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Overview

When thinking of housing and as a place to live, Cuyahoga County and the Greater Cleveland area have seen their names included amongst many lists of cities in recent years - some good, some not so good. For example, Cleveland and its metro area were honored on lists that say it is an up and coming place to live and work. Cleveland also received rave reviews when it hosted the Republican National Convention in 2016. While some lists are encouraging and highlight the growth the area has achieved, our region also falls on the top of lists of the most segregated and dangerous cities in the United States.

Other metrics show the depths in which the area has fallen but also the progress that has been made since the Great Recession. Home values dropped by 13% from 2006 to 2013 across the county. In Cleveland the story was worse with homes dropping in value by 31%. When looking at median arm’s length sales within the County, prices dropped 30% over the same period and in Cleveland the drop was even greater at 70%. Still, even with these sobering statistics, there is good news - from 2014 to 2015 home values in Cleveland remained flat and the County values increased by 2%, and sale prices increased by 9% in Cleveland and almost 2% in the County over the same period, hopefully signaling that we are past the worst. While some may say that the decreasing mortgage foreclosure numbers is a sign that foreclosure is no longer an issue, the large rise in local tax foreclosures gives pause as does the capacity to manage through the backlog of foreclosures.1 Maintaining the property tax base and improving the collection of taxes is essential to the financial health of the county.

With an unemployment rate of 5.2% as of October 2016,2 the County’s economic foundation is not yet where residents would feel they are personally in a strong financial position causing the inability of some people to take care of homes, even homes that may not have mortgages. At its height, the population of Cuyahoga County reached 1,721,300 according to the 1970 census. The population has steadily declined as manufacturing jobs have left the region leaving an estimated 1,255,921 in the 2015 census, a loss of 27% from its peak.3 Population loss, job loss and foreclosures has created more vacant, blighted structures, which are posing safety concerns and further bring down home values, a major revenue generator for the local schools and municipalities. Demolition has shown to be a tool in helping to reduce blight and restore properties. In 2014 a study conducted by Thriving Communities Institute found a net benefit of 1.40X per $1 invested in demolition in the Greater Cleveland area.4 Demolition has been

2 http://www.lmi.state.oh.us/LAUS/Ranking.pdf
3 http://www.census.gov/quickfacts/table/PST045215/39035
supported thanks to Federal Hardest Hit Funds and the Cuyahoga County Demolition Program but it is estimated that the City of Cleveland alone still has approximately 4,000 homes that need to come down. While removing blight and reducing the oversupply of housing in the county is still necessary, there is also support for protecting and renovating homes as another way to preserve home values and attract new residents. Housing stock is aging and becoming more expensive to maintain. Without that maintenance, more homes will fall into the state of disrepair that will trigger demolition. However, in a 2016 report, Decision Support for Property Intervention Rehab Impacts in Greater Cleveland 2009 – 2015 by Dynamo Metrics, LLC, there were large increases found in property values within a 500 foot radius of a rehabilitated home. In both the demolition and rehabilitation reports, it is noted that the impact on values is significantly higher in stronger market areas.

Another hit to the local market has been seen with cuts in state funding of local governments across the County, forcing many cities to cut valuable services to constituents or raise taxes to cover any shortfalls. One example is the increase in cities now choosing to outsource its building and housing departments which cities maintain is the best way to preserve neighborhoods and protect home values. Compounding the strain of the state cuts are threats of severe federal cuts or the outright elimination of core, foundational housing and community development resources including the Community Development Block Grant, the HOME Investment Partnership Program, the Low Income Housing Tax Credit Program, and more. Weathering these cuts will be difficult and Cuyahoga County understands that neither cutting services nor raising taxes is desirable to make the healthy sustainable cities that we strive to have within the County.

As County Executive, Armond Budish, took office he saw the need for a county-wide plan to curb these negative trends and keep any positive trends growing. While recognizing that housing falls within the domain of cities due to local control, he felt that the Cuyahoga County has the ability to serve as a facilitator, coordinator and supporter of housing initiatives of every community within the county. The ultimate goal is to make Cuyahoga County one of the most desired places to live in the country. In order to get there, there needs to be a plan.

There have been multiple steps that have led to the creation of the County’s first housing plan. Some of the recent steps are highlighted below:

- First Suburbs Housing Whitepaper (2012)
- County Demolition Program legislation (2014)

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5 Cleveland Neighborhoods by the numbers 2015 Cleveland Property Inventory. Thriving Communities Institute 2015 updated by Frank Ford in March 2017
In 2015 the County Deputy Director of Housing & Community Development began convening the county housing stakeholders as well as County staff from various departments and other housing related entities to better understand the current state of housing within the County.

Out of these meetings an initial “Housing Matrix” was created that identified the issues and goals that would be accomplished by addressing each issue area. The other outcome was the creation of a vision statement that set the tone for the collaboration that is necessary to address the County’s housing challenges.

“Cuyahoga County is committed to becoming a community known for its programs and policies for addressing the housing needs of all of its residents, particularly low income renters and homeowners as well as those individuals and families who have severe housing cost burdens, face discrimination or foreclosure, or have difficulty obtaining economic self-sufficiency because of the lack of affordable housing or the lack of housing near economic opportunities. Cuyahoga County envisions a future where vacant and abandoned houses have all been rehabilitated or removed in order to stabilize neighborhoods, maintain and increase property values and provide home ownership opportunities.”

The stakeholders participated in working groups, created and refined recommendations to improve local housing conditions. From this work, recommended strategies were identified under six overarching housing focus areas. Some recommended strategies will be a work in process, while others are more defined and in the process of being implemented or already implemented. These high level strategies will be supplemented with working plans that will identify specific tactics to be implemented to address each defined issue area. Over the coming years, these working plans will be modified to address the current housing needs within our community.
Primary Objectives

This housing plan is based upon the ultimate goal of making Cuyahoga County one of the most desired places to live in the country. There are multiple definitions of livability and different models. The County will align efforts in housing with the livability principles from the Partnership for Sustainable Communities, a collaborative group made up of Housing and Urban Development, Department of Transportation, and the Environmental Protection Agency. The six principles of the Partnership are:

1. Provide more transportation choices
2. Promote equitable, affordable housing
3. Enhance economic competitiveness
4. Support existing communities
5. Coordinate policies and leverage investment
6. Value communities and neighborhoods

These principles are also shared in a local plan called Vibrant NEO 2040; a 12 county regional plan for sustainable living in Northeast Ohio. The County housing plan will be built upon all of the past, current and future investments made within the County to increase its impact. The County’s place-based economic development plan is a road map that will inform the housing plan of the focus areas for current community assets and jobs which will help inform where housing investments will also be made.

The chief purpose of the initial work with the housing stakeholders was to identify the primary focus areas to address for the County’s first housing plan. The interviews and research shared was supported by a housing study conducted by the Cuyahoga County Planning Commission and County Five-Year Economic Development Plan and supplemented with other relevant data including reports on demolition, rent burden, homelessness and other housing topics. Upon more discussion, primary objectives that the housing stakeholders felt needed to be addressed were distilled into the following:

1. Access to Capital
2. Tax Collection and Delinquency
3. Housing Insecurity
4. Special Populations
5. Fair Housing
6. Confidence in the Housing Market

In addition, there were some common themes that cut across the identified focus areas that need to be addressed to combat our housing challenges. These themes are:
1. Improve cross county coordination and communication
   a. County departments, county boards, commissions, related entities and municipalities
   b. Leverage resources (internal, external, public, private)
   c. Improve efficiencies
2. Inform and educate the public
   a. Better outreach and marketing of programs and resources (both County and non-County)
   b. Financial education of residents, not just limited to housing
3. Shared advocacy
   a. Be vocal to protect current resources and attract additional resources we need
   b. To create a consistent funding source for housing similar to a local County Housing Trust Fund
Objective 1: Access to Capital
As County residents lost jobs, they did not generate the income necessary to maintain their homes. To make matters worse, many homes lost value and became worth less than their mortgage balance due or purchase price. With homes underwater and banks’ tightened lending, there are few options for people hoping to maintain their homes. In order to maintain home values, it is imperative that homeowners have access to the capital needed to repair their homes and thus, their value. The age of the local housing stock makes it even more costly to maintain. New lending products utilizing both public and private dollars are needed to support this cause.

Strategies
- Engage banks in conversations to expand lending and provide products that meet homeowner and landlord investor capital needs, leveraging current community benefit agreements
- Seek public and private funding to pilot new home repair and rehabilitation programming for homeowners and landlords, and refine current programs to make homes safe, healthy and accessible.
- Review Community Reinvestment Act (CRA) rankings and Home Mortgage Disclosure Act (HDMA) lending of banks within our county
- Provide more/better information on existing programs throughout the County – rehab, down payment, counseling, etc. available to both homeowners and landlords

Objective 2: Tax Collection and Delinquency
Not only have property values decreased significantly over the past decade, so have the collection of taxes. The County resumed the practice of selling tax liens in 2011 as a way to collect those outstanding taxes. While the dollars were collected, there were some unintended consequences that caused harm to some homeowners and neighborhoods. Properties were foreclosed upon, many left vacant that deteriorated to a point where now demolition is necessary. Raising values, finding new ways to collect taxes including modifications to tax lien sales, and strategic blight removal are necessary to stem the negative outcomes of the past.

Strategies
- The establishment of a Tax Delinquency Response unit with the primary responsibility of working with municipalities, community development corporations, nonprofits, and the County Prosecutor to identify major tax delinquent parcels and enhance collection efforts.
- Increase the community’s awareness of the current tax payment methods (mail, online, phone, in-person, Key Bank branches, auto title branches, County Administration building drop box) through public forums, community groups, etc.
• Targeted marketing of the Easy Pay program that allows taxpayers to pre-pay their tax liability in installments prior to the due date.
• Create most flexible payment plans allowable by Ohio Revised Code
• Fund counseling services that will include modified tax payment contracts with eligible at-risk taxpayers.
• Bid new tax lien sale with improvements
  o Bid interest rate down
  o Better vet and group properties
  o Include consumer protections
  o Include bonding language to cover property maintenance/demolition

**Objective 3: Housing Insecurity**

In Cuyahoga County 96,261 low income households are housing insecure, meaning these families pay 50% or more of their income on housing costs. 43.1% of these low income households are renters and 1 out of every 3 housing insecure people are, in fact, children. And housing insecurity is on the rise. Between 2000 and 2013, the number of housing insecure households increased by 30 percent (Enterprise Community Partners). This problem is universal, affecting households of all types, regardless of family configuration, marital status, age, or even neighborhood. Housing insecurity is a function of two things: 1) access and availability of affordable housing that is both safe, high quality, and connected to opportunity, and 2) sufficient income and stability to maintain an affordable home, particularly as wages stagnate and housing costs rise. Rising housing costs and stagnating wages create a “perfect storm” that threatens to destabilize low-income households – particularly renters. Housing insecurity forces families to make toxic tradeoffs that can affect health, education, and economic opportunity. Without new affordable units and efforts to preserve existing affordable units, housing insecurity will only continue to grow. But housing insecurity is not solved by just creation of more affordable units. There must also be a focus on increasing incomes of current low income households so that there are more options available to them.

**Strategies**

• Prioritize the increase in access and availability of affordable housing as a top County objective
• Research national models of dedicated, local funding sources to tackle housing insecurity
• Coordinate with Cuyahoga Metropolitan Housing Authority, the City of Cleveland, and other key leaders to monitor existing affordable housing and prioritize its preservation
• Conduct analysis of existing Prevention, Retention and Contingency (PRC) funding to maximize its use
Cuyahoga County Housing Plan

- Support a more robust role of Consumer Affairs in housing, including financial education, tenant rights education and referral, landlord tenant workshops and coordination with County Health and Human Services (HHS)
- Share available housing assistance programs across County departments
- Continued use of federal funding to leverage increased investment and improve affordable housing options
- Better coordinate and fill gaps in workforce sector programming to bolster incomes of low income households (Workforce Innovation)

Objective 4: Special Populations
Approximately 282,513 people age 60 and over currently call Cuyahoga County home, 21.3% of the County’s population. However, by 2030 this population is projected to grow to 31%, outnumbering youth under 20 years old. While the County has found success in reducing the number of chronically homeless (long-term homeless with a disability), there are housing concerns for many other populations, such as other homeless, veterans, people who are disabled and not homeless, those re-entering 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 the needs of special populations is the source of the challenge.

Strategies
- Prioritize ending chronic and other long-term homelessness in Cuyahoga County
- Coordination with other County departments and agencies such as Health and Human Services, Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board, Board of Developmental Disabilities, Municipalities and Land Bank on specific needs for populations
- Engage service providers on recommendations to build or renovate housing that accommodates specific needs, such as seniors desiring to remain in their homes
- Identification, outreach and connecting those in need with other appropriate programming and resources

Objective 5: Fair Housing
Housing discrimination and residential segregation continue to afflict the housing market of Cuyahoga County. It is estimated that more than 30,000 acts of housing discrimination are perpetrated annually in the Cleveland-Elyria MSA on the basis of race and ethnicity and that the LGBTQ community faced housing discrimination in over 30% of housing transactions in a recent Cuyahoga County Study. Significant disparities in mortgage lending still exist on the bases of race and ethnicity. Race, family status, and disability continue to be the highest reported bases

6 The Center for Community Solutions, Senior Profile Brief, 2015

Draft: 7/19/17
for housing discrimination in Cuyahoga County, and the Cleveland-Elyria MSA is ranked as the 5th most segregated region in the United States for African Americans.

Cuyahoga County needs to commit to increase equal housing choice for all of its residents by expanding and vigorously contributing to the enforcement of fair housing laws and by advocating for and funding policies and programs that promote residential integration and inclusive communities.

In 2015, the Office of Housing and Urban Development (HUD) issued new regulations on Affirmatively Furthering Fair Housing (AFFH). Most of the county is scheduled to report in 2019 and has time to plan for implementation of the new rules but East Cleveland was scheduled to report in 2016. Working with HUD, the Department of Development was able to have East Cleveland work with the county and push its reporting period back to 2019. This creates the opportunity for the county to explore a regional approach to implementation of the new AFFH rules.

**Strategies**

- Ensure local fair housing laws prevent discrimination and expand protected classes
- Promote integrated and diverse communities through affirmative measures such as welcoming immigrants, providing for mobility programming in affordable housing, and advocating for visitability and universal design
- Continue funding fair housing activities including education and outreach, complaint intake and testing, and affirmatively furthering fair housing activities
- Collaborate with all entitlement municipalities on policies and create a regional approach throughout the County to affirmatively further fair housing

**Objective 6: Confidence in the Housing Market**

While confidence in the housing market could appear to be a desired outcome, it is also an issue as identified by housing stakeholders. If there is not increased confidence, then it is believed that more of the negative trends of vacancy, blight, high rent burdens will continue. In order to combat these negative trends and restore housing values the County and its stakeholders must take steps to boost confidence in home ownership and support homeowners to maintain their homes.

**Strategies**

- Better promote current and create new home repair/rehabilitation programming for owner-occupants and landlords
- Continue demolition until need dictates otherwise
• Align housing and planning initiatives with other larger community planning initiatives that focus on density and transit-oriented development such as Vibrant NEO 2040
• Target programming towards identified needs and communities that create impact or which have been most negatively affected by housing trends
• Define the County’s role in supporting code enforcement and rental registration efforts

Metrics
There are many metrics that can be tracked and analyzed to measure and inform the health of the local housing market. Some of the potential metrics that will be monitored over time to help inform the direction of the local housing strategies and tactics can be found below.

• Population and Demand
  o # and % change in population
  o # of housing related referrals through County departments

• Housing valuation
  o # and % change in home repairs/rehabs
  o # new home builds within the County
  o $ and % change in median home sales price (arms length)
  o $ and % change in appraised tax value
  o # and % change in vacant, blighted properties
  o # and % of demolitions compared to prior years

• Access to housing
  o # cities adopting new fair housing laws (increasing available housing options)
  o # new affordable housing units
  o # of housing choice vouchers and other rental subsidies
  o # of households on wait list for housing choice vouchers
  o # of landlords actively participating in housing mobility
  o # of housing units made accessible or vistable

• Housing insecurity
  o % of low income households, renters and homeowners paying more than 50% of income for housing
  o # of homeless and chronically homeless individuals and families
  o # people with higher wage jobs
  o average increase in wages

• Tax collection
  o # and % change in new payment plans
  o $ and % change in collections compared to prior years
  o # and % change in foreclosures (mortgage and tax) over prior years
Some of these metrics will need to be looked at by segments of population and geography to better understand patterns and trends.

Potential target area criteria
With limited resources available the county needs to be strategic about how those resources are allocated. If resources can leverage additional resources or targeted resources achieve better outcomes for county residents, those strategies should be explored and prioritized. Some criteria that could be considered in making those investment decisions include:

- An Opportunity Index (a combined metric showing health of a community)
- Radius from placed based economic zone as identified by the County Planning Commission
- Areas where we can add leverage to other development projects (i.e. Opportunity Corridor, Van Aken Redevelopment)
- Areas connected with public transportation and/or other transit orientation
- Borders of high growth areas (population and property values)
- Areas where property value changes have negative trends (stabilize decreasing neighborhoods)
- Areas where there are concentrations of poverty (Low Moderate Income areas)
- Areas of high home lending denials