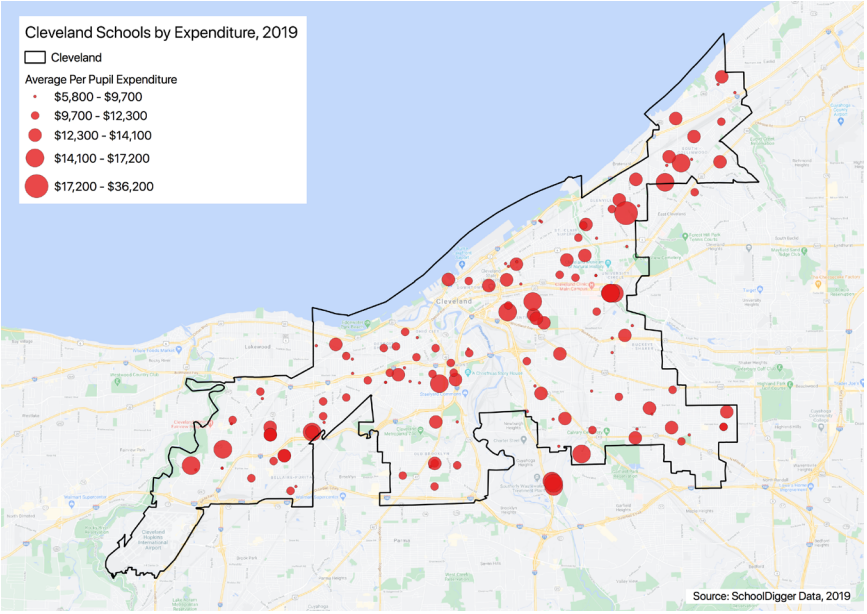
SCHOOLS, CONTINUED

In 2009, CPS had the third highest student dropout rate—at 66%—in the U.S.[1] Today, many of Cleveland's schools are ranked among the lowest in the state based on statewide math, English, and science proficiency tests (see map at right).

Recent years have brought some promising developments. Mayor Frank Jackson passed a $15 million school levy in 2015-2016. The school district has a new focus on increasing its number of high-performing schools and has seen some success. As of 2017, the graduation rate for public schools had increased to more than 60%. And in 2019, Cleveland became a member of the "Say Yes to Education" program, which fully funds students' college tuition and offers other school-based supports through public and private donations.[2]

A report from the Cleveland State University's Center for Urban Education points out that rankings based on testing are highly correlated with students' socioeconomic status and disabilities, which are out of schools' control. Perhaps more important is that many schools performed better in 2018-19 than expected based on their 2017 performance.[3] Many Cleveland schools also spend more than $15,000 per student (see map at right), which is higher than the nationwide average of $12,600.[4]

Yet these changes may be slow in altering negative perceptions of Cleveland schools. Interviews with Cleveland area realtors confirmed that perceived low school quality in Cleveland is still a major deterrent in the homeownership market.[5] At the same time, declining property values and vacant and tax-delinquent homes squeeze CMSD's budget. Finally, the fact that over 90% of students in Cleveland test below their grade level threatens their ability to secure stable and adequate employment, and thus their ability to invest in the housing market in the future. It remains to be seen whether the "Say Yes" program or other innovations can begin to reverse this cycle.



[1] Edward M. Miggins. "Cleveland Public Schools." Encyclopedia of Cleveland History. Case Western Reserve University. https://case.edu/ech/articles/c/cleveland-public-schools
[2] Patrick O'Donnell. 2020. "Say Yes to Education to Update Public on Eventful First Year." The Plain Dealer. March 9, 2020.
[3] Center for Urban Education. 2019. Performance of Greater Cleveland Public and Charter Schools, in Context, 2018-19. Cleveland State University, October 7, 2019.
[4] U.S. Census Bureau. 2020. "Spending Per Pupil Increased for Sixth Consecutive Year." Press Release, May 11, 2020. https://www.census.gov/newsroom/press-releases/2020/school-system-finances.html
[5] Cleveland area realtors. Group interview. December 10, 2020.

JOBS

Like the school system, the job market is inextricably linked with the housing market. The availability and quality of jobs determines residents' ability to pay for housing, as well as acting as a factor in housing locational decisions. The proximity of jobs to housing helps determine transportation costs, which also affect a household's ability to pay for housing.

Cleveland's local economy is increasingly dominated by the so-called "eds and meds," or higher education and medical institutions. The Cleveland Clinic Foundation, which is Ohio's largest employer as of 2019, is headquartered in Cleveland. The University Hospitals Health System and the MetroHealth System are also major local employers and among the 50 largest employers statewide. Case Western Reserve University and Cleveland State University are important employers as well. Collectively, education and health services accounted for nearly a quarter of all private sector employment in Cuyahoga County in 2018.[1]

Manufacturing, which was historically a mainstay of Cleveland's economy, today makes up a small and declining share of employment (11% of private sector jobs, down by 6.7% from 2013). Cleveland-based firms like Sherwin-Williams, Parker Hannifin, Lincoln Electric, and Swagelok remain important local players, but many production tasks have been automated.

As shown in the map and table at right, the City of Cleveland is home to only about 25% of the metropolitan area's jobs. In fact, Greater Cleveland's job market is decentralizing more than any other in the nation. Between 2000 and 2012, the number of jobs within an average commute (7.8 miles) fell by 27%—which represents the greatest decrease among America's 96 large metro areas. Losses in proximate jobs were concentrated in high-poverty and majority Black neighborhoods.[2]

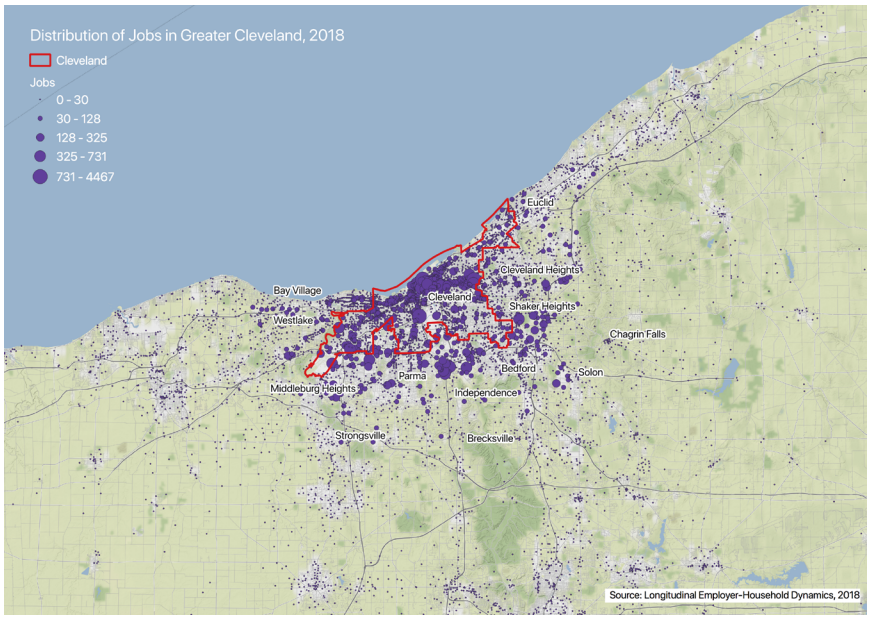


Table 5. Job Count and Share by Place (LEHD), 2005-2018

	2018		2010		2005	
Cleveland Metro Area	912,786	100%	842,847	100%	921,305	100%
City of Cleveland	226,716	24.8%	216,378	25.7%	224,760	24.4%
Mentor	24,799	2.7%	22,882	2.7%	24,236	2.6%
Westlake	22,851	2.5%	16,938	2.0%	17,475	1.9%
Elyria	18,759	2.1%	17,768	2.1%	21,432	2.3%
Parma	18,347	2.0%	18,343	2.2%	22,108	2.4%
Solon	16,935	1.9%	14,840	1.8%	15,831	1.7%
Strongsville	16,485	1.8%	14,324	1.7%	15,023	1.6%
Independence	16,371	1.8%	13,470	1.6%	15,162	1.6%
Beachwood	14,047	1.5%	15,715	1.9%	14,238	1.5%
Middleburg Heights	14,047	1.5%	14,000	1.7%	14,720	1.6%
All Other	523,429	57.3%	478,189	56.7%	536,320	58.2%

[1] Ohio Development Services Agency. 2020. "Cuyahoga County." Ohio County Profiles.
[2] Elizabeth Kneebone and Natalie Holmes. 2015. The Growing Distance Between People and Jobs in Metropolitan America. Washington, D.C.: Brookings Institution. https://www.brookings.edu/research/the-growing-distance-between-people-and-jobs-in-metropolitan-america/

JOBS, CONTINUED

The U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) dataset show that, as of 2018, only about 60,000 people both live and work in the City of Cleveland. This represents a decline of nearly 20,000 workers since 2005. More Cleveland residents commute to the suburbs than work within the city, and the margin has increased since 2005. At the same time, however, over 200,000 individuals live in the suburbs but commute into the city for work, and this inflow has increased since 2005. This daily dance of in- and outflows puts pressure on the city's transportation infrastructure and means that the City is capturing less of the wealth generated through local employment opportunities, which is instead invested in housing and property *outside* of the city.

Cleveland's economy has been hit particularly hard by the COVID-19 pandemic. A report authored by Richy Piiparinen, Joshua Valdez, and Jim Russell found that the Cleveland metro area led Ohio in employment declines and has not recovered at the rate that Cincinnati and other Ohio metros have. In fact, in terms of percent job losses from July 2019 to July 2020, Cleveland ranked fourth worst among the nation's largest 40 metros. Cleveland job postings declined by 55% between January and August, which was the worst decline in the nation.

Unsurprisingly, job losses were concentrated in accommodation and food services. But thousands of professional, business, education and healthcare jobs also disappeared. Almost no other metros saw the declines in education and healthcare hiring that Cleveland has experienced. Piiparinen, Valdez, and Russell note that "there were signs of a softening in Cleveland's job market months before COVID-19 hit, particularly professional and business services and healthcare...This suggests possible structural weaknesses dampening local metro job growth."[1] These trends signal that the lessened ability to pay rent or mortgage payments will persist beyond the COVID-19 pandemic, and demands long-term solutions.

Table 6. Flows, Longitudinal Employer-Household Dynamics, 2005-2018

	Work in Area, Live Outside	Live in Area, Work Outside	Live and Work in Area
City of Cleveland			
2005	183,473	89,751	77,214
2010	190,013	69,154	64,165
2018	211,760	76,900	59,250
Cuyahoga County			
2005	247,407	121,709	450,663
2010	253,355	106,264	399,856
2018	284,305	124,798	419,183
Cleveland Metro Area			
2005	194,744	147,358	773,947
2010	194,285	137,543	705,305
2018	214,610	154,282	758,504

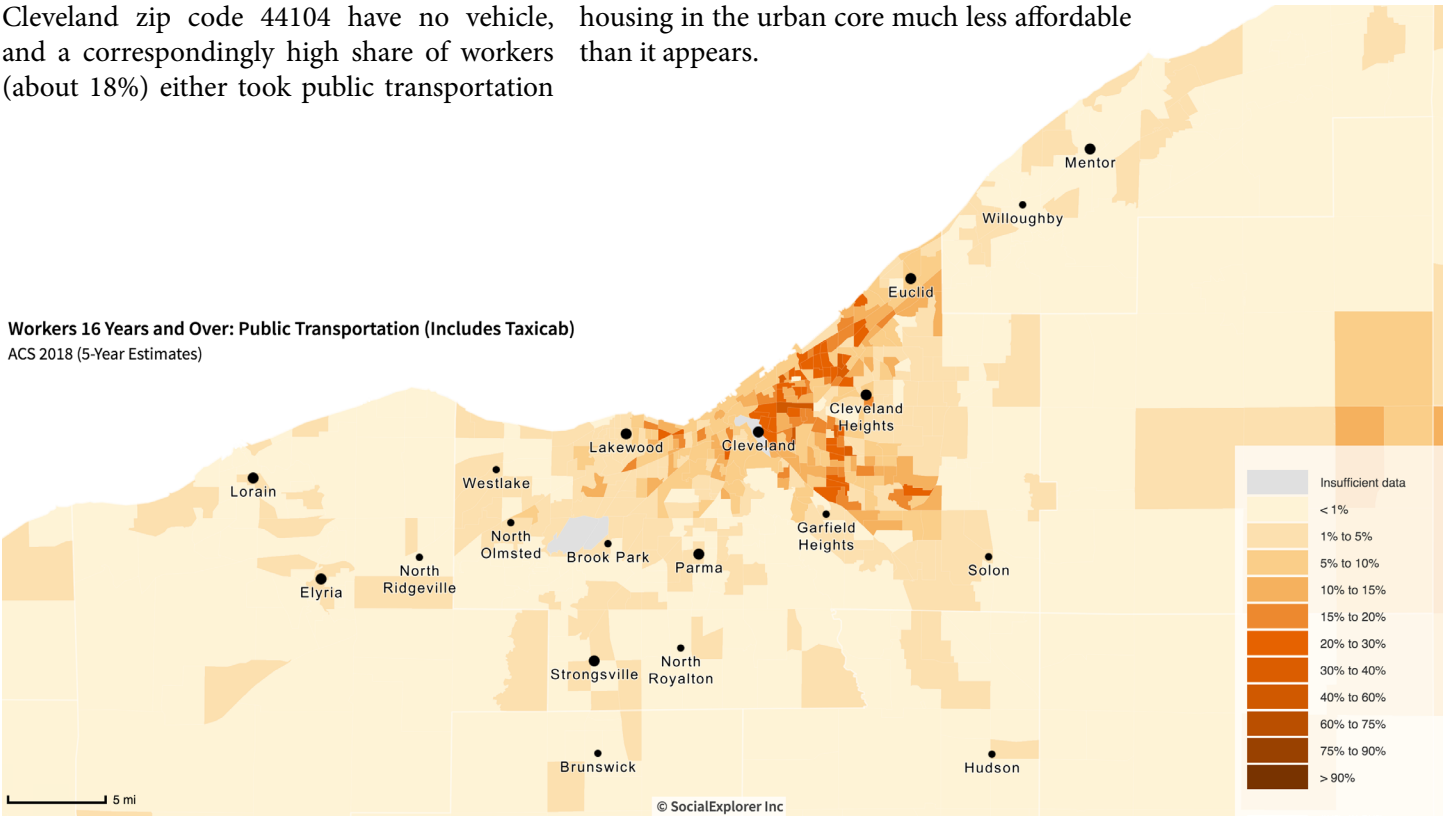
[1] Richey Piiparinen, Joshua Valdez, and Jim Russell. 2020. The Future of Growth Series: Volume 1. Maxine Goodman Levin College of Urban Affairs, Cleveland State University. http://thefutureofgrowth.com/series/

TRANSPORTATION

Transportation costs are often less visible than housing costs, but they can significantly affect how affordable it is to live in a certain neighborhood, depending on the cost and availability of transit, the proximity of jobs and other amenities, and the price of fuel.

In 2018, 80% of Cleveland workers and 87% of workers county-wide drove a car, truck, or van to work, and of these, the vast majority drove alone. Only about 10% of workers residing in Cleveland took public transportation to work. However, this share rose above 30% in some neighborhoods, especially those located close to Downtown whose residents are disproportionately Black and low-income (see map, below). These neighborhoods have high shares of households with no vehicle available to them. For example, while about 24% of households in Cleveland overall have no vehicle, over 40% of households the East Cleveland zip code 44104 have no vehicle, and a correspondingly high share of workers (about 18%) either took public transportation or walked to work. Concerningly, these are the same neighborhoods that saw the greatest declines in the share of nearby jobs 2000-2012.

Not having a car in Cleveland can make it very difficult to access less proximate jobs. The Greater Cleveland Regional Transit Authority (GCRTA) has suffered severe declines in state funding (support was cut by a staggering $37 million, or 84%, between 2000 and 2018). Low-density development and job sprawl have also led to declining ridership. As a result, the Authority had begun cutting employment and service hours even before the pandemic.[1] Dominic Matthew of the Fund for Our Economic Future (also known as FundNEO) notes that a car-less Cleveland resident living 16 miles away from a concentration of low-income jobs in the suburb of Solon faces a one-way bus commute of two hours with multiple transfers.[2] The hidden costs of transportation make housing in the urban core much less affordable than it appears.



[1] Flounsey R. Caver. 2019. "Greater Cleveland Regional Transit Authority: Future of Mobility." PowerPoint Presentation. https://urban.csuohio.edu/sites/csuohio.edu.urban/files/Future-Of-Mobility_012819.pdf

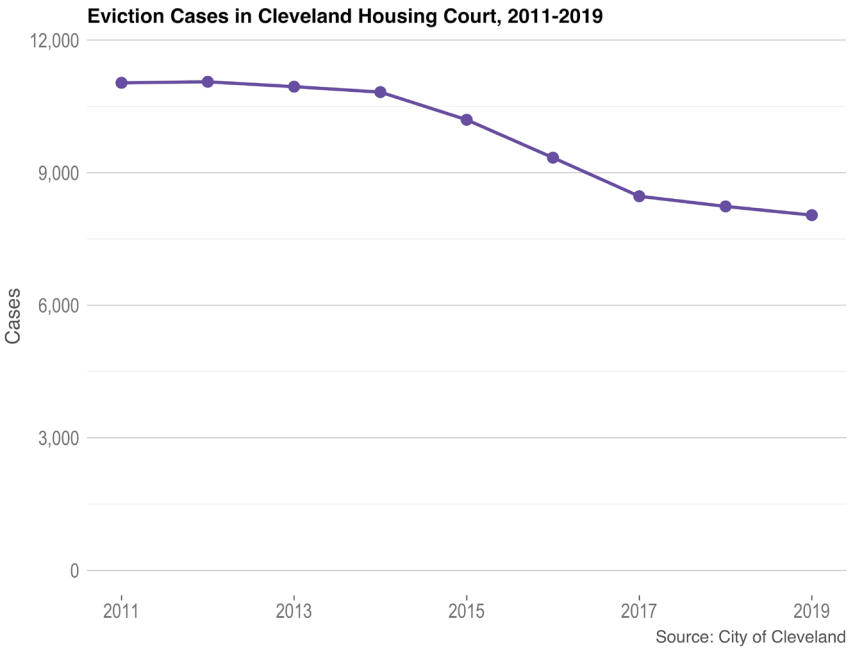
[2] Dominic Matthew. 2020. "'No Car, No Job; No Job, No Car': Tackling an Economic Paradox." Intelligent Transport. October 13, 2020. https://www.intelligenttransport.com/transport-articles/109582/no-car-no-job-no-job-no-car-tackling-an-economic-paradox/

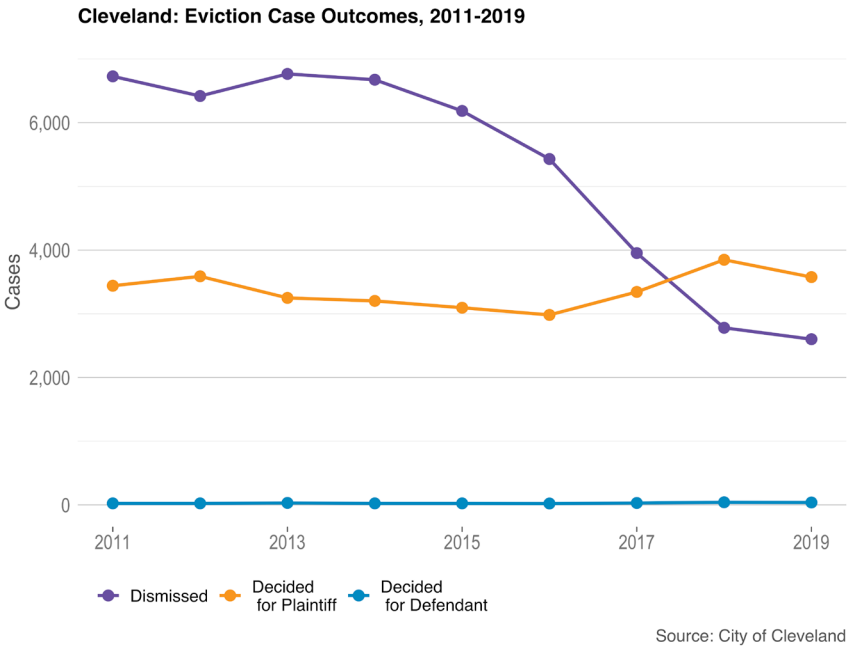
7. EVICTIONS, FORECLOSURES, AND HOMELESSNESS

EVICTIONS

While the volume of eviction cases in Cleveland's Housing Court has declined since 2012, the number of actual evictions has not. In 2019, 8,038 eviction cases were heard in Cleveland's Housing Court, compared to 11,055 in 2012. But the number of cases that result in a finding for the plaintiff (the landlord), and therefore in an eviction, was equally high in 2019 at 3,576 evictions as it had been in 2012. Meanwhile, the number of cases dismissed plummeted. The number of cases in which the defendant (the tenant) prevails remains a tiny share of all cases. Only 38 cases were decided in favor of the tenant in 2019.

In 2018, the Legal Aid Society of Cleveland contracted with the Center on Urban Poverty and Community Development (the Poverty Center) to study evictions using 1) in-person observation of eviction case hearings, 2) interviews with tenants appearing in eviction court, and 3) an analysis of eviction filing records linked with other administrative data. The study found that eviction filings have been declining since 2013, even as renter-ship has increased. The filing rate dropped to 8.11% by 2017, from 10.9% in 2013.[1] This is still substantially higher than the statewide filing rate for Ohio, which was 6.19% in 2016, according to Eviction Lab.[2] As of 2016, Cuyahoga County led the state with 19,502 eviction filings, or about 18% of all filings in Ohio. More populous Franklin County (where Columbus is located) came in second with 17,886 filings and Hamilton County (home to Cincinnati) came in third with 11,957 filings.[3]





[1] April Urban, Aleksandra Tyler, Francisca García-Cobián Richter, Claudia Coulton, and Tsui Chan. The Cleveland Eviction Study: Observations in Eviction Court and the Stories of People Facing Eviction. Report, Center on Urban Poverty and Community Development at Case Western Reserve University for the Legal Aid Society of Cleveland. October, 2019.
[2] Eviction Lab. Eviction Filing Rate, 2016. https://evictionlab.org/map/#/2016?geography=states&type=efr
[3] Ohio Housing Finance Agency (OHFA) Office of Housing Policy. Ohio Housing Needs Assessment: Technical Supplement to the Fiscal Year 2019 Annual Plan, p.88. https://ohiohome.org/news/documents/2019-HousingNeedsAssessment.pdf

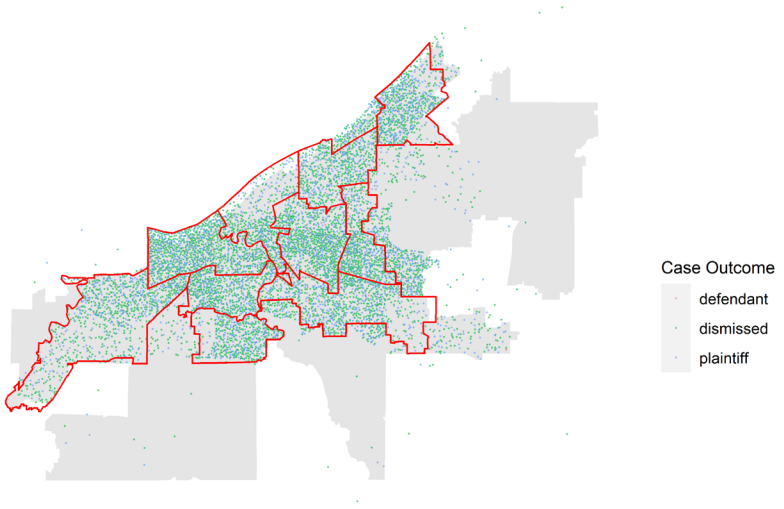
EVICTIONS, CONTINUED

The Poverty Center found that most evictions (70%) were filed for only 1-3 months of delinquent rent, and that "for many cases observed, the eviction was filed after only a single month of delinquent rent, and the second month lapsed awaiting the eviction hearing." The first hearing in eviction court lasts for an average of only three and a half minutes, and results in a judgment for the plaintiff 59% of the time; 14% of cases were dismissed and 11% were sent to mediation.[1]

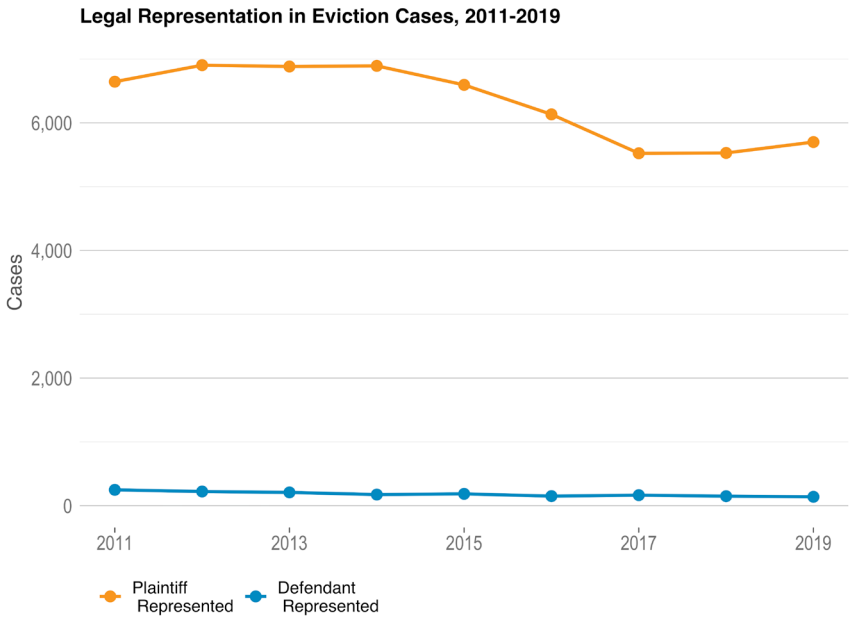
There is evidence that the inequity in eviction case outcomes is at least partially linked to legal representation. In 2019, 73% of landlords had representation in eviction cases, but only about 5% of tenants did. In the few cases where tenants were represented by a lawyer in 2011 through 2020, the judge ruled in their favor 6% of the time. In the cases where tenants did not have legal representation, the judge ruled in their favor less than 1% of the time.

The Poverty Center's study found that most tenants in eviction court are low-income, minority women with children. In interviews, tenants described employment and health issues that led to financial instability and missed rent; some attested that they had in fact tried to make full or partial rent payments that were refused by their landlords. Others withheld rent due to housing condition issues. When the tenant attended their eviction court hearing, the length of the hearing increased to nearly 6 minutes and the judge was slightly less likely to find in favor of the plaintiff (47% of the time, versus 61% when the tenant was absent).

Evictions by Outcome
2011-2019



Source: City of Cleveland



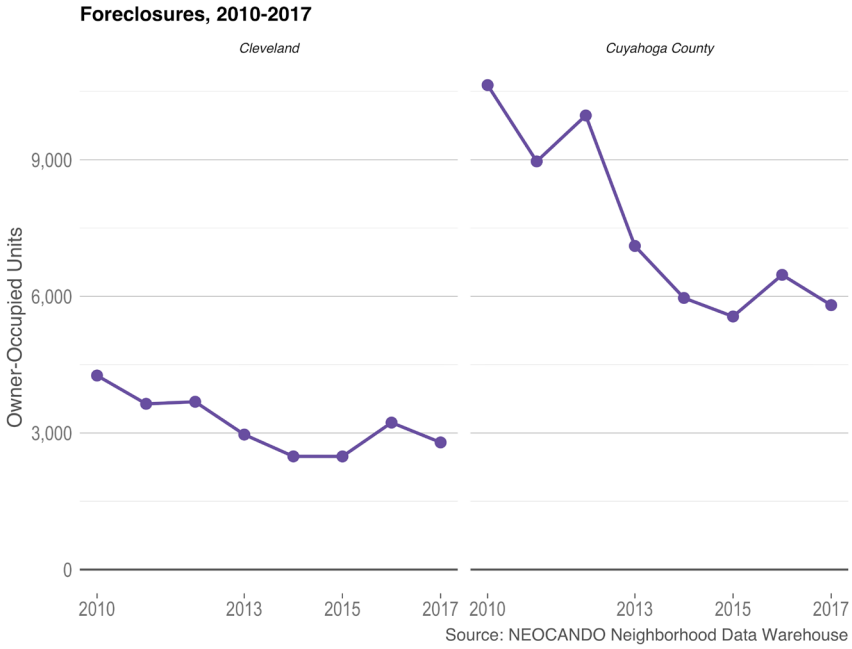
Source: City of Cleveland

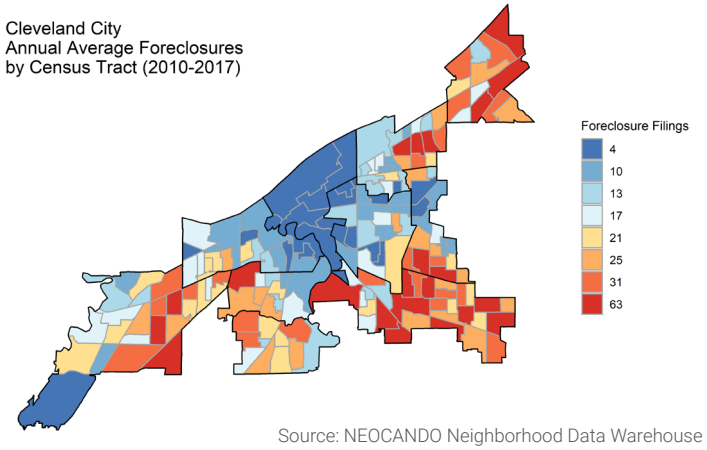
[1] Urban et al. The Cleveland Eviction Study: Observations in Eviction Court and the Stories of People Facing Eviction. Poverty Center at Case Western Reserve University for the Legal Aid Society of Cleveland. October, 2019.

FORECLOSURES

A mortgage foreclosure occurs when a lender repossesses a property because the borrowers defaulted on their mortgage. Residential foreclosures in Cleveland, and especially in Cuyahoga County, have fallen off sharply since 2010. In 2017, there were about 2,800 residential foreclosures in the city and 5,800 in the county as a whole. Compare this to 2010 when there were nearly 4,300 foreclosures in the city and over 10,600 in the county. Foreclosed units account for 2.4% of all owner-occupied units in the City of Cleveland, and 1.34% of units in the county at large.

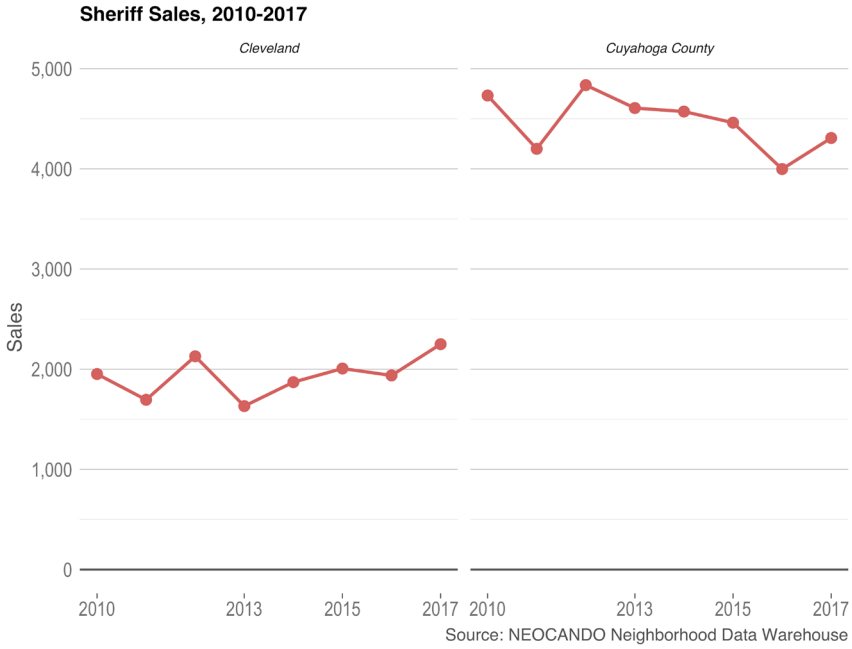
Foreclosures, averaged for the years 2010-2017, affect neighborhoods on both the East and West sides. Apart from Greater Downtown, most neighborhoods include census tracts with both low and high numbers of foreclosures. The median tract saw 17 foreclosures in the average year, while the 25th and 75th percentiles are 10 and 25 foreclosures, respectively.





SHERIFF SALES

A sheriff sale is a public auction of a home that has been defaulted on. The proceeds of the sale are used pay back mortgage lenders, banks, and tax collectors. Sheriff sales are essentially foreclosures for which the process is governed by the county sheriff rather than by the private lender. In 2017, there were 2,250 sheriff sales in Cleveland and 4,308 in Cuyahoga County. The volume of sheriff sales has actually increased since 2017 in Cleveland, both as a share of owner-occupied units and in absolute terms.



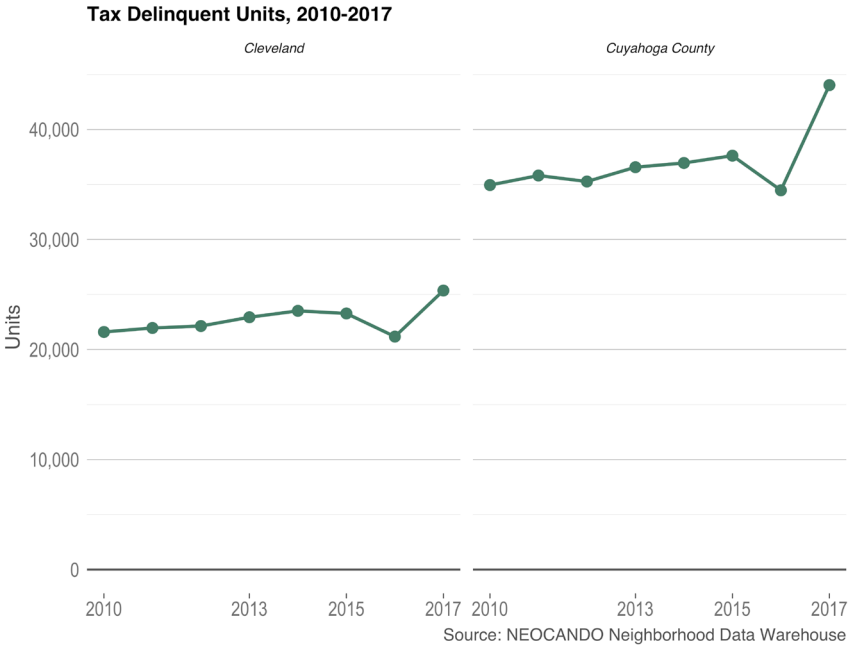
TAX DELINQUENCY

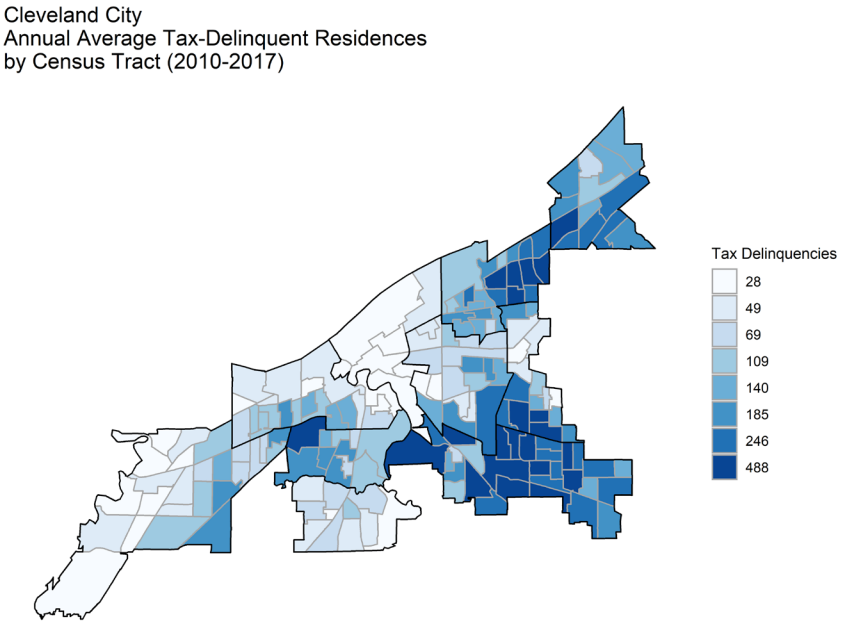
Residential tax delinquency affects over 25,000 units in Cleveland and nearly 45,000 in Cuyahoga County overall. Delinquency rates increased sharply between 2016 and 2017. About 22% of all owner-occupied units in Cleveland were tax delinquent in 2017, compared to about 10% in the county as a whole.

Tax delinquency presents a huge cost to the City and County. The Vacant and Abandoned Property Action Council (VAPAC) reported in March 2015 that the county was owed $578 million in delinquent property taxes. The process of collecting these taxes is time- and staff-intensive. In order to save on administrative costs and recoup some of its losses, the County has sometimes sold delinquent tax lien certificates to for-profit enterprises. However, VAPAC found that such tax lien sales are risky, especially when they involve low-value properties, because they can allow tax lien buyers to charge excessive fees to struggling homeowners and further destabilize already distressed neighborhoods.[1]

In 2010-2017, certain neighborhoods saw high rates of tax delinquency: Southeast, Circle North-University Circle-Buckeye-Shaker-Larchmere, and Glenville-Hough-Central. There are comparatively few tax delinquencies in Greater Downtown and in neighborhoods on the West Side.

A more recent study showed a disproportionate impact of tax delinquency on East Side of Cleveland.





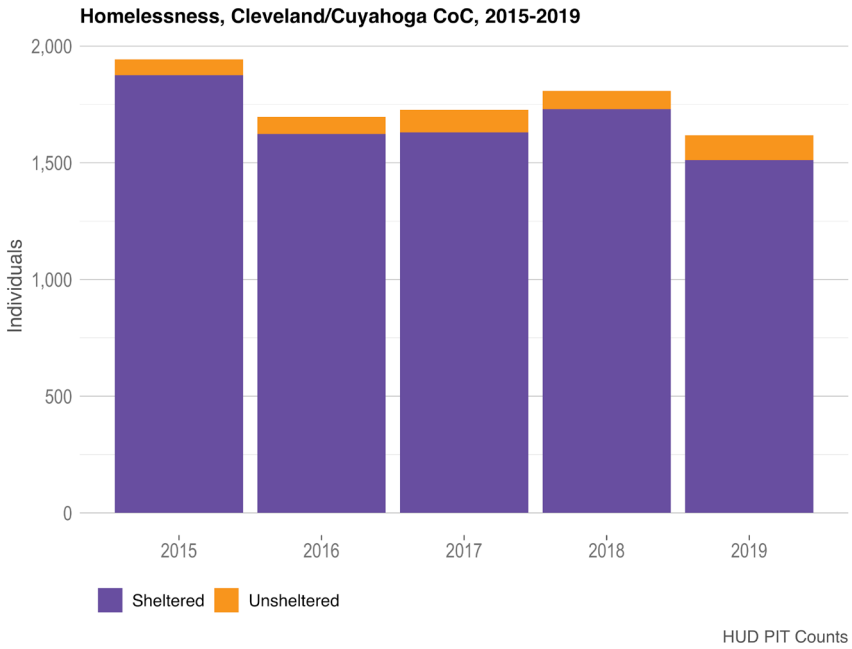
Source: NEOCANDO Neighborhood Data Warehouse

[1] Vacant and Abandoned Property Action Council. Property Tax Delinquency and Tax Lien Sales in Cuyahoga County, Ohio, March 1, 2015. https://www.wrlandconservancy.org/wp-content/uploads/2015/03/Cuyahoga-Tax-Liens-Sales-3-1-15.pdf

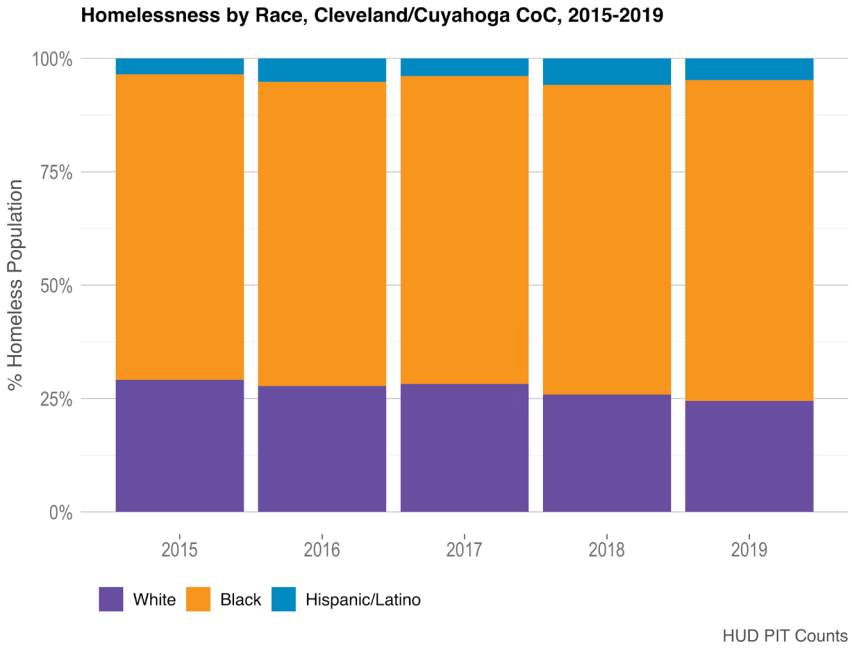
[2] Western Reserve Land Conservancy. Housing Market Recovery in Cuyahoga County: Will Cleveland's East Side Be Left Behind? July 30, 2019. https://www.wrlandconservancy.org/wp-content/uploads/2019/07/Cuyahoga-Housing-Trends-2019_7-30-19.pdf

HOMELESSNESS

According to point-in-time counts conducted once in year, there were 1,618 homeless individuals in the Cleveland/Cuyahoga County Continuum of Care (which includes both the city and county) in 2019. This is a decrease since 2015, when there were nearly 2,000 homeless individuals counted. The vast majority (93%) of homeless individuals counted were residing in a shelter (either an emergency shelter or other form of temporary housing for the homeless). Point-in-time counts tend to underestimate the unsheltered homeless population, because they rely on volunteer-conducted tallies of sheltered and unsheltered people experiencing homelessness on a single night in January each year. These counts do not capture seasonal homelessness and often miss families living in hotels or motels, in their vehicles, or doubled up with other families.



The homeless population in Cleveland is primarily Black/African American (72% in 2019). Whites make up 25% and Hispanics/Latinos make up 5%. Blacks made up a slightly larger share of the homeless in 2019 than they had in 2015.

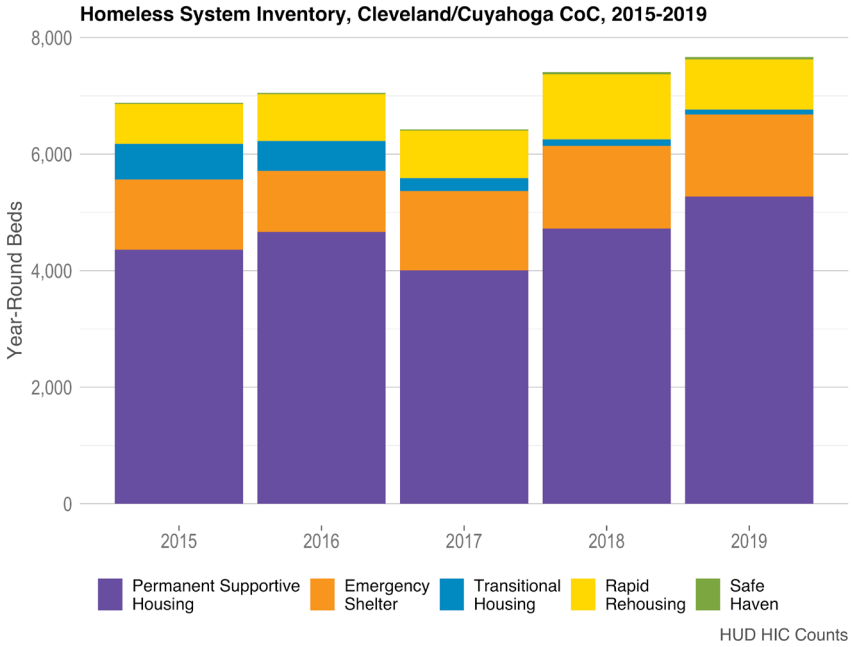


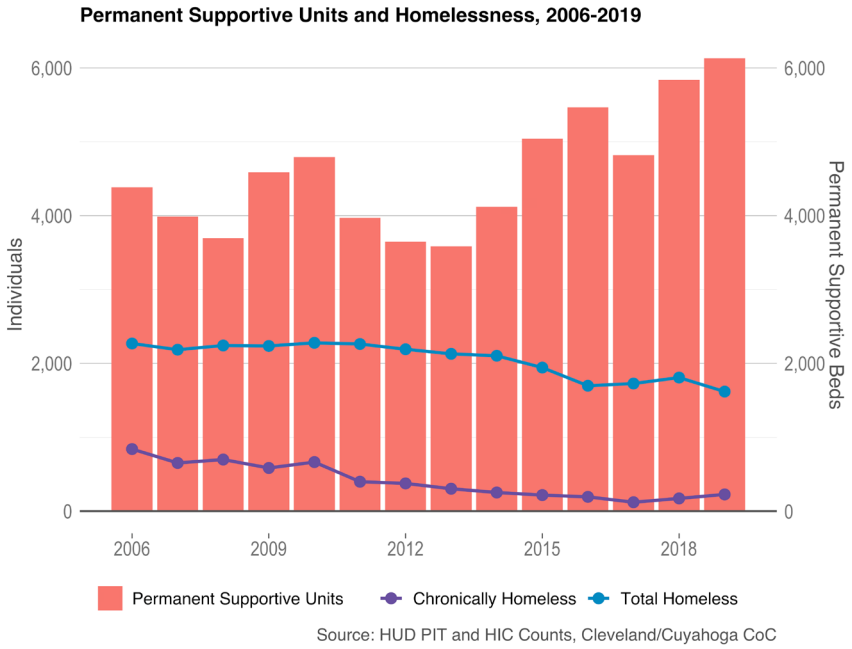
HOMELESS, CONTINUED

In 2019, the Cleveland/Cuyahoga County Continuum of Care included over 1,500 year-round shelter beds in emergency shelters, transitional housing, and safe haven shelters, and another 6,130 beds in rapid rehousing and permanent supportive housing facilities.

In 2002, a coalition of housing developers and service providers led by Enterprise Community Partners launched the Housing First Initiative in Cleveland and Cuyahoga County. The Initiative aims to end chronic homeless by providing subsidized permanent housing that is combined with wrap-around services. In 2006, the Initiative set the goal of developing 1,200 permanent supportive units. To date, the Initiative has produced 782 units in 13 buildings, plus over 260 scattered site units for adults, as a result of $132.6 million in capital investment and ongoing operating support. Since these efforts began, there has been a staggering 73.1% drop in chronic homelessness. Of those who access Housing First, only 4.8% return to homelessness. The Initiative is on track to meet its unit goal within the next 1-2 years.[1]

With the addition of over 1,000 units, and over 1,700 beds, of permanent supportive housing, the Cleveland/Cuyahoga County Continuum of Care now has a permanent supportive stock of over 6,000 units (see graph at right). Point-in-time counts tallied about 220 chronically homeless individuals in 2019, who we might expect to see access permanent supportive housing within the next two years as the Housing First Initiative continues to progress toward its ultimate goal. However, the total count of those experiencing homeless, though it has been trending downwards, remains over 1,500 individuals. This indicates that Cleveland and Cuyahoga County still have work to do to address seasonal and temporary homelessness that are the result of housing insecurity and income volatility, and that are more likely to affect families and children. This kind of homelessness can only be eradicated by addressing housing quality and affordability on a larger scale.



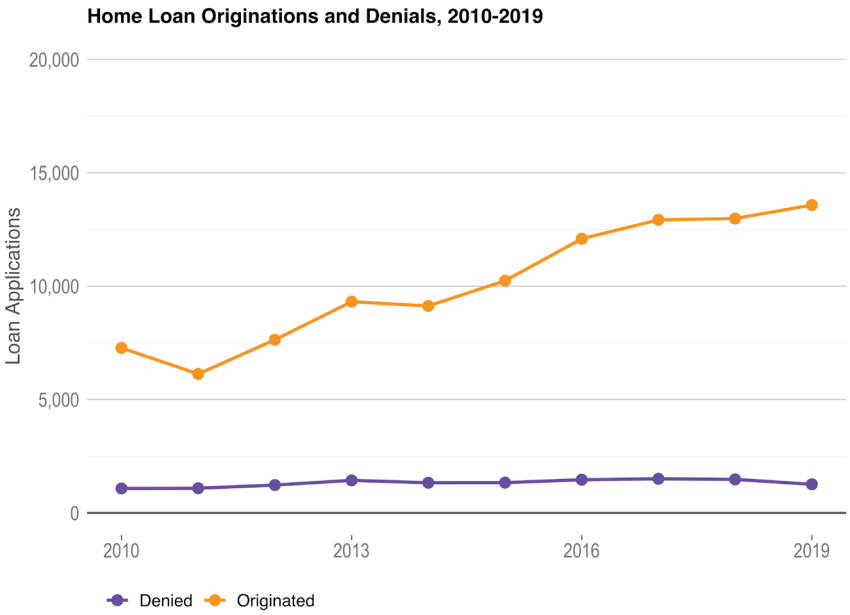


[1] Housing First Ohio. 2020. Enterprise Community Partners. https://www.enterprisecommunity.org/where-we-work/ohio/housing-first

8. LENDING

MORTGAGE ORIGINATIONS

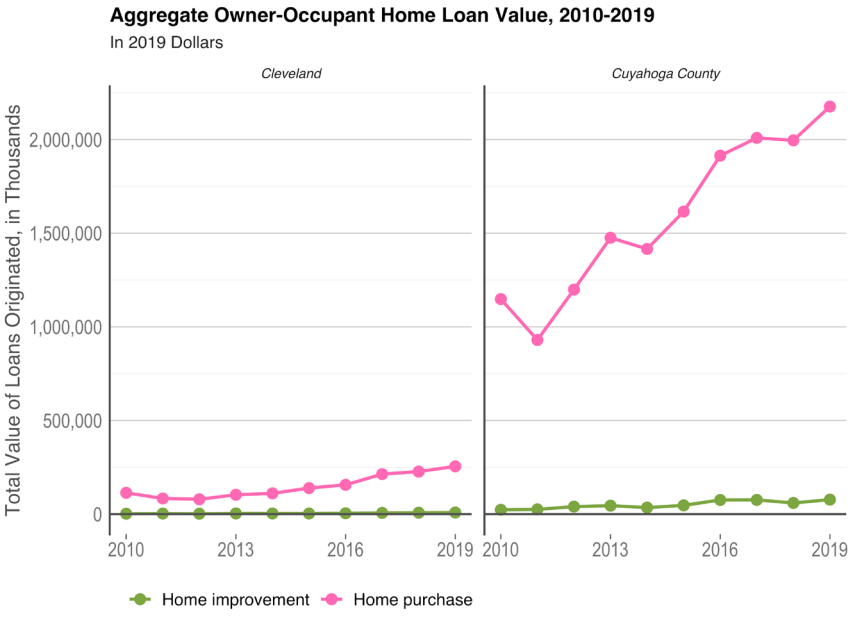
Just as the volume of home sales has increased, so has the volume of first lien mortgage originations for the primary residences of owner-occupants, as shown in the graph on the right. In 2019, there were 13,577 mortgages originated in Cuyahoga County, compared to about half that number (7,277) in 2010. Meanwhile, mortgage loan denials have remained fairly constant, hovering between 1,000 and 1,500 denials per year since 2010. These data are collected by the Bureau of Consumer Finance pursuant to the Home Mortgage Disclosure Act (HMDA).



Source: Home Mortgage Disclosure Act, Data for Cuyahoga County

When we break out by geography, it becomes apparent that the number and total value of first lien mortgage originations for the primary residences of owner-occupants are increasing much more quickly in the county than in the city. In Cleveland, there were just over 1,000 home purchase loans originated in 2019 for a total value of about $255 million, compared to the County, where over 10,000 mortgages totaled to nearly $2.2 billion.

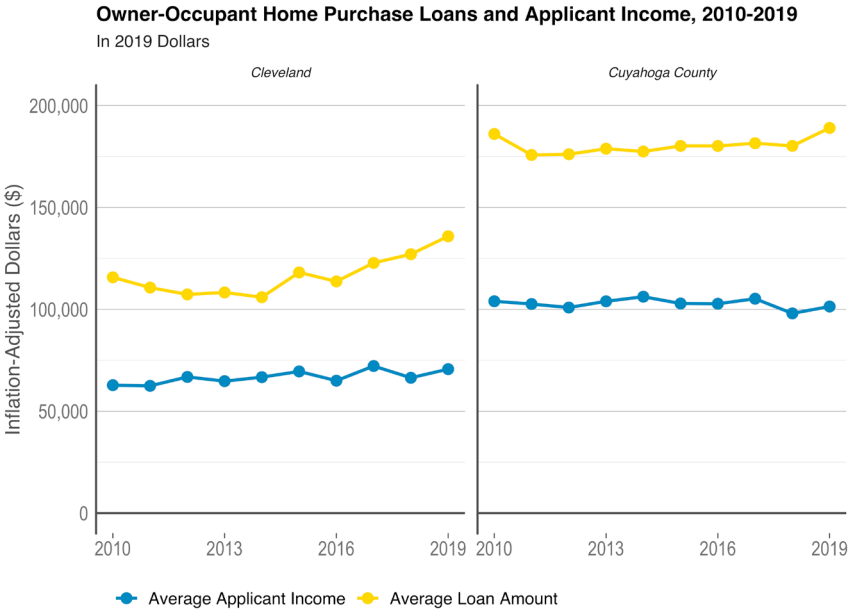
Home improvement loan volumes and values remain much lower, though they have increased in both the city and county since 2010. However, losses in housing values and wealth has disproportionately affected the East Side of Cleveland, where the majority of residents are Black.



Source: Home Mortgage Disclosure Act

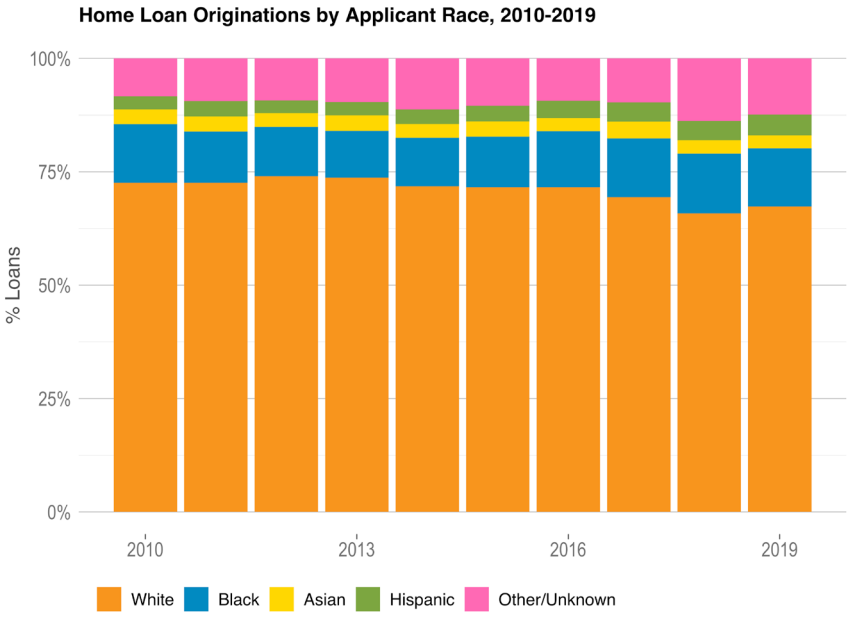
ORIGINATIONS, CONTINUED

For the average owner-occupant who receives a first lien mortgage in Cuyahoga County, neither their income ($101,400) nor their total loan amount ($189,000) has changed much since 2010. In the City of Cleveland, by contrast, the average loan amount has increased significantly (from $115,700 in 2010 to nearly $136,000 in 2019) and the income of the average loan recipient has also increased somewhat (from $62,800 in 2010 to $70,700 in 2019). This may suggest either that the city's housing market is strengthening and/or that low-income applicants are less and less able to access small loans.



Source: Home Mortgage Disclosure Act

Black applicants are conspicuously underrepresented among those approved for mortgages in Cuyahoga County, while White applicants are overrepresented. In 2019, of the 11,896 mortgages for which the applicant's race and ethnicity were reported, 77% went to White applicants, 15% to Black or African American applicants, 3% to Asian applicants, and 5% to Hispanic/Latino applicants. Compare this to Cuyahoga County as whole, where only 65% of households are White, but 30% are Black/African American, 4% are Asian, and 4% are Hispanic.



Source: Home Mortgage Disclosure Act, Data for Cuyahoga County

ORIGINATIONS, CONTINUED

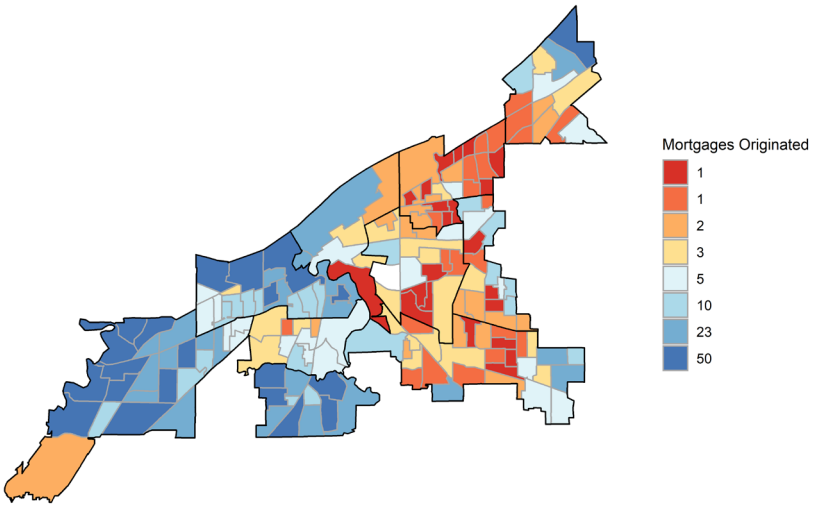
A 2018 study of mortgage lending patterns in Cuyahoga County conducted by the Fair Housing Center for Rights and Research notes that Cuyahoga County has a long history of racial segregation, mortgage redlining, and predatory lending based on race. The report found that "despite a demand for credit, people in predominantly African American neighborhoods [in Cuyahoga County] often cannot get mortgages to buy houses in their neighborhoods."

As the map in the upper right shows, mortgages are originated at much greater rates on Cleveland's West Side, especially in West Park and Detroit Shoreway-Ohio City-Tremont. The median tract saw only 14 mortgages originated in the average year, but one tract saw as many as 137.

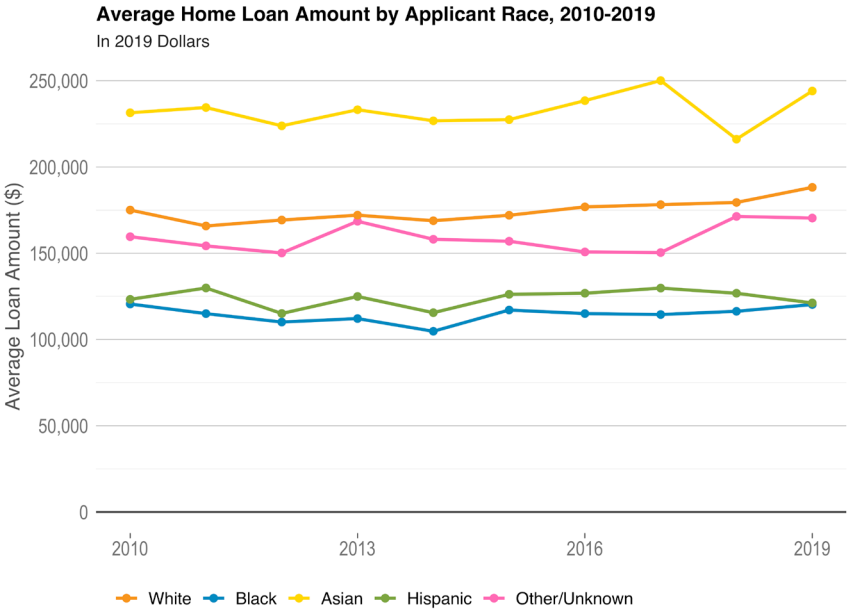
This occurs for a variety of reasons, according to the Fair Housing Center. One reason is that many lenders refuse to make mortgages under an arbitrary minimum value (usually $50,000), with the result that it may be impossible to secure a mortgage loan in many Cleveland neighborhoods with median home values of less than $50,000, which, because of persistent segregation, tend to be majority Black. Another reason is the shift to online banking. Cuyahoga County lost 22 bank branches between 2016 and 2017 (making it 4th in the nation for loss of bank branches during that period). In a county where less than 20% of households have internet access in majority-Black neighborhoods, this means that many are cut off from mortgage lending.[1]

Black and Hispanic households also apply for and receive much smaller mortgage loans than Whites and Asians do (see graph at right). The average loan application amount for both Black and Hispanic households in 2019 was about $120,000, compared to $190,000 for White households and $244,000 for Asian households.

Cleveland City
Annual Average Mortgages Originated
by Census Tract (2011-2019)



Source: Home Mortgage Disclosure Act

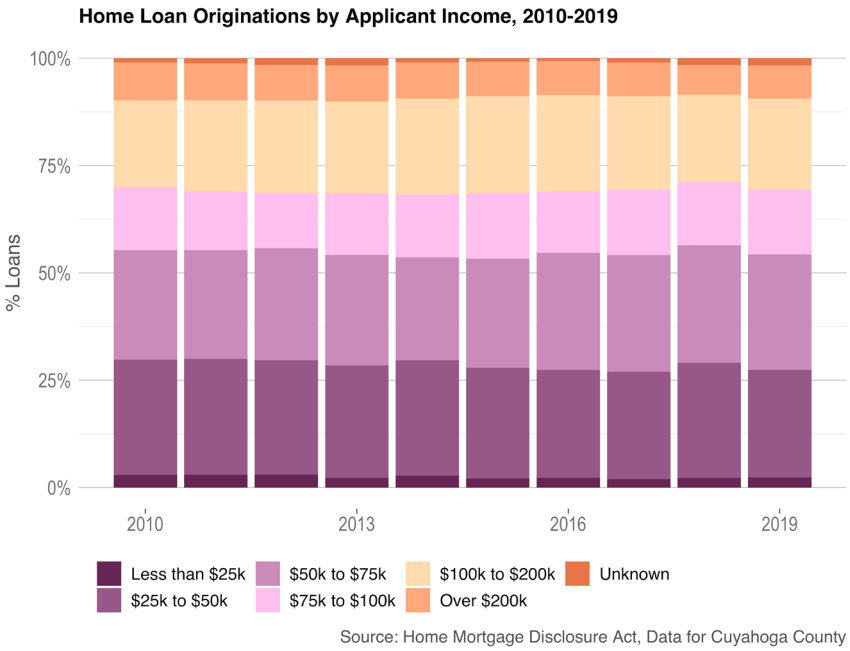


Source: Home Mortgage Disclosure Act, Data for Cuyahoga County

[1] Michael Lepley and Lenore Mangiarelli. Cuyahoga County Mortgage Lending Patterns. Fair Housing Center for Rights and Research, July 2018.

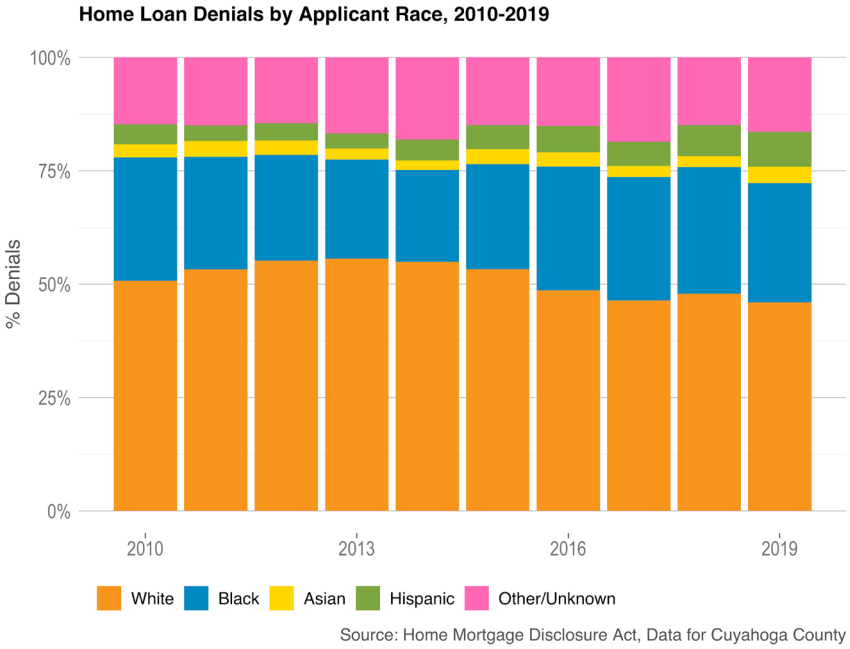
ORIGINATIONS, CONTINUED

A very small share of mortgages (about 2%) are approved for households earning less than $25,000, even though they make up 27% of Cuyahoga County's total households. Since, as we have seen, the median income for Black households is barely $30,000 in Cuyahoga County, income explains some (but not all) of their underrepresentation among mortgage recipients. Households with incomes between $50,000 and $75,000 are most heavily overrepresented, by contrast; they receive 27% of mortgages but only make up 17% of all households.



MORTGAGE DENIALS

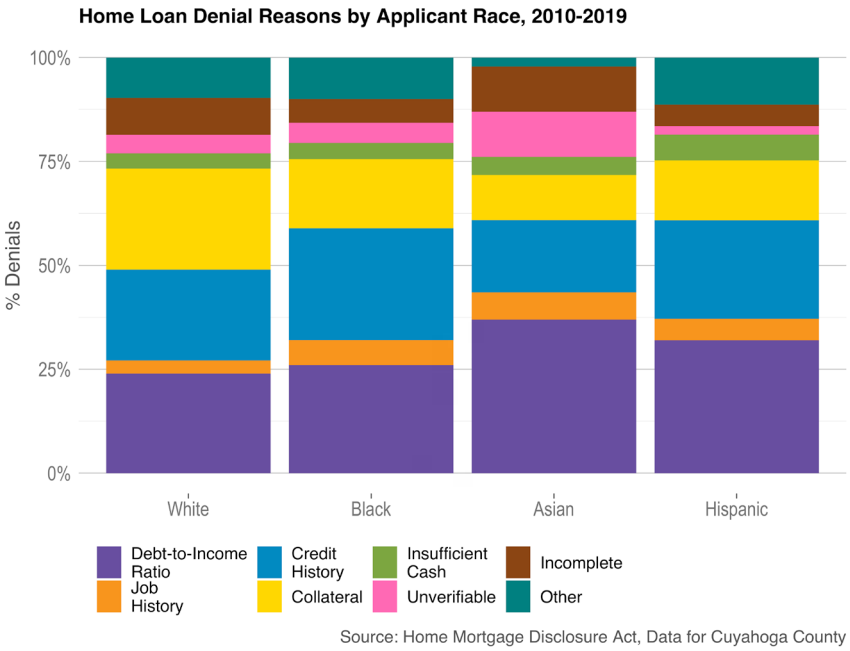
Lenders denied 1,262 mortgage loan applications by owner-occupants for a principal residence in Cuyahoga County in 2019. This is a very similar total to past years. Among the applicants who reported their race and ethnicity, 55% of loan denials went to Whites, 31% to Blacks/African Americans, 4% to Asians, and 9% to Hispanics/Latinos. Thus, Whites are underrepresented among denied applicants and people of color are overrepresented, compared to their share of the population. Blacks are especially overrepresented among denials given that they make up only 16% of mortgage loan applicants. In fact, Blacks were denied for mortgages 16% of the time in 2019, compared to Whites, who were denied only 6% of the time. Blacks' share of loan denials has increased since 2014, as shown in the graph to the right.



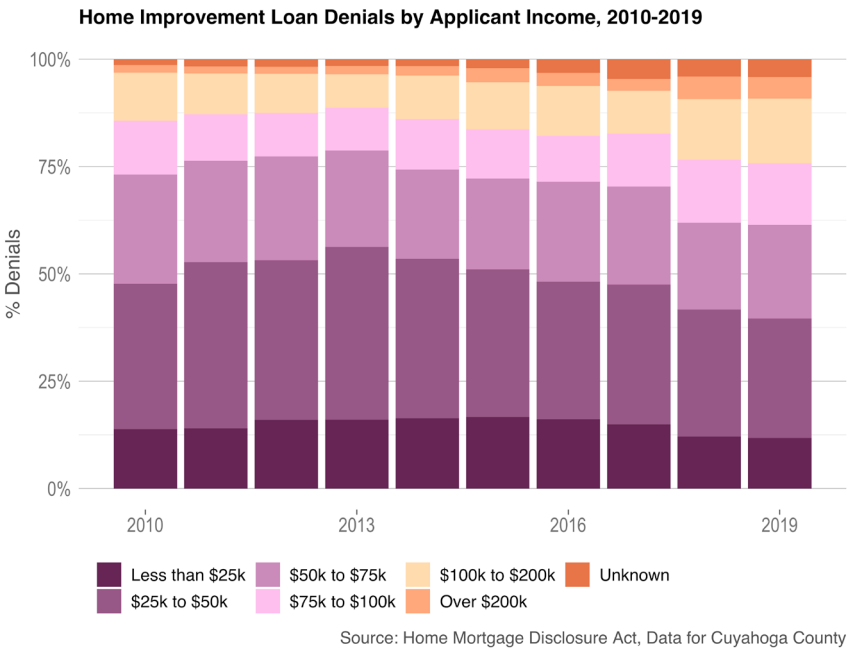
DENIALS, CONTINUED

The HMDA requires reporting on the reasons why applicants were denied. The principal denial reasons vary by race and ethnicity. Asians and Hispanics are more likely than other groups to be denied because of a too-high debt-to-income ratio, while Blacks are more likely to be turned away because of their credit history. Whites are more likely to be denied than other groups because the value or type of collateral was insufficient (most likely because an independent appraisal could not support the home-buyer's and home seller's agreed-upon sales price).

The Fair Housing Center for Rights and Research notes that lenders use credit scores as a theoretically race-neutral way to assess borrowers' risk, but in reality, borrowers of color are often excluded from the mainstream financial system and are instead "forced into a volatile, sometimes predatory, secondary credit market causing low credit scores, or they have no credit at all." As a result, borrowers of color are more frequently denied mortgages on the basis of their credit history.[1]



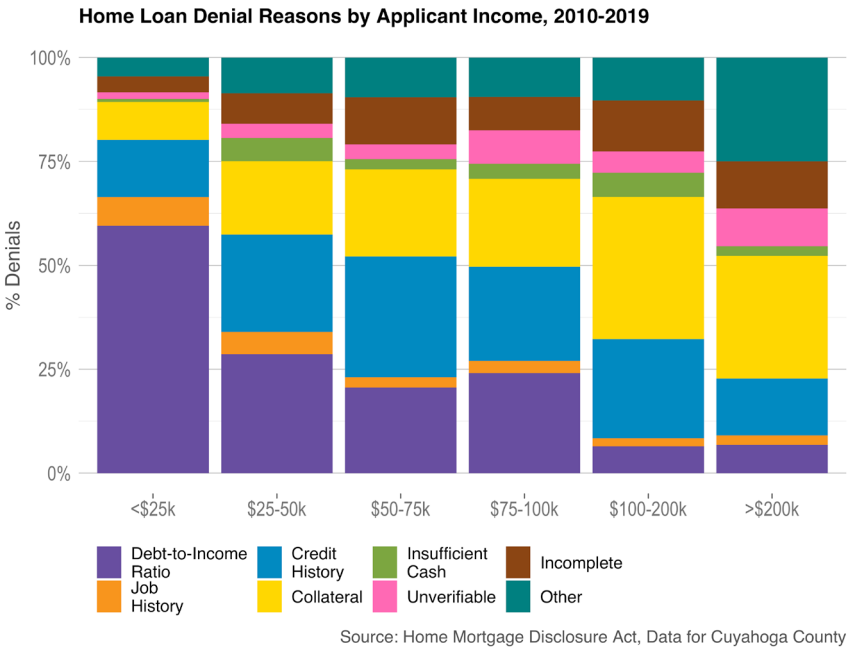
Purchase-loan denials are concentrated among applicants with incomes between $25,000 and $75,000 (62%). Far fewer denials go to applicants earning more than $75,000 (27%). Applicants earning less than $25,000 are denied at high rates, but they account for fewer overall denials (11%) for the simple reason that they make up a very small share (2%) of the mortgage applicant pool. The breakout of denials by income has remained fairly constant since 2010.



[1] Michael Lepley and Lenore Mangiarelli. Cuyahoga County Mortgage Lending Patterns. Fair Housing Center for Rights and Research, July 2018.

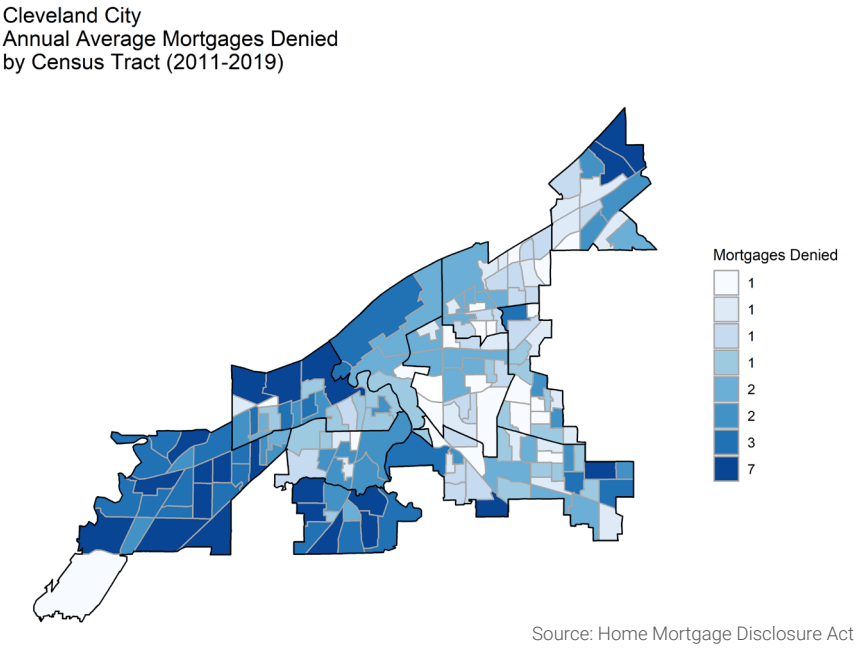
DENIALS, CONTINUED

The reason for a mortgage denial correlates strongly with the applicant's income. Low-income applicants are far more likely to be denied on the basis of their debt-to-income ratio. Among higher-income applicants, insufficient collateral, unverifiable application information, and incomplete applications are more common reasons for denial. Interestingly, maintaining a satisfactory credit history presents a challenge for applicants across income bands.



A 2019 study of home mortgage lending in Cuyahoga County conducted by the Western Reserve Land Conservancy analyzed the actions taken by 380 lenders nationwide that received applications for a mortgage or home repair loan for a property in Cuyahoga County. It found that there were persistent and significant disparities in access to mortgage lending for Black borrowers and majority-Black communities, compared to Whites. In addition, Black borrowers were denied at higher rates than Whites, regardless of income. Huntington Bank, which is one of three banks in Cleveland that entered into a community benefits agreement to improve lending to underserved communities, stood out in terms of making home purchase and home improvement loans on the underserved East Side, in lending to low- and moderate-income borrowers, and in making small-dollar home purchase loans for $50,000 or less.[1]

The map on the right shows that the absolute volume of mortgage denials is highest on the West Side, but this is due to a much higher volume of applications in these neighborhoods. Applications on the East Side are denied at a proportionally higher rate.

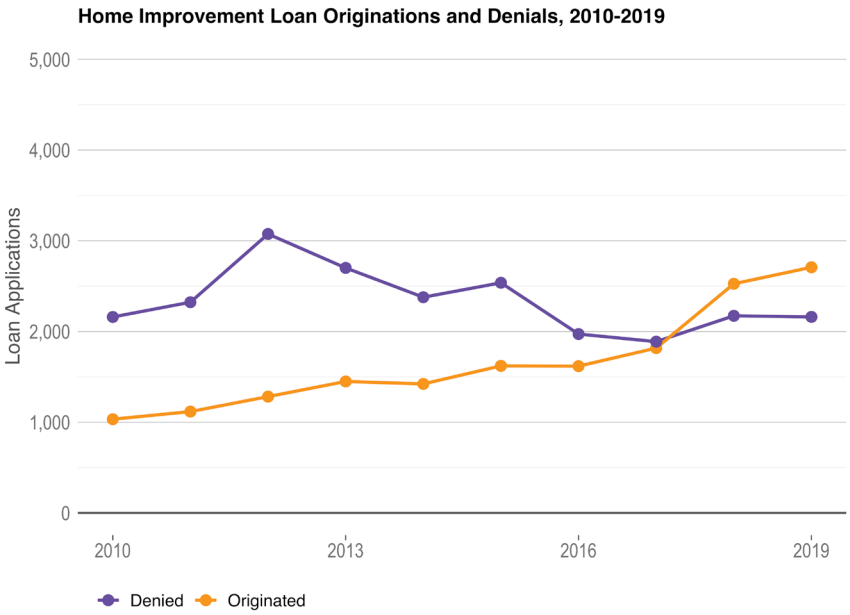


[1] Frank Ford. Home Mortgage Lending in Cuyahoga County: With a Focus on Three Lenders with Community Benefits Agreements. Western Reserve Land Conservancy, December 22, 2019.

IMPROVEMENT LOANS

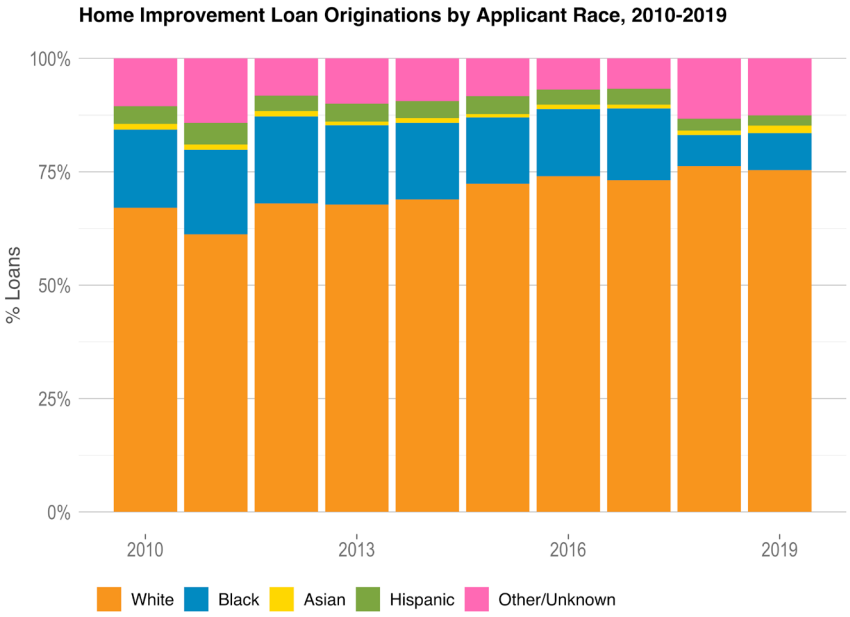
The Bureau of Consumer Finance tracks not just mortgage lending but also home improvement financing. The total number of home improvement loan applications in Cuyahoga County has increased from just under 3,200 in 2010 to over 4,800 in 2019, suggesting an increase in substantial home renovations undertaken by owner-occupants. Home improvement loans are denied at a far higher rate than mortgage loans, however. In fact, there were twice as many denials as originations in 2010. By 2017, the chance of being denied or approved was about equal, and only for the last two years have originations outnumbered denials by about 400 loans per year.

Also worth noting is that the average value of home improvement loans has increased since 2010, adjusting for inflation. This is true for all racial and ethnic groups, though the largest increases occurred for Asians. By 2019, the average home improvement loan was $62,972, compared to $32,712 in 2010.



Source: Home Mortgage Disclosure Act, Data for Cuyahoga County

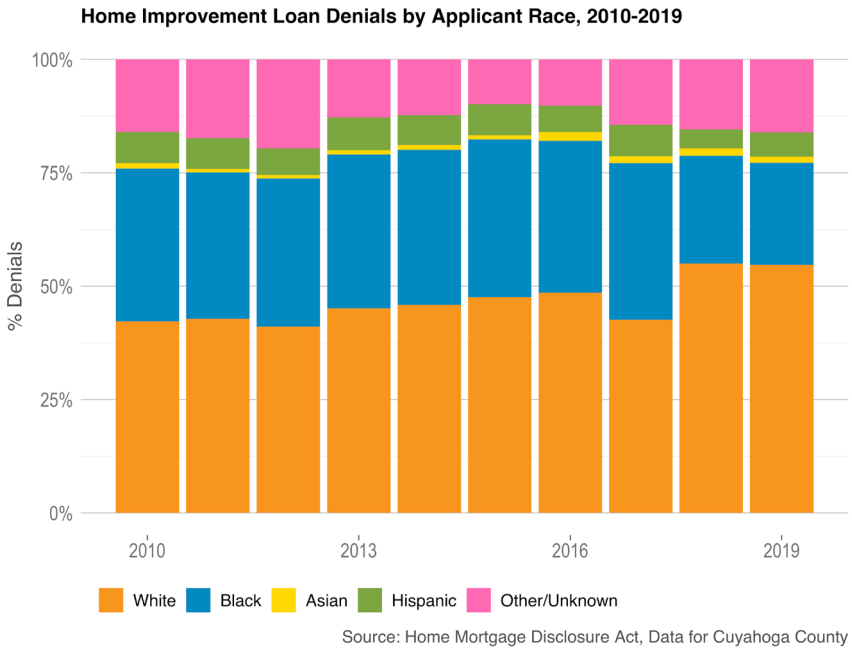
Just as with purchase loans, Blacks are underrepresented among the recipients of home improvement loans. They receive only 8% of such loans, even though 30% of households in Cuyahoga County are Black/African American. Asians and Hispanics are also somewhat underrepresented, receiving 2% of home improvement loans each, but making up 3% and 4% of households, respectively.



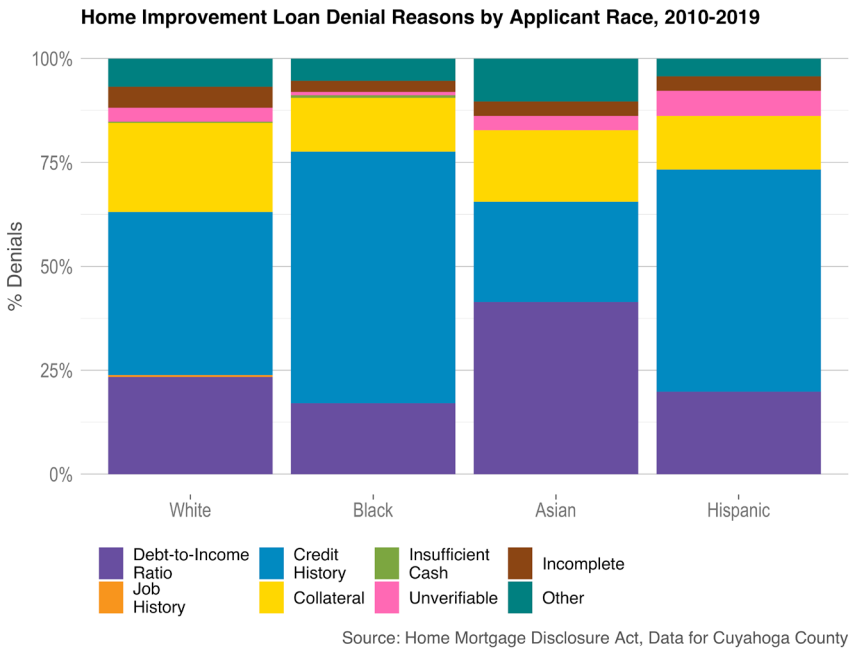
Source: Home Mortgage Disclosure Act, Data for Cuyahoga County

LOANS, CONTINUED

In 2019, Black and Hispanic applicants were denied for home improvement loans more than two-thirds of the time. Whites and Asians, by contrast, were denied only about 40% of the time. The unequal distribution of denials by race/ethnicity is evident in comparing the chart at right with the one on the previous page: Blacks and Hispanics make up a far larger share of denials than they do of originations.



For all races and ethnicities, too-high debt-to-income ratios, unsatisfactory credit histories, and insufficient collateral were the principal reasons denying home improvement loans. But credit history played an outsized role for Blacks and Hispanics, while debt was the number one reason for Asians' denials.



9. SUBSIDIES AND INVESTMENT

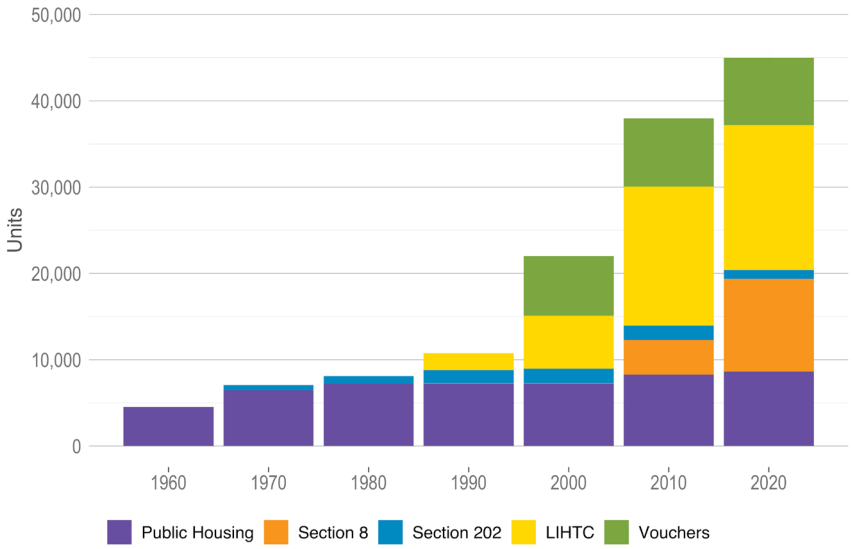
FEDERALLY SUBSIDIZED UNITS AND EXPIRATIONS

The composition of the subsidized housing stock in Cleveland has changed significantly since the 1960s. Although the public housing stock grew slightly in the 1970s and 80s, major growth in the subsidized stock did not occur until 2000, when Cleveland added thousands of Low-Income Housing Tax Credit (LIHTC) units and the Cuyahoga Metropolitan Housing Authority (CMHA) began granting Housing Choice Vouchers. By 2010, LIHTC had outpaced all other federal housing subsidies within the City of Cleveland, even as CMHA added new project-based Section 8 units. As of 2019, the composition of federally subsidized housing in Cleveland is as follows: 16,805 LIHTC units (making up 41% of all unit-subsidies); 8,354 project-based Section 8 units (20%); 8,291 public housing units (20%); 7,812 Housing Choice Vouchers (19%); and 708 Section 202 units (less than 1%). Note that subsidies often overlap, with one unit having multiple subsidies.

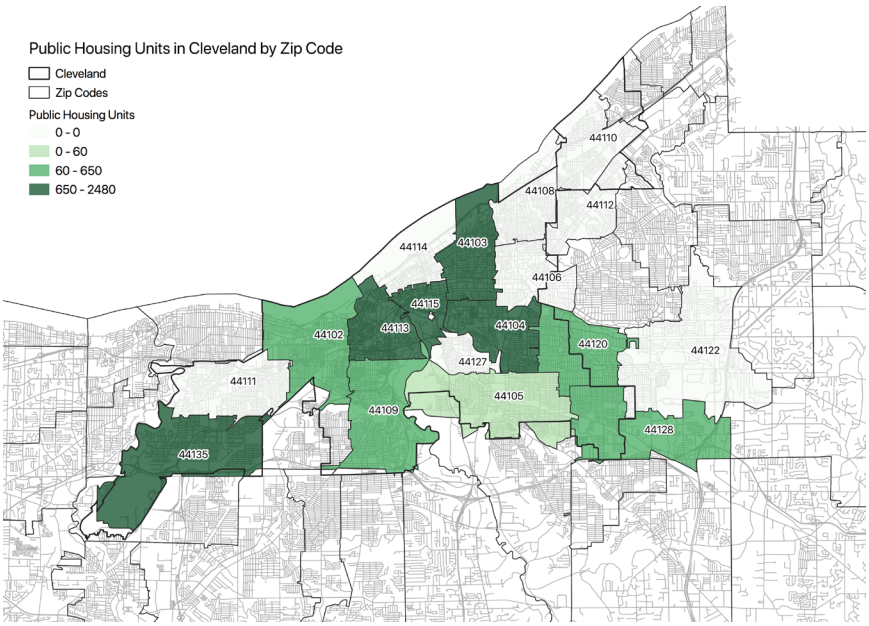
HUD's Picture of Subsidized Households publishes some data about the tenants of HUD-subsidized housing and about the neighborhoods in which subsidized units are located (these figures exclude LIHTC, which is subsidized through the Internal Revenue Service). As of 2019, 92% of HUD-subsidized housing in Cleveland was occupied. About 12% of residents had moved into these units within the past year. Families contributed an average of $235/month for their unit, while HUD spent $773 per family per month. HUD-subsidized households in Cleveland have extremely low incomes—averaging only about $9,900 per year. Most households are female headed (69%), about a third include children (33%), and many include disabled persons (25%). About 81% are non-Hispanic Black and 8% are Hispanic. The average family spent nearly 3 years on a waitlist and has lived in HUD-subsidized housing for close to 8 years. The average HUD-subsidized household lives in a census tract where nearly half (46%) of residents are in poverty, 78% of residents are people of color, and 68% of units are rentals.

Housing Subsidies in Cleveland, 1960-2020

*Note that one unit may have more than one subsidy



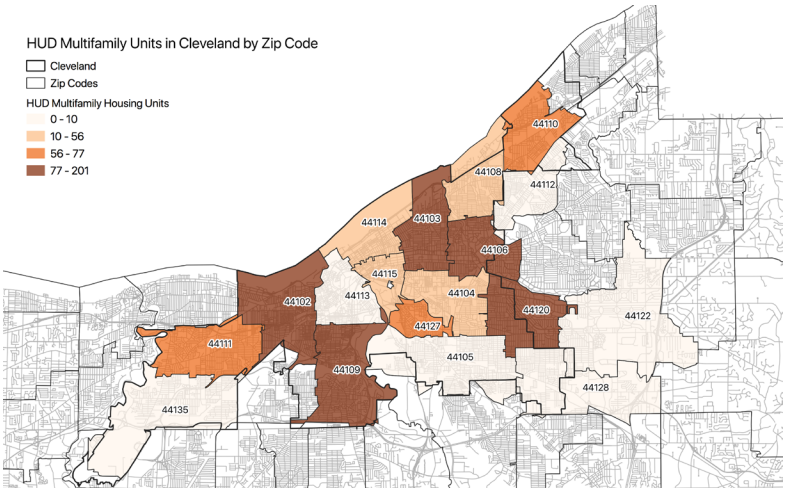
Source: National Housing Preservation Database & HUD POSH

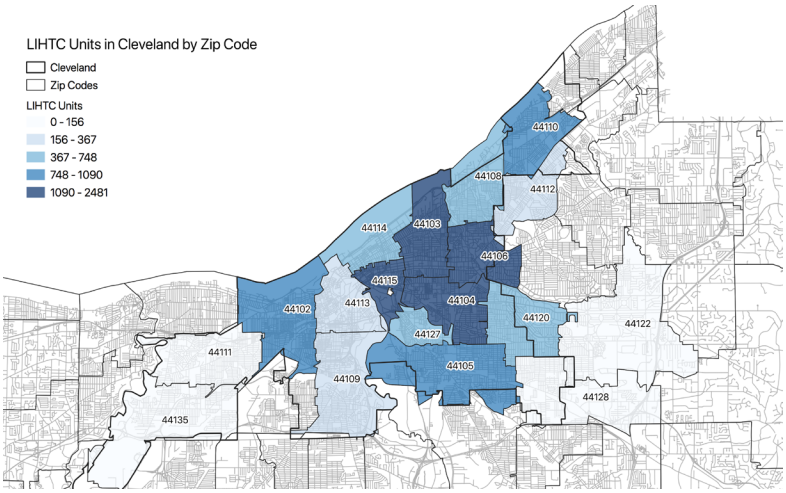


Source: National Housing Preservation Database

FEDERALLY SUBSIDIZED UNITS, CONTINUED

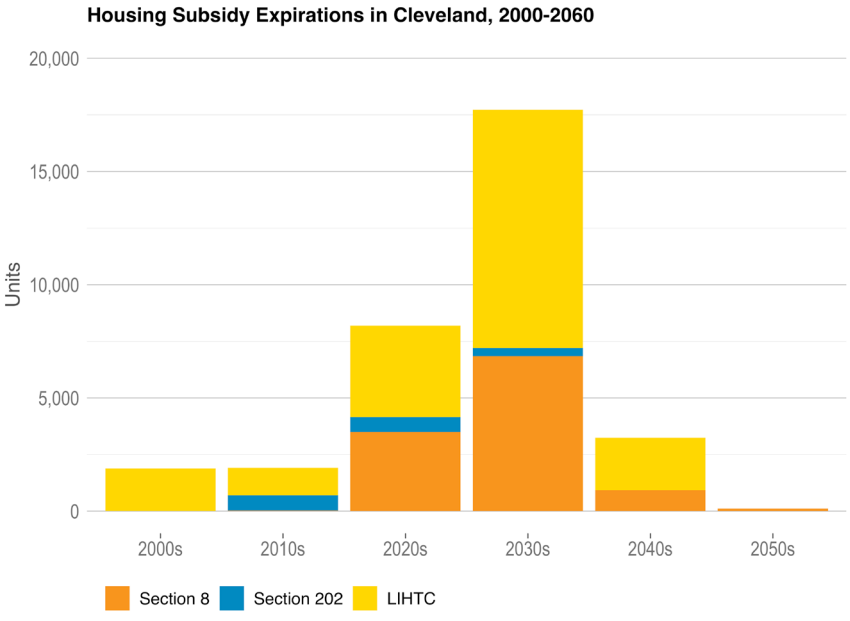
The maps on the previous page and at right show the concentration of HUD- and LIHTC-subsidized units throughout the City of Cleveland. Public Housing is concentrated in a ring around Downtown and in the West Park neighborhood in the far southwestern corner of the city. HUD multifamily housing (which includes housing subsidized through Section 8, Section 202, and Section 811) is concentrated on the East Side and near West Side of Cleveland. Finally, LIHTC units are clustered on the East Side.





Source: National Housing Preservation Database

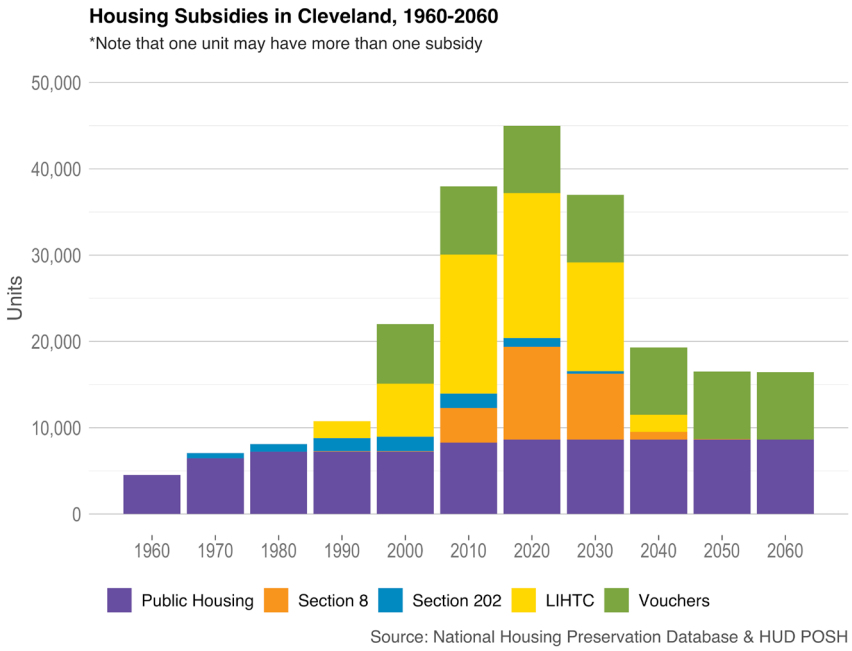
Some subsidy programs, including LIHTC, project-based Section 8, and Sections 202 and 811, subsidize privately owned rental housing. These subsidies are temporary—they expire after a certain affordability period (often 30 years) elapses. At that point, the property owner can choose to renew their contract or to start renting out their units at market rate (alternatively, they can remove their units from the rental market entirely). Many properties reaching their expiration dates require capital investment to make needed repairs. As shown in the graph below right, many LIHTC and Section 8 units in Cleveland will reach their expiration dates within the next 10 years. The Cuyahoga Affordable Housing Alliance (CAHA) has actively pursued interventions to preserve expiring units as affordable since 1997. Additional preservation funds are urgently needed.



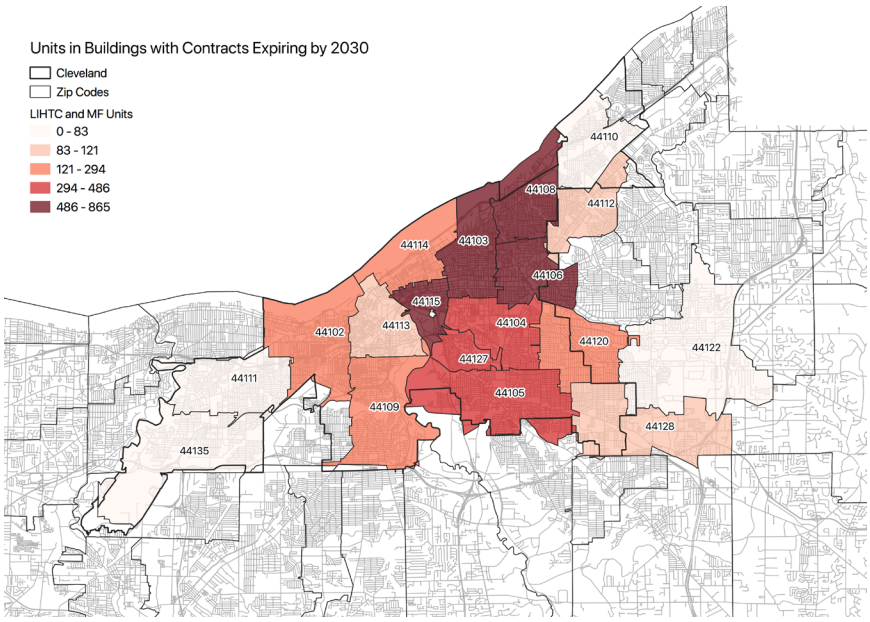
Source: National Housing Preservation Database

FEDERALLY SUBSIDIZED UNITS, CONTINUED

The graph at right shows what Cleveland's subsidized housing stock may look like by 2040 if units are allowed to expire without renewal and/or recapitalization.



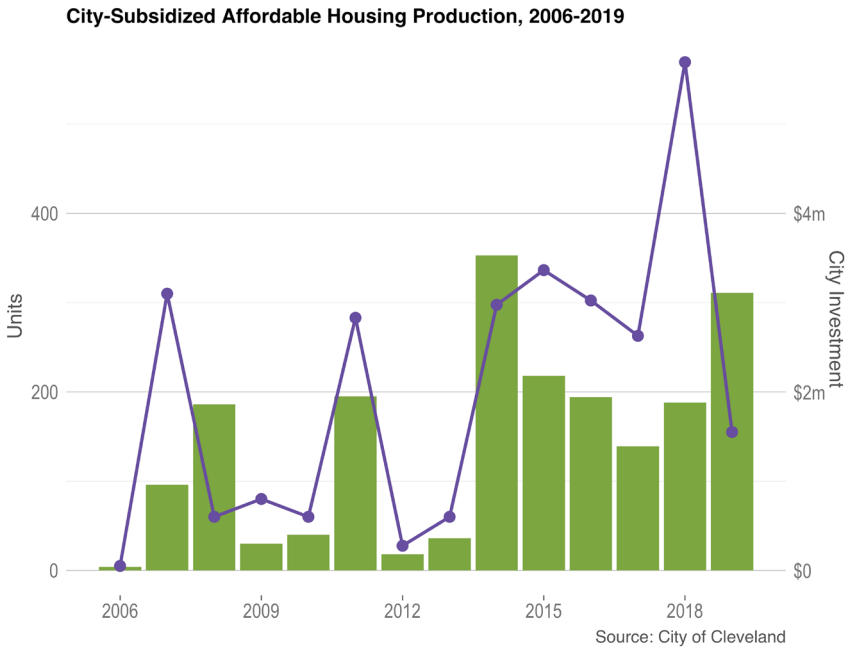
As shown in the map at right, the LIHTC and HUD Multifamily units at risk of expiring by 2030 are not spread evenly across the city but concentrated on the East Side, particularly in four zip codes: 44115, 44103, 44108, and 44106. The fact that expirations are clustered in this way means that they have the potential to negatively impact entire neighborhoods, particularly the neighborhoods of St. Clair-Superior, Glenville, Hough, Fairfax, Central, and Goodrich-Kirkland Park.



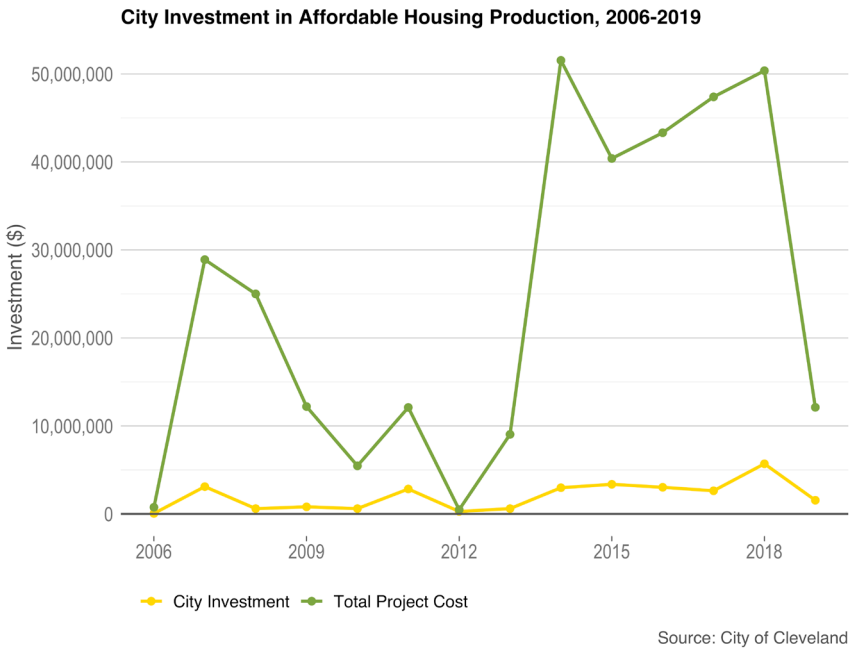
Source: National Housing Preservation Database

CITY-SUBSIDIZED AFFORDABLE HOUSING

The City of Cleveland also subsidizes the development of affordable housing, including single- and multi-family construction and rehab. Both the amount of subsidy (the purple line on the graph at right) and the number of units subsidized (in green bars) have increased substantially since 2006, the earliest year for which data are available, though the figures fluctuate year to year. In 2019, the City invested $1.55 million to subsidize 311 units. Because the units cost a total of $12.1 million to develop, the City had a leverage ratio of 7.81.



The graph at right compares the amount of the City's investment to the total cost of developing the subsidized units. The City's leverage ratio reached 18.04 in 2017, but dropped thereafter.



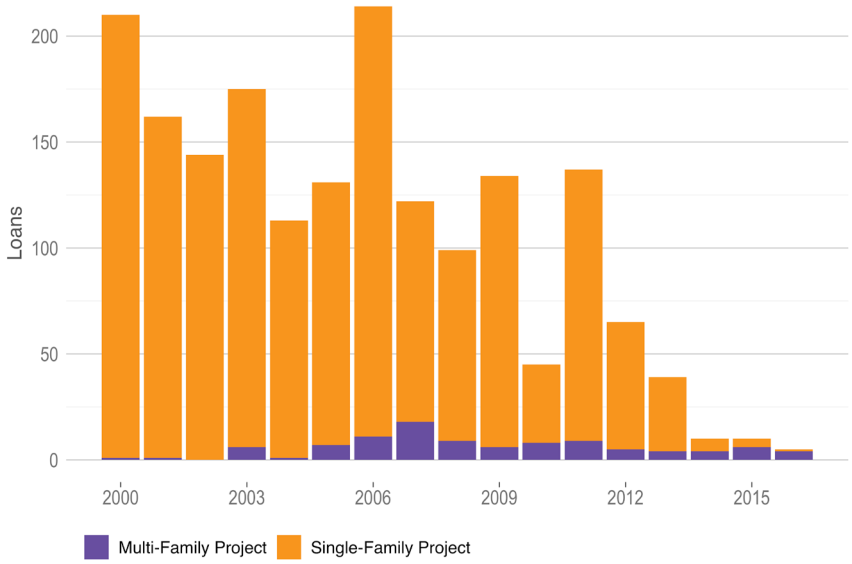
CITY LOANS FOR HOUSING DEVELOPMENT

One way the City invests in housing production is through Housing Trust Fund loans. Through a competitive proposal process administered by the Department of Community Development, the Housing Trust Fund provides HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), and other public funds for investment in housing development projects that provide affordable units and/or advance the City's neighborhood revitalization strategies. The number of loans awarded has decreased since 2000, as shown in the graph above right. In 2016, the last year for which data were available, only 5 loans for a total of $2.63 million were awarded to support the development of 151 units. Compare this to 2010, when 45 loans for a total of $12.97 million were awarded to support the development of 917 units.

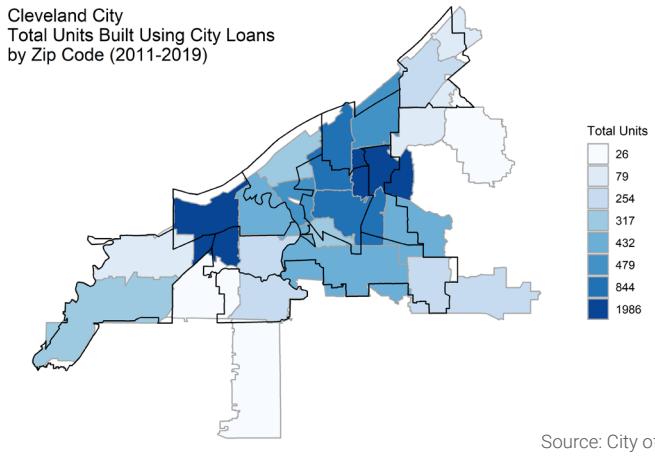
The total number of units built using City loans is heavily skewed by the Circle North-University Circle-Buckeye-Shaker-Larchmere neighborhood, which built 1,986 units in 2011 through 2019. By contrast, the median zip code built 305 units with the help of City loans.

The primary source loan funds is the HOME program, though the Neighborhood Stabilization Program (NSP) played an important role following the Recession in 2009-2013.

City Housing Loans Issued by Project Type, 2000-2016

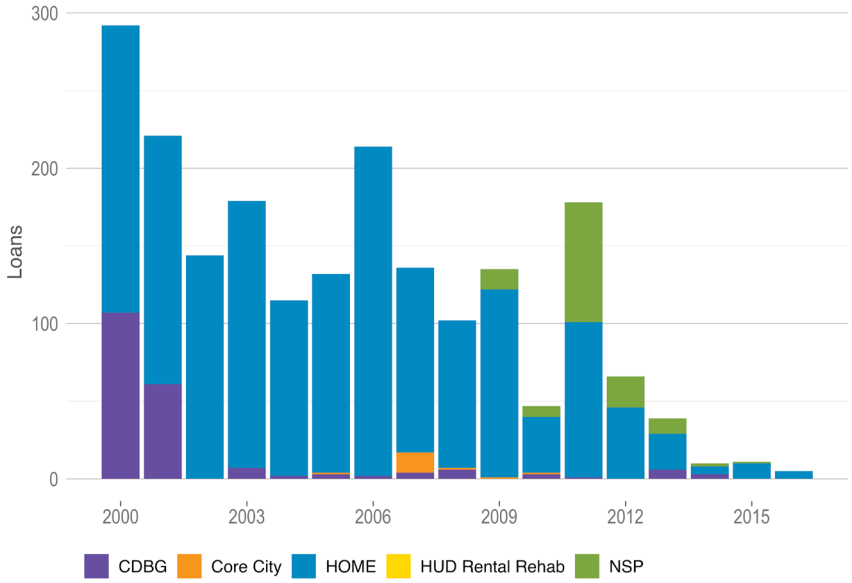


Source: City of Cleveland



Source: City of Cleveland

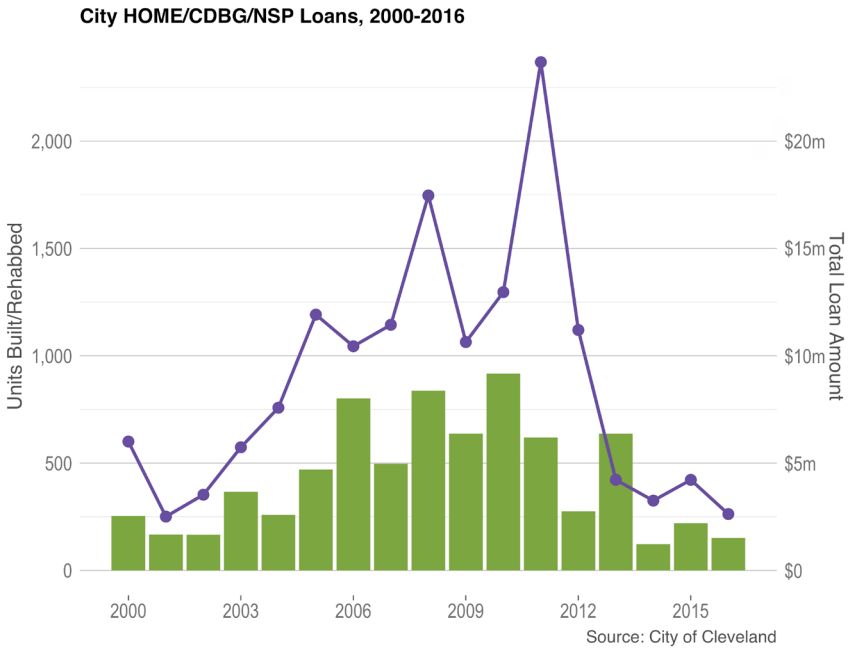
City Housing Loans Issued by Type, 2000-2016



Source: City of Cleveland

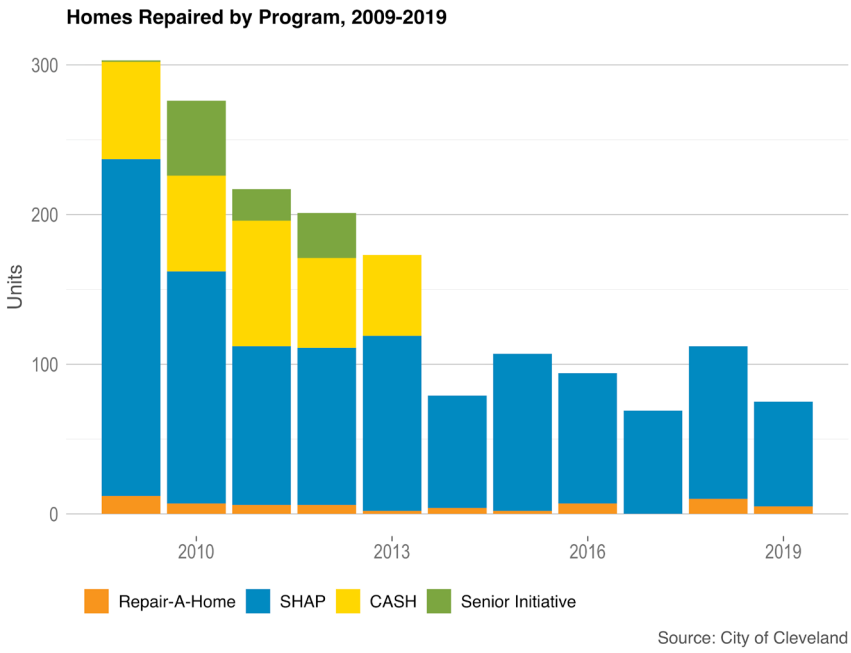
CITY DEVELOPMENT LOANS, CONTINUED

The graph at right juxtaposes the total amount loaned (in purple) with the number of units developed (in green). Lending peaked in 2011 at over $23 million. However, development peaked the year prior (2010). By 2016, both lending and development had fallen to a low not seen since 2001.



CITY HOME REPAIR PROGRAMS

The City of Cleveland's Division of Neighborhood Services administers a variety of programs to support home repairs. Repair-A-Home offers low-income homeowners low-interest loans for code-related repairs, mechanical repairs, or health-and-safety repairs. The Senior Homeowner Assistance Program (SHAP) provides grants to low-income Cleveland residents aged 60 or over, or disabled adults, who own a single- or two-family home in need of critical repairs. The Senior Initiative similarly provided home repair assistance through the cooperation of the City's Departments of Aging, Building and Housing, Community Development, Consumer Affairs, Public Health, and Law, but is no longer active. Finally, Cleveland Action to Support Housing (CASH) was formed in 1978 through a partnership between the City and local financial institutions and provided loans with below-market interest rates for home repairs.

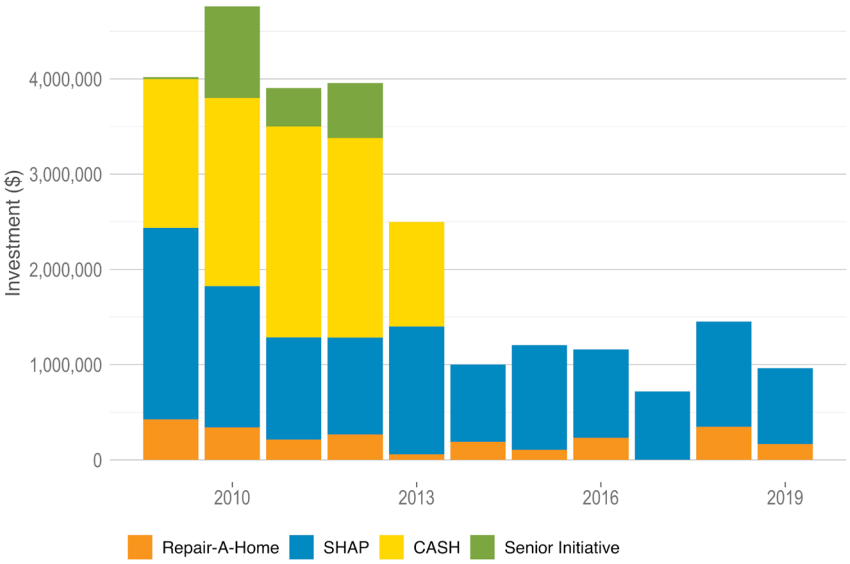


CITY HOME REPAIR PROGRAMS, CONTINUED

The number of homes repaired through these programs in 2019 was 75 for a total of $963,000 in loans and grants. Compare this to 2009, when over 300 homeowners were served for a total of $4 million.

Home repairs decreased for three reasons. First, HUD revised the income documentation required for CDBG-funded programs, making it more difficult to enroll households in these programs. The requirements have been relaxed during the COVID-19 pandemic, but only slightly. Second, there was a reduction in funding allocated by the City to home repair. Finally, the pool of lead-certified contractors eligible to perform home repairs has decreased within the last five years.

Homes Repair Investment by Program, 2009-2019

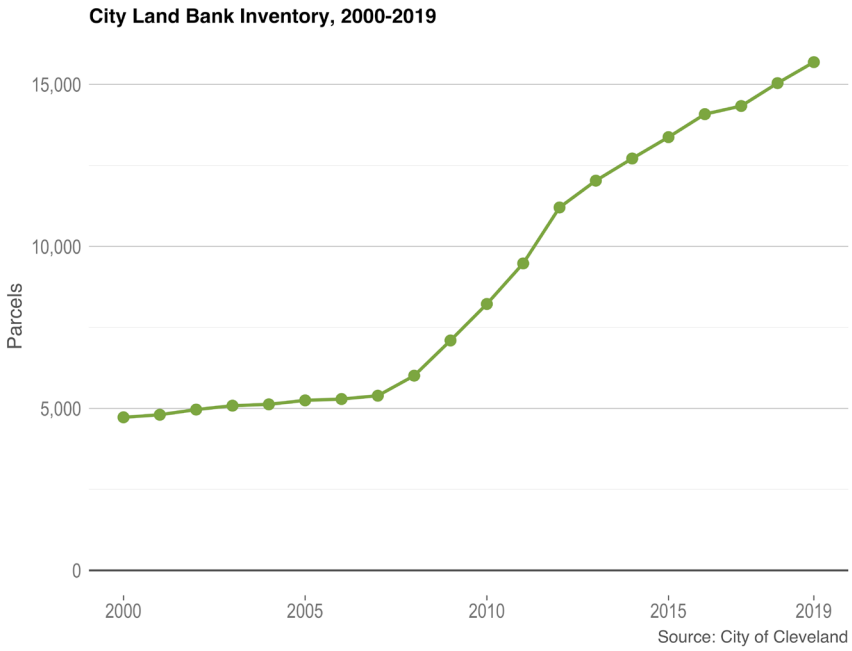


Source: City of Cleveland

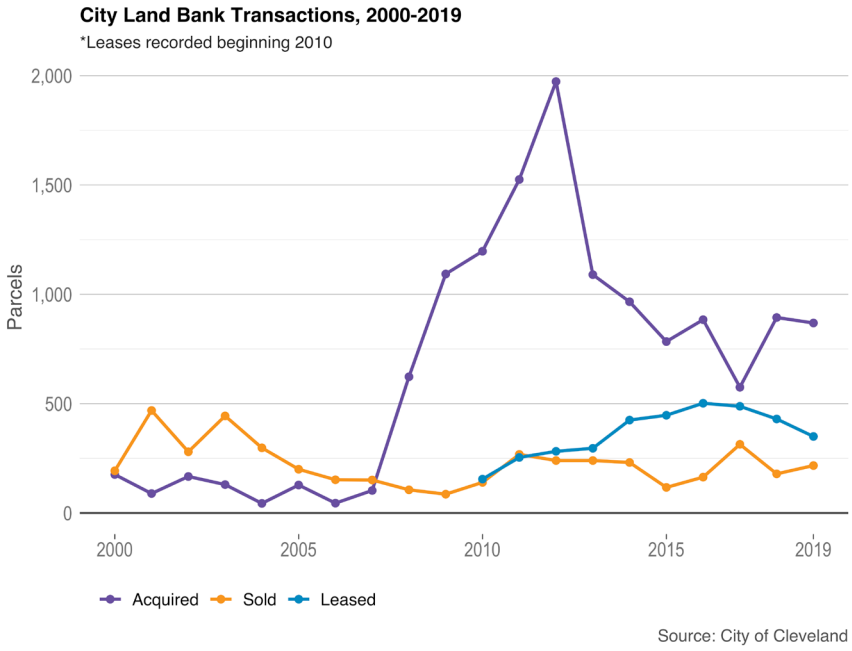
10. CITY LAND BANK

CITY LAND BANK

The City of Cleveland's Land Reutilization Program (also called the City Land Bank) acquires vacant lots with the goal of transferring them to responsible parties in order to return them to productive use. The City Land Bank can hold these vacant parcels for a relatively long period of time in order to assemble them for projects. By contrast, the Cuyahoga County Land Bank can acquire both lots and structures, and has greater flexibility in processing transfers, but holds them for a shorter period of time.[1] The City Land Bank also works to repurpose vacant lots for green uses. For example, the Land Bank has partnered with non-profits in the Re-Imagining Cleveland initiative to lease vacant land for vineyards, orchards, market gardens, pocket parks, and stream bed reconstruction, as well as sell the land to residents for side yards.[2]



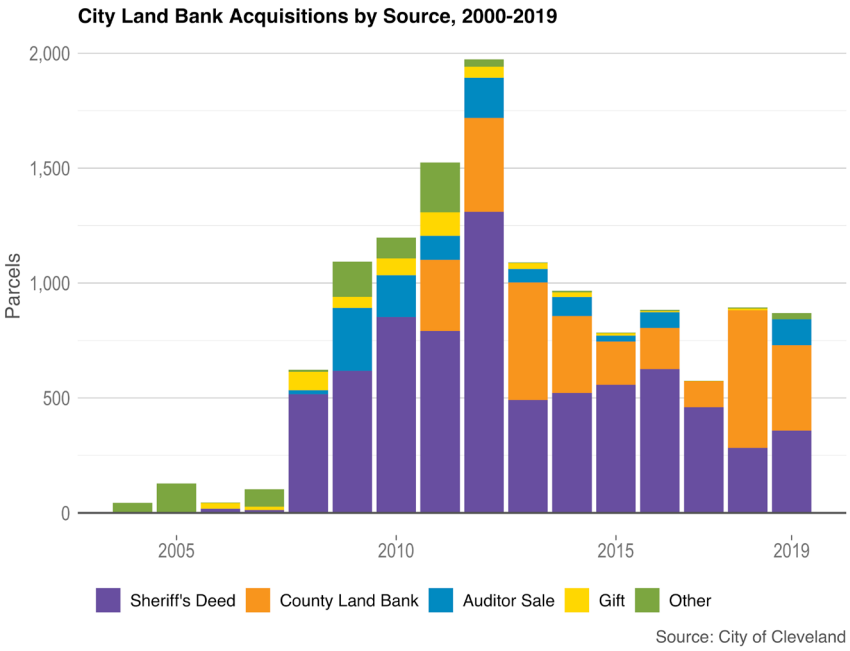
As of September 25, 2020, the City Land Bank held 15,943 parcels, for a total of about 1,840 acres of land, or 3.5% of the City's land area. The Land Bank's holdings have increased significantly since 2000, when the inventory included only 4,725 parcels. The Land Bank acquired much of its current inventory in the years following the Great Recession (2009-2015), when it acquired an average of over 1,400 parcels per year. At the same time, the Land Bank sells only about 225 parcels per year. Sale volumes have been fairly constant over the life of the land bank. The number of parcels leased or licensed began to be tracked only in 2010 when Re-Imagining Cleveland projects were initiated. Since then, about 360 parcels per year have been leased or licensed.



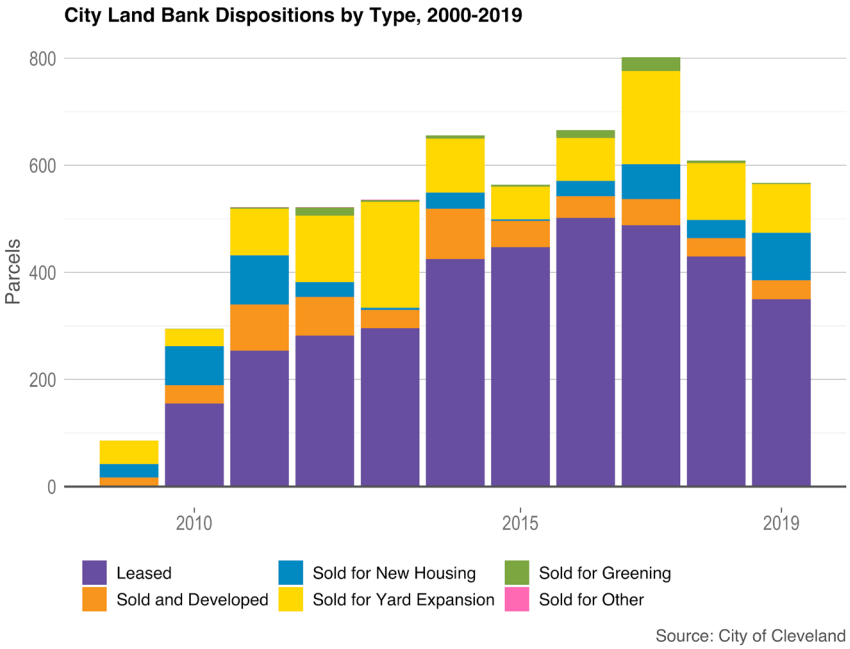
[1] Marsha Garrett. 2015. "City of Cleveland Land Bank." PowerPoint Presentation. February 3, 2015. https://cuyahoga.osu.edu/sites/cuyahoga/files/imce/Program_Pages/MarketGardener/Week%202%20ClevelandLandBank.pdf
[2] Cleveland Neighborhood Progress. 2020. "About." Re-Imagining Cleveland. http://www.clevelandnp.org/reimagining-cleveland/

LAND BANK, CONTINUED

The source of acquisitions for the Land Bank has varied over time. Beginning in 2008, sheriff's deeds (in purple) became a major source of the Land Bank's inventory. Auditor sales and forfeitures (in blue) also supplied over 100 parcels per year in 2009-2012. As Cleveland recovered from the Recession, these sources of land decreased, but did not disappear. The Cuyahoga (County) Land Bank became a major new source of land in 2011 and made up the majority of acquisitions in 2018 and 2019. The two land banks sometimes work together. For example, in 2012, they collaborated to identify and lease land to Koinonia, Cuyahoga County's largest private provider of services for people with developmental disabilities, to create an urban farm to serve and employ their clients.[1]



Most City of Cleveland Land Bank dispositions take the form of leases. Of those that are sold, the largest share go to residents for yard expansions as part of a strategy to transform distressed areas throughout the city. Some parcels are sold for new housing; the Trailside development in Slavic Village, which includes 58 new homes, was built on a 12-acre site that includes former land bank parcels.[2]



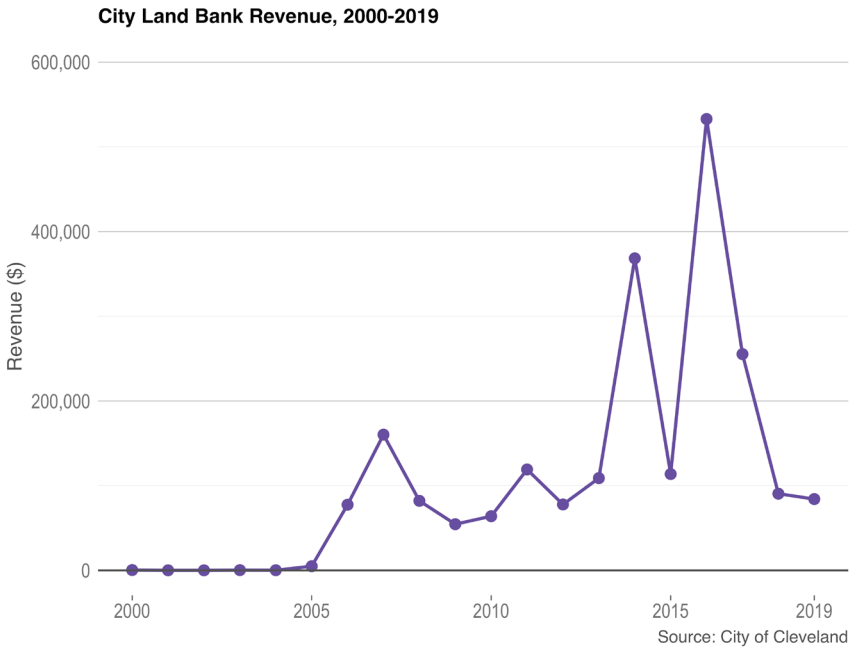
[1]Cuyahoga Land Bank. 2012. "Konoinia, Cleveland, and Cuyahoga Land Bank Work Together to Create and Urban Farm that Teaches People with Disabilities." Press Release. August 15, 2012. http://www.cuyahogalandbank.org/pressReleases/Koinonia_20120815.pdf

[2] City of Cleveland. "The City of Cleveland Land Bank at Work." https://clevelandohio.gov/sites/default/files/forms_publications/LandBank5SuccessStories.pdf

LAND BANK, CONTINUED

As the City of Cleveland Land Bank's inventory has increased, so has its revenue. The Land Bank recorded only $100 in revenue in 2001, but over $530,000 in 2016. Since then, revenue has declined. As of November 2020, year-to-date revenue was $109,330.

Residents and developers must complete an application to buy or lease land bank parcels. When such parcels are sold, their price is determined by the City of Cleveland's Board of Control. Lots for residential side yards are sold for $200, as are lots for new housing construction and for agriculture or gardening. Sales for other uses require an appraisal of fair market value. Lease terms are negotiated on a case-by-case basis and can take a long time—months or years—to finalize.



DATA LIMITATIONS

We are extremely grateful to the City of Cleveland, the Poverty Center at Case Western University, and other local partners for providing much of the data presented in this report. No dataset is perfect, however, and this report is subject to several limitations, including the following:

- In the City of Cleveland Department of Building and Housing's permit dataset, apartment buildings with four or more units are categorized as commercial rather than residential structures. The dataset does not not track the number of individual units permitted in commercial structures. Even for residential permits, the number of units is not consistently recorded. As a result, we do not know the total number of new homes permitted in Cleveland each year. In addition, permit categories changed in 2014, making it difficult to track permitting trends over time.
- In the City of Cleveland's Rental Registration database, rental property owners may be listed multiple times with slight variations in their business names and addresses. In some cases, multiple rental properties are listed as occupying the same address for overlapping periods. Further, many entries are incomplete. These limitations make it difficult to ascertain how many landlords are registered, how large their portfolios are, and what share live in the City of Cleveland or in Ohio.
- Eviction records provided by the Cleveland Municipal Court, while containing many important variables, did not capture the cause of an eviction filing (whether it be nonpayment of rent or another cause).

We would love your feedback on this draft! Please email any and all comments to clevelandhousingplan@gmail.com

Cleveland
HOUSING PLAN 2030

Market Study

July 2021

WORKING DRAFT

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1. POPULATION PROJECTIONS

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TOTAL POPULATION

Cleveland's population has declined since the 1980s. Since 2010, the city's population decreased by 5.33% while the county's decreased by 3.09%. The population of the Cleveland-Elyria-Mentor Metropolitan Area has also decreased, by 1.19%, since 2010.[1]

In order to estimate the population of Cleveland, Cuyahoga County, and the Cleveland Metro Area in 2030, we use a projection method called the cohort-survival or cohort-component method. It works by "surviving forward" the members of each age and sex cohort of the population from a base year using that cohort's recent natality, mortality, and migration rates. As such, if the number of people of an age to have children declines in one period, there will be fewer children projected to be born in the next, and so on. More details on this method are included in the methods note on page 6.

As shown in Table 1 below, Cleveland's population is projected to decrease at a rate of 2,370 people per year between 2018 and 2030, which represents a decline of about 6% over the coming decade. The county population is projected to decrease by 6,220 per year, and the metropolitan population by 8,900, in the same time frame. Notably, the city's population decline will account for about 27% of the metropolitan decline, though Cleveland is home to less than 20% of the metro area's total population.

Table 1. Projected Population 2022-2030

	2014	2018	2022 (Forecast)	2026 (Forecast)	2030 (Forecast)
City of Cleveland	**393,490**	**386,542**	**378,281**	**369,009**	**358,100**
Younger than 20	27%	25%	24%	23%	22%
20 to 35	23%	25%	25%	25%	25%
36 to 63	37%	35%	34%	33%	33%
64 or older	13%	15%	17%	19%	20%
80 or older	4%	4%	3%	4%	4%
Cuyahoga County	**1,268,200**	**1,245,694**	**1,223,382**	**1,198,481**	**1,171,084**
Younger than 20	25%	23%	22%	21%	20%
20 to 35	20%	22%	22%	22%	22%
36 to 63	38%	37%	35%	34%	34%
64 or older	17%	19%	21%	23%	25%
80 or older	5%	5%	5%	5%	6%
Cleveland Metro Area	**2,068,524**	**2,037,496**	**2,005,144**	**1,969,937**	**1,930,714**
Younger than 20	25%	23%	21%	20%	19%
20 to 35	19%	20%	21%	21%	21%
36 to 63	39%	38%	37%	35%	35%
64 or older	17%	19%	21%	24%	26%
80 or older	11%	11%	11%	12%	14%

[1] The Cleveland-Mentor-Elyria Metropolitan Area includes Cuyahoga County (which is its densest and most populous county) as well as the four adjoining counties of Lorain, Medina, Geauga, and Lake.

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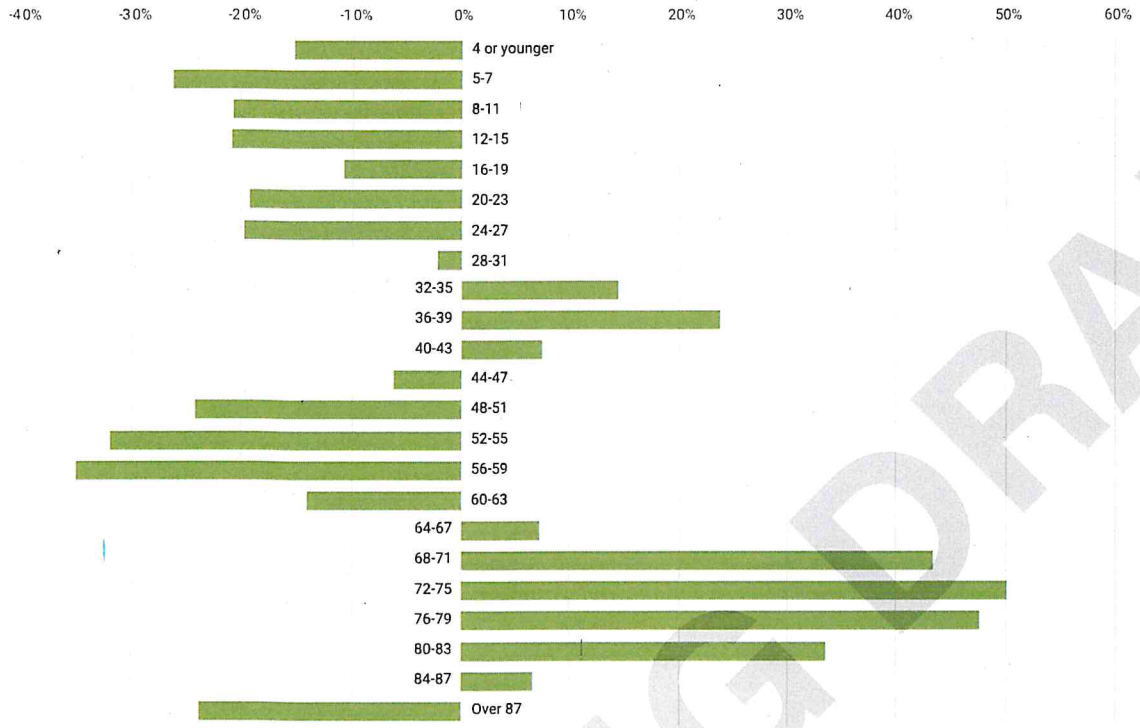
Figure 1. Projected Percent Change in Four-Year Age Cohorts in Cleveland, 2018-2030



The age composition of the population will also shift, with persons 64 or older making up 20% of the city's population, compared to only 15% in 2018. The shares of Clevelanders aged younger than 20 and aged 36 to 63 are projected to decline. Figure 1 above shows the projected percent change in each age group in Cleveland by 2030:

- The total number of residents aged under 32 (currently about 172,000 people) is expected to decrease by 17%, to 143,400.
- Those aged 32 to 43, by contrast, will increase by 15%, from 55,400 to 64,000.
- The group of residents aged 44 to 63 will decrease by 23%, from 101,600 to 78,100.
- Those aged 64 to 87 will increase by 30%, from 53,200 to 69,300.
- Finally, the number of very old residents (aged 88 or older) will decrease by 24%. (It is important to note that this group is very small—less than 4,000 people in total—so the projected decrease is subject to large margins of error).

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POPULATION PROJECTION METHOD

As described previously, the cohort-survival projection method "survives forward" the members of each age and sex cohort of the population from a base year using that cohort's recent natality, mortality, and migration rates. In order to project from a base period of 2014 to 2018 to a target year of 2030, we use four-year age cohorts which are "survived forward" three times (to 2022, 2026, and finally 2030).

Using 2014 to 2018 as a base period allows us to project forward based on a time when Cleveland had emerged from the depths of the Great Recession and population decline had slowed. If five-year age cohorts had been used, we would have to project from a base period of 2010 to 2015 (which falls squarely during the Recession recovery) in order to arrive at 2030 by multiples of five. Using four-year cohorts means, however, that we cannot use Census tabulations of American Community Survey (ACS) data, which break out age in five-year (not four-year) increments. Instead, we use the Public Use Microsample (PUMS) of the ACS, which provides household-level data for a sample of households in a PUMA, or Public Use Microsample Area.

We used the PUMS of 2014-2018 five-year ACS data to construct the base cohorts by age and sex. We use 2014 death rates by sex and age, and birth rates by sex and age of mother, to estimate natural population change. We then use population change between the 2010-2014 PUMS ACS and the 2014-2018 PUMS ACS to estimate migration rates.

To project the 2030 population of the Cleveland Metropolitan Area and of Cuyahoga County, we used PUMS data for all households in the county. To project population for the City of Cleveland, we used PUMS data for the PUMAs that fall within the city. Importantly, PUMA boundaries shifted slightly in 2012.

Since the CDC mortality data age cohorts were either five or ten years, they did not match our four-year age cohorts. To account for this, we weighted death rates based on the number of years that fell within the respective CDC age cohorts. For example, the weighted death rate for those aged 12 to 14 is calculated as 75% of the CDC's death rate for those aged 5-14 (since three of the four years fall within this category) plus 25% of the death rate for those aged 15 to 24 (since one of the four years is in this category).

Additionally, since the CDC natality and mortality data are not available at the city level, we used the rates reported for Cuyahoga County and adjusted them based on Cleveland's share of the overall county population. In 2014, Cleveland's population was estimated at 393,490, or 31% of Cuyahoga County's population (estimated at 1,268,200). Therefore, we took the natality and mortality numbers at the county level and multiplied them by 0.31 to get an estimate for Cleveland.

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2. HOUSING PROJECTIONS

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TENURE

In order to develop an estimate of future housing demand, we break out projected population by tenure (renter vs. homeowner) by applying ACS estimates for tenure for householders in each age cohort in the base year, 2018, to projected population by age cohort in 2030. Note that when we convert from total population to householder population in each cohort, we apply a headship rate that factors in the trend towards smaller household sizes in Cleveland.

Based on these results, the City of Cleveland would see a total decline of 4,029 occupied housing units between 2018 and 2030, or about 310 units per year. The demand for homeownership units would increase by 64 units per year, which represents a total increase of 640 units between 2020 and 2030, while the demand for rentals would decrease by 374 units per year.

Table 2. Projected Tenure 2030

	Population Aged 12+	Headship	Own (If Head)	Rent (If Head)
City of Cleveland	**313,913**	**178,814**	**70,702**	**108,112**
Younger than 20	34,208	2,475	16	2,459
20 to 35	87,921	44,684	7,033	37,651
36 to 63	119,055	76,453	31,230	45,223
64 or older	72,729	55,202	32,423	22,779
80 or older	7,499	5,876	3,459	2,417
Cuyahoga County	**1.03 million**	**559,824**	**314,264**	**245,560**
Younger than 20	99,495	6,081	153	5,928
20 to 35	252,877	115,395	33,552	81,843
36 to 63	394,131	236,908	141,734	95,174
64 or older	287,047	201,439	138,825	62,614
80 or older	36,437	28,399	16,539	11,860
Cleveland Metro Area	**1.73 million**	**914,683**	**569,079**	**345,604**
Younger than 20	242,541	27,967	1,705	26,262
20 to 35	404,119	175,896	60,698	115,198
36 to 63	673,360	394,527	261,427	133,100
64 or older	493,101	336,286	246,734	89,551
80 or older	117,326	88,146	58,373	29,772

It is important to note that these projections do not take into account changes in preferences. Projected changes in housing demand by tenure are based solely on changes in Cleveland's age profile. Since we project that Cleveland's population will age, and that older Clevelanders are more likely to own their homes, we project increased demand for homeownership. Those aged 64 or older, among whom we are projecting a large percent increase by 2030, own their own homes at a rate of nearly 60%, compared to those aged 20 to 35, a group projected to shrink, who are homeowners only 16% of the time.

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In the recent past, renter-ship in Cleveland has in fact been rising while homeownership has seen a downward trend. This may not be the result of a preference for renting, however. The data also show that the share of Clevelanders of the age to have school-aged children (35 to 44) is declining from year to year (this group declined by 9,814 individuals, or 18%, between 2010 and 2018). In addition, the homeownership rate for this group of households is declining (from 43% in 2010 to 35% in 2018). This suggests that younger Clevelanders may be migrating to the County or elsewhere in order to buy homes. It may be useful to set a higher target for owner-occupant homes in the city in order to retain these families.

HOUSING TYPE

We also break out projected population by housing type (single-family units, 2-to-4-unit structures, and 5-plus unit multifamily structures), again applying ACS 2018 estimates to projected population by age cohort in 2030. The results suggest that the demand for single-family units will decline the least, at 70 fewer units per year, with demand for units in 2-4-unit buildings declining at a rate of 75 units per year, and demand for multifamily units declining at a rate of 98 units per year.

Again, these projections are based solely on anticipated shifts in age demographics. Also important to note is that these projections do not account for induced demand—the idea that adding new housing units in "hot" neighborhoods may stimulate additional demand. It is difficult to anticipate, though, what share of the demand stimulated in this way would come from other neighborhoods within the city—thus resulting in movement from one area to another, rather than a net increase in citywide demand.

Table 3. Projected Housing Type in 2030

	Single-Family	2-4-Unit Building	Multi-Family	Other
City of Cleveland	**95,288**	**34,837**	**35,669**	**12,701**
Younger than 20	164	84	149	2,078
20 to 35	17,216	10,502	13,134	3,832
36 to 63	45,596	14,976	12,365	3,516
64 or older	32,312	9,275	10,020	3,275
80 or older	3,307	799	537	914
Cuyahoga County	**359,387**	**54,510**	**113,171**	**30,133**
Younger than 20	417	225	510	4,930
20 to 35	53,251	17,716	38,207	6,222
36 to 63	169,874	22,400	38,571	6,062
64 or older	135,846	14,169	35,884	12,920
80 or older	15,807	1,497	4,244	4,228
Cleveland Metro Area	**637,723**	**70,711**	**149,652**	**52,753**
Younger than 20	4,477	3,174	8,832	11,483
20 to 35	92,142	22,470	50,458	10,826
36 to 63	301,653	29,231	51,359	12,284
64 or older	243,408	18,743	47,144	23,148
80 or older	56,784	4,445	12,280	10,793

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HOUSING AFFORDABILITY

Another important step is to break out projected housing demand by income band (as a share of area median income) in order to determine how affordable additional units for Cleveland households must be. We do this by again applying the distribution of households across the income spectrum in 2018 to our 2030 projection. Table 4 shows that we would expect over 75% of Cleveland's households in 2030 to demand a unit affordable at 80% of area median income (AMI) or below; the majority of the demand in this category would be for rentals. Only 23% of households are anticipated to demand a market-rate unit, and the demand is evenly split between moderately priced units affordable to those between 80 and 120% of AMI and higher-cost units affordable to those with annual household incomes over $87,600.

Table 4. Projected Housing Demand by Tenure and Income in 2030

	Household Income Range	Share of Homeowners	Share of Renters	Share of All Households
City of Cleveland				
<30% AMI	$0 to $22,000	23%	52%	40%
30-50% AMI	$22,000 to $36,500	18%	19%	18%
50-80% AMI	$36,500 to $58,400	22%	15%	18%
80-120% AMI	$58,400 to $87,600	18%	8%	12%
>120% AMI	Over $87,600	19%	6%	11%
Cuyahoga County				
<30% AMI	$0 to $22,000	12%	41%	24%
30-50% AMI	$22,000 to $36,500	12%	19%	15%
50-80% AMI	$36,500 to $58,400	18%	20%	19%
80-120% AMI	$58,400 to $87,600	19%	12%	16%
>120% AMI	Over $87,600	38%	9%	26%
Cleveland Metro Area				
<30% AMI	$0 to $22,000	10%	38%	20%
30-50% AMI	$22,000 to $36,500	12%	19%	14%
50-80% AMI	$36,500 to $58,400	18%	20%	19%
80-120% AMI	$58,400 to $87,600	20%	13%	18%
>120% AMI	Over $87,600	40%	10%	29%

Currently, many Cleveland residents do not have access to housing units that meet their income-based demand for affordability. A unit is typically considered affordable if a household is paying no more than 30% of its income towards housing costs. By this definition, as of 2018, about 48,200 rental units (about half of all occupied rentals) and 18,400 ownership units (about a quarter of all occupied ownership units) are unaffordable to their occupants.

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A household is severely cost-burdened when it devotes over half of its monthly income towards housing costs. In Table 5 below, we calculate the share of Cleveland households by income band who are severely cost-burdened, and most urgently require interventions in order to access affordable housing. About 26,300 renter households and about 9,300 owner households are severely cost-burdened. The large majority are extremely or very low-income households, especially among renters.

The share of households in Cleveland that are severely cost-burdened decreased between 2010 and 2018, even though incomes did not increase, because average housing costs fell—especially for homeowners. It is uncertain whether this trend will hold in the coming years. The COVID-19 pandemic has caused income losses for many households, yet rents have not yet adjusted significantly and home values and prices remain very strong in some neighborhoods. As a result, we would expect housing cost burdens to rise, at least in the short term.

Table 5. Share of Households that Are Severely Cost-Burdened by Income Band, 2018

	Household Income Range	Severely Cost-Burdened Homeowners	Severely Cost-Burdened Renters	Severely Cost-Burdened Households
City of Cleveland				
<30% AMI	$0 to $22,000	13%	26%	21%
30-50% AMI	$22,000 to $36,500	50%	49%	49%
50-80% AMI	$36,500 to $58,400	10%	2%	5%
80-120% AMI	$58,400 to $87,600	2%	1%	1%
>120% AMI	Over $87,600	0%	0%	0%
Cuyahoga County				
<30% AMI	$0 to $22,000	10%	23%	15%
30-50% AMI	$22,000 to $36,500	57%	54%	55%
50-80% AMI	$36,500 to $58,400	15%	4%	9%
80-120% AMI	$58,400 to $87,600	4%	2%	3%
>120% AMI	Over $87,600	1%	0%	1%
Cleveland Metro Area				
<30% AMI	$0 to $22,000	56%	52%	53%
30-50% AMI	$22,000 to $36,500	16%	4%	10%
50-80% AMI	$36,500 to $58,400	4%	2%	3%
80-120% AMI	$58,400 to $87,600	1%	0%	1%
>120% AMI	Over $87,600	0%	0%	0%

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HOUSING CONDITIONS

Even though Cleveland's population is projected to continue to decline, the city will still need to add new units, either via new construction or gut rehabilitation of existing, uninhabitable units. Each year, both vacant and formerly occupied units drop out of the housing stock because they are demolished or because they have become uninhabitable. In addition, new units can contribute to affordability in a variety of ways, including by easing upward price pressure on existing low-cost units or adding directly to the affordable stock. Finally, some units are in poor condition but still habitable; for these, the demand is for substantial repairs rather than for a new unit.

Vacant Units

As of mid-January 2021, the Department of Building and Housing estimated there are about 7,700 "vacant and distressed" housing units in the city. These units are candidates for either extensive rehab work or demolition. Each year, hundreds of units are boarded up or demolished. In 2019 (the most recent year for which data are available), the City awarded 1,395 residential demolition permits and 1,804 permits to board up vacant residential buildings (some of these may be for the same unit). And each year, additional units become vacant and distressed. In the average year between 2010 and 2018, the number of vacant housing units neither for rent or sale increased by 690. For the purposes of targeting, we will assume that about 2,000 housing units drop out of the housing stock each year due to vacancy and distress and/or demolition.

Occupied Units

In 2015, the Western Reserve Land Conservancy found that about 1.4% of occupied structures in Cleveland were deteriorated, unsafe, or hazardous (rated D or F). Another 14% of occupied structures were rated C—still habitable but in need of substantial repairs. Assuming that these proportions still hold and are similar for residential structures, there may be approximately 3,000 severely deteriorated occupied homes, and about 29,700 occupied homes in need of substantial repairs, in Cleveland today.

In addition, a 2018 update of the Conservancy's property inventory found that, in the study neighborhoods, the share of C-rated structures had increased by 17.4% since 2015 (or about 5.8% per year). Projecting this trend into the future would suggest that a total of 55,600 units would become C-rated or worse by 2030.

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3. CITYWIDE HOUSING TARGETS

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TOTAL PROJECTED NEED IN CLEVELAND

Based on the calculations described above, we can derive three kinds of housing targets: a "production" target for newly constructed homes or existing vacant units that are fully rehabilitated; a "preservation" target for substantial repairs to existing homes; and a "protection" target for affordability interventions than can help severely burdened households stay in their homes.

Projected population decline suggests that the overall number of occupied homes in Cleveland will decrease by -3,100 between 2020 and 2030. We project demand for 640 additional homeownership units, however, based on trends in population age and household formation (i.e., as Cleveland households continue to age, and as household sizes continue to shrink, we project that they will demand a greater number of homeownership units). In addition, to replace units lost to severe deterioration and demolition, 20,000 units would need to be added between 2020 and 2030. Table 6 below shows how these new units would be distributed among projected households by income and tenure.

Table 6. Housing Production Targets

AMI Range		Owners by AMI	Added units		Owners by AMI	Renters by AMI	Added Own Units	Added Rental Units	Total New Units
Cleveland		100%	640		40%	60%	7,908	12,092	20,640
<30% AMI	+640 home-ownership units due to shifts in Cleveland's age make-up	23%	144	+20,000 units to replace those lost to severe deterioration and demolition	23%	52%	1,783	6,288	8,215
30-50% AMI		18%	115		18%	19%	1,426	2,298	3,840
50-80% AMI		22%	140		22%	15%	1,730	1,814	3,684
80-120% AMI		18%	117		18%	8%	1,442	967	2,525
>120% AMI		19%	124		19%	6%	1,527	726	2,376

In addition, we projected based on property inventories conducted in 2015 and 2018 that a total of 55,600 units would need substantial repairs by 2030. The fact that C-rated properties have historically been concentrated in lower-income neighborhoods suggests that all or most of the units requiring preservation going forward will be occupied by households with annual household incomes at or below 50% of area median income (AMI). Table 7 breaks out preservation targets among very low-income (30-50% AMI) and extremely low-income (<30% AMI) households based on the projected income and tenure split in 2030.

Table 7. Housing Preservation Targets

AMI Range		Low-Income Owners by AMI	Low-Income Renters by AMI	Preserved Ownership Units	Preserved Rental Units	Total Preserved Units
Cleveland	+55,600 units in need of substantial repairs	29%	71%	15,852	39,748	55,600
<30% AMI		56%	74%	8,806	29,369	38,174
30-50% AMI		44%	26%	7,046	10,379	17,426

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About 9,300 homeowner households and 26,300 renter households, many of whom are extremely or very low-income, are currently severely cost-burdened, indicating a need for additional affordable units or interventions to improve affordability of existing units. If we assume that these households are each paying exactly 50% of their monthly income in gross rent or housing costs, it would take at least $875 million by 2030, or about $73 million annually, to make their housing affordable. Table 8 shows the distribution of protection targets by tenure and income.

Table 8. Housing Protection Targets

AMI Range		Severely Cost-Burdened Owners by AMI	Severely Cost-Burdened Owners by AMI	Protected Ownership Units	Protected Rental Units	Total Protected Units
City of Cleveland		13%	26%	9,342	26,268	35,610
<30% AMI	+35,610 households that are severely cost-burdened	50%	49%	7,833	25,716	33,549
30-50% AMI		10%	2%	1,239	414	1,653
50-80% AMI		2%	1%	256	110	366
80-120% AMI		0%	0%	14	28	42
>120% AMI		0%	0%	0	0	0

All of the targets detailed above are aggregated in Table 9 to derive a total 2030 target of 118,850 new, preserved, and protected units, with the bulk of these targets concentrated among low-income households (<80% AMI).

Table 9. Aggregate 2030 Housing Targets

AMI Range	Household Income Range	Ownership Units			Rental Units			Total Units in 2030
		Preserve	Protect	New	Preserve	Protect	New	
<30% AMI	$0 to $22,000	8,806	7,833	1,927	29,369	25,716	6,288	79,939
30-50% AMI	$22,000 to $36,500	7,046	1,239	1,542	10,379	414	2,298	22,918
50-80% AMI	$36,500 to $58,400		256	1,870		110	1,814	4,050
80-120% AMI	$58,400 to $87,600		14	1,558		28	967	2,567
>120% AMI	Over $87,600			1,650			726	2,376
Total	Total	15,852	9,342	8,547	39,748	26,268	12,093	111,850

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4. NEIGHBORHOOD PROJECTIONS

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NEIGHBORHOOD PROJECTIONS

Projections of housing demand at the neighborhood level are subject to several caveats. Firstly, many data that are available at the city, county, or metropolitan level are not available at the level of the neighborhood or tract, and those tract-level data that do exist are subject to higher margins of error because of their smaller sample sizes. Secondly, building a home in one Cleveland neighborhood, even if it is supported by local demand, may simply trigger a household to move from another neighborhood, whose level of demand therefore shrinks. A third caveat is that neighborhood demand projections are based on current conditions in that neighborhood, but if the Ten-Year Housing and Investment Plan makes new investments in infrastructure, housing, and people in disinvested neighborhoods, we would certainly expect demand to shift. With these three caveats in mind, the following section examines past construction and housing condition trends, as well as key demographics, to estimate how many new and substantially rehabilitated units Cleveland's neighborhoods can support.

TOTAL UNITS AND OCCUPANCY

Table 10 presents data from the 2011-2015 and 2015-2019 five-year American Community Survey (ACS) estimates for each of Cleveland's ten study neighborhoods. The data show that, between 2015 and 2019, the total number of occupied units increased most in the Detroit Shoreway-Ohio City-Tremont study neighborhood, Greater Downtown, and University Circle-Circle North-Buckeye-Shaker-Larchmere, while it decreased most in the Southeast, West Park, and Midtown-Opportunity Corridor-Fairfax area. The number of vacant units decreased in many neighborhoods but increased substantially in the Greater Downtown area.

If we project these trends forward into the 2020s, we would expect "strong-market" neighborhoods including Detroit Shoreway-Ohio City-Tremont, Greater Downtown, and University Circle and surrounding neighborhoods to collectively see the number of occupied units increase by about 14,150 units, while the number of vacant units would increase by 1,300. Middle-market neighborhoods including Glenville, Central, and Hough; Metro West; and Old Brooklyn would collectively see an increase in occupied units of 280, and a decrease in vacant units of -3,273. Finally, underinvested neighborhoods including West Park, Southeast, and Midtown-Opportunity Corridor-Fairfax would see a decline of 4,500 occupied units, but an even larger decline in the number of vacant units (-4,700).

Table 10. Housing Stock and Occupancy by Neighborhood

	Total Housing Units, 2019	Occupancy Rate, 2019	Percent Change in Occupied Units 2015-2019	Percent Change in Vacant Units 2015-2019
Collinwood	19,250	79%	-1%	-12%
Detroit Shoreway, Ohio City, and Tremont	24,561	84%	16%	-13%
Glenville, Central, and Hough	22,339	67%	1%	-15%
Greater Downtown	10,811	82%	18%	43%
Metro West	13,340	82%	0%	-11%
Midtown, Opportunity Corridor, Fairfax	13,666	78%	-3%	-8%
Old Brooklyn	16,830	90%	0%	3%
Southeast	34,733	76%	-4%	-12%
University Circle, Circle North, Buckeye, Shaker, Larchmere	21,404	75%	5%	3%
West Park	35,294	89%	-1%	-4%

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NEW CONSTRUCTION

Because Cleveland's permit database only records residential units permitted in 1-3-unit structures, it is not a reliable indicator of the actual volume of construction in the city. A better, though still imperfect, indicator is the number of units receiving tax abatements. The tax abatement program eliminates property taxes on 100% of the dollar amount by which qualifying new construction or remodeling activities increased the assessed market value of the property, and is available for all newly constructed single- and two-family dwellings or multi-family investor properties, as well as for rehabilitations of $500,000 or more for multifamily projects and of $2,500 or more for one- and two-family dwellings. The abatement remains in effect for a period of 15 years. Table 11 below shows the average annual per-unit abatements aggregated by neighborhood, based on abatement tallies for 2010-2019. The tax abatement is not automatic; in order to claim the tax abatement, an application must be submitted by November 1st of the year following the issuance of the building permit. This suggests that the number of abatements may be an underestimate of total construction, particularly for single-family homes. Since the eligible single-family rehabs can be very small, we do not include them in the counts below.

Table 11. Abated Units by Neighborhood

	Average Units Abated per Year (2010-2019)	Single-Family Units	Multi-Family Units
City of Cleveland	**651**	**71**	**580**
Collinwood	0	0	0
Detroit Shoreway, Ohio City, and Tremont	164	40	124
Glenville, Central, and Hough	19	1	18
Greater Downtown	214	1	214
Metro West	19	4	14
Midtown, Opportunity Corridor, Fairfax	70	8	63
Old Brooklyn	1	0	1
Southeast	14	7	7
University Circle, Circle North, Buckeye, Shaker, Larchmere	131	10	121
West Park	19	0	18

HOUSING CONDITIONS

Changing housing conditions contribute to the demand for repairs and/or new units. The best housing conditions data available in Cleveland were gathered via a citywide property inventory conducted by the Western Reserve Land Conservancy (WRLC) in 2015, and a 2018 follow-up in the neighborhoods with the highest volumes of deteriorated stock. Table 12 on the following page shows the share of properties with structures, which are predominantly residential, rated C, D, and F in 2015. The table also presents the percent change in properties in these categories between 2015 and 2018 when available. Structures were rated D or F ("deteriorated" and "unsafe") because they exhibited major exterior cracks, rotting wood, broken or missing windows, open holes, and/or were filled with trash; many of these structures are vacant. Several neighborhoods saw percentages of such structures reach the double digits in 2015. But the shares of D- and F-rated structures declined in all neighborhoods where follow-up data are available, likely due to a robust demolition campaign.

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Structures with some cracking of brick or wood, major painting needs, crumbling concrete, and cracked windows or stairs were rated C ("fair"). The highest shares of structures falling into this category occur in Glenville-Central-Hough, University Circle-Circle North-Buckeye-Shaker-Larchmere, and the Southeast. Concerningly, the share of C-rated structures *increased* in all neighborhoods for which two data points are available.

Table 12. Structures Rated C, D, and F, and change 2015-2018, by Neighborhood

	Percent of Structures Rated D & F	Percent Change 2015-2018	Percent of Structures Rated C	Percent Change 2015-2018
Collinwood	4%	-4%	17%	+2%
Detroit Shoreway, Ohio City, and Tremont	2%		20%	
Glenville, Central, and Hough	13%	-4%	25%	+8%
Greater Downtown	2%		20%	
Metro West	3%		19%	
Midtown, Opportunity Corridor, Fairfax	10%	-2%	20%	+7%
Old Brooklyn	0%		6%	
Southeast	8%	-2%	22%	+5%
University Circle, Circle North, Buckeye, Shaker, Larchmere	15%	0%	24%	+1%
West Park	0%		7%	

TENURE, AGE, AND INCOME TRENDS

Table 13 presents projected tenure trends based on 2011-2015 and 2015-2019 ACS five-year estimates. The data show that, if current trends persist, several neighborhoods will see substantial shifts toward renter-ship, especially West Park and Greater Downtown. A few neighborhoods will see boosts in homeownership as renter-ship levels decrease, including University Circle-Circle North-Buckeye-Shaker-Larchmere and Glenville-Central-Hough.

Table 13. Projected Change in Tenure by Neighborhood

	Percent Owners, 2019	Percent Renters 2019	Change in Owners 2020-2030	Change in Renters 2020-2030
Collinwood	39%	61%	-689	301
Detroit Shoreway, Ohio City, and Tremont	32%	68%	4,391	3,971
Glenville, Central, and Hough	37%	63%	449	-186
Greater Downtown	8%	92%	417	3,478
Metro West	36%	64%	-403	423
Midtown, Opportunity Corridor, Fairfax	23%	77%	-397	-297
Old Brooklyn	56%	44%	-523	518
Southeast	53%	47%	-2,601	-176
University Circle, Circle North, Buckeye, Shaker, Larchmere	33%	67%	1,834	58
West Park	57%	43%	-1,908	1,250

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If current trends continue, most neighborhoods will see the number of households headed by those aged 15 to 24 decline, while the number headed by seniors (aged 65 and over) will increase. Exceptions include the Detroit Shoreway-Ohio City-Tremont and Greater Downtown neighborhoods, which will see growth in the number of young households as well as among older ones.

Table 14. Projected Change in Households by Age of Householder

	Change in Householders 15-24 years old	Change in Householders 25-44 years old	Change in Householders 45-64 years old	Change in Householders 65 years or older
Collinwood	-238	228	-969	591
Detroit Shoreway, Ohio City, and Tremont	445	5,650	-666	2,933
Glenville, Central, and Hough	-1,038	1,792	-319	-173
Greater Downtown	550	2,627	62	655
Metro West	-430	971	-985	465
Midtown, Opportunity Corridor, Fairfax	-103	-140	-603	152
Old Brooklyn	-207	80	201	-78
Southeast	-563	-1,710	-578	74
University Circle, Circle North, Buckeye, Shaker, Larchmere	-376	-27	-717	3,011
West Park	25	344	-2,340	1,313

Meanwhile, all neighborhoods (with the exception of Collinwood) will see declines in the number of households earning $25,000 or less (in 2019 inflation-adjusted dollars), but vary widely as to whether households will increasingly fall in the $25,000-$50,000 or $50,000-$75,000 range.

Table 15. Projected Change in Households by Inflation-Adjusted Income

	Household Income < $25k	Household Income $25k - $50k	Household Income $50k - $75k	Household Income $75k - $200k	Household Income > $200k
Collinwood	29	428	-665	-194	20
Detroit Shoreway, Ohio City, and Tremont	-2,295	1,541	3,053	5,175	858
Glenville, Central, and Hough	-2,166	1,969	326	123	10
Greater Downtown	-261	560	1,975	1,810	-169
Metro West	-1,253	221	64	970	19
Midtown, Opportunity Corridor, Fairfax	-1,089	-401	711	20	71
Old Brooklyn	-717	1,200	-84	-447	36
Southeast	-2,445	-1,288	274	730	-55
University Circle, Circle North, Buckeye, Shaker, Larchmere	-1,085	1,269	361	844	511
West Park	-396	-674	-124	461	85

WORKING DRAFT

NEIGHBORHOOD DEMAND

Together, construction, conditions, and demographic trends can give us a rough picture of the 10-year housing demand by Cleveland neighborhood. These trends suggest that the greatest demand for new units will be in neighborhoods like Detroit Shoreway-Ohio City-Tremont, Greater Downtown, and University Circle-Circle North-Buckeye-Shaker-Larchmere that have a history of strong growth in the number of occupied units and in new construction abatements. Middle-market neighborhoods, if current patterns persist, will see very little population growth by 2030. Underinvested neighborhoods, absent any intervention, will see continued population decline and very limited construction. In spite of this variation, *all* Cleveland neighborhoods are projected to have significant repair needs going forward, based on the current number of, and rates of increase among, C-rated structures.

Table 16 presents a simplistic calculation of neighborhood demand for strong, middle, and underinvested neighborhoods based on straight-line projections. It also assumes that the stock of vacant units in each neighborhood, minus projected decreases in vacancy due to demolition, will absorb new households that do not access a new unit up to a "natural" vacancy rate of 5%. This calculation finds that construction of new units, based on past abatement trends, plus vacancy, will not fully accommodate demand in strong-market neighborhoods. Thus, we might expect a growing rate of construction in those locations, unless altered market conditions in other neighborhoods are able to absorb this unmet demand. Finally, the citywide need for substantial repairs to occupied homes is allocated across neighborhoods based on projected changes in the housing stock and in the percentage of C-rated structures.

Table 16. Neighborhood Demand Projections

	Change in Households 2020-2030	New Units 2020-2030	Households Absorbed by Projected Vacant Units	Projected Units in Need of Substantial Repair
Strong-Market Neighborhoods				
Detroit Shoreway, Ohio City, Tremont Greater Downtown University Circle, Circle North, Buckeye, Shaker, Larchmere	14,149	5,090	3,754	13,213
Middle-Market Neighborhoods				
Glenville, Central, Hough Metro West Old Brooklyn	280	390	73	14,522
Underinvested Neighborhoods				
Collinwood Midtown, Opportunity Corridor, Fairfax Southeast West Park	-4,517	1,030	0	26,966

WORKING DRAFT

CLEVELAND PEER CITIES REPORT

July 2021

One of the goals of the City of Cleveland's Ten-Year Housing and Investment Plan is to better leverage the funding it receives from the U.S. Department of Housing and Urban Development (HUD). HUD funds that are often used for housing programs include Community Development Block Grant (CDBG) funds, HOME Investment Program funds, and Emergency Solutions Grant (ESG) funds. This brief report explores how six other cities—Chicago, Columbus, Pittsburgh, Philadelphia, Indianapolis, and St. Louis—are using their housing resources, especially their HUD funds. These cities were chosen because their housing profiles and challenges are somewhat similar to Cleveland's, although some are much larger than Cleveland in terms of both population and budget (Chicago and Philadelphia) and therefore may be considered "aspirational peers."

Basic Housing Market Characteristics

Population Change

	2010 POPULATION	2019 POPULATION	PERCENT CHANGE	AVERAGE ANNUAL RATE OF CHANGE
CLEVELAND	396,815	385,282	-2.91%	-0.29%
CHICAGO	2,703,466	2,709,534	0.22%	0.02%
COLUMBUS	770,407	878,553	14.04%	1.47%
INDIANAPOLIS	809,804	864,447	6.75%	0.73%
PITTSBURGH	305,704	302,205	-1.14%	-0.11%
PHILADELPHIA	1,526,006	1,579,075	3.48%	0.35%
ST. LOUIS	319,294	308,174	-3.48%	-0.35%

Cleveland's population continues to decline. It is declining less quickly than St. Louis', but more quickly than Pittsburgh's population. The four other peer cities are seeing population growth.

Housing Occupancy

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	PERCENT CHANGE IN OCCUPIED HOUSING STOCK 2010-2019	PERCENT CHANGE IN VACANT HOUSING STOCK 2010-2019	2019 VACANCY RATE
CLEVELAND	0%	-9.7%	19.61%
CHICAGO	3.3%	-10.4%	12.2%
COLUMBUS	12.1%	-31.7%	9.1%
INDIANAPOLIS	4.2%	-13%	12.4%
PITTSBURGH	2.3%	-25.3%	12.2%
PHILADELPHIA	4.7%	-10.4%	12.3%
ST. LOUIS	1.1%	-3.1%	19.7%

Cleveland's occupied housing stock, unlike that of its peers, did not grow between 2010 and 2019. Columbus' occupied stock grew by the largest percentage, at 12%. Cleveland's vacant stock shrank by nearly 10%, but this was still a slower rate than in any other peer city except St. Louis. Cleveland continues to have a very high vacancy rate at nearly 20%, again similar to St. Louis.

Units in Structure

	SINGLE-FAMILY DETACHED	SINGLE-FAMILY ATTACHED OR 2-4 UNITS (2019)	5-19 UNITS (2019)	20+ UNITS (2019)
CLEVELAND	47%	31%	8%	14%
CHICAGO	26%	33%	16%	25%
COLUMBUS	46%	23%	20%	10%
INDIANAPOLIS	60%	16%	16%	8%
PITTSBURGH	44%	31%	10%	15%
PHILADELPHIA	8%	73%	6%	13%
ST. LOUIS	43%	32%	9%	16%

Cleveland's housing remains predominantly single-family, especially single-family detached (SFD). Only Indianapolis has a higher share of SFD housing. Still, Cleveland also has many larger apartment buildings; 14% of units are in structures with 20+ units, compared to only 8% in Indianapolis and 10% in Columbus. Philadelphia is overwhelmingly a city of rowhouses, while Chicago is the densest of the peer cities.

Unit Size (Number of Bedrooms)

	PERCENT CHANGE IN 0-2-BEDROOM UNITS, 2010-2019	PERCENT CHANGE IN 3+ BEDROOM UNITS, 2010-2019
CLEVELAND	1.2%	-5.7%
CHICAGO	2.4%	-0.1%

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COLUMBUS	6.7%	5.2%
INDIANAPOLIS	2.3%	1.3%
PITTSBURGH	-0.8%	-4.3%
PHILADELPHIA	2.1%	2.9%
ST. LOUIS	1.3%	-2%

Cleveland, as well as most of the six peer cities, saw an increase in smaller units (studios and 1-2-bedroom units). The exception was Pittsburgh, which saw declines in all units, both large and small. This is because of the large decline in vacant units in Pittsburgh between 2010 and 2019. Only Philadelphia saw an increase in large units (with 3+ bedrooms) that was greater than the increase in small units.

Tenure Type

	SHARE HOMEOWNERS (2019)	SHARE RENTERS (2019)
CLEVELAND	42%	58%
CHICAGO	45%	55%
COLUMBUS	45%	55%
INDIANAPOLIS	53%	47%
PITTSBURGH	47%	53%
PHILADELPHIA	53%	47%
ST. LOUIS	44%	56%

Cleveland, like most of its peers, is home to more renters (58%) than owner-occupants (42%). Philadelphia and Indianapolis are the exceptions, having large shares of homeowners.

Housing Cost Burden

	SHARE HOMEOWNERS WITH A MORTGAGE WHO ARE COST-BURDENED (2019)	SHARE RENTERS WHO ARE COST-BURDENED (2019)
CLEVELAND	33%	50%
CHICAGO	35%	49%
COLUMBUS	23%	45%
INDIANAPOLIS	24%	52%
PITTSBURGH	22%	47%
PHILADELPHIA	33%	54%
ST. LOUIS	27%	49%

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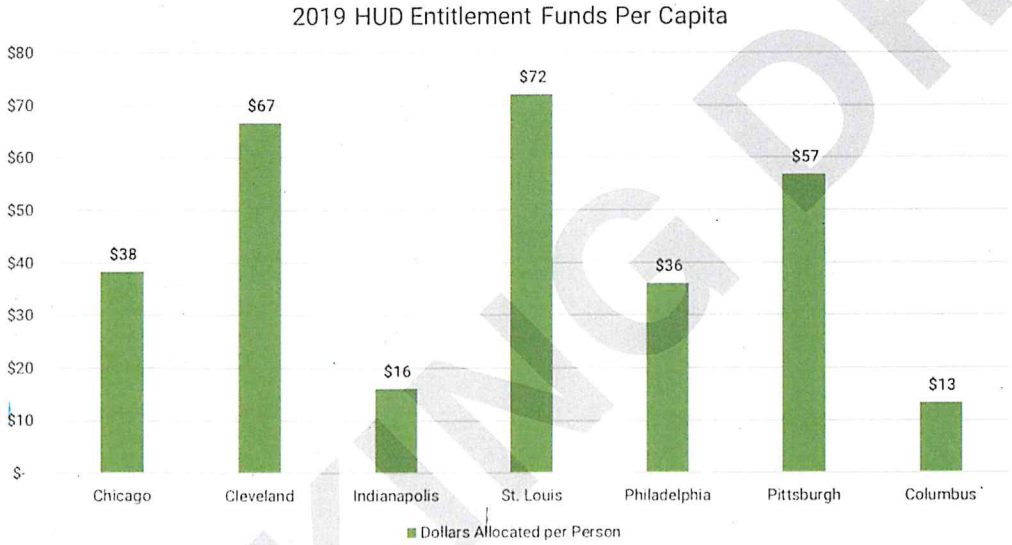
Households are considered cost-burdened when they pay more than 30% of their monthly income in housing costs. Cleveland homeowners who have mortgages are burdened at a rate of 33%, which is higher than the rates for most peers. Cleveland renters are burdened at a rate of 50%, which is comparable to its peers.

HUD Entitlement Spending

Cleveland receives a significant amount of HUD entitlement funding for its size. In 2019, Cleveland received $25.7 million in funds ($19.3 million in CDBG funds, $4.5 million in HOME funds, and $1.7 million in ESG funds). This is about $67 per Cleveland resident. Columbus, which is a larger city in terms of population, received only $11.7 million in 2019, or $13 per resident. Only St. Louis receives a larger per capita allocation, at $72.



Cleveland spends a low share of its funding in a given year, however. In FY2018, Cleveland received a total allocation of $27.4 million. At that point, it had an additional $27.5 million available in entitlement funds that had not been spent in previous years. Taking into account program income as well, Cleveland had over $57.4 million to spend in housing-related entitlement funding. Yet the City had only spent $28.5 million by the end of the fiscal year, or about 50%. As shown in the graph below, other cities were able to spend a higher share of their total available entitlement funding in 2018. Chicago spent 83% of its funds, as did Indianapolis; Pittsburgh was close behind with 82%; and Philadelphia spent 78%. Columbus and St. Louis were similar to Cleveland in that they spent only about half of the available funds.

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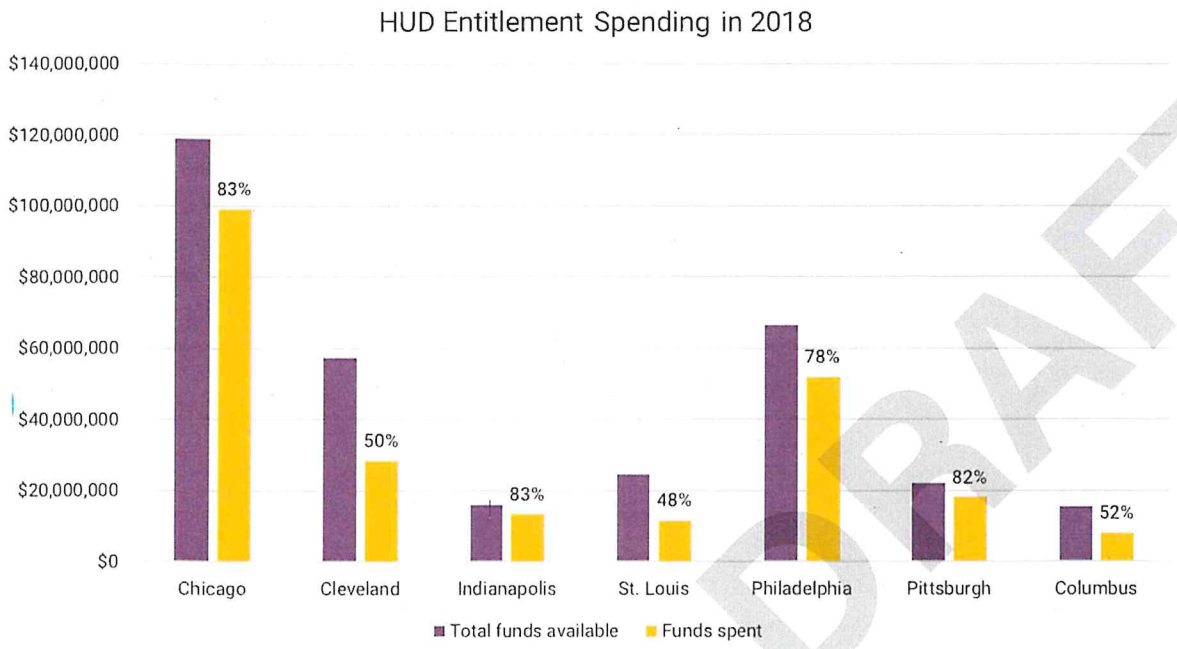
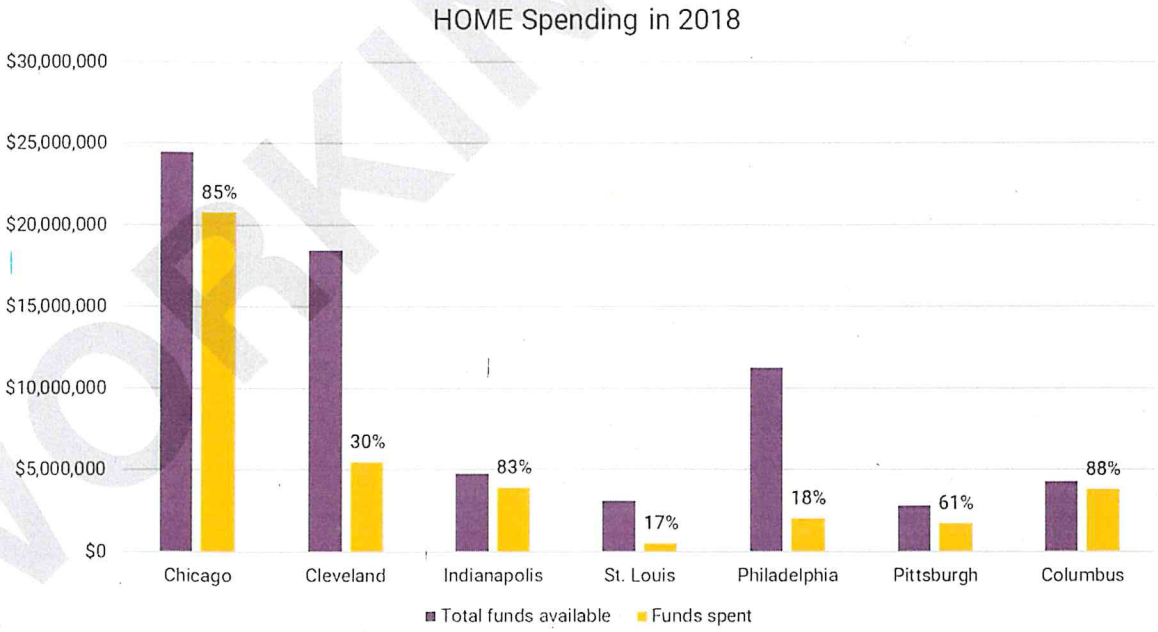


Focusing exclusively on HOME funds in FY2018, Cleveland similarly spent a low share of its funding; of the $18.5M that the City had available, it spent just $5.5M, or 30%. This is a lower share than Columbus (88%), Chicago (85%), Indianapolis (83%), and Pittsburgh (61%). St. Louis and Philadelphia, however, spent only 17% and 18% of their total HOME funds, respectively.



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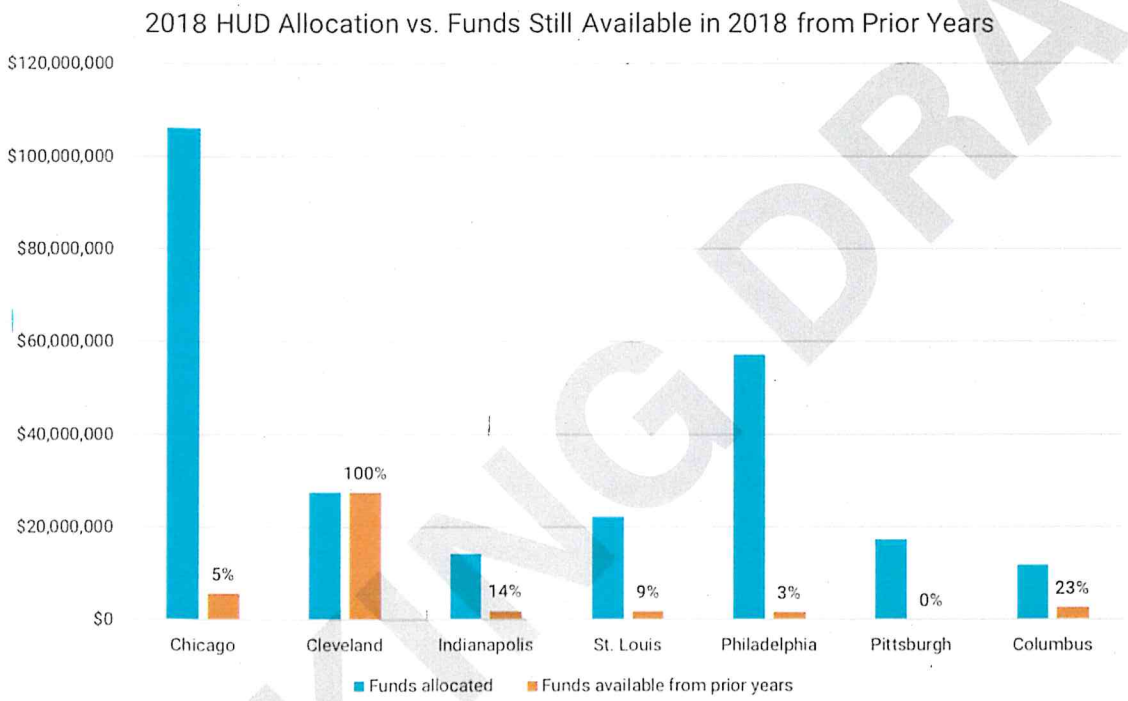
Cleveland also stood out in that it had a large amount of funding available from prior years in 2018. Prior year resources can include not only unspent CDBG, HOME, and ESG funds, but funds that have been transferred out of other pots, such as Neighborhood Stabilization Program (NSP) funds or revolving loan funds seeded with entitlement funds. In 2018, Cleveland's prior years' resources were just as great as its annual allocation. In 2019, its prior years' resources were actually larger, at $29.7 million, than its allocation, at $25.7 million. As shown in the chart below, none of the other peer cities came close to Cleveland in terms of the ratio between funds allocated and funds available from prior years. This is another indication that Cleveland may be struggling to disburse its available resources.



Selected Housing Policies and Programs

Chicago

- **The Low-Income Housing Trust Fund.** This fund assists those living at or below 30% of area median income (AMI), with half of funding reserved for those at or below 15% AMI, by providing either 1) a one-year renewable rental subsidy to the landlord of a qualified rental building or 2) a forgivable, interest-free loan that can be used to replace up to 50% of a developer's private first mortgage loan, with the savings then used to reduce the rents of very low-income tenants.
- **Small Accessible Repairs for Seniors (SARFS).** This program provides minor safety, security, and accessibility improvements that help seniors age in place; renters may participate, but the landlord must agree not to increase rent as a result of SARFS improvements. Other home repair programs include the Roof and Porch Repair Program and the Emergency Heating Repair Program.

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- **City Lots for Working Families**. This program provides vacant, City-owned lots for $1 each to developers to build affordable single-family homes and two flats. Through the program, 8 to 20 City-owned lots with a maximum appraised value of $125,000 can be conveyed per developer, per project. Homes must be made available to qualified buyers with incomes up to 140% AMI; they must be used as primary residences for at least 5 years.
- **Building Neighborhoods and Affordable Homes Program**. This program encourages homebuyers to move into five targeted neighborhoods by providing up to $60,000 in purchase assistance to buyers of single-family homes constructed through the City Lots for Working Families program within the specified boundaries. The purchase assistance is primarily to close the appraisal gap; there is a cap of $15,000 for non-target-neighborhood residents and $20,000 for current neighborhood residents for non-appraisal-gap assistance.
- **Chicago Community Land Trust for Developers**. The CCLT is designed to preserve the long-term affordability of homes created through City of Chicago programs. It is a non-profit with a board appointed by the mayor and approved by the City Council. Once the CCLT acquires 200 homes, one-third of the board will consist of CCLT homeowners.
- **Affordable Requirements Ordinance**. This ordinance requires residential developments that receive City financial assistance or land to provide a certain percentage of units at affordable prices/rents. The ordinance also applies for property that has been upzoned, and for planned unit developments within the downtown area.
- **Chicago Preservation Compact**. This is a public-private partnership between the Community Investment Corporation (a Chicago CDFI), the City, Cook County, and other partners that works to preserve affordable rental housing through financing for retrofits, upgrades, and tenant subsidies; advocating for building code improvements that favor preservation; coordinating public agencies to develop preservation strategies; and introducing legislative proposals at the state level (e.g., for a preservation tax credit).

Community Development Initiatives and Neighborhood Investment Programs

- Neighborhood Opportunity Fund (NOF). The NOF works with distressed communities to provide grants for businesses construction, rehabilitation, appraisals, environmental surveys, and architectural services in selected communities. Created in 2016 by then Mayor Emanuel, the Fund was recently amended by a Mayor Lightfoot proposed ordinance that extended the program from a matching grant, to allow eligible businesses to receive financing for 100% of a project's costs if the owner and employees reside on the South or West sides. If the owner and employees do not live-in designated neighborhoods, the grant is restricted to 65% of total costs. Grant recipients also have access to construction advisors, employee training, and design assistance. The Fund is supported by 80% of the earnings garnered from the City's zoning bonus system that allows developers downtown to pay fees for a higher floor area ratio.
- INVEST South/West. Announced by Mayor Lightfoot in 2019, INVEST South/West received $750 million over three years from the Department of Planning and Development for community improvement initiatives. The funds will improve 12 commercial corridors on Chicago's South and West sides, in 10 different neighborhoods. With the hopes of attracting private investment as well, selected projects will primarily be centered on providing pedestrian activity, retail, services, transportation, public spaces, and quality-of life amenities for local residents.

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- Chicago Development Fund (CDF). Established in 2005, the CDF operates as a non-profit corporation controlled by the City of Chicago to utilize New Market Tax Credits (NMTC) for community centered investments. The CDF generally issues NMTC to manufacturing, mixed-use, or institutional developments in economically distressed neighborhoods that will create jobs and provide services. The CDF operates on NMTC funds received from the U.S. Department of Treasury. Other cities receive NMTC, though in 2019 the CDF received the largest award of any city affiliated community development entity. The CDF awards funding based on the degree of expected community impact, level of need, policy goals, and if other programs are insufficient for use, such as Tax Increment Financing (TIF). Since it was created, the Treasury Department has allocated $356 million in NMTC to the CDF. The Board of Directors is comprised of representatives from the City Council, the Department of Planning and Development, the Office of Management and Budget, along with the City's Treasurer, and Chief Financial Officer.
- Community Catalyst Fund (CCF). The fund was initially created in 2016 by outgoing Treasurer Kurt Summers, though the $75 million dedicated to assisting businesses in underserved communities were not used until March of 2020. The CCF now is managed by current Treasurer Melissa Conyears-Ervin to zero interest loans up to $50,000 for businesses impacted by the COVID-19 pandemic. Eligible businesses must have been in existence for 2 years, have generated less than $3 million in revenue, lost 25% of revenue in the last year, and have no more than 50 employees.
- Arts 77. Announced in April of 2021, the initiative will provide $60 million in grants for the arts and culture sector. The program is modeled after the New Deal era Works Progress Administration, and will support artists impacted by the COVID-19 induced economic downturn. The initiative will also establish the Neighborhood Access Program, which provides cultural support to communities that have not traditionally received funding in the past. Through the Neighborhood Access Program, 40 grants will be allocated ranging from $5,000 to $50,000. Applicants must reside in the neighborhood where the planned project will take place, and serve residents of a specific neighborhood.

Columbus

- **NextHome 2021 Competition**. The City of Columbus launched a competition in collaboration with the Central Ohio Community Land Trust and other partners that invites architects and developers to submit a vision for affordable and accessible housing that could be quickly built on vacant land trust lots.
- **Housing Action Fund**. The City of Columbus and Franklin County partnered with The Columbus Foundation and corporate partners created a $100 million fund to offer low-cost loans to developer who commit to affordability requirements, as well as to subsidize home repairs and provide targeted renter assistance. The fund is managed by the Affordable Housing Trust.
- **Vacant and Abandoned Properties (VAP) Initiative**. Phase 1 of VAP involved an $18 million public investment in demolition of vacant and blighted structures. Phase 2 involved a collaboration between the City and the county land bank to remove additional structures and sell them to neighbors and developers. The Vacant Properties Redevelopment Program redevelops vacant properties as for-sale opportunities or for short-term lease-purchase (up to 36 months); it provides gap financing to buyers of up to $60,000.

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- **American Dream Down Payment Initiative (ADDI)**. This program collaborates with lenders to provide a deferred, forgivable loan to low- and moderate-income first-time homebuyers for downpayment and closing costs. The buyers must occupy the home as a primary resident for at least five years, at which point the loan is forgiven, or the funds must be repaid to the City from sale proceeds.
- **Rental Housing Production and Preservation (RHPP) Program**. RHPP provides financial assistance to affordable multi-family housing projects that serve low- and extremely low-income households. Assistance may take the form of a loan of up to 50% of the project cost after a 5% equity contribution, or a forgivable loan if the project serves the homeless, special needs populations, or the lowest-income households, with terms set on a case-by-case basis.

Community Development Initiatives and Neighborhood Investment Programs

- The 614 for Linden. The neighborhood stabilization program is a $25 million public-private partnership concentrated on the revitalization of the Linden community. The loan pool is financed by non-profits and CDFIs, including the Affordable Housing Trust of Columbus and Franklin County, along with a $5 million grant from J.P. Morgan Chase. The grant was awarded to Columbus and 7 other cities after competing in J.P. Morgan Chase's PRO Neighborhood competition. The program will concentrate on providing health services, improving food access, consulting and loans for small businesses, the renovation of 500 affordable housing units, and 200 rehousing service units for individuals at risk of homelessness.
- Carol Stewart Village. In 2019, the City of Columbus partnered with the CDFI Finance Fund, and non-profit Star House Columbus to transform two former motels into a campus for homeless youth who have aged out of the foster care system. The City contributed $1.6 million to the project's total $4.5 million cost. The vacant buildings will be converted into below market rate apartments, and offer healthcare and counseling services on site, along with employment opportunities at local businesses.
- Neighborhood Pride Program. Created in 2000, the program concentrates on remediating issues and concerns in 3 to 5 neighborhoods each year. The City's General Operating Fund funds the program, which supports beautification efforts, deepening ties between city officials and the local community, and improving city services.
- Mobility Assistance for People with Cognitive Disabilities (MAPCD). As a part of the Smart Columbus initiative, the City's Department of Transportation began a pilot program in 2019 that authorized a fixed route bus service and mobile app with visual and audio cues for individuals with cognitive disabilities. The program seeks to provide individuals with disabilities a stronger sense of mobility and independence. The Smart Columbus initiative was financed by a $40 million award from the U.S. Department of Transportation in 2016, and includes many other programs centered on improving the City's mobility infrastructure with technological improvements.

Indianapolis

- **Indianapolis Neighborhood Housing Partnership (INHP)**. INHP is a one-stop shop for homeownership in Indianapolis, offering home search tools, mortgages, homeownership counseling, home repair loans, commercial lending (including acquisition and construction financing). The City sits on INHP's board; INHP has also received HOME funds for over 20 years to provide downpayment assistance to low-income families.

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- **Renew Indianapolis**. Renew Indianapolis Inc. is a non-profit organization that works with the City and the housing authority to demolish unsafe structures and clear lot titles, operate a land bank, and develop affordable housing. It also operates the Edge Fund, a loan fund offering flexible affordable housing financing (including bridge loans for construction or substantial rehab of tax credit projects as well as single-family home loans for low-income buyers).
- **Rapid Rehousing Program**. Indianapolis used $7 million in CARES Act funding to provide up to 12 months of no-strings-attached rental assistance and services to individuals and families experiencing homelessness. Other measures the City has taken include 1) passing a Homeless Bill of Rights; 2) funding an increase in the number of professional outreach teams to connect the homeless to care and housing; 3) establishing a hotel program to temporarily house those at high risk of severe COVID-19 infection; 4) building additional permanent supportive housing.
- Lift Indy. Since 2017, the City's Department of Metropolitan Development (DMD) has held an annual competition amongst teams of non-profit and for-profit organizations to determine which project proposals will receive a 3-year commitment of HOME and CDBG funds. The proposals must fall within the City's designated Neighborhood Revitalization Strategy Area (NRSA) and include a Community Housing Development Organization. The City determines what neighborhoods fall under the NRSA based on an analysis of data from The Reinvestment Fund on market conditions and other factors. Typically, proposals must pertain to homeownership, rental, economic development, and/or placemaking, though the 2021 competition requested applications regarding COVID-19 recovery strategies.

Community Development Initiatives and Neighborhood Investment Programs

- Anchor Revitalization Program. Led in collaboration with the Local Initiatives Support Corporation (LISC), the Indianapolis Neighborhood Housing Partnership, and the City of Indianapolis' economic development arm, Indy Chamber, the Anchor program supports major employers in their efforts to provide jobs, increase economic growth, and better a community's quality of life. Employers that are identified as anchor institutions are encouraged by the program to support neighborhood redevelopment, by supporting local businesses, encouraging home repair and homeownership. The Anchor Housing initiative under this program matches employers' commitment to give up to $10,000 in down payment assistance, or up to $5,000 for exterior home repairs. If the employee remains in the house for 5 years, the loan is forgivable.
- Great Places 2020. The Initiative provides technical assistance and urban planning guidance to three selected neighborhoods with $150 million in funding from 50 program partners, with LISC serving as the primary partner. To receive funding, neighborhoods had to apply for support, demonstrating their desire to revitalize their area by attracting businesses, improving schools, and overall quality of life by creating a neighborhood village center.
- St'Art Up 317 Pop Up Initiative. First announced in 2018, the initiative seeks to fill vacant retail spaces in the downtown area with local businesses and artists' work over a month-long period. The program is run by the Indy Chamber, and PATTERN, a non-profit dedicated to supporting new small businesses and artists. If selected for the program, participants do not pay rent but are required to pay a refundable $150 deposit. In 2018, 15% of the first-floor space in downtown Indianapolis was vacant.

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- Land Use Initiative. The Indianapolis Airport Authority (IAA) is selling or leasing acres of their unused property to increase the tax revenues of the surrounding community. The IAA expects to generate a land tax revenue of $1.7 million as the land is developed, which will benefit schools, local businesses, and the overall local economy. The initiative first began in 2014.

Pittsburgh

- **Roof-a-Thon Pilot Program**. After releasing an RFP in 2019, the City of Pittsburgh's Urban Redevelopment Authority (URA) partnered with the Wells Fargo Foundation to fund a pilot program offering grants ranging from $30,000 to 35,000 for roof repairs. Program participants had to have incomes at or below 50% of AMI, and as of 2020, 24 households received a grant to repair their roofs. Wells Fargo offered $125,000 to finance the program, and the pilot received an allocation of $733,028 in 2020 from the Housing Opportunity Fund. The URA expressed interest in continuing the program in the second quarter of every year.
- **Home Accessibility Program for Independence (HAPI)**. The HAPI grant funds residential accessibility construction to assist those with medically verified physical disabilities. The program applies to both owner-occupied and rental housing, though homeowners can receive up to $10,000 while landlords are limited to a $5,000 grant. If approved, the URA conducts an inspection to determine what construction is needed and creates a bid for contractors. Income eligibility is set as 120% of AMI. For those earning above 50% of AMI, an application fee of $150 is required.
- **Housing Opportunity Fund**. The Housing Opportunity Fund operates with an annual budget of at least $10 million, financed by an increase in the City's realty-transfer tax from 4% in 2017 to 5% in 2020. The Trust Fund is responsible for operating the City's Rental Gap Program, Small Landlord Fund, Homeowner Assistance Program, Down Payment and Closing Cost Assistance Program, Housing Stabilization Program, and the For-Sale Development programs.
- **Rental Gap Program**. Under the Housing Opportunity Fund's Rental Gap Program, developers can receive 0% interest loans to construct or preserve affordable rental housing units. Qualifying projects must have at least four units, along with a supporting nonprofit applicant or a nonprofit can act as the developer alone. This program receives the most funding out of all the Housing Opportunity Fund initiatives (close to $5 million in 2019). In 2019, the Rental Gap Program created and/or preserved 103 affordable units.
- **Small Landlord Fund**. Offered to landlords with less than 10 units, the initiative (a collaboration of the Urban Redevelopment Authority, UPMC hospital, and Center for Community Investment Lincoln Land Institute) provides loans for affordable and Housing Choice Voucher (HCV) home repairs. The Small Landlord Fund received $500,000 of initial capital in 2019 from PNC and funding from the Housing Opportunity Trust Fund. Landlords can receive a loan with an interest rate of 3% or 4% capped at $20,000 per unit or $100,000 per project. The rehabilitated units must remain affordable for ten years if they were previously vacant or occupied by HCV recipients; otherwise, they must remain affordable for 15 years.
- **OneStopPGH**. As of May 2020, all building permits, city planning reviews, and licensing are offered on the same City-run portal. Multiple agencies are integrated into the program, so documents can be better shared and coordinated online.

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Community Development Initiatives and Neighborhood Investment Programs

- Minority Business Recovery and Growth Loan Program. The City's Urban Redevelopment Authority provides loans up to $100,000 a year for minority-owned businesses. Borrowers are not required to pay interest on the loan for the first year but pay an 2% interest rate over the 7 year repayment term. As of 2020, the program supported 277 businesses in the city, and loaned $6.7 million out of the available $7.9 million. The program is funded by Community Development Block Grants (CDBG) and PNC Bank. Applicants who have businesses in CDBG census tracts, or are economically disadvantage are prioritized.
- Pittsburgh Central Keystone Innovation Zone (PCKIZ). Managed by the public-private partnership group Urban Innovation21, the PCKIZ was first established in 2007. Pennsylvania designated several areas throughout the state as Keystone Innovation Zones (KIZs), for the purpose of awarding tax credits to local technology companies growing their businesses and the local workforce in select areas. The sale of the tax credits allows businesses to support the hiring of paid interns for women and minority students typically underrepresented in the technology industry. Only companies that are based in KIZs are eligible for the tax credit, and that have been created within the last 8 years. The City applied for zone designations in 2006, which were approved by the Pennsylvania Department of Community and Economic Development.
- InnovatePGH. This is a public-private partnership between the City of Pittsburgh, Allegheny County, Carnegie Mellon University, and other partners. The program directs investment to the Oakland, Lawrenceville, and Hazelwood neighborhoods to attract job opportunities in the tech sector, along with private investment. Under the partnership, four programs were created to attract startups to the city, and provide low-income residents of neighborhoods with high unemployment rates with career development opportunities.
- Redevelopment Assistance Capital Program (RACP). The program provides grants for 33 projects across the city dedicated to increase employment levels and generate tax revenue in distressed areas. As of April 2021, the Urban Redevelopment Authority authorized $41,750,500 for grants and loans. RACP is financed by the state of Pennsylvania, and administered by the Pennsylvania Department of Community and Economic Development.

Philadelphia

- **Basic Systems Repair Program (BSRP) and Adaptive Modifications Program (AMP).** BSRP provides grants for owner-occupied single-family homes in need of major repairs. Grants are limited to $18,000 per household. Eligible residents must be current or under current payment agreement for property taxes and water bill. AMP provides grants to help low-income residents with physical disabilities in single or multi-family housing. The program typically funds about 200 households per year. In the spring of 2017, a $60 million bond was issued to provide funding for these programs and two others over three years.
- **The Rental Improvement Fund** is a four-year pilot program established in May of 2020 in partnership with the Impact Loan Fund CDFI and the City of Philadelphia, to provide a source of credit for small landlords with no more than 10 units in their portfolio. Loans up to $24,999 for repairs and renovations are available in 9 zip codes. Landlords are

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eligible if their tenants have household incomes at or below 100% of AMI. If approved, landlords must comply with inspections from the Department of Licenses and Inspections (L&I), fair housing guidelines, and maintain affordable rents for 10 years. Depending on the number of loans granted, the program expects to fund 15 to 38 landlords.

- **Restore, Repair, Renew (RRR)**. The City announced the RRR program in 2019 as a partnership between the Philadelphia Redevelopment Authority and selected local nonprofits. Three nonprofits were selected as partners to assist homeowners with applications to the program. Homeowners earning below 120% AMI can apply for 10-year, 3% APR loans to finance home repairs. To be eligible, applicants cannot have any active L&I violations. The program received $40 million from a bond sale worth $100 million in 2016.
- **PHLRentAssist**. The City is now offering a fourth, $97 million phase of rental assistance to low-income renter households impacted by COVID-19. Tenants may apply, or landlords may apply on behalf of eligible tenants. A court order requires landlords to have applied for the assistance 45 days before they are permitted to file for eviction. Assistance can be provided for up to 18 months, including back rent and forward rent, for up to $2,000 per month. Utility assistance is also available.
- **Housing Trust Fund (HTF)**. The HTF was created in 2005 to fund new affordable homes, the preservation and repair of existing homes, and homelessness prevention. In September 2018, the City Council and mayor reached an agreement to direct at least $70 million to it between FY19 – FY23. The fund is primarily financed by mortgage and deed recording fees.
- **Longtime Owner Occupants Program (LOOP).** LOOP protects homeowners from increases in home valuations of 50% or more. Eligible households must have lived in their home for 10 years (except below a certain AMI level) and have seen their home value increase by half in one tax year.
- **Low-Income Senior Tax Freeze**. As of 2014, The Department of Revenue ended real estate tax increases for participating low-income householders over 65 years old.
- **Residential Property Tax Deferral**. The deferral program allows low-income homeowners whose property taxes have increased by more than 15% in one year to defer the tax payment to a later date, or to when the property is transferred or sold.
- **The Tangled Title Fund (TTF)** provides a grant to cover $4,000 in legal services for homeowners seeking clear title to their homes. Estate Planning services are also funded, to prevent tangled title issues in the future.
- **Mortgage Foreclosure Prevention Program**. Established in 2008, this program prevents foreclosures by assisting homeowners with negotiations between their mortgage lenders. The program provides receive free housing counseling and legal advice to negotiate new loan or tax payment terms with the homeowner's mortgage lender or with the City. The program is reported to have saved over 16,000 homes from foreclosure.

Community Development Initiatives and Neighborhood Investment Programs

- Targeted Community Investment Program. The City's Office of Violence Prevention provides grants ranging from $500 to $20,000 to programs centered on reducing gun violence. Applicants that can demonstrate the grants will support educational or employment needs of young men in areas with high rates of gun violence will be

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prioritized. The program began in 2019 and has released three rounds of funding as of 2020.

- Financial Empowerment Centers. Philadelphia first received funding from Bloomberg Philanthropies and Living Cities in 2013 to offer free, financial counseling to residents in need of consultation regarding credit repair, debt management, retirement savings, and home-ownership financing. There are 6 centers are located across the city that provide services in several languages outside of English. The program is run by the Office of Office of Community Empowerment and Opportunity and the non-profit Clarifi. The Centers also partnered with the Philadelphia Housing Authority to provide counseling for public housing or voucher recipients participating in the Authority's Homeownership program.
- Storefront Improvement Program. The City's Department of Commerce provides grants to business and property owners for up to 50% of the costs incurred from undertaking façade improvements. The program is only available in select areas, providing approved owners with a maximum of $10,000 for a single commercial property, or up to $15,000 for a multiple-address or corner business property. The program was initially financed by CDBG, but was then amended to receive funds directly from the City's general fund, after federal prevailing-wage requirements increased expenses for approved business owners.
- Community Life Improvement Program (CLIP). CLIP is a combination of 3 programs dedicated to improving the appearance of neighborhoods across Philadelphia. The program's beautification efforts center on the enforcement of property maintenance codes by the Department of Licenses and Inspections, and organized volunteering efforts coordinated by the City.
- Neighborhood Transformation Initiative (NTI). The initiative ran from 2001 to 2015 in an effort to reduce blight, preserve neighborhoods, foster economic development, and create more affordable housing. The former Mayor of Philadelphia, John Street, financed the program by issuing $295 million in bonds. The majority of the programs funding was dedicated to demolishing abandoned and dilapidated structures, relocating residents, acquiring properties, and preparing parcels for affordable and mixed-income housing development.

St. Louis

- **Affordable Housing Trust Fund**. The fund, which is managed by the Affordable Housing Commission, supports developers and nonprofits with grants or loans to build new affordable and market-rate rental housing, along with homes for sale. The Trust Fund can also be used for mortgage and utility assistance, rehabilitation, demolitions, public safety, and neighborhood preservation. The trust receives funding from a portion of the City's business use tax. The ordinance passed to create the fund requires the trust to receive a minimum allocation of $5 million annually. From 2003 to 2017, the Trust Fund financed 1,583 rental units and 184 homes for purchase.
- **Proposition Neighborhood Stabilization**. As of September 2020, St. Louis residents can nominate residential buildings owned by St. Louis' land bank, the Land Reutilization Authority (LRA) for urgent repairs, with the hopes of eventually selling the rehabbed properties to stabilize the surrounding neighborhood. The program is funded by $40 million in general obligation funds and has an annual budget of $6 million. To provide this level of funding, property taxes were raised from by $11 per $100,000 assessed property value or $0.01 for every $100. Proposition NS will provide up to $30,000 in

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funding for single-family and up to $50,000 for multi-family (capped at six units) buildings.

- **The Green HELP program** ran from 2016 to 2018, providing homeowners with a 2.1% interest rate loan up to $15,000 for home energy efficiency repairs. The loan could be repaid over a period up to ten years and did not have a minimum income requirement. Program participants had to have above a 625-credit score and were subject to a credit check. St. Louis' Comptroller managed the program, which was designed to last until the $2 million fund ran out.
- **Business Assistance Center (BAC) Project Steward Program**. The BAC Project Steward program allows for same-day building permit approvals. Building permit application and actual permit fees are based on the estimated construction cost. The Building Division manages the program, and reports that 84% of all building permits issued are same-day permits.
- **Gateway Neighborhood Mortgage Program**. In 2019, the City began a loan program modeled after the Detroit Home Mortgage Initiative for the purchase and rehabilitation of homes. The St. Louis Development Corporation manages the program in collaboration with the Metropolitan St. Louis Equal Housing and Opportunity Council, nonprofits, and CDFIs. To alleviate the gap between the replacement cost of a structure and the appraised value, the program authorizes to loans of up to $75,000 to eligible homebuyers covering the cost of the home up to the appraised value, and a second loan for the appraisal gap.
- **Dollar House Pilot Program**. In 2019, the Land Reutilization Authority ran a one-year homesteading program selling 522 single-family homes for $1, including a $25 application fee, $83 in processing and recording fees, $70 homeowners' counseling class and $250 title insurance. After purchasing the property, buyers had to ensure it was in code compliance, renovate within 18 months, and occupy the property for at least three years. Only homes that have been in the Authority's inventory for five years, and that are less than 1,800 square feet, were eligible for the program.

Community Development Initiatives and Neighborhood Investment Programs

- Neighborhood Stabilization Team. There are 28 Neighborhood Improvement Specialists working under the City's Department of Public Safety to address resident-identified nuisances, vacant buildings, litter, and other issues the City can improve. The Specialists also work to bring together bring together City Council members/Alderman, residents, community block groups, police, and social services to monitor ongoing physical and behavioral issues within neighborhoods.
- The St. Louis County Port Authority Community Reinvestment Fund. The St. Louis Economic Development Partnership, which serves as the City and Country's economic development entity, operates the Reinvestment Fund to support projects in distressed neighborhoods centered on job growth, small business development, and revitalization. The Fund first opened in 2010 and is financed by Pinnacle Entertainment's lease payments for the land under the River City Casino. As of 2012, $4.3 million in grants have been awarded. Applications open every 6 months to community groups around the city, and the Port Authority's Board of Commissioners determines what applicants will receive funding.

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APPENDIX

COMMENTS

As a part of the planning process, we invited local stakeholders and residents to submit feedback via our website and email address. Included are all formally submitted comments. As previously highlighted, there was a robust engagement process; that feedback and insight is reflected throughout this report. This section serves to document the additional feedback that was submitted and informed this Plan.

COMMENTS

Cuyahoga County Vacant and Abandoned Property Action Council (VAPAC)
812 Huron Road E, Suite 840
Cleveland, Ohio 44115
(216) 407-4156

October 4, 2021

Frank Jackson, Mayor of Cleveland
Ed Rybka, Chief of Regional Development
Kevin Kelly, City Council President
Cleveland 10 Year Housing Plan Team
University of Pennsylvania:
- Vincent Reina
- Akira Drake-Rodriguez
- Claudia Aiken

Local Partners:
- Kirby Date, KM Date Community Planning
- Tracey Nichols, Project Management Consultants
- Kaela Geschke, Neighborhood Connections

Re: City of Cleveland 10 Year Housing Plan

Mayor Jackson, Chief Rybka, President Kelly, and Members of the Planning Team,

The Cuyahoga County Vacant and Abandoned Property Action Council (VAPAC) is submitting comments below in response to the Cleveland 10-Year Housing Plan draft.

The Vacant and Abandoned Property Action Council (VAPAC)

In the national community development field VAPAC is widely regarded as one of the country's best examples of a collaborative response to the foreclosure and abandoned property crisis. Participants come from 30 civic and non-profit agencies, representing federal, state, county, suburban and urban government as well as academic, philanthropic, land banking and community-based organizations. At its founding in 2005 the idea behind VAPAC was to bring together every entity in Cuyahoga County that touches foreclosure, vacant property, neighborhood stabilization and housing market recovery issues and to ensure that state, county and local efforts are coordinated for maximum community benefit.

When the COVID-19 Pandemic emerged in March 2020, VAPAC led an effort to create a "COVID-19 Working Group" that focused on the impact of the pandemic on renters and homeowners in Cuyahoga County, including an emphasis on at-risk, underserved, and people of color communities. Our

COMMENTS

comments below on the City of Cleveland's draft 10 Year Housing Plan are based on our collective observations of housing issues over the past 16 years combined with our more recent focus on the impact of COVID-19.

General Comment

We applaud the city for undertaking this plan at a time when the city is still struggling to recover from the most severe housing crisis in the past 100 years, and we applaud the emphasis on and sensitivity to racial equity at a time when across the country progress to achieve racial equity is being threatened and even rolled back. One of the strengths of the plan is its emphasis on, and attention to, affordable housing and the challenges facing renters in Cleveland. As noted below, we have some suggestions for further strengthening that aspect of the plan. ***We believe there is one major weakness to the plan – there is virtually no acknowledgement of the continued loss of housing value and loss of financial equity being experienced by Black homeowners in Cleveland, most dramatically in the East Side of Cleveland.*** Racially targeted predatory lending hit the city of Cleveland earlier, and harder, than many other American cities. Predatory Lending (and its impact) is widely regarded as one of the major civil rights issues of the past 20 years. The plan fails to document the massive loss of wealth in the Black community in Cleveland, and fails to prominently include "restoring" that wealth as one of the "pillars" of equity central to the plan. As will be explained in more detail below, we strongly recommend that "Restore" be added as a fifth pillar of Equity alongside Protect, Preserve, Produce and Position. We further recommend that the city and the planning team take whatever additional time is required to remedy this omission.

We offer the comments and suggestions below in a spirit of collaboration and with respect for the hard work that's been done to develop this draft.

The comments are divided into three categories.

- Issues and challenges – instances where we think the plan might be improved by clarifying an issue, more strongly stating an issue or citing an additional issue.

- Programs and solutions – recommendations for adding or further expanding a proposed program or solution.

- Metrics – comments and suggestions for further refining the measurements of success.

Issues and Challenges

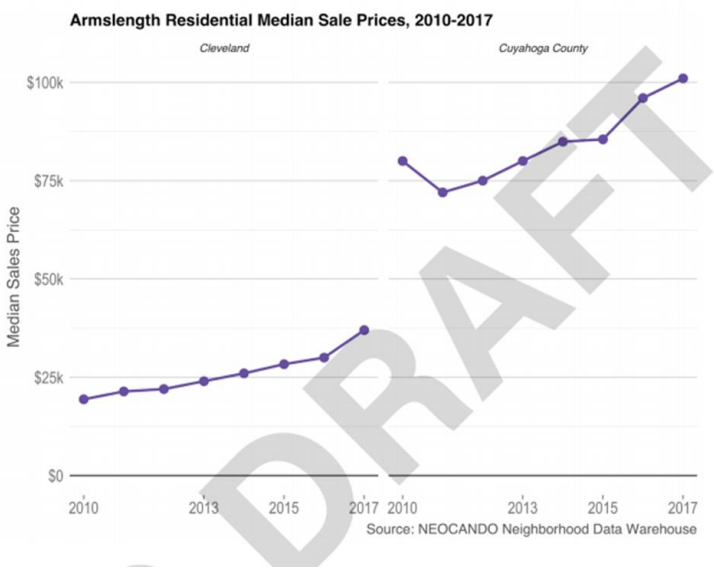
Housing Discrimination. The Full Plan and the Plan Summary make reference to racial divides and racial inequality, and the Existing Conditions Report does a good job of documenting both historical mortgage redlining and current challenges faced by predominantly African American neighborhoods in accessing mortgage credit. But there is only a brief reference to "discrimination" in the full report. Given the

COMMENTS

historic and current discrimination still experienced in Cleveland by renters, homebuyers, and home loan borrowers, and given the overarching theme of equity in the Plan, we believe the Plan should be more emphatic in calling out this problem, and boldly state actions that will be taken and investments that will be made to address housing discrimination.

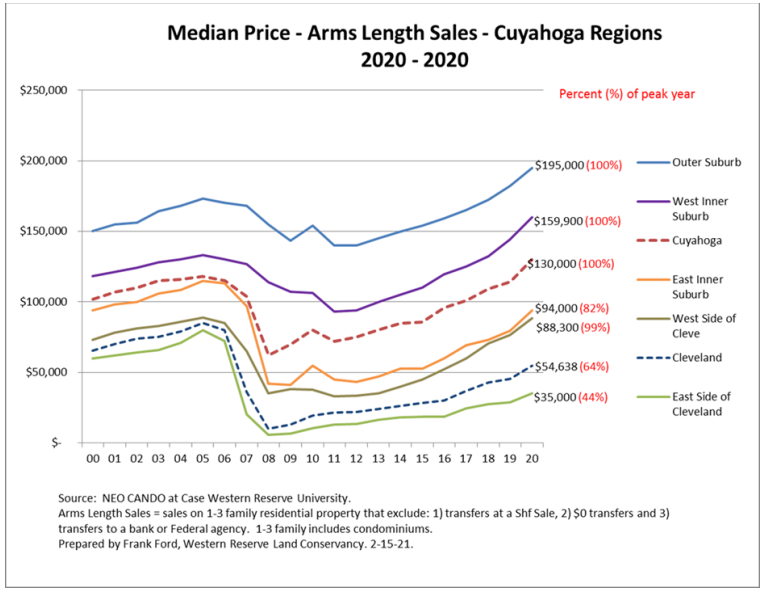
> **Recommended edit: Add a new bullet to the "Spotlight on Equity" section in the Summary Plan and add similar content to the "Protect" section of the full Plan:**
>
> ***Increase funding to organizations combatting housing discrimination through research, paired testing, education and advocacy.***

Loss of Housing Wealth and Value. The Plan, the Summary plan, the Existing Conditions Report, and the Market Study each fail to document - or reference - the tragic loss of housing wealth and homeowner equity experienced by African American homeowners in the East Side of Cleveland. This failure is most clearly represented by the following graphic in the Existing Conditions Report.



While the graphic above correctly demonstrates the disparity between Cleveland and the broader County housing market, the main impression it conveys is that values are increasing. It fails to show the dramatic loss of housing wealth suffered by black homeowners ***in relation to pre-foreclosure crisis values – prior to 2010***. In contrast, the graphic below – which begins in 2000 - reveals the fuller picture for Cleveland and the East Side of Cleveland: while home values are on the increase, there is a massive loss of housing wealth that has occurred, most severely in the East Side of Cleveland. [Note: both graphics rely upon the same arms-length sale data from NEO CANDO at Case Western Reserve University.]

COMMENTS



In our opening comment we applauded the 10 Year Plan's focus on racial equity. The Plan references the influence of predatory lending and foreclosure on the Cleveland housing market, but it will be a significant omission if the Plan fails to acknowledge one of the most tragic outcomes of that predatory activity – the massive loss of housing value and wealth in Cleveland generally, and in the majority African American East Side of Cleveland specifically.

Recommended edit: Add a new bullet to the "Research" section:

Dramatic loss of housing value and homeowner wealth in the majority Black East Side of Cleveland.

Recommended edit: In the "Existing Conditions Report" add a new section 5 entitled "Housing Value" following section "4. Housing Conditions" and before new section "6. Housing Affordability". This section will need to be drafted and can be based on already existing research published by the Western Reserve Land Conservancy. Land Conservancy staff and VAPAC members will be happy to assist with drafting this section. https://www.wrlandconservancy.org/wp-content/uploads/2019/07/Cuyahoga-Housing-Trends-2019_7-30-19.pdf

Homes Requiring Demolition. Similarly, the Plan, the Summary Plan, and the Existing Conditions report each fail to cite the extent of crippling blight in the East Side of Cleveland that is still undermining housing market recovery and the recovery of black homeowner equity and value. The Existing Conditions Report simply states "The *number of severely deteriorated structures has declined due to demolitions*, but the number of C-rated structures has grown, indicating continued maintenance

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challenges". These are all true statements – the problem is not with what is said, the problem is with what is left out. In the table below the Cuyahoga Land Bank estimates there are still 3,024 severely deteriorated structures in Cleveland that will require demolition. ***A virtually identical estimate has been produced by the City's Building and Housing Department as recently as this past summer.***

Demolition Needs in Cuyahoga County in Qualified Census Tracts as updated by the Cuyahoga Land Bank on 6/14/21

	Vacant and Distressed Properties								
	1-3 family houses			Commercial, Multifamily & Industrial *				All Properties	
	Number of properties	Percent of total	estimated demo cost @$12,500 each	Number of properties	Square footage	Percent of total	rough estimate of demo cost @$9.50 per sf	estimated demo cost	Percent of total
Suburbs:									
East Cleveland	471	13.2%	$5,887,500	88	618,771	12.3%	$5,878,325	$11,765,825	12.7%
Maple Heights	47	1.3%	$587,500	1	2,400	0.0%	$22,800	$610,300	0.7%
Euclid city	11	0.3%	$137,500	5	163,952	3.3%	$1,557,544	$1,695,044	1.8%
Garfield Heights	18	0.5%	$225,000	3	10,739	0.2%	$102,021	$327,021	0.4%
Cleveland Heights	1	0.0%	$12,500					$12,500	0.01%
Highland Hills	2	0.1%	$25,000					$25,000	0.03%
Lakewood	1	0.03%	$12,500					$12,500	0.01%
Total suburban	**551**	15%	**$6,887,500**	**97**	**795,862**	16%	**$7,560,689**	**$14,448,189**	16%
City of Cleveland	**3,024**	85%	**$37,800,000**	**649**	**4,231,592**	84%	**$40,200,124**	**$78,000,124**	84%
County Total	**3,575**	[1]	**$44,687,500**	**746**	**5,027,454**	[2]	**$47,760,813**	**$92,448,313**	

In addition, the County Land Bank has determined that 88% of the estimated demolition need in the City of Cleveland is in the East Side of Cleveland where the population is 81% African American. This can be easily verified by the City's Building and Housing Department.

This finding is also consistent with four studies by the Western Reserve Land Conservancy done over the past 5 years (provided to the 10-Year Plan Team on 11-19-20) that found that structures requiring demolition in Cleveland are overwhelmingly concentrated in the East Side of Cleveland. The Existing Conditions Report failed to cite either the Cuyahoga Land Bank estimate of demolition need, or the City Building and Housing Department's own estimate of demolition need. Both estimated approximately 3,000 residential homes requiring demolition, with the vast majority being in the East Side of Cleveland. Since the Plan documents derive their recommendations from the Existing Conditions Report, both the Plan and the Summary Plan fail to acknowledge the serious challenge these blighted homes represent for African American homeowners in the East Side of Cleveland, and the role these structures play in the loss of housing value and homeowner equity. As will be noted below in the "Programs and Solutions" section of our comment, the failure to accurately document this problem leads directly to the recommendation that demolition activity be merely "selective", ***as though there were a relatively small number of severely deteriorated homes impacting the housing market in the East side of Cleveland***.

Recommended edit: Add a new bullet to the "Housing Needs" section of the Plan and the "Research" section of the Summary Plan:

A high concentration of blighted abandoned homes remain in the East Side of Cleveland.

COMMENTS

Recommended edit: In the "Existing Conditions Report" the "Housing Conditions" section should be edited to more accurately reflect the extent of concentrated blight in the East Side of Cleveland. This section will need to be drafted and can be based on already existing research published by the Western Reserve Land Conservancy as well as data assembled by NEO CANDO at CWRU, the Cuyahoga Land Bank, and the City's own Building and Housing Department. Land Conservancy staff and VAPAC members will be happy to assist with drafting this section.

Property Tax Delinquency. Unpaid property taxes pose a growing and grave concern for the stability of neighborhoods. This is referenced in the Existing Conditions Report and the Report does a good job of highlighting some of the issues. However, there are some inaccuracies which we recommend be corrected. The Report cites some data which is now nearly 6 years old. Further, the Report, in a footnote on page 53, suggests that tax delinquency cannot be tracked via the NEOCANDO data system at CWRU. This is incorrect – property tax delinquency amounts can be downloaded and ascertained for individual parcels, Cleveland neighborhoods and the East and West Side regions of Cleveland. A more recent study published by the Western Reserve Land Conservancy, using data from NEOCANDO at CWRU, was provided to the Planning Team on November 19, 2020. https://www.wrlandconservancy.org/wp-content/uploads/2019/07/Cuyahoga-Housing-Trends-2019_7-30-19.pdf In that report 79% of the 19,814 tax delinquent properties in Cleveland were located in the East Side of Cleveland, and 85% of the $130,009,573 dollars owed were also located in the East Side of Cleveland. VAPAC's 2015 study of tax collection, along with more recent studies published by the Land Conservancy, show a disparate impact on communities of color in the East Side of Cleveland. Although changes have been made at the county level to reduce the detrimental impact of tax lien sales in challenged neighborhoods, there remains much work to do to assist tax delinquent homeowners who remain in grave danger of losing their homes to tax foreclosure.

Recommended edit: The Tax Delinquency section of the Existing Conditions Report should be updated and corrected, as noted above.

Code Enforcement. The establishment of a systematic and proactive code enforcement inspection process is paramount. According to recent research provided to the VAPAC Investor Working Group by the Building and Housing Department of the City of Cleveland, 46% of all 1-3 family property sales in 2020 in the East Side of Cleveland were to business buyers (as opposed to individuals). This is a nearly three-fold increase in business buyers of residential property since 2004. City-wide, business buyers have doubled in this time period[1]. This alarming increase suggests that an aggressive and systematic approach to code enforcement be initiated as soon as possible.

[1] The Existing Conditions Report (page 31) cited a CWRU study in 2020 that found that 23% of **rental properties** were **owned** by a corporate entity. The recent Building and Housing Department analysis found that 46% of **all** residential **sales** in 2020 were to business entities. Since they were measuring two different things both may be correct but the concern should be whether there is an increase in business ownership taking place. Before this

COMMENTS

Recommended edit: The Existing Conditions Report should incorporate the findings of the Building and Housing Department analysis that shows an alarming trend toward an increase of business entities purchasing homes in Cleveland, and specifically, that the greatest increase in this trend is found in the East Side of Cleveland.

Programs and Solutions

Four Pillars of Equity. In both the Plan and the Summary Plan the recommendations are divided into Four Pillars of an Equitable framework. We applaud this concept. However, for all of its strengths, and there are many, this Plan has one significant omission: the Four Pillars fail to address the massive financial harm experienced by homeowners in Cleveland generally, and in the majority African American East Side in particular, resulting from predatory lending and equity-stripping perpetrated by financial institutions during the subprime lending and foreclosure crisis. Documentation of the tsunami of foreclosure and blight, resulting in plummeting median sale prices and associated loss of housing value in the East Side of Cleveland, was contained in 4 studies provided to the planning team on 11-19-20. The injustice of the massive theft of wealth from the Black community in Cleveland was so striking that it prompted the current Mayor of Cleveland to take the unprecedented step of suing 21 banks and Wall Street financial firms in 2008. ***The restoration of housing value and homeowner financial equity should be a core pillar in the Plan's Equity Framework***.

Recommended edit – the Four Pillars should be revised to "Five Pillars" as suggested below:

Equity. The actions in the Plan are designed to protect households from housing instability and displacement; to preserve existing housing as safe, livable, and affordable; to restore homeowner equity and housing value undermined by foreclosure, abandonment and blight; to produce a range of housing types in all neighborhoods; and to position the City of Cleveland and its partners to achieve these goals. All five of these pillars are rooted in a vision for an **equitable** housing market in which those who have historically been excluded, and continue to be excluded, from housing opportunities are prioritized for those opportunities going forward.

Plan is finalized, the Planning Team should consult with both CWRU and the Building and Housing Department on their respective findings.

COMMENTS

PROTECT Protect households from housing instability and displacement	PRESERVE Preserve existing housing as safe, livable and affordable	RESTORE Homeowner equity and housing value undermined by foreclosure, abandonment and blight	PRODUCE Produce a range of housing types in all neighborhoods	POSITION Position the City of Cleveland and its partners to achieve these goals
Ensure equitable access to housing resources	Invest in the quality of existing homes	Complete the unfinished job of removing 3,000 abandoned homes undermining housing market recovery	Ensure equitable participation in housing development	Invest in neighborhood infrastructure
Enable equitable development without displacement	Create and sustain a skilled repair workforce	Address the appraisal gap	Create a range of housing choices in all neighborhoods	Increase awareness of and access to housing programs
Protect renters from forced moves and severe rent burdens	Compassionately enforce housing quality standards	Agressively hold accountable irresponsible investors who trade in vacant abandoned property	Create a predictable, practical development process	Adequately fund existing and new efforts
				Hold the city and its partners accountable to this Plan

Protect renters from forced moves and severe housing cost burden. According to the Existing Conditions Report as of 2018 an estimated 42% of Cleveland households (more than 65,000 households) are housing cost burdened. "Cost burdened households make up a significant share of all households in most tracts in Cleveland" (page 37). In addition, there is a deficit of 24,750 available and affordable units for extremely low-income renters. (Page 40). Given the significant number of households with a housing cost burden and facing housing insecurity, we recommend expanding the uses of the city's Housing Trust Fund to address housing insecurity.

> **Recommended edit to the "Protect" section of the Plan: add the following bullet under "Protect renters from forced moves….etc".**
>
> ***Housing Trust Fund. Expand the housing trust fund to not only assist in funding development of affordable units for very low-income renters but also to have funds available (in addition to shallow subsidy) to provide resources for pilot projects to address housing insecurity (e.g. security and rental deposits; short term rental assistance beyond COVID-19; housing mobility and location services; property tax relief [low income and senior homeowners]; assistance to young adults aging out of foster care and individuals reentering the community from the criminal justice system; assistance to seniors to age in place, etc.)***

Protect vulnerable homeowners against property tax increases. Both the Plan and the Summary Plan propose property tax relief in their respective "Protect" sections. We support these proposals, but find

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they are too limited – being aimed only at situations where property values are escalating. As we noted earlier, the vast majority of property tax delinquency is occurring in the majority African American East Side of Cleveland, where property values are still depressed. It would be a mistake to view this issue merely from a "gentrification" or "hot housing market" lens.

> **Recommended edit to the "Protect" section of the Plan and the Summary Plan: either add a new bullet related to tax delinquency, or expand the existing bullet:**
>
> ***Property Tax Relief. In addition to seeking state authorization to protect vulnerable households by either capping property tax increases or providing tax exemptions, the city should invest in non-profit housing counseling agencies that are providing financial counseling and helping households enter into payment plans with the County.***

Explore Rental Insurance. In the "Protect" Section of both the Plan and the Summary Plan it is recommended that the City explore "rental insurance", specifically citing in the Plan's Glossary the "Renters Choice" model enacted in Cincinnati. This is disappointing since during one of the Stakeholder Working Group sessions it was explained that, at the request of Cleveland City Council, the Vacant and Abandoned Property Action Council (VAPAC) investigated the "Renters Choice" model and found that it was not insurance, but rather a Surety Bond masquerading as an insurance product and could leave a tenant exposed to significant, and unexpected, financial liability. The VAPAC findings can be found here: https://www.dropbox.com/s/7k8alv1u5eelomu/Renters%20Choice%20findings%20and%20recommendations%204-13-21.pptx?dl=0. Further documentation can be found in this article published in Shelterforce, "Security Deposit Alternatives: The Misleading Marketing of 'Renter's Choice'". https://www.dropbox.com/s/s6pdvx78fvbtx41/Security%20Deposit%20Alternatives_Shelterforce_12-10-21.pdf?dl=0

> **Recommended edit to the "Protect" Recommendations in the Plan and the Summary Plan - borrow language from the VAPAC findings and recommendations, referenced above:**
>
> ***There is a need to reduce barriers to quality affordable rental housing. A security deposit represents one of those barriers, particularly for tenants with limited income and financial assets. Alternatives that reduce the security deposit burden for tenants should be explored, such as paying deposits in installments and/or creating a government or philanthropic sponsored assistance fund. Great care should be taken, however, to avoid private programs that offer the tenant the option of purchasing a surety bond masquerading as renters insurance.***

Preserve subsidized affordable housing. We agree with the recommendation on page 18 to preserve subsidized affordable housing, but we suggest it be framed more urgently. The reality is that as multi-family buildings with a project based subsidy fall into disrepair, tenants are usually vouched out and the subsidy is lost and will never be replaced. The city used to take an active role in working to preserve

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these buildings and should once again be involved. These are some of the most affordable buildings and can serve very low income tenants. It should be a high priority to save buildings with a project based subsidy.

Recommended edit in the "Preserve" section of the Plan:

Over 15,000 affordable units in Cleveland's private rental market may see their subsidy contracts expire between now and 2030. As multifamily buildings with a project based subsidy fall into disrepair, tenants are usually vouched out and the subsidy is lost and will never be replaced. It should be a high priority in the near term to explore innovative tools to preserve these units as affordable, including rules requiring owners of subsidized rental housing to report approaching expirations and establishing a right of first refusal, as well as mechanisms to finance the acquisition and recapitalization of affordable housing projects.

Selectively demolish abandoned housing. Because the Existing Conditions Report failed to acknowledge or document the concentration of abandoned and blighted homes in the East Side of Cleveland (documentation that was readily available from NEO CANDO, the Cuyahoga Land Bank, the Western Reserve Land Conservancy and the City's own Building and Housing Department) both the Plan and the Summary Plan have failed to appreciate the important role that demolition plays in furthering housing market recovery – and the recovery of homeowner equity and value. In the "Position" section, the Plan recommends that demolition of abandoned housing be limited to circumstances where two conditions are **both** met: the home must be "especially difficult to rehabilitate" and the vacant lot, following demolition "can best be redeveloped to provide more diverse, accessible housing options". Left out of the equation completely are the homeowners and residents in the East Side of Cleveland who will continue to live with dangerous blighted homes next door or across the street, because the City adopted a 10 Year Housing Plan that failed to take their safety, and the recovery of their lost housing value, into consideration.

Recommended edit:

Proceed with deliberate speed to complete the unfinished job of removing 3,000 abandoned homes undermining housing market recovery and the recovery of homeowner equity in the East Side of Cleveland.

The current language "Selectively demolish abandoned housing" should be removed from the "Position" section of both the Plan and the Summary Plan. The above language should be inserted into a new "Restore" section as recommended above.

Code Enforcement. We believe the reference, in both the Plan and the Summary Plan, to "compassionate code enforcement" is too one-dimensional and implies that code enforcement is being used primarily as a tool against low income and senior citizen homeowners. It fails to reflect the other

COMMENTS

side of the problem – the need to aggressively hold accountable both investors and property managers whose irresponsible and predatory business practices are further stripping equity and value and undermining housing market recovery in the majority African American East Side of Cleveland. This is a major equity issue since it is black homeowners in the East Side of Cleveland who are bearing the burden of this investor activity.

Furthermore, the Plan should respond to the documented increase in business ownership of 1-3 family homes between 2004 and 2020. The establishment of a systematic and proactive code enforcement inspection process is paramount.

Recommended edit: The Plan's references to Code Enforcement in the "Preserve" section of the Plan should not be a one dimensional "compassionate" approach but should include a number of elements:

- ***Adopt a two-pronged approach: the compassionate approach for small, low-income and nonprofit owners combined with an aggressive approach to hold accountable irresponsible investors and their property managers who flaunt Cleveland's housing codes and regulations.***
- ***Authorize and instruct the law department to hold accountable local agents of out-of-state owners, and if necessary work with city council to strengthen ordinances to accomplish greater accountability.***
- ***In light of the growing increase in investor ownership, maximize enforcement of the city's rental registration ordinance, with corresponding interior and exterior inspections including lead testing, to ensure life, health and safety. If necessary, work with city council to strengthen the ordinance to accomplish greater accountability.***
- ***Budget for, and schedule, a repeat of the 2015 and 2018 property inventory surveys to support systematic code enforcement and ensure resources are deployed to the most distressed properties and at-risk neighborhoods.***

Home Mortgage Lending. The Existing Conditions Report did a good job of documenting both the historical redlining and the current challenges faced by predominantly African American neighborhoods in accessing mortgage credit. In addition, the Plan proposes a number of specific programmatic tools to increase home repair and home purchase loans. However, we were surprised to find no mention of the fact that the City of Cleveland is widely regarded as the first city in the country to leverage its massive cash deposits at banks to encourage banks to meet the credit needs of underserved communities. It is worth noting that Cuyahoga County recently became the first county government in the country to employ a similar strategy. The Plan could (and should), without compromising any of the individual programs proposed, recommend that Cleveland continue to leverage its deposits at banks. Having said that, Cleveland could do more to maximize the potential of these arrangements. For example, the city has allowed each of their bank agreements to be treated as a "trade secret" by the bank, which means

they are not a public record and cannot be viewed, studied or monitored by housing and community-based organizations. This may be the result of Cleveland being the first at a time when there was no roadmap for how to proceed. But Cleveland should be encouraged to continue to leverage its banking agreements, and encouraged to improve on them.

> **Recommended edit: At minimum the following should be added to the "Protect" section of the Plan since at its core this is about protecting access to resources for both homeowners, as well as tenants who could become homeowners.**
>
> ***Continue to leverage the city's cash deposits, investments, and service contracts with banks to encourage increased access to mortgage credit and other banking services for low income, people of color and underserved communities. Best practices should include:***
>
> - ***Agreements with banks should be treated as public records, fully transparent with open access for review and monitoring by housing, community and civil rights organizations.***
> - ***Fund research that enables the city to monitor and track the progress of participating banks as well as non-participating banks to compare the performance of participating banks to their peers.***
> - ***Convene an annual public hearing to disclose the results of bank performance, and receive public comment from citizens as well as housing, community development and civil rights organizations.***

Metrics for Measuring Success

We applaud the inclusion of a scorecard/report card in both the summary plan and the full plan. This reflects a willingness on the part of the City to be held accountable for outcomes. However, we believe there are a number of metrics missing in light of the issues we've raised above. Further, for transparency, and for the purpose of furthering racial equity, we believe some metrics should be tracked by both traditional neighborhood boundaries as well as by the two traditional regions of the city – the West Side of Cleveland and the East Side of Cleveland. The difference between the East Side of Cleveland, 81% African American population, versus the West Side of Cleveland, 19% African American population, cannot and should not be ignored in a plan whose underlying theme is racial equity. This will be facilitated by the fact that the Plan already references the NEO CANDO data system at Case Western Reserve University, and virtually every data point in that system can be associated with both traditional neighborhood boundaries as well as the East Side and West Side regions.

Median Home Sale Price. The scorecards in the Plan and the Summary Plan make no reference to tracking housing market recovery in general and the recovery of housing wealth and value in the majority African American East Side of Cleveland in particular. This would be a significant omission for a Plan that is grounded in racial equity.

COMMENTS

Recommended edit: the Housing Scorecard/Report Card in both the Plan and the Summary Plan should be edited to include an annual tracking of median home sale price in neighborhoods, as well by the East Side and West Side regions of Cleveland. The median sale price data is produced each year by NEO CANDO at CWRU.

Property Tax Delinquency. The scorecards in the Plan and the Summary Plan do track the number of households that will be given property tax protection. While we support including this metric, it will depend on getting the state legislature to authorize either a cap on tax increases or a tax exemption for vulnerable households. This could be a long campaign. In the meantime, as we recommended above, the city can also work with housing counseling agencies to help taxpayers get on payment plans to reduce their delinquency and avoid tax foreclosure. And, since these issues disproportionately impact the majority African American East Side of Cleveland and its individual neighborhoods, the metrics should track tax delinquency by those geographies.

Recommended edit: the Housing Scorecard/Report Card in both the Plan and the Summary Plan should be edited to include an annual tracking of:

- ***The number of residential class delinquent parcels in neighborhoods, as well by the East Side and West Side regions of Cleveland.***
- ***The amount of residential class tax delinquency in neighborhoods, as well as by the East Side and West Side regions of Cleveland.***
- ***The number of residential class parcels on payment plans in neighborhoods, as well as by the East Side and West Side regions of Cleveland.***

Home Mortgage Lending. The scorecards in the Plan and the Summary Plan do track a number of lending metrics, including the share of mortgage loans to applicants of color. We support all of the metrics proposed, but suggest the following additional metrics to provide a fuller assessment of progress, or lack thereof, for bank lending in Cleveland.

Recommended edit: the Housing Scorecard/Report Card should be edited to include an annual tracking of:

- ***Home repair and home purchase mortgages by neighborhoods, as well by the East Side and West Side regions of Cleveland.***
- ***Small dollar home purchase mortgages by neighborhoods, as well as by the East Side and West Side regions of Cleveland.***
- ***A ranking of the top lenders in each category and geography. This information will be useful to the city in its negotiations with lenders.***

Thank you for the opportunity to comment on the draft 10 Year Housing Plan. Please contact us if you have questions, or if we can be of further assistance.

Sincerely,

Frank Ford, Chairperson
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COMMENTS

ozanne

MEMORANDUM

To: **Advisory Committee**

From: **Dominic L. Ozanne**

Date: **August 25, 2021**

Re: **Comments on Draft-Cleveland 10 Year Housing Plan (Equitable Development Plan)**

Summary:

1. The City's 10 Year Housing Plan ("Plan") should be presented as an equitable development plan clearly and intentionally focused on eliminating the housing inequalities between the east and west sides of Cleveland. The Plan should center on equity as its overriding theme.

2. The Black Home Ownership Collaborative's plan to create 3 million new Black homeowners by 2030 announced in June 2021 at Cleveland State University by HUD Secretary Fudge and Senator Brown should inform and shape the City's Plan.

Suggestions:

1. The Connecting Cleveland 2020 City wide plan provides the framework for developing the Plan.

2. Cleveland City and Cuyahoga County Land Bank parcels should be sorted into target areas of investment for single family, multifamily and commercial development based on the Districts in the Connecting Cleveland plan. This can be done using an equity focused housing algorithm that matches prequalified homebuyers, parcels, bond/mortgage financing, grants, down payment sources, tax abatement, and other sources of soft money. Down payment assistance and other incentives can be used to enable pricing of newly constructed homes to be competitive with rents.

3. The City can issue housing bonds to provide first mortgage financing and standardize prequalification requirements for first time homebuyers and other qualifying persons.

4. The City Capital Projects office can develop designs for prototype homes using BIM and 3D models to standardize and lower new housing construction costs for home buyers. These prototypes can include pricing for COVID bedrooms which will include hi efficiency air purification and circulation for elderly and asthmatic family members. Architects, engineers, and contractors can work with the Capital Projects office to ensure realism on cost, quality, schedule and innovations like modular construction.

ozanne

5. In the areas targeted for investment the City can use infrastructure funds for sidewalk, road, street, hard and landscaping, waterline, broadband, lighting, and hi speed internet access to upgrade the area infrastructure and lower costs of site and street improvements. Improved parks and neighborhood spaces will increase the value of homes.

6. The consultants and networks that control funding for single and multifamily housing, affordable housing, tax credits, and incentives can facilitate the development process for new homes in the target areas. The developers, for and non-profit, should be incentivized to partner with Black/diverse developers, architects, engineers, consultants, and contractors. As part of the Plan the City should create an open prequalification process and share information about development opportunities so that more companies can participate.

7. To promote the Plan the City should initiate conversations including Black/Hispanic developers with national funders like LISC, Enterprise, the Opportunity Enhance Network, and others who are interested in funding development projects in the Black/urban communities. Projects in the target areas may be of particular interest to these groups.

8. Equitable Development initiatives and strategic plans are underway in Ft. Collins, Colorado, Seattle Washington, Pittsburgh, Pennsylvania, and other cities. Capital Impact Partners of Detroit has an equitable development initiative to help diverse developers with training, mentorship, and financing. They have been to Cleveland.

9. The current draft contains a lot of accurate information concerning existing programs. The code enforcement and building inspection process can be improved using new technologies.

10. The City's eastern lakefront should be prioritized for development so that it is a compliment to the planned downtown and Edgewater lakefront improvements.

An interesting book on the impact of real estate lending policy on the Black community in America is ***Race for Profit*** by Keeanga-Yamahtta Taylor (2019).

COMMENTS

Online Comment Board

Arthur Hargate

The massive influx of high end rental housing is a real concern. Existing residents cannot afford these luxury units, and it seems like that is mostly what is being built the last few years. This plan is a good in the sense that it clearly provides for affordable housing for all of Cleveland's residents. As it should, its focus is on what is good for the people, not just the developers and corporations.

Beth Nagy

While there is mention of property valuation as it relates to loan amounts in the plan, there isn't any mention of strategies to reduce valuation discrepancies in white vs nonwhite ownership. While the HOLC policies of the New Deal era aren't formally in place anymore, there are still real estate professionals using race and other demographics as a criterion in housing value. For example, are nonwhite-owned homes more likely to be valued less than their white counterparts, all things considered (like location, income, education) I'd like to see some data and metrics around this point included.

T

Low market value, low appraisals, and as a result difficult market sales and availability of home equity makes east side neighborhoods continue to lag. I would like to see efforts to address equity in housing appraisals and gap financing for market rate projects to help boost market viability.

Chuck Hoven

If our goal as a city is to stabilize and increase our population, we must address the needs of low income households and especially of families with children. The Right to Counsel Program and Rental Assistance Program are good starts. They need to be expanded to meet the needs of all households facing eviction. Helping the roughly 9,000 households facing eviction each year in the city of Cleveland to stay in their homes or find better housing would go a long way to stabilizing the living situations for many Cleveland residents.

Enticing families with children to stay in the City of Cleveland and send their children to schools in the city would do much more to increase our population density than the current policy of giving fifteen year tax abatements. The City of Cleveland policy makers believe they gain more in payroll taxes than they give up in property taxes through the abatements. This may be true because the City's portion of the property tax is only 13.2%. The Cleveland Schools lose the most from the tax abatements as their portion of the property tax is 56.79%. Cuyahoga County receives 19.35%. The Cleveland Public Library receives 8.08% and the Metroparks receive 2.58%. If the City of Cleveland insists it needs tax abatements, it should reimburse the other entities that are recipients of the property tax during the 15 years of the abatement. The last time I looked I believe the Cleveland Metropolitan School District estimated that the tax abatements of its portion of the property tax amounted to about $70 million per year. If you add the tax forgiveness on our stadiums and arena -- the city reimbursement of the school system would go up at least another $10 million.

Chuck Hoven (continued)

Imagine a typical block in Cleveland with about 40 houses on it. If all those households are made up of single individuals or couples with no children -- the population of that street will never go beyond a maximum of eighty people. Now imagine that half of those households had an average of at least two children. Whether a single parent household or a couple is raising the children -- the potential maximum population of that street has increased from eighty to one hundred and twenty people -- a fifty percent increase without building any new houses.

Let us put our resources into education and helping low income households in Cleveland. Those that can afford to purchase new homes are not the neediest people in Cleveland. We should have high quality schools that have the resources needed to provide Cleveland children with the best education available anywhere. There should be a whole array of after school extra curricular activities for Cleveland students to choose from. The City of Cleveland needs to reimburse the school system for past tax abatements and to stop giving away the school system's resources without compensating the schools. Improving the school system is the key to future growth in our population. We have tried tax abatements for decades and our population continues to decline. Let's focus on current residents and meeting their needs for housing stability and educational attainment. Build amenities that will make life more pleasant for Cleveland's residents -- pocket parks and community gardens instead of development on every single parcel in hot development areas.

COMMENTS

Laura Cyrocki

Thanks for putting together this study!

I live on Hessler Road in University Circle, where property values are on the rise. Recently, our local community service organization, University Circle Incorporated, sold two parcels on Ford Drive, one abutting the Hessler Road Historic District and one in it. They transferred the deed to developers in spite of known community opposition. The developers, will renovate and displace residents in the homes on Ford. They want to build market-rate micro unit apartments on Hessler Road in the backyard of 1975 Ford, where the Hessler community has its museum and the last of its common spaces left for the Hessler Street Fair.

The Hessler community is concerned about the impact of the project on access to affordable, owner-occupied housing, impact on its fragile historical infrastructure, impact on its street fair and the development ruining the aesthetic of the street. In a conversation with the developer, an organizer against the development was told: "this development would not be economically feasible without the the tax abatement." This story is a story many "hot" neighborhoods face, and it's robbing Cleveland public schools of valuable tax dollars, while long term residents get displaced.

I expect better from Cleveland and more respect for its citizens.

Paht

Please consider internet speed, price, availability as a factor in housing and education.

COMMENTS

CJ

I would like established neighborhoods to be preserved, increases in tax assessments to be regulated, abatement to be targeted and density at all cost to be eliminated as the sole goal of the Planning Department.

The understanding of the value of what exists has been overlooked. City services, schools and transportation needs to be enhanced to attract permanent residents.

Terry McNeil

My family has owned a house near East 84th st and Wade Park for 70 years. Wade Park ave. has been decimated over the past 30+ years. Many buildings and houses demolished. The road condition is horrific. There is no public transportation on Wade Park ave. I feel that since Wade Park ave. is between Superior ave. and Chester ave., Wade Park ave. could be an amazing residential neighborhood that could be close to Cleveland Clinic and University Circle but would be less to own a great home. I often look at Wade Park ave. as a potential suburbia type road that's in the heart of the city. It will take major redesign, major investment and major marketing to transform Wade Park ave. into a huge gem. Who can I talk to about putting a plan together??

COMMENTS

Mike

Federal funds should be used to bridge the east-west racial divide. In more stable and growing neighborhoods on the west side like West Park, Ohio City, Detroit Shoreway, etc., assistance should be use to promote mobility by lowering the cost of buying into those communities for low income, often minority, households. Funding on the east side could be more directed towards addressing and rehabilitating distressed housing. Also, consider not taking a big chunk of federal funds and dividing it evenly across the wards of the city. The needs are much greater in certain areas, and equality isn't equity.