

Sustainable Reuse Strategies for Vacant and Abandoned Properties

October 2008

Prepared by

Kathryn W. Hexter, Director, Civic Education
Cathryn Greenwald, Graduate Assistant
Maxine Goodman Levin College of Urban Affairs
Cleveland State University

with

Mary Helen Petrus
Formerly Director of Policy, Cleveland Neighborhood Development Coalition and Co-
chair, ReBuild Ohio

This research is funded by the Ohio Urban University Program (UUP) through the Northeast Ohio Research Consortium (NEORC). The NEORC is a cooperative initiative of northeast Ohio's public universities: The University of Akron, Cleveland State University, Kent State University and Youngstown State University. The UUP is a unique network linking the resources of Ohio's urban universities with the communities and students they serve, in a cooperative effort to improve the state's urban regions.

Introduction

Great cities have certain things in common. They are generators of culture, hubs of innovation, places for sustainable living and places of opportunity.¹ Great cities are constantly reinventing themselves. Sometimes this is the result of a grand plan imposed by a visionary leader, sometimes it is a more organic process, evolving slowly over a long period of time as a result of individual and group actions, and sometimes it happens quickly as a result of a crisis caused by war, nature or economic forces. The impact of home foreclosures on Cleveland, Youngstown and other Ohio cities is a crisis, a force equivalent to war or hurricane. It has blighted entire blocks and neighborhoods, impacted city tax bases, and has left behind a plethora of vacant and abandoned property and thousands who have lost their homes, their equity, their savings, and their credit ratings.

But every crisis brings with it an opportunity for major change, a call for decisive action and new ways of working together. The foreclosure crisis presents just such a challenge and an opportunity to rethink and redefine our cities. A city's housing stock can be one of its most enduring assets and the decisions that Northeast Ohio cities make today regarding the reuse of vacant and abandoned property will have long-term implications for their form, their shape and their function into the foreseeable future.

Cleveland and Youngstown are not the only cities in Northeast Ohio or the nation to face these difficult and important decisions. But there is no playbook. Rather these and other weak market cities across the country are trying a variety of sustainable reuse

¹ Beach, David, Director, GreenCityBlueLake Institute at the Cleveland Museum of Natural History.

strategies; making a way forward. This paper presents an overview of some of the most promising strategies.

Northeast Ohio has been working on these issues longer than most other communities and there is a wealth of local knowledge. To draw upon this knowledge base, a committee of local experts on rehabilitation strategies was convened. It included representatives from the Cleveland Restoration Society, Cleveland Neighborhood Development Coalition, Cuyahoga County Department of Development, Housing Division/County Commissioners, a private developer, Neighborhood Housing Services, Enterprise Community Partners, Community Housing Solutions, CASH, Cleveland Housing Network, and the City of Cleveland Department of Building and Housing. In addition, potential best practices at the state, regional and local levels were identified along with strategies for how they can be implemented and replicated throughout the region.

For the purpose of this project, the committee members defined vacant and abandoned properties as *chronically vacant and abandoned property for which the owner is taking no active steps to return the property to the market*. They defined the focus as strategies to improve and sustain the quality of life for current resident and to attract new residents.

There are two basic components of an effective sustainable reuse strategy to address the problem of revitalizing and returning abandoned and vacant properties to productive use. The first set of strategies is preemptive. Local governments can adopt prevention strategies that focus on counseling, homebuyer education and financial literacy, so that people are equipped to make more sustainable housing choices. A

second preemptive approach is some form of targeted and systematic code enforcement to enable a city to step in and essentially “secure” abandoned properties against vandalism.

The second set of strategies focuses on gaining control and fostering the reuse of properties that have already become abandoned in order to minimize the problems they create and control future development. One of the biggest issues facing Northeast Ohio’s cities today is the transfer of problem properties to speculators, many from out of town, who are buying up REO properties. A neighborhood/community recovery strategy, based on timely, accurate data about the value, ownership and condition of housing, that includes public policy tools and financing mechanisms can be used to reweave the fabric of communities that have been hardest hit first by poverty and then made worse by foreclosure, abandonment, disinvestment and loss of equity.

Cities in Northeast Ohio face a special challenge in addressing foreclosures because, unlike other parts of the country hard hit by foreclosure (Florida, California, Nevada), they are not facing the prospect of future growth, which might help to absorb some of the oversupply of housing. For weak market cities like Youngstown and Cleveland, the foreclosure crisis can be an opportunity to rethink how they want to look in the future. Youngstown has already taken the first important step in this direction with Youngstown 2010, an award winning planning process that generated a new, broad based vision that accepts that it will be a smaller city, defines its role in the new economy and sets the goal of becoming a better place in which to work and live.

Cleveland has taken a more decentralized approach, with a strong foreclosure prevention program at the County level and a number of creative rebuilding strategies emerging in Cleveland neighborhoods and suburban communities.

A recent paper by PolicyLink² concludes that in addition to good policy and innovative programs, equitable renewal will also require new ways of working that involve, among other things, creating new regulatory, fiscal and planning systems that support and provide incentives for these programs. Equally important, they conclude, it will require a regional view to redevelopment.

Preventing Abandonment

The most effective method for dealing with abandonment is to prevent it from happening. Communities can hold information sessions or workshops for residents and can work to identify homeowners at risk of foreclosure due to predatory lending or triggering events (i.e. job loss, health emergencies, Adjustable Rate Mortgage resets) and connect them with counselors who are trained to assist them in negotiating more traditional/manageable mortgage products. For homes that are vacant, but not yet in poor condition, communities need to step up code enforcement to ensure that properties do not deteriorate.

Foreclosure Prevention Counseling

Cuyahoga County's response to the foreclosure crisis – an almost unprecedented coordination of most, if not all, county departments and agencies to address the problem holistically – should be considered a “best practice” for any governmental entity that lacks a unified governmental structure under a single executive.

² Fox, Radhika and Axel-Lute, Miriam (2008). To be strong again: Renewing the promise in smaller industrial cities, *PolicyLink*.

The County's coordinated and far-reaching foreclosure prevention effort seeks to preempt property abandonment by assisting homeowners in avoiding foreclosure. The "Don't Borrow Trouble" portion of this effort is based in large part on the Hennepin County, Minnesota program, which has been widely-acknowledged to be a "best practice" approach. The County's efforts to establish, coordinate, and fund the "211" program that directs homeowners threatened with foreclosure to a group of counseling agencies also should be considered a "best practice," particularly when compared to foreclosure prevention efforts that do not utilize face-to-face counseling sessions, but instead rely on calls to an out-of-state counseling service.

Recently, the County has offered direct financial assistance to help qualified homeowners avoid foreclosure by allowing them to cure existing mortgage delinquencies. While such assistance to homeowners who can be "saved" from foreclosure is certainly a "best practice" in theory, in practice, the limited funding available raises two unanswered questions: (1) Have these interventions actually avoided foreclosure or merely postponed it? (2) Would these funds have had a greater preventative effect if used to enhance counseling or for some other purpose rather than payments to homeowners?

In its first two years of operation, the Cuyahoga County Foreclosure Prevention program counseled 4,311 clients and was able to assist 52.2% to avert foreclosure, about 66% of these received loan workouts.³

³ Weinstein, Alan C., Hexter, Kathryn W., and Schnoke, Molly (2008). *Responding to foreclosures in Cuyahoga County: A pilot initiative, Interim Report.*

Code Enforcement

Housing code enforcement is one of the most important tools that cities can use to contain and prevent decay and abandonment. For example, point of sale or point of foreclosure inspections can give a city the right and the responsibility to intervene at a key leverage point and to have a significant impact on the quality of the housing stock, one of its most valuable and enduring assets. Code enforcement will not prevent foreclosure or abandonment, but it does open the door for city intervention and provides a tool that can be part of a bigger strategy to maintain the quality of the housing stock. Coupled with a vacant property registry, grant and loan funds for repair and renovation, and other programs, code enforcement is a key part of a sustainable reuse strategy.

In a number of cities, code enforcement has been coupled with a vacant property registry because one of the biggest challenges in enforcing codes for vacant, derelict buildings is determining who is responsible for the maintenance of those buildings. Such programs exist in St. Louis, Missouri, Kalamazoo, Michigan, and Albany, New York. As an example, the Albany Vacant Building Registry requires responsible parties to implement a maintenance plan for vacant buildings in order to remedy public nuisance problems, prevent deterioration, blight, and the consequential adverse impact of neighboring property values. Vacant building owners must register their property within 30 days of becoming vacant. They must reregister annually and submit a yearly fee of \$200 for each registered buildings, which acts as an incentive for building owners to maintain their buildings. The Division of Buildings and Codes provides education and

assistance to building owners by showing them methods to make their buildings safe and secure and to avoid deterioration.⁴

Gaining Control and Fostering Reuse

Through a variety of tools, cities can reclaim blighted property, rehabilitate it into a more productive and desirable use, and set up mechanisms to ensure these re-envisioned neighborhoods are preserved for future generations. The Cleveland Land Lab at Kent State's Cleveland Urban Design Collaborative (CUDC) is a collective effort between the CUDC, Neighborhood Progress, Inc., and the City of Cleveland that has been working since 2004 on exploring creative strategies for transforming Cleveland into a more dynamic, ecologically sound and livable place. These strategies include relaxing zoning codes and adopting land use policies that permit and encourage the use of surplus land for agriculture, alternative energy production and other equally "resourceful and innovative ways."⁵

Blueprint Buffalo

Like Cleveland and Youngstown, Buffalo is not the metropolis it once was. Both Cleveland and Buffalo turned to the National Vacant Properties Campaign to assist them. In Cleveland, the Campaign prepared the report, "Cleveland at the Crossroads" for Neighborhood Progress Inc. in June 2005. Buffalo lost nearly half of its 600,000 residents which left behind 40,000 vacant homes and land parcels in downtown and surrounding Erie County. Buffalo's challenge was to readjust or "right-size" the city's

⁴ U.S. Conference of Mayors (June 2006). *Combating problems of vacant and abandoned properties: Best practices in 27 cities.*

⁵ Schwarz, Terry (2008). *The Cleveland land lab: Experiments for a city in transition, Cities Growing Smaller*, (Steve Rugare and Terry Schwarz, eds.) Kent State University Cleveland Urban Design Collaborative.

physical and built environment to mirror the city's and the region's existing and projected population. Although the city and nearby towns have developed more than 100 individual programs and initiatives, Buffalo-Niagara still lacks a comprehensive strategy and the necessary regional leadership to address its difficulties. In an effort to fill this gap, Local Initiatives Support Corporation – Buffalo commissioned an assessment study from the National Vacant Properties Campaign to determine the best strategies to prevent, abate, reclaim, and reuse vacant and abandoned properties.

The final report, titled *Blueprint Buffalo*,⁶ identifies four essential leadership actions and four key strategies that will allow Buffalo to gain control of the flood of vacant and abandoned properties.

Leadership Actions:

1. Launch a *citywide vacant properties initiative* led by Buffalo's Mayor Byron Brown and his Office of Strategic Planning.
2. Develop a *first-tier suburban vacant property agenda*, spearheaded by local elected officials and civic/business leaders from first-tier suburban communities.
3. Create an *Erie-Buffalo Vacant Properties Coordinating Council* as a vehicle for ongoing communication and information sharing and to develop institutional capacities and partnerships.
4. Establish Buffalo-Niagara as a *Vacant Property Living Laboratory* through a series of innovative policy initiatives driven by the state's new Governor in cooperation with the State Legislature and the area's elected Federal officials.

⁶ National Vacant Properties Campaign (2006). *Blueprint Buffalo: Regional strategies and local tools for reclaiming vacant properties in the city and suburbs of Buffalo, Policy Brief*, available at www.vacantproperties.org/resources/BufferoBrief_Final.pdf.

Key Strategies:

1. Develop an effective ***regional real property information system***. This system would allow the region to focus existing resources on the neighborhoods with the greatest potential for successful revitalization, while relieving growth pressures on the region's fringe.
2. Establish a ***comprehensive code enforcement program*** that coordinates enforcement approaches across local government departments. For the City of Buffalo, this would mean creating a special citywide vacant properties enforcement unit and expanding the role of the Buffalo Housing Court. For the inner-ring suburbs that are at risk of catching the "vacancy virus," recommendations include expanding and enhancing suburban code enforcement approaches to contain and prevent the spread of decay and property abandonment and forming a regional consortium of code enforcement officials to develop alternative code enforcement strategies and enhance existing tools/programs.
3. Implement strategies to ***right-size and green the city***. Strategies would include establishing a multi-purpose land bank authority or program that would eventually encompass the whole county, developing and managing a citywide green infrastructure initiative, and empowering residents and property owners to design a network of neighborhood reinvestment plans.
4. ***Redevelop greyfields and brownfields***. The city and region can accomplish this goal by institutionalizing and extending their existing approaches to brownfields and integrating the economic redevelopment of greyfields/brownfields with the neighborhood revitalization of residential properties.

Blueprint Buffalo emphasizes that without a citywide and regional strategy, regional settlement patterns are unlikely to change.

For Cleveland, the *Cleveland at the Crossroads* report assessed municipal capacity for prevention, reclamation and redevelopment of vacant property and made recommendation similar to those in Buffalo. One of its central recommendations was the establishment of a consortium of representatives of key government agencies and community-based organizations with a stake in addressing the impacts of foreclosure and abandonment. The Greater Cleveland Vacant and Abandoned Property Action Council (VAPAC) was formed in 2006. It is chaired by Neighborhood Progress, Inc., a local funding intermediary, and is composed of officials representing the County Treasurer's Office, the County Commissioners, the Cuyahoga County Department of Development, the First Suburbs Consortium, Cleveland Department of Community Development, Cleveland Department of Building and Housing, Cleveland City Council, Cleveland Housing Court, and the Cleveland Neighborhood Development Coalition. VAPAC was instrumental in coordinating the early implementation of foreclosure prevention and property reclamation programs, and continues to meet on a monthly basis for information and resource sharing.

Cuyahoga County: A County-Wide Land Bank

The first step in rehabilitating vacant and abandoned property is gaining control over the property. In Cuyahoga County, the County Treasurer has proposed establishing a county-wide land bank that would function as a mechanism to accelerate the reutilization of vacant and abandoned properties. Goals for the land bank include:

- Facilitating the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property;
- Efficiently holding and managing that real property pending its reclamation, rehabilitation and realization;
- Assisting governmental entities and other non-profit or for-profit entities in assembly of that real property and clearing of title in a coordinated manner; and
- Promoting economic and housing development of the county or region.

The Treasurer’s proposal would authorize the creation of a Community Improvement Corporation (CIC) under O.R.C. § 1724 that would be known as the Cuyahoga County Land Reutilization Corporation (LRC). Although the LRC jurisdiction initially would be limited to Cuyahoga County, adjoining counties could designate the Cuyahoga County LRC to serve as their LRC.

Most of the LRC’s authority would derive from O.R.C. Chapter 5722, under which the LRC could act as the County’s “electing subdivision.” Under Chapter 5722, “nonproductive” land may be sold without appraisal for the amount of taxes, penalties, interest, assessments and charges against the land plus court costs. If no bids are received, the electing subdivision is deemed the purchaser for no consideration other than the fee for transferring and recording the deed. An electing subdivision may also acquire lands forfeited to the State under a similar procedure and can accept delinquent lands conveyed by the owner in lieu of foreclosure.

Funding for the LRC would come primarily from penalties and interest paid on current taxes and assessments that are not paid when due. The Treasurer estimates that

capturing the penalties and interest on delinquent taxes could provide approximately \$7 million annually.

Opportunity Housing: A Public-Private Partnership

Property reclamation and rehabilitation is not limited to government entities alone. The Opportunity Housing initiative is an example of a solution that requires the cooperation of local nonprofits and government entities. The project will rehabilitate foreclosed properties and reuse vacant land in six Cleveland neighborhoods: Buckeye, Detroit/Shoreway, Fairfax, Glenville, Slavic Village and Tremont. The City of Cleveland will demolish the targeted homes while its nonprofit partners acquire and renovate others. In addition to housing, Neighborhood Progress, the Cuyahoga County Planning Commission and the CUDC are exploring innovative land use options such as energy generation, urban gardens and green infrastructure. These options turn vacant properties into assets rather than liabilities to neighboring homeowners. The Opportunity Housing initiative is using the foreclosure and vacant property crisis as a means of rethinking neighborhood design to include equity and sustainability principles.

Launched on October 17, 2008 Opportunity Homes aims to restore market confidence, eliminate blight, preserve property values and enable homeowners who are currently faced with the loss of their homes to retain their property and reestablish their credit. In its first year, Opportunity Homes will invest \$20 million to impact 321 homes on three levels:

1. Mitigation: Foreclosure counseling for 100 families at risk of losing their homes.
2. Demolition: 100 vacant homes will be demolished.

3. Redevelopment: 121 vacant structures will be redeveloped and made available for homeownership either through outright sale or the lease purchase/rental program.⁷

Cleveland Housing Network: Affordable Housing through Lease-Purchase

One of many consequences of the foreclosure crisis is that low-income homeowners have been forced from their homes and many will never again have the opportunity to become homeowners. The Cleveland Housing Network's Lease Purchase Program, one of the oldest and largest in the country, revitalizes blighted, abandoned properties and makes them available to very low-income residents working to own homes of their own. The rehabilitated homes are rented to low-income families, who, if they stay in the homes for 15 years, can then purchase these homes affordably (for about one third the market rate). The program helps very low-income families build personal family wealth through homeownership while improving neighborhood conditions and property values by salvaging and revitalizing vacant and abandoned houses. This asset building and education component is what distinguishes the CHN program from other lease purchase or rent to own programs. It is also the basis for the development of a more short-term program allowing residents to purchase their homes after 3-5 years of renting, as a way to help prospective homeowners in this time of limited credit availability.

Rethinking the American Dream: Cohousing, Community Land Trusts, Rental Housing

One of the least understood impacts of the foreclosure crisis is on the availability of credit for low and moderate-income homeowners, both those who have been impacted

⁷ Cleveland Neighborhood Development Coalition (November 2008). Opportunity homes: An investment in our city and its people, *CNDC Infomail*, XXVI(11).

by foreclosure and those who may be considering homeownership for the first time. Since the Clinton administration, national housing policy has focused on homeownership. But this is a good time to reconsider the premise that everyone can be a homeowner. There are many interim steps along the road to homeownership and there are a number of alternatives to homeownership.

The Levin College of Urban Affairs, Cleveland State University, is exploring these alternatives through a series of public forums. One such alternative is cohousing, a form of shared ownership in which people own their private unit and share some common space. Cohousing promotes cooperation and support, increases manageable living, and enhances ownership ideals. Most cohousing projects are pedestrian-oriented developments, planned and managed, from concept to occupancy, by the end-users. Cohousing encourages community interaction, consensus in decision making and shared common spaces.

On June 6, 2008, the Levin College and the City of Cleveland Planning Commission hosted a forum with Charles Durrett, a national expert on cohousing and co-author of *Cohousing: A Contemporary Approach to Housing Ourselves*. Durrett discussed the ways in which cohousing may benefit Northeast Ohio's communities.⁸ Other speakers at the forum included Robert N. Brown, Director of the Cleveland City Planning Commission; Lillian Kuri, Director of Special Projects, The Cleveland Foundation; William A. Gould, Founder of ArtSpace Cleveland; Jay Gardner, Affordable Housing Director, Fairfax Renaissance Development Corporation; and Keith Burgess, Senior VP of Community Development Lending, Charter One Bank.

⁸ His presentation may be downloaded at <http://www.urban.csuohio.edu/forum/events.html>

Cohousing can be a practical response to the ongoing foreclosure crisis coupled with shifting demographics that include more single-parent headed households, an aging population in which cross-generational living has become more common, and the need for diverse housing options. Cohousing has grown in American cities since the 1980s, especially along the east and west coasts.

Community Land Trusts are another alternative to homeownership in which the Land Trust owns the land and the homeowner owns the home. Perhaps the most successful of these is the Dudley Street Land Trust in Boston, Massachusetts. In the fall of 1988, the Boston Redevelopment Authority (BRA) gave the Dudley Neighborhood Initiative (DNI) the power of eminent domain to acquire privately-owned vacant land in the area designated as the Dudley Triangle. DNI combines vacant lots acquired via eminent domain with city-owned parcels and leases these to private and nonprofit developers for the purpose of building affordable housing consistent with the community's master plan.

DNI is structured as a Community Land Trust (CLT), and as such plays a crucial role in preserving affordable housing and providing residents with a way to control the development process in the neighborhood. DNI leases land initially to developers during construction, and subsequently to individual homeowners, cooperative housing corporations and other forms of limited partnerships.

Through its 99-year ground lease, DNI can require that its properties be used for purposes set forth by the community. It can also establish parameters on the price that homes sell for and can be resold for.

Since 1988, the land trust has gained control of approximately 1,300 vacant lots and properties. About half of these have been converted into nearly 300 new homes and 300 rehabbed homes, a Town Common, gardens, urban agriculture, a commercial greenhouse, and parks and playgrounds. The Fannie Mae Foundation recently selected Dudley as one of the 10 "Just Right" emerging neighborhoods across the country for increasing affordable homeownership while attracting capital investment. Homes purchased through land trust rarely go into foreclosure.

Land Trusts across the country are exploring ways to assist in the recovery from the foreclosure crisis. In Minneapolis, the land trust is looking at ways to partner with CDCs to purchase, rehab and rent vacant properties. The Cuyahoga Community Land Trust is looking at options for retaining community control of vacant property, including using the land trust model for urban gardens.

On September 25, 2008, the Levin College Forum hosted *Beyond Foreclosure: Small Scale Strategies that Work*, that focused on the Land Trust and other small scale housing strategies and projects that are new, creative, environmentally sustainable and invigorating to the marketplace. In addition to Marge Misak, Executive Director, Cuyahoga Community Land Trust, panelists included Brian Mikelbank, Associate Professor and Director, Center for Housing Policy, Lee Chilcote, Marketing Director & New Construction Project Manager, Progressive Urban Real Estate, Kathleen H. Crowther, Executive Director, Cleveland Restoration Society, and Chris Kious, Urban Lumberjacks of Cleveland and A Piece of Cleveland, Deconstruction.⁹

⁹ The forum is available on-line at http://www.urban.csuohio.edu/forum/events/09_25_08_beyond_foreclosure.html

Other options including nonprofit ownership of well managed rentals can help to re-occupy some of the higher quality homes in the city. Here again, the CHN programs provide a model for decentralized property management.

Federal, State and Local Programs

Most of the federal, state and local programs that support housing and community development had their genesis in the Nixon administration (Community Development Block Grants). Since that time, federal funding has declined year after year and national housing policy has become tax policy. The largest federal housing program today is the Low-Income Housing Tax Credit.

Ohio is fortunate to have state and local housing trust funds. (A national housing trust fund was only recently enacted). But these programs are severely underfunded and in any case, were not intended to deal with a housing crisis of the magnitude we are now facing. The following housing matrix lists the traditional federal, state and local housing programs that are available in Ohio. As this matrix indicates, there is a clear need to expand the tool box, both funding levels and types of programs, to deal with the crisis.

Housing Program Matrix				
Level	Program	Description	Agency	Funding
Local (City)	Repair a Home (RAH) Program	Offers loans for the repair of 1-4 family homes at interest rates ranging from 0% to 3%, depending on the applicant's income.	Cleveland Dept. of Community Dev., Div. of Neighborhood Services	
Local (City)	Cleveland Action to Support Housing (CASH)	Creditworthy (bankable) homeowners may obtain low-interest rehabilitation loans through CASH, a partnership between the City of Cleveland and 13 financial institutions.	Cleveland Dept. of Community Dev., Div. of Neighborhood Services	
State	Home Weatherization Assistance Program (HWAP)	Federally funded low-income residential energy efficiency program.	Cleveland Dept. of Community Dev., Div. of Neighborhood Services	
Local (City)	Cleveland Fix-Up Fund	Offers low-interest loans, support and free guidance.	Neighborhood Progress	
Local (City)	Home Repair Lending	Gives the homeowner the extra attention needed when starting a rehab project. NHS provides assistance with job specifications, cost estimates, contractor selection and oversight of your project. NHSGC provides a mortgage product that is affordable and accessible to many of those who may not be able to access conventional lending products.	Neighborhood Housing Services	
Local (County)	Competitive Municipal Grant Program	Provides funds to Urban County members. The funds are used to assist municipalities with a variety of projects that meet one of the HUD National Objectives.	Cuyahoga Co. DOD	Federal CDBG
Local (County)	Exterior Maintenance Program	Suburban communities that are members of the Cuyahoga Urban County may request recoverable grants up to \$35,000 per house for repairs to vacant abandoned houses to eliminate conditions of blight or physical decay.	Cuyahoga Co. DOD	
Local (County)	Housing Rehabilitation Loan Program	Enables eligible low-and-moderate income homeowners to make repairs and basic home improvements that maintain the quality of their housing and create a positive effect in the surrounding neighborhood.	Cuyahoga Co. DOD	
Local (County)	Mixed Use Rental Assistance Loan (MURAL)	Assists Urban County communities that have County-approved Improvement Target Areas to provide funds for repairs and renovations in apartments located over street-level retail stores.	Cuyahoga Co. DOD	Federal Home Investments Partnerships Program funds
Local (County)	Housing Revenue Bond Program	Multi-family Housing Bonds are available to nonprofit and for profit developers to purchase, construct, or rehabilitate multi-family housing projects.	Cuyahoga Co. DOD (Can also be allocated by a port authority or OHFA)	

Housing Program Matrix, p. 2

Level	Program	Description	Agency	Funding
State	Community Housing Improvement Program (CHIP)	Provides grants to eligible communities interested in undertaking housing-related activities, including necessary infrastructure improvements.	ODOD	Federal CDBG/HOME and OHTF
State	Housing Assistance Grant Program	Provides grants to eligible applicants for emergency home repair/handicapped accessibility and homebuyer counseling/downpayment assistance.	ODOD	OHTF
State	Community Development Program	Provides funding to Ohio's non-entitlement counties and cities for housing rehabilitation, economic development and public works improvements that meet federal and state objectives to benefit low- and moderate-income persons and/or eliminate blighted areas.	ODOD	Federal CDBG
State	Housing Development Assistance Program (HDAP)	Provides financing for eligible affordable housing projects to expand, preserve, and/or improve the supply of decent, safe, affordable housing for very low- to moderate-income persons and households in the State of Ohio.	OHFA	OHTF/HOME Investment Partnerships
State	Housing Development Loan Program	Provides low-interest loans for pre-development activities for non-profits, bridge loans for LIHTC deals, loans to reduce construction interest (primarily for LIHTC deals), direct loans for development/construction purposes, and loan guarantees.	OHFA	State Dept. of Unclaimed Funds
Federal	HOME Community Housing Development Organization Funds	Part of the HOME program, provides funding to non-profits that qualify as a Community Housing Development Organization	U.S. Department of Housing and Urban Development	
Federal	4% Low-Income Housing Tax Credits (LIHTC)	Can be provided in conjunction with Multi-Family Housing Bonds, generates investor equity to purchase, construct or rehabilitate multi-family housing (can be used to group single-family homes together in a rental development).	OHFA	IRS Program
Federal	9% Low-Income Housing Tax Credits (LIHTC)	Federal program allocated by State Housing Finance Agency. These credits generate investor equity to purchase, construct or rehabilitate multi-family housing (can be used to group single-family homes together in a rental development).	OHFA	IRS Program
Federal	New Markets Tax Credit Program	Federal program that provides a tax credit for investing in or lending to qualified economic development activities. Can be used to invest in structures that are used to foster business development in underserved areas.	Federal Community Development Financial Institution Fund	US Treasury
Quasi-Governmental	Federal Home Loan Banks	Funding includes the Affordable Housing Program (AHP), which provides direct grants or decreases interest on loans. Also have homeownership programs, other misc. programs.	Federal Home Loan Bank-system "franchise" of independent banks	10% of retained earnings from each Federal Home Loan Bank.
Quasi-Governmental	NeighborWorks	Provide grants to non-profits for housing & community development.	NeighborWorks, federally chartered organization	

The recently passed Housing and Economic Recovery Act of 2008 will be providing \$3.9 billion nationwide in supplemental Community Development Block Grant funding to local governments to support the acquisition, demolition and rehabilitation of vacant and abandoned homes.

The city of Cleveland will receive \$16 million and Cuyahoga County will receive \$11 million from this fund. In addition, the state of Ohio will receive \$116 million. This funding is an opportunity to develop a comprehensive, targeted reinvestment plan for neighborhoods impacted by abandoned and foreclosed homes and residential properties that includes targeted code enforcement, demolition, acquisition and rehabilitation and new construction. The Youngstown 2010 plan, described in detail in Part II of this report may be a model for Cleveland and other cities.

Conclusion

The brief overviews of best practices included in this report illustrate that thoughtful planning, innovative programs and practices, creative financing and targeted code enforcement are all important tools that cities can use. But any and all of these strategies need to be part of a larger vision of what we want for our neighborhoods and communities in Northeast Ohio. They are best thought of as tools that can be applied as part of a broader plan. The challenge will lie not in deciding what to do, but in deciding how to do it. It will require new ways of working within and across communities that are collaborative and permissive.

There is a clear need to move quickly and some of the best practices presented in this paper offer a place to start. But at the same time, the challenge will be to match the

appropriate strategy with the needs and desires of blocks, neighborhoods and communities. The scale and scope of the foreclosure crisis here will require the application of multiple strategies, drawing on those presented in this paper, but also having the flexibility to create others that may better fit local needs as they emerge through a collaborative process that includes state and local officials and neighborhood residents. The process used by the Dudley Street Neighborhood Initiative offers a good example of how to engage neighborhood residents in a planning process, based on reliable data. The outcome of that process was a plan, owned by the people in the neighborhood, that was based on reliable data, that was then implemented over time. This buy-in was the key to its success and was what made it sustainable over time.

Any neighborhood and community based plans must fit into and be consistent with a broader plan for the entire city and/or county that identifies areas for immediate reinvestment, those that will be held for future development and very possibly, those that may not be redeveloped. These are difficult political decisions, and Youngstown's plan (part II of the report) is a national model that illustrates the importance of public participation in the ownership of a plan and of Mayoral leadership in the implementation of such a plan.