Market Data-Driven Stabilization:
A Case Study of Cleveland’s NEO CANDO Data System
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Stabilizing Neighborhoods by the Numbers: A Case Study of Cleveland’s NEO CANDO Data System

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I. Overview & Background

Local market data systems are of great value to nonprofits, local governments and other community stakeholders who are working to stabilize neighborhoods struggling as a result of foreclosures, blight, vacancies or economic decline.

In Cleveland, data transformed the focus and implementation of neighborhood stabilization, allowing stabilization efforts to achieve a level of impact that was not otherwise possible. Using the data made available, community stakeholders – large nonprofits, neighborhood community development corporations, local government agencies and others – are equipped to understand and work with the market forces that are impacting their neighborhoods. Limited resources are now more effectively targeted, and new tactics to support stabilization, such as identifying and penalizing irresponsible investors, are used. Data now allows each group to assess and document changes in the conditions of their neighborhoods, providing much needed feedback on the impact of different stabilization strategies and assisting with fundraising for future work.

This case study examines the value of parcel-level real estate data for neighborhood stabilization programs in general, and looks specifically at how the Northeast Ohio Community and Neighborhood Data for Organizing system (NEO CANDO) is used in Cleveland. Examples of some of the ways community stakeholders have used the data generated by the NEO CANDO system are provided. General information describing the operations of the NEO CANDO system, the data used, and the sources of that data are also provided to aid communities considering creating their own local market data system.

Origins

NEO CANDO is the most recent iteration of evolving efforts at the Center on Poverty and Community Development (“The Poverty Center”) at Case Western Reserve University to put information in the hands of practitioners who can act on data and effect social change. The Poverty Center’s work is part of a national movement to develop and implement neighborhood information systems to support local policymaking and community building.¹

The Poverty Center was founded in 1988, when it began collecting social and economic indicator data related to urban poverty. The CANDO system was established in 1992 to democratize data and promote data-informed decision making by combining data across multiple public sources. In 2005, the system was enhanced and rebranded as NEO CANDO to reflect the addition of data holdings for the 17 counties of Northeast Ohio and the system’s new web-based format. The current system features mapping technology and – most importantly – a regularly updated database of variables containing information on individual parcels of land in the city of Cleveland and Cuyahoga County.

Data are available free and consists of 13 broad categories of indicators with more than 25,000 variables. Not all of the data points included in NEO CANDO are available for each county. The focus of this case study will be on the variables available in the city of Cleveland and Cuyahoga County that can be examined at the parcel level, or aggregated at the block, census tract, neighborhood or other target geography level depending on the needs of the user.²

Operations

NEO CANDO’s affiliation with Case Western Reserve University aids the data system in multiple ways. The University and the Center already have in place the infrastructure to warehouse and manage large amounts of data, helping to reduce operating costs and enabling quicker expansion. Access to a large pool of talented and engaged graduate students and faculty help to strengthen staff capacity and make it possible to add staff for term projects. The nonprofit status and university affiliation of NEO CANDO also often help to persuade data collectors to share their data.

¹ Under the umbrella of the Urban Institute’s National Neighborhood Indicators Project (NNIP), more than 35 localities mentor each other, share strategies and develop common tools. This national network allows community-based data intermediaries to learn from each other. NEO CANDO is the gold standard among this network for parcel-level and foreclosure data.

² More information on NEO CANDO is available at neocando.case.edu/cando/index.jsp?rPage=about
The NEO CANDO System data and use are not limited to neighborhood stabilization. Academic researchers, community and economic development professionals, public officials, business leaders and concerned citizens of all types use the system to identify and map population trends, poverty, employment, educational attainment, housing and crime. Some of the other primary foci of NEO CANDO are child welfare, poverty and income. Less than a third of NEO CANDO’s data collection and analysis is property-level data related to neighborhood stabilization. The majority of data are economic and social indicators, some of which can also be useful for neighborhood stabilization analysis.

Annually, NEO CANDO spends between $150,000 and $200,000 on staff and other expenditures associated with ongoing property-level data collection. Little of this cost stems from purchasing data, as the vast majority of the parcel-level data used by NEO CANDO is free in the city of Cleveland and Cuyahoga County.

Staff that understand data systems and are committed to community development are key to ensuring that NEO CANDO is a valuable resource for community development practitioners, rather than another difficult-to-use data aggregator. During much of the development of NEO CANDO’s parcel component, Michael Schramm was the associate director for community information at The Poverty Center. Under Schramm’s leadership, NEO CANDO effectively bridged the gaps between data collection, analysis and practitioner needs. In interviews, CDC and intermediary partners repeatedly noted the importance of Schramm’s attendance at team meetings, his overall engagement in community development work and his responsiveness to requests for additional data.

Annual support for the entire NEO CANDO system comes from a variety of public and private funders. Project funders include the Cuyahoga Community Land Revitalization Corporation, Neighborhood Progress Inc., the city of Cleveland Community Development and Housing and Building Departments, the Cleveland and Cuyahoga County Community Development Block Grant programs, the Board of Cuyahoga County Commissioners, Enterprise Community Partners, the Cleveland Foundation and the Gund Foundation.

II. Neighborhood Stabilization in Cleveland

Like many older industrial cities, Cleveland confronts a diminished economic base, declining population, disinvestment in its urban core, and an aging infrastructure designed for a much larger population. Through three decades of tackling these challenges, Cleveland has gained a wealth of knowledge about stabilizing and revitalizing neighborhoods. As a result of this hard-won experience, Cleveland has developed one of the most robust community development infrastructures in the country. NEO CANDO is an important piece of that infrastructure.

At the beginning of the millennium, Cleveland’s real estate market looked relatively healthy, with most neighborhoods seeing steady price increases and new construction occurring in many communities. However, the positive trends in the real estate market quickly reversed as larger economic forces took hold across Cleveland and foreclosures began to spike. Foreclosure filings in Cuyahoga County rose from 3,345 in 1995 to 5,900 in 2000 – to just below 15,000 in 2007. Data from NEO CANDO indicate that the median sales price for a single-family home in Cuyahoga County fell by close to 70 percent between 2002 and 2009, when the median sales price of a single-family home was $22,334.

A weak job market further exacerbated problems in the housing market. The April 2010 unemployment rate was approximately 9 percent. The combination of rapidly increasing numbers of foreclosures, falling prices, rising unemployment and declining population created significant challenges for those engaged in community development and neighborhood stabilization work in the Cleveland market.
City of Cleveland
The City of Cleveland plays a critical role as both a user of NEO CANDO and a principal source of data. NEO CANDO was absolutely essential in creating the neighborhood typologies and target blocks that became critical components of the Cleveland area’s successful consortium application for NSP2 funding. The application resulted in more than $40 million of federal neighborhood stabilization funding in what was a highly competitive grant cycle.

Cleveland Housing Court
The Housing Court has jurisdiction over criminal cases involving the city’s housing, building, fire, zoning, sidewalk, waste collection and agriculture. The Court also hears civil cases involving landlord/tenant disputes. Housing Court Chief Judge Raymond Pianka will take into consideration NEO CANDO data on the number and severity of defendants’ past violations in determining the amount of fines to levy against owners.

Community Development Corporations
CDCs, including Slavic Village, Tremont West Development Corporation and Detroit Shoreway, are key partners with Neighborhood Progress, Inc. (NPI) in implementing comprehensive neighborhood stabilization programs. Some CDCs have several staffers who access the NEO CANDO data for a variety of tasks. Others vest the data analysis with one staffer.

Cuyahoga County Land Reutilization Corporation
The Cuyahoga County Land Reutilization Corporation (CCLRC) is a new, funded vehicle for effectively dealing with vacant or abandoned properties. Becoming operational in 2009, CCLRC manages and facilitates the reclamation, holding, rehabilitation and reutilization of vacant and abandoned property.

Empowering and Strengthening Ohio’s People
Empowering and Strengthening Ohio’s People (ESOP) is a nonprofit organization that has been working to prevent predatory lending and foreclosures since 1991. The organization has grown from one office in Cleveland to 11 offices located throughout the state. Together with CDC partners, ESOP uses NEO CANDO data to conduct targeted door-to-door outreach to at-risk homeowners in the target neighborhoods. ESOP’s involvement, which is supported by a grant from Neighborhood Progress, Inc., helps link foreclosure-prevention and neighborhood-stabilization efforts.

Enterprise Community Partners
Enterprise Community Partners is a national nonprofit organization that works with national, state and local partners to create affordable housing and thriving communities. Enterprise works to preserve and strengthen Cleveland neighborhoods by connecting capital, solutions and policy advocacy. Enterprise is proud to have been at the table at the creation of the NEO CANDO data system and to have provided two grants to support the creation of NEO CANDO in 2006 and 2007.

Neighborhood Progress, Inc.
Founded in 1988, Neighborhood Progress, Inc. (NPI) provides funding and comprehensive support to the system of community development corporations working to stabilize strategic neighborhoods in Cleveland. NPI plays a general coordination role, as well as a role in implementing specific stabilization activities. NPI helped create and staff the Neighborhood Stabilization Team.

NEO CANDO
NEO CANDO, Northeast Ohio Community and Neighborhood Data for Organizing, is a free and publicly accessible social and economic data system of the Center on Urban Poverty and Community Development, a research institute housed at Case Western Reserve University’s Mandel School of Applied Social Sciences. NEO CANDO allows users to access data for the entire 17-county Northeast Ohio region, or for specific neighborhoods within the region.

Neighborhood Stabilization Team
The Neighborhood Stabilization Team, formerly called the Land Assembly Team, consists of representatives from NPI, Cleveland State University, NEO CANDO, ESOP, Opportunity Housing and CDC staff. This team meets every four to six weeks in different target neighborhoods. NEO CANDO provides parcel level data to the Neighborhood Stabilization Team on properties ripe for acquisition, demolition or land banking.

Opportunity Homes, LLC
Opportunity Homes, LLC is the development entity created by Neighborhood Progress, Inc. and the Cleveland Housing Network, the largest single-family developer in Cleveland. Opportunity Homes purchases, rehabs and resells properties identified by the Neighborhood Stabilization Team to income-eligible buyers in all six of the Strategic Investment Initiative neighborhoods.

Cleveland Housing Network
Founded in 1981, Cleveland Housing Network acts in partnership with 22 community development corporations to achieve large-scale production of superior quality, affordable homes. Additionally, CHN and its partners provide a broad array of training and counseling services that enable low-income families to build wealth and become successful homeowners.
Within this challenging economic climate, strategic planning and the targeting of limited resources available for community
development would prove critical to achieving a positive impact. However, city officials and community groups struggled to
discern what was happening in their community at the neighborhood level amid limited access to clear, up-to-date information
on the status of key land parcels and trends in the local real estate market. This lack of information slowed decisions,
added risk in an already challenging market, and made uniting stakeholders behind a clear course of action a difficult task.

Recognizing the need to develop data-driven, systematic ways to approach market recovery and neighborhood stabiliza-
tion, Neighborhood Progress Inc. (NPI) and several other community groups – including the Cleveland Housing Network
(CHN), local community development corporations (CDCs) and Enterprise’s Ohio team – came together. They analyzed
data provided by Case Western University’s CANDO (Community and Neighborhood Data for Organizing), the system
preceding NEO CANDO. Out of this collaboration, NPI launched the Strategic Investment Initiative (SII) in spring 2004,
drawing heavily on local market data to target six neighborhoods for stabilization.3

Data studied in neighborhood selection for the SII included: net addition of units to the neighborhood, median home values,
homeownership rates, number of demolitions, anchor projects, local community group capacity and vacancy rates. These data
were used to select neighborhoods with both significant challenges and signs of life in the residential market, plus assets that
could form the foundation of a neighborhood market-recovery and stabilization plan.

To support the SII, a Land Assembly Team was created in 2005 to pull together key decision makers from NPI, CDCs
and other stakeholder groups to focus on overcoming significant challenges. They included: 1) difficulties acquiring vacant
real estate-owned (REO) and post-REO properties for renovation, 2) the presence of other blighted properties near homes
targeted for renovation, and 3) the high probability that nearby occupied homes might also become vacant. Initially, “model
blocks” near neighborhood assets in each of the six neighborhoods received the highest priority.

Over time, the Land Assembly Team’s focus on acquiring neighborhood anchor projects and properties in immediate
proximity evolved to include broader neighborhood stabilization work. As a result, the Land Assembly Team was renamed the
Neighborhood Stabilization Team in 2009. The team now plays a general coordination role among the stakeholders involved
in the SII, along with implementing specific stabilization activities and making acquisition decisions about properties.

The team is a partnership between NPI, The Poverty Center/NEO CANDO, Cleveland State University’s Cleveland-
Marshall College of Law, local CDCs, Opportunity Homes LLC and Empowering and Strengthening Ohio’s People.
(See page 7 for a brief description of the key participants.) The team meets monthly in a different neighborhood with
representatives from the respective neighborhood CDC.

III. About the Data

In most jurisdictions, property information for parcels is scattered among multiple city, county, state and federal agencies.
Each agency uses its own system for organizing the data, making it difficult to use multiple data sets for a single parcel.
Typically, the county maintains information on ownership, property assessments and taxes, liens, foreclosures, and
characteristics such as lot size or building square footage. The municipality maintains information on compliance with
local building and occupancy codes. State and federal agencies maintain information on environmental hazards.
Meanwhile, neighborhood organizations conduct their own surveys on building conditions and vacancies.

NEO CANDO adds value by integrating multiple data sets maintained by different government agencies and private organi-
zations rather than creating new data. While most of the data are publicly available and can be found individually, a number
of factors prohibit community groups from fully integrating the data into their work, from varying identification systems and

3 For more information on the Strategic Investment Initiative (SII), visit www.neighborhoodprogress.org/cnppsii.php.
lack of cooperation among data providers to overly complex access systems. NEO CANDO serves as an aggregator, compiling the data into a single system and translating it into a format that community groups and local government agencies can easily access and use.

**Evolution of Data Collection**

NEO CANDO staff at The Poverty Center strive to make data provision as efficient as possible for local government agencies and other data sources. Both the amount of data collected and number of data sources have evolved over time. Rather than create a rigid system, NEO CANDO is flexible and strategic about how and when data are collected, taking advantage of new data sources that become available and targeting data requested by users. Most data are obtained via regular email or DVD from the government agency collecting the information. Other data are obtained through a process called screen scraping, whereby computers capture text data from a data source’s computer screen, and some data are purchased from private entities. None of the data collected by NEO CANDO require staff to conduct primary data collection or manually enter data, keeping down the operating costs of NEO CANDO.

In addition to the data NEO CANDO collects, users are able to coordinate with NEO CANDO and input their data into the system. Most commonly, the data result from field surveys conducted by community groups. For example, Detroit Shoreway CDC grades the condition of each property within its service area. The data from this property-condition survey are shared with NEO CANDO staff, who integrate it into the database with other parcel-level data.

In 2009, NEO CANDO was able to expand the information obtained from the Cuyahoga County Court, which proved essential to tracking the spread of foreclosures. Initially, the court data only included the foreclosure case’s filing date and the property address. At Neighborhood Stabilization Team meetings, questions arose when individual properties were vacant before the foreclosure had been completed. The Neighborhood Stabilization Team became concerned that instead of completing a foreclosure, banks were walking away to avoid responsibility for maintaining a property with little or no market value. The only way to determine if this hypothesis was correct was to track the progress (or lack thereof) of foreclosure cases through the court system.

Resulting discussions about how to secure data on the timing of bank actions led The Poverty Center to seek and obtain permission from the Cuyahoga County Court to screen scrape their data. By screen scraping, NEO CANDO is able to include information on the owner, the status of a foreclosure case and the reason for foreclosure. This information is updated weekly, providing the Neighborhood Stabilization Team with the data to track the progress of key parcels through the court system and determine if servicers are abandoning liens after initiating foreclosure proceedings.

**Collecting Information by Parcel Number**

Data on real property can be tracked by using addresses or parcel numbers. NEO CANDO uses parcel numbers as unique identifiers for data collection, which is the key to integrating data from multiple sources. The parcel number represents a distinct property with a given boundary, characteristics and owner. Addresses, particularly those of multifamily and commercial properties, can span multiple parcels of land. Alternatively, the same parcel can have multiple addresses. Finally, parcels with no structures commonly do not have address information assigned but are important to track.

Whenever possible, NEO CANDO collects and inputs data from a variety of sources at the parcel level. With parcel level data, it is possible in Cleveland to determine who owns the parcel, who owns the mortgage and whether the mortgage is a high-cost or subprime loan. The data also identifies code violations, liens, delinquent taxes, and the status of any legal actions linked to the parcel. Information on most of these data fields is updated weekly.

The NEO CANDO data chart on the following page describes the different data sources collected, the variables provided, the method by which the data are transferred, and the timing of data updates. As illustrated, the majority of the data are provided by county and city agencies, and is updated regularly.
<table>
<thead>
<tr>
<th>Source</th>
<th>Frequency</th>
<th>Types of Information</th>
<th>Notes and Uses</th>
</tr>
</thead>
</table>
- Number of units  
- Building size and age  
- Lot size and shape  
- Assessed Values  
- Lot use  
- Owner occupied or homestead reduction in tax values | Property characteristics (age, size, number of units, occupancy type and lot dimensions) are the baseline information for neighborhood stabilization and other housing programs.  
**Property transfers** offer a glimpse into the real estate market of a particular neighborhood or area, e.g., sales prices, property transfers resulting from foreclosure, properties owned by a bank or known investor, etc.  
**Delinquent tax information** is a marker of financial stress at an occupied property, or could be seen as an indicator of abandonment if the property is vacant. If a tax delinquent property meets certain criteria, it is eligible for tax foreclosure.  
**Tax mailing addresses** provide an indicator of investor ownership. If the tax mailing address is the same as the property address, it is more likely to be owner occupied. |
| Recorder | Weekly | Deed/Transfers (2003 – onward)  
- Buyer and Seller  
- Sales price  
- Date  
Mortgages and other liens (2003-onward)  
Mortgagor and Mortgagor  
- Amount  
- Date  
Mortgage/lien assignments and satisfactions | Property transfer information is available from both the Recorder and Auditor. NEO CANDO uses both sources to verify the ownership information.  
The mortgage records from the Recorder have been linked to HMDA (Home Mortgage Disclosure Act) data to identify properties that are considered likely to have high-cost mortgages. This information feeds into several foreclosure outreach and prevention programs countywide. |
| Sheriff | Weekly | Mortgage and lien foreclosure sales (2000-onward)  
- Type of property  
- Date  
- Amount  
- Defendant and Plaintiff  
- Appraisal amount  
- Purchaser | After Sheriff’s auction, it can take weeks if not months for a foreclosure deed to be processed and recorded. The information received from the Sheriff’s website allows NEO CANDO to know within a day of auction which properties were purchased, the purchase price and the buyer. The buyer information includes details about the securitized pool in which the mortgage was located. |
| Clerk of Courts | Weekly | Foreclosure filings information (2006-onward)  
- Filing date  
- Defendant and Plaintiff  
- Status of case  
- Every court docket entry  
- Type of foreclosure (tax, mortgage, other) | This is the first public record that a mortgage is delinquent. Mortgage foreclosure and some tax foreclosures in Ohio are handled through a judicial process. The data allows users to track a case through the entire judicial process to sale. With foreclosure filing information, CDCs know when a property is going to sale. Also, this data can be used for foreclosure outreach and prevention. Once a foreclosure is filed, counseling agencies still have time to work with homeowners to stop a foreclosure. |
| Water Department | Irregular | Account Shutoffs and Low Usage (2007-2009) | Low-water usage or shutoff is used as an indicator of vacancy. Water that is shut off and turned back on for late payment can be an indicator of financial distress. |
| Postal Data | Monthly | Software designed for cleaning mailing lists by standardizing address for bulk mailing discount to reveal addresses not receiving mail (2009-onward) | This data source helps to standardize addresses for the purposes of matching them to parcel identification numbers. It also provides clues regarding vacancy. |
| Building and Housing Department (Cleveland Only) | Irregular – to become weekly or biweekly | Building permits (2007-onward)  
Code violations (2007-onward)  
Condemnations (2007-onward)  
Demolitions (2003-onward) | Limited snapshot indicating when loans adjust, providing knowledge of loans at-risk for foreclosure. |
| First American-Corelogic | One-time purchase | Mortgages that adjust between July 1, 2008, and Dec. 31, 2010 | Limited snapshot indicating when loans adjust, providing knowledge of loans at-risk for foreclosure. |
| Community Development Corporation Data (Only in CDCs with active partnerships) | Irregular | Vacancy surveys  
Neighborhood assets and investments  
Demolition requests to the city  
Successful foreclosure loan workouts and other foreclosure counseling activity | Neighborhood-based CDCs are the eyes and ears on the ground for city, county and federal programs to address neighborhood stabilization. Information on the location of neighborhood investments or assets can help to prioritize resources. |
Levels of Data Access

The Poverty Center’s mission includes democratizing data through NEO CANDO. Still, certain types of data can only be shared with stakeholders that are part of official neighborhood stabilization efforts. As a result, access to data has three different levels:

1. Basic property-characteristic and property-transfer data are available to everyone who registers for NEO CANDO. Registration is free at neocando.case.edu/cando/index.jsp. More than 6,000 users have registered.

2. Access to foreclosure filings and sheriff’s sales is provided to approximately 1,000 government representatives, CDCs and individuals, as well as organizations that NEO CANDO considers community partners such as block clubs, researchers and nonprofits.

3. Data available exclusively to the Neighborhood Stabilization Team includes the list of at-risk homeowners, proprietary U.S. Postal Service vacancy data, city demolitions, city code violations, tax delinquency information, and data collected in the field by CDCs. In the fall of 2010, a new web interface with even more functionality was introduced to the Neighborhood Stabilization Team.

This tiered data system helps insure that NEO CANDO data are available to those working to help stabilize neighborhoods and does not circulate to private investors whose actions could further destabilize neighborhoods.

IV. How Data Transform Neighborhood Stabilization

In interview after interview, CDC staff members noted that access to NEO CANDO data has made their jobs easier and expanded the impact of their stabilization work. All aspects of the stabilization efforts benefit from the data – from strategizing about which neighborhoods to target and determining where homeownership is appropriate, to making decisions on acquisitions and dispositions, to assessing impact and raising funds.

Several approaches used in Cleveland that go beyond the typical real estate acquisition and reuse model of neighborhood stabilization would not be possible without data from NEO CANDO. For example, NEO CANDO data are essential to identifying irresponsible investors and restricting their access to REO properties. NEO CANDO and the up-to-date parcel level data it provides has clearly demonstrated its value in Cleveland.

NEO CANDO data serves as the centerpiece of each Neighborhood Stabilization Team meeting. Extensive data are presented on properties that have changed status since the last meeting or have been identified as critical. Specifically, NEO CANDO data helps the Neighborhood Stabilization Team to:

- Identify sites for potential acquisition/renovation targets
- Identify blighted properties that should be demolished
- Identify occupied homes whose owners are at risk of foreclosure
- Prioritize and categorize destabilizing properties
- Report and track outcomes, and assess impact
- Provide neighborhood market data to help users make decisions about returning properties to productive use
- Identify emerging trends in neighborhood conditions and understand underlying causes

Acquisition and Disposition

The Neighborhood Stabilization Team examines properties in the mortgage or tax foreclosure pipeline, along with properties that are vacant or in poor condition, to determine if they are good candidates for acquisition, rehab and resale or instead should be demolished. Having access to this pipeline of REO properties gives Cleveland an edge over most stabilization efforts, which typically only become aware of a property once it is listed for sale. The Poverty Center plots NEO CANDO data on a color-coded map that helps put targeted properties into a neighborhood context, including their proximity to neighborhood assets and homes at risk of foreclosure.
The information presented includes: lot size, building characteristics, assessed value, liens, foreclosure actions, code violations and occupancy status. Based on an assessment of the data and a physical inspection of the property by the participating CDC, the team decides whether the acquisition, rehab and resale of the property is the best strategy, or if the property should be recommended for demolition. The foreclosure status and square footage of houses can be combined to create a target list of properties suitable for households of different sizes. In addition, NEO CANDO data help identify potential parcels for new construction. Information on vacant parcels is combined with information on the width of the parcel to develop a list of vacant parcels that are more than 40 feet wide, the minimum necessary for new construction.

Before NEO CANDO provided the data, staff at Slavic Village Community Development Corporation had to go through the newspaper to identify neighborhood properties at risk of foreclosure. A file card for each property was created by hand to collect as much parcel-level data as possible. This process took approximately two hours a week. In contrast, the NEO CANDO data system allows Slavic Village staff to collect the same data in approximately 10 minutes.

Foreclosure Prevention
Using NEO CANDO data, The Poverty Center studied the pervasive and devastating impact of foreclosures, and examined the role of subprime lending in foreclosure. Its findings were published in the 2008 report, “Pathways to Foreclosure: A Longitudinal Study of Mortgage Loans in Cleveland and Cuyahoga County from 2005-2008.” The study found that the presence of a subprime loan increased the risk of foreclosure by 816 percent. As a result of the study, NEO CANDO data were used to develop a set of indicators to help identify homeowners with a high risk of foreclosure, focusing on high-cost sub-prime loans.

Using data from First American CoreLogic and the dataset from the Pathways to Foreclosure study on loan characteristics and performances of individual loans, NEO CANDO provided the nonprofit foreclosure-prevention group ESOP with a data set and maps of homes in or at risk of foreclosure because of their loan characteristics. ESOP staff, working with a CDC representative to distinguish themselves from scam artists, use NEO CANDO data to go door-to-door to encourage at-risk homeowners to see a counselor. The goal is to make contact with 100 percent of at-risk homeowners.
ESOP’s foreclosure-prevention efforts include holding meetings with mortgage servicers, key ESOP leaders, and three to five troubled homeowners, who have the opportunity to tell their stories. ESOP staff report that the NEO CANDO maps lend the organization credibility at these meetings and allow ESOP to give lenders tours of their REO properties in any given neighborhood.

Tracking and Telling the Neighborhood Stabilization Story
NEO CANDO helps CDCs track whether their neighborhood revitalization strategies are working. Key indicators such as number of vacant properties, housing costs and sales activity are tracked to see if neighborhoods are becoming more stable.

For instance, data tracking helped Detroit Shoreway staff determine that their neighborhood was stabilizing quickly. From 2005 to 2006, neighborhood homeownership rates rose from 50 percent to 70 percent, and property values increased by 50 percent. In addition, by tracking participation in specific neighborhood programs, the CDC learned that 90 percent of the owners in the target area had made exterior improvements.

Neighborhood groups also use NEO CANDO data to create maps that help tell the story of what is occurring in the neighborhood. Staff at the Tremont West CDC say that NEO CANDO data are invaluable, citing the ability to create maps as one example of the data’s importance. The CDC recently organized an event called Showcase Tremont for funders, city officials, board members and residents. The event highlighted recently completed projects, including a neighborhood park, and comprehensive work on several model blocks. NEO CANDO data were used to create walking maps for participants.

Tremont West also uses maps for its annual meeting to highlight investment in the neighborhood. In 2009, the locations and amounts of investments, totaling $79 million, were mapped. The maps also help inform staff’s day-to-day activities. One staffer noted that he has five maps on his wall for his own reference and that of potential residents and business stakeholders who visit Tremont West’s offices.

The ability to accurately and visually document neighborhood progress has translated into political and financial support. Several neighborhood groups cited the availability of demographic data as important, particularly when writing grant proposals. While these data are available from other sources, the neighborhood groups appreciate that NEO CANDO is a one-stop shop where they can combine parcel-level information with demographic data when working on proposals.

Mortgage Fraud
Slavic Village CDC was able to use NEO CANDO data to help identify and build a case against a major culprit in subprime mortgage fraud in the neighborhood. The data showed that from 2003 to 2006, the offender purchased 70 homes for low amounts, such as $15,000, and then quickly resold the same home for more than double the original purchase price without any significant renovation. All of the homeowners who bought homes that passed through this process went into foreclosure within a year. Further data collection efforts eventually connected all transactions to a single mortgage broker who was subsequently convicted and sentenced to 14 years in prison.6

Mortgage Servicers Engagement
Cleveland’s large foreclosure problem explains why many lenders have significant inventories of REO properties. The Neighborhood Stabilization Teams identified the condition of these properties as a destabilizing factor and NPI, through its subsidiary, the Cleveland Housing Renewal Project, decided to pursue prosecution.

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6 The city has agreed to prioritize demolition requests made by teams from the six target neighborhoods. Between June 2008 and May 2010, 210 homes were demolished in the target neighborhoods.

5 blog.case.edu/msass/2008/06/23/Pathways_to_foreclosure_6_23.pdf

6 blog.cleveland.com/metro/2010/05/mortgage_broker_in_slavic_vill.html
NEO CANDO data were instrumental in making the case against Wells Fargo and Deutsche Bank, which NEO CANDO data identified as the two largest holders of REO properties in Cleveland. The suit targeted specific abandoned properties identified by NEO CANDO and owned by each bank (11 in the case of Wells Fargo; 26 in Deutsche Bank’s case) that were causing damage in NPI’s six Strategic Investment Initiative target neighborhoods.

Each suit requested that the housing court: 1) find the specific properties named to be “public nuisances,” 2) order the owner to abate the nuisances at the named addresses and 3) find the general business practice of owning and failing to maintain a post-foreclosure property to be a public nuisance. In each case where NEO CANDO data indicated that the property was still owned by the bank at the time the case was filed, the nuisances were abated at the bank’s expense and initiative.

Wells Fargo and Deutsche Bank voluntarily have demolished as many as 40 homes during the past year, saving the city of Cleveland an estimated $400,000 in demolition costs. NEO CANDO was instrumental in showing a pattern of behavior across multiple properties and motivating change.

**Code Violations and Irresponsible Investors**

Neighborhood groups often observe but have difficulty documenting the destabilizing impacts of specific properties or actors in their neighborhood. NEO CANDO helps to aggregate the necessary information to identify and document the behavior of different actors and the impact of that behavior. In several instances, NEO CANDO data has been used by neighborhood groups, and a willing code enforcement system, to identify and prosecute bad actors operating in multiple neighborhoods across the city.

**Flippers Beware**

Data has also been used to stem the tide of out-of-state companies that were “flipping” properties – buying foreclosed properties from banks at extremely distressed prices, doing little if any rehabilitation, and almost instantly selling the property to unsuspecting homeowners. In May 2010, NEO CANDO data were used in testimony involving housing code violation cases against companies extensively involved in flipping to establish a clear pattern of behavior. The data were also used to develop a list of 30 investor-owners who exhibited a pattern of failing to maintain properties in Cleveland as well as the number and level of fines against their existing properties.

As a result of this testimony, Cleveland Housing Court Judge Raymond Pianka leveled the highest fines possible against two of the biggest investor groups. In subsequent communication, these investors indicated that they were no longer interested in working in Cleveland and that the word was out among “flippers” to stay away from Cleveland.

The list of the 30 investor-owners with the largest number of outstanding fines, generated with NEO CANDO data, was also shared with the largest holders of REO properties in Cleveland. As a result, in June 2010, Saxon Mortgage and Fannie Mae indicated that they would not sell to investors on the list. Properties that would have been acquired by the flippers, who have been deterred from operating in the Cleveland market, will now be eligible for acquisition by the land bank if no responsible investor or homeowner steps forward.

**Other Data Uses**

The data provided by NEO CANDO is used by local government and community groups for many purposes beyond neighborhood stabilization. NEO CANDO publishes a regular pamphlet with examples of these uses, *NEO CANDO in Practice*.  

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7 [neocando.case.edu/cando/index.jsp?tPage=neocandoinpractice](http://neocando.case.edu/cando/index.jsp?tPage=neocandoinpractice)
Related uses of the NEO CANDO data include the following:

- Data are regularly aggregated at the block, neighborhood and jurisdiction level for policy discussions and advocacy at the local, state and federal level.

- Local community development groups draw on the data when determining price points to market homes as well as when measuring the capacity of local renters to become homeowners.

- Maps and charts are easily created and customized with relevant data for presentations, grant applications and various other uses.

- Data are used to move conversations between community stakeholders, such as servicers and local nonprofits, from anecdotal arguments to substantive discussions of verifiable patterns of behavior and their impact on the community.

- Data are regularly used in testimony in Cleveland’s Housing Court to hold parties responsible for direct and indirect consequences of their actions.

V. Lessons Learned

As more localities consider how a local market data system can be of use in their community stabilization work and other civic development efforts, several lessons about establishing an effective system can be drawn from the NEO CANDO experience:

- **Data currency**: Part of NEO CANDO’s usefulness stems from the freshness of the system’s data. It provides the most current information available, giving users a picture of what is happening now, not six months ago.

- **Parcel-level data**: A granular level of data are needed to understand what is occurring in a neighborhood and to target resources effectively.

- **Flexibility**: A data system must be able to adjust to new data sources and the evolving needs of its users; the local market data system should be focused on meeting user needs in terms of usability and content.

- **Single source**: It is more effective to have all data in one integrated data system than in multiple systems, regardless of the systems’ user-friendliness.

- **User interface**: Interacting with the computer and/or software should be as simple and intuitive as possible; most CDC staff and other users are not likely to be highly skilled with Geographic Information Systems or statistical software packages. As a rule, maps are the best way to present data when possible.

- **Coordination**: Regular communication about data and how it is used is necessary; data providers and community development professionals speak different languages and must understand one another to realize the full value of a local market data system.
Establishing a Local Market Data System

Initially, it can be a daunting task to consider creating a local market data system, but it is important to remember that NEO CANDO and other effective systems have grown over time. In addition, it is likely that most of the data already exists and only needs to be integrated and repositioned for easier access.

When thinking about creating a new data system, a community should ask the following questions:

- What kinds of data are available in the public system? Who is collecting data currently? (99 percent of the data collected by NEO CANDO are public records.)
- Do data sources cooperate and/or can they be configured to cooperate with each other?
- Do data sources view the provision of data as part of their missions?
- What is the quality of the data from these sources?
- How will the data be used? (Remember to start with an attainable focus and to expand the data collected over time.)
- Is there proprietary data available that could add value? Are the additional costs covered within the budget?
- What infrastructure is available to use the data toward effecting change? (Data are only helpful if they are used. The nexus between NEO CANDO, NPI, CDCs, city and county government and the housing court are all components of Cleveland’s success.)
- Which stakeholders are interested in using the data?
- Are stakeholders willing to sit together at the table to develop clear expectations and to determine ongoing lines of communication?
- How will communication between the users and the entity that manages the local market data system be maintained? (A representative from NEO CANDO is part of the monthly Neighborhood Stabilization Team meeting and is regularly engaged in stakeholders’ planning and implementation discussions. The importance of this regular communication and understanding cannot be overstated.)
- What is the local commitment to sustaining such a formidable undertaking, both in terms of funding and staff time?

For the most part, the successful creation of such a system will hinge on establishing a central dataset and combining disparate efforts already underway, rather than dedicating new resources to establish an entirely new system. Many communities beyond Cleveland have successfully established local market data systems and similarly optimized the value of their work.