



## COMMUNITY ENGAGEMENT OVERVIEW

August 2021

### Overview

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

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

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

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

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

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

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

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

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

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

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

THE CITY OF CLEVELAND IS PREPARING  
A TEN-YEAR HOUSING AND  
INVESTMENT PLAN TO PROVIDE  
INCREASED HOUSING OPPORTUNITIES  
FOR CURRENT AND FUTURE RESIDENTS.

# PUBLIC (ZOOM) MEETING FOR CLEVELAND HOUSING PLAN

THURS JAN 28 AT 6:30 PM  
SAT JAN 30 AT 1:00 PM

PLEASE VISIT  
[WWW.CLEVELANDHOUSINGPLAN.COM](http://WWW.CLEVELANDHOUSINGPLAN.COM) TO  
REGISTER AND LEARN MORE!!!

A stylized illustration of three houses. The central house is red with a white arched window and a balcony. To its left is a blue house with several windows. To its right is a blue house with a red door and a balcony. The houses are set against a dark blue background with light blue clouds.

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

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

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

## **Phase III: Synthesizing Recommendations and Action Steps, June 2021**

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

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

- In Phase IV, the engagement and research team produced a final set of recommendations, targets, timelines, and scorecards for the Ten-Year Housing and Investment Plan. The engagement team presented these recommendations to groups of stakeholders for final feedback to increase cooperation, collaboration, and capacity around the plan. These stakeholders include the Advisory Committee, CDC and social service provider leadership, developers, lenders, and the public. The project team integrated this feedback to finalize and release the plan to the City for implementation in July 2021.

## **Limitations**

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

## **Interview Questions**

### **Introductory statements:**

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

**For all organizations:**

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

**Additional specific questions:**

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

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



### **Real Estate, Development (for-profit and nonprofit)**

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

### **Appraisers, Lenders:**

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

### **Developers/Construction:**

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

### **Potential Buyers and Renters:**

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

5. If you are not considering a home in Cleveland, why? What would it take for you to consider buying a home in Cleveland?

### **Social Service Agencies**

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

### **Foundations/Philanthropy**

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

### **City/County Departments**

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

## **Memoranda from Phase II Working Groups**

### **Housing Stability and Tenant Protections Working Group**

#### *Recommendations*

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

1. **Adopt additional legislation promoting tenant rights**
  - a. Discriminatory Screening Protections
    - i. Protections to combat source of income discrimination

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

In Ohio, according to the Ohio Department of Rehabilitation and Corrections, 9,837 individuals were released from correctional facilities between 2013 to 2015 and returned to Cuyahoga County while 53,827 individuals were released from Cuyahoga County Jails between 2016 and 2017. ... Without stable housing an individual risks accidentally violating their post-release control, needing to live in an emergency shelter or doubling up with family and friends. Each scenario has the potential of increasing the chance of reoffending ([Reentry Housing Coalition Memo](#))
    2. Examples of recently passed ordinances: Oakland, [Cook County](#), Seattle
  - b. Pay to Stay Legislation
    - i. Under Ohio law, a landlord has no duty to accept a late payment, which means a renter can be evicted for being just one day late on rent. Under a Pay to Stay ordinance, a landlord may not proceed with an eviction for non-payment of rent if the renter tenders full rent and fees by the eviction hearing (Cities in Ohio with Pay to Stay: Yellow Springs, Toledo, Dayton, Akron, Cincinnati, Lakewood, Euclid)
  - c. Long-term Renter Protections

- i. Change of ownership should trigger a requirement for notice to tenants and allow a grace period before a tenant has to vacate a unit. Tenants should also have first right of refusal (or local nonprofit) in the event of
  - 1. Sale of property
  - 2. Foreclosure
  - 3. Death of owner
  - 4. Termination of rent to own agreements
- d. Legislations preventing abrupt, drastic increase in rent prices
  - i. Example: DC has maximum rent increase (source: [National Apartment Association](#), [Urban Institute Rent Control Brief](#))

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

- a. Establish community land trusts
- b. Requiring affordable units with new developments. Process could be standardized by establishing a Community Benefits Agreements (CBA) process at the city level
- c. Create and support alternatives to credit checks
- d. First-time homebuyer programs.
  - i. Increase knowledge of and access to these programs; this will increase community ownership and minimizing ability of speculators to purchase
- e. Establish a flexible shallow rent subsidy program
  - i. To preserve housing stability for low-income Cleveland families, a flexible rent subsidy program would support low income families who are rent burdened. (Example: [DC Flex Program](#), [Shallow rent subsidy program examples](#))
  - ii. The most common allowable increase in rent is an annual adjustment, based on the increase in the Consumer Price Index (CPI-W). For most tenants, the most that their rent can increase is the CPI-W percentage plus 2%, but not more than 10%. For tenants who are elderly or disabled, the maximum increase in rent charged is the CPI percentage only, but not more than 5%. or 5% increase (more about [DC Rent Control](#))

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

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

## **4. Address Housing Condition (also covered in another group)**

- a. Low interest loans /grants for ma and pa landlords who require lead abatement and home improvements
- b. Better enforcement of homes being rented with poor quality

*Additional resources/references*

- [Creating Community Controlled, Deeply Affordable Housing: A Resource Toolkit for Community Activists & Allied Community-Based Housing Developers](#)

*Committee Co-Facilitators, Stakeholders, and Meeting Dates*

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

*Attendees included:*

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

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

## **Neighborhood Investment Working Group**

### *The Issues*

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

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

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

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

2. Maintenance and rehab are critical for strengthening neighborhoods, making them attractive, and ensuring naturally occurring affordable housing where mid-price-range families can find places to live long term
  - Financial support to help people afford maintaining their homes – and once in place, work to ensure people know about it and have access to it
  - Prioritizing rehabbing older homes and multi-family structures rather (and in addition to) than building new; will help to provide the 3- and 4- bedroom homes needed to attract and keep long term family residents at affordable price points
  - Code enforcement is key to encourage ongoing maintenance (cheaper than deferred); and hold out-of-town landlords accountable to maintain properties
3. Incentive programs can help but must be provided for both residents and developers
  - Incent people to stay long term, and avoid sudden increase in costs when incentives run out
  - Allow people to layer multiple sources of incentives
  - Loopholes need to be closed at the state level to ensure workable property tax protection for low-income residents as neighborhood values strengthen
  - Provide good communication about programs and incentives available
4. Housing can be leveraged to strengthen all neighborhoods by creating jobs, training, and wealth building opportunities
  - Historic preservation, rehab and retaining older structures, and creating new sustainable and green development is an opportunity to train and create good jobs in all neighborhoods
  - There is a need to explore good structures for transferring vacant properties to residents who will maintain and can build wealth – land trusts, philanthropy need to have property ownership by residents as the end result
  - Small landlords should be supported in owning/maintaining properties
5. The best role for the City is to prioritize doing what they do that no one else can do; strengthen partnerships for other housing-related activities
  - Providing and maintaining infrastructure
  - Public safety
  - Leveraging project approvals for community benefits agreements providing gap financing, jobs, training and infrastructure
  - Code enforcement and inspection
  - Zoning and planning/market policy targeted at incenting the type of development desired/needed in each neighborhood
  - Tax abatements and other incentives and tax protections (also the County)

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

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

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

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

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

- Consistently implement the Complete and Green Street ordinance<sup>1</sup> in all neighborhoods

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



- Prioritize the CHEERS<sup>2</sup> plan, and the Midway project from Bike Cleveland<sup>3</sup>
- Aggressively pursue noise reduction, traffic calming, and appropriate light pollution controls if not in Complete Streets ordinance
- Create Culture Plans<sup>4</sup> for neighborhoods to support existing culture as neighborhoods evolve
- Strengthen neighborhood planning processes to be responsive and accountable to neighborhood needs
- Connecting parks and open space should be prioritized, especially in underserved neighborhoods – incorporate green infrastructure projects; provide easy access within 15 minutes’ walk to all residents
- Implement the Cleveland Tree Coalition Tree Canopy Plan<sup>5</sup> in all neighborhoods including prioritizing tree maintenance; integrate a strategic long-term maintenance plan for trees into City operations, including education/outreach/inspection to prevent tree loss
- Prioritize street safety through implementing the Midway project and Vision Zero<sup>6</sup> for pedestrian and bike safety
- Prioritize deterrents in neighborhoods such as improved lighting and cameras in all neighborhoods including introducing LED lighting in streets and alleys, street bumps
- Implement “simple enforcement” such as sobriety checks and traffic enforcement, provide police presence/visibility

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

- Ensure adequate staffing levels
- Train and support staff to take a “customer service approach” (“how can we help you”), reaching out to neighbors and seeking ways to help and educate
- Implement a point-of-sale code enforcement program
- Clarify and upgrade standards for property condition and maintenance
- Apply code enforcement uniformly and hold out of town landlords accountable

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

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

<sup>4</sup> “Cultural Plans” in neighborhoods are an example of culturally sensitive planning and city strategy for neighborhoods. For example, see NYC’s neighborhood cultural planning web page, <https://createnyc.cityofnewyork.us/the-cultural-plan/issue-areas/nc/>.

<sup>5</sup> See <http://www.clevelandtrees.org/cleveland-tree-plan/>

<sup>6</sup> See Bike Cleveland [web page](#); this appears to be a current project in progress under the Cleveland Vision Zero Task Force.

- Work with partners to adequately fund and administer maintenance and rehabilitation programs to support property owner and landlord maintenance and rehabilitation

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

- A. Work with partners to strengthen related neighborhood amenities and services including schools, transit, vibrant neighborhood commercial activity, and fiber optic network
- Connections to Metroparks
  - Partner with business and arts and culture organizations to think about programming open spaces
  - Support NOACA's efforts to limit sprawl, and encourage NOACA to think about re-igniting older industrial neighborhoods to keep businesses in places that are ready for reuse
  - Encourage the City of Cleveland to leverage the work of CMSD and Say Yes to Education
  - Strengthen community amenities in all neighborhoods such as restaurants, retail, locally owned businesses, neighborhood pride in businesses, top quality places to do business, business planning/response to neighborhood needs (i.e., Dollar General on Ford Ave)
- B. Work with partners to create innovative approaches to property lease, transfer, and rehabilitation that will build wealth for homeowners and small landlords, especially in weak market neighborhoods
- Modify tax Sheriff's sale process to be more community based and supportive of individual homeownership, such as giving residents priority in property acquisition.
  - Prioritize purchase/rehab loans and acquisition for residents
  - Require purchasers to show they are local and responsible
  - Ensure that Council and CDC development planning decisions have robust neighborhood engagement and information, including neighborhood-level meetings with affected neighborhoods (For example, require Council/CDC planning processes to hold 3 meetings with community involvement in making planning decisions)
- C. Prioritize historic preservation and housing rehabilitation to leverage Naturally Occurring Affordable Housing, job training, and neighborhood stability, especially in weak market neighborhoods.
- Implement the City's Middle Neighborhoods<sup>7</sup> plan
  - Adopt a "Fix it First" strategy incentivizing preservation in allocating City resources, and encouraging developers to look at rehab
  - Address need for education on benefits and meaning of historic preservation (of what and for whom)
  - Encourage adaptive reuse of housing, preserving historic character while upgrading property

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

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

### *Potential Gaps*

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

For example:

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

### *Co-Facilitators, Stakeholders, and Meeting Dates*

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

Group members included:

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

The group met twice, on May 6 and May 13, 2021. During the first meeting (1.5 hours), the group discussed issues related to neighborhood investment in Cleveland and began brainstorming recommendations. During the second meeting (1 hour), the group solidified these recommendations and identified priorities. Group members were also given opportunities to review/edit/comment on the draft recommendations, and on this memorandum.

## **Housing Quality and Conditions**

### *The Issues*

Poor housing quality and conditions are a significant challenge in Cleveland. Over half of all housing units in the city were built before 1940 and are now over 80 years old. Only a very small share (5%) was

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

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

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

#### *Priority Recommendations*

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

1. **A locally funded emergency home repair program.** The City's current CDBG-funded home repair programs are not sufficient to meet demand. The regulations associated with CDBG require a bid process that takes too long for emergencies and impose documentation burdens that make them onerous for many households to access. The City should develop a revolving loan fund with a 15-20% loan loss reserve using a flexible, non-federal funding source (a combination of local, private, and philanthropic dollars) that offers home repair grants, deferred loans, and amortizing loans based on the applicant's ability to pay. The grants/loans available must be large enough to accommodate the large repairs (at and above \$20,000) required to ensure basic health and safety in many Cleveland homes. Repairs should be targeted to seniors and inheritors who would otherwise sell to predatory investors (the focus in this case should be to prepare the property for sustainable homeownership).
2. **An integrated delivery system to conduct home repairs and provide other housing-related services.** The City should work with home repair and housing service providers to implement a one-stop shop for home repairs and other housing services. By accessing a single portal, property owners should be able to find the services available to them in their neighborhood. This portal would be backed by a robust data-sharing and referral system that also allows each participating service provider to document that funding regulations were met.
3. **Investment in contractor capacity.** The City should again collaborate with an entity or network of organizations that invests in technical assistance to local (especially minority and female) contractors, be able to vouch for them without submitting them to an onerous certification process, help them access advance capital or a rolling line of capital to cover the upfront costs of

repair and reduce risk, and to manage a steady pipeline of bundled projects that provide consistent income.

4. **Policies that curb predatory investment.** The City should collect more information about absentee investors, for example by requiring them to provide the name and contact information for a local agent, such as a property manager, in the rental registry. Second, the City should implement policies to curb predatory investment, such as preventing additional deed transfers to investors who are already delinquent on property taxes or have outstanding code violations for another property and engaging the Sheriff's Department to prevent bulk-buying sight unseen. Finally, the City should ramp up code enforcement for "bad actors" and the Law Department should hold property managers, not just investors, liable for violations.
5. **Expanded access to home improvement capital.** The City should partner with banks to develop alternative lending programs that underwrite homeowners who have less-than-perfect credit scores but who are still likely to be able to repay a home improvement loan based on utility payment records and other factors. The City can invest the core capital to a loan loss reserve in order to provide credit enhancements that reduce the risk to private lenders. All participating lenders should participate in the credit enhancement programs according to the same terms (i.e., no individual bank should be permitted to demand a larger reserve or higher credit standards for borrowers).
6. **Scaled-up home repair education efforts.** The City should work with its partners to better fund home repair education programs, allowing for better outreach efforts, tool lending banks, and the recruitment of skilled practitioners to teach maintenance and repair skills. Home repair classes should *not* be mandated in exchange for the receipt of loans or subsidized repairs, since this can act as a barrier to much-needed assistance.

#### *Other Recommendations*

The group also generated additional recommendations for consideration.

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

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

### *Potential Gaps*

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

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

### *Co-Facilitators, Stakeholders, and Meeting Dates*

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

Attendees included:

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

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

## **Housing Affordability and Accessibility**

*Co-Facilitators, Stakeholders, and Meeting Dates*

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

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

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



### *Barriers to Housing Affordability and Accessibility*

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

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

In addition to racial discrimination and redlining, people with disabilities and seniors face outright discrimination in home lending. A 2019 report from the Iowa Policy Project, Policy Matters Ohio, COWS, and the Economic Analysis and Research Network (EARN) ranked Ohio 11<sup>th</sup> out of 12 midwestern states on policies that directly address racial discrimination and inequity.<sup>8</sup>

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

In Cleveland, as of 2019, less than 10% of all occupied housing units have been built since the original passage of the American Disabilities Act in 1990. Thus, only 15,690 units – of more than 170,549 total,

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

have been constructed subject to the ADA. In Cuyahoga County as a whole, the percentage of occupied units built since 1990 is slightly higher, at 12%, representing about 65,000 units.

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

### *Housing Affordability and Accessibility Issues*

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

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

### *Priority Recommendations*

1. Fund and resource down payment assistance programs for a broader range of buyers
  - a. Currently, OHFA funds have very specialized programs (teachers, veterans, seniors, low-income, etc.); recommend expanding to address the above underserved groups in Cleveland's market/target to specific neighborhoods/households to address racial wealth gap
2. Work with banks to underwrite loans under \$50,000, act as subordinate or third lender if needed for some small home repair loans
  - a. This is a serious area of need, and existing programs such as the Huntington Bank program are
  - b. Collaboration with area appraisers, banks, and the city to create the pool to guarantee this process
3. Provide greater equity in allocating existing program funds across the city – the city needs to target areas with the greatest need instead of allocated equally
  - a. City needs to reform programs so they are not first-come, first-serve; this limits those with the least resources or connections – areas without strong CDCs and councilmembers may see less resources

4. Create a comprehensive “homeownership” directory and resource guide that is accessible to all residents about homeownership needs: education programs, how to maintain your housing, programs to repair and modify housing, available contractors, etc. Format could be in the council member ward newsletters or other public facing document distributed on a regular basis
  - a. Expand CHORES program in support of this initiative
  - b. There is a need for more and higher quality contractors in the city – see housing conditions recommendations
5. Better alignment between the Housing Plan and Cleveland Metropolitan School District; strengthening and investing in neighborhood schools and amenities such as parks and green spaces. The CMSD portfolio model makes it difficult to develop strong neighborhoods anchored by quality schools.
  - a. This may also mean phasing out tax abatements and down payment assistance in order to get those tax dollars back into school budgets
6. Ensure that all newly constructed multifamily housing subject to the fair housing act accessibility guidelines meets those minimum accessibility requirements. Incentivize/mandate the inclusion of extra-accessible (UFAS) units in market-rate, multi-family developments. Enforce compliance with both during the design and plan review process (accessible housing stock is limited, difficult/costly to modify existing housing stock and people with disabilities face a disappearing housing market)
  - a. City can use carrot or stick approach to enforce this process, but should establish its own targets to create x number of accessible market-rate units or rehabilitate units for accessibility by 2031

#### *Full List of Recommendations*

1. Fund local appraisal gap programs to address those at the bottom end of the income and home value ranges
2. Fund and resource homeownership education programs that are available through the lifecycle of the homeownership process (currently, HUD-affiliated programs are charging for some homeownership education programs such as credit report cleanups) and expand to different populations – completion of course will earn resident down payment assistance or other incentives (weatherization, roofing, etc.)
  - a. Modeled after Ohio Housing Finance Agency which has HEPs for veterans, school teachers, state workers, etc.
  - b. Consider developing a curriculum for K-12 education around homeownership and civic pride – create long-term Cleveland residents who can make informed housing choices in the future
  - c. Can use these programs to address the racial homeownership and wealth gap
3. Fund and resource down payment assistance programs for a broader range of buyers
4. Work with banks to underwrite loans under \$50,000, act as subordinate or third lender if needed for some small home repair loans – financing gap group recommendation? [serious area of need]
5. Provide greater equity in allocating existing program funds across the city – the city needs to target areas with the greatest need instead of allocated equally
  - a. City needs to reform programs so they are not first-come, first-serve; this limits those with the least resources or connections – areas without strong CDCs and councilmembers may see less resources

6. Create a single system for uploading documentation for program eligibility – the time and cost to duplicate these vital records is high for both CDCs and residents
7. Reduce some of the restrictions (such as documentation) around programs (e.g., SHAP) that make it difficult to actually get money out of the door
8. Revise city homeownership and repair programs to account for size of the home when allocating grant money – there is about a 1000 ft<sup>2</sup> difference between homes in some neighborhoods
9. Develop and resource programs to target middle-income homeowners who do not apply for federal subsidy programs but usually do not have the income/assets for conventional lending (80-120% AMI households)
10. Mandate accessible (using fair housing act accessibility guidelines) units in market-rate, multi-family developments, enforce during the design and plan review process (currently, difficult to modify existing housing stock and people with disabilities face a disappearing housing market)
11. Create a city program analogous to Healthy Homes – provides direct service to residents by connecting them to existing programs and resources offered by the city to facilitate homeownership
12. Create a comprehensive “homeownership” directory and resource guide that is accessible to all residents about homeownership needs: education programs, how to maintain your housing, programs to repair and modify housing, available contractors, etc. Format could be in the council member ward newsletters or other public facing document distributed on a regular basis
  - a. Expand CHORES program in support of this initiative
  - b. There is a need for more and higher quality contractors in the city – see housing conditions recommendations
13. Create a tax abatement for accessible and universal design buildings to encourage more development for greater housing accessibility
  - a. Put stronger mandates around the use of HUD 504 funds to incentivize different housing options for people with different types of disabilities
14. Create programs to target student loan debt and debt forgiveness for younger families
15. Better alignment between the Housing Plan and Cleveland Metropolitan School District; strengthening and investing in neighborhood schools and amenities such as parks and green spaces. The CMSD portfolio model makes it difficult to develop strong neighborhoods anchored by quality schools.
  - a. This may also mean phasing out tax abatements and down payment assistance in order to get those tax dollars back into school budgets
16. Homestead and senior programs for property tax increases: the cost of property taxes keeps homeownership (and neighborhood stability) low – those on fixed incomes are not able to keep up with rising property taxes and new homeowners are not equipped to deal with changes in their mortgage payment
17. City needs to push market-rate developers to produce more mixed-income and affordable/accessible options
18. Eliminate PMI through city subsidies to reduce homeowner monthly costs
19. Implement lease-purchase programs with long-term renters in weak housing markets to induce development and stabilize neighborhoods
20. Leverage community benefits agreements with local lenders to directly address some of the lending issues (lower loan amounts, third lender subordinate, elimination of PMI before appraised hits 78%)
21. Widespread support across the state around Community Land Trusts or Housing Trusts to purchase properties and parcels to maintain affordability and shared equity in the neighborhood

22. Create a First-Look, First Right-of-Refusal process for local residents to purchase homes in their neighborhood
23. Increase modification funds and who are eligible (include renters, given the lack of owner-occupied options for people with disabilities)

### *Potential Gaps*

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

### **Filling Financing Gaps**

#### *The Issues*

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

### *Priority Recommendations*

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

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

### *Other Recommendations*

The group also generated additional recommendations for consideration.

1. Change State law in neighborhoods to mitigate for tax increases to existing residents who cannot afford them.
  - a. Consider abatements on land value
  - b. Also consider extending abatements beyond 15 years
2. Create an appraisal gap grant program for both new construction and rehab
3. Cover costs of sewer and water lines to reduce costs
4. Less cumbersome down payment assistance grant
5. More education around tax abatement program
6. Focus development on hot spots
7. Diversify financing and make it inclusive
8. Make City Land Bank process easier
9. Career Pathways program: There needs to be a connection or mentorship program between high school students going into the trades to address the workforce challenges.
10. A pool of capital that could be used to create mortgages from, or a loan loss reserve
  - a. the City of Cleveland through the transfer ordinance granted CHN \$2 million loan loss reserve, which can raise 5-10x the lending capital.
  - b. Small mortgage loans are hard for people to get, first mortgages under \$70,000, people who don't have perfect credit
11. Emergency and non-emergency home repair program
12. Construction gap financing.

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

#### *Co-Facilitators, Stakeholders, and Meeting Dates*

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

#### Attendees included:

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

- Esbeey Madera. All Phase Construction
- Kevin Nowak, CHN Partners
- Karen Paganini, K&D Properties
- Kareem Abdul Salaam, Structure Unlimited and Management, LLC

## **City Processes and Local Capacity**

### *The Issues*

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



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

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

### *Priority Recommendations*

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

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

#### *Other Recommendations*

The group also generated additional recommendations for consideration.

1. Create a matching program to support home repairs for moderate-income homeowners. Match funds for roof replacements and other repairs or revive the former model rebate program.
2. Reduce the unpredictable costs of water and sewer improvements. The City can reassume responsibility for, and/or subsidize, water taps and sewer replacements. Utility companies can also be called on to support these efforts.
3. Waive certain development requirements for affordable projects. Rather than making it *more* expensive to develop affordable units, certain design requirements, prevailing wage requirements, and other costs should be waived or reduced, and approvals should be expedited, for units that will be offered below-market.
4. Model the City Land Bank's application process on the County's process by reducing the application length and reducing turnaround time to two weeks.
5. Hold property managers responsible for bringing properties up to code, rather than pursuing the numerous out-of-town investors who own these properties. Require absentee owners to list their property manager in the rental registration.

6. Increase code enforcement for properties rented for short terms and/or by the room. Increase the frequency of inspections and adopt fees to discourage landlords from renting out rooms with no amenities at exorbitant rates.
7. Create more opportunities for public comment at City Council sessions and ensure that extensive community engagement, including face-to-face communication, occurs before major projects.
8. Require or incentivize on-the-ground staff to pursue training with the Racial Equity Institute.
9. Ensure that new initiatives are effectively communicated across City departments, rather than remaining siloed.
10. Develop mechanisms to preserve institutional knowledge within the City, so that new staff acquire the expertise of more senior staff before they leave their positions.
11. Adopt an expansive rather than punitive interpretation of HUD guidelines for programs funded by CDBG and other HUD funds, and encourage City staff to advocate on behalf of residents for the greatest possible flexibility and access.
12. Preserve the tax abatement in order to continue to bring both affordable and higher-end buyers into the city.

### *Potential Gaps*

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

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

### *Co-Facilitators, Stakeholders, and Meeting Dates*

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

Attendees included:

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

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

## List of Stakeholders

Category	Entity	Phase	Engagement Method
<b>Cleveland Residents</b>			
Goals of engagement: listen to the housing concerns and priorities of residents			
	Residents <ul style="list-style-type: none"> <li>• Landlords</li> <li>• Homeowners</li> <li>• Renters</li> <li>• CMHA residents</li> <li>• Community leaders</li> </ul>	1-4	Advisory Committee, Interviews
<b>Political Leadership</b>			
Goals of engagement: listen to the issues and concerns of political leaders			
	Mayor Frank L. Jackson	1,4	Interview, Briefing
<b>Taxing/Public Service Entities</b>			
Goals of engagement: discuss issues pertaining to taxes and incentives			
	CMSD	4	Interview
	RTA	4	Interview
	NEORS (sewer district)	4	Interview
	Cleveland Metroparks	4	Interview
	Cleveland Public Library	4	Interview
	Port Authority	4	Interview
<b>Housing Authority</b>			
Goals of engagement: 1) obtain/confirm inventory of facilities and services; waiting lists; who participates 2) obtain input on biggest issues and possible solutions			
	CMHA	1	Interview
	HUD – Field Office	1	Interviews
<b>Housing-Related City Departments</b>			
Goals of engagement: understand needs/concerns of each department in depth, and issues they are facing; understand front-line staff's concerns and how they will be affected by implementation; obtain data as needed on various issues; hear ideas about ways to improve			
	Regional Development	1-4	Advisory Committee, Interview

	Community Development	1-4	Advisory Committee, Interview
	Planning	1-4	Advisory Committee, Interview, Group Interview
	Economic Development	1-4	Advisory Committee, Interview
	Building and Housing	1-4	Advisory Committee, Interview
	Neighborhood Services	1-4	City Committee, Interview, Group Interview
	Middle Neighborhoods	1-4	City Committee, Interview
	Bank Relations	1-4	City Committee, Interview
	Department of Aging	1-4	CAHA Attendance
	Community Engagement Specialists	1	Group Interview
<b>County Departments and County-Level Efforts Concerned with Housing</b>			
Goals of engagement: understand big issues and ideas for resolving			
	CAHA (Cuyahoga Affordable Housing Alliance)	1	Group Interview
	VAPAC (Vacant and Abandoned Properties Action Council)	1	Interview
<b>Redevelopment/Land Reuse</b>			
Goals of engagement: understand big issues and ideas for resolving; confirm any data they may have/could provide			
	Cuyahoga County Land Reutilization Corporation	1	Group Interview
	Western Reserve Land Conservancy	1-3	Group Interview, Working Groups
<b>Housing Development, Construction, Design, and Sales</b>			
Goals of engagement: understand issues and ideas for resolving			
	Appraisers (6)	1	Group Interview
	Community Development Corporations <ul style="list-style-type: none"> <li>• CHN Housing Partners</li> <li>• Stockyard/Clark Fulton/Brooklyn Center CDO</li> <li>• Metro West CDC</li> <li>• Slavic Village Development</li> <li>• Greater Collinwood CDC</li> <li>• Tremont West CDC</li> <li>• Midtown CDC</li> <li>• Old Brooklyn CDC</li> <li>• Union Miles CDC</li> <li>• Historic Gateway District</li> <li>• Bellaire Puritas</li> <li>• Fairfax Renaissance Development Corp.</li> <li>• Famicos Foundation</li> <li>• Burten Bell Carr Development, Inc.</li> <li>• Detroit Shoreway Development Corp.</li> <li>• Westown CDC</li> </ul>	1-4	Group Interview, Interviews, Working Groups, Briefing
	Single-Family Developers (8)	1-3	Group Interview, Working Groups
	Multi-Family Developers (15)	1-3	Group Interview, Working Groups
	Architects (1)	2,3	Working Groups
	Realtors (8)	1	Group Interview
	Prospective Homebuyers (4)	1	Group Interview
<b>Housing and Social Service Providers</b>			
Goal of engagement:			
	Legal aid and fair housing groups <ul style="list-style-type: none"> <li>• Legal Aid Society</li> <li>• Fair Housing Center</li> </ul>	1-4	Interview, Advisory Committee, Working Groups
	Disability advocates and service providers <ul style="list-style-type: none"> <li>• Cleveland Hearing and Speech Center</li> <li>• Cuyahoga County Board of Disabilities</li> <li>• Cleveland Sight Center</li> <li>• Achievement Centers for Children</li> <li>• Services for Independent Living</li> </ul>	1	Group Interview

	<ul style="list-style-type: none"> <li>• Community Center for Deaf and Hard of Hearing</li> <li>• The Upside of Downs</li> </ul>		
	Home repair education and service providers <ul style="list-style-type: none"> <li>• Home Repair Resource Center</li> <li>• Contractors on the Rise</li> </ul>	2	Working Groups
	Other housing/social services providers <ul style="list-style-type: none"> <li>• EDEN</li> <li>• United Way 2-1-1</li> <li>• The Community Builders</li> <li>• Northeastern Ohio Coalition for the Homeless</li> <li>• Maximum Accessible Housing</li> <li>• Lutheran Metro Ministry</li> <li>• Benjamin Rose Institute on Aging</li> <li>• LGBT Center of Greater Cleveland</li> <li>• Empowering and Strengthening Ohio's People (ESOP)</li> <li>• YMCA of Greater Cleveland</li> <li>• CareSource Behavioral Health Team</li> </ul>	1	Interviews
<b>Financial Institutions</b>			
Goal of engagement:			
	Foundations <ul style="list-style-type: none"> <li>• St. Luke's Foundation</li> <li>• Cleveland Foundation</li> <li>• George Gund Foundation</li> <li>• Fund for Our Economic Future</li> </ul>	1-4	Advisory Committee, Interviews, Working Groups
	CDFIs <ul style="list-style-type: none"> <li>• CHN Housing Partners</li> <li>• Cleveland Neighborhood Progress</li> <li>• Enterprise Community Partners</li> </ul>	1-4	Advisory Committee, Working Groups, Interviews
	Banks <ul style="list-style-type: none"> <li>• Huntington Bank</li> <li>• Greater Cleveland Credit Union</li> <li>• Dollar Bank</li> </ul>	1-4	Advisory Committee, Interviews
<b>Academic/Research Institutions</b>			
	Poverty Center/NEOCANDO, Case Western Reserve University	1	Interview
	National Initiative on Mixed-Income Communities, Case Western Reserve University	1	Interview
	Levin College of Urban Affairs, Cleveland State University	1	Interview
	Federal Reserve Bank of Cleveland	1	Interview