



# Cuyahoga Countywide Housing Study

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## Executive Summary

County Planning

**May 2, 2016**



## County Planning

### **Cuyahoga County Planning Commission**

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### **About County Planning**

The Cuyahoga County Planning Commission's mission is to inform and provide services in support of the short and long term comprehensive planning, quality of life, environment, and economic development of Cuyahoga County and its cities, villages and townships.

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*Front source: [www.OneLakewood.com](http://www.OneLakewood.com)*

# Background

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For many communities in the industrial Midwest, the changing economy has resulted in population loss. Combined with changes in population settlement, housing preferences, and demographics, Cuyahoga County is now faced with an oversupply of housing mismatched to the needs of current and future households. This has led to vacant, neglected housing that has become blight in many neighborhoods, impacting economic development, government operations and service provision, public health and safety, and the breakdown of once thriving communities. To address this disparity, the County is performing a housing study that will address the full needs of our communities: new construction where warranted, rehabilitation where feasible, and demolition where necessary.

In 2015, the Cuyahoga County Council approved a \$50 million bond to fund housing and building demolition throughout the County. Demolition of vacant and blighted structures is one of the most common tools available to fight the spread of blight. In many scenarios it is often the quickest and cheapest tool to deal with a vacant structure. However, while it can effectively remove blight and stabilize neighborhoods, by itself, it does not completely address the housing, service, social, and economic needs of the remaining community.

To gain a more complete understanding of the state of housing in the County, and to help guide the future policy and funding decisions targeting housing issues, the County Council approved funding to complete a Countywide housing study.

This study first analyzes population and housing trends through U.S. Census demographics, IRS migration data, and County Auditor and home mortgage and foreclosure sources. It also identifies local housing capacity and programming through government and community organizations. The study then identifies best practice tools and solutions to combat and deal with housing issues found in the analysis.

The results of this study will inform the County Executive's Office of Housing and Community Development as they develop and implement a comprehensive action plan to address housing and blight issues.

## Demographic Trends

Cuyahoga County has experienced a significant decline in population over the past several decades. Despite the population loss, the number of housing units has been increasing. Over the most recent decade, 2000-2010, both population and households have decreased significantly.

Over the period 1990-2010, Cuyahoga County's population decreased by 132,018 people, with 113,856 (86%) of that loss coming in the 2000-2010 decade. Despite an overall decline in the number of households, the number of housing units rose in both decades. With a 2.8 percent growth in the number of housing units but a 3.2 percent decrease in households, by 2010 there were 76,707 more housing units than households.

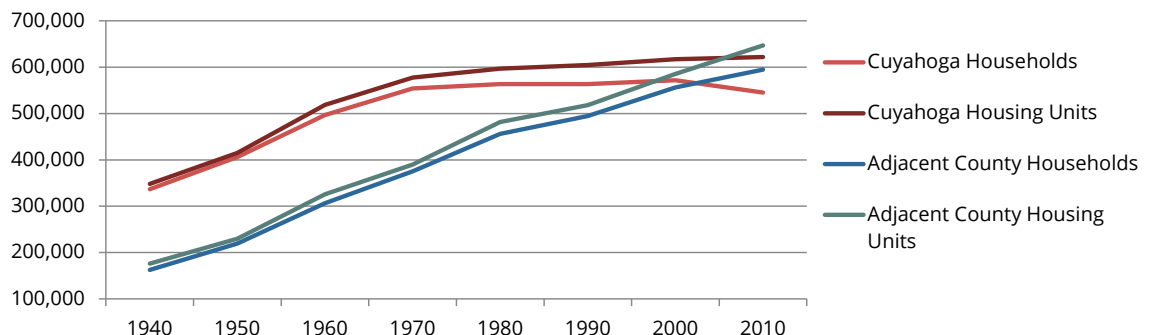
**Table 1** Basic Housing and Population Statistics, Cuyahoga County, 1990-2010

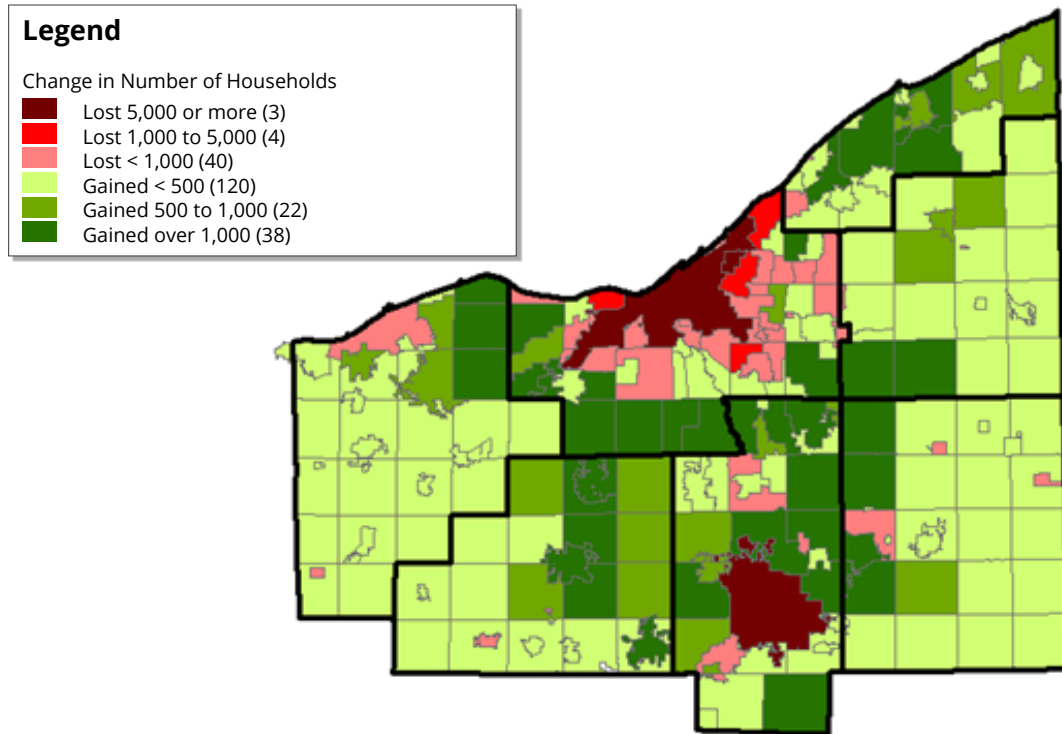
	1990	2000	Change 90-00	Pct. Chng. 90-00	2010	Change 00-10	Pct. Chng. 00-10	Change 90-10	Pct. Chng. 90-10
Households	563,243	571,457	8,214	1.5	545,056	-26,401	-4.6	-18,187	-3.2
Housing Units	604,538	616,903	12,365	2.0	621,763	4,860	0.8	17,225	2.8
Population	1,412,140	1,393,978	-18,162	-1.3	1,280,122	-113,856	-8.2	-132,018	-9.3
Owner-Occupancy	62.0	63.2	1.2		60.9	-2.3		-1.1	

Source: U.S. Census Bureau

In the Seven County region around Cleveland and Akron, Cuyahoga and Summit County experienced its most significant period of growth in the middle decades of the 20th Century. Counties on the periphery of these central cities actually experienced slow growth during this same period. At the turn of the 21st Century, the pattern had reversed. Exurban counties were experiencing their greatest growth while central-city counties experienced growth and decline.

**Figure 1** Households and Housing Units, Cuyahoga and Adjacent Counties, 1940-2010



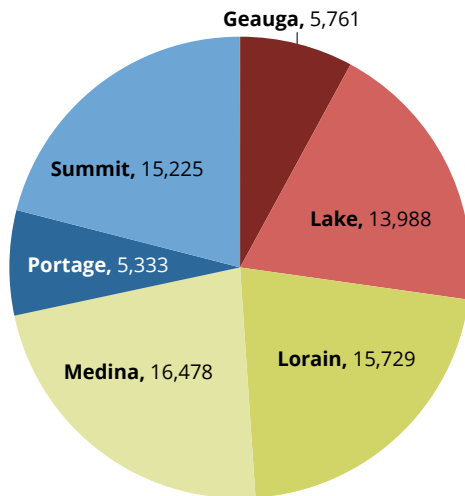


### Map 1 Change in Number of Households, 1990 to 2010

The basic pattern is one of loss in Cuyahoga's core and inner suburbs, with growth in Cuyahoga's outer suburbs and into the surrounding counties. In Cuyahoga County, 22 of the 59 jurisdictions (37 percent) added more than 100 households, while for Lorain County it was 68 percent, and for Medina County it was 79 percent. Similarly for loss of households, in Cuyahoga County 17 of the 59 jurisdictions (29 percent) lost more than 100 households, while for Lorain County it was only 3 percent (just Lorain city), and for Medina, Geauga, and Lake Counties there were none.

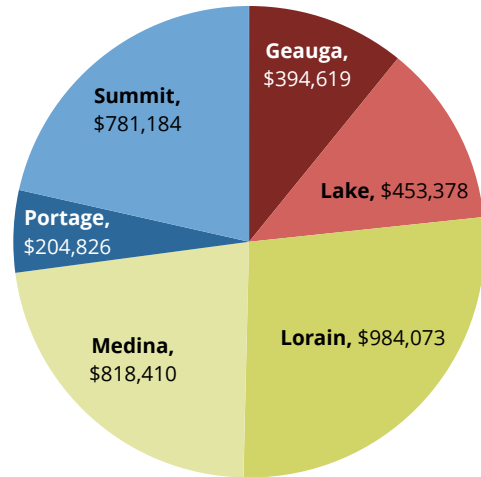
Migration also plays an important part in local revenue as income migrates with households. From 1992 to 2011, approximately \$3.6 billion of income moved with households out of Cuyahoga County. Figures 1 and 2 illustrate this economic impact. The greatest net loss of households was to Medina County (16,478), followed by Lorain (15,729) and Summit (15,225). Lorain County gained \$984 million in income. Medina followed with \$818 million.

**Figure 1** Loss of Households: Cuyahoga to Adjacent Counties, 1985/1986 to 2010/2011



Source: IRS County-to-County Migration Files

**Figure 2** Loss of Income: Cuyahoga to Adjacent Counties, 1992/1993 to 2010/2011



Source: IRS County-to-County Migration Files

When looking at future demand, it is also important to consider future population and demographic shifts. The Ohio Development Department Services regularly produces population estimates for counties in Ohio. Of the region, only Lorain and Medina Counties are projected to sustain consistent growth from 2015-2040. If current trends continue, Cuyahoga County is projected to lose 111,000 persons, while both Lorain and Medina Counties are projected to add a little over 19,000 each.

The only age groups for which Cuyahoga County is projected to have more persons in 2040 are in the 70+ groups (persons who are currently 45+). The greatest projected decreases for Cuyahoga are located in the 50-64 age groups (persons who are currently 25-39). For the region, the highest increases are projected to be in the 35-44 age groups (persons currently 10-19), and 70+.

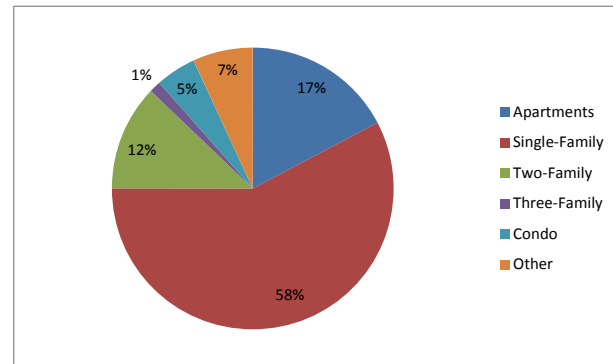
Over the next decades, Cuyahoga County will be dealing with serious housing issues. A declining population will also become an aging population. A housing surplus will continue to grow while households continue to decrease. The County will need to combat vacancy and blight, as well as transition the housing stock to one that can serve an aging population but also attract younger residents. Solutions are necessary to relieve the pressure that blight and vacancy create on services and government revenue as well as the physical and psychological toll on the strength and fabric of local communities.

## Housing Supply and Demand

Living units are a basic measurement of the supply of housing in an area. The majority (58%) of units within Cuyahoga County are single-family. Apartments make up the next largest sector of housing units at about 17%. Two-family units and Condos make up another 17%, and three-family structures make up just 1% of all units.

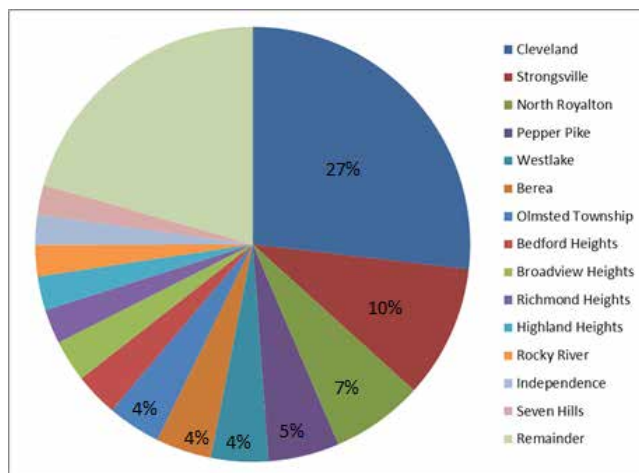
The City of Cleveland has 213,983 housing units, almost 35% of all housing units in the county. The next ten largest cities combined (Parma, Lakewood, Euclid, Cleveland Heights, Strongsville, North Olmsted, East Cleveland, Westlake, Shaker Heights, and Garfield Heights) make up another third of all available housing units in the County. The remaining 48 cities in the County make up the final third of all housing units.

**Figure 3** Cuyahoga County Units By Type, 2014



Source: Cuyahoga County Auditor

**Figure 4** Most New Living Units, 2010-2013



Source: Cuyahoga County Auditor

age points from 2000 to 2013. During this same 13-year period, the national rate fell by only about 2.25 percentage points.

As shown in Figure 5, the fourteen places with the most units constitute almost 80 percent of the total new units. Places with over 100 units included Cleveland (681 units, 27% of total), Strongsville (251, 10%), North Royalton (174, 7%), Pepper Pike (134, 5%), Westlake (108, 4%), Berea (105, 4%), and Olmsted Township (101, 4%). Of new units constructed, 77 percent are single-family. In most places, single-family units are the only type of new construction being built

Cuyahoga County's homeownership rate is decreasing faster than the national rate. It dropped by about 3.38 percent-

Table 2 displays owner-occupancy rates for cities in Cuyahoga County with a population of at least 20,000 in all years shown. Trends varied widely with Solon and Westlake remaining relatively stable while the rate in Maple Heights dropped about 16%. Cities in which the homeownership rate fell at a rate higher than the overall

**Table 2** Owner Occupancy In Cities over 20,000 in Population In 2000, 2007, 2010, 2013

City	Percent Owner-Occupied				Percentage-Point Change			
	2000	2007	2010	2013	2000 to 2007	2007 to 2010	2010 to 2013	2000 to 2013
Cleveland	48.54	47.65	46.19	42.99	-0.89	-1.46	-3.20	-5.55
Cleveland Heights	62.11	60.64	58.21	56.49	-1.47	-2.43	-1.72	-5.62
Euclid	59.45	57.74	53.45	50.02	-1.71	-4.29	-3.43	-9.43
Garfield Heights	79.91	75.79	73.24	70.66	-4.12	-2.56	-2.57	-9.24
Lakewood	45.19	48.09	42.00	43.56	2.90	-6.09	1.56	-1.63
Maple Heights	83.75	79.34	73.84	67.83	-4.41	-5.51	-6.01	-15.92
North Olmsted	79.70	78.94	80.65	75.98	-0.76	1.71	-4.67	-3.72
North Royalton	74.93	73.31	72.85	70.61	-1.63	-0.46	-2.24	-4.32
Parma	77.47	77.16	75.59	74.47	-0.31	-1.57	-1.11	-2.99
Shaker Heights	64.93	68.50	62.27	62.46	3.56	-6.23	0.19	-2.47
Solon	87.78	88.02	84.06	87.23	0.23	-3.95	3.16	-0.55
South Euclid	83.86	83.86	79.20	81.40	0.00	-4.66	2.19	-2.46
Strongsville	82.69	83.60	79.84	80.00	0.91	-3.76	0.16	-2.69
Westlake	74.81	74.00	73.51	74.53	-0.81	-0.49	1.02	-0.28
<b>Cuyahoga County</b>	<b>63.17</b>	<b>63.68</b>	<b>61.61</b>	<b>59.79</b>	<b>0.51</b>	<b>-2.07</b>	<b>-1.82</b>	<b>-3.38</b>

Source: US Census Bureau, 2000 SF1, 2007 3-year ACS, 2010 3-year ACS, 2013 3-year ACS  
20,000 persons in all years analyzed.

Note: Places included had at least

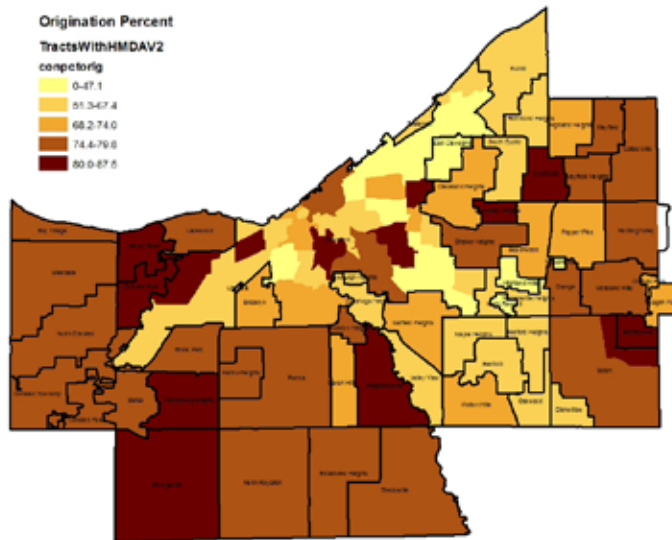
County were hard hit by the housing crisis. Property values in those cities have been slower to recover. This has set off a cycle in which owners who desire to sell their homes cannot obtain the price they want and turn to renting.

Mortgage activity can provide insight to where demand and access for homebuyers is strong or weak. Home Mortgage Disclosure Act (HMDA) data can be used to analyze lending patterns for small areas, as well as to analyze loan application activity. Data was analyzed by Census Tract. For the City of Cleveland, data was analyzed by modified Statistical Planning Areas (SPAs) called Psuedo SPAs (PSPAs) to account for overlapping Census Tracts

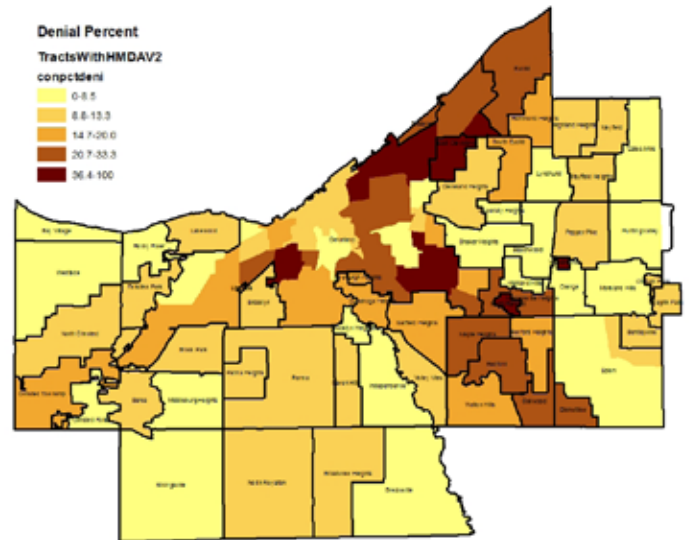
A map of the percent of loans originated provides insight as to where loan applications have been the most successful. In Map 2, High origination rates were obtained in PSPA Kamms Corners next to Fairview Park, and in PSPA Tremont. In the suburbs, Middleburg Heights, Lyndhurst, Fairview Park, Independence, and Strongsville had the five highest origination rates.

A map of the percent of loans denied provides insight as to where loan applications have been the least successful. In Map 3 there are few PSPAs and suburbs that have a significant amount of applications in the highest group for denial percent, When the second heights group (20.7-33.3% denial) is added to the analysis, a "C"-shaped region appears, containing most of the highest areas of loan denials. The region starts in Euclid, continues down through several eastern PSPAs, and finishes up in several southeastern suburbs.



Map 2 **Percent Origination of Loans, 2013**

Source: Northeast Ohio Community and Neighborhood Data For Organizing

Map 3 **Percent Denial of Loans, 2013**

Source: Northeast Ohio Community and Neighborhood Data For Organizing

## Forces Shaping Demand

Demand for housing in Cuyahoga County and the entire United States is being shaped by several pairs of related forces. The strength and magnitude of these forces, and their competing or compounding nature will drive the future of housing. Understanding these forces will provide an accurate idea of the future markets in Cuyahoga County. These forces are:

- Baby Boomer and Millennial Generations,
- Renting versus homeownership,
- Single-family homes versus multi-family apartments.

As Boomers and Millennials age, their preferences and decisions regarding the other forces will drive future housing demands.

Single-family versus apartments and whether to own or rent are the significant decisions made that affect the housing market. Boomers and Millennials will be the two major cohorts making this decision. The decisions they make, and their preferences towards the other choices as they transition to new life stages will drive demand.

Common thought in the housing market is that Baby boomers, as they age, are looking to downsize and move out of their single family houses. However, studies

are showing that they are staying with their single-family housing. This has implications both for the single-family and apartment markets. Boomers may just be downsizing and seeking smaller types of single-family houses such as townhomes or cottage housing. Or, there may not be apartment options available to them that they prefer as a group. New apartments are often either high-end luxury or lower end affordable units. The market is not providing the type of mid-level income units with the amenities they are seeking. The rising rental rates may also be burdensome for fixed income households and make continuing to own their own home a more economically smart decision. Also, many boomers may be affected by the loss in equity of their homes from sharply decreased housing values during the Great Recession.<sup>1 2</sup>

Cuyahoga County in general, and many of the communities within the County, has significantly aging populations. Many communities also have highly homogeneous housing stocks. If communities seek to allow aging residents to remain in the community, they need to diversify the housing stock offered in their community. Otherwise, when the preferences do finally shift to smaller houses, condominiums, or apartments, residents will have no choice but to move to neighboring communities or out of the region all together.

Millennials, on the other hand, are remaining renters at a significant rate. As the largest generation, over 90 million by some estimates, they are sure to be the drivers of the housing market for decades to come. There are many reasons posited as to why Millennials remain renters. They have been scarred by the Great Recession. Jobs opportunities are just recovering and pay remains stagnant. Many leave college with burdensome student loan debt. Also, banks have tightened access to credit making it more difficult for Millennials to purchase new homes.<sup>3</sup>

Many believe that Millennials are simply postponing the purchasing of single-family homes to deal with the financial realities mentioned above. Many reports show that Millennials still prefer single-family homes. Despite recent trends, the huge size of the Millennial Generation and its shown preference to eventually buy a house shows that once the economic and social factors inhibiting their housing purchases are changed, they will enter the market. The sheer size of the cohort will make the effect on housing substantial.<sup>4</sup>

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1 Simmons, P., "Are Aging Baby boomers Abandoning the Single-Family Nest?" Fannie Mae Housing Insights, Vol. 4 Iss. 3

2 Simmons, P., "Baby Boomer Downsizing Revisited" Fannie Mae Housing Insights, Vol. 5 Iss. 2

3 <http://www.realtor.com/news/3-reasons-millennials-driving-housing-market/>

4 <http://www.usnews.com/news/articles/2014/09/17/how-millennials-could-be-housing-market-heroes>; [http://money.cnn.com/2014/06/26/real\\_estate/harvard-millennials-housing/index.html](http://money.cnn.com/2014/06/26/real_estate/harvard-millennials-housing/index.html)

## Housing Market Strength & Focus Areas

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A goal of this study is to identify appropriate strategies and best practices that can be utilized to strengthen housing markets. However, Cuyahoga County is made up of diverse housing markets, each with different challenges. It was important then to identify the different types of neighborhood housing markets throughout the County to provide a framework to develop best practices recommendations.

To do this, a Housing Market Assessment was performed to quantify housing markets on a Census Block Group Level. The analysis constructed a consolidated index of relative housing market health or distress.

Seven measures were analyzed separately and then consolidated into a single index. The seven data sets included the following:

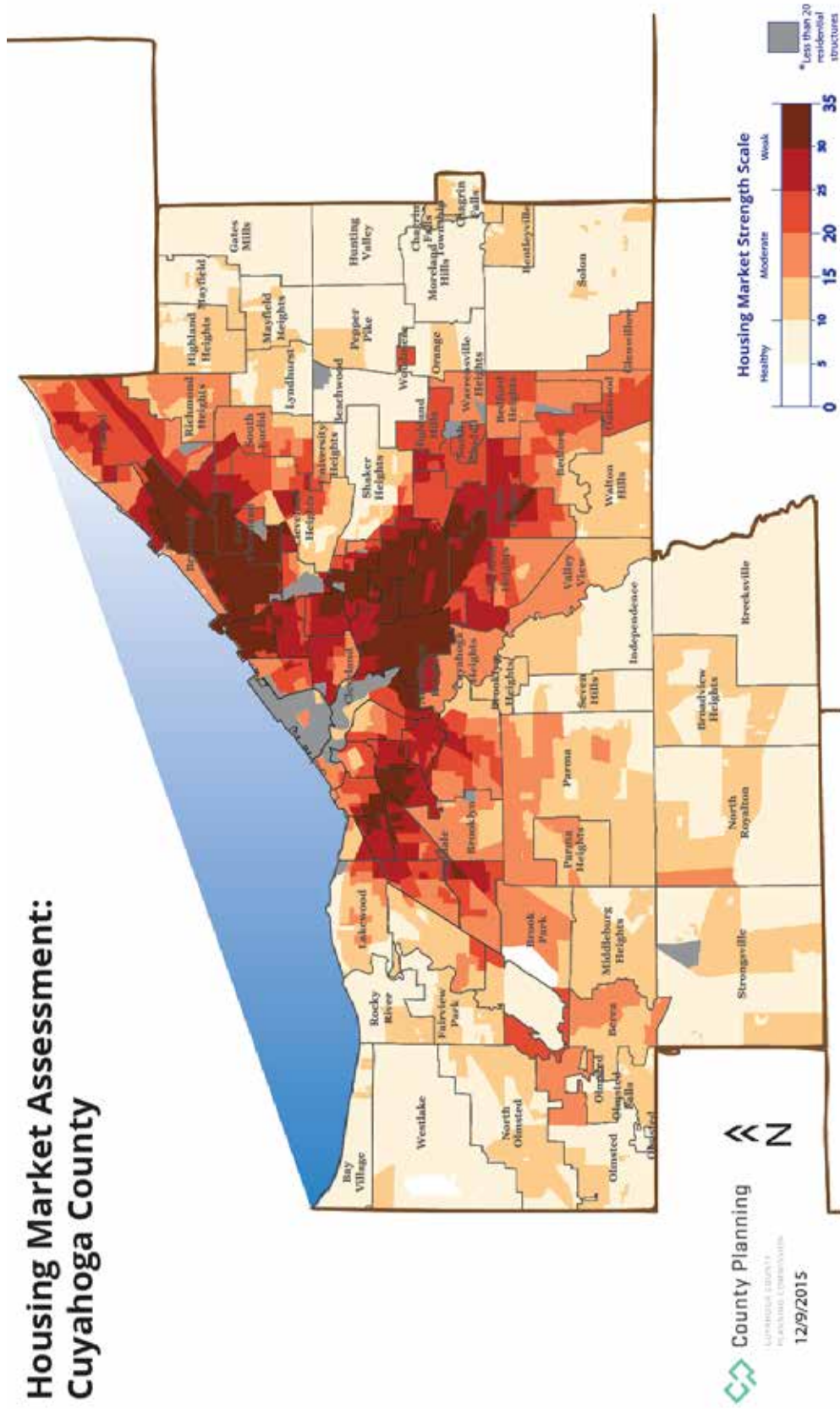
- Housing Valuation Change from 2012-2015
- Housing Unit Vacancy Rates, 2015
- Demolitions, as of October 2015
- Mortgage Foreclosure Filings, 2006-2015
- Tax Delinquency, 2014
- Percent of the Population Below the Poverty Level, 2013
- Unemployment Rate, 2009-2013

For each Census Block Group in the County, values from the seven separate indexes were summed into a single overall value. Each index was weighted equally and scored from one (best) to five (worst) with a maximum possible score of 35. The higher this value is, the higher the implied level of housing market distress.

The results of the Housing Market Assessment can be seen in Map 4 (page 10). The most significant areas of distress are in the eastern parts of the city of Cleveland extending into East Cleveland and Euclid to the northeast and Garfield Heights and Maple Heights to the southeast. The west side Cleveland neighborhoods also show areas of significant distress, though not as widespread as on the east side. This may not be a surprise to many familiar to this issue in Cuyahoga County, but it is always important to be able to show the issue geographically and supported with data.

The Housing Market Assessment provides a clear snapshot of market areas that are struggling. Many other factors that can affect housing and development of an area are harder to quantify. It is important to look at locational factors, such as transit, economic development, and current planning efforts to gain a complete

# Housing Market Assessment: Cuyahoga County



## Map 4 Housing Market Strength, Overall Assessment

Map 4 shows the overall index created using the seven identified market indicators to identify levels of market strength, or distress, in Cuyahoga County. Areas in darker red or brown indicate higher levels of distress.

understanding of a neighborhood. Creating recommendations or specific plans for each housing market or neighborhood is beyond the scope or ability of this study. However, this study can look to identify typical neighborhoods or market areas that present an opportunity to develop general frameworks for comprehensive recommendations.

The Housing Market Assessment creates a strong starting point that can be combined with other known factors to begin a process of identifying these focus areas. Focus Areas can then be used to frame the targeting and implementation of best practices and strategies. The additional locational factors used to further identify Focus Areas are:

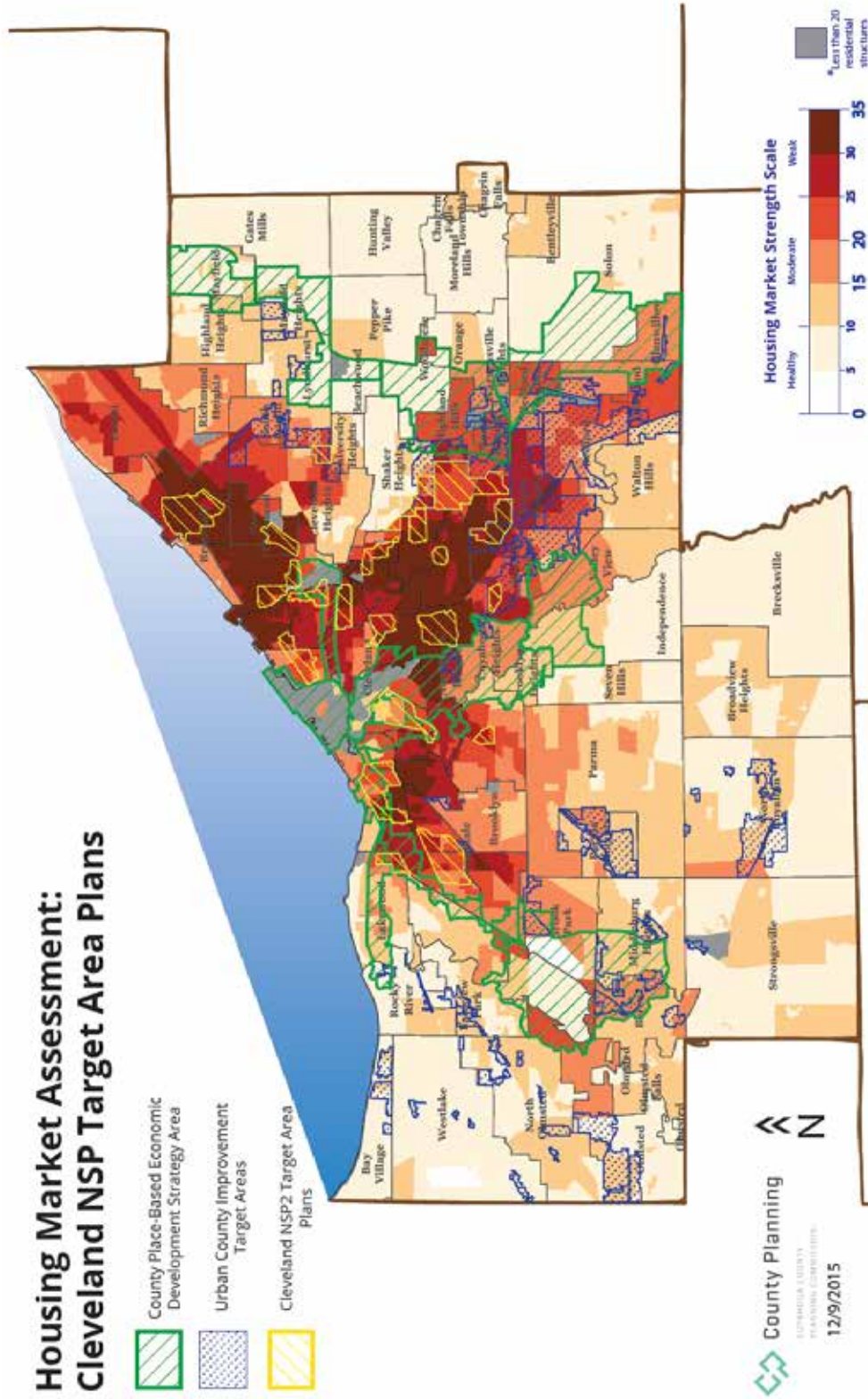
- Highway Locations
- Greater Cleveland RTA Bus and Rail routes
- RTA Transit Stop Frequency Heat Map
- Place-Based Economic Development Strategy Areas (Cuyahoga County Department of Development and County Planning)
- Urban County Improvement Target Areas (ITAs) (County Planning)
- Reclaiming Cleveland Target Area Plan Locations (City of Cleveland)

Creating focus areas is a more subjective task taking into account the results of the Housing Market Assessment with the nature and location of the many locational indicators identified earlier. The purpose of the Focus areas is to identify typical, yet differing neighborhoods that exist throughout the County. These Focus Areas will act as prototypes for framing housing issues and developing a best practices and strategies framework. They will encompass the typical neighborhoods and common housing issues that are faced throughout the County. It is also an effort to integrate various planning efforts into a comprehensive approach.

The following four Focus Areas were identified:

- Detroit Creative Corridor
- Western Rail Line
- HealthTech Corridor
- Southeast Manufacturing

They are shown in the following maps on page 12. These Focus Areas represent the diverse neighborhoods, infrastructure and planning efforts that exist throughout the County and will be the framework through which best practices and strategies will be built.

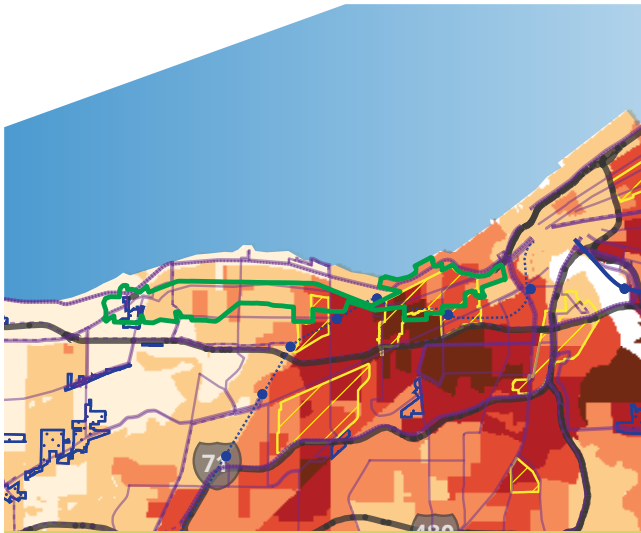


**Map 5 Combined Target Areas Map**

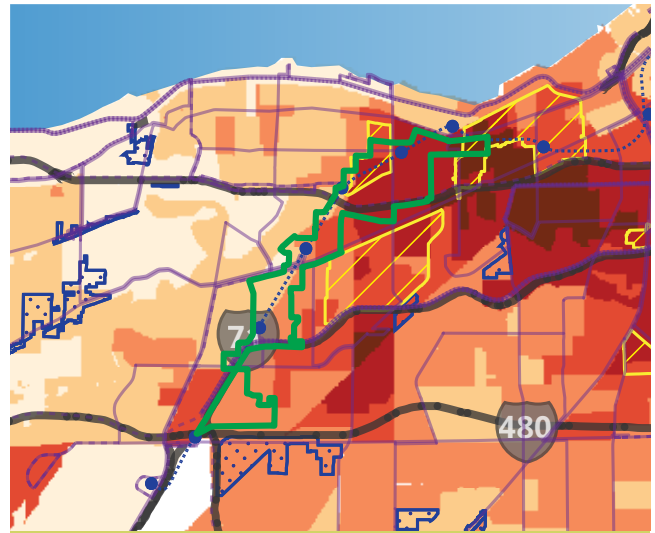
Map 5 combines the different identified target areas from the County Economic Development Framework, the ITA study, and Reclaiming Cleveland Target Area Plans. Combined with the other locational factors, these will be used to identify Housing Focus Areas.

## Identified Focus Areas

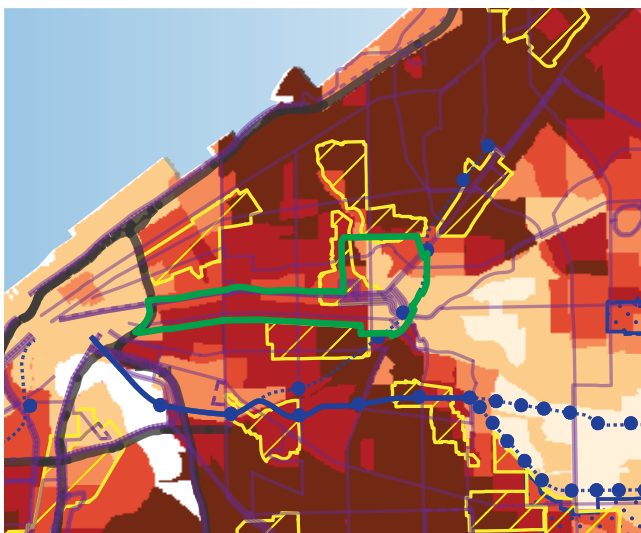
*Focus Areas have been selected to represent a wide and differing range of neighborhoods, community assets, and local planning efforts in order to build a representative framework for best practice and strategy development. They are not meant to exclude any communities or neighborhoods, but to serve as an example for future plan development throughout the County. The specific frameworks and recommendations can be found on pages 158-168 in the Cuyahoga Countywide Housing Study.*



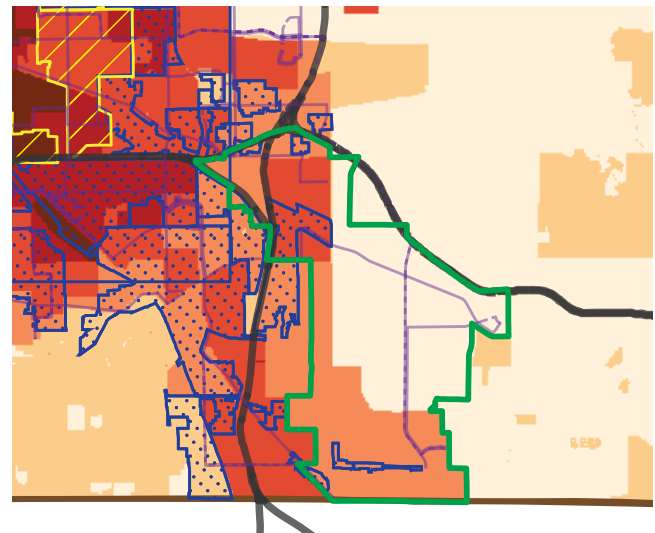
Map 6 Focus Area 1: Detroit Creative Corridor



Map 7 Focus Area 2: Western Rail Line



Map 8 Focus Area 3: HealthTech Corridor



Map 9 Focus Area 4: Southeast Manufacturing

## Best Practices

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The Best Practices section identifies different strategies and provides a context for when they can be used successfully. Since the majority of communities in the County work under home-rule, this is specifically not designed as a plan of action but rather a repository of ideas and menu of solutions. It is intended to function as a toolkit, providing strategies and options that can be used by communities and groups to create specific plans to address their housing needs.

### Rehabilitation and Rehabilitation Costs

According to the U.S. Department of Housing and Urban Development, the most desired outcome for vacant and distressed housing is to quickly return a property to its previous use — an owner-occupied residence.

Determining the best course of action for distressed homes involves a complex consideration of social, economic, physical, and environmental factors. These include housing market strength, neighborhood identity and resilience, reinvestment opportunity, proximity to transit, economic centers or employment, and also the physical condition of the home itself. Local governments, CDCs and other housing groups must weigh the costs and benefits of rehabilitation to determine if there will be an adequate return on investment.

The demolition cost of a single family home averages \$11,000 within the Greater Cleveland area. The price of demolition rises when abatement or remediation of environmental hazards is needed, such as for lead and asbestos. Depending on type of material used and the extent that it was used within the home, additional costs can range from \$400-\$35,000 over the average cost of demolition.

The range of housing rehabilitation costs is even wider. When the County Land Bank rehabs homes, the average renovation costs \$50,000. When the Land Bank utilizes a “deed-in-lieu”, in which a land banked property is sold at a very low cost and the buyer is given a list of items they must perform to bring that building up to code, those renovators average from \$25,000-\$30,000.

When using money under the federal Neighborhood Stabilization Program (NSP), average costs to renovate were \$170,000, much higher than the average resale price of these homes at \$80,000.<sup>1</sup>

A 2014 Study performed by Harvard University, Cleveland State University and Case Western Reserve University concluded that in some cases, renovations to bring a home up to code was indeed cost-effective. They concluded, though, that

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<sup>1</sup> Bill Whitney, Chief Operating Officer, Cuyahoga County Land Reutilization Corp: personal communication 11/12/2015 and 12/17/2015



in particularly weak markets, rehab was not cost effective. However, this study based rehab costs on federal compliance for NSP standards for energy efficiency, which adds to the up-front costs. Furthermore, costs are off-set by the grant funds provided through the NSP.<sup>2</sup> There are also other social and cultural considerations involved in determining the cost effectiveness of rehabilitation versus demolition that the Harvard Study did not consider.

Community Development Corporations have played a significant role in promoting the rehabilitation of housing. As mission driven, community based housing development organizations CDCs are able to draw on grants and federal money to fund renovations. This enables them to take on rehabilitation projects that will benefit the community without being driven by the need to recoup costs or make a profit.

Several Examples of CDCs promoting housing rehabilitation include:

#### **Slavic Village Recovery, Slavic Village, Cleveland, Ohio**

As of September 2015, Slavic Village Recovery has succeeded in:

- **30** Houses renovated and sold
- **6** pending sales to owners
- **26** houses in inventory
- **5** houses under site control, pending transfer to SVR
- **40+** Houses under consideration for acquisition

#### **One South Euclid - Residential Resale Program**

Through OSE's Build-Grow-Thrive Residential Resale Program 29 new homes have been built in the city since 2010 with sale prices of \$190-260k and here has been \$40 million of residential revitalization in the city.

#### **St. Clair Superior DC & Loft Home Builders Inc., Cleveland**

In 2013 the Cuyahoga County Land Bank teamed with the St. Clair Superior Development Corporation (SCSDC) and local developer Loft Home Builders, Inc. to perform rehabilitations to modernize outdated homes. Working together, they have developed a process to modernize houses at costs between \$10,000 - \$15,000; only a little more than it takes to demolish a vacant property. The process guts outdated single-family homes and creates a modern, open floor plan which requires less

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<sup>2</sup> "Harvard Study Compares Demolition to Rehabilitation", The Preservation Leadership Forum Blog, Thomas Jorgenson, March 2015 <http://blog.preservationleadershipforum.org/2015/03/19/study-compares-demolition-rehabilitation/#.VnhKFVJ53hU>

electrical, ductwork, as well as fewer materials for flooring, walls, and other interior needs of a conventional renovation.

### **Artist Housing, Northeast Shores CDC, Cleveland**

The Northeast Shores Development Corporation, which operates in the Collinwood neighborhood of Cleveland, has worked diligently to create an artist community and attract creative individuals and entrepreneurs to strengthen and rebuild this area of northeast Cleveland. To aide in stabilizing the neighborhood and provide affordable housing, they have utilized two programs to rehab deteriorated and vacant housing.

The Own Your Own (Build Your Dream) program allows home buyers and rental investors the opportunity to buy and rehabilitate homes in the area. You must meet certain criteria to participate and then you must complete required actions in a certain timeline or the property returns to the CDC's ownership. Since 2010 the Own Your Own (Build Your Dream) program has completed and sold 26 homes.

Northeast Shores also undertakes its own rehab projects using NSP funds to perform gut rehabs on homes. Rehabs typically range from \$104,000 - \$170,000. Homes are then resold for market value around \$85,000 - \$110,000. Since the CDC is funding these projects through grant and other subsidy, it is not focused on making a profit. They can absorb the offset costs in order to stabilize and benefit the community. To date, 10 homes have been rehabbed using this program.

## **Revitalization and Reinvestment Recommendations**

### **1. Foreclosure Prevention**

#### ***Best Practice--Support and Expand foreclosure Counseling Programs.***

#### **Cuyahoga County Forclosure Prevention Program (CCFPP)**

The CCFPP has been successful in enabling homeowners at risk of foreclosure stay in their homes and prevent foreclosure.

- The CCFPP has helped 6,892 homeowners prevent foreclosure.
- For all program participants with a successful outcome, an estimated 70% had avoided a subsequent foreclosure filing as of January 2016.
- Helped 2,764 people bring their mortgage current (40% of all those with successful outcomes)

Foreclosure counseling through these programs have substantially helped homeowners reach a successful outcome. The CCFPP has helped 6,892 homeowners prevent foreclosure.

## 2. Code Enforcement

### ***Best Practice--New Models of Code Enforcement, Collaboration and Rental Registries***

#### **Housing Court Diversion Program, Lakewood, OH**

Residents, when notified of a code enforcement complaint, appear in housing court to address their code violation. If admitted, the Housing Court Diversion Program is one path for residents to provide information about their individual situation and receive the resources needed to address their violations. Rather than pay the fine, those financial resources are reallocated into home repairs that follow a mutually agreed upon compliance schedule.

#### **Local rental registration practices, Summit County and South Euclid, OH**

Summit County uses an on-line rental registry system that allows the landlord to enter their information directly into an on-line rather than a document that needs to be printed out and mailed. It is also a best practice to have cities and counties share information. South Euclid has made it a practice to have landlords submit county rental registration in conjunction with city rental registration in order to remain in good graces with the housing department. Before issuing a city rental permit, South Euclid makes sure that landlords are current on taxes, among other issues.

## 3. Reinvest in Existing Housing Stock

### ***Best Practice--Develop a Pool of Capital for Housing Rehabilitation and Modernization***

Cities need funding to strategically rehabilitate or renovate endangered historic, vacant older homes that have become neighborhood eyesores but that, if renovated, could be catalytic in stabilizing a street or a neighborhood. In areas where surrounding properties are in good condition and the renovated home could sell for a price that would cover the initial investment, a specialized loan product or a combination of receivership and a revolving loan fund seeded by the County or a bank is suggested.

### ***Best Practice--Historic Preservation***

#### **Promote and Expand Heritage Home Program**

The Heritage Home Program<sup>SM</sup> is administered by the Cleveland Restoration Society. It offers low interest loans (as low as 1.4%) to maintain and improve homes that are at least 50 years old. Only property owners living in one of the 36 participating

suburbs (those suburbs that pay a fee) are eligible to participate in the program. It is recommended that the County support the operating costs of providing technical assistance and administering the program for all cities in the County so that the program could be available county-wide. An estimated 327,000 housing units Countywide would be eligible for the program.

### **Promote and Expand the Historic Property Intervention Fund**

In addition to offering the Heritage Home Program<sup>SM</sup>, the Cleveland Restoration Society intervenes periodically when a significant historic home is at risk. Through a variety of strategic intervention approaches, high value but highly deteriorated or encumbered properties have been preserved.

It is recommended that the County work with the Restoration Society to create a way to seed a revolving pool of capital (\$1 million) that could be used on an as-needed basis to invest in the preservation of strategically located and endangered historic properties. Once the properties sell, the money could be returned and reused on future projects.

### **Promote and Expand the Cuyahoga County HELP loan program.**

Cuyahoga County's HELP program uses linked deposits from the County to offer home improvement loans at reduced interest rates for single family, two family and multi-family dwellings. Borrowers must meet the participating banks' normal lending criteria. There are many homeowners in the County who do not qualify for loans or who cannot afford a loan, but still need to maintain or improve their property. However, there is very little money for small grants, deferred loans, or shared equity. Further, awareness of HELP is not widespread. Participation rates could be improved by increasing awareness of the program through widespread promotion.

## **4. Affordable Housing**

### ***Best Practice—County Housing Trust Fund***

#### **Affordable Housing Trust Fund, Columbus and Franklin County, OH**

Ohio's Franklin County has an Affordable Housing Trust Fund (AHT) operated by an independent, not-for-profit lender. The AHT provides loans for affordable rental, supportive and home ownership projects by leveraging private and public lending and investment in order to create affordable home ownership and rental housing for working households and seniors.

The Trust Fund relies on local funding sources from two main sources:

1. The City of Columbus. City Ordinance provides for an annual allocation to the Trust Fund from the transient hotel tax. This dedicated funding source yields approximately \$1.2 million per year.
2. Franklin County Board of Commissioners. The County increased its real estate transfer fee by \$1 to provide its share of the funding. For every dollar raised, \$.50 goes to the Trust Fund and \$.50 goes to the shelter board system. This source yields between \$1.6 and 3.4 million annually.

In 2014, the AHT closed on \$18,205,000 in loans for 12 projects in permanent supportive housing, senior apartments, and affordable housing. By the end of 2014, AHT had \$14,186,875 committed for 11 projects. These projects are developed mostly by community development organizations and provide affordable rental housing.

### ***Best Practice—Mixed Income Housing Development, Inclusionary Zoning or Incentives***

Other strategies that can increase the supply of affordable housing include providing technical assistance and model zoning codes to cities to allow more mixed income housing, or adopt voluntary or mandatory inclusionary zoning practices, or pursuing new legal tools available to encourage a regional approach to designing a fair share distribution of affordable housing throughout the County. The County can also work to encourage and incentivize suburbs to participate and collaborate on a county-wide approach to a fair share affordable housing plan.

## **5. Senior Housing**

According to projections developed by the Ohio Development Services Agency, the only age group in Cuyahoga County that is expected to increase between 2015 and 204 is the group that is 70+. A study by the Center for Community Solutions found that of the 181,192 non-institutional senior households (over 65 years of age) in Northeast Ohio, 74.3 percent live in housing units that they own themselves.<sup>3</sup> The County needs to prepare now to ensure that Cuyahoga County is a place where seniors have a number of alternatives to experience successful aging, including accessible housing in communities.

### **Lifelong Communities Initiative, Atlanta, GA**

A good example is the Atlanta Regional Planning Commission (ARC), which has a Lifelong Communities Initiative that links affordable and accessible housing and transportation, opportunities for social interaction and perceptions of safety to health needs for seniors.

<sup>3</sup> 2015 NEORIO Brief, Spotlight on Seniors in Cuyahoga County, Ohio, Center for Community Solutions, Research Brief [www.CommunitySolutions.com/NEORIO-Seniors](http://www.CommunitySolutions.com/NEORIO-Seniors)

## Community Development and Housing

Reinventing neighborhoods requires an understanding the existing neighborhoods internal and external dynamics. To that end housing strategies should be:

- 1. Intentional** – *Based on review of current conditions for any given neighborhood, and shaped by an understanding of the neighborhoods culture.*
- 2. Data Informed** – *Based on available data that informs what the opportunity is and where the various points of entry should be.*
- 3. Diverse** – *Include varied and diverse funding strategies to allow multiple cross-sections of interventions.*
- 4. Flexible** – *Shaped by the appropriate timing of local interventions and by the regional context of the interventions implemented. The strategies should shift directions as conditions change.*
- 5. Inclusive** – *Include local residents, businesses, neighborhood development groups and organizations, foundations, other nonprofits, and government agencies who can assist in making collaborative choices about the future direction of a neighborhood or area.*

## Understanding Neighborhood Characteristics

Differences matter for place-based neighborhood investing, and these differences should not be over looked. The differences go beyond routine data points and include neighborhood diversity, health impacts, access to jobs and transportation, race, class and ethnicity. Neighborhood typologies can be examined through a myriad of lenses raising questions such as:

- 1.** *What is the degree of assimilation in a particular neighborhood?*
- 2.** *Is the neighborhood stable?*
- 3.** *What are the current home and/or land values?*
- 4.** *Is the area labor pool competitive?*
- 5.** *Where the neighborhood or area residents shop?*
- 6.** *What are the politics?*

## Create Diverse Housing Through Zoning and Dwelling Types

Zoning Ordinances and Codes are regulatory devices that can serve to implement housing goals and objectives such as permitting live-work units, allowing accessory dwelling units in single-family neighborhoods, encouraging mixed-use buildings in

commercial districts, and promoting infill development. Best practices for diverse housing choices require:

- Develop specific and clear definitions of cooperative and co-housing as a special zone or land use in zoning ordinances. This housing type can be appealing to seniors because of its cost sharing component.
- Addressing Accessory Dwelling Unit (ADUs) policies regarding owner-occupancy requirements. ADUs are secondary units located with a residence or on the same property. They often have occupant restrictions. Consideration should be given to the relaxing of standards related to ADU to improve their marketability.
- Address minimum lot sizes for two-family dwellings. If warranted, consider reducing the lot size for two-unit dwellings for new construction.
- Define and regulate micro-units in zoning ordinances in multi-unit complexes. Micro-units are generally smaller units within a larger multi-unit, multifamily complex.
- Expand development of accessible housing through new construction and housing rehabilitation. The Fair Housing Act prohibits disability-based discrimination in housing by virtue of the failure to design and construct covered multifamily dwellings that contain accessibility features.

More information on best practices and recommendations, demolition and rehabilitation costs and issues, Focus Area frameworks, and other tools and examples can be found in the complete Cuyahoga County Housing Plan.

## Conclusion

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This study has shown that the strength in the housing market varies widely across the County. The County's official housing plan through the Office of Housing and Community Development will need to include different strategies for different markets. Where markets are distressed, the County will need to encourage infill and new development. In moderate markets, it will need to encourage code enforcement and maintenance to preserve and strengthen existing housing. In areas that are strong, it will need to encourage inclusionary zoning and promote fair share affordable housing.

In short, a comprehensive approach to housing is needed that looks at more than just funding further demolition. Studies have borne out the success of comprehensive strategies in affecting housing. A study conducted in 2015 on Detroit's use of the U.S. Treasury Hardest Hit Fund money has shown that while the demolition of a blighted structure can increase the value of a home within 500 feet by 4.2 percent, a mix of strategies, including both demolition and rehabilitation could increase surrounding values by up to 13.8 percent.

The same study found that for every dollar spent from the HHF program on demolition, they returned \$4.27 in home equity. When factored in with the overall impact the HHF zones have had on housing prices, the city received a return of increased home equity of \$8.35 per demolition dollar.<sup>1</sup>

A similar study completed for Cleveland looking at the years 2009-2013 found a net increase of \$22.6 million in property equity on \$56.3 million spent on demolition in areas of low or moderate vacancy, which is the case in most Cuyahoga County suburbs.<sup>2</sup> Studies have also shown that investment in housing, whether new construction or rehabilitation, provides positive increases in home values. The Federal Reserve Bank of Kansas City found an increase in home values of 11.8 percent, on average, for homes within 500 feet of a CDC investment project in Kansas City.<sup>3</sup>

Demolition has a significant impact on the value of surrounding homes. But as these studies show, there is an even greater effect when a targeted plan, including rehabilitation, code enforcement, and other policies and programs are included.

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1 Policy Brief: Detroit Blight Elimination Program Neighborhood Impact; <http://www.demolitionimpact.org/#thereport>

2 Griswold, N. G. et al, "Estimating the Effect of Demolishing Distressed Structures in Cleveland, OH, 2009-2013: Impacts on Real Estate Equity and Mortgage-foreclosure", Western Reserve Land Conservancy Thriving Communities Institute  
3 Edmiston, K. D. "Nonprofit Housing Investment and Local Area Home Values", Federal reserve Bank of Kansas City, 2012



From the data and finding throughout this study, two main principles for addressing housing are recommended:

1. A **comprehensive** approach that includes both demolition and rehabilitation, along with emphasis on code enforcement, nuisance abatement, and education, assistance, and other tools and programs,
2. The approach should be implemented on **targeted** areas of investment such as neighborhoods, blocks, streets, or other geographic areas to be stabilized and strengthened and provide the greatest return on investment.

This study has also endeavored to promote the collaboration and cooperation among communities. Housing issues ignore political boundaries with spillovers, both good and bad, having effects throughout the County. With 59 communities in the County, there must be coordinated efforts to stem decline and revive the health of troubled neighborhoods.

This is the jumping off point for the County as it concentrates its efforts in creating a specific Housing Plan. There are many tools available to affect positive housing change in communities. Every tool has its place in the effort to strengthen neighborhoods and every neighborhood faces different issues that must be addressed with a different set of tools. There is no one-size-fits-all approach to the problem. It will take effort, ingenuity and cooperation throughout the County, its communities, and its housing advocates to create healthy and equitable housing for the residents of Cuyahoga County.



# County Planning

FOR OUR COMMUNITY  
FOR OUR REGION  
FOR OUR FUTURE