

# CLEVELAND AND CUYAHOGA COUNTY, OHIO

A Resilient Region's Responses to Reclaiming Vacant Properties

May 2014







**PREPARED BY**

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# executive summary

This case study is one of three conducted by Virginia Tech's [Vacant Property Research Network \(VPRN\)](#), with support from the Ford Foundation, to document resilient approaches to reclaiming vacant properties in three cities: Philadelphia, Cleveland, and Baltimore. These studies identify policy reforms and program innovations to reclaim vacant properties; discuss each city's capacity and networks for adapting to ever-shifting vacant property problems; and offer recommendations for improving and sustaining each city's more resilient approach to urban regeneration. By synthesizing the strategies and initiatives across these three pioneering cities, the case studies bring to life the elements of a holistic and adaptively resilient policy system for vacant property reclamation that can assist practitioners, policymakers, and researchers in regenerating distressed communities.

**Resilience** is variously defined, and its application and relevance for cities is evolving and expanding. Although it is primarily linked to fields of disaster recovery and more recently climate change, when resilience is discussed in the context of urban policies, its principles extend to the characteristics that have always made for healthy dynamics in cities, notably the ability to adapt to changing circumstances, and to maintain or return to equilibrium (a "new normal") even after major demographic or economic change. Author Andrew Zolli articulated "a good working definition" for urban planning and policy:

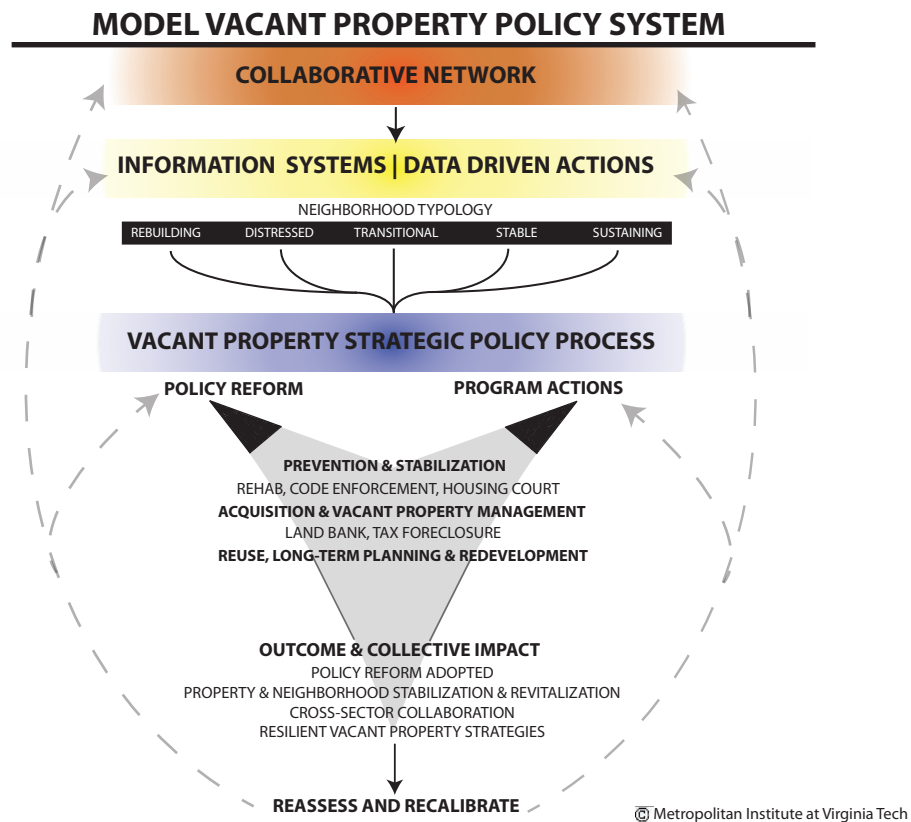
*... [t]he ability to maintain core purpose, with integrity, under the widest variety of circumstances. More broadly, it's the ability to recover, persist or even thrive amid disruption.....Among other things, resilient systems sense and respond to their own state and the state of the world around them, compensate or dynamically reorganize themselves in the face of novel shocks, decouple themselves from other fragile systems when necessary, fail gracefully, and have strong local self-sufficiency.<sup>1</sup>*

The VPRN case study series examines contemporary approaches to regeneration through the lens of adaptive resilience, moving beyond conventional notions of a single equilibrium. As Professor Margaret Cowell points out in a February 2013 article in *Cities*, the characteristic of adaptive resilience in post-industrial cities such as Cleveland, Baltimore, and Philadelphia is focused not on "bouncing back" to previous economic models or levels of population, but instead on creative ways to take new leadership actions and to learn and adapt over time.<sup>2</sup> Characteristics of adaptive resilience include the following:

- Adaptability to local circumstances, including sensitivity to neighborhoods' unique and diverse histories, markets, conditions, opportunities, resident leadership, and needs.
- Responsiveness to acute and chronic economic changes and market dynamics at the neighborhood, city, regional, national, and global scales.
- High degree of collaboration, transparency, and in fact permeability—not only transparency of policies to the public, but an enduring collaborative network that reinforces ongoing communication; influences private, nonprofit, and public decisions; and can adapt to neighborhood conditions, political transitions, and institutional capacity.
- Flexible, readily accessible, and understandable knowledge base that can be frequently updated and used for a wide variety of purposes, both immediate and long-term.
- Shared visions for revitalizing neighborhoods and regenerating cities that are supported and realized by all of the previous characteristics, and that can withstand change and challenges.

## A Resilient Policy Model for Reclaiming Vacant Properties

The framework for understanding the current and best practices in vacant property policy is presented in the Resilient Vacant Property Policy Model (Figure 1). Three aspects of a cyclical, mutually reinforcing process can help cities match policy interventions to neighborhood type, and help communities develop programs and initiatives that respond to the dynamic, changing conditions in markets and neighborhoods: 1) Collaborative Networks; 2) Information Systems & Data Driven Interventions; and 3) Strategic Framework of Vacant Property Policies. The arrows within our policy model illustrate a dynamic and complex process. This process focuses both on policy reform and program action/implementation, which are ideally responsive to the different trajectories of neighborhoods and markets. The collective network also evolves but requires a forum or vehicle for regular action, a holistic vision, and consistent communication and leadership. Together these elements form a more resilient system for reclaiming vacant properties that can achieve collective impact around policy reforms, property and neighborhood stabilization and transformation, and long-standing cross-sector collaboration.



**FIGURE 1. Resilient Vacant Property Policy Model**

Source: Metropolitan Institute at Virginia Tech.

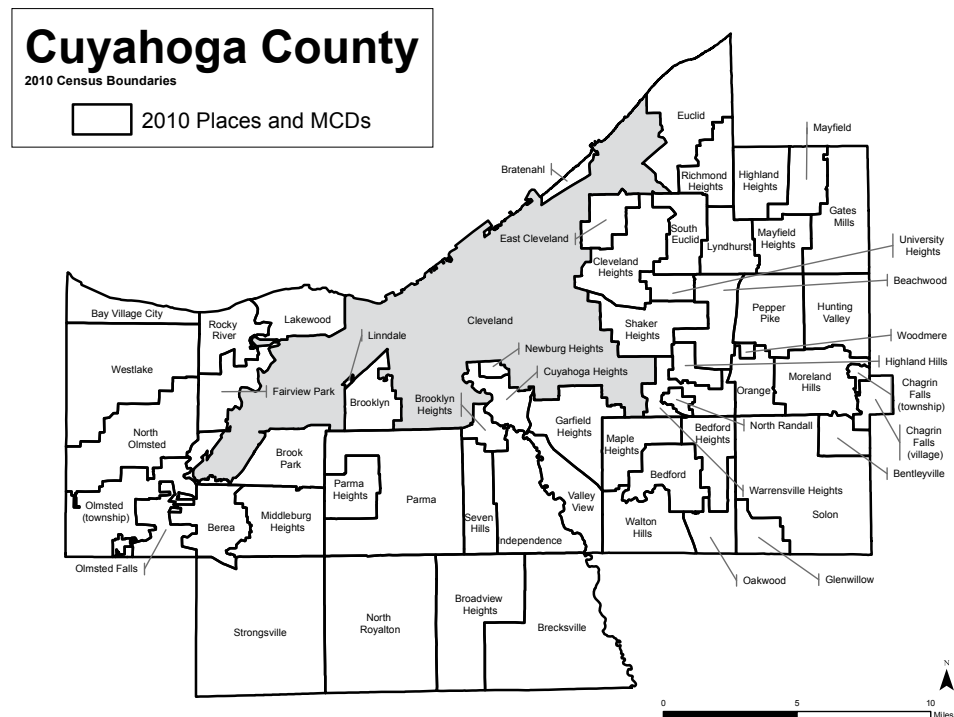
The policy model also applies to cities of all types, from those experiencing significant decline with increasing inventories of vacant properties (such as Cleveland or Detroit) to those with vacancy and abandonment concentrated in a few neighborhoods (such as Atlanta or Las Vegas). The mix within the model's policy framework would vary from city to city depending on market conditions, neighborhood characteristics, institutional capacity, and political and civic leadership. Public officials and nonprofit/civic leaders can also use the model and its framework as a diagnostic and assessment tool to identify comparative strengths and weaknesses of existing efforts, as well as to help them identify and adapt model practices from other communities. By using this model to adopt such a systems approach, communities can become more resilient in addressing future drivers of property abandonment and neighborhood decline. The policy model contains three interdependent components of a resilient system for reclaiming vacant properties:



1. **Collaborative networks of policymakers, practitioners, nonprofits, and business leaders** that foster coordination and problem solving among levels of government and across nonprofit, public, and private sectors. These collaborative networks serve as institutional and individual glue that supports actions on vacant property policy reforms and innovation. They often leverage outside expertise as a strategy to galvanize public and political support for making vacant property reclamation a top policy priority, and then establish coordinating councils, working groups, and campaigns to implement the list of policy and programmatic prescriptions.
2. **Information systems and data-driven interventions** that more fully understand the complexities and spatial dynamics of vacant property problems by compiling, tracking, and disseminating a wide range of relevant data on vacant property drivers and impacts. Given that most real property data are owned and managed by multiple governmental and private-sector entities, nonprofit data networks often step in to aggregate, coordinate, and disseminate vacant property information across these different systems. Local governments and nonprofits can then deploy existing programs more strategically, based on current market and vacant property data. These information systems can also provide reports and analysis that support many of the comprehensive policy reforms (e.g., revamping code enforcement departments or chartering a land bank).
3. **Strategic vacant property policy framework** that includes a mix of policies, programs, plans, and pilot projects to address the multiple phases of vacancy and abandonment. These move from the policy goals of prevention, abatement, and stabilization to management, disposition, and reuse. Several of these programs, plans, and policies can address multiple policy goals and span across the three policy types set forth below:
  - a. **Prevention and neighborhood stabilization policies and programs**, such as code enforcement, foreclosure prevention, vacant housing rehabilitation, and housing courts, which match their actions to neighborhood data and typologies. Although the playbook of prevention and neighborhood stabilization policies and programs remains roughly the same from city to city, the scope and techniques vary depending on state enabling authority, local legal and policy limitations, and organizational culture and capacity.
  - b. **Strategic demolition, acquisition, and vacant land management policies and programs** that seek to control persistent, long-abandoned buildings and vacant properties which have threatened neighborhood stability and investment. Common strategies such as land banking, temporary urban greening, and streamlined tax foreclosure procedures facilitate the transformation of vacant properties from liabilities to community assets. Data-driven demolition initiatives help cities more strategically deploy limited resources and also pay long-overdue attention to demolition's social and economic impacts on neighborhood residents and the built environment. Several cities are piloting more sustainable approaches, such as deconstruction methods that can create jobs and redeploy building materials while minimizing public health threats from airborne construction debris and runoff.
  - c. **Innovative (and often green) reuse strategies and planning initiatives** that engage residents and community-based organizations in a thoughtful dialogue about the short-term reuse of vacant properties and how they relate to the broader visions for their neighborhoods, a city, and its region. Post-industrial cities that have lost many residents and jobs (also known as legacy cities) are experimenting with a new breed of plans and strategic frameworks (e.g., regeneration plans, sustainability policies, green development codes, and areawide brownfields redevelopment) that infuse vacant property reuse with social, economic, and urban environmental actions, such as new renewed commitment to historic preservation and adaptive reuse of vacant buildings, urban agriculture, side-lot acquisition programs for neighbors of vacant properties, permanent greening programs in neighborhoods (including the transition of temporary green lots to permanent open space or other green uses), generation of renewable energy, green infrastructure, and green jobs.

## Cleveland: Creating a New Context for Vacant Property Solutions

Over the past five decades, Cleveland and Cuyahoga County, Ohio have experienced some of the nation's most powerful waves of property abandonment. Beginning in the city's boom era, Cuyahoga County became a region rich in suburban residential communities (Figure 2). The region's trajectory since then illustrates the plight not only of older industrial cities but also of the suburbs around them. Since the 1960s, the loss of manufacturing jobs and major industries, compounded by longstanding racial tensions and increasingly poor services and schools, led to are more than 50 percent population decline since 1960 (from 750,903 to 396,815 in 2010; see Table 1). By the 1970s, Cleveland's inner-ring suburbs (also known as first-tier or, simply, first suburbs) also began experiencing population decline (see Table 2). Most of these suburbs declined 5 to 10 percent in population between 1970 and 2010, although one suburb—East Cleveland—experienced a stunning 34 percent loss during that time.<sup>3</sup> Meanwhile, the region's surrounding counties witnessed dramatic population increases.



**FIGURE 2. Cuyahoga County Suburbs**  
Source: Northeast Ohio Data Collaborative

**TABLE 1. Population Changes by Decades in Cleveland and Cuyahoga County 1960 to 2010**

Year	1970	% change since 1960	1980	% change since 1970	1990	% change since 1980	2000	% change since 1990	2010	% change since 2000	Total % change 1960-2010**
Ohio	10,652,017	9.7	10,797,630	1.4	10,847,115	0.5	11,353,140	4.7	11,536,504	1.6	18.9
Cleveland-Elyria-Mentor (MSA)***	3,098,048	9.6	2,938,627	-5.1	2,859,644	-2.7	2,945,832	3.0	2,881,937	-2.2	2.0
Cuyahoga County	1,721,300	4.5	1,498,400	-12.9	1,412,140	-5.8	1,393,978	-1.3	1,280,122	-8.2	-22.3
Cleveland	750,903	-14.3	573,822	-23.6	505,615	-11.9	478,403	-5.4	396,815	-17.1	-54.7

Sources: Richard L. Forstall, "Population of Counties by Decennial Census," U.S. Bureau of the Census.

At <http://www.census.gov/population/cencounts/oh190090.txt>. Accessed 31 Jan. 2014.

Rich Exner, "2010 census population figures show Cleveland below 400,000; Northeast Ohio down 2.2 percent," *Cleveland Plain Dealer*, Mar. 9, 2011. At [http://www.cleveland.com/datacentral/index.ssf/2011/03/2010\\_census\\_figures\\_for\\_ohio\\_s.html](http://www.cleveland.com/datacentral/index.ssf/2011/03/2010_census_figures_for_ohio_s.html).

\* % = percent change in population since previous decade

\*\* % = percent change in population from 1960 and 2010 numbers

\*\*\* Region = 8-county metro area (Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage and Summit counties)

**TABLE 2. Population Changes by Decades in Cleveland's First Suburbs 1960 to 2010**

Year	1960	%*	1970	%	1980	%	1990	%	2000	%	2010	%	Total %**
Bedford	15,223	-	17,552	15.3	15,056	-14.2	14,823	-1.6	14,214	-4.1	13,078	-8.0	-14.1
Bedford Heights	5,275	-	13,063	147.6	13,214	1.2	12,131	-8.2	11,375	-6.2	10,752	-5.5	103.8
Berea	16,592	-	22,396	35.0	19,567	-12.6	19,047	-2.7	18,970	-0.4	17,841	-6.0	7.5
Brooklyn	10,733	-	13,142	22.4	12,342	-6.1	11,706	-5.2	11,586	-1.0	11,169	-3.6	4.1
Brook Park	12,856	-	30,774	139.4	26,195	-14.9	22,798	-13.0	21,218	-6.9	19,212	-9.5	49.4
Cleveland Heights	61,813	-	60,767	-1.7	56,438	-7.1	54,052	-4.2	49,958	-7.6	46,114	-7.7	-25.4
East Cleveland	37,991	-	39,600	4.2	36,957	-6.7	33,096	-10.5	27,217	-17.8	17,867	-34.4	-53.0
Euclid	62,998	-	71,552	13.6	59,999	-16.2	54,875	-8.5	52,717	-3.9	48,936	-7.2	-22.3
Fairview Park	14,624	-	21,681	48.3	19,311	-10.9	18,028	-6.6	17,572	-2.5	16,831	-4.2	15.1
Garfield Heights	38,455	-	41,417	7.7	34,938	-15.6	31,739	-9.2	30,734	-3.2	28,843	-6.2	-25.0
Lakewood	66,154	-	70,173	6.1	61,963	-11.7	59,718	-3.6	56,646	-5.1	52,131	-8.0	-21.2
Maple Heights	31,667	-	34,093	7.7	29,735	-12.8	27,089	-8.9	26,156	-3.4	23,142	-11.5	-26.9
Parma	82,845	-	100,216	21.0	92,548	-7.7	87,876	-5.1	85,655	-2.5	81,627	-4.7	-1.5
Parma Heights	18,100	-	27,192	50.2	23,112	-15.0	21,448	-7.2	21,659	1.0	20,703	-4.4	14.4
Rocky River***	18,097	-	22,958	26.9	21,084	-8.2	20,410	-3.2	20,735	1.6	20,209	-2.5	11.7
Shaker Heights	36,460	-	36,306	-0.4	32,487	-10.5	30,831	-5.1	29,405	-4.6	28,417	-3.4	-22.1
South Euclid	27,569	-	29,579	7.3	25,713	-13.1	23,866	-7.2	23,537	-1.4	22,247	-5.5	-19.3
University Heights	16,641	-	17,055	2.5	15,401	-9.7	14,790	-4.0	14,146	-4.4	13,592	-3.9	-18.3
Warrenville Heights	10,609	-	18,925	78.4	16,565	-12.5	15,882	-4.1	15,109	-4.9	13,526	-10.5	27.5

Sources: 1960/1970 [http://www2.census.gov/prod2/decennial/documents/1970a\\_oh1-01.pdf](http://www2.census.gov/prod2/decennial/documents/1970a_oh1-01.pdf);

1980 [http://www2.census.gov/prod2/decennial/documents/1980/1980censusofpopu80137un\\_bw.pdf](http://www2.census.gov/prod2/decennial/documents/1980/1980censusofpopu80137un_bw.pdf);

1990 NEOCANDO; 2000/2010 [http://neocando.case.edu/cando/index.jsp?fPage=nei\\_snapshots](http://neocando.case.edu/cando/index.jsp?fPage=nei_snapshots)

\* % = percent change in population since previous decade

\*\* % = percent change in population from 1960 and 2010 numbers

\*\*\* Not in First Suburbs Consortium, but population over 5,000 in 1960 and directly borders the City of Cleveland.

From 2005 to 2010, the Great Recession and a tsunami of mortgage foreclosures aggravated this population loss and outmigration. With the City of Cleveland as the epicenter, the housing market decline and foreclosure shockwaves have now spread to many of the adjacent suburban cities, transforming what was once just a municipal problem into a regional one. The cumulative weight of these socio-economic disasters has left the region with thousands of vacant and abandoned properties.

Cleveland's decline mirrors the dynamics of cities confronting the challenges of rebuilding from natural disasters, such as hurricanes and tornados. Instead of an acute cause, chronic economic forces have driven Cleveland's steady population losses. Yet the pace and concentration of vacancy and abandonment are uneven throughout the city and the region. Some of Cleveland's neighborhoods have remained stable and a few have begun to thrive. First-tier suburban cities such as Shaker Heights and Cleveland Heights, once immune to vacant housing, have caught the contagion from the foreclosure crisis, although they remain stable overall.

Cleveland's vacant property story offers a new context for exploring the resiliency of communities. The City, County, and several first-tier suburban cities have implemented a number of strategies as they adapt to the challenges created by the vacant property and foreclosure crisis. Most significantly, the nonprofit community and local government officials have collaborated closely for more than a decade to devise an impressive menu of policy innovations and create a systematic, shared focus on every phase of the vacant property policy cycle, from vacancy prevention to stabilization to acquiring and transferring vacant properties, plus connections to plans and community-based visions for the sustainable reuse of vacant properties. The region is currently eight years into these comprehensive efforts. As with any long-term effort in complex regions, the work to regenerate Cleveland and reclaim vacant properties takes place within a dynamic environment that is affected by changes in real estate values, economic trends, shifts in the status of properties, and evolving organizational objectives, staffing, and the commitment of resources.

Although not formally cited, many sections within the case study rely on the first-hand experience of principal author Joseph Schilling, who worked directly with many of the local policymakers, practitioners, and community leaders over the past ten years as they engaged with key questions and approaches to reclaiming vacant properties. Since co-authoring the National Vacant Properties Campaign's report, *Cleveland at the Crossroads*, Schilling has facilitated dozens of meetings and strategic planning sessions, made numerous local and national presentations about Cleveland's efforts, led a study tour of graduate students, and served as the lead investigator and interviewer for this case study.

Cleveland's efforts highlight the value of ongoing networks of people who collaborate across sectors and jurisdictional boundaries. The essence of the Cleveland case is not so much its "back story" as an industrial city that has continued to cope with population loss, but rather its "middle" story about how a group of managers, directors, nonprofit leaders, public officials, and civic groups—supported by key local universities and foundations—shifted the community mindset from reactive interventions to dynamic, enduring reforms of state and local vacant property policies and programs. These individuals chose to collectively bring discrete and sometimes disconnected policy, planning, and program elements into a more cohesive, interconnected, and resilient system for reclaiming vacant properties. As the region's "policy innovators," they chose to go beyond the confines of their previous, individual roles or practices by forming Cleveland's Vacant and Abandoned Properties Action Council (VAPAC) to carry out this collaborative work.

## Notes

1. Richard Florida, "The Rush to Resilience: 'We Don't Have Decades until the Next Sandy,'" Atlantic Cities, Place Matters, 9 Nov. 2012, Accessed 3 Mar. 2013, <http://www.theatlanticcities.com/jobs-and-economy/2012/11/building-resilient-cities-conversation-andrew-zolli-and-jonathan-rose/3839/>.
2. Margaret Cowell, "Bounce Back or Move On: Regional resilience and economic development planning," Cities, Vol. 30 (February 2013): 212-222. Elsevier. DOI at <http://dx.doi.org/10.1016/j.cities.2012.04.001>.
3. U.S. Bureau of the Census 1960/1970 Decennial Census, at [http://www2.census.gov/prod2/decennial/documents/1970a\\_oh1-01.pdf](http://www2.census.gov/prod2/decennial/documents/1970a_oh1-01.pdf); 1980 Decennial Census, at [http://www2.census.gov/prod2/decennial/documents/1980/1980censusofpopu80137un\\_bw.pdf](http://www2.census.gov/prod2/decennial/documents/1980/1980censusofpopu80137un_bw.pdf); 1990 population figures via NEO CANDO; 2000/2010, at [http://NEO.CANDO.case.edu/cando/index.jsp?tPage=nei\\_snapshots](http://NEO.CANDO.case.edu/cando/index.jsp?tPage=nei_snapshots). All accessed 3 September 2013.



# introduction

Cleveland has the dubious distinction of being among the first of many industrial cities to show signs of real distress in the mid-20th century—as well as now being a trail-blazer among its peers in its collaboration to reestablish itself as a robust, resilient city and region that can withstand future changes. Dramatic population shifts and a steady exodus of residents began with the loss of manufacturing jobs and major industries in the 1960s, further fueled by a mix of suburban sprawl, racial tensions, and poor schools. Racial tensions in 1968 led to rioting and further conflict that accelerated a growing exodus of middle-class residents to the suburbs in the 1970s and 1980s (See again Table 1 on page 5). The loss of economically strong middle-income households led to abandonment and deterioration of hundreds of homes and buildings (Figure 3).



**FIGURE 3. Cleveland's devastating population loss during the last half of the 20th century created thousands of vacant homes and shuttered commercial areas.**

Sources: Joseph Schilling

Cleveland's initial responses to population loss and neighborhood distress in the 1960s were led by a strong citywide network of community development corporations that grew from the community organizing and civil rights movements. Using City resources (primarily CDBG funds) and later local foundation grants, virtually every political ward in Cleveland established a CDC that developed affordable and market-rate housing projects (single and multifamily) and engaged low-income residents in a variety of community actions. Cleveland adopted one of the nation's first land banks in 1976 to acquire and immediately transfer vacant parcels to supply the CDC housing machine. During the 1980s, former mayor and later U.S. Senator George Voinovich focused his efforts on restructuring Cleveland's finances to save the city from bankruptcy. He followed the economic development strategies of cities like Chicago, Boston, and New York—the "Come Back Cities," as they were dubbed—by concentrating on downtown revitalization. Voinovich also focused resources on rebuilding the neighborhoods of Hough and Fairfax, which had been decimated by the urban riots of 1968. The next mayor, Michael White (1990-2002), continued the redevelopment renaissance of Cleveland through the building of new sports stadiums and the Rock and Roll Hall of Fame, with the goal of attracting tourists and finally making downtown Cleveland a national destination.

## In 2013...

### CLEVELAND

Nearly **16,000** vacant homes  
**8,300** may need demolition

### CUYAHOGA COUNTY

**26,000+** vacant properties  
**Unknown** number needing demolition  
**7,250+** new foreclosures in 2013 alone

### GOOD NEWS:

Cuyahoga County foreclosure filings were **down** from 10,182 in 2012.  
The foreclosure rate for 2013 is the **lowest in a decade**.

### BAD NEWS:

2013 foreclosure rate is still **double** the 1995 rate.

Despite a modest downtown revival, many residential neighborhoods continued to experience a steady outmigration of residents and increasing inventories of vacant and abandoned property. The CDC housing machine continued to develop as many as 750 new units of low- to moderate-income housing per year, even as older housing units were lost to vacancy and eventual abandonment. Subprime and abusive lending practices took root as early as 1995, and then exploded after 2000. The underlying problems of population loss, oversupply of new housing, and increasing vacancy in older housing stock were aggravated by wave after wave of mortgage foreclosures that turned a vacant property problem into a vacant property crisis, not only for Cleveland, but for Cuyahoga County and the entire region.

The cumulative weight of these socioeconomic disasters has left Cleveland second only to New Orleans in its rate of loss of population and property abandonment since 2000.<sup>1</sup> Even among peer cities that face similar challenges, Cleveland is struggling. The city ranks 15th among 18 post-industrial cities that were examined by the team of Alan Mallach and Lavea Brachman in 2013, with pronounced challenges in almost all areas measured, including educational attainment and employment, crime rate, and a depressed housing market.<sup>2</sup> September 2013 estimates suggest that nearly 16,000 vacant properties and 8,300 abandoned nuisance properties exist within the City of Cleveland, and over 26,000 vacant properties exist within Cuyahoga County, with 10,182 new foreclosure filings reported in the County for 2012. There is light at the end of the tunnel, as recent figures project only 7,268 foreclosures by the end of 2013 if current trends continue. This will represent the fewest new foreclosures in the Cleveland region in 10 years. The figure remains double the rate of foreclosures before the crisis began in 1995, however.<sup>3</sup>

Average home prices appear to be stabilizing and perhaps recovering slowly, in “two steps forward, one step back” fashion. Prices are still nowhere near the highs of 2006. The average home price [excluding Sheriff Sales] as of January 2012 in the City of Cleveland was lower than in 2000.<sup>4</sup> Many of these vacant properties became poorly maintained as property owners walked away and lending institutions initially had trouble tracking their expanding inventories of REO (real estate owned) properties. As these properties remained open and exposed to the elements, some for months and even years, they suffered structural deterioration and vandalism that makes future rehabilitation more costly and sometimes cost-prohibitive—thus saddling the local governments with the primary responsibility for demolishing thousands of vacant homes without sufficient resources from the federal government or neglectful financial institutions and flippers. Such a pernicious cycle of abandonment dramatically diminishes the value of the remaining, more viable buildings and neighborhoods in Cleveland.



**TABLE 3. All Sales in Cleveland and Cuyahoga 2000-2012, Excluding Sheriff Sales**

mean	2000	2001	2002	2003	2004	2005	2006
Cleveland city	\$66,808	\$70,036	\$73,699	\$78,668	\$79,752	\$82,631	\$78,766
Cuyahoga	\$127,395	\$129,856	\$136,078	\$142,355	\$144,184	\$147,689	\$146,171
mean	2007	2008	2009	2010	2011	2012	
Cleveland city	\$60,941	\$37,385	\$39,191	\$42,340	\$41,673	\$43,362	
Cuyahoga	\$136,810	\$103,323	\$105,721	\$118,738	\$112,632	\$115,266	
median	2000	2001	2002	2003	2004	2005	2006
Cleveland city	\$65,800	\$70,000	\$74,000	\$78,000	\$80,000	\$85,000	\$82,000
Cuyahoga	\$104,000	\$108,000	\$112,000	\$118,000	\$119,000	\$120,000	\$119,000
median	2007	2008	2009	2010	2011	2012	2006
Cleveland city	\$50,000	\$14,880	\$17,500	\$23,000	\$23,800	\$25,000	
Cuyahoga	\$110,000	\$76,000	\$81,700	\$89,900	\$78,170	\$81,000	

Source: Frank Ford, "Foreclosure and Vacant Property Trends in Cuyahoga County 1995–2013 Updated as of August 31, 2013, with Foreclosures Projected through December 31, 2013." Cleveland: Thriving Communities Institute, September 22, 2013.

## Policy Responses

Nonprofits, public officials, and local foundations have forged strong partnerships to respond to each wave of abandonment (Figure 4). In 1976, Cleveland created the nation's first residential property land bank program. Ten years later, the City chartered a special Housing Court as a division of its Municipal Court, and then became a pioneer in the use of state receivership legislation. By the turn of the 21st century, it became clear that Cleveland needed all the creativity and resourceful thinking these partnerships could afford, if it was ever to move beyond the continued downward spiral of vacancy and disinvestment.

A pressing concern was the need to share and leverage information about vacant properties. No one knew how many vacant properties existed within the City of Cleveland. No single place could provide important real property information such as chains of title, foreclosure cases, or property ownership. Neighborhood Progress, Inc., a community development intermediary, gained the support of the Cleveland Foundation and Enterprise Community Partners to enter into a partnership with the Center on Urban Poverty and Community Development at Case Western Reserve University. Together, these partners expanded the Northeast Ohio Community and Data for Organizing (NEO CANDO) into a countywide real property information system that helps local governments and community development corporations strategically target and tailor different types of vacant property interventions—from acquisition to enforcement actions.

Enforcement became especially key in the face of the rising tide of absentee and REO owners during the past decade. In the classic sense of David vs. Goliath, Neighborhood Progress, Inc. has tried a myriad of different legal strategies against global financial institutions, such as Deutsche Bank and Wells Fargo. County, city, and suburban leaders mounted an effective campaign in Columbus to reform outdated municipal tax foreclosure procedures for abandoned properties and permit counties to charter quasi-public land reutilization corporations (a.k.a. land banks) to acquire and manage vacant properties.

In 2004, Neighborhood Progress, Inc. (NPI) engaged the National Vacant Properties Campaign in a broad-based inquiry and set of recommendations that was published in 2005 as *Cleveland at the Crossroads*. The findings of this report complemented and enhanced NPI's exploratory work to collaborate on development of a state-of-the-art regional real property information system (NEO CANDO), as well as its push for repair of the City's code enforcement program.

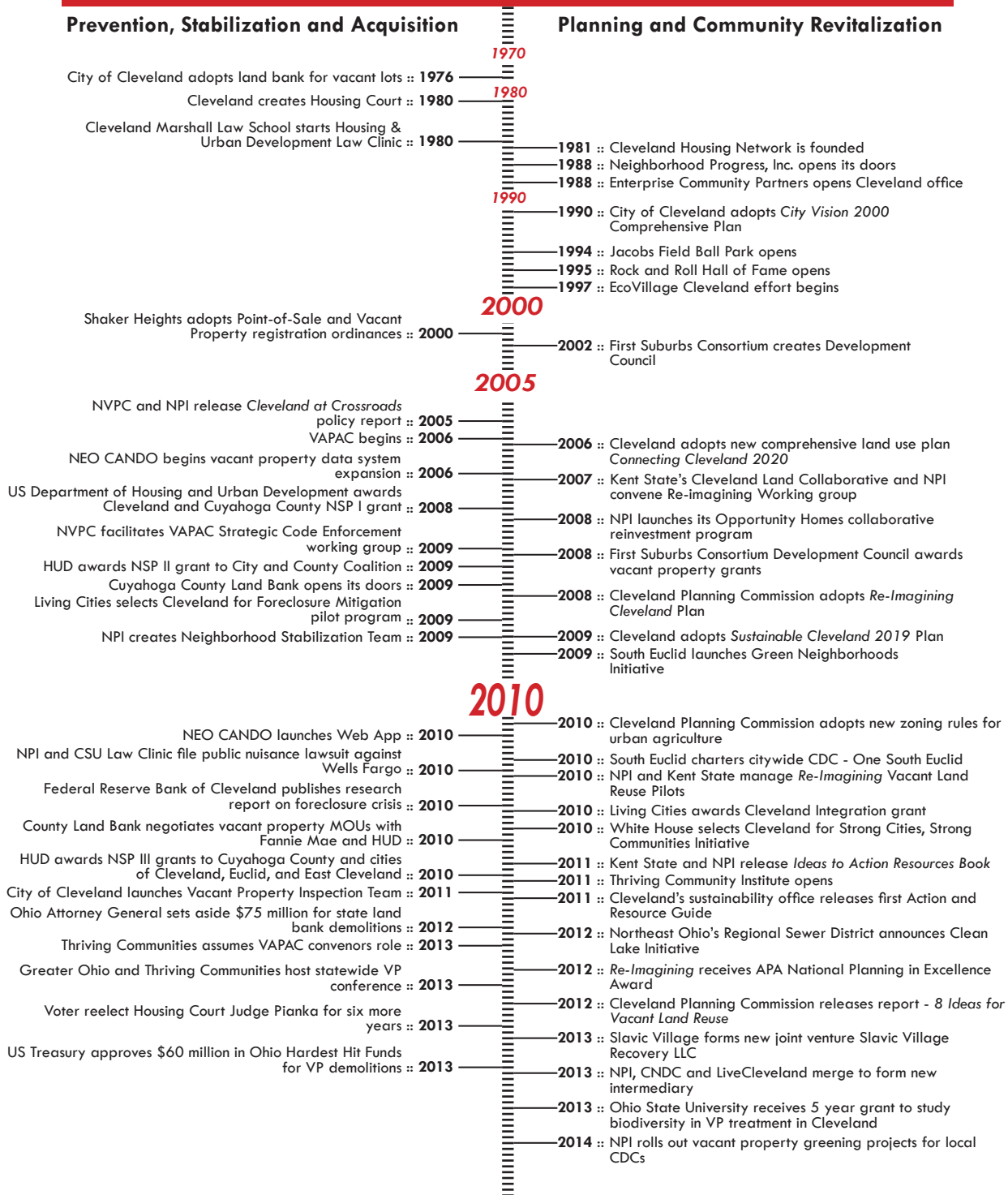
**Communities must simultaneously address the prevention, abatement, and acquisition of vacant properties while also planning for their temporary and permanent reuse.**

The most enduring legacy of *Cleveland at the Crossroads* was its recommendations for a multi-agency coordinating council which eventually led to the formation of the regional Vacant and Abandoned Property Action Council (VAPAC) to facilitate collaborative policy development and information sharing among municipal, county, and community leaders. With support from VAPAC, in 2008 former County Treasurer Jim Rokakis championed state legislation authorizing the Cuyahoga County Land Reutilization Corporation (e.g., the county land bank).

As the VAPAC and its allies focused on reforming different vacant property systems, planners, designers, and nonprofits began to ask important questions about what to do with all of the vacant land. Having lost nearly half of their population, many Cleveland neighborhoods had an oversupply of buildings, especially single-family homes. The Cleveland Urban Design Collaborative (CUDC), an outreach division of the College of Architecture and Environmental Design at Kent State, began to map the underlying natural resources of Cleveland's urban environments with the goal of identifying opportunities for reusing vacant lots more sustainably. In partnership with NPI, the CUDC's pioneering work led to the Re-Imagining a More Sustainable Cleveland initiative along with pattern books and special reports that offer a menu of ideas for the sustainable reuse of vacant land for green infrastructure, renewable energy, and urban agriculture. These strategies illustrate the complexity of the problem—that communities must simultaneously address the prevention, abatement, and acquisition of vacant properties while also planning for their temporary and permanent reuse.

The Greater Cleveland experience reinforces the notion that each neighborhood faces a different set of challenges. The diversity of community needs across the region demand that policymakers and practitioners tailor their menu of policy, planning and design strategies. Cleveland's vacant property story is one of resilience, innovation, and commitment to both preventing and reclaiming vacant properties. Cleveland's policy innovators, with strong support from community development intermediaries and local foundations, continue to refine and reinvent their policies and programs with the ebb and flow of vacant property waves.

## Cleveland's Vacant Property Programs and Initiatives



**FIGURE 4. Timeline of Actions Related to Vacant Property Policy Change in Cleveland**

Source: Metropolitan Institute at Virginia Tech

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# the cleveland context

## The Need to Respond to Successive Waves of Disinvestment & Property Abandonment

### Cleveland's Vacant Property Profile

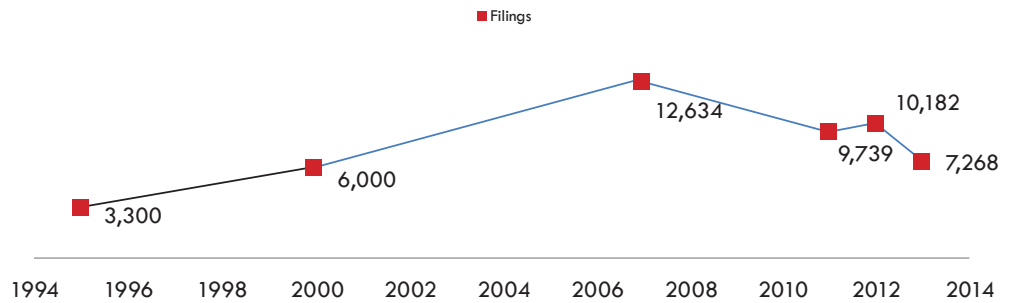
Aging housing stock, poor job and housing markets, sprawl, and racial tensions drove Cleveland's abandonment crisis for decades. By 2000, foreclosed and abandoned homes were a top priority for Cleveland and Cuyahoga County. The nation's foreclosure crisis came early to Cleveland in the late 1990s, with property speculators and flippers taking advantage of weak regulatory systems and rising property values. By early 2003, Cleveland's inner city neighborhoods were the prime target for many subprime and predatory lenders.

Estimates vary about the current number of vacant properties in Cleveland and Cuyahoga County. City officials believe there are roughly 8,300 abandoned houses in Cleveland (properties deemed condemnable and likely demolition candidates), and nearly 16,000 total vacant homes.<sup>1</sup> According to the Cleveland City Planning Commission, 3,300 acres (close to 8 percent) of land is vacant in Cleveland.<sup>2</sup> Another sobering fact is that the decline of home values in Cleveland and Cuyahoga County has made it financially infeasible to allocate resources for traditional housing rehabilitation—an activity that has been the hallmark of Cleveland's extensive CDC network. In roughly a six-year period, the average price of homes declined 23 percent in the County and 43 percent in the city of Cleveland from the period of 2006 through 2012.<sup>3</sup>

When it comes to brownfields (typically commercial or industrial sites that have, or are perceived to have, contamination) a 2009 joint report by the City of Cleveland and Cuyahoga County estimated a minimum of 4,600 acres of brownfields throughout the county, the predominance of which is in Cleveland. An imposing 40,000 developed acres in Cuyahoga County have been devoted to industry at some point, some of it still in active use. In other words, 14 percent of the County's land area could be subject to perceived or actual need for remediation before redevelopment at some point in its lifecycle.<sup>4</sup> Although industries and jobs have stabilized and some sectors such as energy and bio-medical technology are experiencing growth, the decades of population loss present a challenge to employers seeking qualified workers. In turn, many Cleveland residents are still isolated economically because of lack of skills. Cleveland's poverty rate is the one of the highest the country, second only to that of Detroit. Much of the worst unemployment and under-education are located in Cleveland's Central neighborhood, an area of rich history but burdened by a stunning poverty rate of 65 percent, with a high percentage of people under the age of 18 (40 percent of the area's population in 2000).<sup>5</sup>

Figure 5 shows the trajectory of mortgage foreclosure filings in Cuyahoga County from 1995 to 2013. The County and the City of Cleveland led the country in foreclosures even before the mortgage crisis spread nationwide.<sup>6</sup> Most of these foreclosures culminated in the banks taking these properties back at Sheriff Sale into their Real Estate Owned (or REO) inventories. The banks, faced with mounting liability from these REO properties, began off-loading them to absentee speculators at bargain-basement prices. From 2007 to 2010, local officials in Cleveland saw another wave of distressed properties as many of these out-of-state investors and their shady business operations ignored local housing codes and code enforcement. While several of these investors were eventually convicted of fraud, and dozens of others were fined by the Cleveland Housing Court, their speculative property practices destabilized many of Cleveland's distressed neighborhoods.

**Cleveland's  
poverty rate is the  
one of the highest  
the country,  
second only to that  
of Detroit.**



**FIGURE 5. Mortgage Foreclosure Filings in Cuyahoga County, 1995-2013**

Source: Reproduced with permission from Frank Ford, "Foreclosure and Vacant Property Trends in Cuyahoga County 1995–2013 Updated as of August 31, 2013, with Foreclosures Projected through December 31, 2013." Cleveland: Thriving Communities Institute, September 2013.

**As foreclosures also rose in historic suburbs closer to the civic core, there was even an alarming rise in foreclosures on the outer edges of the region.**

In light of Cleveland's weak housing market, many of these bank REO and speculator-owned houses remain vacant indefinitely, a situation that leads to vandalism, further decline, and devaluation of neighboring properties. Another fallout from the foreclosure crisis is that some bank mortgagees do not finish the mortgage foreclosure actions they have initiated. Instead, they literally walk away from these low-value, often underwater properties.<sup>7</sup> Even if they have filed the foreclosure papers, no federal or state law presently requires the lending institution to complete the foreclosure process by taking the property to Sheriff Sale, thereby leaving the property in a type of legal limbo.

The shock waves from the mortgage crisis will continue to reverberate throughout Cleveland and its suburbs for years. As foreclosures also rose in historic suburbs closer to the civic core, there was even an alarming rise in foreclosures on the outer edges of the region, in communities that have continued to consume land and attract jobs away from the city—an unprecedented 34 percent increase in outer-suburb foreclosures within from 2007 to 2012. The foreclosures peaked more recently in the outer suburbs than in the Cleveland region overall. They have also fallen in 2013, to 1,696.

## Policy Problems and Responses to Waves of Vacant Properties

State and local policies or limitations of capacity often present barriers to effective vacant property prevention, abatement, and reclamation strategies. Fragmented data systems—covering different aspects of real property with little or no coordination—make it difficult to identify emerging trends across data points or chart maps that can explain spatial impacts. In fact, as Professor Kermit J. Lind points out, simply collecting the right data is a challenge:

*Keeping an accurate, current count of abandoned vacant dwellings is not within the capacity of housing officials. Postal vacancy records, public utility records, code enforcement citations, and counting by community volunteers walking their neighborhoods are the types of counting tools used, but none of them are precise or reliable. Moreover, the count is not constant for even one day.<sup>8</sup>*

**As cities seek to test innovations they are finding their local land use regulations must be revisited to support such new uses.**

Without glossing the limitations of these disparate data sources, the collaborative network of academics and practitioners in Cleveland has done an enviable job of making them more robust tools in the work of property reclamation. Nonetheless, other challenges remain, outside of information gathering. Local ordinances and regulations need to be updated to align with Cleveland's current status and possibilities for change. Zoning remains focused on "old-style" commercial and residential development, and are not flexible enough to address the vacant property problem in a comprehensive or creative way. The City needs the support of a statewide regulatory framework that supports the rehabilitation of existing structures, efficiency in demolition or deconstruction approaches when necessary, and tools for strategically assembling parcels of vacant land for uses that reflect a wider range of possibilities beyond "build it/rebuild it and they will come" paradigms. As cities seek to test innovations such as commercial-scale urban agriculture, wetland reclamation, urban forestry, and water management, they are finding their local land use regulations must be revisited to support such new uses.<sup>9</sup>

Underlying these policy obstacles is a general lack of local government legal authority, as many state legislatures typically restrict the powers of local government, even those powers necessary to abate vacant and abandoned properties. Inspection and code enforcement programs lack sufficient resources to respond more strategically to the changing property market dynamics. One regrettable result of these realities is the personal discouragement of compliance enforcement officials, those whom Lind calls "the first responders":

*I find in the literature on code compliance enforcement very few examples that adequately convey the frustration, cynicism, and despair I have found in many of those who are seriously committed to code compliance and safe, secure neighborhoods.<sup>10</sup>*

## Scale of the Foreclosure Challenge

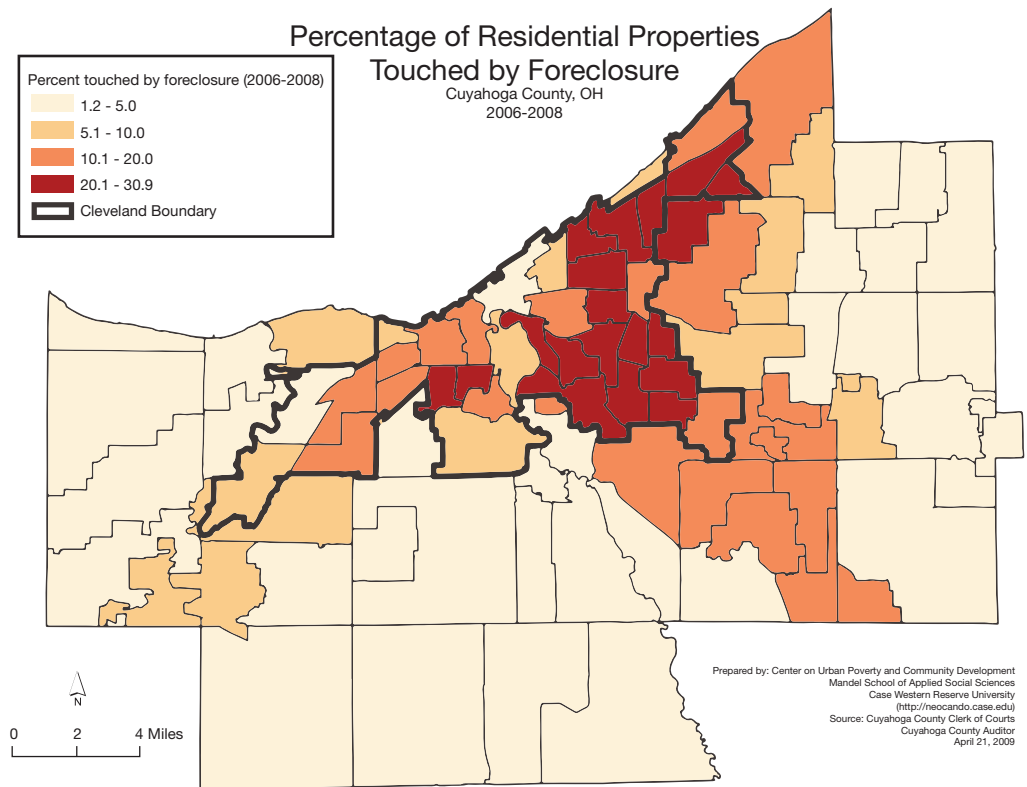
Despite a strong network of CDCs, active support from the philanthropic community, and other features of strong civic support, Cleveland found itself wholly unprepared for the waves of disinvestment triggered by predatory lending and foreclosures that hit the city and eventually the region between 1995 and 2007. What happened, and how was Cleveland to find its way back?

In 2010, the Federal Reserve Bank of Cleveland published another hallmark report, *Facing the foreclosure crisis in greater Cleveland: What happened and how communities are responding?* that explored the extent of the foreclosure crisis throughout Cuyahoga County and adjacent communities. The report found that the number of foreclosure filings in Cuyahoga County quadrupled between 1995 and 2007, completely overwhelming the court system's ability to deal with the problem. At one point it was taking up to five years for a foreclosure case to move through the courts.<sup>11</sup>

The typical methods for dealing with mortgage delinquencies, foreclosures, vacancies, and abandoned properties were no match for the housing market crash. According to the report, "the volume of delinquent loans, foreclosures, and vacant, abandoned, and real-estate-owned (REO) properties in Northeast Ohio markets quickly overwhelmed the region's existing resources, creating a crisis situation for many communities."<sup>12</sup>

**Speculation in post-foreclosure transactions destroyed streets and whole neighborhoods throughout the city, and especially on the East Side.**

This created a significant downward spiral. Deteriorating foreclosed properties sat abandoned and in turn attracted vandals, lowered neighboring property values, and reduced property tax revenue. There was a real need to expedite the foreclosure process for vacant, distressed properties, prevent further foreclosures, and productively reuse foreclosed properties in a quick and efficient way that would benefit the entire community. However, banks misjudged the market value of the homes they foreclosed on, and over-anticipated demand by private buyers (both individuals and investors). The system they had in place was not suited to the accumulation of hundreds of vacant REO properties that could not realistically serve as collateral for the defaulted loans. As a result, banks sold off many of these properties in bulk sales to speculators. Most of these REO properties then sat vacant, resulting in further decreases in market value for them and adverse impacts on the value of occupied houses near them. In 2000, REO properties were purchased for about 75 percent of their previous estimated market value, but by 2007, they were selling for 44 percent of their estimated market value.<sup>13</sup> On Cleveland's East Side, houses were selling for only 13 percent of their original value by 2009, often for less than \$10,000.<sup>14</sup> Speculation in post-foreclosure transactions destroyed streets and whole neighborhoods throughout the city, and especially on the East Side (Figure 6).



**FIGURE 6. Residential Properties Touched by Foreclosure 2006-2008, Cuyahoga County, Ohio**

Source: Center on Urban Poverty and Community Development. April 2009. Cited by Policy Link in "Cleveland: Foreclosure Recovery and Prevention in Six Neighborhoods." At [http://www.policylink.org/site/c.lk1XlbMNIrE/b.5287941/k.4A41/Case\\_Study\\_Cleveland.htm](http://www.policylink.org/site/c.lk1XlbMNIrE/b.5287941/k.4A41/Case_Study_Cleveland.htm). Accessed October 24, 2013.

While there was a desire by some nonprofit organizations to acquire these foreclosed properties to make them viable again, it became impossible to do so. Even after acquiring blighted properties, a lack of financing dedicated to rehabilitation or demolition prevented nonprofit developers in Cleveland and Cuyahoga County from coping with the intolerable level of new vacancies. The demand for housing of that type in those neighborhoods was so weak that houses could not be sold for an amount that would come close to the costs of rehabilitation.



## Speculators and REO Bulk Purchasers: “A Cancer Was Taking Root.”

By 2003 Cleveland was on its way to becoming “ground zero” for the nation’s foreclosure crisis after waves of predatory/subprime lending, fraudulent mortgages, and risky real estate ventures swamped its most vulnerable neighborhoods. Many first-tier suburban cities, such as Garfield Heights, Maple Heights, South Euclid, Warrensville Heights, Cleveland Heights, East Cleveland, and Euclid, saw significant numbers and concentrations of vacant and foreclosed properties. With property values at all-time lows, Cleveland and its first-tier suburbs then confronted a new wave of vacant property problems driven by out-of-town speculators and lending institutions walking away from low-value homes. The conduct of these actors, together with the cumulative impact from decades of job and population losses, threatens the viability and stability of many neighborhoods and undermines millions of dollars in homeowner and community development housing investments. As recalled by Frank Ford, who was then Neighborhood Progress, Inc.’s senior vice president and is now Senior Policy Advisor for the Thriving Communities Institute,

*... while great strides were being made to revitalize neighborhoods and stimulate neighborhood housing markets, while new housing starts were increasing, while private developers seemed to have re-discovered neighborhood markets once abandoned, while new homebuyers were rediscovering the attraction of city living.....a cancer was taking root. That cancer, which first emerged around 1995 but has since grown quietly and steadily, was a growing network of mortgage brokers, mortgage lenders and investment banks engaged in irresponsible mortgage lending and investing.<sup>15</sup>*

As more homes went through foreclosure, more properties became vacant for longer, becoming easy targets for vandals, theft, and hideouts for drug users, dealers, and criminals to prey on the neighborhood.<sup>16</sup> For the first-tier suburban communities, the recent increase in the percentage of vacant properties reflects the decline in regional housing market brought on by the spread of the mortgage and foreclosure crisis to more affluent neighborhoods. Failed and nonperforming loans became more likely to be prime loans held by middle-class borrowers whose jobs have permanently disappeared.

Countywide analysis by NEO CANDO (The Northeast Ohio Community and Neighborhood Data for Organizing) not only indicates the vacant property and foreclosure numbers and trends, it reveals patterns of new institutional and investor ownership and property management that dramatically change the code enforcement dynamic; their work also illustrates the geography of vacancy and abandonment in certain neighborhoods and spreading to adjacent and even farther-flung suburban communities (Figure 7).

**Figure 7. Cleveland's vacancies have spread to its suburbs.**

Source: Joseph Schilling

## 2005: Cleveland at the Crossroads

As the pressure to address the scale and impacts of vacancy mounted for both Cleveland and Cuyahoga County, the two levels of government faced similar policy and program barriers to effectively halt and prevent the problem. In the early and mid-2000s, several initiatives and interventions were underway to identify and diagnose the key policy challenges and provide solutions for dealing with them. Perhaps one of the most instrumental was the National Vacant Properties Campaign's 2005 *Cleveland at the Crossroads* report.<sup>23</sup>



Neighborhood Progress Inc. (NPI), the citywide intermediary for Cleveland's CDCs, acted decisively when it invited the National Vacant Properties Campaign to assess the vacancy issue in Cleveland and to identify policy and procedural gaps, as well as opportunities for greater effectiveness. During 2004, the Campaign's assessment team met with over 50 different individuals representing key stakeholders involved with Cleveland's vacant property programs and policies, such as City council members, department directors, community development corporation (CDC) directors, intermediaries (e.g. LISC, Enterprise, NPI, the Cleveland Housing Network), bankers, and foundation officials.<sup>24</sup>

In June 2005, the National Vacant Properties Campaign released its first comprehensive vacant property assessment report, [Cleveland at the Crossroads](#), before an audience of nearly 100 local community stakeholders. This was the first time an organization with vacant property expertise comprehensively identified and assessed the key vacant property challenges, and offered recommendations and solutions for dealing with the issues.

The report's recommendations revolved around five major themes:

- Defining and Documenting Cleveland's Vacant Property Challenges
- Changing the Ground Rules for Owners of Vacant and Nuisance Properties
- Increasing the Property Acquisition and Redevelopment Pipeline by Building CDC Capacity and Strengthening Public-Sector Tools
- Developing Property Information Systems
- Building a Comprehensive, Coordinated Vacant Property Action Plan

The report found that fragmentation of governmental authority and responsibility, coupled with a lack of adequate property information systems, outdated ordinances and regulations, little to no inspection and code enforcement, and the absence of a support system to prevent abandonment and preserve property, contributed to the heart of the problem.<sup>25</sup> For example, budgetary constraints severely hindered Cleveland's inspection and code enforcement system. Homes would remain vacant for years before initial inspection, and would continue to remain vacant for several additional years before they were slated for rehabilitation or demolition. The absence of an enforcement system and the absence of a credible threat of abatement or demolition created little motivation for property owners to repair or maintain their property.<sup>26</sup> In turn, the lack of enforcement created real barriers for community development corporations and other organizations wishing to acquire and reuse these properties in a productive way that would add value to the larger community. The lack of enforcement also encouraged the "flipping" of vacant homes, or in other words property owners would do minor cosmetic repairs to the property

## TAKING THE BANKS AND FLIPPERS TO COURT

In the face of the devastation wreaked among Cleveland's neighborhoods by increasing incursion of speculators, out-of-town investors, and especially global banks in the real property market, the City of Cleveland and its nonprofit intermediaries took their cases to court. Many of these lawsuits were exploratory, testing new theories of liability, while others applied classic legal rules, such as public nuisance and real estate fraud, to the new business schemes and neglectful property management practices.<sup>17</sup>

In 2008, with assistance from the Cleveland Marshall Law School's Housing Law Clinic, Neighborhood Progress, Inc., brought civil suits against Deutsche Bank and Wells Fargo in their capacity as post-foreclosure owners of houses that the banks were failing to maintain, leading to nuisance conditions in violation of state and local laws. This negligence was, at that time, an all too regular business practice for bank owners of low-value properties.<sup>18</sup> Before they ended, these two suits resulted in demolition of nuisance houses at the banks' expense rather than public expense. In addition, seven Deutsche Bank mortgage servicers agreed to donate low value and condemned Deutsche houses to the NEO CANDO, and pay up to \$10,000 per house in cases where demolition would be required. Other cities, such as Cincinnati and Los Angeles, also brought similar suits against Wells Fargo Bank and Deutsche Bank, respectively.<sup>19</sup>

In 2011 the City of Cleveland brought a civil suit against 21 Wall Street financial institutions, alleging generally that their enterprises in financing, securitizing, marketing of securities, and related activities were done in violation of law, causing damages to the City and its residents. Cleveland sought redress for the blight and disinvestment caused by subprime loans and predatory lending as a violation of civil rights, fair housing, and equal protection under the federal and state laws. Although this case in Cleveland was dismissed before it reached the trial stage, it did become the basis for a documentary film and mock trial in *Cleveland versus Wall Street*.<sup>20</sup>

Since 2010, the City of Cleveland and the Cuyahoga County Prosecutors have filed criminal actions against several out-of-town speculators who flipped properties illegally, devised pyramid type investment schemes and falsified various real estate records as part of their multi-state business model. Names such as Mark Tow, Destiny Ventures, and Blaine Murphy have dotted the local headlines with news of high fines and prison sentences for illegal business practices involving vacant and foreclosed homes.<sup>21</sup> These cases have resulted in tens of millions of dollars in Cleveland Housing Court fines and numerous felony convictions in County Court for more than a dozen individuals.<sup>22</sup>

As a result of these cutting-edge civil and criminal actions, other cities have learned from the Cleveland experience and have applied similar legal theories to similar situations. With respect to the lending institutions, they fought these cases every step of the way, armed with large and well-resourced legal teams. However, as noted above, the plaintiffs eventually maintained or sold their inventories of vacant and foreclosed homes, but also included resources for demolition as part of the final settlement of the cases. As for the county's successful prosecutions of fraudulent real estate practices, it may seem too little to remedy the devastation caused by illegal property flipping, but perhaps these chief law enforcement officials are now better prepared to tackle new vacant property challenges on the horizon.

and flip the property to an unsuspecting homebuyer for an inflated price. In addition, repair and rehabilitation programs were often not integrated into the inspection and code enforcement process. Navigating the application process and eligibility criteria to access these programs also proved to be difficult for many responsible homeowners, particularly those with limited incomes and marginal credit; thus preventing them from holding onto and maintaining their properties.<sup>27</sup>

NPI and the Cleveland Neighborhood Development Corporation (CNDC) organized a series of policy roundtables throughout the summer of 2005 on the recommendations found in the report's five core areas. More than 200 vacant property stakeholders participated in these briefings. Immediately following the release of the report, former County Treasurer Rokakis announced a major policy initiative to reform the tax foreclosure process for vacant, tax-delinquent properties. NPI and CNDC then convened meetings among these and other County and City officials that subsequently evolved into an informal coordinating council. NPI, in collaboration with coordinating council participants, obtained grant funds from the Cleveland Foundation, the Gund Foundation and the Enterprise Foundation to sustain the coordinating council under the name of the Vacant and Abandoned Property Action Council (VAPAC).

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22. A May 26, 2010 article by Joe Guillen of *The Cleveland Plain Dealer* provides detail on the Housing Court's tactics with regard to absentee owners, including adjustments the Housing Court made to respond to an Ohio Supreme Court ruling against trying defendants in absentia. See, "Ohio Supreme Court rules against city of Cleveland in housing case," at [http://www.cleveland.com/open/index.ssf/2010/05/ohio\\_supreme\\_court\\_rules\\_again.html](http://www.cleveland.com/open/index.ssf/2010/05/ohio_supreme_court_rules_again.html).
23. Much of this section is based on the first-hand experience of Professor Joseph Schilling, later reviewed and revised with comments by members of the VAPAC.
24. Alan Mallach, Joseph Schilling and Lisa Levy. *Cleveland at the Crossroads* (Washington, D.C.: National Vacant Properties Campaign, 2005), <http://www.smartgrowthamerica.org/research/policy-analysis-vacant-properties/>
25. *Cleveland at the Crossroads*.
26. Ibid., 8.
27. Ibid., 5-9.



# the city and county approach

## Building a More Resilient System

In the early 2000s, Cleveland did not fully recognize the diversity of neighborhood types and the policy complexities of addressing a wide array of vacant property problems throughout the city. As a result, many CDCs were still building new infill housing in neighborhoods with increasing numbers of vacant properties. The City and its nonprofit partners spent little time considering neighborhood data in allocating resources or implementing community and economic development policies, programs, or projects. With the advent of the *Cleveland at the Crossroads* report in 2005, public and nonprofit leaders began to think more strategically about how to address the increasing numbers of vacant properties.

Cleveland and Cuyahoga County have spent nearly ten years developing dozens of policies and programs to address community impacts from vacant properties throughout the various stages of neighborhood transition and decline. Because many of these address multiple policy goals, they reach across the simple four categories set out in the table. By adopting and experimenting with such a wide array of policies and programs—those that prevent vacant properties and those that abate, secure, acquire, and reuse abandoned buildings and vacant lots—Cleveland is not only waging a more comprehensive vacant property campaign, but has put in place policy systems that can better adapt to ever-changing market dynamics and neighborhood conditions. The process of transforming individual policies into a cohesive system, however, takes time and the commitment and ingenuity of local policy entrepreneurs and advocates. The Cleveland case study offers a “front row seat” into the realm of vacant property policy change.

In keeping with the Resilient Vacant Property Policy Model discussed at the beginning of this study, the design and implementation of Cleveland’s vacant property policy system rely on two core elements: 1) the Vacant Abandoned Property Action Council (VAPAC), and 2) the NEO CANDO Regional Information System, housed at and managed by Case Western Reserve University. This vacant property policy model emphasizes that effective policy implementation requires data-driven decision making and regular vehicles for collaborative problem solving. Together NEO CANDO and VAPAC bind together and support many of the Cleveland-Cuyahoga region’s government and nonprofit leaders in the common cause of reforming and pilot testing new vacant property policies and programs. Although each program or project operates at different levels and capacity, developing a systems approach for reclaiming vacant properties ultimately increases the resiliency of the City of Cleveland and Cuyahoga County to address current problem properties, withstand further housing market shockwaves, and overcome new challenges of neighborhood distress.

**The process of transforming individual policies into a cohesive system, however, takes time and the commitment and ingenuity of local policy entrepreneurs and advocates.**

## Vacant and Abandoned Property Action Council (VAPAC)

Within weeks after the release of the *Crossroads Report*, NPI and the Cleveland Neighborhood Development Coalition (CNDC), with assistance from Cleveland State law professor Kermit Lind, convened preliminary meetings of local officials, nonprofits, and community groups to oversee the implementation of the report's recommendations. Eventually this group formed the greater Cleveland Vacant and Abandoned Property Action Council (VAPAC), now comprised of nineteen partners that work across city and suburban jurisdictions: City and County agencies, local community development agencies, and nonprofit organizations all have committed to work across institutional boundaries. The following statement was adopted by VAPAC in 2006 to describe its purpose:

*[VAPAC]...is composed of institutions, organizations and agencies that allocate resources and/or programming to address prevention and reclamation of vacant and abandoned property in Greater Cleveland. The purpose of the Council is to encourage collaboration and coordination of resources and programming among key institutions and organizations and to provide leadership on issues related to prevention and reclamation of abandoned property.<sup>1</sup>*

**A systems approach for reclaiming vacant properties ultimately increases the resiliency of the City of Cleveland and Cuyahoga County.**

Many of the past and current vacant property policy activities discussed throughout this report came through the VAPAC at some point for collaborative problem solving, collective action or general information sharing. A cadre of local elected officials and their staffs became regular VAPAC participants and contributors, such as former Treasurer Jim Rokakis and city councilmembers Tony Brancatelli and Jay Westbrook. These and other high ranking public officials and/or their staffs provide VAPAC with the institutional and sometimes political support for its proposed state and local policy reforms. VAPAC includes members from the following agencies and organizations directly involved in policies and programs affecting vacant and abandoned properties:

- **City government (elected and city departments):** Building and Housing, Community Development, Housing Court; Mayor's Chief of Staff, and two members of the City Council;
- **County government (elected and departments):** County Executive, County Treasurer, County Sheriff, County Prosecutor, Department of Community Development;
- **County-level governmental or quasi-governmental entities:** Cuyahoga County Land Reutilization Corporation, Cuyahoga County Foreclosure Prevention program;
- **Community development groups, community alliances, and intermediaries:** Enterprise Community Partners, Neighborhood Progress, Inc., Cleveland Neighborhood Development Corporation, and three representatives from the First Suburbs Consortium;
- **Federal Reserve Bank of Cleveland;**
- **Western Reserve Land Conservancy**, a conservation organization and home of the newly established Thriving Communities Institute (created in 2011); and
- **Ohio Attorney General – Cleveland office.**

In many respects, VAPAC provides the ideal vehicle for its core members—the upper or mid-level managers and directors from public agencies and nonprofits—to dissect problems with existing vacant property programs and identify potential changes to practice or state and local policy. At various times VAPAC has received support from the Cleveland Foundation, the George Gund Foundation, Enterprise Community Partners, Neighborhood Progress, Cleveland City Council, the County Land Bank, and the Charles M. and Helen M. Brown Memorial Foundation. Frank Ford, continues to chair VAPAC in his new capacity as Senior Policy Advisor at the Thriving Communities Institute.



VAPAC meets monthly to share information, discuss policy and programmatic problems, coordinate existing public and nonprofit programs, and collaborate on the region's vacant property challenges. Non-member guests also attend at times, for discussions of specific topics. VAPAC operates through topical "working groups" that meet between monthly meetings to further explore specific issues. As of February 2013, six working groups were meeting on an ad hoc basis to focus on the following topics: demolition funding and protocols; tax lien and forfeiture sales; code enforcement; REO disposition by mortgage servicing companies; judicial, administrative and legislative reforms; and the convening of an advisory group for a Harvard University study of REO investors.

Highlights of VAPAC accomplishments include:

- County adoption of VAPAC's tax lien procedure recommendations to reduce speculative investment and "flipping" of properties;
- HUD's and Fannie Mae's adoption of VAPAC's recommendation that low-value REO properties should be donated;
- Development of Mortgage Servicer Guidelines for responsible disposition of REO property;
- Development of Guidelines for municipal CRA [Community Reinvestment Act] agreements with banks; and
- Sponsorship of a Cuyahoga County-wide code enforcement summit on foreclosure and vacant property.<sup>2</sup>

VAPAC has also submitted recommendations to the Ohio Attorney General for strategic use of limited demolition funds, and developed a white paper briefing for the County Executive on foreclosure and vacant property issues.<sup>3</sup> VAPAC also played a role in the passage of the Ohio Land Banking legislation by organizing testimony before the Ohio House and Senate.

Behind the scenes, driving many of VAPAC's vacant property activities have been two noteworthy practitioners, Frank Ford and Kermit Lind. Former NPI Senior Vice President Frank Ford, who is now Senior Policy Advisor at the Western Reserve Land Conservancy's Thriving Communities Institute, has served as the primary catalyst for many of Cleveland's vacant property efforts. Early on, Ford recognized that the scourge of vacant properties was undermining the infill development gains of Cleveland's productive community development network. In light of these observations, Ford commissioned the NVPC's *Crossroads* report, which still serves as an informal policy blueprint for VAPAC. Ford has also done extensive policy research and development on receivership, vacant property registration ordinances, the NEO CANDO information system, and various foreclosure and anti-flipping strategies. Until 2012, Professor Kermit Lind led Cleveland State's Housing and Urban Development Law Clinic for over 16 years, providing legal analysis, representation, and policy strategy for many of Cleveland's innovative vacant property strategies, such as NEO CANDO, nuisance abatement litigation, and the County land bank. He is well known for his longstanding commitment to the proposition that financial institutions should be forced to comply with the same laws that apply to all homeowners and property owners. On behalf of a subsidiary of NPI, he and a private law firm filed the nuisance abatement litigation against Wells Fargo and Deutsche Bank that was referenced earlier in this case study. He has also brought or assisted with cases against other banks. Lind is also a national expert on code enforcement, nuisance abatement by receivership, and foreclosure law.

Through its eight-year history, VAPAC has benefited from technical assistance provided by Case Western Reserve University in obtaining vacant property data from NEO CANDO. Particularly instrumental in forming this partnership was Michael Schramm, a research associate and former analyst/programmer at the Center on Urban Poverty and Community Development at Case Western University. By evolving together, VAPAC and NEO CANDO have developed a close, symbiotic working partnership. Often VAPAC members, such as Lind and Ford, would identify problems, such as vacant REO properties, and Schramm would devise new reports and perhaps include new data sets so that VAPAC members could make stronger cases in support for changing state and local policies. Through these regular VAPAC meetings, Ford, Lind, and Schramm also launched new initiatives, such as NPI's Neighborhood Stabilization Team.

## Real Property Information Systems and Data-Driven Stabilization Strategies

As our vacant property policy cycle illustrates (page 2), establishing a comprehensive information system on the extent of the vacant property problem is an important step to facilitate the design and development of other vacant property policy and programs. Systematically compiling, maintaining, and updating real property data over time, and combining those data with data from existing public systems (e.g., water utility shutoffs, code enforcement cases, foreclosure filings, etc.) also lays the groundwork to:

1. create a functional network of real property information that includes different data sets from different entities;
2. enable more strategic implementation of existing and new vacant property tools based on the variety of neighborhood conditions and indicators; especially for those on the front-lines of neighborhood stabilization;
3. provide a vehicle for sharing relevant data with policymakers, agency directors, researchers, and community development corporations; and
4. facilitate coordination and collaboration across different local government departments and with nonprofits, community groups, local businesses, and foundations, thereby creating a cost-efficient way for policymakers, staff, and community groups to respond to the complexities of reclaiming vacant properties.

### Compiling and Synthesizing Data: The Northeast Ohio Community and Neighborhood Data for Organizing (NEO CANDO)

Case Western Reserve University's Center on Urban Poverty and Community Development is home to [The Northeast Ohio Community and Neighborhood Data for Organizing](#) (NEO CANDO), a free and publicly accessible web-based data system for use by academic researchers, community and economic development professionals, public officials, neighborhood activists, and general citizens. NEO CANDO started as CANDO in 1988. As the *Crossroads* report was released in 2005, NPI and Enterprise Community Partners had been working with Case Western Reserve University to expand and tailor the University's NEO CANDO data platform to cover vacant properties and the increasing impacts from the foreclosure crisis.<sup>4</sup> With resources from the Cleveland Foundation, they were already supporting a pilot parcel-based data system (ClevelInfo) but did not have the capacity to design and develop a more robust network of real property databases. A pivotal step in taking NEO CANDO to scale was the hiring of a full-time program manager (Michael Schramm) who worked closely with NPI and City and County officials to ensure NEO CANDO's capacity could report on the rapidly changing nature of the foreclosure crisis and vacant properties.

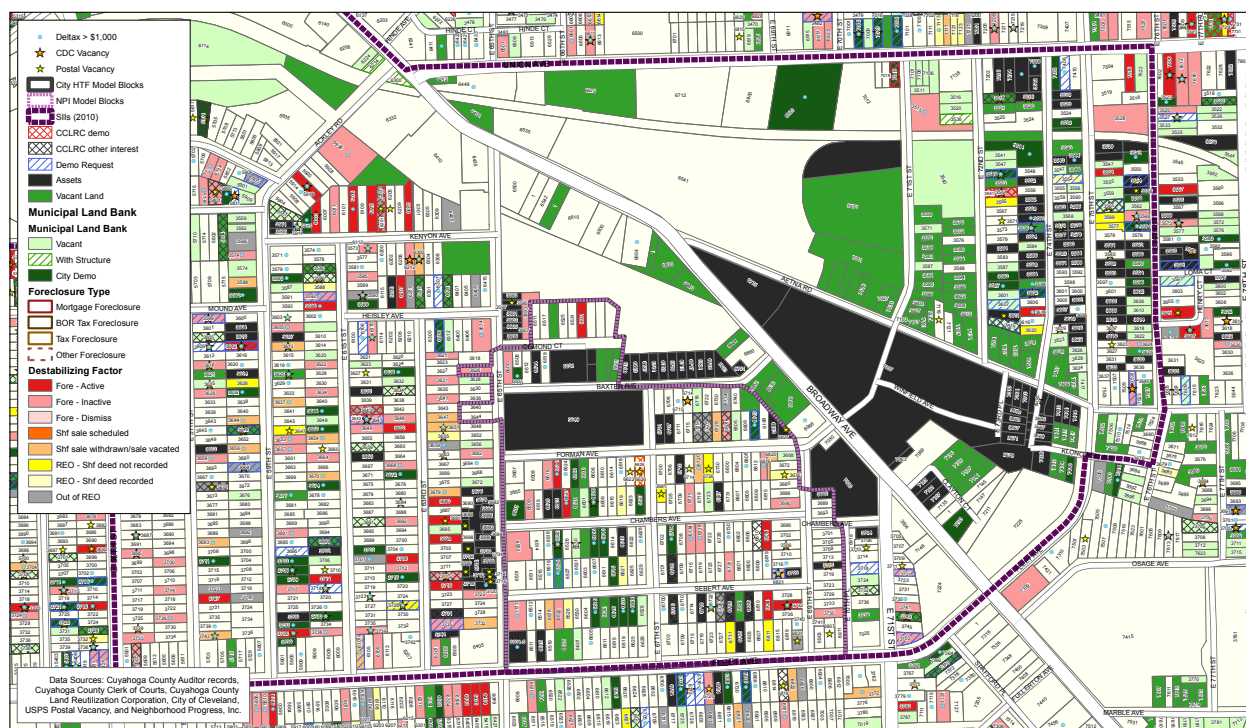
NEO CANDO now manages and disseminates real property data, indicators of neighborhood decline, and property abandonment for Cleveland and the 17-county Northeast Ohio region. It has grown from the earlier collaborative effort among the Cleveland Housing Network, Enterprise Community Partners, and Neighborhood Progress, Inc. that was supported by the Cleveland Foundation. Often referred to as the "one-stop-shop for identifying vacant and abandoned properties" and an "early warning system to provide a means for preventing more abandonment," NEO CANDO compiles property, social, and economic data from many different sources and links to data provided by public agencies in order to have the most recent data available. All of NEO CANDO's data are updated weekly with the exception of Census data. Data sources include:

- Census
- Crime data from the Cleveland Police Department
- Vital statistics from the Ohio Department of Health
- Property characteristics and sales information from the Cuyahoga County Auditor and Recorder
- Public assistance data from Cuyahoga County Employment and Family Services
- Juvenile delinquency data from the Cuyahoga County Juvenile Court

- Child maltreatment data from the Cuyahoga County Department of Children and Family Services
- Mortgage lending data (HMDA) from the FFIEC
- Enrollment and attendance from the Cleveland Municipal School District

Foreclosure prevention was one of NEO CANDO's early applications.

Users can access regionwide data, as well as data for specific counties, municipalities, or neighborhoods to examine population trends, poverty, employment, educational attainment, housing, crime, vital statistics, and a wealth of property information. The web-based system allows users to select specific data and generate tables, maps, and charts. The NEO CANDO Interactive Mapping tool allows web users to create downloadable images of numerous RPIS variables. Data can also be assembled in tables and charts (Figure 8).



Neighborhood Stabilization Team  
Slavic Village NST  
Sep 30, 2013

Center on Urban Poverty and Community Development  
povertycenter.case.edu • neocando.case.edu

### FIGURE 8. NEO CANDO Mapping Capacity

The Neighborhood Stabilization Team use the NEO CANDO Web App to create maps that integrate data on foreclosures, code enforcement violations, and other real property information for specific neighborhoods, such as this map for the Slavic Village neighborhood. The NST takes these block-by-block maps and works with local residents and CDC directors to devise action plans to strategically address vacancy.

SOURCE: "The Neighborhood Stabilization Team Web App: Democratizing Data in Cleveland, Ohio," Presentation to Strategic data Use to Stabilize Neighborhoods Conference, Federal Reserve Bank of Richmond, Baltimore, Maryland, Dec. 7, 2011. NEO CANDO, Center on Urban Poverty and Community Development, Mandel School of Applied Social Sciences (MSASS), Case Western Reserve University. At [http://www.richmondfed.org/conferences\\_and\\_events/community\\_development/2011/pdf/neighborhood\\_stabilization\\_team\\_web\\_app.pdf](http://www.richmondfed.org/conferences_and_events/community_development/2011/pdf/neighborhood_stabilization_team_web_app.pdf).

Beyond Cleveland, many communities across the nation turn to NEO CANDO for insights in designing and developing their own real property information networks. In addition to the actual data platform itself, NPI, Case Western, and other vacant property partners have launched a series of data-driven vacant property stabilization strategies that fed the evolution of subsequent versions of NEO CANDO.

## Learning from Neighborhood Applications—the Evolution of NEO CANDO

Building on the momentum of the *Crossroads Report* and the 2005 launch of NEO CANDO, NPI started to consider how it might leverage NEO CANDO's data to help it support several neighborhood initiatives. Foreclosure prevention was one of NEO CANDO's early applications.<sup>5</sup> Case Western University and NPI developed an early intervention pilot that took purchased proprietary data on subprime, high-cost, and adjustable rate mortgages and combined it with foreclosure filings and available vacant housing indicators (e.g. water utility usage data, vacant property surveys, and U.S. Postal vacancy data). By instituting this early warning approach, NPI and its partners could identify those homes most at risk of mortgage foreclosure and intervene with appropriate resources at the earliest opportunity.

NPI and Case Western worked closely with local CDCs in certain target neighborhoods and ESOP (one of the region's leading foreclosure prevention advocates) to undertake door-to-door canvassing in contacting borrowers identified as at risk for foreclosure. They also enlisted the help of then-County Treasurer Jim Rokakis, who provided targeted mailings, inviting at-risk homeowners to attend local community meetings where foreclosure counselors were present to assist.

**NPI's Strategic Investment Initiative:** In 2004 when NPI identified six target neighborhoods as part of its Strategic Investment Initiative (SII), it worked closely with Case Western staff to develop the market research and other baseline data that would be used to measure the program's impact over time. This research included a house-by-house survey of the six target neighborhoods using Palm Pilots to document housing conditions. Case Western integrated the results into a database and produced the first set of detailed maps illustrating property conditions, including the concentrations of vacant properties. Around this time NPI also began to work with Case Western staff to search for reliable proxies to identify vacant property. Starting with parcel data from the County auditor's office, Case Western moved on to collect and synthesize data on water utility shut-offs, building and housing code cases, and Sheriff's sales. These preliminary experiments applying CWRU's data expertise led NPI to formalize these early efforts into its Land Assembly Team.

**NPI's Land Assembly Team** (later known as NPI's Neighborhood Stabilization Team): With support from the Cleveland Foundation and the George Gund Foundation, NPI created a "land assembly team" of NPI staff and consultants to increase CDCs' capacity to acquire vacant property for redevelopment. The initial goal was to bring together a tactical team with legal expertise, GIS/real property information, and neighborhood intelligence to work with CDC directors and staff to develop Land Assembly Plans for key properties in NPI's six *Strategic Investment* neighborhoods. With equipment and surveyors paid for by NPI, and custom software provided by Enterprise, the effort launched in August 2004.

Between 2004 and 2008, as foreclosures and abandonment increased and neighborhood markets weakened, the focus of the team shifted more from acquisition for redevelopment to include other tactics for blight removal and stabilization. The team included a community development lawyer, Cleveland State legal intern, NEO CANDO data manager, and housing directors from the CDCs in the six target neighborhoods. The team was led former NPI Vice President Frank Ford, with support from Mike Schramm, then at CWRU, and former CSU Clinic Professor Kermit Lind. The team met on a rotating basis with each participating CDC. Based on the CWRU data and on-the-ground neighborhood intelligence, the team performed a block-by-block, parcel-by-parcel scan of problem properties to identify a course of action for intervening. Interventions could include direct acquisition but could also include nuisance abatement litigation, tax foreclosure, and demolition by the City or filing a code enforcement case in the Housing Court. More informal approaches were options as well, such as having the local CDC code officer contact the property owner/tenants and encourage them to address the problems. By taking this strategic approach, NPI and its CDCs could identify more effective and efficient resolutions to the problem properties.

**With resources from NSP grants, Case Western and NPI developed a simple online (web format), self-updating property information platform that could automatically harvest real property data.**

**NPI’s Neighborhood Stabilization Team:** As NPI expanded the number of neighborhoods within its Strategic Investment Initiative, it assisted County and City officials with their competitive grant application for NSP II resources. When HUD awarded Cleveland one of the largest NSP II grants, NPI’s Frank Ford began to examine how they could expand the land assembly team’s efforts to meet the growing demand. By 2009 land assembly was no longer the primary goal of this special tactical team—hence, the change in name to Neighborhood Stabilization Team and the refinement of its mission to “combine and leverage the talents, resources, experience, and neighborhood knowledge of NST members to develop strategic stabilization steps to combat foreclosure, vacancy, and blight as well as protect recent investments.”<sup>6</sup> With a core team of three,<sup>7</sup> along with technical and legal support from three consultants, the NST would meet quarterly with leaders from some 23 different CDCs, nonprofit neighborhood groups, and inner-ring suburban municipalities to find and prioritize destabilizing elements (properties or places) in light of their type, location, and severity. Based on the data and neighborhood intelligence, the NST team would identify options for intervention that address the destabilizing factors, build/protect neighborhood assets and maximize the stabilization impact.

**NST Web Application and NEO CANDO 2010+:** As the Neighborhood Stabilization Team expanded its block-by-block strategic evaluation of vacant properties to more neighborhoods, and with the rise in foreclosures, it was cumbersome for staff and CDC leaders to rely on hard copy spreadsheets. Furthermore, funders, County and City officials, and community development professionals increasingly needed local, individual property-level data. With resources from NSP grants, Case Western and NPI developed a simple online (web format), self-updating property information platform that could automatically harvest real property data. By gathering and placing all of the real property data from a multitude of sources in the “cloud” and subsequently linking it with Google parcel maps, the NST and CDC directors now have access to this data from any computer or mobile device (Table 4). In addition, to individual property data and mapping capabilities, the NST Web App also allows users to further refine, customize, and filter their search and analysis of the vacant properties.

**TABLE 4. Data Sources of the NST Web App**

Data Source	Data Type	Update Frequency	Method Obtained
Cuyahoga County Fiscal Office	Property Characteristics	Yearly	Cleveland State Levin College of Urban Affairs-transferred through CD
	Deed, mortgage, and other lien recordings	Weekly	Email transfer from Fiscal Office
	Tax billing file (tax delinquency, property values, tax abatements)	Monthly	Dropbox transfer from Cuyahoga Planning Commission
	Deed transfers	Weekly	Dropbox transfer from Cuyahoga Planning Commission
City of Cleveland Department of Building and Housing	City of Cleveland condemnations, violations, permits, and demolitions	Weekly	Dropbox file transfer
	City of Cleveland rental registry	Irregular	USB Drive
Cuyahoga County Court of Common Pleas	Foreclosure filings and court docket entries	Weekly	Screen Scraping
Cuyahoga County Sheriff’s Department	Sheriff’s sale information	Weekly	Screen Scraping
United States Postal Service	Vacancy	Every other month	DVD purchase from USPS data vendor
City of Cleveland Department of Community Development	Vacant and blighted survey	As conducted	Email
Cuyahoga Metropolitan Housing Authority	Section 8 vouchers (City of Cleveland only)	Irregular	Email from City of Cleveland Department of Building and Housing)
NEO CANDO	Programmatic data	Weekly	Email transfer
Neighborhood Progress, Inc. (NPI)	Programmatic data	Irregular	Various forms
Cuyahoga County Suburbs	Programmatic data	Irregular	Various forms
City of Cleveland community development corporations	Programmatic and vacancy data	Irregular	Various forms

Source: “Neighborhood Stabilization Team Web App,” Briefly Stated: Research Summary. Mandel School of Applied Social Sciences, Case Western Reserve University, No. 12-4, August 2012. At [http://blog.case.edu/msass/2012/09/13/Briefly\\_ Stated\\_No\\_12-04\\_NST\\_Web\\_App.pdf](http://blog.case.edu/msass/2012/09/13/Briefly_ Stated_No_12-04_NST_Web_App.pdf)

Since its launch in September 2010, the NST Web App has empowered NST, CDCs, and City/County staff to perform a range of analysis. With several geographic areas coded into the NST Web App, users can focus on particular CDC neighborhoods, compare trends across the city or throughout the county and most of the first-tier suburbs. With user authorization granted by NPI and Case Western Reserve, the NST Web App is now open for use by many others, such as researchers at the Cleveland Federal Reserve Bank or the Housing Court. A few examples of how entities use NEO CANDO's system and Web app include:<sup>8</sup>

1. selection of properties for the Re-Imagining a More Sustainable Cleveland side yard project;
2. Northeast Ohio Regional Sewer district mapped and analyzed NST Web App data to assist in the site selection for 20 green infrastructure projects to curb storm water from entering the combined sewer system;
3. land assembly decisions of the Cuyahoga County Land Bank; and
4. City of Cleveland Department of Community Development, NPI and students from Cleveland Urban Design Collaborative/CSU use the app for "field survey data entry to develop scalable and implementable neighborhood plans for 15 target areas in the City of Cleveland."

However, it is the everyday use by community development practitioners and the partnership amongst these agencies that have been critical to the widespread use of the NST Web. The on-ground use by CDCs has not only transformed the data into actions, plans, programs, and policies but has also assisted in the continual development and refinement of the application. As an outgrowth of the Web App's success, Case Western Reserve is integrating the features from the NST Web application (such as the use of Google Maps) into the entire NEO CANDO data platform, enabling anyone with an e-mail account to access the data.

By combining public data sources from NEO CANDO with field intelligence on property conditions, ownership information, and code enforcement history from CDCs and local governments, the NST and its Web App provide a great strategic, data-driven decision-making model that other cities can learn from and adapt.<sup>9</sup>

**Cleveland has made data a core element of tactical and strategic decision making.**

## **Prevention and Stabilization Strategies**

Cleveland has made data a core element of tactical and strategic decision making. Compiling information on the extent of the vacant property problem, market dynamics, ownership profiles, policy drivers, and other variables helps public officials, CDC directors, and frontline code inspectors target dwindling resources to prevent and abate vacant properties. Data can also identify gaps in existing legal powers and policy tools and thus serve as an important catalyst for recalibrating existing systems.

Since code enforcement is a complex enterprise that involves multiple steps and multiple players, it can easily become a dysfunctional operation, especially in older industrial cities that have limited capacity and often out-of-date processes and organizational cultures. Moreover, code enforcement in many cities does not get the same budgetary priority and local political support as other public health and safety departments, such as police and fire. For Cleveland, code enforcement remains a work in progress, with the City's Building and Housing Department continuously improving its operations and expanding the City's repertoire of remedies to abate vacant properties.

## CHANGING PRACTICES IN CODE ENFORCEMENT

Many programs and strategies exist to help prevent vacancy and stabilize neighborhoods. For most communities, code enforcement serves as the first response in tackling the neighborhood impacts caused by vacant properties. Depending on the jurisdiction and the relevant state laws, the process of code enforcement typically involves a series of inspections and preliminary notices to gain voluntary compliance with relevant state and local housing, zoning, and building codes. When the owner ignores these informal requests or the property poses more serious threats to public safety, code enforcement inspectors working in partnership with municipal attorneys and the courts take more formal administrative or judicial action to abate these problem properties. Municipalities also adopt local ordinances and codes designed to regulate the business of selling, renting, and maintaining property. More than 1,000 municipalities have adopted or are considering adopting vacant property registration ordinances (VPROs) that contain property maintenance standards for vacant and foreclosed properties.<sup>10</sup> Traditional vacant property stabilization strategies include other regulatory measures (e.g., point of sale, routine rental inspection programs, foreclosure prevention and education, etc.) to more formal administrative abatement procedures and judicial actions (e.g., criminal prosecutions, injunctions; and prosecution of fraudulent lending).

With respect to the ongoing mortgage foreclosure crisis, communities such as Cleveland and Cuyahoga County have been forced to recalibrate their code enforcement strategies to deal with new categories of non-compliant property owners: banks taking title to hundreds, even thousands, of REO properties, and property flippers and out-of-town speculators buying properties from banks at pennies on the dollar. Certainly the design and application of VPROs to properties in the foreclosure system has become a quick response adopted by many cities and towns throughout the country. Even demolition procedures are now more strategic, given limited resources to address the scale of the problem in a city's most distressed neighborhoods.

The 2005 *Crossroads* report served as a call to action for revamping the City's code enforcement operations. Within a few days of the report's release, the mayor appointed former City Council member Ed Rybka as the city's vacant property czar with responsibilities for figuring out how to improve the city's handling of vacant properties. Since January 2006 when Mayor Frank Jackson took office, Rybka has served as the Director of the Building and Housing Department. Another important milestone in the transformation of the City's code enforcement program was the return of Ron O'Leary in October 2006, the City's former code enforcement prosecutor, as the department's assistant director. Together, Rybka and O'Leary have championed many of Cleveland's code enforcement initiatives.

Another early response to the *Crossroads* recommendations was hiring a local systems expert to work with the code enforcement managers and staff to identify inefficiencies in departmental procedures and practices. This analysis tracked the roles and activities at each step of the inspection and enforcement process. After identifying problems, remedies were sought by the engagement of department managers in making improvements. The City also upgraded its case tracking and management software system with guidance from NEO CANDO and Case Western Reserve University staff. These changes have helped to gradually expand Cleveland's capacity to inspect and abate vacant structures.

### Profile of Today's Housing and Building Department

In light of its core responsibilities to inspect and issue permits for new residential and commercial buildings and enforce building, housing, and zoning codes on existing structures, the department has 67 fulltime inspectors—33 general inspectors (16 building inspection and 17 residential) assigned by districts.<sup>11</sup> In addition, Cleveland employs four certified inspectors (electrical, plumbing, elevators, and HVFC), nine inspectors assigned full time to work in the demolitions bureau, and eight inspectors on special detail to the vacant properties unit.

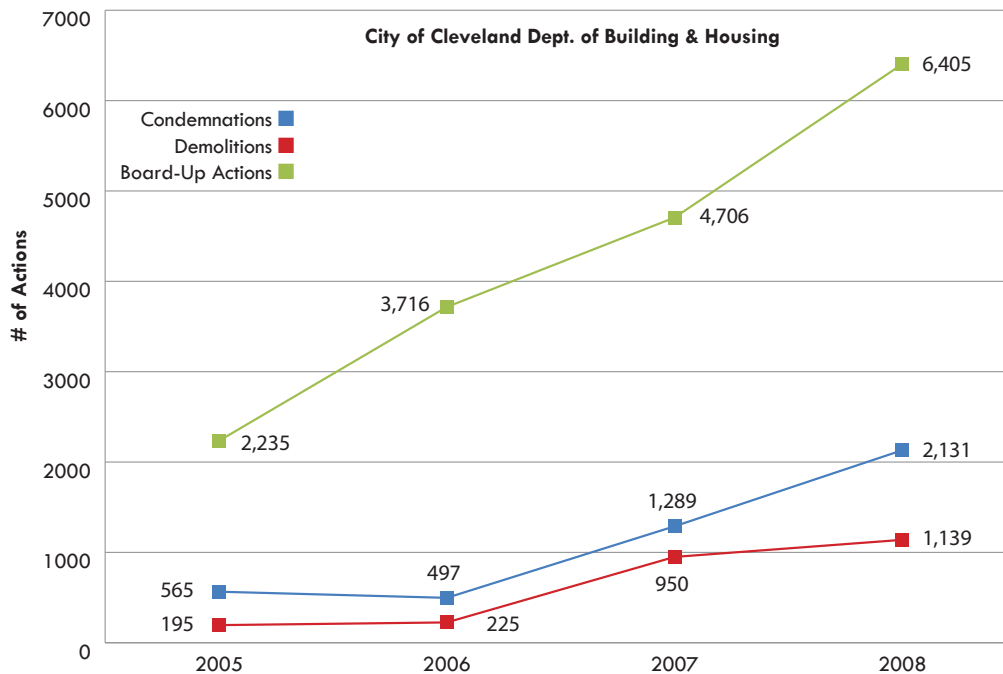
When the inspectors do not get compliance to correct code violations or property owners/ developers do work without permits or contrary to permit conditions, the department refers most of its cases to the code enforcement division with the city's law office who prepares the case for Housing Court. Cleveland currently has five attorney positions plus one supervising attorney for citywide code enforcement cases (this includes housing/building and other city departments, such as health, fire prevention and police officer citations). Full-time housing courts are not the norm in Ohio. Only Cleveland, Toledo, and Columbus have separately chartered housing courts with exclusive jurisdiction over code enforcement and landlord tenant cases (the next section of this report profiles Cleveland's housing court). From January 1 through October 19, 2013, the Building and Housing Department had 1310 cases in Housing Court, 251 minor tickets and 1,059 misdemeanor complaints.

### **STRATEGIC CODE ENFORCEMENT PARTNERSHIP WITH CDCs**

For years, many of Cleveland's CDCs hired part and full time staff to tackle various neighborhood-driven code enforcement and anti-blight activities, such as education and property maintenance inventories and inspections. At times these CDC code enforcement staff would work well with City inspectors and at other times they did not. In 2007 the City entered into more formal MOUs with four CDCs that piloted a protocol for communications and coordination of different tasks among the CDC staff and city code enforcement inspectors. By 2009, the partnership had resulted in significantly more stabilization and anti-blight actions in neighborhoods (Figure 9).<sup>12</sup>

As part of city councilmember Jay Westbrook's Strategic Code Enforcement Initiative, in February 2011 the City formalized and expanded the partnership that now covers 26 CDCs. By engaging CDC code enforcement staff, the City is leveraging its resources and Building and Housing are leveraging the CDC staff to expand its inspection capacity. Typically the CDC CE staff identify and work with property owners on exterior property maintenance issues, which enables Building and Housing inspectors to focus their attention on properties with substantial code violations, bulk purchasers, and vacant properties. The partnership also gives the city a special set of "eyes and ears" that can uncover neighborhood intelligence about properties and their owners. Coordination and collaboration among each team of inspectors (B&H and CDC) is also facilitated by the using the NEO CANDO information system.





**FIGURE 9. Increase in Code Enforcement Actions as Result of 2008 City Partnership with CDCs**  
 Source: Mark Frater, Colleen M. Gilson, and Ronald J.H. O’Leary, *The City of Cleveland Code Enforcement Partnership*, June 2009. At [http://www.communityprogress.net/filebin/pdf/CLE\\_CE\\_Partnership.pdf](http://www.communityprogress.net/filebin/pdf/CLE_CE_Partnership.pdf). Accessed 20 Jan. 2014.

According to Assistant Director Ron O’Leary, it now takes the inspectors about four months on average to investigate and issue notices of violation for those cases that have properties with substantial code violations—a definite improvement from 5 years ago. Many of these cases involve vacant housing (1-4 units) that went into mortgage foreclosure over the past five years and no one (the legal owner or the banks) took care of them, so vandals and weather have made them impossible to rehab. Of the 14,000 to 15,000 vacant housing units in Cleveland, O’Leary estimates that roughly 6,000 are distressed in need of demolition and perhaps 25 percent (3,500) at most are eligible for rehabilitation, but the number of properties available for rehabilitation in theory decreases as they remain open and exposed to the elements and vandals. Dwindling public and philanthropic resources and a weak housing market also undermine the feasibility of rehabilitating vacant housing units.

### Cleveland’s Vacant Property Team

With the escalating problems of vacant housing, at the end of 2011 Mayor Frank Jackson set a goal for Building and Housing to inspect all vacant properties in Cleveland by the end of 2012. The goal was not only to identify how many actual vacant homes the city had, but map their locations and more importantly provide a preliminary assessment of their conditions and creating a game plan on how to abate it. O’Leary and his team pulled together a plan that included hiring nearly two dozen people for a separate team of inspectors, lawyers, and administrative staff later dubbed the vacant property team. For the first half of 2012 they brought the team together and began to map out their process for a systematic, citywide inventory and inspection of all vacant properties. O’Leary noted that scope of the problem is much larger than they thought. “Our preliminary plan estimated about 6,000 vacant and distressed structures to inspect and condemn, but now it may be much closer to 8,000.” In light of their field work from May through December 2012, the mayor extended the deadline to March 2013. Most of these vacant structures are residential one- to three-unit buildings, but the team will eventually inspect some mixed-use, commercial, and industrial vacant buildings (Figure 10).



**FIGURE 10. Increased attention to building inspection**

*The City of Cleveland focused on stepping up building inspection in 2011. The problem went deeper than anticipated: from its original estimate of 6,000 houses needing inspection and possible condemnation, the City estimated at least 8,000 in 2012. Source: Joseph Schilling*

As of October 2012, the team had taken 5,729 inspection actions, which includes exterior and interior inspections. Before the actual interior inspections, the legal secretaries and paralegals in Building and Housing prepare a search warrant request to the law department. From January through September 2012 the law department approved 2,142 search warrant requests—a good indicator of the number of interior inspections. If the inspectors determine the structure poses serious threats to public safety (i.e., a dangerous building), they move forward with the administrative demolition of the property by issuing condemnation notices. As of October 2012, Building and Housing issued 3,185 notices to abate, now roughly 100 notices per week. Building and Housing also works closely with the law department and their outside counsel in the collection of the demolition costs from those property owners who had the means to demolish their vacant properties but chose to let the city do it. In 2011 Cleveland amended its code to clarify that everyone in the chain of title is jointly responsible for city demolition costs, as Building and Housing spends lots of time tracking down absentee owners. This ordinance increases the likelihood the City will recoup more of its demolition costs.

## CITY OF CLEVELAND'S STRATEGIC DEMOLITION PRIORITIZATION PROCESS

Cleveland's vacant property inspection team represents a significant commitment of resources to make a dent in the vacant property inventory, which has grown so much over the years. With a special team devoted exclusively to the vacant property inventory and inspections, other Building and Housing inspectors can focus on standard code enforcement cases. Assistant Director Ron O'Leary is hopeful the initiative will help Building and Housing stay on top of the vacant property problem, but he recognizes the inventory is dynamic and continues to increase in some of the city's most distressed neighborhoods. As Building and Housing completes this citywide inventory, Cleveland's policymakers will have to determine how to keep the data current as new vacant properties come on the demolition list while others get demolished.

In order to more strategically use its limited demolition resources, Building and Housing developed a model to prioritize existing and future demolitions in the city of Cleveland. With technical expertise from a HUD Strong Cities, Strong Communities Fellow, they developed criteria and a scoring/ranking process to ensure that demolition actions would have the greatest positive impact possible on the community while preserving key structures and historically significant buildings or areas. Neighborhood-specific criteria include public safety, proximity to schools, city planning districts and designations, community and economic development initiatives and programs, and current City Council and nonprofit initiatives.<sup>13</sup> After this inventory of program and policy priorities, Building and Housing collected data from NEO CANDO and City sources on property specific and neighborhood (geographic) factors and then created a series of GIS overlay maps. As part of the prioritization process, they established a weighted point system for the property and geographic factors, for example giving greater weight to abandoned houses closer to schools and to concentrations (clustering) of properties.

### Cleveland's Housing Court

Under the leadership of Judge Ray Pianka, Cleveland's housing court has become one of the largest and most productive of the handful of courts in the nation devoted exclusively to housing and code enforcement. Cleveland's Housing Court is a national model for other cities.<sup>14</sup> As community concerns grew over expanding neighborhood blight and strong political leadership in the 1970s, the state legislature pressured the governor to sign the legislation that would create the Cleveland Housing Court in 1980. While some county and municipal courts of general jurisdiction might dedicate a day or two to hear code enforcement cases, these special purpose housing courts devote their exclusive attention to cases involving code compliance (zoning, building, housing, fire, etc.), abandoned buildings (i.e., both multi- and single-family homes), nuisance abatement, litter and general neighborhood blight, environmental pollution, and landlord-tenant issues. Under Ohio law, housing courts have jurisdiction in both criminal misdemeanor and civil cases involving housing and environmental issues. The judges and staff develop a high degree of subject matter expertise, given the legal and socio-economic complexities associated with blight and environmental degradation.

[Cleveland's Housing Court](#) operates as a problem-solving venue seeking compliance over penalties and punishment. Many of the defendants who come through the court's doors do not have sufficient resources and capacity to bring their properties into compliance with the applicable codes. Thus, the court's personnel includes nine housing specialists, five magistrates and clerks, twelve bailiffs, and other administration and part-time clerks and interns.<sup>15</sup> Under the judge's direction and timelines, they track down and work with responsible property owners, city inspectors, and community development corporations to develop plans for correcting the violations on their properties. For example, the court specialists may connect homeowners cited for housing code violations with housing counselors to prevent foreclosure or link them with rehabilitation and cleanup resources. The magistrates (special hearing officers/judgers) often hear many of the

landlord-tenant and substandard-housing cases. In 2010 the court collectively heard 11,555 civil cases (the majority were landlord evictions) and 8,075 criminal cases, with a total of \$554,177 in fees and fines collected.<sup>16</sup>

Beyond the activity within the courtroom, Housing Court Judge Ray Pianka, a former Cleveland City Council member and former executive director of a CDC, works closely with community groups, professional organizations, and civic and political leaders on a wide range of housing and community development topics.<sup>17</sup> Under the judge's leadership the Housing Court itself has become a one-stop shop for information and community education on property maintenance and foreclosure prevention.

### **The First Suburbs Code Enforcement Initiatives**

When it comes to code enforcement and vacant property prevention and stabilization strategies, several Cuyahoga County first-tier suburban cities have extensive experience designing and managing innovative programs and policies. Cities such as Shaker Heights and South Euclid have longstanding, systematic code enforcement programs with dedicated and experienced directors, lawyers, and inspectors that serve as national models for other suburban jurisdictions. Even large cities such as Cleveland can learn from their organizational cultures and strategic approaches to code enforcement.

Shaker and South Euclid stand out among their suburban peers for taking a practical, no-nonsense approach in confronting irresponsible lending institutions and neglectful property owners, at the same time conducting extensive public education, training, and outreach that encourage responsible owners to maintain their properties. In this section we showcase the prevention and stabilization efforts of Shaker Heights and South Euclid as emblematic of what smaller cities have done and can do.

Around 2008-09 the foreclosure crisis went regional, with foreclosure filings peaking in Cleveland, but increasing throughout the first-tier suburban cities. Given the market characteristics and scale, the first-tier suburbs essentially served as the bellwether of the region's foreclosure crisis. Those cities with code enforcement resources and programs in place, such as Shaker Heights and South Euclid, seem to have had greater success containing the negative neighborhood impacts from vacant properties. Blight, like a contagion, spread to those first-tier cities that were ill-equipped to respond to the new waves of real property flippers, widespread property neglect by global lending institutions, and out-of-town speculators. As a result of the "shape-shifting dynamics" of the mortgage foreclosure crisis many suburbs recalibrated their existing vacant property, building, and housing ordinances, such as adopting point-of-sale inspections, routine rental inspections, and strategic demolitions. Their experience and leadership further reinforces the concepts of our vacant property policy cycle whereby strategic investments in code enforcement can become a communities' first line of defense against the negative impacts of vacant, foreclosed properties.

## THE DEVELOPMENT COUNCIL AND HOUSING COMMITTEE OF THE FIRST SUBURBS CONSORTIUM OF NORTHEAST OHIO

In the 1990s, mayors from communities adjacent to or near the City of Cleveland came together to form the First Suburbs Consortium (FSC) to foster regional cooperation and engage in policy advocacy with state and regional leaders about the special challenges confronting smaller urban communities. Many FSC members felt that existing government policies and practices were “promoting the development of new communities at the outer edges of metropolitan regions over the redevelopment and maintenance of mature suburbs.”<sup>18</sup> Thus, the FSC advocates for policies and implements programs that “revitalize mature, developed communities and raise public and political awareness of the problems and inequities associated with urban sprawl and disinvestment.” For example, in 2012 the FSC mayors released a policy brief to the new county leadership advocating for a countywide housing policy.<sup>19</sup>

Two of FSC’s working groups—the Development Council and the Housing Committee—have been involved with various vacant property programs and projects. In 2008, with a one-time grant of \$600,000 from Cuyahoga County, the Development Council awarded competitive grants to two member cities to experiment with innovative ways for demolishing and reusing vacant housing. Shaker Heights used the grant to reclaim vacant properties as part of a transit-oriented development project while South Euclid’s grant helped launch its Green Neighborhood Initiative. Starting in 2006 FSC housing directors from several inner-ring suburban cities came together to collaboratively work on responses to the increasing number of mortgage foreclosures in their cities. Now as official representatives on VAPAC, the FSC committee chairs focus on the regional challenges of the foreclosure crisis. For example, they were strong proponents of the Cuyahoga County Commissioners hiring additional magistrates to speed the foreclosure process and clear the backlog in the courts. The FSC have become an integral part of the VAPAC efforts in sharing the perspectives on problems facing suburban communities and supporting policy changes to improve how the courts and the county handle vacant and foreclosed properties. More recently they have been focusing on emerging problems, such as bank walkaways and out-of-town buyers not complying with Secretary of State Registration requirements

**Vacant Property Code Enforcement Investigators:** Several first-tier suburbs designate a single code enforcement officer or inspector to track and inspect all of the vacant properties in their jurisdictions. By having a single point of contact, these smaller cities and towns can stay on top of the vacant property trends, respond more effectively to neighborhood concerns, and take the lead in guiding potential actions to clean and secure or even demolish the properties. In Shaker Heights, a code enforcement officer visits each of the city’s vacant properties at least once a month, checks conditions, and ensures they are secured. Since 2008 they have maintained an active database of vacant properties and use the NEO CANDO NST database to track at-risk properties to prevent them from becoming vacant. Under its local vacant property nuisance ordinances, Shaker can also move quickly to secure open properties, replace windows, and cut grass through an on-call contractor.<sup>20</sup> South Euclid essentially takes a similar approach by having a dedicated vacant property inspector but working in partnership with highly engaged neighborhood block captains to constantly monitor vacant properties in their respective blocks. The City of Parma also dedicates one day a week to inspecting vacant properties.

**Vacant Property Ordinances:** A common policy response for suburban cities is adopting ordinances that set property maintenance standards for vacant properties and/or require the owner to register the vacant property with the local government. Many cities, such as Cincinnati; Wilmington, Delaware; and San Diego have administered traditional vacant property ordinances for years. These ordinances typically apply to different vacant property types (commercial, industrial, residential, and vacant lot) and give local code enforcement departments certain powers to board and secure the property if the owner or responsible party fails to take action or if the property

poses an imminent threat to public safety, health, and welfare.<sup>21</sup> Under basic nuisance abatement powers the City can then collect any costs it incurs to secure the property as a special property tax assessment or individual judgment debt. Many of these vacant property ordinances require the property owner/responsible party to obtain a license or permit from the local government, provide essential information about the owner and property manager (sometimes along with a revitalization plan and timetable), and pay an administrative fee. They can also impose penalties for failure to comply.

Suburban cities, such as Shaker Heights, seem to follow the more traditional nuisance abatement model. Municipal Code section 107.07 sets standards for maintenance of vacant properties, including insurance. The code considers vacant properties that do not comply as nuisances by definition. It also allows the City to protect vacant properties from trespassers even without the actual owner's consent, permitting a criminal action to be filed if necessary to gain compliance with its provisions.

In response to the foreclosure crisis, over 1,700 cities have enacted or are considering adopting specialized vacant property registration ordinances (VPRO) that clarify responsibilities of the mortgage company and their property preservation firms to maintain and secure the property during the foreclosure and post-foreclosure proceedings.<sup>22</sup> VPROs often contain some traditional nuisance abatement provisions, but expand the scope and the responsibilities to focus on the current wave of vacant and foreclosed properties.<sup>23</sup> Most of these ordinances define an owner as "any person with a legal or equitable ownership interest in the property," such as a mortgagee and Sheriff's deed grantee during pre-foreclosure and the redemption period. Therefore, as a party with an equitable interest, the mortgagee/grantee falls within the purviews of these ordinances and depending upon the city, must register a vacant property either prior to a default in the mortgage or during the foreclosure proceeding. As one can imagine the financial institutions and mortgage services do not like having to follow these ordinances as they can have slightly different requirements from city to city, though most VPRO contain the same format and structure.<sup>24</sup> Many of these VPRO require routine inspections by either the mortgage companies' property preservation firm or the local government and set forth specific property maintenance standards. Failure to register or follow the procedures can result in large fees and fines as a way to get the attention of out-of-state owners and lending institutions.

**Point-of-Sale Home Inspection Ordinances:** Another common regulatory measure requires inspections at the time of selling or transferring a home. Point-of-sale ordinances typically apply to the purchase and sale of occupied single-family homes or duplexes. Point-of-sale ordinances attempt to identify code violations and prevent them from being passed on from the current to the prospective owner. The proactive policy goal is to preserve the housing stock before it becomes seriously distressed. Several Ohio suburban cities such as Cleveland Heights, Shaker Heights, and Kettering have effectively managed point-of-sale ordinances and programs for years and contend that it is a critical tool in preserving their housing stock and protecting the livability of their neighborhoods. Preliminary research by the Federal Reserve Bank of Cleveland seems to support this conclusion—the 2012 Cuyahoga County property tax assessment data suggests that suburbs with systematic point-of-sale code inspection programs fared better than those without.<sup>25</sup>

Point-of-sale ordinances generally involve four basic steps: 1) inspection by City staff or designated private building/housing inspectors at some point when the buyer and seller open an escrow account to fund the purchase of the property; 2) an official notice or order that identifies outstanding code violations and necessary repairs and sets a reasonable time for compliance; 3) depositing funds into a City escrow account to cover the repairs (buyer and seller negotiate who is responsible to do the repairs and pay for them); and 4) a certificate of compliance or occupancy once the repairs/corrections are made (sometimes the City will inspect to confirm or require the new owner to provide documentation).

Shaker Heights has effectively operated a point-of-sale escrow program for 12 years. Shaker Heights's ordinance provides for exemptions for certain qualifying property transfers involving rehabilitation loans. In light of concerns about out-of-town investors purchasing REO properties, the City amended its ordinance in 2010 to give itself direct control over escrow accounts, rather than rely on title companies. Over a million dollars is annually held in escrow accounts, representing reinvestment in the City's housing stock.

**Point-of-Vacancy Ordinances and Foreclosure Filing Ordinances:** A few first-tier suburban cities created new, hybrid ordinances to better track the increasing number of mortgage foreclosures and more effectively gain the attention of lending institutions and out-of-town investors. Combining elements from VPROs and Point-of-Sale ordinances, in 2010 South Euclid, Ohio enacted a "point-of-vacancy" ordinance to better track vacant properties, gain code compliance, and facilitate the abatement of problem properties. Instead of the transfer of occupied/habitable property as the intervention point, the South Euclid ordinance requires property owners to register all vacant buildings or structures. While South Euclid's ordinance provides for some qualified exemptions, it also clarifies that mortgagees and their agents are responsible for property maintenance while the building remains vacant.

The ordinance "Registration of Vacant Buildings and Certificates of Occupancy for Vacant Buildings" requires the owner, lessee, or party in control of the vacant building to: (1) register residential and commercial structures annually, (2) maintain the vacant building and ensure it is compliant with all City codes and ordinances, (3) arrange for an interior and exterior inspection of the building by the City before it is sold or transferred to another owner, (4) make repairs to the property, or provide funds to cover 100 percent of the estimated costs of repairs, and (5) obtain a certificate of occupancy from the Building Commissioner before reoccupying the vacant building. Registration fees are \$200 per year, and daily fines for noncompliance with the ordinance can be up to \$1,000 per day.<sup>26</sup> City officials can file affidavits of fact with the County Recorders Officer in cases where the owner fails to comply with registration requirements, essentially closing the title and affording the City a better opportunity for voluntary compliance without having to file a court action.

Foreclosure filing ordinances provide yet another model to help cities identify properties that are likely to go vacant and a contact person for those cases, as well as collect costs associated with the greater monitoring of these properties. Both Shaker Heights and South Euclid have ordinances that require any person or entity (e.g., mortgage companies, but not governmental entities) to file a registration form with the city's Housing Director within 30 days of filing a mortgage foreclosure, and pay a fee (\$300 in Shaker Heights and \$75 in South Euclid) to defray code enforcement administration costs.<sup>27</sup>

### Strategic Code Enforcement

In 2009, thanks to a grant from the Fannie Mae Corporation, the National Vacant Properties Campaign returned to lead a special VAPAC working group that explored new code enforcement approaches for the City and the suburbs. With assistance from Cleveland Marshall School of Law's Urban Development Clinic, the working group spent six months assessing the effectiveness of existing code enforcement strategies in light of the declining housing markets and the flipping of foreclosed properties.

With property values at all-time lows, Cleveland and its first-tier suburbs were confronting a new wave of vacant property problems driven by out-of-town speculators and lending institutions walking away from low value homes. The conduct of these actors, together with the cumulative impact from decades of job and population losses, posed a serious threat to the viability and stability of local housing markets, neighborhoods and undermines millions of dollars in homeowner and community development housing investments.

Code enforcers within Cleveland and its first suburbs have been doing their best to protect and preserve neighborhoods against each successive wave of vacant and abandoned properties. Standard code enforcement remedies, such as administrative citations, criminal prosecution for failure to comply, and nuisance abatement, work best when properties are occupied and have some economic value and the owner or lender has meaningful investments in the property and/or roots in the community; under these conditions code enforcement strategies are more likely to persuade them to rehabilitate and maintain the property consistent with the minimum standards of state and local codes. In seriously distressed markets with hundreds of low-value and underwater properties, owners, especially out-of-town speculators with no connections to the community, are less likely to take traditional code enforcement remedies seriously.

The VAPAC working group found that these trends and new patterns of institutional ownership and property management placed a tremendous strain on local code enforcement programs. Everyone from the code enforcement manager to the front line inspectors to prosecutors had to navigate the mortgage foreclosure process to identify entry points for code enforcement legal remedies in a way that protects the public and other property owners from impending or ensuing nuisance conditions. Frequently a bank that takes ownership after foreclosure contracts with a mortgage servicer to manage the property and its disposition; the mortgage servicer in turn contracts with a “field servicer” to handle day-to-day tasks of securing the property. The identities of these servicers are not made known to public authorities or others with an interest or connection to the property. Even when a big bank takes ownership of a property, it does not actually recognize its ownership because everything is controlled by its agents—the mortgage services and property preservation firms—whose involvement is not a matter of public record. Thus, local code enforcement officials must now carefully evaluate a more complex set of variables in attempting to address this recent wave of vacant properties:

- Foreclosure process: where is the property in the mortgage foreclosure system? Is the state foreclosure system judicial or administrative? Has the complaint been filed and served? Has a final judgment been made and a Sheriff’s sale scheduled?
- What is the current value of the property in light of outstanding mortgage, property tax and other liens/debts?
- Who are the diverse institutional owners, managers, and contractors who have varying levels of control, responsibility and responsiveness over the property (e.g., mortgage servicers, REO departments, property preservation companies, etc.)?
- What are the housing market conditions (for the region and the neighborhood) and how does that influence the behavior of the next owners of these distressed properties?

Instead of simple property inspections and notices of violation, these new dynamics demand more intensive investigation techniques and negotiation skills that are often well beyond the job descriptions and experiences of most code enforcement inspectors.

As a result of this productive VAPAC dialogue, a new model emerged—Strategic Code Enforcement—that is built on three essential elements listed below. The working group then developed a series of possible action steps for policymakers, practitioners, and community groups to consider:

- **Adopt and Administer a Menu of Vacant Property Regulatory Measures—**Communities need a diverse mix of legal vehicles for the regular tracking and inspection of vacant properties, such as annual registration ordinances (VPROs), routine rental inspections, and point-of-sale ordinances that can document multiple ownership changes, protect existing housing stock, prevent abandonment, and stabilize neighborhood markets and property values;



- **Adopt and Implement a Strategic Code Enforcement Policy**—In light of the intensity and pervasiveness of the region’s vacant property crisis, especially the constant development of new property ownership and management models, communities should revamp their entire code enforcement operations so they can systematically employ available data and target inspection, citation, and enforcement resources and remedies in a more timely, effective and cost-efficient manner—using the right tools at the right place and at the right time. Beyond these tactical considerations, local code enforcement programs should also forge stronger partnership with local community development corporations (CDCs), housing law clinics, the County-wide land bank, and the courts, because the vacant property job is too complex for any one institution or program to tackle on its own.
- **Revamp judicial enforcement remedies**—Rather than rely on a one or two favored enforcement remedies to abate public nuisances and compel owners to maintain vacant properties, a more creative set of internal processes and procedures is needed for using judicial enforcement remedies. These might include the use of civil litigation that seeks the appointment of receivers or the creation of special purpose prosecution units that track down flippers and speculators for targeted enforcement actions.

One of the most important observations coming from the VAPAC discussion is that adopting new regulatory measures or enhancing enforcement remedies alone is not enough. Communities must expand the capacity, commitment, and ability of code enforcement programs and personnel to address the complexities of current and future waves of vacant properties. They must also target resources and develop stronger partnerships with community development groups, neighborhood residents, and the real estate and lending/development industries. Ideas from these discussions helped support special changes to the City’s code enforcement program and also the first-tier suburban cities.

## Demolition, Acquisition, and Vacant Property Management

Communities cannot prevent vacancy or property abandonment in all settings or circumstances (Figure 11). Exceptionally weak market demand and the contagious nature of blight often cause a concentration of property abandonment in certain neighborhoods. As part of the Resilient Vacant Property Policy Model, communities should also establish policies and programs to either secure or demolish abandoned structures, and consider legal procedures for acquiring the property to prevent the acceleration of blight and decay. These strategies, in tandem with targeted code enforcement actions, can together facilitate short-term neighborhood stabilization, but must also weigh the policy, legal, and community implications for acquiring abandoned property. While the barriers to acquisition may seem steep, local policymakers and practitioners must also consider the serious implications if they do nothing. Local governments essentially “own the problem” of property abandonment whether it takes control of the property or not. By taking proactive policy steps to managing or controlling property abandonment, the local government can save time and resources and get closer to productive reuse.



**Figure 11. Policies and programs to secure and demolish abandoned structures must be among the city and county strategies for addressing vacancy, especially in cities where vacancy has persisted for decades.**

*Source: Joseph Schilling*

There are a variety of tools local governments can use to acquire property, including tax foreclosure, eminent domain, and voluntary conveyance, purchase of liens, receivership, and nuisance abatement. Once it goes through the legal procedures to acquire and gain physical and legal control over a property, the local government or quasi-governmental entity can hold or dispose of the property. The long-term holding of property however, poses tradeoffs for a community. The longer a property is held, the greater the chance a community can assemble multiple parcels of land and implement comprehensive neighborhood revitalization strategies. Conversely, the longer a property is held, the greater the resources needed for maintaining the property.<sup>28</sup> Once the decision is made to dispose of the vacant property, the local government or quasi-governmental entity must decide whether to auction, sell, donate, or convey the property to an individual, developer, CDC, nongovernmental organization, land trust, or the public for open space use.<sup>29</sup>

Within the past few years, land banking and establishment of multi-purpose land banks or land reutilization corporations have become more popular and effective policy interventions to (1) reclaim tax-delinquent parcels and other vacant properties, particularly in areas with limited market demand; (2) assemble parcels; and (3) hold parcels for future reuse and revitalization opportunities. In this section, the report examines Cleveland and Cuyahoga County's most recent land banking and demolition initiatives. By putting in place a series of policies and programs to acquire, manage, and dispose of vacant housing, abandoned buildings, and vacant lots, the region can now better address its vacant property backlog but also is well positioned to respond to future vacant property challenges.

### **Cuyahoga Land Bank**

Cleveland has a long land banking history. In 1976 the City launched one of the nation's first land banks to acquire, assemble, and transfer vacant lots through the Cleveland Housing Network to nonprofit CDCs for developing affordable housing. Housed in the Department of Community Development, the Cleveland Land Bank is a "passive" land bank, handling only requests from CDCs and adjacent neighbors and property owners. The City land bank offers these vacant lots for a nominal sum to encourage neighborhood stabilization. As of October 2012, Cleveland's land bank had over 11,000 vacant lots in its inventory.<sup>30</sup> By 2003, the City's land bank policy of only acquiring vacant lots seemed out of touch with the acute vacant housing crisis. In 2005 the

Crossroads report called for expanding the City's land bank or creating a new, countywide entity following the model of the successful Genesee County, Michigan Land Bank Authority.<sup>31</sup>

Cleveland's VAPAC and a coalition of local officials led by former County Treasurer Jim Rokakis spent more than two years designing a new, improved land bank model and adapting Ohio legislation. In late 2008, after intense lobbying by Rokakis, the Ohio General Assembly enacted special legislation that enabled only Cuyahoga County to establish a "pilot" land reutilization corporation.<sup>32</sup> On May 22, 2009 a new, regional land bank opened its door for operations. The Cuyahoga County Land Reutilization Corporation (known as the Cuyahoga Land Bank, or CLB) was formed as a special purpose nonprofit entity authorized by statute to engage in land banking operations for and in coordination with Cuyahoga County and the local governments of metropolitan Cleveland, Ohio.<sup>33</sup>

**On May 22, 2009  
a new, regional  
land bank opened  
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operations.**

In 2010 Ohio passed additional legislation that now enables all counties throughout the state to create land reutilization corporations.<sup>34</sup> According to Thriving Communities Institute's Jim Rokakis, sixteen counties have chartered land reutilization corporations as of October 2013, ten more counties have expressed interest, and roughly four of those ten will likely have new LRCs by early 2014.

Fast becoming a national model for land banks, the CLB's main functions include the purchasing, receiving, transferring, holding, managing, and leasing of property. The land bank also leverages its public resources to facilitate the private renovation of vacant homes. The land bank acquires property from tax foreclosure actions, but also a variety of other means, including donations, purchases of distressed bank-owned property, and other strategic purchases to both prevent harmful speculation and achieve the reutilization objectives of local jurisdictions. Key to its operations is a varied source of financing: interest and penalties collected on delinquent tax debts, fees for services, sale of properties, grants and loans, just to name a few.<sup>35</sup> The land bank's baseline funding of approximately \$7 million each year comes from penalties and interests collected on delinquent property taxes; it leverages these funds and its powers to obtain a wide assortment of federal and state grants. For example, between 2009 and 2011, the CLB helped administer almost \$43 million in regional NSP II funding for the assessment, acquisition, demolition, and rehabilitation of blighted, abandoned properties in Cleveland and throughout the entire region.<sup>36</sup> The land bank will do nuisance abatement demolitions if local municipalities conduct legal due diligence and if funds are available. The land bank can also issue bonds, apply for grants, make loans; and borrow money.<sup>37</sup>

**Legal Structure and Governance:** As a creature of government with a limited purpose, a nonprofit land reutilization corporation is governed by a board appointed by public officials and subject to special oversight by the Ohio Attorney General and Secretary of State. The CLB was initially governed by a board of directors, which included the county treasurer, two county commissioners, the mayors of two county municipalities, and two representatives of the City of Cleveland. With the restructuring of county government in 2011, the land bank altered its governance model by replacing the two county commissioners with the new County Executive. Two members were also added bringing the Board of Directors to nine.<sup>38</sup>

**Demolition Procedures and Vacant Land Management Strategies:** As a central, countywide land bank, the CLB can develop, streamline, and pilot test demolition procedures and vacant property management strategies. Market conditions in some of the county's most distressed communities dictate that the CLB be able to hold cleared land for an extended period of years until permanent beneficial reuse can occur. Paramount uses will be those such as affordable housing, green developments, and other public benefit priorities. Demolishing and then holding the land also creates another set of vacant property management, environmental, and neighborhood issues, such as the need for ongoing maintenance of vacant lots, including prevention of illegal dumping and cutting grass (Figure 12).



**FIGURE 12. Demolishing and holding land for future uses presents neighborhood issues, such as the need for maintenance, grass seeding, or mowing.**

Source: Joseph Schilling

The process of property acquisition begins with a Level 1 assessment, or an onsite inspection and title search to ensure that properties are vacant and clear of liens. Properties are also assessed to determine if they are salvageable or should be slated for demolition. To facilitate the demolition of properties, the CLB developed a pool of pre-qualified contractors to conduct Level 1 assessments, asbestos surveys, and demolitions. The CLB has partnered with a local landscaping and construction materials supplier to pilot test ways to minimize the ecological impact of its demolitions in the Village of Newburgh. These new green procedures involve salvaging interior fixtures and recycling the demolition waste so that it can be used as gradable backfill on the same site, thereby bypassing the need for taking the material to the landfill.<sup>39,40</sup>

**County Land Bank Becoming the Region's Pivotal Vacant Property Entity:** Because state law charters the CLB as a nonprofit Community Improvement Corporation with government powers, it provides a flexible legal framework that can be more nimble and creative in its collaborations with the municipalities. For example, the CLB can contract with local governments to provide land banking services, such as demolition, though these services must conform to local land use regulations and policies. The CLB can also administer large grants and in some cases provide loans to local nonprofits. The CLB awarded the Cleveland Housing Network (CHN) a loan of \$500,000 to provide needed mortgage financing for low-income families. As part of the Lease Purchase program, low-income families that complete a lease arrangement with the CHN are provided with a small loan to help them purchase their homes. The CLB also provided support to Neighborhood Progress, Inc. to research and analyze housing trends and data.<sup>41</sup> By having this flexible legal framework, in less than five years the CLB has quickly become the “go-to” entity leading many vacant property reclamation initiatives for the City, County, and first suburbs. As of December 2013 the CLB had acquired approximately 3,500 properties and was close to demolishing its 2,200<sup>th</sup> property. Through its demolition activities, over 1,400 vacant lots have been transferred to city land banks for neighborhood side yard expansion, community gardens, infill development, etc. Moreover, the CLB has leveraged its public resources to facilitate nearly 725 properties by private owners using private resources.<sup>42</sup>

Two early examples of the CLB's ability to serve as the new intermediary for reclaiming vacant properties include its successful procurement of federal grants and its MOUs with Fannie Mae and HUD.

- **Federal Grants:** Shortly after the land bank was established, Cuyahoga County gave it \$1 million in federal NSP I funds for limited acquisition and demolition in a few, specific municipalities. In 2010, a consortium of government and non-government entities, including the CLB, City of Cleveland, Cuyahoga County, and the Cuyahoga Metropolitan Housing Authority, was awarded \$42 million by HUD in NSP II funds for the demolition and rehabilitation of housing and related purposes in 15 targeted areas in Cleveland and in 5 inner ring suburbs: East Cleveland, Garfield Heights, Lakewood, South Euclid, and Shaker Heights.<sup>43</sup> The CLB essentially managed these funds on behalf of the consortium. Later that same year, the CLB received a \$400,000 grant from the USEPA to assess environmental contamination of residential, commercial, and industrial sites across the region.
- **Fannie Mae and HUD MOUs:** As a way to prevent abandoned properties from being flipped to out-of-state speculators, in 2010 the CLB established two groundbreaking agreements to acquire low value foreclosed property throughout Cuyahoga County from Fannie Mae and HUD. The initial agreement allowed Fannie Mae to sell its low-value foreclosed properties to the CLB for a low fee, such as \$1.00, and provide \$3,500 to cover the demolition costs for each property. The CLB also established a similar agreement with HUD to purchase the federal agency's low-value properties for \$100 each. CLB recently renewed its agreement with HUD through September 2014 to acquire properties appraised at \$20,000 or below. Both agreements enable the CLB to acquire distressed properties before out-of-town investors, flippers, and speculators, but also facilitate the rehabilitation of salvageable homes or the demolition and reuse of vacant property in a productive way that adds value to the surrounding community.

### City and County Neighborhood Stabilization Programs (NSP) and Nonprofit Foreclosure Initiatives

The 2008 Housing and Economic Recovery Act through its Neighborhood Stabilization Program (NSP) provided states and local governments with nearly \$4 billion through a special allocation of Community Development Block Grant funds to address the community impacts of the foreclosure crisis.<sup>44</sup> NSP created a complex funding formula to guide these resources to communities with the greatest number of foreclosures, but more importantly the NSP plans and activities targeted neighborhoods with certain percentages of low- to moderate-income residents.<sup>45</sup> The funds could be used for the following activities:

- Establishment of financing mechanisms for purchase and redevelopment of housing subjected to foreclosures;
- purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;
- establishment of land banks for homes that have been foreclosed upon;
- demolition of blighted structures; and
- redevelopment of demolished or vacant properties;

Program activities must be targeted to areas of greatest need. Rehabilitation target areas may be selected based upon both need and the potential for generating market recovery.

Two subsequent rounds of NSP funding, under the American Recovery and Reinvestment Act of 2009 (Recovery Act) and the Dodd-Frank Wall Street Reform and Consumer Protection Act, appropriated an additional \$2 billion and \$970 million, respectively.

In 2008, Cuyahoga County received over \$12 million in NSP I funds<sup>46</sup> and the City of Cleveland received \$25.5 million. Approximately \$14.5 million of Cleveland's share was dedicated to the demolition of 1,800 vacant and abandoned properties. The rest of the funding was used for the rehabilitation of apartments and homes for low-income residents as well as to support reuse projects on vacant lots.<sup>47</sup>

In an effort to target NSP I resources to the areas of greatest need, Cleveland overlaid HUD foreclosure and abandonment risk information with the Cleveland Neighborhood Market Typology to identify areas where (1) significant needs must be addressed, (2) need and market potential overlapped, (3) scattered site rehabilitation would be sustainable, and (4) new housing opportunities for very low-income households existed. After a review of this overlay, Cleveland targeted resources available through NSP using four major approaches:

***Eliminating Blight in Areas of Greatest Distress and Turning Vacant Property Into Community Assets Through Interim Uses:*** In areas where the HUD foreclosure and abandonment risk was high, but where the neighborhood market typology suggested that the market was too weak to create a sustainable homeownership rehabilitation market, Cleveland concentrated on demolition, land banking, and interim uses of land bank land.

Cleveland, under the umbrella of the Re-Imagining a More Sustainable Cleveland initiative, also piloted a neighborhood-scale Vacant Land Improvement Program, to develop a menu of effective improvements to vacant land that has come through foreclosure with a clear title. To harness the creativity of Cleveland's citizens and non-profit community, the NPI, in collaboration with the City and Kent State, conducted an open competition to select pilot program projects.

***Reviving Markets in Concentrated Investment Areas through Substantial Rehabilitation, Select Blight Removal and Reuse of Vacant Land.*** Cleveland established 10 Housing Market Recovery model block areas in neighborhoods that the Cleveland Market Typology ranks as Transitional, Fragile, and Distressed. These model blocks were selected by Cleveland's nonprofit development corporation community based on the model block's proximity to an anchor investment or neighborhood asset and an assessment of the potential for market recovery. Cleveland used NSP funds in combination with HOME, CDBG, and LIHTC resources to rebuild these areas. The areas were selected based on a community review of nearby assets, proximity to an anchor investment and potential to reach untapped housing demand.

Even with the allocation of NSP I funds, some neighborhood sub-markets in very distressed areas could not sustain an investment strategy. The best approach in these areas proved to be land banking, demolition, and reuse.

A year later, Cuyahoga County, the City of Cleveland, Cuyahoga County Metropolitan Housing Authority, and the County Land Bank formed a partnership to apply for NSP II funds that were made available as part of the American Reinvestment and Recovery Act (ARRA). The partnership was awarded \$40.8 million in funding, of which \$21 million went to the City of Cleveland.<sup>48</sup> About half of the city's NSP II funds were used to provide loans to developers to rehabilitate homes; \$4 million to demolish abandoned homes; \$3.4 million to provide mortgage assistance for homebuyers;<sup>49</sup> and; \$500,000 was set aside for the Re-Imagining Cleveland Grant Program (Table 5).<sup>50</sup>

**TABLE 5. Expenditure of NSP Funds on Housing in Cleveland**

<b>Single Family For-Sale Projects</b>	
	<b>124</b>
Completed rehabs	104 (22 still for sale)
Under construction	20
Median subsidy including construction loan write-down and second mortgage assistance	\$93,003.52
Total NSP funds obligated across 3 funding rounds	\$13,870,412
<b>Multi-Family For-Sale Projects</b>	
	<b>7</b>
Completed rehabs	5
Completed new construction	2
Total units across 7 projects	363
Total NSP funds obligated across 3 funding rounds	\$9,808,128

Source: Metropolitan Institute at Virginia Tech, using data from Joseph Gabbard, Cleveland Department of Community Development, 2014.

Using NSP II funds, Cuyahoga County established the Acquisition, Rehabilitation and Resale Loan Program to “return vacant, single, and two-family homes and vacant residential land to productive use and to create homeownership opportunities for eligible households in Cuyahoga County.”<sup>51</sup> Eligible properties had to be located in one of the five suburban NSP II Target Areas: East Cleveland, Garfield Heights, Lakewood, Shaker Heights, or South Euclid. The program provided 0% interest construction loans of up to \$200,000 to qualified developers to cover the costs associated with acquisition, renovation, and resale of eligible properties. Under the loan agreement, construction was required to be completed within a 6-month period, and properties were required to be rehabilitated in a manner that met NSP Rehabilitation Standards and Enterprise Green Communities Criteria established by Cuyahoga County. The Green Communities Criteria addressed a number of requirements related to proximity to existing development, compact development, walkability, environmental remediation, erosion and sedimentation control, landscaping, surface water management, water conservation, energy efficiency, healthy living, etc.<sup>52</sup>

Only people meeting certain criteria were eligible to purchase a NSP-renovated house. These criteria included:

- Demonstrate household income of less than 120 percent of the Areawide Median income
- Attend eight hours of homebuyer counseling from an approved counseling agency
- Receive a Down-payment Assistance Loan from the County of 20 percent of the purchase price (the loan will be fully forgiven upon ten years of occupancy by the homeowner, and require no principle or interest payments during the term of the loan)
- Obtain a fully amortizing first mortgage loan with a fixed interest rate and no prepayment penalties.
- Pay a minimum downpayment of 3 percent of the purchase amount.<sup>53</sup>

For potential homebuyers who were not able to purchase a home under the above conditions, Cuyahoga County partnered with the Neighborhood Housing Services of Greater Cleveland (NHS) to create a lease-purchase program for NSP renovated houses. Under this program, NHS acquired NSP-renovated homes from the developers and oversaw a lease-purchase agreement with qualified homebuyers that were pre-screened by Cuyahoga County.<sup>54</sup>

In September 2010, under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the U.S. Department of Housing and Urban Development awarded \$970 million in NSP III grants to communities across the United States. The City of Cleveland received \$6.8 million, Cuyahoga County \$2.6 million, City of East Cleveland \$1 million, and the City of Euclid \$1 million.<sup>55,56</sup> The majority of these funds were used either for rehabilitation or demolition; some of these funds were applied to consolidate vacant lots or stabilize them with simple clean-and-green activities such as grass seeding.

## First Suburbs Land Banking and Redevelopment Strategies

With the Cuyahoga County Land Bank now serving as the primary entity for demolishing, managing, and reclaiming vacant and abandoned properties throughout the county, the first-tier suburban cities now have greater capacity to demolish and acquire vacant homes. They can decide to engage the CLB or do some of work on their own. The local housing and community development departments in these suburban cities still manage and guide the transfer, reuse, and redevelopment of these vacant lots.

With more active land banking and demolition programs, infill development and green reuse approaches such as sidelot acquisitions are fast becoming regional solutions to the constant supply of vacant foreclosed and REO properties throughout the county. Several of the first-tier suburbs, most notably Shaker Heights and South Euclid, have instituted innovative vacant property reuse and redevelopment policies and programs.

**Shaker Heights:** Several suburban cities have active land banking programs of their own that pre-date the County Land Bank. For example, Shaker Heights has been land banking for over a decade, primarily through its sidelot and infill program started in 2003. Shaker Heights actively acquires low-value properties, and then either demolishes them or has them rehabbed for owner occupancy. The City of Shaker Heights typically owns around 100 vacant residential lots (mostly vacant) which are actively marketed on its web site at <http://www.shakeronline.com/for-residents/housing-incentives/vacant-lot-program>. By monitoring all properties on the Realtor's Multiple Listing Service under \$100,000—a potential indicator of distress—Shaker Heights's Neighborhood Revitalization Department will contact the owner and request donation or begin the purchase process to purchase, especially if the property is in foreclosure or REO. On average, the City of Shaker Heights acquires around 35 properties per year depending on the availability of funds. They also carefully watch those properties with delinquent taxes, with the goal of acquiring such properties before out-of-town speculators. In 2012 the City acquired 28 tax-delinquent properties.<sup>57</sup> The Department Director is also authorized to acquire any such distressed property under \$25,000 without further City Council action to enable Shaker Heights to move quickly in getting these distressed properties off the market.<sup>58</sup>

### South Euclid's Green Neighborhood Initiative

In light of the foreclosure crisis, the City of South Euclid had to step up its land demolition, land banking, and redevelopment programs to focus on the increasing number of vacant and foreclosed homes. According to NEO CANDO, 15 percent of the city's housing stock has been involved with foreclosure—of the 9,300 residential parcels, roughly 600 remain vacant.<sup>59</sup> Leveraging \$800,000 in NSP I resources from the County and a \$300,000 grant from the First Suburbs Development Council, South Euclid launched its Green Neighborhoods Initiative in 2009 (GNI, Figure 13).





**FIGURE 13. Greening in South Euclid**

*The inner-ring suburban City of South Euclid has made greening a major theme of its revitalization.*

*Source: City of South Euclid Facebook page*

Under the leadership of longtime Mayor Georgine Welo, the GNI leverages public-private partnerships to renovate formerly foreclosed bungalows, create community gardens and park space, and establish an infill lot redevelopment program. Together with an active marketing and promotional campaign, these strategies are aimed at increasing market demand by rebranding the city as the place in the region for green, sustainable living, and by promoting green building practices. As of October 2013, the City of South Euclid's green retrofit of four bungalows were sold to NSP-qualified owner-occupants for more than twice the amount of an average home on the same streets.<sup>60</sup> In leveraging its NSP resources, the City of South Euclid transformed several vacant lots into five community gardens and three pocket parks. In order to kickstart its infill development program, the City of South Euclid developed a model home—the Idea House—to demonstrate how creative design and green practices can come together in transforming smaller homes to meet the demands of today's families.

One of GNI's most noteworthy impacts is the substantial uptick in residential building permits issued by South Euclid. In 2009, the City issued 889 permits with a total construction value of over \$4 million. In 2010 and 2011 the City issued roughly 1,850 building permits each year, with an annual construction value of more than \$6 million. The City's Housing Manager Sally Martin notes that since GNI, there has been a 53 percent increase in private residential rehab and construction projects.

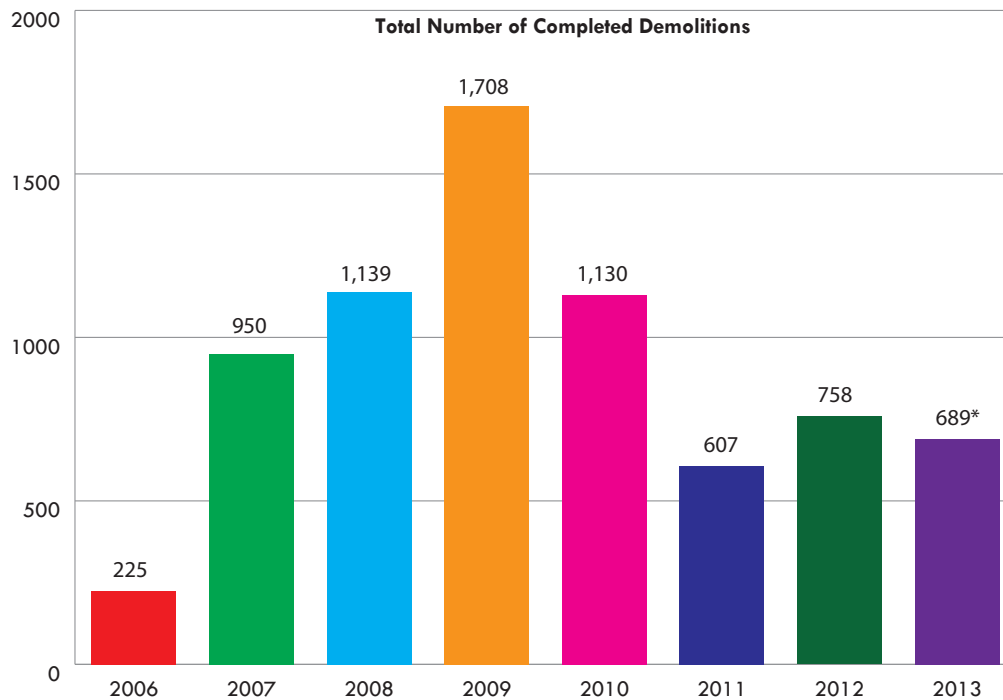
In 2010 the City Council chartered its first nonprofit CDC—One South Euclid—to oversee community revitalization initiatives, implement redevelopment strategies, and engage residents and community leaders in the process.<sup>61</sup> In April 2013 the City of South Euclid, together with One South Euclid, launched the following portfolio of programs to build on the lessons learned from their NSP-funded pilots and continue the GNI:<sup>62</sup>

- *Grow and Thrive*: residents can purchase vacant properties that adjoin their own in order to expand their current homes, perhaps create a garden or play area, or merely increase their privacy.
- *Rebuild and Thrive*: With assistance from the Cuyahoga County Land Bank, owner-occupants and developers can purchase and renovate greatly discounted existing homes that have been foreclosed on.
- *Build and Thrive*. One South Euclid offers buildable neighborhood lots for sale, featuring sidewalks and mature trees. To aid this program, the City of South Euclid provides a five-year, 75-percent tax abatement for newly constructed homes built on previously developed sites.

### City of Cleveland's Demolition Initiatives

Like other legacy cities such as Detroit and Baltimore, Cleveland faces a tremendous capital cost for the demolition of thousands of vacant and abandoned homes. With the current, average demolition costs between \$8,000 and \$10,000 per house, \$1 million in demolition funds translates into roughly 100 vacant houses per year. According to a September 2012 Cleveland City Council report, it will take 22 years and \$4.5 billion to raze an estimated 13,000 vacant houses.<sup>63</sup> City officials now estimate it would cost between \$64 to 80 million to demolish the entire existing inventory of vacant housing, recognizing the inventory of vacant properties is not static and data from foreclosures (mortgage and tax) are still at above-normal rates.

Since taking office in 2006, Mayor Frank Jackson has made demolition a major priority for the city (Figure 14). Cleveland has now pieced together different funding sources in support of a fairly consistent demolition program, roughly \$5 to \$10 million annually (Table 6). For example, in 2007 and 2008, Building and Housing relied on \$6 million in General Obligation bonds to address the pent-up demand for demolition. In June 2009, Building and Housing received a substantial infusion of demolition resources from NSP I and NSP II. When Cleveland received its NSP III award, it quickly spent most of these resources on 1,500 demolitions. Although NSP has been a tremendous infusion of demolition resources, it had rigorous requirements about where the funds could be used, a relatively short timeframe for committing the funds, and various environmental and historic reviews that made these federal resources less flexible and often difficult to use in a strategic manner.



**Figure 14. Demolitions 2006-2013**

Source: Metropolitan Institute at Virginia Tech, using data from Tim Kobe, Ron O’Leary and Thomas Vanover, City of Cleveland’s Process to Prioritize Demolitions, presentation at Reclaiming Vacant Properties Conference, September 2012.

\* Demolitions as of August 31, 2013

### Infusion of New Demolition Dollars: State and Federal Sources

Cleveland’s and Cuyahoga County’s most recent infusion of demolition dollars comes from two new sources: 1) the Ohio Attorney General’s settlement in the nationwide mortgage foreclosure litigation, along with matching resources from the retiring county prosecutor; and 2) the reallocation of U.S. Treasury funds dedicated to address the community impacts from the mortgage foreclosure crisis. As county and city officials welcome these new federal and state resources for strategic demolitions, they recognize the funds come with rules and procedures that may limit where and how the demolitions can occur, which will demand greater accountability and capacity to administer.

In 2012 the Ohio Attorney General’s office received \$383 million in damages of the \$25 billion nationwide settlement with five of the nation’s largest mortgage lenders for their improper processing of foreclosure actions (e.g., the robo-signing process). The Ohio Attorney General set aside \$75 million to help communities address the neighborhood impacts from an estimated 100,000 abandoned homes throughout the state.<sup>64</sup> Eligible counties must run the Attorney General grants through a county land bank authority and match, dollar-for-dollar, the amount awarded beyond the first \$500,000 that covers administrative start-up costs. Cuyahoga County received \$12 million in state funds it could use until the end of 2013. Retiring Cuyahoga County Prosecutor Bill Mason supplied \$5 million, with the County land bank providing \$6.3 million of the matching funds through its annual operating budget. All of these numbers and transactions translate into the City of Cleveland getting a total of \$8 million for demolition through the end of 2013. As part of using these funds, all Ohio counties must submit to the Attorney General a list of strategies for maximizing the benefits of the demolitions in their communities in combating the community impacts from vacant and foreclosed housing.

In August 2013, after months of intensive lobbying from Congressional delegations and vacant property leaders, the U.S. Treasury approved the use of \$60 million from Ohio’s remaining Hardest Hit Funds for demolition of vacant and foreclosed homes throughout the state.<sup>65</sup> In 2010, President Obama set aside these special funds to assist distressed homeowners facing foreclosures. Many states did not use all of these funds, thus the states of Michigan and Ohio mounted a campaign to convince Treasury official that states should be able to use these funds for

blight removal and demolition of foreclosure homes. They argued that removal of blight would prevent future foreclosures, especially in neighborhoods with concentrations of existing mortgage foreclosures, and would help strengthen the housing recovery. The challenge was whether the Treasury Department could approve this interpretation without the need to go to Congress to amend the law. Legislation was introduced by Congressman Dan Kildee in early 2013, but by summertime Treasury officials received the green light from their attorneys. Michigan was the first state to move some of its Hardest Hit Funds for blight removal (\$100 million).

In Ohio Jim Rokakis, former Cuyahoga County Treasurer (and now president of the new Thriving Communities Institute) led the effort with support from the Northeast Ohio Congressional Delegation. The Ohio Housing Finance Agency, which administers the funds, is devising a process for allocating the \$60 million to as many as 16 counties who have established land banks. With more than 15,000 vacant homes, Cuyahoga County will certainly get a large portion of these demolition resources to assist their existing efforts of stabilizing property values in distressed neighborhoods.

## Planning for Sustainable Vacant Property Reuse

One of the major challenges confronting Cleveland and other legacy cities is what to do with all of the vacant land and steady inventories of abandoned homes and businesses. Plagued by decades of population loss and blight, and now fueled by 5+ years of significant mortgage foreclosures, certain neighborhoods cannot generate sufficient demand to make it economically feasible for rehabilitating or redeveloping all of the vacant homes and land. For the foreseeable future Cleveland and to a lesser degree several of the first suburbs must rethink the traditional, market-driven land development model. Even Cleveland's extensive network of community development intermediaries and corporations do not have sufficient resources or capacity to tackle the constant supply of vacant properties. Instead of traditional community and economic development strategies, Cleveland must consider a wider range of temporary, permanent, and green reuse alternatives. In light of these development realities, other Cleveland policy entrepreneurs and networks have begun working on innovative ideas for different vacant land treatments, many with a focus on sustainability and urban greening, which could redefine core principles of planning and urban design for legacy cities.

Cleveland and other legacy cities are also adopting new types of comprehensive plans, strategic frameworks, sustainability policies, and district/neighborhood plans, with new visions, community goals, objectives, and associated policy actions to reclaim and reuse vacant property in productive ways that contribute to the social, economic, and environmental health of a community. Planners are recalibrating zoning and building codes, development and redevelopment processes, public investment decisions, and other tools to provide more specific guidance on creative interim or permanent uses for vacant properties, such as urban agriculture, green infrastructure, pocket parks, trails, and storm water filtration.

### Cleveland's Planning Framework for Reusing Vacant Properties

Many legacy cities, such as Cleveland, do not have a single plan or program that governs the reuse of vacant properties. Over the course of many years and different mayoral administrations, cities adopt and revise multiple plans and programs. Each city thus winds up with a loose constellation of plans that can greatly influence vacant property reuse and future city development patterns—those parts of a city that are growing and those that require stabilization and reclamation. For purposes of this case study we highlight three plans—the *Connecting Cleveland 2020* comprehensive plan, the *Re-Imagining a More Sustainable Cleveland* strategic framework plan, and the *Sustainable Cleveland 2019* initiative and action plan—as they seem to offer the most guidance for reusing vacant properties.

The City of Cleveland has a long tradition of city planning. Formed in 1915, the Planning Commission, supported by a team of professional planners, has led numerous planning initiatives from citywide comprehensive plans to a suite of neighborhood and district plans. The city's current comprehensive plan—*Connecting Cleveland 2020*<sup>66</sup>—sets forth a new course for the city when compared with its 1990 plan (*Cleveland City Vision: 2000 Citywide Plan*).<sup>67</sup> While both plans rely on the traditional planning principles of economic growth and development, *Connecting Cleveland 2020* reveals a more pragmatic approach by identifying neighborhoods, corridors, and institutional assets with relative market strengths in order to focus infill, infrastructure and capital improvements in these “strategic investment areas,” such as downtown, the waterfront, and University Circle.<sup>68</sup> Although the plan indirectly acknowledges that not all areas of Cleveland will grow or develop in the same way, given the cumulative loss of jobs and exodus of people to the surrounding communities, it does not include specific elements or strategies for addressing vacant property challenges.<sup>69</sup>

Starting in 2008, Kent State's Cleveland Urban Design Collaborative (CUDC) and Neighborhood Progress, Inc., in collaboration with city planners, convened a working group to develop a strategic plan for reusing the city's growing inventory of vacant properties—*Re-Imagining a More Sustainable Cleveland*. This was the first time a planning initiative for Cleveland linked vacant properties and sustainability. Today, the strategic reuse of vacant properties has permeated the planning and design cultures within and outside of City Hall, as Re-Imagining's themes have gained traction throughout the region. The Re-Imagining Cleveland planning process also addressed the negative perceptions of population loss and property abandonment, and the stigma associated with the concept of right-sizing, by helping public officials, civic leaders, and local residents reimagine vacant land as opportunities.

Thanks in part to the success of the Reimagining plan and engagement process Cleveland has become a national leader in developing new urban design and planning approaches that can help stabilize neighborhoods through sustainable reuse of vacant land—a vital strategy for the resilient regeneration of all legacy cities. In 2012 the American Planning Association recognized the Re-Imagining's strategic plan by awarding its [National Planning Excellence Award for Innovation in Sustaining Places](#).

In 2009 the City of Cleveland launched a parallel sustainability initiative—*Sustainable Cleveland 2019*—which led to the creation of the Mayor's Office of Sustainability and later the adoption of a sustainability action plan. *Sustainable Cleveland 2019* is a 10-year initiative to design and develop “a thriving and resilient Cleveland region that leverages its wealth of assets to build economic, social and environmental well-being for all.”<sup>70</sup> Since 2009, working groups comprised of local officials, nonprofits, and civic and business leaders have been engaged in a variety of sustainability activities, such as annual sustainability summits, as well as efforts to green existing city processes and programs.

### **Cleveland's 2020 Comprehensive Plan's Policy Principles and Integrated Structure**

In developing the *Connecting Cleveland 2020 Plan*, the City went through a multiyear civic engagement and outreach process with assistance from Cleveland Neighborhood Development Coalition, NPI, and CSU and financial support from the Cleveland and Gund Foundations. Initially, the plan did not directly address vacant land and property issues in Cleveland. Following the Re-Imagining Cleveland effort (and as a result of its findings), *Connecting Cleveland 2020* was amended to move beyond the traditional planning focus of physical development, identifying 7 Guiding principles and 10 elements, each with dozens of ideas and policies to connect the city's people, places, and assets to emerging opportunities and resources that can offer all residents diverse choices, opportunities, and an improved quality of life and health (Table 7).<sup>71</sup>

**TABLE 7: 7 Guiding Principles and 10 Elements**

Guiding Principle	Action
Connections	Connecting people and places and opportunities
Assets	Building on assets in the city and each of its neighborhoods
Opportunity	Re-Imagining Cleveland to turn challenges into opportunities
Place	Creating competitive urban places with character and identify
Choice	Creating communities of choice in Cleveland for residents with many choices as well as those with relatively few choices
Diversity	Embracing and celebrating diversity in people, housing, and opportunities
Sustainability	Building a community that is healthful and viable

Source: Cleveland Planning Department

The plan's framework rests on the city's 36 neighborhoods, but perhaps one of its most unique features is the clustering of these neighborhoods into six Core Development Districts that propose to concentrate development in six catalytic locations along the lakefront and river, Euclid Ave., the Opportunity Corridor, downtown, airport, and University Circle.<sup>72</sup> While the Mayor planning efforts extend throughout the city, the Planning Commission has been developing several important master plans for these six districts: 1) Downtown/BRT Corridor adopted in April 2012; 2) Neighborhood/Great Places with Anchor Institutions October 2012; 3) Brownfields Area Wide Plan in the Opportunity Corridor; and 4) a series of classic redevelopment plans.<sup>73</sup>

### Re-Imagining a More Sustainable Cleveland

As VAPAC and its partners focused on reforming various local vacant property reclamation systems, a somewhat different network of planners, designers, and nonprofits came together to address Cleveland's legacy of population decline, blight, and large-scale vacancy. How could Cleveland connect this potential resource in vacant lots with its existing community assets and natural systems? The Re-Imagining Cleveland initiative relies on creative approaches to urban design, land use planning, and community development and neighborhood collaboration to answer this critical policy question.

Starting in 2007 with an initial grant from the Surdna Foundation, Kent State's CUDC partnered with NPI, the City of Cleveland, and Parks Works to convene a strategic planning process around ideas for reusing vacant land and abandoned buildings, inspired by creative examples from Europe. NPI took the lead in facilitating a 30-member working group to conduct a citywide exploration of vacant property reuse options. The working group included representation from the Cleveland and Cuyahoga County planning commissions, city water, brownfield redevelopment, community development, and building and housing departments; and several non-profit organizations, including Trust for Public Land, Green City Blue Lake Institute, Metroparks, OSU Extension, and ParkWorks. In support of the planning process, CUDC gathered data on the size and location of green space, existing community gardens, and riparian areas and buffers; as well as information on soil types, lead contamination, and food deserts. CUDC overlaid this information on the location of existing vacant property as the working group identified and prioritized strategies for the productive reuse of vacant property.<sup>74</sup>

Over the course of a year, the working group's discussion eventually led to a citywide plan for vacant land reuse—*Re-Imagining a More Sustainable Cleveland—Citywide Strategies for Managing Vacancy* (2008).<sup>75</sup> This collaborative planning endeavor enabled Cleveland's policymakers, practitioners, community and civic organizations for the first time to view vacant property not as a formidable obstacle to economic and community development, but rather as a catalyst and a valuable resource to “advance a larger, comprehensive sustainability strategy for the city, benefit low-income and underemployed residents, enhance the quality of neighborhood life, create prosperity in the city and help address climate change.”<sup>76</sup>

The Re-Imagining Cleveland framework plan identifies citywide goals, principles, and strategies, including policy recommendations for returning vacant land and properties to productive use. The plan also includes a land use decision matrix for evaluating potential vacant land reuse strategies in light of economic variables, sustainable goals, and neighborhood factors—perhaps one of its most innovative features.<sup>77</sup> Three overarching goals guided the thrust of the plan:<sup>78</sup>

1. Productive use/public benefit: Identify ways to derive quantifiable economic, community benefits from the city's growing inventory of vacant property;
2. Ecosystem functions: stormwater management, soil restoration, air quality, carbon sequestration, urban heat island effects, biodiversity, and wildlife habitat should be incorporated into future plans for vacant sites;
3. Remediation: remove risks to human health and the environment from environmental pollutants as well as reuse strategies that link natural and built systems within the city in ways that improve the quality of life and the long-term health of residents and the environment.

The working group established a range of strategies for returning the vacant land and property into productive reuse, along with criteria and a decision map for determining what neighborhoods have the right physical and environmental characteristics for particular reuse options; the plan also includes a menu of policy recommendations for City and County officials to support these reuse options (several which have been implemented):

1. low-cost, low-maintenance neighborhood stabilization and holding strategies to “manage vacant and abandoned properties and establish a sense of stewardship and care in transitional neighborhoods”;
2. green infrastructure strategies to expand parks and natural areas, linkages between green space amenities within the city and region, ecosystem restoration to manage storm water, and remediation of contaminated sites; and
3. Productive landscape strategies to generate an economic return through agriculture and energy generation.

Instead of narrowly focusing on one type of reuse, such as real estate development, the Re-Imagining Plan embraces a variety of creative reuse strategies depending on whether stabilization, green infrastructure, or productive landscapes make the most sense for the site and neighborhood. Perhaps the most far-reaching aspects of the plan are the ideas for productive landscapes around energy and agriculture. The plan makes the case that some vacant land could offer opportunities for generation of alternative energies, such as solar, wind, geothermal, and biofuels in neighborhoods with low population densities. For geothermal, the plan estimates that a vacant residential lot could provide energy for two adjacent houses. Solar fields could be constructed at varying sizes and scales, depending on the size of the lot.

Considering the agricultural history of the greater Cleveland region, community interest in urban agriculture and local food, the need to improve local food security, and the opportunities for neighborhood-based economic development, urban agriculture emerged from the plan and process as one of the most important reuse strategies (Figure 15).<sup>79</sup> The plan identifies both community gardens and commercial agriculture for food production as key productive landscapes along with specific goals, criteria, and policy recommendations for the reuse of vacant land as urban agriculture. In order to improve citywide access to healthy food, the plan states the goal of establishing a community garden within a ¼-mile to ½-mile radius of every City resident. Considering the potential economic development benefits of commercial urban agriculture, the plan also promotes expanding urban agriculture beyond community gardens to include “market gardens” and “commercial farming operations.” The plan discusses specific neighborhood and site characteristics, such as size, location, water, and soil remediation criteria for community gardens and commercial agriculture. Building on the newly adopted urban garden zoning district and chicken and bee ordinance, the plan identifies five specific policy recommendations to further support and promote the reuse of vacant land and properties for urban agriculture.<sup>80</sup>



**FIGURE 15. Urban agriculture has emerged as one of the most important reuse themes and strategies in Re-Imagining Cleveland.**

Source: *Re-Imagining Cleveland*

Shortly after the adoption of the *Re-Imagining Cleveland* framework plan in November 2008, NPI and the CUDC, with support from the Cleveland and Surdna foundations developed a companion document – the Vacant Land Re-Use Pattern Book – to provide “inspiration, guidance and resources for community groups and individuals who want to create productive benefit from vacant land in their neighborhood and begin to restore Cleveland’s ecosystem.”<sup>81</sup> As a companion to the *Re-Imagining Cleveland* plan, the pattern book offers a series of recommendations for vacant land reuse that were adopted by the Cleveland City Planning Commission in December 2008. The pattern book includes sketches, maps, and practical information on installation techniques and potential costs for different types of landscape treatments around four major Environmental and 4) Residential Expansion/ New Development. In many respects the pattern book served as the first operator’s manual for how community groups and individual property owners could reuse vacant property in Cleveland.

### **Re-Imagining a More Sustainable Cleveland: Pilot Land Reuse Demonstration Initiative**

As a way to test the viability of reuse ideas set forth in the *Reimagine Cleveland* plan and Pattern book, NPI organized a small pilot in six neighborhoods supported by a small grant of \$50,000 from the Cleveland Foundation.<sup>82</sup> CDC’s used these foundation funds to work with individual neighborhood groups to process develop 20 small-scale vacant lot projects. Based on the positive feedback from neighborhood groups and the CDCs, NPI convinced the city to expand this pilot citywide and most importantly to provide \$500,000 in funding from HUD’s Neighborhood Stabilization Program (NSP I). NPI set up a grant competition, raised supplemental foundation funds and managed the awards to civic organizations, block groups, and neighborhood-based greening group.<sup>83</sup> Based on their expertise in developing the pattern book CUDC professors and students provided technical assistance for the design and develop of these creative vacant property reuse projects. A total of 56 pilot projects received one-time grants, generally up to \$10,000, although those project involving multiple, adjacent lots received more. About half of the projects involved some aspect of urban agriculture. Of these 30 agriculture-related pilot projects, 13 were community gardens; 12 market gardens; 3 vineyards; and 2 orchards. All grantees participated in an orientation in January 2010, and began implementation of their individual projects shortly after (Figure 16).<sup>84</sup>





**FIGURE 16. The Re-Imagining a More Sustainable Cleveland land reuse pilot projects spanned a wide range of approaches, including vineyards and orchards, community gardens, native planting, and rain gardens.**

Source: Helen Liggett

To assist grantees with the implementation of their projects, but also to provide information that would assist other cities in the region and throughout the Midwest, NPI and the CUDC updated the vacant land pattern book in January 2011 to include details and actual budgets from the first pilot projects, as templates for future efforts. The new edition—entitled the [Ideas to Action Resource Book](#)<sup>85</sup>—went beyond the designs in the vacant land pattern book by providing important, tangible examples, with budgets and technical specifications. The Resource Book also supports important discussions for community groups and individual “local heroes” are already engaging in greening, gardening, and growing activities throughout Cleveland. Such a resource is an important ground-breaker for the difficult and often too-abstract task of considering urban population loss and vacancy. The presences of actual projects and specifics about budgets and procedures has helped community members actively engage in many approaches, from vineyards and orchards to market gardens and community gardens; from side yard expansion projects to street edge improvements, neighborhood pathways, pocket parks, native planting, and rain gardens.

Beyond the immediate benefit of productively reusing a total of approximately 15 acres, the Re-Imagining Cleveland Vacant Land Pilot Projects required many of the city agencies and departments to rethink how they do business. The Cleveland Land Bank had to make a strong case to HUD to ensure that vacant land reuse was eligible under NSP I rules, along with revising policy and administrative changes to streamline vacant lot disposition.<sup>86</sup> Even this modest flexibility then disappeared under the new, stricter rules of NSP II, the funds from which were mostly used for stabilization and maintenance only.<sup>87</sup> The Cleveland Water Department revised policies and fee structures to support new urban gardeners and farmers, while the Cleveland Economic Development Department offered them small grants and low-interest loans to help with the startup costs. In the long term, Cleveland hopes these pilots can support larger-scale reuse projects while other legacy cities, such as Flint and Youngstown, Ohio, are taking the lessons learned from these pilots and adapting them to their neighborhoods.

As a follow on from the first round of pilot demonstration projects In 2014 NPI awarded \$340,000 to nine CDCs for neighborhood vacant-property greening projects, using funds from the Wells Fargo CityLift project as part of a multimillion dollar national foreclosure settlement. These projects, initiated by the CDCs as part of their larger neighborhood plans, will use multiple scattered sites.<sup>88</sup>

### *Re-Imagining A Greater Cleveland*

The Re-Imagining vision and planning process is also influencing regional sustainability and greening conversions through Re-Imagining a Greater Cleveland and the policy dialogues on green infrastructure with the Metropolitan Sewer Authority. As innovative projects were being implemented on the ground in Cleveland, several adjacent suburban cities began to develop their own sustainability reuse strategies, such as South Euclid's Green City program.

In fall 2009, the Cleveland Foundation provided funding to explore broader vacant property and land reuse throughout the greater Cleveland region. The purpose of this planning effort, known as *Re-Imagining a Greater Cleveland*, was to identify and implement large-scale projects in specific areas across 58 communities in Cuyahoga County, including Cleveland. Led by NPI, LAND Studio, and Kent State's CUDC, this planning process drew on the storm water management, urban agriculture, brownfields remediation, and alternative energy expertise of scientists, planners, and practitioners within the region to identify priorities and locations for innovative projects. According to Green City Blue Lake, a central purpose of this work is "to transform the growing liability of vacant land into a regional asset."<sup>89</sup> A steering committee spent several months discussing potential 'catalytic' projects and possible criteria for where such projects should be sited along with how to build capacity, incorporate interlinked ideas, and identify key policies that need to be reformed to support the implementation of large-scale projects.

So far, only one of the signature projects materialized—and that one, the Urban Agricultural Innovation Zone (discussed at page 62), does not yet fully integrate stormwater management and urban agriculture as originally envisioned. Nonetheless, the process helped several regional entities begin to integrate urban greening and green infrastructure strategies as part of their programs and projects.<sup>90</sup> For example, the Northeast Ohio Regional Sewer District's (NEORS) CleanLake initiative as part of a U.S. Environmental Protection Agency consent decree includes green infrastructure as a supplemental strategy for reducing polluting discharges from combined sewer overflows into the Cuyahoga River and watershed.<sup>91</sup> Of the \$3 billion estimated infrastructure costs, a minimum of \$42 million was to have been set aside for green infrastructure. The Sewer District also has a mandate to capture at least 44 million gallons of storm water, and the actual amount of expenditure could be considerably more than the minimum required \$42 million.<sup>92</sup> In April 2012, the Sewer District published a special green infrastructure strategy that will guide the development of 15-20 "early action" projects, such as neighborhood scale retention areas, the installation of pervious surfaces, and retrofitting green vacant lots as short-term water infiltration areas.<sup>93</sup>

In 2013 Ohio State University professor Mary Gardiner received more than \$900,000 from the prestigious National Science Foundation for an unprecedented study of vacant land in Cleveland, focusing on landscape treatments and biodiversity contributions on 64 vacant lots that will be converted to green uses in eight Cleveland neighborhoods. The five-year project, conducted in partnership with CUDC at Kent State, will evaluate eight landscape treatments combining different soil preparation techniques, plant combinations, and species management approaches. The study is expected to be instrumental in guiding green infrastructure development in Cleveland and other legacy cities.<sup>94</sup>

The Cleveland Botanical Garden (CBG) has also been engaged in a compatible effort since 2011, using a multiyear applied-research grant from the Great Lakes Protection Fund.<sup>95</sup> CBG partnered with researchers to develop a matrix of indicators for tracking the economic and environmental benefits from green infrastructure. They also held three roundtables that brought together 42 practitioners from Great Lake cities, such as Gary, Cleveland, Milwaukee, Chicago, Flint, Detroit, Toledo, Buffalo, and Rochester.<sup>96</sup> As a result of these convenings, in 2013 GBC began to focus on green infrastructure demonstration projects on vacant lots in three cities—Cleveland, Gary, and Buffalo. The goal is to develop and evaluate a neighborhood-based network of green vacant lots.<sup>97</sup>

## Sustainable Cleveland 2019

In August 2009, Mayor Frank G. Jackson announced a ten-year plan to revitalize Cleveland's economy within a sustainable framework. Gathering under the rallying vision of a "green city on a blue lake," Sustainable Cleveland 2019 has become an annual gathering for local residents, businesses, and city departments in a series of events and annual summits over the course of the next ten years. Starting after the 2010 organizing summit, each year a diverse committee of local officials, nonprofits, and civic/business leaders plan a different topic for the Mayor's annual sustainability summit; the 2011-2013 summits covered energy efficiency, local foods and renewable resources/energy; the 2014 topic will be zero waste. The choice of 2019 is not random: it marks the 50th anniversary that the Cuyahoga River fire, caused by an oil slick near the Republic Steel Mill, added insult to Cleveland's already-injured reputation as a city of heavy industry and pollution.<sup>98</sup>

In 2011, SC2019 released its first Action and Resources Guide, the result of more than two years of work and discussions among 14 working groups and SC2019's Steering Committee. Vacant land recovery and the built environment are key parts of the SC2019 effort's overall agenda, both directly and embedded in other goals such as greening and urban food production. A Vacant Land working group is one of the largest of the initiative's 14 working groups.<sup>99</sup>

SC2019's user-friendly "dashboard" of progress indicators measures its attainment of many goals, including some that touch on its approaches to vacant properties. One of these is a measure of "blight-to-assets" transformation. Among its findings are that the number of vacant lots and buildings either leased or sold in the City of Cleveland has increased by more than threefold since 2009.<sup>100</sup> Brownfield clean-ups in the city and county are also being tracked. About 220 acres of contaminated sites have been cleaned since 2009.<sup>101</sup>

## Implementing Cleveland's Plans through Zoning Code Reforms and New Collaborations

When it comes to aligning slightly different planning visions and implementing Cleveland's constellation of plans, the City has taken several approaches, such as creating the Mayor's Office of Sustainability and launching the vacant land neighborhood demonstration projects. In fact, *the Connecting Cleveland 2020* comprehensive plan includes a specific section containing several core implementation strategies. The plan rests on the premise that successful implementation will demand a multi-faceted strategy and coordination with other relevant City (and County) programs, plans, and policies, such as marketing Cleveland's assets to attract and retain businesses, capital improvements and infrastructure, etc. Recalibrating existing zoning codes, land development procedures, and design guidelines will be necessary to address the challenges of reclaiming and reusing vacant property.

Instead of launching a complete zoning code overhaul, Cleveland is taking an incremental approach in pursuit of the goals and ideas set forth in its *Connecting Cleveland 2020* plan and the most recent iterations of the Re-Imagining strategic framework plan. Several of the Planning Commission's more notable zoning code and process changes have involved greening vacant land for parks, green infrastructure, open space, and urban agriculture along with reuse of abandoned buildings. For example, the city added special live-work and mixed use overlay districts that encourage the adaptive reuse of old industrial buildings and promote preservation of compact urban neighborhoods. The Live-Work Overlay Zone exempts converted industrial properties from additional parking requirements, while the Pedestrian Retail Overlay mandates street side building placement and ground-floor retail uses.

One of the first planning actions to address vacant land began in 2005 with the adoption of the Open Space and Recreation Zoning District, which permits the city to designate vacant land for parks, recreation facilities, and open space. In 2007 the city added the Urban Garden Zoning District, which permits only agriculture-related uses. Next, the city adopted standards in 2009 that allow residents to keep a variety of up to eight animals, the number of which is regulated by zoning district, parcel size, and animal type. In 2010, the City approved additional standards that allow agriculture as a principal use in all vacant residentially zoned lots and also permit the sale of produce grown in residential districts as a conditional use permit, etc.<sup>102</sup> Cleveland City Council is still considering adding an urban agriculture overlay district for larger, more intense urban farms.<sup>103</sup>

One intriguing idea with great potential is from the Cleveland report, *8 Ideas for Vacant Land Re-use in Cleveland*: to create special “green overlay zoning districts” that would include stormwater management standards, riparian overlay districts, and green design standards.<sup>104</sup> While the city has not yet acted on it, the green overlay zone idea originally grew out of the Re-Imagining Cleveland effort. The special report on vacant land, however, provides Cleveland’s planning commission with a policy blueprint for where the City may head with respect to future code changes and comprehensive plan amendments.

### THE URBAN AGRICULTURE INNOVATION ZONE

The Urban Agriculture Innovation Zone is the signature project from the Re-Imagining Cleveland initiative. This 26.5-acre pilot site is being used to grow local food on vacant land in Cleveland’s 5<sup>th</sup> Ward (Figure 17). The so-called Forgotten Triangle neighborhood has a legacy of poverty, crime, and little access to fresh locally grown food, with large tracts of abandoned property. Project funders and partners include the Ohio State University Extension Service, the U.S. Department of Agriculture, the Ohio State Department of Agriculture, the Burten, Bell, Carr Development, Inc. (the neighborhood CDC) and the Cleveland Department of Economic Department.<sup>105</sup> Six acres serve as the Urban Agriculture Incubator Pilot Program (the Kinsman Farm) where farmers who have completed Ohio State University Extension (OSU extension) market garden training program can apply to farm a quarter-acre.<sup>106</sup> Earlier in 2013, the City of Cleveland and Ohio Department of Agriculture provided just under \$200,000 toward the project, including tools, equipment, irrigation systems, perimeter fencing, and infrastructure.<sup>107</sup>

## Notes

- 1 For a summary of this original statement of purpose, see Ford, "Greater Cleveland's Response to Foreclosure and Vacant Property," at [http://www.clevelandfed.org/Community\\_Development/events/20130222/ford.pdf](http://www.clevelandfed.org/Community_Development/events/20130222/ford.pdf).
- 2 Hexter and Coulton, *Facing the foreclosure crisis*.
- 3 Ford, "Greater Cleveland's Response to Foreclosure and Vacant Property."
- 4 Interview with Frank Ford, NPI, 2012.
- 5 Hexter and Coulton, *Facing the Foreclosure Crisis*, 4.
- 6 Justin Fleming "The Neighborhood Stabilization Team Web App: Democratizing Data in Cleveland, Ohio," presentation at Federal Reserve Bank of Richmond, 7 Dec. 2011, accessed 20 Jan. 2014, [http://www.richmondfed.org/conferences\\_and\\_events/community\\_development/2011/pdf/neighborhood\\_stabilization\\_team\\_web\\_app.pdf](http://www.richmondfed.org/conferences_and_events/community_development/2011/pdf/neighborhood_stabilization_team_web_app.pdf).
- 7 NST core team members have other projects and responsibilities; this is not their exclusive, full time assignment.
- 8 "Neighborhood Stabilization Team Web App," *Briefly Stated: Research Summary*. Mandel School of Applied Social Sciences, Case Western Reserve University, No. 12-4, Aug. 2012, [http://blog.case.edu/msass/2012/09/13/Briefly\\_Stated\\_No\\_12-04\\_NST\\_Web\\_App.pdf](http://blog.case.edu/msass/2012/09/13/Briefly_Stated_No_12-04_NST_Web_App.pdf).
- 9 Despite its effectiveness as a tactical vacant property tool, with the 2012 merger of NPI and Frank Ford moving to Thriving Communities, it remains unclear how much the new NPI will support the NST. Justin Fleming remains at NPI to oversee neighborhood stabilization activities.
- 10 "Resources," Safeguard Properties web site, accessed 8 Jan. 2014, [http://safeguardproperties.com/Resources/Vacant\\_Property\\_Registration/Default.aspx?filter=vpr](http://safeguardproperties.com/Resources/Vacant_Property_Registration/Default.aspx?filter=vpr).
- 11 Most of the general inspectors work on occupied residential 1-5 unit buildings, and inspectors have certifications to do building permit inspections or issue notices of violation for property maintenance and other code violations.
- 12 Mark Frater, Colleen M. Gilson, and Ronald J.H. O'Leary, *The City of Cleveland Code Enforcement Partnership*, June 2009, accessed 20 Jan. 2014, [http://www.communityprogress.net/filebin/pdf/CLE\\_CE\\_Partnership.pdf](http://www.communityprogress.net/filebin/pdf/CLE_CE_Partnership.pdf).
- 13 Timothy Kobe, Ronald O'Leary, Thomas, Vanover, "City of Cleveland's Process to Prioritize Demolition," Presentation at Reclaiming Vacant Properties Conference, 10 Sep. 2013. [http://www.communityprogress.net/filebin/rvpresentations/Demolition\\_Strategy\\_National\\_Vacant\\_Properties\\_Conference\\_September\\_2013.pdf](http://www.communityprogress.net/filebin/rvpresentations/Demolition_Strategy_National_Vacant_Properties_Conference_September_2013.pdf).
- 14 Within Ohio, the only other housing courts authorized by state law are Toledo and Franklin County in Columbus. W. Dennis Keating and Kermit J. Lind, "Responding to the Mortgage Crisis: Three Cleveland Examples." *Urban Lawyer* Vol. 44, No.1, (2012), 1-35.
- 15 Ibid.
- 16 Ibid.
- 17 A native of Cleveland, Judge Pianka served on the Cleveland City Council for ten years as chair of the community development committee before being elected to the housing court in 1995.
- 18 FSC consists of 19 Greater Cleveland communities: the cities of Bedford, Bedford Heights, Berea, Brook Park, Brooklyn, the Village of Brooklyn Heights, Cleveland Heights, East Cleveland, Euclid, Fairview Park, Garfield Heights, Lakewood, Maple Heights, Parma, Parma Heights, Shaker Heights, South Euclid, University Heights, and Warrensville Heights. See <http://www.firstsuburbs.org/firstsuburbs/history.php>.
- 19 "Rebuilding as One: A Common Sense Approach to Housing in Cuyahoga County," (Cleveland: NE Ohio First Suburbs Consortium, 2013), accessed 2 Feb. 2014. [http://organizeohio.org/uploads/2/8/7/7/2877533/fsc\\_county\\_housing\\_policy\\_agenda.pdf](http://organizeohio.org/uploads/2/8/7/7/2877533/fsc_county_housing_policy_agenda.pdf).
- 20 As a matter of policy Shaker Heights codes do not permit owners, property managers, or mortgage servicers to board the doors and windows of vacant houses. The City will remove them, put actual windows in place and bill the owner under its nuisance abatement standards. Shaker Heights officials focus on curb appeal as a key ingredient to stabilizing neighborhoods and ensuring that vacant houses get maintained, rehabbed, and sold.
- 21 Joseph Schilling, "Code Enforcement and Community Stabilization: The Forgotten First Responders to Vacant and Foreclosed Homes," *Albany Law Review*, Vol. 2, Issue 1, (2009): 101-163.
- 22 Since at least 2007, property preservation firm Safeguard Properties has maintained an active database of cities that have some form of VPRO. Many of these have special provisions that apply to lending institutions. By monitoring online news, they provide regular updates about cities considering adopting or changing their VPROs. Accessed 3 Sep. 2013, [http://safeguardproperties.com/Resources/Vacant\\_Property\\_Registration/all.aspx?filter=vpr&city=&category=](http://safeguardproperties.com/Resources/Vacant_Property_Registration/all.aspx?filter=vpr&city=&category=)
- 23 Martin C. Benton, "Vacant Property Registration Ordinance," *Real Estate Law Journal*, Vol. 39 (2010): 6.
- 24 See generally, Kermit Lind, "State of Vacant Property Registration Ordinances," in *Shelter Force—the Journal of Affordable Housing and Community Building*, 29 Nov. 2012, [http://www.shelterforce.org/article/2966/the\\_state\\_of\\_vacant\\_property\\_registration/](http://www.shelterforce.org/article/2966/the_state_of_vacant_property_registration/)
- 25 Thomas J. Fitzpatrick IV, Lisa Nelson, Francisca G-C. Richter and Stephan Whitaker, *The Effect of Local Housing Ordinances on Neighborhood Stability*, Federal Reserve Bank of Cleveland, Working Paper 12-40 (December 2012), [http://www.clevelandfed.org/research/other\\_authors/nelson/](http://www.clevelandfed.org/research/other_authors/nelson/).
- 26 See generally Ordinance 11-10, "An Ordinance Creating New Chapter 1414 'Registration of Vacant Buildings and Certificates of Occupancy for Vacant Buildings,' of Part 14, Housing Code, of the codified ordinances of the City of South Euclid, Ohio," January 25, 2010. At <http://www.cityofsoutheuclid.com/building-housing/images/ordinance11-10.pdf>. Accessed 6 Feb. 2014.
- 27 See generally Shaker Heights Municipal Code Section 107.08.
- 28 Alan Mallach, *Bringing Buildings Back—From Abandoned Properties to Community Assets*, Second Edition (New Brunswick, New Jersey: Rutgers University Press, 2010). Mallach offers three central tasks for communities to "manage" property abandonment: 1) minimize the length of time properties remain abandoned; 2) minimize the harm to the community from abandoned properties; and 3) create conditions to bring abandoned properties back into productive use.
- 29 Ibid.

- 30 W. Dennis Keating, "Responding to the Foreclosure Crisis: The Cuyahoga County Land Bank," Presentation at the American Collegiate Schools of Planning (ACSP) Annual Conference, November 3, 2012). Copy on file with authors.
- 31 *Cleveland at the Crossroads* (2005).
- 32 Lavea Brachman, "Case Study: Building a Coalition to Pass a State Land Bank," in *Rebuilding America's Legacy Cities: New Direction for the Industrial Heartland*, Alan Mallach, ed. (New York: American Assembly, 2012).
- 33 W. Dennis Keating. *Cuyahoga County Land Reutilization Corporation: The Beginning, the Present, and Beyond, 2009-2011*, July 2011. At [http://www.cuyahogalandbank.org/articles/CCLRC\\_2009\\_2011\\_Report.pdf](http://www.cuyahogalandbank.org/articles/CCLRC_2009_2011_Report.pdf). Accessed 21 Jan. 2014.
- 34 Ibid.
- 35 Ibid.
- 36 Ibid. Since it was part of a multi-governmental consortium, most of the NSP II grant funds were funneled back to the City of Cleveland for Nuisance Demotions, the City of Cleveland and Cuyahoga County for the Investor Loan Program, and CMHA for low income housing.
- 37 Ibid.
- 38 Ibid.
- 39 "Greener Demolitions," *Cuyahoga Land Bank News*, 2013- 10.1. <http://cuyahogalandbank.org/publications.php>.
- 40 Ibid.
- 41 Ibid.
- 42 HUD, Cuyahoga Land Bank Renew Ground Breaking Agreement. *Cuyahoga Land Bank News* - 2013.12.1. [http://us5.campaignarchive1.com/?u=65f042f92febba3b6d03cd2cb8&id=580675ddd1&e=\[UNIQID\]](http://us5.campaignarchive1.com/?u=65f042f92febba3b6d03cd2cb8&id=580675ddd1&e=[UNIQID]).
- 43 Ibid.
- 44 On February 20, 2009, Congress passed the American Recovery and Reinvestment Act (also known as the Stimulus bill) which provided another \$2 billion for NSP initiatives through a competitive process (hereinafter referred to as NSP II). It also enacted clarifying amendments to NSP I.
- 45 All NSPI eligible activities must benefit families or communities with incomes under 120 percent of Areawide Median Income (AMI). Up to \$375,000 of the allocation may be used for the costs of administering the program.
- 46 Cuyahoga County Department of Development, "Neighborhood Stabilization Program," at <http://development.cuyahogacounty.us/en-US/Neighborhood-Stabilization-Program.aspx>. Accessed 21 Jan., 2014.
- 47 Mark Gillispie, "City of Cleveland receives \$6.8 million in latest round of Neighborhood Stabilization Program funding," *Cleveland.com*, blog of the *Cleveland Plain Dealer*, 9 Sep. 2010, at [http://blog.cleveland.com/metro/2010/09/city\\_of\\_cleveland\\_receives\\_68.html](http://blog.cleveland.com/metro/2010/09/city_of_cleveland_receives_68.html).
- 48 See various articles on the Neighborhood Stabilization Program at the Cuyahoga County Planning Commission blog. At [http://planning.co.cuyahoga.oh.us/cgi-bin/mt/mt-search.cgi?blog\\_id=1&tag=Neighborhood%20Stabilization%20Program&limit=20](http://planning.co.cuyahoga.oh.us/cgi-bin/mt/mt-search.cgi?blog_id=1&tag=Neighborhood%20Stabilization%20Program&limit=20). Accessed 21 Jan. 2014.
- 49 Gillispie, "City of Cleveland receives \$6.8 million ..."
- 50 "Neighborhood Stabilization Program," Cuyahoga County Planning Commission Blog.
- 51 "Cuyahoga County NSP2 Acquisition Rehab and Resale Loan Program Guidelines," at [http://development.cuyahogacounty.us/pdf\\_development/en-US/NSP-Guidline-31011Final.pdf](http://development.cuyahogacounty.us/pdf_development/en-US/NSP-Guidline-31011Final.pdf). Accessed 21 Jan. 2014.
- 52 Ibid.
- 53 Ibid.
- 54 Ibid.
- 55 "Neighborhood Stabilization Program," Cuyahoga County Planning Commission Blog.
- 56 "Neighborhood Stabilization Program (NSP3) Funding Under Dodd-Frank Wall Street Reform and Consumer Protection Act," at [https://hudnshelp.info/media/resources/NSP3FundingTable\\_7.13.11.pdf](https://hudnshelp.info/media/resources/NSP3FundingTable_7.13.11.pdf). Accessed 21 Jan. 2014.
- 57 Kamla Lewis. November, 6, 2012. City of Shaker Heights—Managing the Fallout from the Foreclosure Crisis. Presentation on file with authors.
- 58 Ibid.
- 59 South Euclid's Green Neighborhoods Initiative—Transforming Neighborhood and Creating Opportunities (September 2013). At [www.cityofsoutheuclid.com](http://www.cityofsoutheuclid.com).
- 60 Ibid.
- 61 "Programs," One South Euclid web site, at <http://www.onesoutheuclid.org/programs/>. Accessed 21 Jan. 2014.
- 62 Jeff Piorkowski, "One South Euclid, city devise three programs to make productive currently vacant, foreclosed properties," (April 5, 2013), at [http://www.cleveland.com/lyndhurst-south-euclid/index.ssf/2013/04/one\\_south\\_euclid\\_city\\_devise\\_t.html](http://www.cleveland.com/lyndhurst-south-euclid/index.ssf/2013/04/one_south_euclid_city_devise_t.html).
- 63 City officials currently estimate the city has 8,000+ vacant "distressed" houses that require demolition, but that number will increase to 13,500 in five years in light of the high rate of foreclosures and Sheriff's sales. The consultants in the report figured additional costs of \$75 per day to sustain a vacant house, which translates into about \$27,000 a year today. If the City cannot demolish that house until ten years from now, the annual municipal costs for maintaining that house will accumulate to \$270,000 in that decade. Source: Leila Atassi, "Cleveland's glut of vacant housing could cost billions to eliminate at current pace," *Cleveland Plain Dealer*, Sep. 25, 2012. At [http://www.cleveland.com/metro/index.ssf/2012/09/clevelands\\_glut\\_of\\_vacant\\_hous.html](http://www.cleveland.com/metro/index.ssf/2012/09/clevelands_glut_of_vacant_hous.html).
- 64 Leila Atassi, "Cuyahoga County gets nearly \$12 million from settlement to eliminate blight," *Cleveland Plain Dealer*, May 6, 2012. At [http://www.cleveland.com/metro/index.ssf/2012/05/cuyahoga\\_county\\_to\\_receive\\_nea.html](http://www.cleveland.com/metro/index.ssf/2012/05/cuyahoga_county_to_receive_nea.html).
- 65 Joe Pagonakis, "U.S. Treasury decides Hardest Hit Funds can be used for Ohio home demolition," *newsnet5.com*, 22 Aug 2013. [http://www.newsnet5.com/dpp/news/local\\_news/better\\_neighborhoods/US-Treasury-decides-Hardest-Hit-Funds-can-be-used-for-Ohio-home-demolitions](http://www.newsnet5.com/dpp/news/local_news/better_neighborhoods/US-Treasury-decides-Hardest-Hit-Funds-can-be-used-for-Ohio-home-demolitions).

- 66 City of Cleveland, *Connecting Cleveland 2020*, Citywide Plan (2007). At <http://planning.city.cleveland.oh.us/cwp/planIntro.php>. Accessed 27 Jan. 2014.
- 67 *Connecting Cleveland*, Summary document. Cleveland City Planning Commission web site, at <http://planning.city.cleveland.oh.us/cwp/SummaryBase.php>. Accessed 27 Jan. 2014.
- 68 Joseph Schilling and Alan Mallach, *Cities in Transition: A Guide for Practicing Planners*. American Planning Association PAS Report No. 568 (April 2012).
- 69 Within the plan's 10 major policy goals, it does mention strategies for land assembly, neighborhood stabilization, adaptive reuse, and the redevelopment of abandoned commercial and industrial properties (brownfields), but says little about the hard realities of Cleveland's mounting inventories of vacant properties or share ideas for potential reuse.
- 70 "Sustainable Cleveland 2019," Mission statement at City of Cleveland web site. At <http://www.city.cleveland.oh.us/CityofCleveland/Home/Community/ThingsToDo/AlSummit>. Accessed 21 Jan. 2014.
- 71 "Introduction," *Connecting Cleveland 2020 Citywide Plan*, City of Cleveland Planning Commission web site, accessed 27 Jan. 2014, <http://planning.city.cleveland.oh.us/cwp/planIntro.php>.
- 72 The *Connecting Cleveland 2020* comprehensive plan says little about the areas outside of these Core Development Areas; certainly the neighborhood plans would/should identify reuse categories, especially for those places with weak market demand and larger concentrations of abandonment and vacant land; in many respects, the *Re-Imagining a More Sustainable Cleveland Strategic Framework* plan covers these gaps.
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# collaborative networks

## Developing Long-Term Capacity & Cooperation

The preceding section covers the vacant property policy and program landscape, describing in some detail the development and deployment of different strategies and tools in Cleveland and Cuyahoga County. It makes a strong case for communities to put in place a wide range of policies and programs that can adapt to changing conditions, markets, and community/political dynamics. This next section focuses on how individuals, organizations, and institutions in Cleveland have come together to develop and redesign these tools, learn from each other, and work across boundaries in collaborative networks. Such collaboration plays a pivotal role in harnessing individual actions and transforming them into collective impact. How a City inspector or municipal attorney interprets and administers a vacant property ordinance or program can often determine whether or not the tool will be effective in reclaiming a distressed property or revitalizing an entire neighborhood or community. The same holds true for how City and County departments work across organizational structures and political boundaries, including how public agencies work with nonprofit organizations, philanthropic institutions, universities, community development organizations, and other key players in civic life.

Collaboration is the energy for transforming individual successes into a more resilient policy system for reclaiming vacant properties. Using principles of social network analysis, experts often calculate and map the breadth and diversity of stakeholder networks, the strength of their connections, the roles they play, their ability and history of coordinating policy/programs, and the enduring nature of their partnerships. Although this case study does not provide that level of scrutiny, it does describe the evolution of Cleveland's expanding vacant property network—the informal and formal relationships across sectors and organizations as well as the pivotal role of individual policy entrepreneurs.

Cleveland's network rests on its rich history of CDCs and the evolving role of community development intermediaries, supported by national and local foundations whose resources and foresight have nurtured innovations in the regeneration and reclamation of many Cleveland neighborhoods. One of Cleveland's more significant innovations is the Vacant and Abandoned Property Action Council, which continues to serve as the hub for collaboration among all levels of the public and nonprofit sectors within the city, the county, and the suburbs. VAPAC has helped instill a culture of collaboration, as policymakers and other groups now present their strategies and ideas, seeking the approval, but more importantly the wisdom, that comes from VAPAC's collaborative problem solving. Certainly Cleveland's VAPAC and its expanding vacant property network serve as a benchmark for other legacy cities to learn from and compare.

**Collaboration is the energy for transforming individual successes into a more resilient policy system for reclaiming vacant properties.**

## Community Development Corporations and Intermediaries: Support for Reclaiming Vacant Properties

One of Cleveland's more significant innovations is the Vacant and Abandoned Property Action Council, which continues to serve as the hub for collaboration among all levels of the public and nonprofit sectors within the city, the county, and the suburbs.

### Deep Roots in Communities: Four Decades of CDCs in Cleveland

Since the 1970s, Cleveland's community development corporations (CDCs) have been the City's first responders to the devastating effects of deindustrialization, depopulation, suburbanization, and most recently the mortgage foreclosure crisis. With support from local and national foundations, Cleveland has built what many recognize as the most successful and extensive neighborhood-based community development system in the nation. Beyond its traditional focus on preserving, building, and rehabilitating housing, Cleveland's CDC network continues to evolve as CDCs expand their programs to develop new retail facilities; create green spaces, playgrounds, and recreation centers; and serve as the incubator for innovative policies for reclaiming vacant properties (Figure 17).<sup>1</sup>

As a major catalyst of the community development and housing movement, CDCs have improved the quality of life for urban residents and contributed to progressive policy development.<sup>2</sup> In the mid-1960s, fewer than 100 CDCs existed in the United States. By the end of the 1970s there were tenfold more. These nonprofit organizations were envisioned to improve disadvantaged urban neighborhoods and expand opportunities for residents.<sup>3</sup> As part of its investment strategy to grow these new groups in low-income urban areas across the country, the Ford Foundation provided the Cleveland community with several million dollars for a community foundation that would help support CDCs.<sup>4,5</sup> Cleveland's first-generation CDCs began as formal arms of neighborhood-based organizations and social justice movements. These first CDCs focused on fighting redlining—the systematic refusal by banks and lenders to offer mortgages to neighborhoods with large, and largely poor, populations of people of color—as well as urban renewal, which created large-scale displacement of poor and largely black populations. Although many branded themselves as business-friendly alternatives to political and conflict-oriented community groups, the CDCs' comprehensive approach to neighborhood development still involved elements of advocacy and community organizing.<sup>6</sup>



**FIGURE 17. Bailey Orchard Park Development**

*Cleveland's long history of community development reaches back decades. Although early efforts focused on affordable housing, by the 1990s the housing focus had expanded to promoting market-rate homes.*

*Source: Joseph Schilling*

### **Formalizing the Community & Housing Development Approach**

In the 1980s, Cleveland's CDCs partnered with traditional urban institutions, such as foundations and the City government, in creating a citywide CDC network. This network welcomed national intermediaries LIISC and Enterprise. Philanthropic foundations and corporate donors like Standard Oil (which became BP America in 1987), Gund, Cleveland Foundation, and Ford Foundation spurred the shift from neighborhood-scale, social and political development to the more specialized goal of affordable housing development.<sup>7</sup> For Gund and Standard Oil, the turn to investments in residential real estate coincided with huge investments in downtown commercial real estate. The creation of the 1974 federal Community Development Block Grants (CDBG) supported this change in the kind of monies available to CDCs and the notion that urban poverty was a problem that neighborhood groups—rather than city government agencies—could best address. Grants were increasingly earmarked for physical development rather than advocacy work. CDCs increasingly received funds through intermediaries like NPI rather than directly from corporate and philanthropic entities.<sup>8</sup> The process by which CDCs could access capital also became more bureaucratic and, as the number of CDCs flourished, more complicated. Some CDCs, for instance, borrowed an idea from an Indiana insurance company and pioneered low-income housing tax credits.<sup>9</sup>

### **Rise of Community Development Intermediaries**

By the end of the 1980s, there were more than 2,000 CDCs across the country's disadvantaged urban neighborhoods and more than 30 across Cleveland alone.<sup>10</sup> To counter the decentralization of the Cleveland CDC network, two intermediaries emerged in the mid-1980s to help build capacity and finance projects for the city's growing number of CDCs. Corporate and philanthropic funds targeted for community development passed through intermediaries like Neighborhood Progress, Inc. (NPI); its predecessor, the Cleveland Neighborhood Partnership Program (CNPP); and the Cleveland Housing Network (CHN). In addition to operating funds, these intermediaries offered technical assistance, short-term equity investments, and long-term mortgage loans. Cleveland's CDCs, in partnership with the intermediaries, were also among the first in the country to test a number of innovative vacant property strategies, such as special-purpose housing and environmental courts, along with court-ordered receivership for abatement of public nuisances, an accessible real property information management system (NEO CANDO) and the next generation of land banks (the new Cuyahoga County Land Bank).<sup>11</sup>

### **Impact and Influence of Cleveland's CDCs**

For much of the past 20 years, Cleveland CDCs have individually and collectively contributed to job creation, crime reduction, and investment in depressed neighborhoods. Through their partnerships with profit-oriented business investors and national intermediaries, CDCs have gained more support for market-rate real estate development rather than low-income housing alternatives. To create economic inclusion, the CDCs have been focused on attracting middle-class residents to particular middle market neighborhoods.<sup>12</sup> This is in part a response to dwindling public funds and changed paradigms for affordable housing, whereby the federal government in particular has focused more on tax credits and mixed-income attraction/retention strategies than on being a large-scale provider of low-income housing.<sup>13</sup> Cleveland's adoption of a city-level approach through its intermediaries signals its recognition that neighborhood CDCs could not individually enact city- or regional-level change. Nonetheless, Cleveland's CDCs have made significant and lasting urban imprints for below-market housing and small-scale commercial development.<sup>14</sup>

### **Cleveland Housing Network**

The Cleveland Housing Network (CHN), established in 1981, has grown from its initial membership of six CDCs to fifteen CDC members, making it one of the largest community development organizations and energy conservation providers in Northeast Ohio.<sup>15</sup> From its inception until 2012, CHN had assisted 2,176 lease-purchase participants in becoming homeowners, as well as produced 4,933 affordable housing units, many of which are energy-efficient.<sup>16</sup> More recently, CHN has played a significant role in addressing the mortgage crisis and combatting the subsequent housing abandonment through its continued provision of four core services to the Northeast Ohio region.

**Cleveland's CDC network continues to evolve as CDCs expand their programs to develop new retail facilities; create green spaces, playgrounds, and recreation centers; and serve as the incubator for innovative policies for reclaiming vacant properties.**

**By the end of the 1980s, there were more than 2,000 CDCs across the country's disadvantaged urban neighborhoods and more than 30 across Cleveland alone.**



**FIGURE 18. Union Court Elderly Apartments**

*The Cleveland Housing Network has grown to empower its 15 member CDCs to undertake ambitious housing development projects, such as the Union Court Elderly Apartments for Mount Pleasant Now and CHN.*

*Source: Ozanne Construction Company.*

**NPI became in essence a prototype for community development intermediaries by providing CDCs and neighborhood nonprofits with technical assistance, training, funding, and operational support.**

The four core services reinforce each other in support of CHN’s top priorities of housing affordability and energy efficiency. So while, CHN has developed approximately 100 to 300 units of housing each year, it also has managed these properties and conducted energy audits and inspections on close to 7,000 households a year. CHN has covered the front and back end of the energy-efficiency and affordability equation by developing affordable, energy-efficient homes first, and assisting families in reaching cost savings by lowering their energy consumption.

While providing well-maintained, affordable units in neighborhoods certainly elevates its stability, CHN goes beyond just the properties to work with individuals. Over its lifetime, CHN assisted several hundred families in attaining homeownership through its Lease Purchase program. The CHN’s Community Training Centers also offers workshops on money management and building skills for employment. CHN also supports families in times of crisis with utility payments, foreclosure prevention and intervention, and assistance filing for the Earned Income Tax Credit.

### **Neighborhood Progress, Inc.—and Beyond**

Neighborhood Progress Inc. (NPI) was established in 1988 with the support of the Cleveland Foundation, the George Gund Foundation, the Mandel Foundation, the Ford Foundation, and other local philanthropic organizations.<sup>17</sup> In the first 25 years of its existence, NPI collaborated with the City of Cleveland to channel corporate and foundation funding to CDCs for targeted redevelopment in select neighborhoods.<sup>18</sup> Over the past decade, NPI played a leading role in concentrating the resources and impact of the network of neighborhood-based organizations. NPI became in essence a prototype for community development intermediaries by providing CDCs and neighborhood nonprofits with technical assistance, training, funding, and operational support.<sup>19</sup>

Starting in 2004, NPI began its foray into the realm of vacant property policy and program reforms by inviting the National Vacant Properties Campaign (NVPC) to assess existing systems' capacities for addressing Cleveland's growing vacant property challenge. As described earlier in this case study, the NVPC's final report—*Cleveland at the Crossroads*—served as the catalyst for a number of vacant property policy innovations. More importantly, the collaborative process in developing the report and subsequent creation of the VAPAC cemented NPI's role as strategic and neutral facilitator on changing Cleveland's vacant property reclamation systems. Around 2007-2008, another arm of NPI expanded its vacant property focus by acting as the lead facilitator for the Re-Imagining Cleveland working group. For nearly four years NPI, together with its partner Cleveland Urban Design Collaborative at Kent State, was seen as the hub for Cleveland's exploration in the greening of vacant properties.<sup>20</sup>

With its holistic focus on neighborhood revitalization, NPI also developed a series of initiatives to target resources to relatively stable, middle-market neighborhoods. Starting in 2004, with funds from the City of Cleveland, the Cleveland Foundation, and the Gund Foundation, NPI launched its Strategic Investment Initiative (SII). From its inception, the SII worked in tandem to the efforts of (VAPAC). As VAPAC focused on macro scale issues, such as code enforcement policies and the City's land bank, SII was an internal, parallel effort that led to immediate investments like the Opportunity Homes initiative. The goal of the SII program was to stabilize communities by collectively targeting resources in competitively selected neighborhoods. SII began with the selection of six neighborhoods, in which 'model blocks' were identified for the inaugural round of investments. SII's number of targeted neighborhoods has since grown to nine total neighborhoods.<sup>21</sup>

Building upon SII's success, NPI announced the Opportunity Homes program in October 2008, developed collaboratively with a suite of cross-sector partners including CHN, the City of Cleveland, Ohio Housing Finance Agency, Living Cities, Enterprise Community Partners, Federal National Mortgage Association and several lenders.<sup>22</sup> The 3-year, targeted investment program focused on demolition, renovation, and counseling for households in danger of foreclosure. In its first round, the Opportunity Homes program targeted six neighborhoods, five of which were also participants in the SII program. With an infusion of NSP II grant funds in 2011, NPI and its partners expanded their investments in a total of 15 neighborhoods, all of which were previous participants in the SII program. Noticing that their efforts were traditionally focused on redeveloping and stabilization in more immediate capacities, NPI developed the Neighborhood Stabilization Team (NST)<sup>23</sup> to provide CDCs with technical assistance in selecting the right tactical intervention for reclaiming vacant properties in these 15 neighborhoods.<sup>24</sup> By the end of 2013, the program had rehabbed and brought back as affordable lease-purchase or for-sale housing 253 units, demolished 377 dilapidated buildings, and repurposed 119 vacant lots through this program. It also provided foreclosure assistance to 57 families.<sup>25</sup>

On July 1, 2013, NPI merged with two other influential community groups, Cleveland Neighborhood Development Coalition and LiveCLEVELAND! For over 30 years CNDC has provided support for not only its 30 community development members, but through its work as a dynamic trade association has greatly impacted Cleveland's community development field at large. Rounding out the merger, LiveCLEVELAND! will continue its work highlighting and promoting the positive stories and aspects of the city and its neighborhoods. As of July 1, 2013 NPI, CNDC and LiveCLEVELAND! are now known as "Cleveland Neighborhood Progress."

### **Enterprise Community Partners' Cleveland Office**

Enterprise Community Partners, a national community development intermediary headquartered in Maryland, has been an active player in the Cleveland CDC community for roughly 25 years.<sup>26</sup> Enterprise opened its Cleveland chapter in 1988. By funneling national corporate resources and technical expertise to local CDCs, the Cleveland Enterprise office offers grants, loans, low-income housing tax credit syndication, and predevelopment assistance with affordable housing development and neighborhood planning projects. They have also supported some of the early vacant property policy work, such as the NEO CANDO real property information system, in partnership with NPI, a local community development intermediary.

In its early years Cleveland Enterprise formed a collaboration with the Cleveland chapter of LISC, another national intermediary, and NPI to increase funding and foster better program coordination for the growing number of local CDCs. Enterprise is a strong supporter of NPI's policy of funding targeted investment projects and administers money to NPI from the National Community Development Initiative. Although Enterprise differs from NPI in that it remains primarily focused on brick-and-mortar CDC projects, it has been supportive of NPI's expansion of its financial and technical assistance to include programmatic and organizational capacity building.<sup>27</sup>

Although the Cleveland office has been somewhat involved with local vacant property policy development, new forms of neighborhood investments is one of its areas of expertise, especially the creative use of financing models, such as the New Market Tax Credits. For example, Enterprise supported the CDC-led development of the Uptown/University Center neighborhood and, in a different vein, has offered free tax assistance programs to neighborhood residents (Figure 18).<sup>28</sup> Thus, the Cleveland Enterprise office while supporting some innovative vacant property policy projects, has maintained a more traditional—that is financial—relationship to CDCs.

In the past 10 years Cleveland Enterprise office has seen success in large-scale adaptive reuse projects, such as St. Luke's Hospital, which was transformed into affordable senior housing and a charter school. It also supported the redevelopment of The Wilton on Lorain from a funeral home and warehouse into units for a Housing First program. Enterprise is now a key partner in the Opportunity Homes program. Cleveland Enterprise has also provided seed funding for green affordable housing projects to CDCs, such as the Burten, Bell, Carr Development, Inc. (BBC) and Detroit Shoreway Community Development Corporation (DSCDO), for their work in the EcoVillage and Kinsman EcoDistricts.<sup>29</sup> These resources will help develop neighborhood-scale climate action plans along with strategies to improve safety for walking/biking, expand access to fresh foods, and help develop a composting facility.



**FIGURE 19. Uptown/University Center, created with \$10 Million in New Market Tax Credits, by Enterprise Community Partners.**

Source: Braised Anatomy at <http://braisedanatomy.com/page/2/>.

## National and Local Philanthropic Leadership and Support

Like many of its peer cities in America's industrial heartland, Cleveland has a strong, enduring culture of philanthropy. Home to more than half of Ohio's nearly 3,300 foundations, the Cleveland area is also noted for its overall ethos toward giving.<sup>30</sup> The Rockefeller Foundation has its roots in Cleveland, and national foundations such as Ford and Surdna have given major support to civic activities and urban revitalization in Cleveland for many decades. Individual and donor-directed giving is a hallmark of the Cleveland approach. For example, the Mandel Foundation is one of the Northeast Ohio region's largest family foundations and a foundational donor to Neighborhood Progress, Inc. As Steven Hoffman, executive director of the Jewish Federation of Cleveland, one of the many nonprofits supported by the Mandel Foundation, "You never just get a check from the Mandel Foundation. You get a partner."

**Cleveland has a strong, enduring culture of philanthropy.**

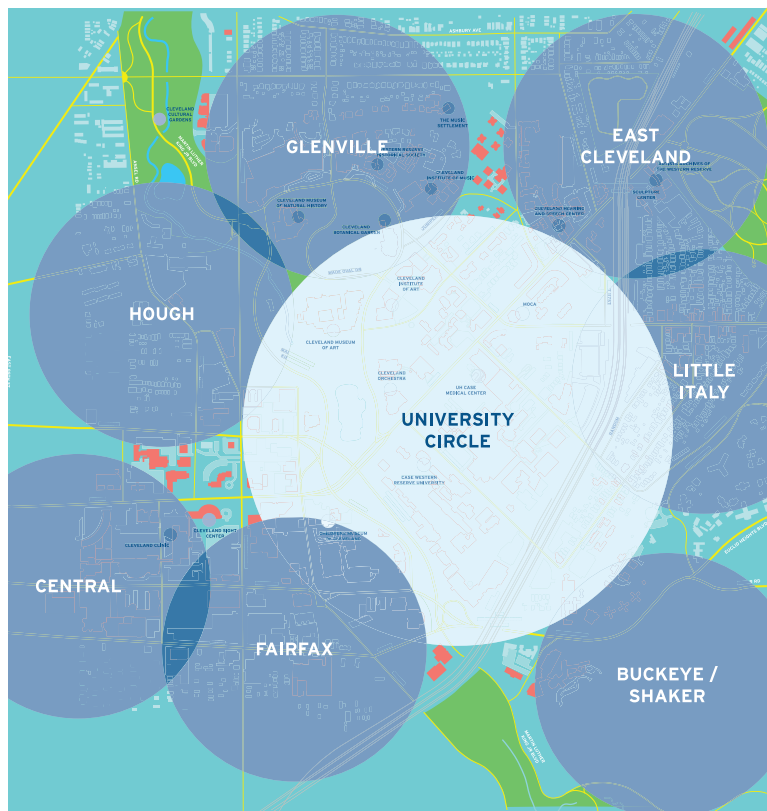
Like the many CDCs they helped engender, Cleveland's key philanthropists have traditionally focused on bricks-and-mortar and hands-on technical services and support, especially for education, health care, community development, and efforts to combat poverty. The decision to create Neighborhood Progress, Inc. in 1988 signaled a new shift toward funding capacity building at the city or regional scale. This theme is becoming ever more urgent in post-industrial cities, where decades of giving at the neighborhood scale or project by project has left important gaps and created "silos" that wall off the potential for health providers, educators, community development groups, and others to pool resources and combine approaches.

### Cleveland Foundation

The Cleveland Foundation was a decisive force in launching Neighborhood Progress, Inc. in 1988, and since then has contributed \$50 million to support NPI initiatives. Now, the Cleveland Foundation has created a new chapter in NPI's future, with a \$5 million grant, one of the largest in the fund's history. The funds will support NPI's strategic plan for a new community development network to combat poverty throughout the city. NPI is among the Cleveland Foundation's largest recipients of funds over the years.<sup>31</sup>

Cleveland Foundation is also investing major support in an ambitious approach it calls Greater University Circle. University Circle is Cleveland's cultural heart and the physical manifestation of the city's promise and challenges. Within this four-square-mile area lie many of the city's anchoring cultural institutions, such as the Cleveland Museum of Art and the world-renowned Cleveland Orchestra. Dozens more cultural institutions, large and small, are located in University Circle. Case Western Reserve and the University Hospitals complete the picture, bringing the major employment clout of the "Eds and Meds" to bear in this area of six neighborhoods. Here, new prosperity exists cheek by jowl with profound poverty, and gentrification looms even as more investment in opportunities that benefit existing residents is desperately needed. Since 2005, the Cleveland Foundation and other philanthropic partners have worked steadily on a vision to make the University Circle area "the best place to live, work, and visit in all of Northeast Ohio."<sup>32</sup>

The Cleveland Foundation is also an affiliate member of the 22-member Living Cities, a consortium of the nation's largest philanthropic and financial institutions that was founded in 1991. The Foundation is managing and evaluating the Cleveland portion of the three-year, five-city Integration Initiative sponsored by Living Cities, in partnership with the City of Cleveland, City of Youngstown, State of Ohio, Cleveland Clinic, The University Hospitals, Case Western Reserve University, National Development Council (NDC), BioEnterprise, Evergreen Cooperative Corporation, Kelvin and Eleanor Smith Foundation, Kent H. Smith Charitable Trust, Minigowin Fund, and the Higley Fund.<sup>33</sup>



**FIGURE 20. Nearby neighborhoods to Greater University Circle. The Greater University Circle Initiative (GUCI), facilitated by The Cleveland Foundation, has attracted more than \$140 million in new investment to this powerhouse area of cultural, educational, and medical institutions in Cleveland. The GUCI aims beyond physical development to address longstanding socioeconomic divides within this area of the city.**

*Source: Cleveland Foundation, Cleveland's Greater University Circle Initiative: Building a 21st Century City through the Power of Anchor Institution Collaboration, 26. Infographic: Agnes Studio.*

As the first community foundation in the United States (established 1914), the Cleveland Foundation is distinguished from other types of private foundations, in that many community members contribute, and each donor may specify priorities for the organization's use of his or her contribution. This longstanding direct role of donors in the foundation's operation provides a unique "listening/reflecting" role for the foundation, and in turn enables the foundation to educate and influence donors about priorities for Cleveland's civic well being, according to Robert Eckhardt, executive vice president of the Fund.<sup>37</sup>

The Cleveland Foundation's broad, holistic portfolio of interests—including education, arts and culture, economic development, neighborhoods and housing, youth development and human services--provides the opportunity to begin to address Cleveland's vacant property issues within a holistic regeneration context.<sup>38</sup>



## EVERGREEN COOPERATIVES



Since 2008 the Evergreen Cooperatives Initiative has pursued an alternative model for economic development in Cleveland's depressed neighborhoods—one that is based on collective control of businesses by employees.<sup>34</sup> The initiative was launched by a group of Cleveland nonprofit institutions, including the Cleveland Foundation, Case Western Reserve University, major medical institutions, and the City government. Their goal is to help build business opportunities and wealth among the residents of University Circle's neighborhoods, where unemployment is high and median incomes teeter at or below poverty level. The result so far is three for-profit, worker-owned green businesses. Setting itself apart from traditional economic development efforts to retrain people for the new economy, Evergreen is reshaping Cleveland's economy on the basis of the

skills and capacities of low-income residents, coupled with the power business-to-business needs of major organizations.<sup>35</sup>

Cleveland's anchor university and medical institutions saw a way that their ongoing purchasing and service needs, such as for clean linens, energy solutions, and locally sourced nutritious food, could support new wealth-building opportunities for local residents. The first three businesses established during the past five years are Evergreen Cooperative Laundry, Evergreen Energy Solutions, and Garden City Growers Cooperative.

The Evergreen Cooperative Development Fund has been central to these projects. The nonprofit, which leverages socially responsible investments with traditional forms of capital, offers seed money for start-ups that are or will be worker-owned. By internalizing the funding structure, the Evergreen Cooperative Initiative retains additional controls throughout the entrepreneurial start-up process and helps to shape not only Cleveland's worker landscape but also its financing.<sup>36</sup>

*Photo Credit: Shawn Escoffery*

## George Gund Foundation

Founded in 1952, the Gund Foundation awards grants in six areas, which include arts, economic development, education, environment, human services, and special commitments. Since 2010, the Gund Foundation has given nearly \$9 million in support to Neighborhood Progress, Inc., and has been a major funder of the Cleveland Housing Network and resident activist organizations such as Empowering and Strengthening Ohio's People (formerly the Eastside Organizing Project). The Gund Foundation's special focus on the riparian environment of Cleveland has put it at the forefront of projects to restore the city's rivers and create trails and green space. This perspective has shaped the foundation's support for vacant property reclamation, focusing especially on efforts to "green" vacant lands. The Gund Foundation has been a key funder for the Re-Imagining Cleveland initiative. Gund has also been a funder of the Opportunity Homes program.

## Rebuilding Community Capacity and New Models for Neighborhood Revitalization

Leveraging its community development roots and assets, Cleveland continues to become a laboratory for testing new ways to align the physical revitalization of neighborhoods, abandoned buildings, and vacant land with approaches to social welfare and education policies that help transform people—the essence of regeneration. National foundations and organizations, such as Living Cities, and the federal government through its Strong Cities, Strong Communities (SC2) initiative, chose Cleveland as good place for testing new models for building community and local government capacity. Within Cleveland itself, grassroots organizations such as Empowering and Strengthening Ohio's People, and CDCs such as Detroit Shoreway CDC, are demonstrating ingenuity and grit in piloting new ways to put resident well-being and social and economic equity at the heart of the city's rebirth.

Certainly for Cleveland and other legacy cities, such a shift requires government, foundations, community development intermediaries, and the CDCs on the frontlines to recalibrate their existing strategies for neighborhood revitalization. Based on interviews with Cleveland's community development network, a report by Cleveland State's Center for Community Development and Planning offers some insights and preliminary guidance into the potential future directions.<sup>39</sup> Several of Cleveland's pilot initiatives, as discussed below, involve foundations and the private sector taking leadership roles, which requires all of the stakeholders, but especially government and the nonprofit sector, to establish new groundrules and processes for managing these new partnerships.

### Living Cities Integration Initiative

Founded in 1991, Living Cities unites 22 philanthropic and financial institutions in collective action and resource investment in improving opportunities for low-income people and creating better civic resilience for the cities where they live. Living Cities has been a major funder for efforts to address vacancy in more or less conventional ways in Cleveland, for example through its Catalyst Fund, which in 2008 supported a major intervention by the newly created Opportunity Housing Cleveland, LLC, a collaboration of the Cleveland Housing Network and Neighborhood Progress, Inc. to focus on a six-neighborhood area of the city, redeveloping 50 vacant structures for home ownership, working directly to prevent foreclosure on 100 homeowners, and to demolish 100 nuisance structures.<sup>40</sup>

In 2010, Living Cities convened a broad-scale, three-year Integration Initiative to invest in systematic, holistic changes that could both address vacancy and social and economic barriers to opportunities for the residents of five cities, including Cleveland. Living Cities partners have combined and targeted grants and flexible and commercial debts toward “unprecedented collaboration among the nonprofit, philanthropic, private and public sectors” to “develop policies that reflect the role and potential of this integration ... [acknowledging both the power and limitations of the neighborhood as levers for change and seek[ing] to drive a broader perspective that recognizes the role systems and regions must play in securing economic opportunity for low-income people.”<sup>41</sup>

Through the Cleveland initiative, Living Cities is providing \$2.75 million in grant support, \$3 million in Program Related Investments (PRI), and \$9 million in commercial loans that will help Cleveland create 800 new jobs in three years. Three-year grants, 10-year Program-Related Investments (PRIs), and intermediate term commercial debt will be awarded for the following:

**Community engagement and development of a commercial land trust:** The Cleveland Foundation manages the Initiative, including community engagement, development of a commercial land trust, and evaluation.

**Business and employment development:** Evergreen Business Services and Evergreen Cooperative Development fund have received grant support for staffing, marketing and pre-development related to cooperative businesses and facilities.

**Advocacy:** Policy Matters Ohio and the Democracy Collaborative have received grants for policy analysis and advocacy.

**Replicating successful model elsewhere in Northeastern Ohio:** Youngstown Neighborhood Development Corporation has received grant support to adapt and replicate Cleveland's model in Youngstown.

**Health Tech Corridor:** Living Cities is providing support for several approaches to developing the Health Tech Corridor, including PRLs and commercial debt for the National Development Council to finance commercial/industrial real estate in the Corridor; loans to Evergreen Cooperatives and other suppliers to the anchor institutions; and grant support to BioEnterprise for development within the Corridor.

The intentions of the Living Cities Integration Initiative, although expressed as investments, reach beyond monetary gains even as pronounced as job creation. Living Cities is also working to repair and strengthen relationships among civic groups, philanthropists at the local level, the private investment and business sector, and residents to respond to the “enormous shifts and ... dramatic fiscal constraints” faced by all sectors. Living Cities hopes that by “harnessing existing momentum and leadership for change, overhauling long obsolete systems and fundamentally reshaping their communities and policies to meet the needs of low-income residents,” Living Cities aims to support local urban innovations and help locally and regionally derived solutions and relationships grow and thrive.<sup>42</sup>

### Slavic Village Recovery, LLC

As a CDC, the Slavic Village Development (SVD) was a success story in the early 2000s.<sup>43</sup> Created in 1998 when a funder pressured two area CDCs to merge, the neighborhood had created a strong track record neighborhood for revitalization—between 1981 and 2005, the SVD and its predecessors built or rehabilitated 1,000 units of housing and weatherized another 1,000 more.<sup>44</sup> SVD also managed rental properties, offered home repair loans, crafted lease-to-purchase programs, supported commercial development, organized leadership training programs, and invested in social events for residents. National reports, for instance, recorded SVD's efficacy in building inter-ethnic trust.<sup>45</sup>

By 2007, however, the zip code that encompasses the majority of Slavic Village won fame as the district with the highest number of foreclosures in the country.<sup>46</sup> Predatory lending, mortgage fraud, speculator flipping, and abandonment during the national housing crisis put SVD's investments and vast suite of programs under threat.<sup>47</sup> Today, more than 1 in 10 homes in Slavic Village are empty.<sup>48</sup> Of the neighborhood's 12,000 housing units, more than 3,000 are vacant.<sup>49</sup> In light of this significant concentration of vacant properties and dwindling federal, city, and foundation resources, SVD had to once again reinvent its traditional model of neighborhood revitalization.

Rather than focusing on below-market rate and subsidized housing, in early 2013 SVD announced that it would pursue market-rate solutions through a partnership with a Cleveland real estate developer, Forest City Enterprises, and Safeguard Properties (a Cleveland-based property preservation firm that maintains foreclosed properties for banks throughout the nation).<sup>50</sup> Together these entities form the Slavic Village Recovery LLC, which seeks to demolish houses for private investors as well as buy and sell other houses for a profit.<sup>51</sup> They will work closely with city officials and departments as well as the Cuyahoga County Land Bank in selecting the most appropriate abatement or rehabilitation strategy. For some houses, Slavic Village Recovery plans to encourage repairs by providing estimates and offering financing options. This program receives some funding from foundations like Enterprise, data management support from NPI, and daily operational support from SVD to identify figure out which houses should be razed. Thus far, the Slavic Village Recovery has engaged in preliminary scoping activities to identify potential houses

for rehab and also several neighborhood cleanups as a way to help gain community support for their efforts. For example, on July 17, 2013 the partners came together to cleanup a three-square block area along Fleet Avenue, from East 53rd Street through East 55th Street (Figure 21). Using a combination of city work crews, contractors from Safeguard, SVD staff and neighborhood residents, the group spent most of the day doing simple, but effective cleanup tasks—picking up trash, improving landscaping, cutting lawns and tending to boarded-up properties in the area.<sup>52</sup> Rehabilitation efforts got underway in the fall of 2013, with the first new homeowners, Lashunda and Ed Jeffry, closing on their home in December 2013.<sup>53</sup>



**FIGURE 21. Slavic Village Community Day, 2013**

*Source: Safeguard Properties, Inc.*

**National and local practitioners and policymakers are closely watching this new, profit-oriented model of addressing concentrations of vacant properties.**

The expected profits from the market rate housing developments are to be split among the nonprofits, which will each receive 10 percent; Forest City; and the founder of Safeguard Properties' personal company, RIK Enterprises LLC.<sup>54</sup> National and local practitioners and policymakers are closely watching this new, profit-oriented model of addressing concentrations of vacant properties. Certainly the prominent role of private sector entities such as Forest City and Safeguard signals a major shift in SVD's original mission and neighborhood revitalization model. Will this partnership be able to balance the needs of existing residents, minimize the potential negative impacts of displacement and gentrification, while also making it profitable for the private sector investors? As the results become more apparent in the coming years, it will be interesting to see to what extent it can leverage this infusion of private resources in rebuilding a cohesive neighborhood and still provide community benefits and positive outcomes.

### **EcoVillage, Detroit Shoreway, and the Changing Role of CDCs**

Breaking ground in 1997, the EcoVillage green housing development in Cleveland's Detroit Shoreway neighborhood demonstrates the changing roles of many CDCs, not only in Cleveland but in other cities as well. Increasingly, CDCs are moving beyond a focus on affordable housing or even solely on land development. The EcoVillage program is a sort of bridge combining traditional CDC activities—housing and commercial development opportunities—with a wholly new paradigm and, equally important, a networked approach to new partnerships (Figure 22).



**FIGURE 22. Detroit Shoreway EcoVillage includes green rehabilitation of historic homes in the neighborhood.**

Source: Detroit Shoreway CDO

The EcoVillage began with an idea of David Beach, founder of EcoCity Cleveland (now renamed Green City Blue Lake). Beach proposed a greener, more sustainable approach to community development, not only as a response to concerns about energy and pollution, but equally as a response to the desires of prospective residents. He tied his idea to priorities then being articulated for a more sustainable Cleveland, notably by Case Western Reserve University. With the support of the George Gund Foundation, Dr. Wendy Kellogg of Cleveland State University was hired to conduct a feasibility study in 1996, and the Center for Neighborhood Design at CSU began the complex search for a site.<sup>55</sup> A citywide call for proposals from CDCs resulted in the selection of Detroit Shoreway Community Development Organization (DSCDO) as the sponsor. For most of its existence, EcoVillage has been jointly managed by EcoCity Cleveland and DSCDO.<sup>56</sup>

The reasons for DSCDO's selection say a lot about the evolution of Cleveland's CDC community. First, the Detroit Shoreway is an ethnically diverse, historic neighborhood that was hard hit by flight to the suburbs and subsequent foreclosures. DSCDO has a long history in the city, having formed in the 1970s in response to banks' redlining and other discriminatory disinvestment practices. In 1981, DSCDO helped found the Cleveland Housing Network, and the Detroit Shoreway area is a focal area of work by Neighborhood Progress, Inc. In short, Detroit Shoreway is at the nexus both of the mature CDC movement in Cleveland and of the activity of larger, city-scale intermediaries.<sup>57</sup>

Detroit Shoreway's aptness for creating and managing EcoVillage goes beyond its geographic and institutional advantages. DSCDO has engaged in a range of activities to promote cultural diversity, arts, and small businesses, including Third Fridays, an open studio and arts walk through the Gordon Street Arts District; support for community organizing and assistance with creating collaboration among three historic neighborhoods for revitalization (Stockyard, Clark-Fulton, and Brooklyn Centre); and support of block clubs, youth programming, home repair, and safety (Figure 23).<sup>58</sup>

**The EcoVillage program is a sort of bridge combining traditional CDC activities with a wholly new paradigm and a networked approach to new partnerships.**



**FIGURE 23. Detroit Shoreway Community Development Organization has engaged in a range of activities to promote cultural diversity, arts, and small businesses throughout the Gordon Square Arts District.**

*Source: Greg Willson*

EcoVillage Cleveland now includes a combination of several dozen townhomes, detached single-family homes, cottages, and several renovated historic homes suitable for a range of incomes, close to transit, and benefitting from greenspace and local sources of produce and other food. In a 2011 study of the EcoVillage's outcome, Kellogg and Keating found that the project has undoubtedly changed the practice and approaches both of the DSCDO and of its environmental partners. Admittedly, "the process to marry green and affordable housing as a neighborhood redevelopment strategy proved challenging in several ways," including the learning curve necessary to incorporate green technologies into an affordable building scheme, and the complexities of winning community and City agency support for such a new approach. Among the most significant outcomes of EcoVillage, according to Kellogg and Keating, is the organizational collaborations and new alliances that arose from it, including an alliance between EcoCity Cleveland and Cleveland State University; and, of course, a closer alliance than ever before between community development groups and environmental organizations.<sup>59</sup>

## Universities and Institutions

Universities often play important roles within vacant property networks by providing local governments and nonprofits with additional capacity and expertise, serving as neutral places for collaborative policy making, and offering a living laboratory for students and professors to research and apply new approaches. Three universities—Case Western Reserve, Cleveland State, and Kent State—have been instrumental in supporting several of Cleveland's innovative vacant properties initiatives.

Case Western Reserve incubated the NEO CANDO real property database and still serves as its institutional home. NEO CANDO operates under the Center on Urban Poverty and Community Development, a Case Western research institute within the Mandel School of Applied Social Sciences, thus providing students and professors a portal for understanding the relationships of poverty and property abandonment. Center co-Director Claudia Coulton has been involved with several research studies and published articles on the impacts and trends of vacant and foreclosed homes in Cleveland and Cuyahoga County.

Until 2012, the Cleveland Marshall Law School's Urban Development Law Clinic (at Cleveland State University) provided dozens of CDCs with legal services involving corporate governance and business operations for community development transactions.<sup>60</sup> Their community development assistance included citizen-initiated code enforcement actions resulting in litigating the abatement, demolition, and sometimes the acquisition of vacant and abandoned properties by CDC clients. Under the guidance of former clinical professor, Kermit Lind, the clinic was involved with pioneering receivership actions to abate dangerous housing conditions in the 1980s and most recently involved with public nuisance lawsuits against negligent owners of vacant houses. Innovative suits were also brought against global banks such as Deutsche Bank and Wells Fargo, and others for failure to maintain their portfolios of vacant and foreclosed homes. As part of these special client-driven projects, the clinic served as the training ground for new lawyers and other professionals inspiring them to continue their work on vacant property issues in Cleveland and beyond.<sup>61</sup> Over the years professors at Cleveland State's Levin School of Public Policy have done research on the drivers of abandonment, the future of Cleveland's CDCs, and the role of the Cuyahoga County Land Bank.<sup>62</sup> They have also taught classes and led studios on the plight of older industrial, shrinking cities.

Kent State's Cleveland Urban Design Collaborative has been a major catalyst behind Re-Imagining a More Sustainable Cleveland and other related initiatives. Student design and research work help formulate many of the reuse ideas involving urban agriculture, green infrastructure, and renewable energy found in CUDC's *Vacant Land Pattern Book* and *Ideas in Action Guidebook*. In collaboration with NPI and the City of Cleveland, CUDC was also integrally involved with the demonstration vacant lot reuse pilots. Professors and students have led CUDC's Pop Up City program, which establishes a variety of temporary uses and events on vacant properties as a way to "demonstrate how vacancy can be an opportunity and an adventure, not just a liability (Figure 24)."<sup>63</sup> Several CUDC publications and its web site document many of these "temporary events and installations that occupy vacant buildings and activate vacant land in ways that shine a spotlight on some of Cleveland's spectacular but underutilized properties."<sup>64</sup> The CUDC offers graduate students in urban and environmental design a special place to hone their professional skills by working directly with the community, while helping neighborhoods think more broadly about vacant properties as assets.



**FIGURE 24. Kent State University's Cleveland Urban Design Collaborative Pop-Up City initiative breathes new, temporary life into vacant lots, rooftops, bridges, parking garages, and busy streets.**

Source: Cleveland Urban Design Collaborative, Kent State University.

## Thriving Communities Institute

The Western Land Conservancy has been, first an active participant, and now the new leader of VAPAC, notably in establishing the County Land Bank. In 2011, the Land Conservancy launched a regional initiative to encourage other communities throughout Northeast Ohio to establish land banks. Directed by former County Treasurer Jim Rokakis, the organization has the potential to exert broad influence across the 14-county region that is the Land Conservancy's service area. State enabling legislation for county land banks in Ohio only dates back to 2009. Apart from this enabling legislation, however, the state has done relatively little to directly address or empower communities to combat the widespread problem of vacancies, especially in Northeast Ohio.

The Akron Community Foundation has provided Thriving Communities with a seed grant of \$15,000 for the establishment of the Summit County Land Bank, Thriving Communities also hosted a summit on Ohio Land Banks in October 2011. The Institute seeks to support the existing land banks in Ohio and has encouraged and aided the establishment of 16 land banks throughout the state.<sup>65</sup>

The Thriving Communities Institute now provides a regional stage for Cleveland's vacant property response, and has made important strides in triggering a more cohesive statewide response to vacancy. The Institute is the new convener of VAPAC, as Cleveland Neighborhood Progress and other local groups have changed leadership and are shaping new agendas. The Institute has become the "go to" entity for vacant property research and surveys in the state of Ohio, a desperately needed capacity.

With the institutional backing of the Western Land Conservancy, and under the leadership of Sarah Hudecek, the Thriving Communities Institute is also taking leadership as a key regional player in greening efforts and environmental resilience/sustainability initiatives. The Thriving Communities Institute has come out as a strong statewide voice for better approaches to neighborhood regeneration, organizing a statewide coalition to support the Ohio Plan, which is a proposal to JP Morgan Chase to use \$200 million in mortgage-fraud settlement funds to help demolish or renovate vacant properties across the state.

## The Greater Ohio Policy Center's State Vacant Property Activities

Although Ohio has yet to attain a strong state-level policy framework for preventing and reclaiming vacant properties, the Greater Ohio Policy Center (GOPC) does serve as a hub for practitioners and policymakers from cities throughout Ohio to share strategies for reclaiming vacant properties, identify common problems, and explore opportunities for changing state policy and practice. As a nonprofit, nonpartisan organization, GOPC's broad agenda focuses on the intersections of smart growth development (e.g., state and local infrastructure, transportation, and land use, etc.), economic development, brownfields redevelopment and existing governance/government structures.<sup>66</sup> Through a combination of education, research, and technical assistance, GOPC advances a metropolitan approach to addressing some of the persistent socio-economic problems that plague many of the state's cities and towns.<sup>67</sup> One of its current policy priorities is passing the Neighborhood Infrastructure Assistance Program that would authorize tax credits to private companies for contributions to economic and infrastructure development undertaken by local governments and nonprofit corporations.<sup>68</sup>



GOPC's work on vacant properties began with the first statewide conference on vacant properties in the fall of 2005 in collaboration with the then National Vacant Properties Campaign. Shortly thereafter GOPC launched its Rebuild Ohio network to keep local policymakers and practitioners engaged and informed about latest developments in Ohio and beyond. In 2008, working with a group of practitioners and vacant property experts, GOPC commissioned one of the first reports to estimate the statewide fiscal costs and adverse economic impacts caused by the mounting inventories of vacant properties in Ohio's major cities.<sup>69</sup> Two other important reports, *Addressing Ohio's foreclosure Crisis—taking the next steps* (June 2009) and *Ohio's Cities at a Turning Point—finding the way forward* (2010)—put Ohio's vacant property challenges in the broader context of the economic development issues confronting Ohio's cities.<sup>70</sup> GOPC also formed a Revitalizations Steering Committee with banks, public and nonprofit stakeholders to help develop and evaluate vacant property and community revitalization policies and local practices.

More recently the GOPC:

- held a Redevelopment Institute on vacant and abandoned property strategies;
- provided technical assistance to communities involved with the Ohio Attorney General's Moving Ohio Forward Grant program to demolish abandoned and vacant residential properties;
- hosted a series of workshops and webinars on small communities in partnership with the Federal Reserve Bank of Cleveland for regional and local government officials and community development organizations involved with neighborhood stabilization and restoration.

In partnership with the Thriving Communities Institute, GOPC co-hosted a two day statewide conference in October 2013 that provided several hundred practitioners throughout the state with hands-on strategies and tools to address the challenges of redeveloping vacant and abandoned properties.<sup>71</sup> GOPC and Thriving Communities held concurrent workshops and sessions that catered to their respective expertise, running from land banking, urban agriculture, research, financing of demolition, etc. As a final "capstone" workshop to the GOPC/FRB of Cleveland's Small and Mid-Sized Communities series, they held a special workshop at this conference for participants to develop a vision and action agenda for regenerating Ohio's smaller communities

Redeveloping vacant commercial property is a relatively new priority for GOPC's vacant properties agenda. Given the lack of research and policy development around the unique challenges of redeveloping commercial properties (strip malls, urban core buildings with retail or commercial activity on the first floor and residential space on upper floors, office buildings and other non-industrial properties) GOPC's work is filling an important niche within the economic and business redevelopment toolbox for older industrial cities. GOPC's recent research includes working with the German Marshall Fund of the United States (GMF) to develop a Vacant Commercial Property Reuse Toolkit as part of GOPC's role in the GMF's Cities In Transition project, which is building a network of policy makers, practitioners, and civic leaders in Detroit, Flint, Pittsburgh, Cleveland and Youngstown.<sup>72</sup> GOPC is also developing recommendations for state policy reforms, such as amending code enforcement statutes, holding owners accountable for neglected properties and identifying state policy reforms that could support the demolition or rehabilitation of commercial vacant properties.<sup>73</sup>

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- 60 At the end of 2012, the Urban Development Law Clinic was disbanded and pending litigation cases were withdrawn.
- 61 For example, until 2011 the clinic offered 6-8 paid fellowships for outstanding students to work with nonprofit and public sector clients for three semesters, including the Housing Court and the Cuyahoga County Land Bank.
- 62 See the reference section of this report for articles by CSU professors Dennis Keating, Kathryn Hexter, and Norman Krumholz as illustrative of the body of work by CSU faculty on housing, community development, foreclosure, and vacant property strategies.
- 63 "Pop Up City," *Cleveland Urban Design Collaborative*, Kent State University web site, accessed 12 Jan. 2014, [http://www.cudc.kent.edu/pop\\_up\\_city/index.html](http://www.cudc.kent.edu/pop_up_city/index.html).
- 64 "Pop Up City." See also "A Banner Year for Pop Up City," CUDC blog, 15 July 2013, <http://www.cudc.kent.edu/blog/?p=2429>.
- 65 See more at the Thriving Communities Institute web site, Western Land Conservancy, at <http://www.thrivingcommunitiesinstitute.org/history-michigan-model.html>. Accessed 28 Jan. 2014.
- 66 See generally, The Greater Ohio Policy Center web site at [www.greaterohio.org](http://www.greaterohio.org).

67 Through the network and affiliation of its current executive director (Lavea Brachman), GOPC works regularly with the Brookings Institution's Metropolitan Policy programs by jointly hosting conference and co-authoring reports through their longstanding Restoring Prosperity partnership. The Brookings 2007 Restoring Prosperity initiative led to a special focus on Ohio and a subsequent 2010 Brookings-Greater Ohio policy report, "Restoring Prosperity: Transforming Ohio's Communities for the Next Economy." Brachman continues to serve as a nonresident senior fellow at Brookings. See <http://greaterohio.org/files/pdf/restoring-prosperity-final.pdf>.

68 "Neighborhood Infrastructure Assistance Program," At Greater Ohio Policy Center web site, accessed 12 Jan. 2014. <http://greaterohio.org/projects/neighborhood-infrastructure-assistance-program>.

69 Community Research Partners and Rebuild Ohio, *\$60 Million and Counting: The cost of vacant and abandoned properties to eight Ohio cities*. Greater Ohio Policy Center, February 2008, accessed 17 Feb. 2014, [http://greaterohio.org/files/policy-research/FullReport\\_Nonembargoed.pdf](http://greaterohio.org/files/policy-research/FullReport_Nonembargoed.pdf).

70 For links to these publications, see the Greater Ohio Policy Center web site, <http://greaterohio.org/publications/>.

71 For information on the 2013 event, see "Revitalizing Ohio's Vacant Properties: Tools & Policies to Transform Communities," at <http://greaterohio.org/events/revitalizing-ohios-vacant-properties>.

72 "Ohio Leaders Learn Lessons from Europe," blog post at Greater Ohio Policy Center, 16 Sep. 2011, <http://greaterohio.org/blog/?p=2014>.

73 "Greater Ohio Policy Center Undertakes Research on Solutions to Commercial Vacant Property," <http://greaterohio.org/projects/commercial-vacant-properties>; and "GOPC Contributes to Report on Strategic Demolition," <http://greaterohio.org/publications/strategic-demolition-report>, both accessed 17 Feb. 2014.

# conclusion

Policy makers and urban planners who care about the fate of legacy cities are closely watching Cleveland's movement to re-imagine and regenerate itself into a safer, more prosperous, less populous, and sustainable city. What will work, and how? Practitioners are examining many of the vacant property strategies and tools set forth in this report. If Cleveland can rebuild its civic infrastructure and policy systems to halt decades of property abandonment and invest in new possibilities and stability for residents of all incomes, how can other communities learn from and adapt the lessons from Cleveland's approach? Can Cleveland finally come to grips with its past, present, and future by acknowledging that it will be a different city with different ways of planning, using, managing, and developing land and buildings?

As they grapple with multiple scales of abandonment, various policy complexities, and the day-to-day dynamics of reclaiming vacant properties, Cleveland's leaders and residents are coming to terms with the fact that the city's prospects for longer-term regeneration do not rest solely within its municipal boundaries. Regional land use consumption and economic development competition continue to pull people and assets from Cleveland and the first suburbs to the outlying counties and townships.<sup>1</sup> Without a more cohesive and coordinated metropolitan planning framework, Cleveland could continue to contend with high overall rates of vacancy and abandonment, and with some areas of the city doing far better than others. Regional visioning through the North Ohio Sustainable Communities Consortium, while still a work in progress, makes a strong case that future growth and economic development opportunities for Cleveland and Cuyahoga County stretch way beyond their borders.

Supporters of vacant property reform worry that a metropolitan approach for Cleveland will still fall short without state leadership, as the problem of city disinvestment expands in suburbs and statewide. In a December 2013 editorial, Cleveland State University professor Thomas Bier commented that "The constructive way forward begins, as it must, with the state." Bier cites the state's historic position on local "home rule," going back to 1912, as the source of "saddl[ing] cities with incapacity as they, each on their own, attempt to deal with deterioration and decline." Now that vacancy and disinvestment are spreading outward toward the suburbs of Cleveland and other cities in Ohio, says Bier, the writing on the wall indicates that the state's leadership "is key... [lest] the insidious forces topple suburbs that have passed their prime."<sup>2</sup> The prospects, however, of building support for state legislation that might authorize new regional policy approaches remains difficult, given the classic political divide between conservative rural and progressive urban legislators.

## A Strategic Shift to a Systems Approach

Despite broader policy and political challenges, Cleveland and Cuyahoga County continue to make significant progress in reclaiming vacant properties that will help curtail blight, stabilize markets, and in some places reconfigure neighborhoods. Indeed, the persistence of Cleveland's cadre of vacant property policy innovators, in the face of these challenges, offers other legacy cities a lesson in pragmatic policy making. The hallmark of Cleveland's systems approach is developing and then deploying a coordinated portfolio of policies, plans, programs, and projects that can help prevent and abate vacant properties as well as acquire, control, and creatively reuse them. Underlying these vacant property policies is a robust real property information systems—NEO CANDO—that enables local government officials and CDCs to tailor their interventions to the physical and market conditions of diverse neighborhoods. The VAPAC, as a central crucible for new ideas and as a key guardian of the urban regeneration process, then fuels this culture of collaborative policy development and successful experimentation. Together a diverse network of actors has come together, from community-based groups to national and local foundations, to

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develop and refine these individual actions and mold them into a vacant property reclamation system that can better prepare Cleveland to address and adapt to current and future threats.

Just as the signs of widespread vacancy came early to Cleveland, so now have signs of progress in its collaborative process to build a more resilient vacant property system. Cleveland's signs of success, along with relevant lessons for other legacy cities, include the following.

- Building of consensus around the *Cleveland at the Crossroads* report and its insights about the shortcoming of existing policies and programs in Cleveland. The report's policy recommendations set forth a blueprint for building a holistic policy system.<sup>3</sup> The National Vacant Properties Campaign's collaborative process also set the tone for VAPAC's future dialogues on vacant property policy reforms. The presence of an outside team of experts to share models from other cities and convene local participants who could share their insights on the problems and potential solutions, the NVPC process brought together the respective strengths of inside knowledge with outside expertise.
- VAPAC, which was recommended by the *Crossroads* report, became the regular vehicle for collaboration over the past ten years, with consistent support and engagement from NPI, other NGOs/CDCs, city and county officials, the Cleveland Foundation, the Cleveland Marshall School of Law's Urban Development Law Clinic, and the Federal Reserve Bank of Cleveland. VAPAC built trust among senior policy and program officials in previously unconnected institutions and agencies, provided a vehicle for collaborative problem solving, and supported creative policy design and development. Frank Ford's consistent leadership and facilitation kept participants focused on building this more resilient system step by step.
- Flexibility of VAPAC to adapt to changing conditions and scales, as the problems of vacancy and abandonment spread to new neighborhoods and to the first-tier suburbs. VAPAC's smooth transition to the Thriving Communities Institute at the Western Land Conservancy ensures a regular forum to address, respond to, and adapt to changing conditions—an important trait of a more resilient system.
- The evolution and expansion of NEO CANDO is arguably one of Cleveland and Cuyahoga County's most important innovations. Beyond the gathering of different data sets from across City and County agencies, NEO CANDO's close relationship with VAPAC, NPI, and with the county land bank and the Thriving Communities Institute, fuels the development of innovative ways of using data to: 1) make strategic decisions about individual properties and categories of property; 2) inform and support vacant property research; and 3) anticipate changes and trends in the patterns and spatial distribution of vacant and foreclosed homes.
- Cleveland's extensive nonprofit network illustrates the pivotal roles that community development intermediaries, local universities, and national and local foundations can play in rebuilding the capacity of government and public interest entities in coping with large permanent social and economic change. Many of Cleveland's signature vacant property innovations were led by NPI in partnership with academic units of Cleveland Marshall College of Law, Case Western Reserve University, and Kent State with financial support and guidance from the Cleveland, Mandell, and Gund Foundations. Collegial relationships among key people in these and other organizations served as the backbone for Cleveland's collaborative network. As noted throughout this case study, several of these key organizations have undergone changes in mission, programmatic focus, and (most importantly) personnel, which may have caused some short-term challenges. As some nonprofits move away from the vacant property agenda, while others pick up on it, Cleveland's maturing commitment to reclaiming vacant properties is being tested, yet appears to hold strong in its resilience in adapting to these changes.

**The evolution and expansion of NEO CANDO is arguably one of Cleveland and Cuyahoga County's most important innovations.**

- The *Re-Imagining Cleveland* planning process serves as a model for other legacy cities attempting to devise new designs and program strategies and test new green ideas for reusing vacant properties. At a time when local leaders recoiled at the mention of right-sizing and smart shrinkage, the *Re-Imagining Cleveland* initiative, led by Bobbi Reichtell (formerly at NPI) and Terry Schwarz from Kent State's Cleveland Urban Design Collaborative (CUDC) provided a forum for local planners, designers, nonprofit leaders, and residents to start thinking of vacant land as an asset. Other organizations, such as the NE Ohio Metropolitan Sewer Authority and the Botanical Gardens, are also exploring pilot projects for greening vacant properties. Interdisciplinary researchers coordinated by Ohio State and other universities are also launching multi-year projects to quantify the ecosystem services and biodiversity that urban greening in Cleveland can provide.<sup>4</sup> With so many new stakeholders involved with urban greening and sustainability within Cleveland and the region, perhaps a "Green VAPAC" would be a logical next step to facilitate information sharing and program coordination.
- The County Land Bank (CLB, formally known as the Cuyahoga County Land Reutilization Corporation) now serves as the hub for vacant property reclamation in the Cleveland region. With its flexible structure as a special purpose nonprofit corporation, its access to a consistent stream of revenue, and its expanding capacity and expertise, the County Land Bank has quickly become the lead entity for demolishing, acquiring, managing, and disposing of vacant properties. Now, having facilitated 700 vacant house renovations over the past two years, CLB has emerged as one of the area's leading vacant property redevelopers. Beyond the millions of dollars it has helped procure and administers on behalf of the City of Cleveland, Cuyahoga County, and the first suburbs, CLB's capacity rests on some of the most experienced vacant property and community development experts in the region. For example, Director Gus Frangos served as a chief deputy for former Treasurer Jim Rokakis; Mike Schramm from NEO CANDO now works primarily for the County Land Bank; Bill Whitney the former deputy director of the local office of Enterprise Community Partners, and Lilah Zautner, who, along with Bobbi Reichtell, led the *Re-Imagining Cleveland* Program while at NPI. Current board directors include Councilman Anthony Brancatelli, who led Slavic Village Development Corporation before his election to Cleveland City Council, Bobbi Reichtel, who now is CEO of a local CDC, and Tom Fitzpatrick, a housing and community development researcher at the Cleveland Federal Reserve Bank. As the County Land Bank engages in many of the city's and the region's vacant property initiatives, from strategic demolition and urban greening to reform of tax and mortgage foreclosure systems, it has also emerged as a national and state resource on all aspects of land banking. Certainly the land bank will have to manage its involvement and strategically balance its performance capacity as the volume of properties that it manages reaches limitations of staffing and resources. Nonetheless, the expertise that it commands on vacant property reclamation contributes to the overall vacant property actions of City, County, and nonprofit partners.
- Cleveland's Municipal Housing Court remains a recognized national leader in helping the City and the suburbs prevent and abate problem properties. Under the leadership of Judge Pianka, the court expanded its capacity. Not only does the court now assist distressed homeowners in bringing their properties up to code, it also tested its powers to hold lending institutions and absentee owners responsible to their community, with pioneering decisions that affirmed the legal responsibility of these entities to preserve and maintain vacant homes in foreclosure.

As Cleveland continues to address the cumulative impact of prolonged and constant economic decline, along with the more recent shockwaves from the foreclosure crisis, these policy changes and innovative programs signal Cleveland and Cuyahoga County's shift toward a holistic system that looks objectively at the whole array of institutions and programs affecting neighborhood and community sustainability rather than one political jurisdiction or unit at a time. While it will likely take a few more years to stabilize the growth rate and number of vacant properties, and still longer to stem the loss of population and assets, Cleveland could conceivably reach a stable plateau by the next census in 2020.

## Challenges and Opportunities on the Horizon

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As both observers and consultants to much of Cleveland's vacant property work over the past ten years, we have a special vantage point for reflecting on what challenges lie on the horizon in their pursuit to build a more effective and efficient system for reclaiming vacant properties. Some of our observations in this section highlight current tensions among policymakers and practitioners as they grapple with particularly thorny public policy challenges and institutional transitions. The authors offer these observations in the thoughtful spirit of the *Crossroads Report*, which still serves as a wellspring for many initiatives.

Resilient systems put in place policies and programs that help policymakers respond to new trends, as they adapt and recalibrate to changing conditions and circumstances. As we explain below, Cleveland and Cuyahoga County's vacant property system is already confronting several critical changes to institutions and individuals as well as the need for connecting its reclamation efforts with broader regional planning and economic development initiatives. To ensure Cleveland and Cuyahoga County continue on their steady path toward neighborhood and market stabilization, perhaps the most immediate policy task is to ensure that its expanding suite of vacant property strategies and tools can address what Frank Ford from Thriving Communities calls the "Catch-22 of Distressed Markets"—the reality that blighted homes cannot be renovated until the market improves, but the market cannot improve until more blighted homes are removed.

Beyond strategic policy interventions, Cleveland and Cuyahoga County are also confronting major organizational shifts. For example, much of the foreclosure response and vacant property innovation in the past decade has been driven by six key organizations: Neighborhood Progress, Inc. (NPI), Empowering and Strengthening Ohio's People (ESOP), the Cleveland State University's Legal Clinic, Case Western Reserve University through NEO CANDO, the Cleveland Housing Court, and the new County Land Bank. In the foreseeable future, only three of these entities are certain to retain the level of focus and intensity of effort on vacant properties seen these past ten years: the land bank, the housing court, and NEO CANDO. As for the other organizations, it remains to be seen whether they will continue to make vacant properties a central focus. While some organizations are pulling away from the leadership roles they took on vacant property policy, other organizations, such as Thriving Communities, are already stepping in to fill this temporary void. How Cleveland navigates these and other transitions will help determine the resiliency of its existing vacant property reclamation system.

## Foreclosure and Vacancy Trends

According to data from the first half of 2013, Cleveland and Cuyahoga County are getting a slight reprieve in the filing of new mortgage foreclosures. By September 2013, foreclosure filings were down substantially throughout the county. If the current trends continue, the city and the region could see the lowest number of new foreclosure actions in the past 10 years. Although this would still be double the 1995 rate, these trends are promising. Together with some of the new vacant property policies and programs in Cleveland, the City and the first suburbs may be able to put a dent in the large inventory of vacant and blighted properties during this decade. As Frank Ford warns, the ability to catch up will depend on a variety of factors, including:

- continued foreclosure counseling that keeps homes from becoming vacant,
- aggressive use of code enforcement to combat blight,
- aggressive use of tax foreclosure against abandoned homes, and
- sufficient revenue and funding for demolition and/or renovation of blighted homes.<sup>5</sup>



## How Cleveland navigates these and other transitions will help determine the resiliency of its existing vacant property reclamation system.

Despite the seeming good news, VAPAC and its group of policy innovators continue to regularly monitor NEO CANDO data, conduct research, and communicate in person with practitioners in the community to identify even the slightest uptick in vacancy and foreclosures. Given the volatility and unpredictability of the region's real estate markets and how the lending industry and out-of-town speculators preyed on its neighborhoods, such caution is understandable and warranted. In a 2013 report, Frank Ford made these observations about the potential drivers from foreclosure trends:<sup>6</sup>

- Has the banking industry now worked through its “Shadow Inventory,” the backlog of delinquent loans and that were on hold—at least for the Cuyahoga/Cleveland region—or will they see another bump in foreclosure filing in the future? How long will the current downward trend last?
- Could the slowdown in filing also be due to an increase in banks “walking away” from properties BEFORE filing foreclosure? If they are, what percentage of those homes remain occupied vs. those that go empty, adding to the region's and the City's inventory of vacant properties?
- Is the recent decrease in filings in the outer suburbs (which had been increasing since 2007) due to the shadow inventory or related to news about a recovering economy? Logically, banks are less likely to walk away from property in the outer suburbs, where properties remain more valuable, compared with property values in the City and the first suburbs.
- Is there any downside to the slow-down of foreclosures as it relates the access of distressed properties from banks and speculators to CDCs and the county land bank? Does this slowdown mean banks will lose interest in donating vacant properties to other beneficial owners, thus slowing down the stabilization and reuse of vacant properties? The bank ownership of only a small percentage of the 26,725 vacant properties in Cuyahoga County strongly suggests the need to expand the role of stabilization strategies, such as code enforcement and tax foreclosure, as key tools for revitalizing neighborhoods.

Kermit Lind adds that income and job indicators are also uncertain at best, and may be weak: “Unemployment remains relatively high and new jobs do not pay nearly as much as the disappearing jobs. The economic uplift seen in auto sales and some housing price increases covers up a continued structural loss of wealth and increased inequality that has long-term effects business cheerleaders do not discuss in public.”<sup>7</sup>

Compared to where it was 10 years ago, through the VAPAC and NEO CANDO partnership, Cleveland now has the capacity to monitor these trends in foreclosure and vacancy and the forum for taking collective action. Together, the VAPAC and NEO CANDO initiatives serve as the backbone for Cleveland's more resilient system for reclaiming vacant properties.

### Reengineering Community Development, Housing, and Neighborhood Revitalization Programs and Policies

As the cradle of the community development field, Cleveland's CDCs, with tremendous support from local foundations, launched and sustained revitalization programs in many of the city's distressed neighborhoods, years before the recession of the 21<sup>st</sup> century hit. That 35-year investment of public dollars and the success of nonprofits and local residents was threatened with total collapse thanks to predatory lending, subprime loans, and the current mortgage crisis with its destructive debt collection processes. The further infusion of local and national foundation resources, along with the substantial investment of federal Neighborhood Stabilization Program dollars, helped stop some of the hemorrhaging in relatively stable and transitional neighborhoods. Neighborhoods facing serious decay and distress, however, continue to struggle with implementing some of alternative reuses for vacant properties and the reconfiguration of land uses envisioned by the designers and community groups from the Re-Imagining Cleveland planning process.

Several monumental shifts cry out for changing the traditional infill housing model of Cleveland's community development intermediaries and neighborhood-based corporations. First, the sheer

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**By bringing together strategies for revitalizing places and people, Cleveland would be one step closer to becoming a model for urban regeneration.**

number of foreclosed homes and vacant properties makes the economics of rehabilitation and new construction of homes difficult. As part of a four-city project on the impact of REO properties on housing markets, Frank Ford and a team of local researchers calculated the costs to rehab formerly vacant homes in six neighborhoods with different market characteristics.<sup>8</sup> What they found is that given market weakness and deteriorating conditions of vacant homes, traditional CDC “gut rehab” was not economically viable in any of the neighborhoods they studied; and moderate level rehab was only economically feasible in one stronger-market neighborhood. Moreover, in distressed market neighborhoods, the only level of rehab that was economically viable was to do the bare bones, such as correcting code violations, which does not provide for “green” standards or other improvements that add sustainable life to the property. These findings suggest that policymakers at all levels as well as intermediaries and CDCs on the ground will need to rethink their business models when it comes to one of their traditional successful neighborhood stabilization strategies.

#### **HOUSING REHABILITATION MODELS IN CLEVELAND’S NEIGHBORHOOD MARKETS**

The research team tested four rehab scenarios for each house with budgets and specs (whole house “gut” rehab, “moderate” rehab, code plus rehab, and minimum code-only rehab). The research project’s goal was to determine whether a model for vacant house renovation could be developed that would provide safe, decent housing to benefit the surrounding neighborhood, either without a subsidy or at least no more subsidy than the equivalent cost of demolition. Thus, a feasible project is one where no subsidy was required or the gap was no greater than \$10,000.<sup>9</sup> What the study team concluded is that even in the stronger-market neighborhood (Old Brooklyn) the subsidy required for a whole house gut rehab (a strategy fairly common for CDCs before the foreclosure crisis) would be over \$28,000, which was not feasible. The subsidy for a moderate rehab (\$4,533) was feasible. In contrast, the subsidy required for a single family rehab in a distressed neighborhood (Slavic Village) was substantially higher (\$69,679 for gut rehab; \$49,056 for moderate; and \$28,188 for code plus). Thus, the only rehab that would work at scale is a subsidy of \$6,348 for only the code compliance.<sup>10</sup>

Two major factors influenced their findings of feasibility—property condition and market value. If the vacant home can be secured sooner and is located in a neighborhood with higher market sale prices, it is more likely that rehab remains a viable option. As part of their approach the team also examined models for purchase-to-resale and for purchase-to-rental.

Second, the continued decrease in government and philanthropic resources available to support Cleveland’s extensive network of CDCs indicates the need to rethink the CDC business model and its place-based approach. For many years, participants in the Cleveland’s community development field have known that more than 35 CDCs in downsized Cleveland were too many. Even with fewer CDCs, a new mission beyond housing seems imperative to address the loss of population, housing markets, and neighborhood quality conditions. Instead of focusing exclusively on new construction or even rehab, a few CDCs in Cleveland, such as Detroit Shoreway, are exploring more creative approaches to neighborhood revitalization, such as promotion of cultural vibrancy, new resident-owned businesses, and urban greening.

Through the Living Cities initiative and work by Community Wealth at the University of Maryland, Cleveland is also experimenting with strategies that focus on improving the socio-economic health of poor residents through wealth creation, education, job training, and so forth.<sup>11</sup> In fact, it seems that the newly merged Cleveland Neighborhood Progress is now attempting to retool CDCs to address these important socio-economic challenges of neighborhood residents. Along with concerns and solutions for crime and public health, these new social policy interventions at the neighborhood scale must also be married with the new policies and programs around vacant property reclamation, supported by new urban designs that seek to stabilize and revitalize

the physical environment. By bringing together strategies for revitalizing places and people, Cleveland would be one step closer to becoming a model for urban regeneration.

### Emerging Signs of Regional Thinking and Collaboration

One of Cleveland's most persistent policy challenges is developing strong regional policy responses that can more effectively address longstanding problems of destabilizing regional development and also the more recent regional dimensions of vacant and foreclosed properties that have spread economic instability beyond the urban core. Even with all of its new vacant property strategies and tools in place, in the long term Cleveland and Cuyahoga County are no match for the powerful draw of sprawl. Moreover, suburbs themselves are becoming vulnerable to the trend toward vacancy. Regional land use consumption and economic competition among fragmented municipalities continue to pull upper-income people and jobs from Cleveland and the first suburbs to outlying counties and townships. These broad, socio-economic drivers together with a weak state planning regime contribute to Cleveland and Cuyahoga County's abandonment and vacant property challenges. Without a more cohesive and coordinated metropolitan planning framework, many parts of Cleveland and Cuyahoga County, especially those closer to the urban core, could continue to experience higher rates of vacancy and abandonment for years to come.

What Cleveland State University planning Professor Tom Bier describes as the "hole-in-the-donut" phenomenon is not quite so simple in Cleveland: As the metropolitan economy continues to perform poorly, select areas in and near downtown (such as Ohio City, University Circle, Detroit Shoreway, and Tremont) are booming with new economic opportunities, new development, and near-zero vacancy; while just blocks away, other neighborhoods and core communities continue to suffer unprecedented levels of vacancy, unemployment, and urgent need for social safety nets for residents. This pattern plays out in other cities seeking to reshape themselves after great population losses, notably Detroit. Moreover, inequitable taxation policies and poorly performing schools further push businesses and homeowners out of Cleveland and its inner ring suburbs. The convergence of these broader policy factors, largely beyond the control of any single agency or government, seems to beg for intervention by state officials.

The challenge for the region and the state is providing the right set of planning and policy tools to match the regional nature of the dual problems of sprawl and abandonment. Now acting as a vacant properties hub for the city and suburbs, the Cuyahoga County Land Bank has the potential to partially address the duality of expanding development on the fringes and increasing abandonment in the core and inner rings. In light of its extensive array of powers, the County Land Bank could help equalize regional local government financing by distributing the proceeds from profitable tax delinquent sales in the suburbs to address blight and abandonment in the city and the first-tier suburbs. However, the land bank's primary focus is on the part of the vacant property policy cycle that focus on stabilization, acquisition, and disposition of vacant properties. Moreover, the land bank's ability to intervene is limited by the land-use laws of individual municipalities in executing its mission. Cleveland and Cuyahoga County will need other tools to strengthen and re-orient land use planning powers to reflect the realities of a less populated yet resilient city and region.

One step in the regional planning direction is the December 2013 release of the Northeast Ohio Regional Sustainability Plan—Vibrant NEO 2040. As a 2010 HUD Regional Sustainability grantee, the consortium of policymakers and planning experts spent the past three years supporting numerous gatherings and dialogues among policymakers and residents of six counties. The resulting plan creates a broader economic vision and agenda for this diverse mega region around more sustainable transportation, economic development, and equitable housing.<sup>12</sup> As local government officials and residents throughout northeast Ohio become more familiar with the plan's sustainability vision, they will have to figure out how to adapt that plan to meet local preferences while also addressing regional needs.

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Other signs of regional thinking are emerging from new leadership at Cuyahoga County. Although it is not yet clear how the 2010 restructuring of County government will affect regional policies, County Executive (FitzGerald) now has new powers in finance and tax policy that can strengthen a regional approach. He has also launched initiatives to foster more regional collaboration around service sharing arrangements among the cities and townships within the county.

Bier asserts that even the best regional solutions will need state leadership and support, if they are to transcend the natural competition among municipal governments: “Officials are prisoners of the place they represent, compelled by their independence to compete with each other for businesses, residents, grants, tax base, [and] recognition.”<sup>13</sup> Just as they did when creating the County Land Bank, the County, City and suburban leaders may be able to build a strong policy case in Columbus for allowing the region to test new models of regional collaboration and policymaking.

### **Navigating Change and Cultivating the Next Generation of Neighborhood Revitalization Leaders and Institutions**

For the past 30+ years leaders on vacant property reclamation and neighborhood revitalization have predominately come from Cleveland’s community development sector, several with deep roots to the early days of community organizing. Whether working for CDCs on the ground, intermediaries, foundations, city and county government or influential institutions such as Cleveland State and the Federal Reserve Bank, many of these vacant property champions held important positions with local CDCs and neighborhood groups and led important neighborhood-driven revitalization efforts.

As this group of leaders retires or moves on, one of the important challenges is recruiting, retaining, and cultivating the next general of vacant property policy innovators. Will they rise from the community development field? Is there local talent that can be mentored? Is there a strategy or plan for bringing these emerging leaders together? Certainly the experience and expertise of the current cadre of leaders offers a strong foundation from which to build. In fact, one of Cleveland’s defining characteristics compared with other legacy cities is this group’s strong ethos for creative vacant property policy reform. Thus, it will be important to instill this ethos and passion for change in the next generation of vacant property policy innovators so that Cleveland can leverage the momentum it has created in the past ten years.

Several nonprofits behind Cleveland’s recent vacant property successes are undergoing significant organizational changes and individual transitions that cast uncertainty on Cleveland’s vacant property policy agenda going forward. NPI’s merger with CNDC and LiveCleveland, one of the more visible transitions, appears to signal a return to NPI’s core business of financing and promoting neighborhood development. This is especially likely with the transfer of Frank Ford and VAPAC from NPI to Thriving Communities Institute. Former ESOP Director Mark Seifert, the principal architect of its persuasive advocacy on the human impacts of the foreclosure crisis, left for the private business sector in 2012. With lack of funding for foreclosure advocacy and counseling, ESOP’s capacity for community organizing around vacancy and foreclosure appears diminished. Some of the shifting among the VAPAC principals, such as Michael Schramm from Case Western Reserve to the County Land Bank, may have little impact on the trajectory and pace of Cleveland’s vacant property initiatives. In fact, the shift of key personnel to the land bank illustrates its expanding capacity and visible role as the lead actor on the regional vacant property policy stage.

City Councilmember Jay Westbrook, a longstanding and active VAPAC member and champion of community-driven code enforcement, retired in January 2014, at the end of his term. Cleveland’s community and economic development groups and leaders are waiting to see what role, if any, Chris Warren may continue to play. In December 2013 Warren stepped down as Mayor Jackson’s Director of Metropolitan Development.<sup>14</sup> As one of the stalwart leaders of Cleveland’s community development efforts, Warren, like many of his colleagues, has a long history of leading various community development organizations from local CDCs to regional lenders. While likely years away another set of future transitions, such as the eventual retirement of Housing Court Judge Pianka and Thriving Communities Director Jim Rokakis, are important enough to mention today.<sup>15</sup>

**One of Cleveland’s defining characteristics compared with other legacy cities is this group’s strong ethos for creative vacant property policy reform.**

On the university front, the roles of universities in Cleveland's vacant property network have been closely affiliated with individual professors and center directors. As professors retire, move away, or shift their research focus, a university's vacant properties activities (e.g., project work, instruction, community engagement/outreach, and research) may also wane unless they develop a longer-term commitment for their work. Key members of Cleveland's university network, Professor Claudia Coulton and NEO CANDO Program Manager Michael Schramm at Case Western, Professors Kermit Lind and Dennis Keating at Cleveland State, and CUDC's Director Terry Schwarz have been the energy behind their institution's engagement in local and national vacant property policy development. Coulton and Schwarz remain at their respective institutions and continue their work, while Lind has retired and Keating announced his plan to retire in 2015. Thus, it remains unclear whether these universities will find emerging scholars that can build upon and leverage the great vacant property work of these researchers. For example, in late 2013 Cleveland Marshall School of Law dissolved the Urban Development Law Clinic and with it the long standing focus on vacant properties.

Navigating political transitions can also influence the pace and direction of Cleveland's efforts to build a more resilient vacant property policy system. With a new governmental structure, several Cuyahoga County leaders appear more aware and engaged around the regional challenges of reclaiming vacant properties. Preliminary signs seem to show that vacant properties remain a high policy priority for the County, especially when it comes to the still-high rate of foreclosures and the challenges of tax delinquencies spreading beyond the urban core.

Mayor Jackson continues to support a steady stream of vacant property programs and policy reforms. As he launches his campaign for a third term in 2014, there seems to be little doubt that he will be re-elected; however, the big question is whether he will expend more or less political capital attacking blight and vacant properties that continue to thwart the regeneration of the city's neighborhoods. Might he champion new strategies? Does he have the political clout to obtain more federal or state demolition dollars to finish the job begun in his second term? What can he do to help build the capacity of the next generation of community development organizations and leaders? All these are important questions for him and his team to thoughtfully consider.<sup>16</sup>

How these individuals, institutions, and their partners prepare for and adjust to such changes becomes a critical test to the overall resilience of Cleveland's emerging vacant property system. Just as their newly minted vacant property policy, programs, and strategies account for shifting neighborhood and market conditions, these efforts must also adapt to political and organizational change. Shifts in organizations and people are a natural part of any policy change process. Many of these pressing challenges will further test the resiliency of Cleveland's emerging vacant property policy system as it comes of age. As this case study documents, Cleveland has accomplished much in roughly ten years, so perhaps these current challenges are mere growing pains for this new regime? By having put in place many of the core elements, Cleveland and Cuyahoga County are now much better prepared to respond to the new shifts in markets and organizations. Certainly these changes may impede or perhaps even undermine the progress Cleveland has made, but it does seem that policymakers and practitioners from other legacy cities will once again keep a close eye on how Cleveland and Cuyahoga County adapt to the next series of transitions in their pursuit of a holistic and resilient system for reclaiming vacant properties.

**How these individuals, institutions and their partners prepare for and adjust to such changes becomes a critical test to the overall resilience of Cleveland's emerging vacant property system.**

**Many of these pressing challenges will further test the resiliency of Cleveland's emerging vacant property policy system as it comes of age.**

## Notes

- 1 City of Cleveland and Cuyahoga County, *Transforming Our Regional Economy*.
- 2 Thomas Bier, "Cleveland's renewal begins with the state," *Cleveland.com*, The *Cleveland Plain Dealer* business blog, 7 Dec. 2013, at [http://www.cleveland.com/opinion/index.ssf/2013/12/cleveland\\_renewal\\_begins\\_with.html](http://www.cleveland.com/opinion/index.ssf/2013/12/cleveland_renewal_begins_with.html).
- 3 Robert Beauregard, "Strategic Thinking for Distressed Neighborhoods," in *City After Abandonment*, eds. Margaret Dewar and June Manning Thomas (Philadelphia: Penn Press, 2013).
- 4 Tonya Sams, "OSU prof receives nearly \$1 million to study vacant lots in Cleveland," *Cleveland Plain Dealer*, 26 June 2013, accessed at [http://www.cleveland.com/metro/index.ssf/2013/06/ohio\\_state\\_university\\_professo.html](http://www.cleveland.com/metro/index.ssf/2013/06/ohio_state_university_professo.html)
- 5 Frank Ford, *Foreclosure and Vacant Property Trends in Cuyahoga County 1995–2013*.
- 6 Ibid.
- 7 Kermit Lind, personal communication with authors, 21 February 2014.
- 8 Frank Ford, et al. "The Role of Investors in the One-to Three Family REO Market: The Case of Cleveland." The Harvard Joint Center for Housing Studies. (January 2014) accessed on 24 Jan. 2014 at <http://www.jchs.harvard.edu/research/publications>.
- 9 While some might debate the \$10,000 threshold, in light of the scale of the vacant homes in many neighborhoods in Cleveland and its inner-ring suburbs, as well as the lack of major federal or state resources with the expiration of the NSP program, a rehab model with small subsidy makes sense in order to develop policy incentives to do rehab at scale. The team's research design also rests on the traditional policy assumption that a few houses supported by the public and nonprofit sectors at \$10,000 would be enough to stimulate private rehabbers to reenter the market. Assumptions made even more difficult in the more distressed blocks.
- 10 Note that NPI's signature rehab initiative, Opportunity Homes, required approximately \$90,000 per house in subsidies from NSP or foundations.
- 11 See generally, <http://community-wealth.org/>.
- 12 NEO Sustainable Communities Consortium. *Vibrant NEO 2040*. 17 Dec. 2013. [http://vibrantneo.org/wp-content/uploads/2014/02/VibrantNEOGuidebook11x17\\_Final.pdf](http://vibrantneo.org/wp-content/uploads/2014/02/VibrantNEOGuidebook11x17_Final.pdf) .
- 13 Bier, "Cleveland's renewal begins with the state."
- 14 Michelle Jarboe McFee, ""Chris Warren, Cleveland's chief of regional development, will retire this month." 12 Dec. 2013. [http://www.cleveland.com/business/index.ssf/2013/12/chris\\_warren\\_clevelands\\_chief.html](http://www.cleveland.com/business/index.ssf/2013/12/chris_warren_clevelands_chief.html).
- 15 Note that in 2013 Judge Pianka was overwhelmingly reelected for another six-year term on the Cleveland Municipal Housing Court.
- 16 Bier, "Cleveland's renewal begins with the state."

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