

Cuyahoga County, Ohio
HUD PRO Housing Funding Proposal
October 2024

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Exhibit A

Executive Summary

Located in Northeast Ohio, Cuyahoga County is home to 59 municipalities, of which 51 are members of the Urban County and four are members of the HOME consortium. Cuyahoga County has been identified, in accordance HUD's Pathways to Removing Obstacles to Housing (PRO Housing) NOFO, as a "priority geography," as were 17 municipalities within the County's jurisdiction.

To complete the Pro Housing NOFO, Cuyahoga County referred to the data that is currently being collected by Cleveland State University's (CSU) Levin College of Public Affairs and Education, which is in the process of completing a housing study for the County. CSU has conferred with advocacy groups, funders and representatives of the 59 communities that comprise the County to determine the ongoing needs for affordable housing and the barriers that need to be mitigated. The findings to date indicate that those most affected are residents with very low to low household incomes. The barriers decrease for those whose incomes are between low to moderate, however they were not completely eliminated. Redlining, which began in the 1930's continues to have lasting effects as a barrier to affordable housing. "The historical roots of residential segregation lie in the 1930's and the post-World War II period which featured discriminatory housing policies, restrictive real estate covenants, and mortgage redlining. Housing segregation also led to de facto school segregation, leading to poor school outcomes, and in turn, socio-economic disparities between races. All of these dynamics have contributed to what we currently see as vastly lower intergenerational wealth transfers for Blacks as compared to whites and enduring racial inequities".

<https://www.communitysolutions.com/resources/measuring-racial-segregation-cuyahoga-county>

Other barriers exist for specific demographics such as those persons who have been previously incarcerated. They face the additional barrier of their prior convictions being used to exclude them from obtaining affordable housing. Another barrier is some property owners hesitancy to take public housing vouchers to cover the required rent.

The County has focused on the elimination of the multitude of barriers that exist in our region and numerous community stakeholders in Northeast Ohio are focused on the joint effort of identifying and mitigating barriers to affordable housing production and preservation.

If awarded, Cuyahoga County will use the funding from the PRO Housing Program to advance the work we have already begun:

- Financial assistance to developers to build new construction or preserve affordable single-family housing and multi-family housing projects.

- Down payment assistance to first time homeowners.
- Increased assistance with outdated zoning codes.
- Increased fair housing training and testing to ensure all residents and property owners are aware of their rights and responsibilities.

The proposed activities will facilitate affordable housing production and preservation and meet the HUD required eligible activities including but not limited to:

- Developing new incentive programs for affordable housing production.
- Updating zoning and land use policies to simplify, streamline or change overlays that create a barrier to affordable housing development or preservation.
- Financing the construction or rehabilitation of affordable housing.

Cuyahoga County's request for approximately \$7 million in funding will be used to leverage, in concert with the federal CDBG and HOME funding currently received, additional resources to allow the County to make a significant impact on the lives of our residents and increase affordable housing options for all who are in need.

Exhibit B Threshold Requirements

Spanning 459.8 square miles and home to many different cultures and people, Cuyahoga County is a political subdivision of the State of Ohio, formally established on June 7, 1808 by the Ohio General Assembly.

As a county government, Cuyahoga County is an eligible applicant in accordance with Section III. A of the Pathways to Removing Obstacles to Housing (PRO Housing) FR-6800-N-98.

Cuyahoga County meets all threshold requirements necessary for grant eligibility in accordance with Section III. D of the NOFO:

In the submission of this application the Cuyahoga County Law Department has indicated that the County does not have any open civil rights matters.

All required Assurances and Certifications have been signed and are located in the appropriate section of this application.

National Objectives to be met are:

Benefit to low-moderate Income persons

And

Preventing or eliminating slum and blight

Exhibit C Need

Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations

Northeast Ohio's Cuyahoga County ("the County") was named for the river that divides it. Cuyahoga is a Native American word that means "crooked" and the Cuyahoga River is a crooked river that runs through the middle, dividing the east and west sides of the county. Unfortunately, that division is also somewhat representative of the societal divide, because like some other large, urban counties in the U.S., residents of Cuyahoga County have a history of being divided by inequity.

Cuyahoga County has a long history of segregation and, unfortunately, the issue remains. According to a 2022 report from The Center for Community Solutions,¹ "The historical roots of residential segregation lie in the 1930's and the post-World War II period which featured discriminatory housing policies, restrictive real estate covenants, and mortgage redlining. Housing segregation also led to de facto school segregation, leading to poor school outcomes, and in turn, socio-economic disparities between races. All of these dynamics have contributed to what we currently see as vastly lower intergenerational wealth transfers for Blacks as compared to whites and enduring racial inequities."

a. IMPROVED LAWS, REGULATIONS OR LAND USE POLICIES

The Cuyahoga County Council declared racism a public health crisis in 2021, with county leadership recognizing that the people of Cuyahoga County desire "an improved focus on equity for all our communities and citizens."² They identified specific areas of disparity between Black and White people in healthcare, the criminal justice system, healthy food, *safe and affordable housing*, well-paying jobs and business ownership opportunities, quality transportation, educational opportunities, and safe places to be active.

In 2023, Cuyahoga County leaders – specifically in an effort to strengthen the ongoing battle with barriers to affordable housing -- established a stand-alone department of Housing and Community Development and secured a local leader with over 30 years of urban housing experience to be the inaugural director. The creation of this standalone Department of Housing and Community Development provides a dedicated resource to the housing needs which exist in

¹ Ahern, Joseph, "Measuring Racial Segregation in Cuyahoga County," April 18, 2022

² County Council of Cuyahoga County, Ohio; Resolution No. R2020-0122

the county as approved by County Council Ordinance 2023-0007

(<https://www.cuyahogacounty.gov/council/ordinances?year=2023>).

Previously, available funding for housing assistance came exclusively from federal sources, which limited the County's ability to provide services in communities that also receive direct federal funding, such as the cities of Cleveland and East Cleveland. Cuyahoga County in 2024 created a dedicated \$3 million Housing Fund which will be used to leverage additional public and private funding for the sole purpose of increasing and maintaining affordable housing in the County. These funds will assist the County in providing affordable housing to those that exceed the current 80% AMI income limit as well as the current rent limitations.

By eliminating the barrier of income and rent limits, the county will be able to serve those in need of affordable housing whose income is out of range with the current requirement of 80% of AMI and the PRO Housing limit of 100% of AMI. We learned from HUD's Neighborhood Stabilization Program (NSP) that there are county residents whose income is between 100% and 120% of AMI who are also in need of affordable housing. To this income range, as with others, market rates for our area are well beyond the accepted 30% of gross income for housing.

According to a report commissioned by the Cuyahoga County Council (Home Mortgage Lending in Cuyahoga County - A Report Prepared for the Reinvestment Advisory Subcommittee of the Community Development Committee of Cuyahoga County Council *Frank Ford-Frank Ford Consulting, LLC* March 20, 2023; Updated May 7, 2023) the following issues exist as it relates to mortgage lending:

There continues to be a significant ***disparity in access to mortgage lending in Cuyahoga County for Black borrowers and majority Black communities when compared to their White counterparts***. Lack of access to home purchase and home repair loans undermines housing market recovery in the East Side of Cleveland and a significant number of Cuyahoga County suburbs. Slow market recovery in these communities undermines the county's property tax base and much needed revenue for municipal school, police, fire and social services.

➤ Black borrowers continue to be rejected more often than White borrowers. In fact, high income Black borrowers continue to be denied loans more often than high income White borrowers. And, more troubling, ***high income Black borrowers continue to be denied loans more frequently than middle-and-moderate income White borrowers***.

➤ Across all five regions of the county, ***access to home improvement loans decreases as percent of Black population increases***. The least access to home improvement loans was in the East Side of Cleveland, where a survey conducted by the Western Reserve Land Conservancy found the greatest need for home repairs.

➤ ***Lack of access to small dollar home purchase mortgage loans*** continues to be a problem, particularly in areas like the East Side of Cleveland where low median home sale prices (below \$100,000) may exist. These low prices represent an opportunity for

affordable home ownership, but they are a missed opportunity when there is a lack of lending activity. Meanwhile distressed neighborhoods are becoming “cash markets” where potential home buyers have to compete with cash investors who often convert these low-priced properties to rentals, further eroding the homeownership base of these communities.

The Cuyahoga County Department of Housing and Community Development and the Cuyahoga County Planning Commission (“County Planning”) have partnered to identify, address, mitigate, and remove barriers to affordable housing production and preservation as part of three key initiatives: Community Planning updates, the Single-Family Zoning Analysis, and a Transit-Oriented Development Zoning Study.

The Cuyahoga County Planning Commission in June of 2023 completed the Single Family Zoning Analysis (<https://www.countyplanning.us/projects/first-suburbs-single-family-zoning/>) which aims to identify issues within zoning and outline best practices for making the construction of desired infill housing more practicable. **The 2024 updates** identifies the results of four communities that have used the guidance to improve zoning in their communities. ProHousing funds will assist in providing more communities with the necessary tools to update their current zoning to allow for affordable housing to their communities. The Single-Family Zoning Analysis project in collaboration with the Cuyahoga First Suburbs Consortium, the first government-led advocacy organization in the country working to revitalize mature developed communities and raise public and political awareness of the problems and inequities associated with urban sprawl and urban disinvestment. The study determined the extent to which zoning regulations were hindering infill development on vacant lots in older, inner-ring suburbs. Core findings showcase the deep need to reform zoning

County Planning provides free or reduced cost planning services to the communities of Cuyahoga County through the Planning Grants program. County Planning has completed or has underway Master Plans and other planning processes in 27 communities, and these plans have included specific zoning and housing recommendations that address barriers to housing production.

It was determined that many existing homes could not be built under current regulations. An estimated 30% of existing homes would not meet existing front setback requirements. Moreover, multiple communities do not have the ability to update their zoning maps. In some cases, maps are only available in paper form at City Hall. Some communities have setback, height, or use district maps that are separate from their official zoning map, making updating maps more difficult.

As a result of this work, County Planning and the First Suburbs created a Phase 2 Pilot Program to build off the analysis completed in the Phase 1. Two east side communities—the cities of Euclid and South Euclid—were randomly selected to receive updates or re-writes of their single-family zoning districts code to incorporate best practices and modern text to better facilitate infill development and to assist the communities to adopt the revised code. In both instances, proposed changes expand the allowable uses to include two-family dwellings and in certain instances three-family dwellings within existing single-family neighborhoods. Additionally, changes to minimum lot size and width requirements dramatically reduced the need for variances to build on vacant lots.

County Planning produced educational pamphlets, a best practices guide, an incentives guide, and a design guidebook all aimed at providing communities the resources to address zoning issues for infill housing development.

The analysis of single-family zoning and transit-oriented development zoning shows that outdated, inappropriate zoning codes are standing in the way of allowing new housing development. This is even true for single-family housing, which is typically the most easily developed option. Outdated zoning increases the administrative challenges and makes housing more expensive to construct. Zoning that fails to allow infill development in older communities means disinvestment in existing neighborhoods, less access to jobs and transit, decreased revenue for historic communities, and continues sprawl to green fields and farmlands, and areas without existing infrastructure.

Cuyahoga County has and will continue to work with communities to identify and change the zoning codes that are barriers to affordable housing. We will also continue to provide gap financing to developers of affordable housing whether it be multifamily, senior or supportive housing rental units ~~or for sale single family units~~. We will continue to provide down-payment assistance to provide a step up for those that need it the most. Our mission is to create and retain affordable housing. The addition of the PRO Housing funds will allow the county to do more and reach further into the 59 communities we serve.

b. Other recent actions taken to overcome barriers

In addition, in December of 2023, Cuyahoga County's Board of Control approved an agreement with Cleveland State University (<https://cuyahogacounty.gov/boards-and-commissions/board-details/internal/board-of-control?year=2023>) for a comprehensive housing study with metrics and recommendations to be completed by December 31, 2024.

In 2024, Cuyahoga County's Board of Control approved a two-year agreement with the Housing Center for Rights and Responsibilities in the amount of \$250,000

<https://cuyahogacounty.gov/boards-and-commissions/bc-event-detail//2024/06/10/boards-and-commissions/06-10-24---board-of-control-meeting>) to support activities designed to affirmatively further fair housing and remove impediments to fair housing choice in the Cuyahoga Urban County member communities.

Cuyahoga County intends to focus its efforts on a cluster of communities located in the southeastern part of the County. Though Cuyahoga County itself is a Priority Geography (HPF 0.266547), preference will be given to the six Priority Geographies contained in this specific southeast cluster. Those communities are Shaker Heights (HPF0.387283), Beachwood (HPF 0.566603), Pepper Pike (HPF0.500000), Village of North Randall (HPF 0.241299), Orange Village (HPF 0.180929) and Village of Woodmere (HPF0.290000). As a priority geography the county will assist those communities that are not priority geographies but are directly adjacent to the above referenced priority geographies. This will allow those middle income communities to maintain a strong economic mix of housing opportunities which is needed for the success and growth of all.

Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?

Cuyahoga County is a priority geography that exceeds the threshold calculation for Housing Problems Factor (“widespread housing cost burden or substandard housing”), per the spreadsheet shared on the PRO Housing website. Cuyahoga County’s calculation is 0.266547 vs. the national calculation of 0.343937.

In addition to those with below average income levels, within Cuyahoga County there are housing concerns for many populations, such as veterans, people who are disabled, those re-entering the community from incarceration, youth aging out of foster care, and very low income seniors, to name a few. The lack of affordable, quality and accessible housing that meets low-income special populations is the source of the challenge.

Market rate rental housing is available throughout all of the Cuyahoga County Consortium communities - Cleveland Heights, Euclid, Lakewood and Parma. Compared to rental rates in other parts of the county, rates in the Consortium are less expensive, however they are still unattainable for many households with extremely low incomes. Additionally, housing costs for both owners and renters went up substantially during and after the COVID 19 Pandemic, adding heightened pressure for the availability of affordable housing.

On January 11, 2024, Sara Parks Jackson, Director of the Cuyahoga County Department of Housing and Community testified before the State of Ohio Senate Select Committee on Housing. Ms. Jackson provided the following information:

Cuyahoga County is home to 59 communities with diverse socioeconomic statuses and housing needs. Many of our residents, including working families, individuals with fixed incomes, and vulnerable populations, are finding it increasingly challenging to secure housing that aligns with their financial means. The shortage of low-cost housing options has led to rising rental costs and limited accessibility to homeownership opportunities.

Stable housing is fundamental to the overall health, education, and economic stability of our communities and has broad implications for our community's well-being. Without adequate and affordable housing, we risk creating a cycle of instability that can perpetuate social and economic disparities.

On page 79 of the Select Committee report the common themes presented by Ms. Jackson and over 100 other advocates for affordable housing in Northeast Ohio, which includes Cuyahoga County were summarized as follows:

Construction Costs and Supply Chain Issues-The rising costs of construction materials and labor, coupled with supply chain disruptions, have significantly increased the expenses associated with building housing units.

Increasing Operating Costs - Owners and managers of affordable housing properties are experiencing significant increases in operating costs, including insurance premiums, real estate taxes, and staffing expenses. These rising costs place additional financial strain on affordable housing projects, affecting their ability to provide quality housing to residents.

Lack of Affordable Housing and Homelessness - There is a significant shortage of affordable housing units in Northeast Ohio, leading to increased homelessness and housing instability among vulnerable populations. The lack of access to safe, quality and affordable housing exacerbates existing social and economic inequalities.

Concerns about Access to Housing for Applicants with Potential Background Issues Ranging from Criminal to Problematic Financial History - Past issues can lead to discriminatory decision making for applicants looking for a new start. Advocates pointed out that criminal records and troubling financial histories can be detrimental to people looking for housing options.

(Senate Select Committee on Housing 2024 Official Report)

An article that appeared in *Crain's Cleveland Business* on June 12, 2023 titled "From downtown to the suburbs, housing insecurity is a danger to thousands in Northeast Ohio,"³ noted that "After years of sharp acceleration, median home prices are climbing history to purchase a property."

Additional evidence of this burden:

- The Coalition of Homelessness and Housing in Ohio released data in March 2023 which showed that "for every 100 households with extremely low income, there are only 40 affordable units, 6% worse in just the last year."⁴
- The Cuyahoga Metropolitan Housing Authority has a waitlist of 20,000 for 16,000 housing choice vouchers, which are awarded through a lottery system.
- In 2023 and 2024 the Department of Housing and Urban Development (HUD) has designated Cuyahoga County as a Priority Geography.

As the chart below shows 24 of the 59 Cuyahoga County communities had median sales prices in 2023 at or above \$300,000. The addition of required property tax and insurance plus the cost of maintaining a home, significantly adds to the cost of homeownership. Therefore, putting the ability to own a home out of reach for those seeking affordable housing.

Municipality	Median Sales Price (2023)
East Cleveland	\$37,350
Cleveland	\$77,000
Maple Heights	\$97,000
Highland Hills	\$100,000
Warrensville Heights	\$100,000
Newburgh Heights	\$108,500
Garfield Heights	\$112,000
Euclid	\$120,000
Linndale	\$122,250
Oakwood	\$122,800
Bedford	\$139,900
South Euclid	\$150,000
North Randall-PG	\$158,000
Bedford Heights	\$167,500
Brooklyn	\$170,000
Cleveland Heights	\$175,950
Parma	\$180,000

³ <https://www.crainscleveland.com/crains-forum-housing-insecurity/housing-insecurity-northeast-ohio-puts-thousands-risk>

⁴ Coalition on Homelessness and Housing in Ohio; "The Gap Report 2023" <https://cohhio.org/the-gap-report-2023/>

Parma Heights	\$185,000
Brook Park	\$190,000
Mayfield Heights	\$199,900
Lyndhurst	\$202,850
Berea	\$205,000
Woodmere -PG Partner	\$210,000
Brooklyn Heights	\$211,000
Richmond Heights	\$211,200
Cuyahoga Heights -PG	\$239,000
North Olmsted	\$240,000
Fairview Park	\$249,500
University Heights	\$250,000
Olmsted Falls	\$255,000
Middleburg Heights	\$256,000
Seven Hills	\$265,000
Walton Hills	\$271,100
Olmsted Township	\$275,000
Lakewood	\$289,000
Shaker Heights- PG partner	\$300,000
Strongsville	\$300,500
North Royalton	\$315,000
Independence	\$316,000
Valley View	\$319,500
Mayfield Village	\$335,000
Bay Village - PG	\$350,000
Broadview Heights -PG	\$350,000
Rocky River	\$390,000
Westlake	\$392,500
Solon	\$396,500
Brecksville -PG	\$400,000
Highland Heights-PG	\$406,500
Glenwillow-PG	\$408,500
Beachwood - PG	\$440,000
Chagrin Falls Village -PG	\$512,500
Chagrin Falls Township	\$535,000
Bratenahl-PG	\$552,500
Pepper Pike - PG	\$576,500
Orange – PG partner	\$605,000
Moreland Hills-PG	\$645,000
Gates Mills- PG	\$687,100
Bentleyville – PG	\$887,910
Hunting Valley-PG	\$2,300,000

What key barriers still exist and need to be addressed to produce and preserve more affordable accessible housing?

Despite significant efforts to address barriers to producing and preserving affordable housing, key obstacles still exist in Cuyahoga County.

While great strides have been made throughout Cuyahoga County and in individual communities, significant work remains. Too many communities still have zoning codes that make more than 30% of their single-family zoned parcels non-conforming. Similarly, a TOD Zoning Study has identified how little land is zoned for walkable, mixed-use development, but we have not progressed to the point of major zoning updates as a result of this analysis.

A core reason for the continuation of this pain point is the limited staff capacity within communities and the county to address these needs. Of the 59 communities in Cuyahoga County, less than half have a dedicated Planning Director on staff. Some communities have no staff dedicated to planning and zoning issues at all, but rely on an outside consultant, a building commissioner, economic development director, or even the Mayor to manage planning approvals. Without knowledge in best practices of planning and zoning, significant updates to zoning codes are often impossible. County Planning has provided communities with resources, best practices, and zoning re-writes, and will continue to do so as funding permits.

Importantly, we can clearly identify that these issues are critical to both communities and developers through surveys we have conducted. As part of the Transit-Oriented Development Zoning Study, 82% of participating communities and agencies said TOD was a high priority for them, but 67% said they were only somewhat or not prepared to attract it to their community. In the Single-Family Zoning Analysis, only 10.5% of respondent communities rated their zoning code as being very effective and more than a third of communities said they did not have the ability to update their own zoning maps. Developers also see the need for zoning updates: 71% of surveyed developers said city approval processes were a challenge to development—the most commonly cited challenge amongst 21 options provided. Similarly, 87% said a zoning code was very important when considering whether to build new infill housing, and more than a third of developers had been dissuaded from developing infill housing due to issues with a local zoning code.

Cuyahoga County needs housing production and preservation but there are clear barriers to overcome in order to achieve those goals. Outdated zoning and an inability to fund or manage updates has held back reinvestment. With Pro Housing funding, we will have the opportunity to strengthen the foundation we have built and attain greater results in addressing known barriers and producing additional housing in our communities.

The Federal Reserve Bank of Cleveland Community Development reports prepared a study which included Cuyahoga County with the following findings:

- LMI households generally saw larger declines in application rates in 2022, with total applications declining by 23 percent for Black LMI households and by 26 percent for white LMI households.
- Since 2020, the median borrower across all race and income groups in Cuyahoga County has seen **an increase in the share of income spent on mortgage payments, real estate taxes, homeowners' insurance, and utilities**. This increase has been largest for LMI borrowers. Black LMI borrowers have seen an increase of 3.6 percentage points from 2020 through 2022, while white LMI borrowers have seen an increase of 3.2 percentage points (solid lines). In 2022, both groups' shares were greater than 2018 levels

The United Way 2023 Needs Assessment report indicate the following:

In April of 2022, Cuyahoga County became a member of the AARP Network of Age-Friendly States and Communities, launching the Livable Cuyahoga initiative. Its goal is to provide residents of all ages with safe, walkable streets, age-friendly housing and transportation options, access to necessary services, and opportunities to participate in community life. Livable Cuyahoga upholds values of diversity, equity and inclusion, and the initiative's needs assessment focuses on gathering data from adults aged 50 and above to determine the best course of action to improve the quality of life for older adults in the county.

The Livable Cuyahoga Needs Assessment revealed that just over 5% of survey respondents expressed concerns about not having stable housing in the next two months, while nearly 20% of older adults had to cut back on spending money on necessities like medication and food due to high housing costs. Only one-third of seniors felt confident they could find alternative housing if their health or mobility needs changed. Moreover, many older adults shared that homelessness among seniors is becoming a growing concern, particularly among those with past evictions. There is a lack of programs that offer senior housing, and those that exist cannot provide housing for extended periods due to grant compliance issues. Participants in senior focus groups expressed a desire for more support for this population, including help with becoming more stable and self-sufficient. They also want all unhoused individuals to receive support without needing to experience chronic homelessness or have specific diagnoses. Finally, senior residents expressed frustration with rising housing costs and **the lack of affordable housing**. They called for rent controls and programs to assist with home maintenance.

In preparation for the production of this grant we asked our two major affordable housing developers what barriers they faced in the production of affordable housing in Cuyahoga County.

Our request was made to CHN Housing Partners, a non-profit organization that is involved in a significant number of affordable multifamily housing projects. Cuyahoga Land Bank, a land reutilization corporation operating under the Ohio Revised Code, and as such has actively provided infill, single family, affordable housing throughout the county.

CHN Housing Partners, indicated the following:

Needs

Cuyahoga County has a major supply issue for affordable housing regarding both new units and the preservation of existing affordable housing. Data published by the National Low Income Housing Coalition indicates the following for the Cleveland-Elyria Metropolitan Statistical Area:

- a) There are approximately 91,680 extremely low-income renter households and only 35,048 units available. This equates to 38 available units for every 100 extremely low-income renter households, or a deficiency of approximately 56,632 units.
- b) There are 77 units available for every 100 households that earn at or below 50% AMI. This presents a deficiency of approximately 33,012 units.
- c) 84% of extremely low-income households are cost burdened (spending more than 30% of their income on rent), while 73% of households at 50% AMI and 32% of households between 51%-80% AMI are also.

In addition to the need for new unit supply, there are significant issues with asset quality and unit availability due to the age of existing housing stock but also deferred maintenance over several decades.

While the statistics above indicate the need for significant production of rental housing, a comprehensive strategy for the county should also address homeownership. According to data supplied by Redfin, as of September 2024 there were only 1,546 homes listed for sale in Cuyahoga County, where approximately 547,000 households exist. Many of these homes face the same issues with asset quality. These statistics frame the significant inventory issue, particularly for those between 60%-120% AMI.

Solutions

With the initial investment of the Pro Housing grant, Cuyahoga County could proceed on several fronts to build an affordable housing fund that will have immediate and long-term impacts:

1. Cuyahoga County could proceed to select a lead CDFI for this work and establish a governing board of stakeholders and affordable housing practitioners to help guide the effort.
2. Initially leverage financial institution, CDFI and philanthropic capital for deployment at lower interest rates and/or preferred deal terms when blended with Pro Housing resources. These resources could provide financial support for affordable housing

projects in the form of permanent and construction loans at reduced interest rates, acquisition loans at reduced interest rates and subordinate financing to fill project gaps.

In the most immediate application of these resources, Cuyahoga County would strategically allocate a portion of the dollars it is awarded to help close the budget gap deals that have otherwise secured all of their funding resources except for a gap created by the lasting effects of the COVID 19 pandemic. This would create badly needed units in the short term. It would also allow for Cuyahoga County to unlock other opportunities in the LIHTC market that it has missed with a lack of additional leverage resources to support the deals.

Using data from the most recent competitive round of LIHTC related resources by the Ohio Housing Finance Agency, it is reasonable to expect for a new construction development that 5-10% of a project's capital stack is needed. This would indicate, based solely on data averages from that competitive round, approximately \$25k per unit in subsidy is necessary, a fund of \$20mm would produce approximately 800 additional units. \$20MM would be well within reach through the initial investment of Pro Housing resources by HUD.

The Cuyahoga Land Bank

The Cuyahoga County Deep Subsidy Affordable Housing Program could be a partnership between the Cuyahoga Land Bank and Cuyahoga County. Its primary objective would be to create new construction housing units in Cuyahoga County, leveraging gap funding.

The goal of this program is to address the critical shortage of quality affordable housing units in these specific areas of Cuyahoga County while stimulating growth and development in the target market. By providing gap funding support, we aim to encourage private developers and investors to undertake affordable new construction projects that would otherwise be financially unfeasible; this strategy will intern allow new homes to be sold at a lower price point.

Key program components include:

- **Gap Funding:** leveraging funds to reduce new construction costs and make affordable housing projects financially viable for developers.
- **Strategic Municipality Selection:** focusing priority geographies within Cuyahoga County to address housing disparities and stimulate development in specific areas of need.
- **Affordability:** Ensuring that the newly constructed units are available at more affordable price points.
- **Income Threshold for Buyers:** Limiting income for potential buyers to ensure that homes are sold to those in need of high-quality affordable housing.

Additionally, as one of the most effective community development organizations in the state, the Cuyahoga Land Bank has not only demolished thousands of blighted properties to prepare sites for redevelopment, but also it plays a significant role in terms of renovating and building new homes particularly in those communities with limited access to affordable housing. Finally, the Land Bank possesses the experience, technical capacity and relationships with local contractors and builders to successfully implement a variety of housing development initiatives. The Land

Bank will continue utilize this expertise to create affordable housing in partnership with Cuyahoga County.

Exhibit D Soundness of Approach

What is your vision?

Describe your proposed activities and why they are appropriate, given identified need and applicant capacity.

Cuyahoga County seeks to continue to increase and retain affordable housing for its residents. With the addition of Pro Housing funds the county will be able to provide increased housing support to our communities and residents through the provision of the following ongoing programs as well as expanding our reach to those whose incomes do not exceed 100% of the current Area Median Income (AMI).

Financial assistance to developers -Single Family. Cuyahoga County proposes to build new construction or preserve affordable single-family housing within the county utilizing vacant lots created due to demolition or abandonment. Cuyahoga County currently provides gap financing to affordable housing developers using federal HOME Investment Partnership Act funding. This funding is limited to what is received from HUD on an annual basis. One of the findings from the State of Ohio Select **Committee on Housing report** identified “Construction Costs and Supply Chain Issues-The rising costs of construction materials and labor, coupled with supply chain disruptions, have significantly increased the expenses associated with building housing units. We recognize that though the supply chain has eased a bit since the pandemic, the cost of construction has not decreased. Consequently, the County is working with developers to assess the viability of reducing the cost through the use of modular housing, where appropriate. In addition the public sector is being asked to fill these construction gaps, with larger sums than in years prior to the pandemic. Our intent is to use the Pro Housing funds to fill the gap remaining in the capital stack, after private sector funding has been achieved. We believe, the infusion of additional public sector funds will incentivize the private sector to do more. Recent conversations with county mayors indicates a willingness and desire to provide infill housing to replace units that were previously demolished. To do so the mayors are working to upgrade their zoning codes but require assistance to provide incentives for the developers to build. It is our intent to provide assistance by offering incentives to developers who are willing to construct new housing at an affordable price point thereby increasing the availability of affordable housing to increase home ownership. **Multifamily/Mixed income properties.** We will work with our communities that have a significant amount of land assembled, vacant lots and former office complexes and vacated schools to provide incentives to developers to build, multifamily, senior and mixed income housing. With the recognition that renting is an option that some prefer or need, working with our cities and developers we will provide housing that provides affordable

rental housing to a variety of income levels. (Financing the construction or rehabilitation of affordable housing).

Down payment assistance to first time home buyers.

Cuyahoga county will continue to offer down payment assistance to low and moderate income households, providing them with the “leg up” needed to become homeowners. Down payment assistance combined with our continued efforts working with our banking institutions to invest in neighborhoods and people through the provision of lower interest rates will assist in making the dream of homeownership a reality. (Providing homebuyer education, assistance, appraisal programs, and other educational programs for LMI residents).

Increased assistance with outdated zoning codes. The analysis of single-family zoning and transit-oriented development zoning shows that outdated, inappropriate zoning codes are standing in the way of allowing new housing development. This is even true for single-family housing, which is typically the most easily developed option. Outdated zoning increases the administrative challenges and makes housing more expensive to construct. Zoning that fails to allow infill development in older communities means disinvestment in existing neighborhoods, less access to jobs and transit, decreased revenue for historic communities, and continues sprawl to green fields and farmlands, and areas without existing infrastructure. This activity will remove barriers through updated zoning and master plan preparation to further develop, evaluate and implement housing policy plans. (Developing or updating housing plans, community development strategies, and zoning and land use policies to simplify, streamline, or change overlays that create a barrier to affordable housing development or preservation, such as architectural review or historic preservation overlays).

Increased fair housing training and testing to ensure all residents and property owners are aware of their rights and responsibilities. The county has worked for years with The Fair Housing Center for Rights and Research (The Housing Center), a local non-profit organization committed to fair housing in the Greater Cleveland area. The Housing Center conducts trainings for community staff, realtors, property owners and residents to provide key understanding of the Fair Housing rules and to assist in dispelling inaccurate and unfair treatment of those seeking housing. According to the Housing Center “Most complaints reported to The Fair Housing Center are not filed with HUD, often because The Fair Housing Center is able to provide direct assistance resolving the fair housing concern without the need for a formal complaint.”⁵

The mission of The Housing Center is: “To protect and expand fair housing rights, eliminate housing discrimination, and promote integrated communities.” Along with the extensive training performed by the Housing Center, the County has further contracted with them to perform testing to ensure that potential renters are not being discriminated against based on a protected

⁵ U.S. Department of Housing and Urban Development, “Eliminating Barriers that May Unnecessarily Prevent Individuals with Criminal Histories from Participating in HUD Programs,” released April 2022.

class. (Providing homebuyer education, assistance, appraisal programs, and other educational programs for LMI residents).

Explain how your proposal addresses key barriers to affordable housing production and preservation.

Cuyahoga County will use PRO Housing funds to support the implementation of this action plan with a specific focus on the priority geography cluster we have identified. We will first ensure that all the communities, if they have not, have the opportunity to have their zoning updated using the expertise of the Cuyahoga County Planning Commission. Through this activity we will be facilitating affordable housing production and preservation by updating the zoning and land use policies of these communities. In addition, the updating of the zoning code will further allow for the potential designation as an area of Transit Oriented Development if the designation does not already exist. The planning commission will also conduct a Master Plan process if the communities plan is outdated. This coupled with the zoning update will provide the community with a workable plan to move forward to not only updating the zoning for affordable housing, but to provide a roadmap as to how the community can move forward in the future. The process for those communities in need of zoning updates and/or Plan updates will commence within 90 days of receipt of the funding approval. The resulting benefit of the updates will begin to be realized 12 months after completion.

This area was chosen not only because of the shortage of housing for households who are at or just below the Area Median Income, but also because of the many businesses along with I-271 Corridor who are struggling to attract and retain workers.

According to the Ohio Housing Finance Agency’s 2024 Ohio’s Housing Needs Assessment (<https://ohiohome.org/hna-23/executivesummary.aspx>)

“The median home price in Ohio in 2021 was **2.6 times the median household income** – the largest price-to-income ratio since 2005 – making homeownership more unaffordable to many prospective homebuyers. (OHFA)”

“From 2016 to 2021, there was a **38% decline in the number of vacant units available for sale or rent.**”

Cuyahoga County intends to focus its efforts on the cluster of communities located in the southeastern part of the County which are Priority Geographies. Though Cuyahoga County itself is a Priority Geography (HPF 0.266547), preference will be given to the six Priority Geographies contained in this specific southeast cluster. Those communities are Shaker Heights (HPF0.387283), Beachwood (HPF 0.566603), Pepper Pike (HPF0.500000), Village of North Randall (HPF 0.241299), Orange Village (HPF 0.180929) and Village of Woodmere (HPF0.290000). As a priority geography the county will assist those communities that are not priority geographies but are directly adjacent to the above referenced priority geographies. This

will allow those middle income communities to maintain a strong economic mix of housing opportunities which is needed for the success and growth of all.

The county anticipates that in some areas where the zoning has been updated and the land is available we will be able to begin construction of new, affordable infill housing within six -9 months of receipt of the funding. With new housing market ready within one year.

With the creation of the Housing Fund, created this year, the county will be able to use this fund to leverage additional funding dedicated to the creation and retention, through rehabilitation of affordable housing. This currently \$3 million fund will be used to leverage additional public and private funding dedicated to removing barriers and providing incentives necessary to increase affordable housing in the County. This is an ongoing effort

Cuyahoga County, in collaboration with the Cuyahoga County Land Reutilization Corporation and CHN Housing Partners and other affordable housing developers will continue work to create new multifamily and single-family affordable housing units. The County will build on its current affordable housing gap financing program to provide the necessary gap financing using Pro Housing and HOME funds to ensure the units are affordable to those in need. Through this methodology, the county is able to leverage the gap financing with the developers other public/private financing such as bank loans, low income housing tax credits and other financing tools necessary to ensure the project's completion. In addition, we will be able to expand our current Down Payment Assistance program to provide funds to those home buyers whose income does not exceed 100% AMI as opposed to our current maximum of 80%.

- **Explain how your proposal compares to similar efforts and how lessons learned from those efforts have shaped your proposal.**
- **Discuss how your proposal advances or complements existing planning initiatives, updates to local land use policies, services, and other community assets.**

Between 2022, the U.S. Department of Treasury allowed the use of Emergency Rental Assistance II funding for affordable housing projects. Cuyahoga County has for years used HOME funding to provide gap financing to affordable projects. The addition of ERA II funds allowed us to assist additional projects. We released a request for affordable housing gap financing proposals, in an effort to fill the gap developer's needed to move the projects forward. What we found was that a number of the projects in need of additional funding were those that had already received our HOME funding in the amount of \$450,000. These projects, new and old, were in need of gap financing subsidies ranging from \$1 million to \$1.5 million to allow the projects to move forward, with the majority of the projects being located on the City of Cleveland's westside. We have had conversations with a number of the affordable housing developers to determine why the need was significantly greater than in years prior to the pandemic and why certain geographic areas were to others. We further noted that the Cuyahoga County Land Reutilization Corporation (County Landbank-not affiliated with the county

government) was providing infill, for sale, affordable housing in the county’s suburban communities. Conversations with the Landbank concluded that land was available, appropriate zoning was in place and the cities served were anxious to put the land into a productive use. However, the landbank indicated that they were taking a loss in order to make the homes affordable, i.e. less than \$300,000 purchase price. These discussions as well as attendance at a variety of meetings, workshops and conferences, where residents expressed the need and desire for additional affordable housing and housing assistance, coupled with experience from the programs we already offer led to the shaping of this proposal. We have determined that developers currently need a higher amount of gap financing than we currently can offer using our limited CDBG and HOME funds. It was also noted that those communities whose zoning and Master Plans had already been updated were more attractive to developers of affordable housing. Additional funding will allow the county to provide additional financing to developers; allow ; more communities to have their zoning and master plans updated and; provide more assistance to those low to moderate income home buyers to lessen their housing burden. Additionally, with more communities with updated zoning we believe that more communities will be open to affordable and mixed income developments.

The communities that make up our strategic focus are all members of the Cuyahoga East chamber of commerce (<https://cuyahogaeastchamber.org/about/>). They are home to a number of large and medium-sized corporations as well as medical institutions. The location along our I-271 corridor make them prime locations for businesses to call home. As important, their location makes this area a prime location as an employment center. Cuyahoga County understands the need for transportation oriented development that will allow both residents and employees to have the ability to travel seamlessly. On June 5, 2024 the County Planning Commission held its 3rd meeting of the Cuyahoga County TOD working group. “The working group consists of mayors, planning directors, CDC officials, representatives of regional partners, and other leaders of communities along the TOD corridors. At this meeting, we reviewed best practices and the model TOD zoning overlay and held a workshop to gather local knowledge from working group members.” <https://www.countyplanning.us/projects/tod-zoning-study/>.

Currently, within Cuyahoga County there are several strategic plans that focus on the increase and retention of affordable housing.

- The State of Fair Housing in Northeast Ohio 2023 | Fair Housing Center for Rights & Research
- Cuyahoga County 2023 Strategic Action Plan for Homelessness – Department of Homeless Services
- 2023 The Eight Point Plan for Housing Justice in Cuyahoga County – Department of Re-entry
- 2023 Community Needs Assessment Cuyahoga County – United Way of Greater Cleveland and The Center for Community Solutions

- 2023 Best Practices for TOD Zoning: An Element of the TOD Zoning Study- Cuyahoga County Planning Commission and Greater Cleveland Regional Transit Authority
- 2022 A Tale of Two Markets: Equitable Housing Platform for Cuyahoga County – Enterprise Community Partners.

These plans, along with public meetings and attendance at a variety of community events were used to inform the content of this application. The findings of all, regardless of any specific demographic, is the need for additional affordable housing in the county. Our application is directly related to these findings with action plans correlating with the recommendations.

Describe the community’s most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience.

Cuyahoga County through its Department of Sustainability is stewarding a healthy environment to enhance the well-being of Cuyahoga County citizens and visitors, developing the County in a sustainable manner and engaging, educating, and activating our stakeholders on important sustainability matters. The growing risks associated with climate change have compelled cities and suburbs to act with renewed urgency. Since the original toolkit created in 2021, Cuyahoga County has developed a Climate Action Plan to address environmental issues fairly and

While Cuyahoga County is not anticipated to experience catastrophic environmental risks, a warming planet will result in significantly higher utility costs for renters and homeowners. Building newer, more efficient, and better-insulated homes will help residents to withstand projected temperature spikes and increased fuel costs. This proposal is also in alignment with Cuyahoga County’s “Healthy Urban Tree Canopy Grant Program”, which will have awarded since 2019 over \$4.5 million in grants to support the growth and maintenance of the County’s tree canopy.

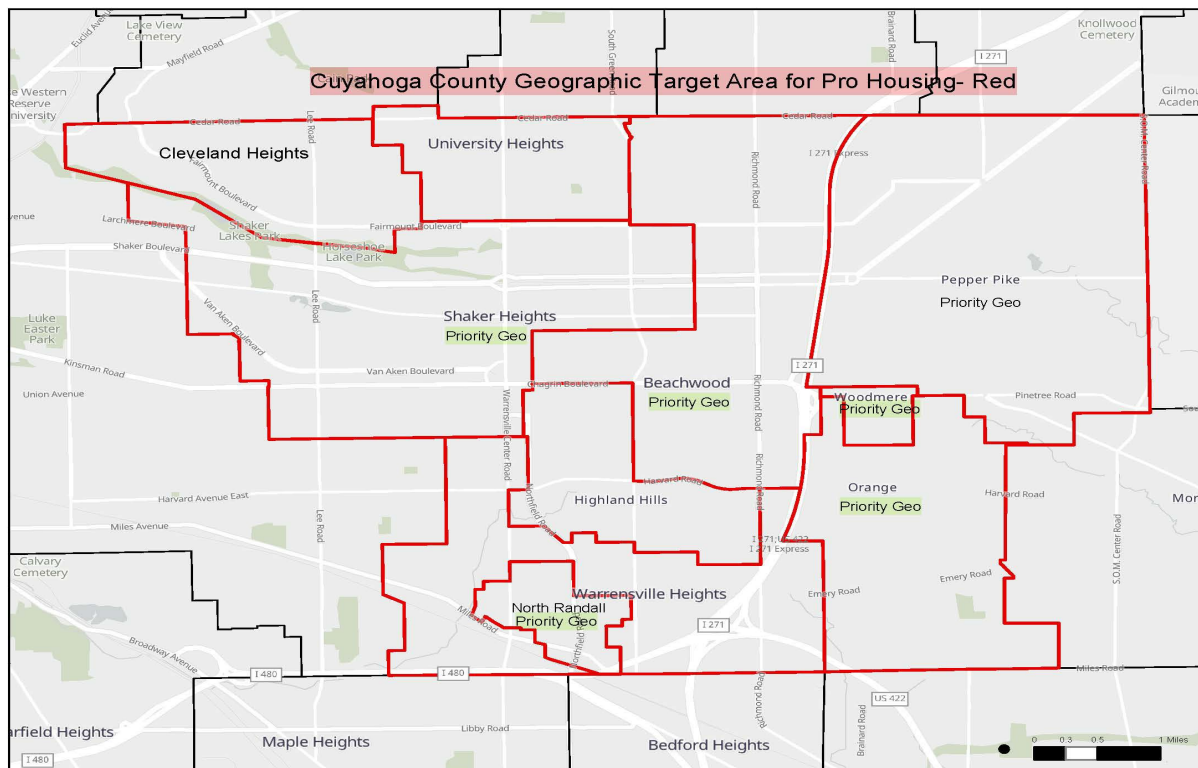
equitably.

Describe what roadblocks might impede the implementation of your proposal.

The highest need and consequently the strongest roadblock to our implementation is that of adequate funding. Cuyahoga County created a Housing fund in 2024 to assist in addressing the issues that we currently see as a significant need for our communities. As a new fund, we are actively seeking new public and private partnerships as well as additional funding that will allow us to accomplish the goals outlined in this proposal, beyond the geographic scope we have currently set. The infusion of Pro Housing funding will allow the county to use those funds as leverage to attract new partners that share the same vision of making affordable housing a reality for all.

Geographic Scope

Utilizing a variety of funding sources, including the PRO Housing grant funds, Cuyahoga County will serve all communities with specific emphasis on the six priority geographies that are located in the southeastern area of the county. We will further look at census tracts in non-priority communities to determine those areas lacking in affordable housing. These six priority geographies were chosen due to their geographic location to each other. The four non-priority geographies are considered middle market communities and which, without sufficient attention could become low-moderate income communities or the converse in becoming so affluent that they price out those seeking affordable housing. As an example, Cleveland Heights limited area- the portion of Cleveland Heights that borders the City of Cleveland is where major employment institutions are located. This area of Cleveland Heights has seen a substantial increase in rents due to its proximity to and desirability of this area. The rental rates in the area range from \$3000 to \$1500 per month, pricing out the low and moderate income employees and those searching for employment. It is our belief that through the provision of targeted assistance to all ten, we provide them with the opportunity to grow through more affordable homeownership opportunities and where needed lower rents for low-moderate income renters.



Who are your key stakeholders? How are you engaging them?

- Describe your key stakeholders and how you conducted outreach in developing this proposal

- Describe the specific actions you have taken to solicit input from and collaborate with stakeholders
- Describe how you incorporated input from your stakeholders into your proposal

Cuyahoga County has created strong working relationships with a number of community organizations and will continue to engage these stakeholders as we move forward. This includes:

Cuyahoga Land Bank - Existing partnership with Cuyahoga County as administrators of the Cuyahoga County Housing Program. The Cuyahoga Land Bank (“the Land Bank”) has developed tools and initiatives to address the ever-changing needs of Cuyahoga County’s housing market. Ranging from external rehab to market rate new construction, the Land Bank has worked to provide solutions to improve market conditions and provide housing opportunities. Cuyahoga County works closely with the Land Bank through the provision of funding to assist small developers obtain single family homes to rehabilitate and subsequently house those in hard to house demographics such as homelessness, victims of domestic violence, youth aging out of foster care and veterans. Through this ongoing collaboration Cuyahoga county is better informed of how to assist those that are hard to house as well as being of assistance to small minority developers, through the creation of one affordable housing unit at a time. Cuyahoga County Executive staff hold a seat on the Landbank board and Housing and Community Development staff meet with the Landbank staff on a regular basis to discuss affordable housing issues and brainstorm ideas. The Landbank was consulted for the preparation of this proposal and provided valuable input related to the cost involved in the new construction or substantial rehabilitation of for sale affordable housing.

The Housing Center for Rights and Research (The Housing Center) - is a not-for-profit 501(c)(3) fair housing agency whose mission is to promote fair housing and diverse communities, and to work to eliminate housing discrimination in Northeast Ohio by providing effective research, education and advocacy. The agency provides a broad range of fair housing services including fair housing, fair lending and related research; education for housing providers, government officials, real estate professionals, and consumers; and fair housing testing, complaint investigation, and advocacy. Cuyahoga County has had a long history of a contractual relationship with the Housing Center. Funding is provided to the center to examine trends in Fair Housing in the county. This funding further allows them to provide fair housing training to our communities, businesses and organizations as well as community groups. Their input on a regular basis as well as their annual report on Fair Housing <https://www.thehousingcenter.org/publications/annual-reports/> has and will continue to be an invaluable resource as we move forward.

First Suburbs Consortium - The Northeast Ohio First Suburbs Consortium is the first government-led advocacy organization in the country working to revitalize mature developed communities and raise public and political awareness of the problems and inequities associated with urban sprawl and urban disinvestment. Cuyahoga county staff meets and confers with the Housing Group of the First Suburbs Consortium on a regular basis through meeting attendance and presentations. Further through the sharing of information we are able to learn directly from those on the front lines of these communities what their specific needs are. Currently, though not addressed in this proposal, the Consortium has indicated an intense need for owner - occupied home repair assistance. Cuyahoga will continue to work with the consortium to find and provide the necessary funding to preserve owner occupied housing especially for those low-moderate income and senior home owners.

Cuyahoga County Housing and Community Development staff work closely with our Department of Homeless Services which administers the Continuum of Care for the county. Through attendance at the CoC meetings and other workshops, we learn the needs of those who are unhoused or potentially unhoused. Through this continual collaboration we were able to provide \$7.9 million of our HOME-ARP funding to a new non-congregate shelter as well as providing \$10 million for rental assistance to those who have sought assistance through a CoC organization.

We further work closely with our Department of Re-entry and Senior and Adult Services. Through the continual communication between staff and attending meetings where those that require services are in attendance we are able to learn from all what the needs are within the community. As a result of our collaboration with Senior and Adult services we were able to provide \$10 million in rental assistance to our senior population allowing them to remain in the rental units they currently occupy.

The universal theme with all our varied stakeholders is the need for affordable housing. The social service need varies by demographic but it is undeniable that affordable housing, whether rental or for sale, is at the top of the list. Our proposal is based on that universal theme of creating additional affordable housing for all.

How does your proposal align with requirements to affirmatively further fair housing?

According to the 2023 State of Fair Housing in Northeast Ohio produced by the Fair Housing Center for Rights and Research: One hundred seventeen fair housing complaints were filed with HUD in 2022 from the six-county region, a 13.59% increase over the number filed in 2021. Approximately 84% of the complaints alleged discrimination occurring within

Cuyahoga County. The most common bases of discrimination in 2022 were disability (41.03%), race (21.37%), and complaints alleging retaliation (13.68%).

Throughout Northeast Ohio, there are insufficient tenant protections, impacting those rent with a housing voucher, have been incarcerated, or have been evicted.

In Northeast Ohio, lenders deny home-purchase mortgages to Black borrowers at more than twice the rate they do to white borrowers. In Cuyahoga County, some of the largest lenders have no branch presence in majority-minority census tracts and do very little of their business in majority-minority census tracts.

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Municipality	Total Occupied Housing Units	Homeownership Rate	Total Black Occupied Housing Units
North Randall	570	25.3%	433
Woodmere	287	26.8%	137
Highland Hills	218	28.9%	198
East Cleveland	6,576	30.9%	5,659
Linndale	68	38.2%	10
Warrensville Heights	6,158	38.5%	5,859
Cleveland	167,829	40.9%	78,832
Bedford Heights	6,116	43.6%	4,584
Euclid	22,706	43.7%	13,945
Lakewood	26,442	43.8%	1,689
Mayfield Village	10,057	45.3%	1,802
Newburgh Heights	856	45.8%	102
Brook Park	4,762	54.8%	558
Bedford	6,060	56.1%	3,228
Garfield Heights	11,974	57.2%	6,519
Beachwood	5,828	57.7%	450
Parma Heights	9,334	57.9%	1,165
Cuyahoga County	285,841	58.4%	159,992
Cleveland Heights	19,462	58.6%	7,345
Shaker Heights	12,826	59.5%	4,854
Maple Heights	10,144	62.9%	6,963
Richmond Heights	4,983	63.0%	2,595
University Heights	4,851	65.2%	1,324
Middleburg Heights	7,474	69.1%	263
Fairview Park	7,727	69.6%	126
North Royalton	13,541	70.1%	393
Rocky River	9,693	70.5%	84
Cuyahoga Heights	255	70.6%	-
Olmsted Falls	5,796	70.9%	155
Oakwood	1,361	71.2%	673
Berea	7,115	71.8%	413
Parma	34,546	72.0%	1,513
Westlake	14,537	72.1%	330
Lyndhurst	6,657	76.7%	718
North Olmsted	13,140	77.2%	294
South Euclid	8,756	78.2%	3,965
Mayfield Heights	1,385	79.1%	38
Brooklyn Heights	7,809	80.2%	354
Chagrin Falls Township	1,949	80.3%	12
Bratenahl	689	81.7%	96
Strongsville	18,785	82.6%	338
Broadview Heights	8,396	83.2%	356
Brecksville	5,574	84.1%	34
Olmsted Township	3,712	84.9%	76
Solon	8,773	85.0%	923
Glenwillow	266	86.5%	75
Orange	1,373	90.5%	168
Walton Hills	903	90.8%	59
Bay Village	6,086	92.0%	26
Valley View	777	92.5%	-
Gates Mills	779	92.8%	-
Moreland Hills	1,425	94.4%	20
Independence	3,012	94.5%	7
Highland Heights	3,504	94.7%	19
Brooklyn	575	94.8%	9
Hunting Valley	252	94.8%	-
Seven Hills	4,857	95.1%	88
Pepper Pike	2,590	97.6%	102
Cuyahoga County PRO Housing Proposal 2024	245	98.8%	26
Bentleyville			14

To combat these issues, The Housing Center recommends that we:

- Devote increased resources to continue to fund comprehensive local fair housing programs, including enforcement, client intake and assistance, testing, research, education, and advocacy. Cuyahoga County will require any community for which funding is requested, either by the city itself or the project developer, to have an updated zoning code that eliminates barriers to affordable housing and inadvertently discriminates against protected classes of people. Through this funding we will provide assistance to the County Planning Commission to ensure the zoning codes are updated and free of barriers. We will further access the Housing Center, through contractual agreement, to monitor fair housing adherence in those specific areas through the provision of education and testing.

In addition, the county has been and will continue to work with our local banks to provide assistance and services to all 59 communities within the county, with special attention for those persons occupying a protected class.

The needs of members of protected class groups will be addressed by following recommendations made in The Cuyahoga County 2014 Analysis of Impediments which indicated the following:

- **Lack of quality affordable housing that is handicapped accessible.** Many advocates for the disabled noted that there was a lack of accessible affordable housing of high quality throughout the County. Cleveland Metropolitan Housing Authority does have some accessible units, but the majority of these public housing units are located in the City of Cleveland. In addition, architectural designs and standards of older homes in many parts of the County often require extensive rehabilitation in order to accommodate residents with disabilities.

Notes & Recommendations:

- Develop a home repair program that would specifically focus on funding repairs and modifications that would make a home more handicapped accessible.*

Cuyahoga County has and will continue to work with developers of affordable housing to ensure accessibility is addressed in multi-family housing units. The same is true of those scattered site, lease to own, projects that request and receive financial assistance for development. In addition, our home repair program provides accessibility to those homeowners in need.

Historical patterns of racial segregation

Cuyahoga County has a long history of segregated housing patterns that were created

by both private and public sector policies that are difficult to overcome. In many parts of the County there is a perception that not all communities are welcoming of minorities and that there is still steering of home seekers by race or ethnicity to certain neighborhoods or cities.

Notes & Recommendations:

Continue to work with communities to ensure that they communicate housing choice is available for all through a variety of media to reach diverse populations.

Through the county's work with the Fair Housing Center we have and will continue to promote Fair Housing rights for all citizens.

Affordable housing is concentrated in the City of Cleveland and the First Ring Suburbs, furthering segregation.

Notes & Recommendations:

Re-establish the security deposit assistance program.

Working with Cuyahoga Metropolitan Housing Authority, with the use of ERA 2 funding from Treasury, we have provided funding to the authority to assist residents with security deposits and two months' rent for units located in our suburban communities. This provision of funds has also worked to allay the fears of those landlords with the misconception that the voucher holders will not maintain the property. Providing the security deposit, at the rate requested, has allayed some of the fears that they would not be able to make the necessary repairs, should the need arise.

Lack of education about fair housing rights by consumers and housing providers. Many interviewees commented on the lack of consumer knowledge about fair housing rights, particularly with regard to fair housing protections for people with children and people with disabilities. In addition, there is a lack of knowledge of fair housing laws by landlords, property managers, property owners, and other housing professionals throughout the County.

Notes & Recommendations:

Continue efforts to educate consumers about their fair housing rights through seminars, workshops, brochures, advertisements, and other media.

Continue enforcement efforts including fair housing testing and complaint investigations.

Through our partnership with the Fair Housing Center, we have and will continue to provide funding allowing the Center to educate residents and real estate professionals, as well as building and housing staff, on fair housing rights. The center provides these efforts through workshops and community meetings and gatherings, often in conjunction with the Legal Aid Society of Cleveland.

Disproportionate impact of foreclosures on African American communities

The Foreclosure Crisis is an issue that has damaged the region. However, foreclosures have had a disproportionate impact on African American Communities. Foreclosures have resulted in a significant loss of wealth to African American homeowners who lost their homes or equity because of foreclosures in their neighborhood. While predominantly white communities have seen progress since the foreclosure crisis began, African American neighborhoods have not seen an equal rate of reinvestment.

Notes & Recommendations:

Even though the number of foreclosures is beginning to slowly decline, programs to prevent foreclosure are still an important part of the solution.

Cuyahoga County continues to provide financial education and foreclosure prevention counseling through the five non-profits we currently partner with.

It should be noted that it is not the intent of this proposal to displace any resident. If, in the off chance, displacement was to occur the County would follow the requirements of the Uniform Relocation Act.

Cuyahoga County has and will continue to require a letter of support from the highest elected official for any project for which we provide funding, all communities within the county have home rule, and in such have some type of review board and public meetings before allowing a project to move forward. In addition, as part of our annual plan submission, public review and comments are requested. Moreover, before the County Council or the County Board of Control approve any funding assistance, meetings, open to the public, are held to obtain feedback on the proposed funding. Developers requesting funding are aware of the requirement for an environmental review of the project as well as the submission of their Phase I and if necessary, Phase II review. We will continue to work with our communities and developers to ensure they are aware of what is expected of them and the penalties for lack of adherence to county policy.

A former Cuyahoga County Councilwoman, U.S. Congresswoman Shontel Brown, led the charge for Cuyahoga County to declare racism as a public health crisis. In July of 2000, the

County Council passed the legislation. This declaration expresses our intent to address the impact of structural racism in our community. The Citizens' Advisory Council on Equity and the Internal Equity Commission were developed to take a look at both external, community-wide factors and internal practices that may contribute to current inequities and provide recommendations to create a more equitable County.

The Citizens' Advisory Council on Equity, composed of 17 members appointed by the Cuyahoga County Executive and Cuyahoga County Council President, was formed to:

- Encourage community outreach and public participation in the development of equity goals, strategies, and programs.
- Provide recommendations and input to the Executive and County Council regarding the development of equity goals, strategies, and programs.
- Meet publicly to provide a forum for the public to offer ideas and recommendations regarding equity.

One of the council's charges is to provide recommendations to reduce disparity in safe and affordable housing. The Department of Housing and Community Development will be responsible for the administration of the PRO Housing grant and will work closely with the Citizens Advisory Council.

The Department of Equity and Inclusion was established in 2021 as part of Cuyahoga County's efforts to enhance equity both within government and throughout the community. The Department of Equity and Inclusion is responsible for enhancing equity in program and policy development within County government by coordinating with the County Equity Commission, the Citizens' Advisory Council on Equity, and the various departments under the jurisdiction of the County Executive.

The duties include:

- Increasing participation of minority- and women-owned business enterprises (MWBE) in County contracting and purchasing opportunities.
- Working with the Office of Innovation and Performance to develop metrics and reports regarding whether County agencies meet or exceed their MWBE contracting goals.
- Working with the Human Resources Department to develop and implement programs, training, and assessment to build a culture of equity with respect to race, gender and sexual orientation throughout County government, including in hiring and promotion.

- Serving as an ombudsman to accept and evaluate inquiries and complaints from the general public with regard to implementation of the County's equity initiatives and to coordinate and facilitate community input.

On July 26, 2021 an Executive Order was issued directing the establishment of a map of Cuyahoga County identifying areas of historic disinvestment to be known as Cuyahoga County Equity Zones and the development/implementation of policies and procedures that will result in the County providing additional consideration to investments in road projects, building projects and development projects in identified Equity Zones. In an effort to ameliorate the effects of past disinvestment, it is the policy of Cuyahoga County to focus and prioritize present and future investments on infrastructure, construction, and development projects and programming to benefit areas of Cuyahoga County that have suffered historic disinvestment.

In order to effectively monitor the success of our programs, Cuyahoga County will enter into an agreement with Cleveland State University (CSU) to evaluate our progress and make necessary recommendations for needed course correction. The CSU evaluation will gather data to assist with:

- tracking progress
- understanding the successes and barriers of the initiative
- understanding whether the program is accomplishing its goals and objectives
- improve and adapt the program, as needed

Cuyahoga County requires an Affirmative Fair Housing Marketing Plan be submitted with all applications for housing funds. This practice will continue with the infusion of PRO Housing funds. In addition, throughout the approval process the public is made aware of the project, providing them the opportunity to comment as well as making them aware of the location of the project.

The roots of segregation run deep in the County and it will be our responsibility to educate all persons regarding fair housing, from recognition of the law to reporting of violations. We will work with community groups and the development team to ensure the units will be affirmatively marketed. We will further work with the Housing Center to dispel the belief that certain areas within the county are not available to people of color. Working with the mayors, police chiefs and others we will seek to provide a sense of safety for those moving to areas where people of color have traditionally not lived.

What are your budget and timeline proposals?

PRO Housing Grant Proposed Budget March 2025 - September 2030

Purpose	PRO Housing Grant	Leveraged Funds	Source of Leverage	Total
Administrative Cost @15%	1,500,000	\$900,000 \$1,800,000	County General Fund CDBG Admin	4,200,000
Annual Program Monitoring and Evaluation	700,000			700,000
Zoning and Master Plans	1,000,000			1,000,000
Fair Housing testing, complaint intake and investigation, and education		750,000	CDBG	750,000
Financial and Foreclosure Prevention Counseling		1,500,000	CDBG	1,500,000
Incentives for developers and homebuyers	3,800,000	4,000,000	Housing Fund and federal HOME	7,800,000
TOTALS	7,000,000	8,950,000		15,950,000

Our budget is based on current annual cost for the proposed activities and services. We are confident that these line items are consistent with industry standards and appropriate for the projects as defined.

Budget definitions:

Administrative cost: includes dedicated staff equivalent to three full time employees, for the administration of the PRO Housing grant reporting including but not limited to completion and submission of reporting, entry into HUD IDIS system, and sub-recipient contract administration. This item spans all six years of the proposed funding. Also included is \$450,000 required for fair housing training where the tracking of demographics and income is not available.

Annual program evaluation with recommendations: Includes funding to allow for a qualified organization to evaluate the success of the program on an annual basis through the analysis of

information provided. Allows for a contractual agreement with the Fair Housing Center to monitor, advise, educate and report on findings related to Affirmatively Furthering Fair Housing. These annual report will also provide recommendations to ensure program is working toward or reaching its goals. This item spans all six years of the proposed funding.

Zoning and Master Plan preparation: Cost based on the amount currently expended to assist communities to update zoning codes to remove housing barriers. Expected time to complete – 3 years. Continued transportation oriented Development cost is also based on cost already expended. Expected time to complete – 6 years.

Financial and Foreclosure Prevention Counseling: The cost for counseling is based on the amount of funding Cuyahoga County currently allocates to this activity on an annual basis which will be required for all potential home buyers. This item spans all six years of the proposed funding.

Developer/Home Buyer Incentives: The cost for incentives is based on the current allocated for affordable housing gap financing. Currently, the amount of gap financing provided through HOME funding is capped at \$450,000. The addition of PRO Housing funding will allow for additional funding to be provided to developers as an incentive to add additional affordable housing units to the project. In addition, the county also provides down payment assistance, funded with HOME funding, to first time homebuyers, not to exceed \$25,000. With the addition of PRO Housing funds, we will be able to assist more buyers to purchase homes in priority geographies. This item spans all six years of the proposed funding.

It is the intent of Cuyahoga County to continue to seek out and apply for funding from other organizations that would allow for continued financial support of the projects we have proposed. The county intends to work with our local banks to either expand on some of the programming or fill the gaps where funding is not available directly from the county. We will have conversations with our philanthropic community to request funding to support our zoning and transportation-oriented development studies.

If funding is reduced, we will adjust the budget to conform to same while continuing to use the funding from our current federal allocations and other sources to continue our mission of creating and retaining affordable housing for all residents of the county.

Exhibit E
Capacity

What capacity do you and your partners have? What is your staffing plan?

The Department of Housing and Community Development was a division of Cuyahoga County's Department of Development until May 2023. At that time, at the recommendation of the County Executive who has made the need for more affordable housing options a priority for his administration, the Cuyahoga County Council created a new department solely responsible for the administration of federal funding from the U.S. Department of HUD, including annual allocations of CDBG and HOME funding, as well as special allocations of Neighborhood Stabilization Program Funds. In addition, the department has the responsibility of administering \$125 million of the Emergency Rental Assistance I and II Funding from the Department of Treasury. The Director of the Department has over 30 years of experience in affordable housing and has been an employee of the county for over 25 years. Staff experience in the department encompasses those who have worked with affordable housing and community development programs for a minimum of 5 years. The staff participates in continuing training on all HUD regulations, including determining eligibility, IDIS, DRGR and HEROS. The Housing and Community Development department shares fiscal staff with the Department of Development. This fiscal staff is dedicated to the administration of the finances for both departments. This dedicated staff is experienced with the HUD IDIS system, and DRGR systems. The department is supported by a number of other departments within the county including but not limited to, the Law Department, Fiscal Office which includes the Office of Budget and Management, Information Technology and Purchasing.

Department Director -The Director of the Department of Housing and Community Development with a staff of nine, is responsible for planning and directing housing initiatives to address the needs of the unhoused and those seeking affordable and middle market housing options. The Director reports to the Deputy Chief of Staff for Integrated Development. The current director has over 30 years' experience in affordable housing.

Administrator - This is a senior management position with responsibility for planning, directing, and managing. The position supervises the two Senior Development Housing Specialists and one Inspection and Permits Supervisor. The current Administrator is a former HUD rep, out of the Columbus Field Office.

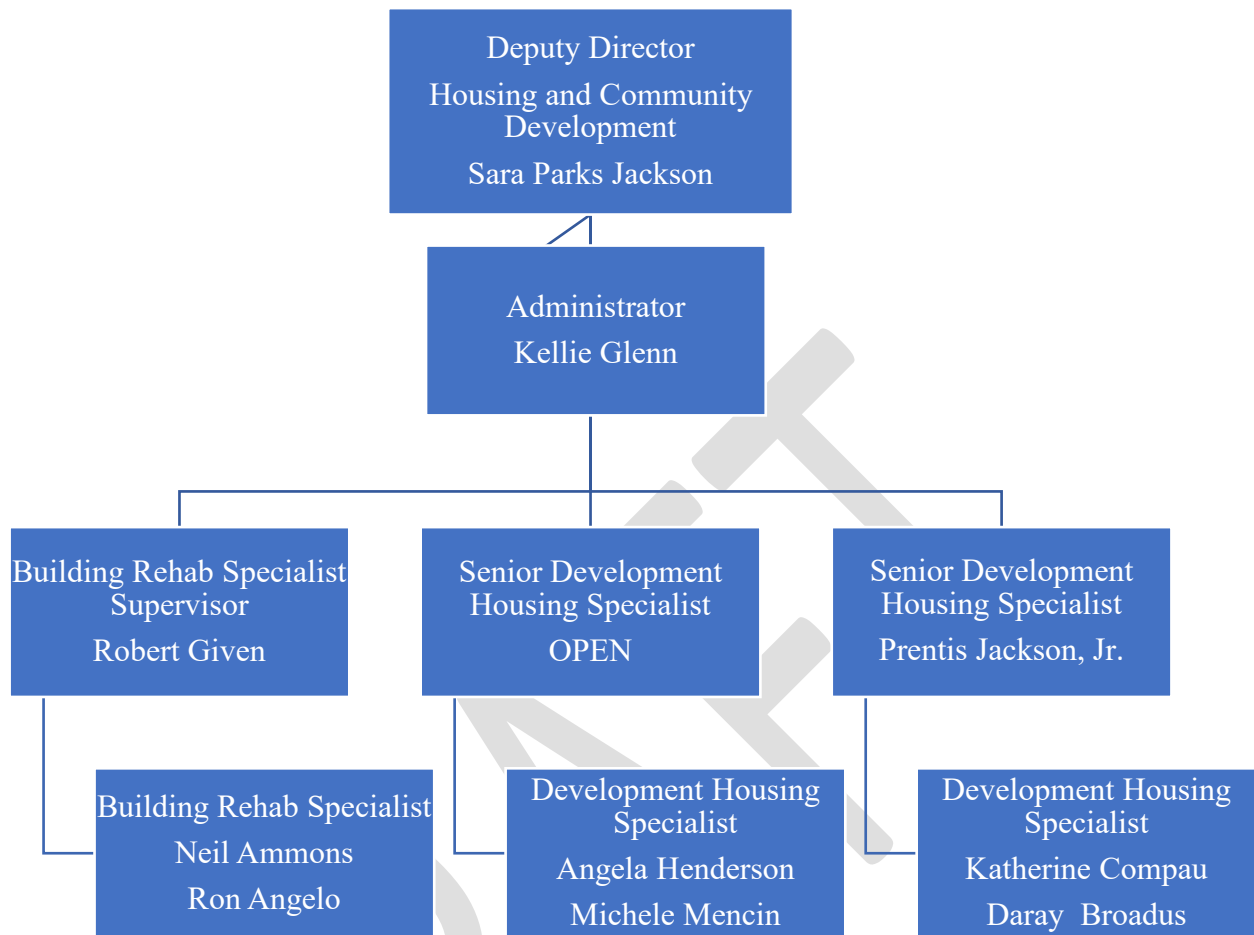
Senior Development Housing Specialist – (2) The Senior Development Housing Specialist manages data and keeps the county Housing and Urban Development (HUD) programs and contracts in compliance with all regulations. The Senior Development Housing Specialist also

supervises the Development Housing Specialists who administer HUD programs and administer contracts related to HUD programs.

Development Housing Specialists – (4) Administers community and housing development programs; reviews and recommends reimbursement requests; prepares payment requests; reviews eligibility criteria and performs loan underwriting; performs loan closing duties; obtains and submits client’s loan information; reviews client’s loan application and loan modification applications; provides loan servicing; verifies loan pay-off information with title company; runs a comparative analysis on existing and proposed first mortgage loans and composes a recommendation; reviews subordination requests. The County intends to hire one (1) additional Housing Specialist to administer the sub-recipient contracts resulting from the PRO Housing grant award.

Building Rehabilitation Specialist Supervisor – (1) Performs specialized office and field work involving the planning, implementing, coordinating, and managing of housing related rehabilitation activities as well as supervising Building Rehabilitation Specialist(s).

Building Rehabilitation Specialist – (2) Performs specialized office and field work involving the planning, implementing, coordinating, inspecting, and managing of housing related rehabilitation activities.



The Cuyahoga County Executive is an elected official who serves as the Chief Operating Officer of Cuyahoga County and represents the executive branch of the county government.

The Cuyahoga County Council is the legislative body of Cuyahoga County government, made up of 11 elected representatives from across the County. The Council makes policy decisions for the effective functioning of County government and is a link between government agencies and citizens. It has legislative and taxing authority for the County and is a co-equal branch of the County government with the executive branch.

For the purpose of this grant proposal the Priority Geography city of Shaker Heights, Orange Village and Village of Woodmere have agreed to partner with us on this most important endeavor with Cuyahoga County Department of Housing and Community Development serving as the lead agency. Cuyahoga County Department of Housing and Community Development’s Director and department Administrator will take the lead in the implementation of the Pro Housing grant utilizing staff support to ensure compliance. The Department of Development’s Business Services division, in conjunction with the county’s fiscal office, will be responsible for the accurate and expeditious processing of all fiscal matters.

Cuyahoga County works directly with the Mayors and Managers Association. The mission of the Association, in part, is “to take stands as an Association on relevant public issues of the moment so that our collective voice may be heard and felt, and to do such other things necessary or proper for the betterment of this County and its citizens.”⁶

The County also works directly with the Northeast Ohio First Suburbs Consortium which was created as a council of governments to respond to government policies and practices which promote the development of new communities at the outer edges of metropolitan regions over the redevelopment and maintenance of mature suburbs.

All communities in Cuyahoga County have Home Rule, consequently these working relationships along with individual relationships with city leaders allows the County to have open discussion regarding proposed programs and activities that directly affect their communities. Fifty-one of the county communities have agreed to be members of the HUD approved urban county and therefore have provided consent, through a renewable agreement, to participate in funding received from the U.S. Department of Housing and Urban Development. The County is also home to six entitlement communities, four of which are members with the County making up the HUD approved HOME consortium.

Cuyahoga County will retain, through a mutual sub-recipient agreement, the Fair Housing Center for Rights and Research. The Fair Housing Center conducts research on housing and lending patterns in Northeast Ohio and throughout the state. In addition to an annual State of Fair Housing in Northeast Ohio report, they produce a variety of reports, maps, and other publications examining fair housing and fair lending issues in the region, as well as foreclosure trends, subprime lending, and related matters. This research has resulted in a number of policy changes at both local and state levels throughout Ohio. The Fair Housing Center has also conducted Analysis of Impediments to Fair Housing reports, required under Section 808(e)(5) of the Fair Housing Act for communities that receive CDBG funds, for a number of municipalities in Northeast Ohio.

The Fair Housing Center also offers free assistance to victims in the administrative complaint process. Advocates are available to assist victims of housing discrimination in a variety of ways, which may include providing education on their rights, investigating a complaint, engaging with a housing provider on a tenant’s behalf, or supporting victims in exercising their fair housing rights. Cases filed by the Fair Housing Center have resulted in conciliation agreements, civil penalties and affirmative action agreements with individual housing providers throughout Greater Cleveland. The Fair Housing Center conducts systemic and complaint based testing for

⁶ The Cuyahoga County Mayors and City Managers Association Meeting | Events | Insights & Events | Squire Patton Boggs

housing discrimination in the housing rentals and sales markets, as well as in the provision of homeowner's insurance and mortgage lending. The Fair Housing Center's testing program uses trained testers who conduct matched pair testing using HUD-approved testing guidelines.

The Fair Housing Center regularly conducts fair housing law seminars and events for landlords, property managers, real estate professionals, social workers, attorneys, government officials, newspaper publishers, and others. In addition, they conduct workshops for consumers on avoiding predatory lending. Since 2005, the Fair Housing Center has also conducted conferences and trainings on predatory lending, building accessible housing, disability rights, and legal and other strategies for addressing fair housing issues.

This funding proposal was developed by:

- Sara Parks Jackson, Director, Cuyahoga County Department of Housing and Community Development
- Bridget Sukys, Cuyahoga County Department of Regional Collaboration, Grants Supervisor

Exhibit F Leverage

Cuyahoga County will leverage additional funding for this initiative by committing \$1,000,000 from its Housing Fund. Firm Commitment letter attached.

Cuyahoga County will leverage additional funding for this initiative by committing \$1,050,000 of its General Fund. Firm Commitment letter attached

Cuyahoga County will leverage additional funding for this initiative by committing funds currently available from other federal programs subject to Congressional approval in the amount of :

- Community Development Block Grant (CDBG) in the amount of \$2,250,000
- HOME Partnership Investment Act fund in the amount of \$3,000,000

Firm Commitment letter attached

Cuyahoga County will continue to seek non-federal sources of funding to advance our goal of creating and retaining affordable housing.

Exhibit G Long-Term Effect

What permanent long-term effects will your proposal have? What outcomes do you expect?

Cuyahoga County is committed to providing safe and affordable housing for all residents, knowing that the benefits far outweigh the investment. We anticipate our efforts will result in communities that have adequate affordable housing to serve all who are in need. We further expect to gain significant economic impact through the additional investment in the city or neighborhood making it stronger and more desirable, healthier with stable residents who have an increased community connection.

The outcome of an investment of PRO Housing funds in Cuyahoga County will permit the expansion and continuation of existing programs aimed at removing barriers to affordable housing.

Increasing affordable housing supply and spurring economic growth

The creation of new housing opportunities, both rental and for sale, has the potential to provide transportation oriented development opportunities for developers, as well as being of benefit to those in need of transportation options when seeking a place to live. Through our zoning and master plan work with our cities we will open new development opportunities in areas that may have seemed out of reach for those seeking affordable housing.

According to the National League of Cities the inclusion of housing as an economic development tool will result in

- Access to affordable housing allows businesses to have access to a reliable workforce. A lack of affordable housing can put pressure on employees with long commutes or financial pressure from unaffordable rents or mortgage payments. A reliable workforce is critical to the financial success of any business of any size. Additionally, housing affordability at all income levels can support a talent attraction strategy.
- Mixed-income developments reduce poverty concentration and allow for more opportunities for community diversity. Without a clear strategy on housing costs, lower-income households often wind up in underfunded areas. Mixed-income housing allows everyone to benefit from neighborhood resources and amenities and offers more opportunities for economic mobility.
- New developments are usually in underutilized areas that may be blighted or low density. Building new housing, especially in mixed-use, mixed-income developments, increases the value of the property and the tax base of the community. This in turn can allow for more investment in the community.
- Affordable housing at all income levels means that residents have more disposable income which can be spent on local businesses and services. This means more money flowing through the community and in turn more business tax revenue for the community.

<https://www.nlc.org/article/2024/01/16/why-local-governments-should-make-housing-part-of-their-economic-development-plans/>

Decreasing the minority homeownership wealth gap

“Becoming a homeowner requires a level of savings and financial stability that is often out of reach for many Black and Hispanic families due to barriers, including historic and present-day discriminatory policies and practices, unequal access to credit, and shortages in the supply of affordable housing. And should they become homeowners, maintaining homeownership can be just as challenging. One of the largest barriers for historically marginalized communities to homeownership continues to be the lack of capital for down payment costs and costs associated with maintenance of the home. Black and Hispanic families often lack the accumulated wealth to make such payments, in contrast to white families, who are far more likely to receive inheritances or other family assistance to cover these costs.”

<https://www.nlc.org/article/2024/04/09/narrowing-the-racial-wealth-divide-supporting-the-homeownership-journey/>

Through the provision of down payment assistance to potential homebuyers we will mitigate the lack of capital that has historically prevented homeownership opportunities for marginalized communities.

Metrics:

With the infusion of Pro Housing funding combined with our leveraged funds we anticipate the following:

- New affordable single family home construction
\$3,750,000 for developer gap financing and down payment assistance – resulting in the creation of 16 new homes
(\$200,000 gap financing + \$25,000 down payment assistance)
- New Multifamily Affordable Rental construction
\$4,500,000 for developer gap financing – resulting in the creation of 3 new multifamily structures approximately with 50 units each. Creating 150 new multifamily rental units.
(\$1,500,000 gap financing x 3 structures)
- Zoning and Master Plan production
\$1,000,000 for Zoning updates and Master Plan production – resulting in 9-10 updates not to exceed \$100,000 each.
- Contracted services to Monitor and Evaluate
On an ongoing basis, for the term of the funding, Cuyahoga County will engage with an outside 3rd party to evaluate the progress of the program. Cuyahoga County will also engage the Fair Housing Center for Rights and Research to ensure compliance by all parties with Affirmatively Furthering Fair Housing, through marketing and compliance.