



**CITY OF CLEVELAND**  
Mayor Frank G. Jackson



**CITY OF CLEVELAND  
CONSOLIDATED PLAN  
Consolidated Submission to HUD for  
Community Planning and Development Programs**

**ACTION PLAN  
2013-2014**

**Draft for Public Review and Comment**

**March 18, 2013**

**CITY OF CLEVELAND  
DEPARTMENT OF COMMUNITY DEVELOPMENT  
Daryl P. Rush, Director**

A Public Hearing will be held to review the proposed **2013-2014** Action Plan and the proposed use of funds for the Program Year which begins on June 1, 2013. The Public Hearing will provide an opportunity for all persons to ask questions and/or provide comments on plans and activities proposed by the City of Cleveland as they relate to HUD funding.

<b>DATE AND LOCATION OF PUBLIC HEARING</b>
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<i>Thursday, April 18 , 2013 Trinity Commons – Gallery Room 2242 Euclid Avenue, 44115 Parking on Prospect Avenue 10:00 AM</i>
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**Comments regarding the Action Plan will be accepted through April 19, 2013 and should be directed to:**  
**DEPARTMENT OF COMMUNITY DEVELOPMENT**  
**CLEVELAND CITY HALL ROOM 320**  
**601 LAKESIDE AVENUE**  
**CLEVELAND, OHIO 44114**  
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# Third Program Year Action Plan 2013-2014

## Narrative Responses

### GENERAL

#### **Executive Summary**

2013-2014 Action Plan Executive Summary:

The Housing and Community Development Action Plan for 2013-2014 is a part of the City of Cleveland's Consolidated Submission to HUD for Community Planning and Development Programs, also known as The Consolidated Plan.

The Consolidated Plan consists of an analysis of housing and community development needs and a strategic plan for addressing those identified needs. Each year the City of Cleveland must develop an Action Plan detailing resources expected to be available during the coming program year and the specific activities to be carried out in implementing its strategic plan.

This Action Plan describes resources, programs and activities for the 2013-2014 Program Year (June 1, 2013 to May 31, 2014). It also incorporates all application and submission requirements for the four HUD Programs under which the City of Cleveland expects to receive formula allocations for the 2013-2014 Program Year:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

Citizen participation in decisions on housing and development needs and on planning for the best use of available resources is an ongoing effort in the City of Cleveland. Department of Community Development staff members have worked closely with residents, neighborhood-based groups, lenders, developers and other interested parties throughout the year to determine how best to improve City programs attract additional resources or undertake innovative approaches to meeting identified priority needs. The Director of Community Development and other senior staff meet on a monthly basis with representatives of Cleveland's extensive network of neighborhood-based Community Development Corporations to

exchange ideas about current and future programs and policies related to the use of available resources.

As of March 15, 2013, Congress has not yet approved the appropriation for HUD programs for FY2013, which began on October 1, 2012. For the purpose of planning the budget for the new program year, HUD has recommended using an 8.2% reduction from the previous year's allocation for each of the four programs. This reflects the impact of the sequestration, which went into effect on March 1, 2013. The actual amounts to be received by the City of Cleveland will not be determined until the HUD appropriation legislation has been approved.

Based on the projected 8.2% reduction, the following is a brief description of the planned uses of the funds expected to be received this year through the CDBG, HOME, ESG and HOPWA programs.

1. Neighborhood Development Activities

\$6,992,000 in CDBG funds will be used to address the goal of providing suitable neighborhood living environments by filling identified low/moderate income needs and ameliorating conditions of slum and blight.

2. Code Enforcement

\$419,000 in CDBG funds will be used to assist in code enforcement activities in slum and blighted neighborhoods of the City.

3. Demolition/Board-up

\$780,000 in CDBG funds and an estimated \$400,000 in CDBG Program Income will be used to help eliminate blighted and hazardous conditions by demolishing or boarding-up condemned vacant properties.

4. Housing

The City's varying priority needs for decent, safe and affordable rental and for-sale housing opportunities for its residents will be addressed through a range of funded program activities:

- Home Repair Assistance: \$3,051,860 in CDBG and HOME funds, together with an estimated \$800,000 in Program Income, will be utilized by the City's Division of Neighborhood Services to provide rehabilitation loans and grants to lower income homeowners and to assist in the rehabilitation of deteriorated vacant houses for new homebuyers. An additional \$77,000 in CDBG funds will support the CASH Program, which utilizes compensating balance deposits to provide low interest rate rehabilitation financing through participating lenders.
- Housing Trust Fund: \$2,068,120 in HOME funds, together with \$300,000 in CDBG Program Income, will be made available as low cost financing through a competitive process to select developments that

increase the availability of affordable housing or address neighborhood revitalization objectives. Housing for persons with special needs and permanent supportive housing for homeless persons with disabilities will be eligible to access this funding source.

- CHDO Rental Housing Development: \$862,920 in HOME funds will be made available on a competitive basis to qualified Community Housing Development Organizations (CHDOs) to provide affordable rental or lease-purchase housing.
- Anti-Predatory Lending: \$100,000 in CDBG funds will be used to provide assistance to low income residents in addressing problems created by predatory home lending activity. Services include legal counseling, referrals to consumer advocacy organizations, monitoring of local lending practices and educational outreach through neighborhood organizations.
- Housing for Persons with HIV/AIDS: \$888,000 in HOPWA funds will be made available to non-profit agencies providing housing assistance and related services to persons with HIV/AIDS.

#### 5. Public Services

\$1,100,000 in CDBG funds will be used by non-profit agencies to provide essential neighborhood social services, primarily those directly assisting low-income elderly, youth and families.

\$346,000 in CDBG funds will be used specifically for AIDS Prevention services.

\$1,721,500 in ESG funds and \$527,300 in CDBG funds will be allocated to non-profit agencies providing shelter and essential services for homeless persons.

#### 6. Land Reutilization

\$955,600 in CDBG funds will be used to assure that vacant neighborhood land being held by the City for eventual redevelopment does not become a blighting influence in the interim. Included in this total is \$129,400 to allow portions of this vacant land to be used as community gardens.

#### 7. Commercial Development

\$460,000 in CDBG funds will be used to address neighborhood blight and expand economic opportunities by providing financial assistance for the rehabilitation of commercial building exteriors.

#### 8. Community Development Corporations (CDCs)

\$1,431,000 in CDBG funds will be provided on a competitive basis to non-profit organizations that will be carrying out programs and activities that address low income housing or neighborhood development needs. Specific types of assistance include:

- CDC Competitive Grant Program: \$1,155,600 will be used as operating support for community-based development corporations that are engaged in neighborhood stabilization and revitalization activities.
- Citywide Development Support Services: \$275,400 will be used by citywide nonprofit agencies that will provide CDBG-eligible housing services.

#### 9. Fair Housing Services

\$86,000 in CDBG funds will be used to administer the City's fair housing and affirmative housing marketing programs, including implementation of Cleveland's fair housing ordinance.

#### 10. Administration

\$3,273,800 in CDBG funds will be used by the Department of Community Development for staff costs, other operating expenses and indirect costs related to the administration of the HUD-funded programs.

### **General Questions**

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a) (1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

2013-2014 Action Plan General Questions response:

#### 1. Geographic Area of the Jurisdiction

The jurisdiction consists of the boundaries of the City of Cleveland, an area of 77.6 square miles. Based on the 2010 Census, the city has a population of 396,890, with 207,536 housing units. In the 2010 Census, only 27 of Cleveland's 175 residential Census tracts did not have a majority of residents qualifying as low/ moderate income. The Community Profile in Section I of this document contains detailed information about the City of Cleveland

## 2. Geographic Basis for Allocation of Resources

Funds provided through the HUD entitlement programs will primarily be focused on the neighborhoods where the majority of residents qualify as low/moderate income or the area has been designated as blighted, based on the condition of the structures. Many neighborhoods qualify under both criteria. Limited activities may be carried out in higher income, non-blighted areas if they are addressing needs of specific low/moderate individuals or conditions of spot blight.

Two planning documents play a key role in targeting decisions for available neighborhood development resources: the Neighborhood Typology and Reclaiming Cleveland – Target Area Plans.

The creation of the Neighborhood Typology and its relation to strategic approaches to varying neighborhood market conditions was discussed in detail in the introductory overview to The Consolidated Plan (2011-2016), submitted to HUD in 2011. A new version of the document, the 4<sup>th</sup> iteration, was released in early 2012. It has been updated using initial 2010 Census data and the most current local data for demolitions, property values and land use.

Reclaiming Cleveland – Target Area Plans was published by the Department of Community Development in September 2011 to serve as a guide for utilizing Neighborhood Stabilization Program funds and other community development resources in a contextually-specific manner to result in immediate and sustainable improvements within targeted areas that have been substantially affected by economic decline and the foreclosure crisis. The planning process to create the document was a collaborative effort involving not only City staff, but also representatives from non-profit development groups, local universities and Neighborhood Progress Inc. (NPI), a city-wide non-profit established in 1988 to support innovative and successful community organizations and initiatives in Cleveland. NPI coordinated a far-reaching field survey and more than 100 meetings to assist the City in producing the detailed target area plans.

## 3. Obstacles to Meeting Underserved Needs

The primary obstacle to meeting underserved needs in the community is the lack of resources. Between 2002 and 2012, Cleveland's CDBG allocation declined by 35.7% and the HOME allocation by 54.8%. With the projected 8.2% cut from 2012 funding levels, the total decrease since 2002 will be 40.9% for CDBG and 58.5% for HOME. Over the past four years, Cleveland received significant additional federal assistance through the Housing and Recovery Act of 2008 and the American Recovery and Reinvestment Act of 2009. However, most of these funds have now been expended. With the

continued impact of the foreclosure crisis on housing vacancy and abandonment in Cleveland neighborhoods, along with slow growth in local employment opportunities, obstacles to meeting underserved needs remain high.

4. Housing and Community Development Resources Expected to be Available  
The following is a description of public and private resources that are expected to be available to address Cleveland's housing and community development needs during the 2013-2014 Program Year.

- A. Federal Funds to the City of Cleveland

- i. Community Development Block Grant (CDBG)

In 2013, the City of Cleveland expects to receive a CDBG allocation of \$18,400,000. This is a projected decrease of 8.2% from last year and a decrease of 29.0% since 2010. An additional \$1,100,000 from program income is anticipated to be available for new expenditures.

CDBG funds may be used for a wide range of community development and housing related activities that either benefit low and moderate-income households or help eliminate blighted conditions. Eligible activities include housing rehabilitation, public facilities and infrastructure improvements, code enforcement, economic development, and assistance to neighborhood-based development groups and social services.

- ii. HOME Program

In 2013, the City of Cleveland expects to receive a HOME Program allocation of \$3,703,000, a projected decrease of 8.2% from last year and a reduction of 45.1% since 2010. An additional \$400,000 is anticipated from program income.

HOME Program funds may be used for housing activities that specifically benefit low-income persons. Eligible activities include rehabilitation assistance to homeowners, assistance to homebuyers and financing for the development or rehabilitation of rental housing.

The City of Cleveland's matching contribution requirement for the HOME Program is reduced by 100% because its poverty rate is greater than 125% of the average national poverty rate



and its average per capita income is less than 75% of the average national per capita income.

iii. Emergency Solutions Grant (ESG) Program

In 2013, the City of Cleveland expects to receive an ESG allocation of \$1,721,500 from new Emergency Solutions Grant program. This reflects HUD's projected 8.2% cut from the previous year's allocation.

The Emergency Solutions Grant has replaced the former Emergency Shelter Grant program, under which Cleveland received an annual entitlement grant to support basic shelter services for homeless persons. The uses of ESG funds have been expanded to include the types of activities that have been funded through the Homeless Prevention and Rapid Re-housing Program (HPRP), which was part of the American Recovery and Reinvestment Act of 2009. A portion of the ESG funds may continue to be used to assist non-profit agencies with the cost of operating and providing services at emergency shelters for the homeless. However, a minimum of 40% of the 2013 ESG funding must be targeted specifically to strategies that will reduce shelter populations by either preventing homelessness or helping person in shelter find housing as quickly as possible.

The requirement that 100% of the ESG allocation amount be matched with funds from other sources will be met with a combination of CDBG and local public funding sources. In addition to \$527,300 in Cleveland's CDBG funds budget for shelter services, over \$4 million from Cuyahoga County's Health and Human Services levy budget has been allocated for homeless shelter and services.

iv. Housing Opportunities for Persons With AIDS (HOPWA)

In 2013, the City of Cleveland expects to receive an estimated allocation of HOPWA funds in the amount of \$888,000. This reflects HUD's projected 8.2% cut from the previous year's allocation. The money to be received by Cleveland is intended to address housing needs of persons with HIV/AIDS within the five county metropolitan area: Cuyahoga, Geauga, Lake, Medina and Lorain counties.

v. Home Weatherization Assistance Program (HWAP)

This program provides grants to undertake weatherization measures for low-income households. Work is administered through six non-profit delegate agencies.

The State of Ohio has issued a Request for Proposals (RFP) to provide \$2,353,314 in HWAP services within Cuyahoga County. The City of Cleveland, in conjunction with Cuyahoga County and the Cleveland Housing Network, has submitted a proposal. A decision on the provider has not yet been announced.

vi. Lead-Based Paint Grants

In March 2012, HUD awarded a Lead Based Paint Hazard Control Grant to the Cuyahoga County Board of Health, with the City of Cleveland as a partner. Cleveland will be utilizing \$500,000 from this grant to address lead hazards in 45 housing units.

The City, in partnership with Cleveland Housing Network, has also submitted a proposal to HUD for a \$3,000,000 Lead Hazard Demonstration Grant to undertake additional lead remediation efforts. A funding decision has not yet been announced by HUD.

vii. Neighborhood Stabilization Program

On March 2, 2009, The City of Cleveland received approval from HUD for a grant award of \$16,143,120 under the Neighborhood Stabilization Program (NSP), authorized by the Housing and Economic Recovery Act of 2008. Cleveland received an additional \$9,424,689 in NSP funds from the State of Ohio's allocation for demolition, innovative reutilization of vacant land and redevelopment of foreclosed houses in targeted neighborhoods.

In January 2010, HUD announced the award of \$40,841,390 in NSP 2 funds to a consortium consisting of the City of Cleveland, Cuyahoga County, CMHA and the Cuyahoga Land Reutilization Corporation ("The County Land Bank"), which administers the funds, with suballocations to the consortium members.

All NSP funds from the first and second program awards have been expended. However, funded activities are expected to generate approximately \$2 million in program income for new activities during the coming program year.

In March 2011, the City of Cleveland received an allocation of \$6,793,290 in NSP 3 funds to continue the stabilization of distressed neighborhoods. Approximately \$2.1 million remains to be expended.

viii. Healthy Homes Production Grant Program

The Department of Community Development is receiving approximately \$503,000 from HUD's Healthy Homes Production Grant Program, as a subgrantee for funds awarded to a local non-profit agency, Environmental Health Watch. An additional \$64,000 in matching funds is being received from the national non-profit Coalition to End Childhood Lead Poisoning. As part of the new Warm and Healthy Homes Initiative, the City will supplement its delivery of Home Weatherization Assistance Program (HWAP) services and other rehabilitation assistance to address a wide range of home environmental health hazards.

ix. Section 108 Loan Pool

The City of Cleveland Department of Economic Development received a HUD 108 Loan pool of \$18,125,000. These funds are being used to increase job creating investments by closing financing gaps and leveraging New Market Tax Credits. The projects must be in one of the HUD approved Neighborhood Revitalization Strategy Areas.

B. Federal Funds to the Cleveland-Cuyahoga County Office of Homeless Services

The Office of Homeless Services was created jointly by the City of Cleveland and Cuyahoga County to plan and coordinate solutions to the problem of homelessness. One of its functions has been to compete for discretionary McKinney Act funding from HUD in conjunction with local non-profit service providers. An extensive Continuum of Care planning and proposal review process occurs each spring, leading up to the submission to HUD for the Competitive Homeless Assistance

Grant. The two primary components of the HUD grant program are:

i. Shelter Plus Care

The Shelter Plus Care Program offers permanent housing rental assistance that is linked to supportive services specifically for homeless persons with mental illness, substance abuse problems or AIDS. The Office of Homeless Services, in conjunction with the non-profit EDEN, Inc., currently administers over 1800 units of Shelter Plus Care assistance.

ii. Supportive Housing Program

The Supportive Housing Program promotes the development of housing and services that help homeless persons transition from homelessness to living as independently as possible. Eligible projects can fall into one of several categories:

- Transitional Housing provides a structured housing environment for up to two years to facilitate the movement of homeless individuals and families to permanent housing.
- Permanent Housing for Persons with Disabilities is designed to enable homeless persons with disabilities to live as independently as possible in a permanent setting.
- Safe Havens are supportive housing designed to serve severely mentally ill homeless persons that have been unwilling or unable to participate in more structured residential or treatment programs. Safe Havens do not require residents to accept specific services or referrals as a condition of residency. However, it is hoped that after a period of stabilization, residents will be willing to participate in services that will enable them to move to other types of housing.
- Supportive Services, not linked to a specific housing facility, are also eligible for funding.

In December 2011, the Office of Homeless Services was notified that its Continuum of Care planning process resulted in the award of \$10,912,800 in renewal funding for Supportive Housing Program activities and \$11,680,708 for Shelter Plus Care. An additional \$2,091,865 for new programs was awarded in March 2012. These funds are currently being expended.

In March 2013, HUD allocated FY2012 funding of \$12,004,140 for Shelter Plus Care and \$11,386,585 for renewal of Supportive Housing Program activities. Funding for new Supportive Housing Program initiatives will be announced later in 2013.

C. Federal Funds to Cuyahoga Metropolitan Housing Authority (CMHA)

i. Public Housing Modernization Funding

CMHA receives an annual allocation of modernization and replacement housing funding from HUD under the Capital Fund Program (CFP). For 2012, CMHA has been allocated approximately \$23,400,000. The amount for 2013 has not yet been determined.

ii. Housing Choice Voucher Program

CMHA administers allocations from HUD to provide tenant-based rental assistance payments through the Housing Choice Voucher Program, formerly the Section 8 Housing Voucher Program. At this time, CMHA has approximately 14,350 Housing Choice Vouchers under contract to tenants.

D. Other Federal Funds

i. Section 202 for the Elderly and Section 811 for Persons with Disabilities

HUD will solicit proposals for its annual competitive award of funds to non-profit organizations for the development of subsidized housing for the elderly or persons with disabilities.

No Cleveland projects were selected for Section 202 or Section 811 funding in 2008, 2009, 2010, 2011 or 2012.

ii. Emergency Food and Shelter National Board Program (FEMA Board)

Since 1983, The Emergency Food and Shelter National Board has been a source of operating funding for emergency shelters and supportive services for the homeless. It also helps support local hunger programs. Funds are administered by United Way and allocated through a local Emergency Hunger and Shelter

Board. For 2010, \$815,110 was allocated for Cuyahoga County, with half of that going for shelter and homelessness prevention programs and the balance for food programs. For 2011, this amount was reduced to \$572,482, a 30% reduction. For 2012, the allocation was \$499,279. The funding level for 2013 has not been announced.

iii. Low Income Housing Tax Credits

Unlike the other programs listed, Low Income Housing Tax Credits do not involve direct Federal budget expenditures. Instead, through the states, Federal tax credits are awarded that allow investors in low income housing projects to reduce taxes from other income over a period of 10 years. The value of these credits is such that more than 50% of the development cost of a low-income rental project can be generated in the form of equity investment. Generally, units must remain affordable to low-income renters for at least 30 years. The State of Ohio will again be committing tax credits through a statewide competitive process in 2013.

E. State of Ohio Funds

i. Housing Development Assistance Program

The State of Ohio combines a variety of state and federal sources into a program that offers development financing to producers of housing for low income persons. Funding will be available to fill financing gaps in projects using Low Income Housing Tax Credits or to assist rental and homeownership projects developed by neighborhood-based, non-profit organizations.

ii. Ohio Low and Moderate Income Housing Trust Fund

The State of Ohio has a Housing Trust Fund that is focused on addressing the housing needs of very low-income persons. Preference is given to projects serving persons below 35% of median income and 75% of the fund must be used for persons below 50% of median income.

A portion of the Housing Trust Fund is allocated through the Housing Development Assistance Program described above. It also provides housing resources through a competitive

proposal process that funds innovative programs for activities such as homelessness prevention, housing counseling, supportive services, rental assistance and handicapped accessibility. In addition, a Downpayment Assistance Program is funded to help low income homebuyers.

iii. Ohio Department of Mental Health (ODMH)

ODMH's Community Capital Funding Program provides grants to assist in the acquisition or development of housing for its client population. It also offers funds for rental subsidies through its Housing Assistance Program. Both programs operate through the Cuyahoga County Community Mental Health Board.

iv. Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD)

ODMRDD's Community Capital Assistance Grants provide funds for acquisition and renovation of housing for its client population. The Supported Living Program provides rental assistance and other support subsidies to clients. Both programs operate through the Cuyahoga County Board of Mental Retardation and Developmental Disabilities.

F. Private Resources

i. Neighborhood Progress, Inc. (NPI)

NPI is a local organization whose mission is to be a catalyst for revitalizing Cleveland's neighborhoods by investing strategically in non-profit community organizations and their development agendas. One of its roles is to assemble corporate and philanthropic resources to use in support of key neighborhood development projects. NPI provides substantial annual operating support to community groups. In addition, its finance subsidiary, Village Capital Corporation, makes reduced rate loans for significant development projects by neighborhood-based groups.

ii. National Intermediary

Enterprise Community Partners is a national non-profit organization established to facilitate local non-profit

development. It offers significant grant and loan funds for pre-development and project related expenditures. It also is a major provider of private investment in Low-Income Housing Tax Credit projects through its affiliated equity fund: Enterprise Community Investment.

iii. Private Lenders

The City of Cleveland's Community Reinvestment (CRA) Program began in 1991, at a time when financial institutions were withdrawing or reducing their investment in urban areas. The intent of the program is to utilize the federal Community Reinvestment Act to secure commitments from local institutions to increase their investment in the city's neighborhoods in order to leverage additional private investment. In addition, an analysis of each institution's lending data is utilized on an annual basis determining where City funds will be deposited.

Since the inception of the program, and the City's focus on neighborhood redevelopment, the investment pattern by banks has been reversed, and banks are stronger participants in meeting the city's credit needs. The series of CRA agreements between the city and local banks, coupled with the local community revitalization structure, has increased investment in neighborhoods throughout the city. Since 1991, Cleveland has reached CRA agreements with more than \$11 billion in lender commitments.

## **Managing the Process**

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

2013-2014 Action Plan Managing the Process response:



The City of Cleveland's Department of Community Development is the lead agency for planning and administering programs funded through the four HUD entitlement programs included in the Consolidated Plan. In carrying out this responsibility, it works in close cooperation with other public entities including:

- The Cleveland Department of Building of Housing, which is responsible for code enforcement, building demolition and other key aspects of the City's neighborhood revitalization strategies.
- The Cleveland Department of Public Health, which is responsible for developing plans for HOPWA funds and other resources for addressing the needs of persons with HIV/AIDS.
- The Cleveland/Cuyahoga County Office of Homeless Services, which is a joint effort of the city and county governments. It has primary responsibility for the development of the Continuum of Care for the Homeless and the annual application to HUD for competitive supportive housing program funding. It also assists the City with the allocation of Emergency Shelter Grant funds.
- The Cuyahoga Metropolitan Housing Authority (CMHA), which is the local public housing agency, managing over 9,316 public housing units and administering over 14,000 rental housing vouchers.
- The Cleveland Housing Advisory Board, which was created under State of Ohio law to provide guidance to the City on the use of local resources for housing purposes and housing aspects of the consolidated Planning process. It includes representatives of for profit and non-profit developers, rental housing developers, real estate brokers, the public housing authority, the tenant advocacy organization, non-profit intermediaries and interested neighborhood residents.

Once the proposed Annual Action Plan has been developed by the Department of Community Development it is presented for consideration by City Council. City Council is made up of 19 ward-based representatives. Each is elected from a neighborhood of 20,000+ residents. The Community and Economic Development Committee of City Council holds three days of hearings during which each line item in the proposed Action Plan budget is closely analyzed. These hearings are open to the public. Modifications in the proposed budget may be requested by City Council prior to final approval of submission of the document to HUD.

## **Institutional Structure**

1. Describe actions that will take place during the next year to develop institutional structure.

2013-2014 Action Plan Institutional Structure response:

The local institutional structure for the delivery of housing and community development activities consists of the broad array of public, private and non-profit

organizations described below. No significant changes to this structure are anticipated within the coming year.

A) Public

Cleveland Department of Community Development

The Department of Community Development serves as the primary administrative entity for discretionary Federal housing funds coming into the City of Cleveland. These include the Community Development Block Grant (CDBG) and the Federal HOME Program. The Department is also responsible for preparation and implementation of the Consolidated Plan. All expenditures of funds are subject to authorization by City Council.

Various rehabilitation, home ownership and weatherization programs are operated directly by the Department, with other neighborhood level programs being carried out under contract by sub-grantees. Beginning in 2012, the Department of Community Development has also assumed responsibility from the Department of Public Health for carrying out lead paint abatement activities under the City's Lead Hazard Control Grant.

Cuyahoga Metropolitan Housing Authority (CMHA)

CMHA is the designated Public Housing Authority (PHA) within Cuyahoga County. It owns and manages the local inventory of public housing units. It also administers the Section 8 Certificate and the Housing Voucher programs and oversees the units still under contract from the old Section 8 Moderate Rehabilitation Program.

CMHA is an independent agency governed by a five person Board of Commissioners. The Mayor of Cleveland makes two appointments, one of whom must be a CMHA tenant. Cleveland City Council makes two appointments, and the municipality with the second most CMHA units, which is East Cleveland, makes one appointment.

Cuyahoga County

The County government has primary responsibility for health and human services delivery systems at the local government level. These activities are carried out through the Department of Human Services. The County also addresses housing and/or supportive services needs of special populations through two independent boards under its jurisdiction:

- Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board
- Board of Mental Retardation and Developmental Disabilities

Cleveland-Cuyahoga County Office of Homeless Services

Both the City of Cleveland and Cuyahoga County have important roles and responsibilities in developing solutions to the problem of homelessness. As a result, a decision was made to create the Cleveland-Cuyahoga County Office of Homeless Services. While physically located within County government, the Office is jointly funded. It has primary responsibility for planning new initiatives to address homelessness and identifying potential funding sources, including HUD competitive grant programs. The Office of Homeless Services conducts the community planning process and prepares the application for the annual Continuum of Care Homeless Assistance Programs application to HUD.

In addition to its accountability to the City and County governments, the Office of Homeless Services receives input from an Advisory Board consisting of representation from government, business, mainstream systems, service providers, foundations, faith-based groups, advocates and homeless and/or formerly homeless individuals.

State of Ohio

The State of Ohio, through the Department of Development and the Ohio Housing Finance Agency (OHFA), plays an important role in the financing of local affordable housing projects, especially those of non-profit developers. In 2003, the State legislature doubled the real estate recordation fee to create a permanent and dedicated funding source capped at \$50 million a year. The Ohio Housing Trust Fund is required to focus on the affordable housing needs of households with incomes below 50% of median income. OHFA also serves as the allocation agency for Low Income Housing Tax Credits.

B) Non-Profit

Housing Organizations

Cleveland has a well developed group of neighborhood-based organizations providing a variety of housing services. These include community development corporations, such as the Cleveland Housing Network and its affiliates, which are engaged in production of affordable housing, and those groups such as Community Housing Solutions and Neighborhood Housing

Services, that provide rehabilitation assistance and other services to housing owners.

### Cleveland Action to Support Housing (CASH)

Cleveland Action to Support Housing is a non-profit entity through which the City and most of the local lending institutions engage in joint efforts to provide affordable financing for the purchase and rehabilitation of housing units. It is a key element in assuring that public funds are leveraging private lender capital to the fullest possible extent.

### Homeless Services Providers

Non-profit organizations are the primary providers of emergency shelter, transitional housing and related supportive services for the homeless in Cleveland.

### Special Needs Housing Providers

EDEN, Inc. (Mental Health) and North Coast Community Homes (Mental Retardation and Developmental Disabilities) are non-profit organizations, under contract to their respective County Boards that have responsibility for expanding special needs housing opportunities.

The AIDS Task Force of Greater Cleveland provides a range of housing services to persons with HIV/AIDS. The agency operates emergency and permanent housing facilities. It also administers monthly housing subsidies from a variety of sources and provides counseling and support services. It is the primary service provider for the use of HOPWA funds in Cuyahoga County.

Maximum Accessible Housing of Ohio seeks to address a range of housing issues for persons with physical disabilities. In addition to operating fully accessible subsidized apartment buildings, it is working to advocate for and coordinate the use of handicapped accessible units within the broader housing market.

### Intermediaries

Cleveland has one national and one local intermediary organizations committed to assisting non-profit development corporations in building capacity and increasing production. The Enterprise Community Partners and Neighborhood Progress, Inc. (NPI) play major roles in providing the technical

expertise and the creative sources of financing that allow for successful neighborhood development, including affordable housing.

A major focus of NPI is on the coordination and expansion of local resources for neighborhood non-profit development. This effort involves bringing foundation and corporate philanthropic funds together with bank lending commitments and public funding to substantially increase the amount of affordable capital available for neighborhood projects. In addition, NPI has helped to raise increased operating support for neighborhood groups and is targeting those funds to organizations that have shown both development capacity and a strategic vision for the future of their neighborhoods.

C) Private

Lenders

Private lender capital is essential to success in achieving Cleveland's affordable housing goals. Housing development projects assisted with public funds must also have access to construction and permanent financing on flexible terms. The availability of mortgage and rehabilitation financing products tailored to the needs of lower-income homebuyers and owners is of critical importance in maintaining stable residential housing markets.

As a result of the its Community Reinvestment (CRA) Program, described earlier in this document on page 16, the City has a strong working relationship with the community's primary lending institutions. The objectives of the CRA program are to increase lending and access to lending for Cleveland residents and businesses by: (1) reviewing data on loans, investing and services in the city of Cleveland, (2) negotiating commitments with area lenders, (3) monitoring the progress of financial institutions toward meeting the goals and objectives stated in their agreements, (4) creating partnerships that provide for the exchange of information, (5) coordinating with the Finance Department the process to evaluate applicants for receipt of city deposits based on their service and investment to residents and for businesses in Cleveland neighborhoods and (6) undertaking initiatives or special projects related to credit, credit related services and the provision of financing for housing.

Each depository institution submits to a Reinvestment Review Committee an annual report includes the total volume and dollar value of residential, small business loans and investments in each statistical planning area in the City of Cleveland.

Each depository bank has a senior level CRA staff person that is responsible for tracking and reporting CRA lending and investing in the City of Cleveland and for participating in the development in the Department of Community Development's publication of the annual consumer Mortgage Loan and Repair Loan Bulletins of products and services. Each depository bank also has a staff person responsible for tracking inquiries and or disposition of vacant properties in the City of Cleveland.

In 2010, the City of Cleveland's CRA program was recognized by the National Community Reinvestment Coalition as a national best practice for a local banking services ordinance as it provides transparency in the award of municipal banking services and deposits to banks that support CRA responsible lending, investment and service practices to low moderate income residents. Since 2011, the cities of Philadelphia, Boston, Los Angeles, New York, Pittsburgh, Toledo and San Diego have introduced and or passed legislation to replicate the City of Cleveland's program.

## **Monitoring**

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

2013-2014 Action Plan Monitoring response:

The Department of Community Development will be responsible for monitoring all Consolidated Plan activities undertaken with Federal funds awarded to the City of Cleveland. An extensive monitoring structure is in place to assure that all statutory and regulatory requirements are being met.

1. The Division of Administrative Services will carry out the following monitoring responsibilities:
  - a. Subrecipient Performance  
Staff will monitor the performance of subrecipients to assure that time schedules are being met according to the terms of the contract. Site visits will be undertaken both to monitor performance and program quality and to assure the maintenance of required supporting documentation.
  - b. Financial Management  
Financial reviews of subrecipient records will be undertaken to assure that funds are being accounted for in accordance with all applicable regulations. In addition, all agencies receiving

more than \$25,000 annually will be required to have an audit performed by an independent public accounting firm.

- c. Davis-Bacon Compliance  
The Fair Labor Standards Compliance Officer will determine which projects are subject to Davis-Bacon requirements and will monitor for full compliance.
  - d. Fair Housing, Equal Opportunity and Section 3  
Staff will monitor all HUD assisted activity to assure full compliance with Fair Housing laws, the City's EEO hiring goals and HUD Section 3 requirements concerning employment opportunities for low-income residents.
  - e. Relocation  
Staff will review all development activities to assure that any persons potentially begin displaced are notified of all rights and benefits required under Federal regulations
  - f. Environmental and Historic Compliance  
Staff will monitor development projects for compliance with all applicable Federal and local regulations regarding environmental impact and historic preservation.
  - g. HOME Program Rental Housing Compliance  
Staff will monitor HOME-assisted rental housing units for the applicable period of affordability (5 to 20 years). Monitoring will include verifying rent levels and tenant incomes, and carrying out physical inspections to assure that units are maintained to program standards.
2. The Division of Neighborhood Services will carry out Housing Quality Standards monitoring responsibilities for homeowner rehabilitation, homebuyer activities and weatherization, and Lead-Based Paint monitoring for all departmental activities:
- a. Housing Quality Standards  
Rehabilitation specialists will review all plans and specifications prior to construction activity and will inspect completed work prior to disbursement of funds. This will assure compliance with both City codes and applicable HUD standards.

- b. Lead-Based Paint  
Trained and certified staff will oversee all aspects of implementation of the HUD lead-based paint regulations which went fully into effect in Cleveland on April 10, 2001.

3. Performance Report

On an annual basis, progress toward meeting the goals of the Consolidated Plan will be monitored and fully evaluated, with the results presented to the public in the Consolidated Annual Performance Evaluation Report (CAPER).

## **Lead-based Paint**

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

### 2013-2014 Action Plan Lead-based Paint response:

New HUD regulations for lead-based paint hazard reduction were implemented by the City of Cleveland as of April 10, 2001. This was preceded by 18 months of planning and training activities to build the capacity needed for compliance with the regulatory requirements. Cleveland continues to review and update its housing rehabilitation procedures to assure full compliance with all lead-based paint hazard requirements.

In 2005, the Greater Cleveland Lead Advisory Council (GCLAC), with broad participation from governmental and non-profit agencies was formed to implement the Lead Safe Living Campaign, a comprehensive effort to address the significant lead paint hazard issue in Cleveland's aging housing stock. The Campaign has coordinated community based lead education classes, medical provider education sessions and an extensive public information effort to alert parents of the risks of lead paint poisoning, the need of testing of children and methods for reducing lead hazards in their homes.

In 2011, the Greater Cleveland Lead Advisory Council joined in a strategic alliance with the Greater Cleveland Asthma Coalition to form the Healthy Homes Advisory Council of Greater Cleveland, reflecting the broader approach of HUD's Healthy Homes Initiative.

In September 2011, HUD awarded a \$929,990 Healthy Homes Production Grant to a local non-profit group, Environmental Health Watch, which is partnering with the Cleveland Department of Community Development, the Healthy Homes Advisory



Council, Case Western Reserve University Medical School and the Ohio Weatherization Training Center to implement the Warm and Healthy Homes for Cleveland Program. Additional matching funding of \$276,000 was received from the Coalition to End Childhood Lead Poisoning. This new program will lead paint hazard prevention and other home health issues in conjunction with work being undertaken through the Home Weatherization Assistance Program (HWAP) other City rehabilitation initiatives. The Department of Community Development is using a total of \$567,140 in HUD and matching funds to address health hazards in at least 146 houses by October 2014.

In March 2012, HUD awarded a Lead Based Paint Hazard Control Grant to the Cuyahoga County Board of Health, with the City of Cleveland as a partner. Cleveland will be utilizing \$500,000 from this grant to address lead hazards in 45 housing units by August 2014.

## HOUSING

### Specific Housing Objectives

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

2013-2014 Action Plan Specific Objectives response:

#### **A. Goal: Preserve and expand the availability of rental housing affordable to low income households**

Objective 1: Preserve the existing inventory of housing units that provide subsidized rents to low income tenants

- a) Work with the Cleveland Office of HUD and the Cuyahoga Affordable Housing Alliance (CAHA) to identify and address issues that threaten the viability of troubled or potentially troubled rental buildings that have Section 8 project-based assistance.
- b) Assist CMHA in its efforts to maintain the availability of Public Housing units by retaining the existing inventory to the fullest possible extent or providing replacement units for housing deemed obsolete.

Objective 2: Increase the availability of high quality, below market-rate rental housing

- a) Support the efforts of neighborhood-based developers to utilize the Low Income Housing Tax Credit Program to produce affordable rental units as part of a balanced approach to neighborhood redevelopment.
- b) Utilize the HOME Program, through the competitive Housing Trust Fund process, and the Neighborhood Stabilization Program to increase the affordability of Low Income Tax Credit units.
- c) Assist in the production of single family, lease-purchase homes on scattered-sites through the use of the Neighborhood Stabilization Program and HOME Program funds.

**B. Goal: Increase Opportunities for Homeownership and Assure That Owner-occupants Have the Capacity to Retain and Maintain Their Homes**

Objective 1: Make homeownership financially feasible for additional households

- a) Operate the Afford A Home Program to provide interest-free, deferred payment second mortgage financing to buyers of vacant houses that have been or will be fully rehabilitated
- b) Maximize the availability of low cost first mortgage financing through Neighborhood Reinvestment Agreements with financial institutions
- c) Utilize the remaining Neighborhood Stabilization Program (NSP) funding and NSP program income to assist qualified for profit and non-profit developers in acquiring and rehabilitating foreclosed vacant houses for affordable homeownership.
- d) Fund experienced non-profit agencies to provide potential new homeowners with counseling and educational opportunities to assist them in qualifying for financing, making wise borrowing decisions, and developing the financial and home management skills needed to successfully sustain homeownership over the long term

Objective 2: Assist existing homeowners in maintaining their houses to code standards

- a) Provide rehabilitation assistance to low income homeowners, primarily for essential repairs to address housing code violations and critical health and safety issues
- b) Encourage the use of home repair loan programs that offer private financing at discounted rates
- c) Provide training and resources that will allow homeowners to carry more of their own maintenance and repair work
- d) Provide weatherization assistance for existing houses and encourage the use of energy efficient and green building techniques that will reduce future operating expenses in new houses

**C. Goal: Strengthen Cleveland’s Neighborhoods and Assure the City’s Future Economic Stability through Increased Housing Production and Preservation for an Economically Diverse Range of Homebuyers and Renters**

Objective 1: Designate areas of concentrated housing investment to stabilize or revive housing markets and improve the physical conditions in communities identified as NSP target areas or Model Blocks.

- a) Reduce blight in designated areas by condemning and demolishing residential and mixed-use structures that are beyond repair or which are not financially feasible to restore.
- b) Identify anchor redevelopment projects with the capacity to redefine or rebrand a neighborhood or target area and provide development support to close the gap between private resources and total development cost.
- c) Provide a combination of construction financing, development subsidy and affordability subsidy for the restoration of vacant and abandoned homes for resale to qualified families and individuals.
- d) Concentrate code enforcement to encourage property owners to maintain properties in a quality condition.
- e) Market home repair, weatherization and similar assistance to support homeowner investment and encourage market recovery and improvement of the physical environment.
- f) Identify new uses for vacant land to create small and large scale neighborhood assets.

Objective 2: Provide financial assistance for catalytic housing developments in neighborhoods where market forces do not allow for full private financing

- a) Identify new opportunities to create catalytic housing developments that will serve as anchors or core assets for distressed, fragile and transitional neighborhoods
- b) Work with Community Development Corporations, housing non-profits and other community-based organizations to create plans for areas near identified projects to expand the positive impact of these investments

Objective 3: To increase the availability of land that is suitable for new housing and can be obtained in a reasonable timeframe as the housing market recovers.

- a) Maximize access to tax delinquent land through the City’s Land Bank
- b) Coordinate with the County Land Bank on creating buildable sites through the acquisition and demolition of foreclosed vacant structures that are not suitable for rehabilitation
- c) Identify and remediate Brownfield Sites Suitable for Housing
- d) Work with Community Development Corporations to determine locations for newly constructed homes and identify new housing products that support their neighborhood plans and goals.

## Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.  
If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

2013-2014 Action Plan Public Housing Strategy response:

The Cuyahoga Metropolitan Housing Authority (CMHA) owns and manages the public housing units in Cleveland and the rest of Cuyahoga County. CMHA's Annual Plan for Fiscal Year 2013 provides detailed information on its long term strategic goals, capital fund priorities, and its immediate programmatic objectives for the current year. CMHA's Public Housing Agency Plan can be accessed on the internet at: <http://www.cmha.net/aboutus/docs/PHAplan13.pdf>.

The City of Cleveland works closely with CMHA in carrying out its mission of providing housing that is high quality, safe and affordable for low income families and individuals. Areas closely interrelated to the City of Cleveland's community development objectives include:

### Public Housing Revitalization

For many years, the City of Cleveland assisted CMHA with the participation in HUD's HOPE VI Program, which resulted in \$120 million in grants for the reconstruction of severely distressed public housing estates. Since it was an objective of the HOPE VI Program to not only physically upgrade the quality of Public Housing units, but also to improve the overall quality of the communities in which public housing is located and lessen concentrations of poverty, partnership between the City and CMHA has been essential.

In January 2012, HUD awarded CMHA a \$300,000 Choice Neighborhoods Planning Grant to work in partnership with the City of Cleveland and other stakeholders on a plan for transformation of the Cedar Extension Estate and its surrounding neighborhood in the vicinity of East 30<sup>th</sup> Street and Central Avenue. The overarching goal for the planning process is to transform the severely distressed and underutilized Cedar Central area into a viable and sustainable mixed-income neighborhood by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. Community integrated design will be

strongly emphasized, and green building practices that support energy savings and sustainable living practices will also be a strong component of the final design.

CMHA is now ready to move forward with implementation of the Cedar Extension redevelopment. The project will be completed in phases, with the first phase consisting of 70 townhome style units that will range from 2 to 4 bedrooms in size. Housing will be redesigned to more fully integrate residents into the community, with the ultimate goal being to transform the estate into a vibrant mixed-income community. The City will be committing financial assistance to the Phase I construction project.

In addition, CMHA and the City have collaborated on the use of Neighborhood Stabilization Program funds for the recently completed Lee Harvard Senior Apartments with 40 units of replacement Public Housing for seniors on the site of the former Beehive School in the Lee Miles neighborhood. NSP funds are also being used to construct Fairfax Intergenerational Housing, a joint development effort of CMHA and a neighborhood-based development group to build 40 units of housing to specifically address the needs of grandparents raising children.

### Resident Initiatives

A strategic goal of CMHA is to promote the self-sufficiency and asset development of its assisted households. Major objectives include:

- Increasing the level of employment opportunities for assisted families
- Making available supportive services to improve the employment skills of residents
- Making available supportive services to increase independence for the elderly and families with disabilities
- Increasing homeownership opportunities

The major homeownership initiative has been the creation of the Housing Choice Voucher Program Homeownership Program. This is allowing eligible assisted families that have completed prepurchase counseling and homeownership training to apply to a mortgage lender and search for a home. The Housing Choice Voucher will pay a portion of the homebuyer's mortgage for the next 15 years.

## **Barriers to Affordable Housing**

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

2013-2014 Action Plan Barriers to Affordable Housing response:

The City of Cleveland does not impose any of the following barriers to affordable housing:

- growth controls
- impact fees
- exclusionary zoning
- large lot zoning
- excessive subdivision control
- rent control

The primary barrier to affordable housing is the lack of income on the part of many residents, rather than local public policies and administrative procedures.

## HOME

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt.
4. Describe the policy and procedures it will follow to affirmatively market housing containing five or more HOME-assisted units.
5. Describe actions taken to establish and oversee a minority outreach program within its jurisdiction to ensure inclusion, to the maximum extent possible, of minority and women, and entities owned by minorities and women in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing under the HOME program or any other Federal housing law applicable to such jurisdiction.

2013-2014 Action Plan HOME response:

1. Not Applicable
2. Recapture Provisions for Homebuyer Assistance

If HOME Program funds are utilized to assist low-income homebuyers, the following loan terms and recapture provisions will be implemented to assure compliance with program regulations:

- All HOME Program funds will be used as 0% deferred loans. Each loan will be secured by a subordinate mortgage and promissory note.
  - The term of the loan will be equal to the required HOME affordability period.
  - The loan will be reduced monthly on a pro-rata basis throughout the loan term for each month that borrower occupies the property as the borrower's primary residence. If the borrower has not disposed of, sold, refinanced, transferred, ceased to occupy the property as borrower's primary residence, or otherwise defaulted on any provision of the loan until the maturity date, then the principal amount of the loan will be forgiven.
  - A property foreclosure or a transfer in lieu of foreclosure to the first mortgage holder may prematurely end the affordability period, as long as either action is not for the purpose of avoiding low income affordability restrictions.
  - The following are the recapture provisions in the event of foreclosure or if the borrower decides to sell the property during the affordability period (the sale of the property must be at fair market value): the amount due to City is the outstanding loan balance payable from net proceeds. Net proceeds of a sale are the sales price minus the amount due under the first mortgage, taxes due, and any closing costs. If there are insufficient net proceeds remaining after the sale to pay the full outstanding loan balance, net proceeds will be shared under the following formula. The amount due to City will be the outstanding Loan balance at the time of the sale divided by the sum of the outstanding loan balance due to City at the time of the sale and the borrower's Investment multiplied by the net proceeds. Borrower's Investment is defined as the portion of the initial downpayment paid by the borrower combined with the value of any capital improvements made with the borrower's funds (borrower will have to document the capital investments made up to the time of sale of the property).
3. Not applicable. Cleveland does not intend to use HOME funds to refinance existing multifamily debt.

#### 4. Affirmative Marketing Procedures

The City of Cleveland requires an Affirmative Marketing Plan for all HOME assisted projects with 5 or more units. Owners are required to develop an outreach program that attracts groups identified as least likely to apply for housing. Acceptable affirmative marketing procedures include but are not limited to:

- Advertising in widely read publications
- Outreach to community contacts provided by the Department of Community Development
- Written notice sent to fair housing organizations

#### 5. Minority Outreach Program

The Codified Ordinances of the City of Cleveland require any construction contract in excess of \$10,000 to have goals for participation of minority and female owned businesses, (as well as Cleveland small businesses). This includes contracts funded through CDBG, HOME and other HUD programs.

A Minority Business Enterprise (MBE) must be operated and controlled by one or more minority persons who have at least 51% ownership. A Female Business Enterprise (FBE) must be operated and controlled by one or more females who have at least 51% ownership. The City's Office of Equal Opportunity has established subcontractor participation goals of 15% for MBE participation and 7% FBE participation.

## HOMELESS

### **Specific Homeless Needs Elements**

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.



3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness. Again, please identify barriers to achieving this.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

2013-2014 Action Plan Homelessness response:

#### 1. Sources of Funds

##### Shelter Plus Care & Supportive Housing Program

The Shelter Plus Care Program offers permanent housing rental assistance that is linked to supportive services specifically for homeless persons with mental illness, substance abuse problems or AIDS. The Office of Homeless Services, in conjunction with the non-profit EDEN, Inc., currently administers over 1800 units of Shelter Plus Care assistance

The Supportive Housing Program promotes the development of housing and services that help homeless persons transition from homelessness to living as independently as possible. Eligible projects can fall into one of several categories:

- Transitional Housing provides a structured housing environment for up to two years to facilitate the movement of homeless individuals and families to permanent housing.
- Permanent Housing for Persons with Disabilities is designed to enable homeless persons with disabilities to live as independently as possible in a permanent setting.
- Safe Havens are supportive housing designed to serve severely mentally ill homeless persons that have been unwilling or unable to participate in more structured residential or treatment programs. Safe Havens do not require residents to accept specific services or referrals as a condition of residency. However, it is hoped that after a period of stabilization, residents will be willing to participate in services that will enable them to move to other types of housing.
- Supportive Services, not linked to a specific housing facility, are also eligible for funding.

In December 2011, the Office of Homeless Services was notified that its Continuum of Care planning process resulted in the award of \$10,912,800 in

renewal funding for Supportive Housing Program activities and \$11,680,708 for Shelter Plus Care. An additional \$2,091,865 for new programs was awarded in March 2012. These funds are currently being expended.

In March 2013, HUD allocated FY2012 funding of \$12,004,140 for Shelter Plus Care and \$11,386,585 for renewal of Supportive Housing Program activities. Funding for new Supportive Housing Program initiatives will be announced later in 2013.

#### Emergency Solutions Grant (ESG) Program

In May 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. This legislation expanded the existing Emergency Shelter Grant program by including rapid re-housing and a broader range of homelessness prevention assistance as eligible activities. The program was also renamed the Emergency Solutions Grant, keeping the same ESG designation.

In the FY2011 budget, Congress significantly increased funding for the Emergency Solutions Grant over what had been allocated for the previous year's Emergency Shelter Grant budget. However, because regulations implementing the HEARTH Act changes were not yet finalized at the time the FY2011 funds became available, HUD released an initial allocation to cities that was equal to their previous year's ESG allocation. These funds could be committed for the continued support of the emergency shelter system and related support services. The City of Cleveland received \$1,049,680 in the first allocation, all of which was commuted to non-profit agencies providing emergency shelter or transitional housing.

In January 2012, HUD announced that the City of Cleveland would receive an additional \$590,445 in FY2011 ESG funds. These funds are being used for the new activities authorized by the HEARTH Act, in conformance with the revised ESG regulations. None of these additional funds are being used for shelter services.

Activities eligible for the use these additional funds are homelessness prevention and rapid re-housing assistance. Allowable program expenditures include short and medium term rental assistance, housing relocation and stabilization services, and related data management and administrative costs.

For the 2013-2014 Program Year, Cleveland expects to receive \$1,721,500 in Emergency Solutions Grant (ESG) funding. At least 40% of that amount must be spent on prevention and rapid re-housing activities.

In carrying out all of its homeless assistance programs, the City of Cleveland works in close collaboration with the Cleveland/Cuyahoga County Office of Homeless Services, which is part of the County government. The Office of Homeless Services (OHS) manages the local Continuum of Care programs, which are funded by HUD. It also administers ESG funds received directly by Cuyahoga County.

From 2009 through July 2012, the OHS was responsible for the planning and operation of the Homeless Prevention and Rapid Re-housing Program (HPRP), a special HUD program that was funded under the American Recovery and Reinvestment Act of 2009. HPRP funds allocated to Cleveland, Cuyahoga County, a suburban jurisdiction and some from the State were pooled to create a unified program of services. The increased ESG allocations, beginning with FY 2011, have allowed some HPRP program components to be continued, although at a substantially reduced funding level.

As with the HPRP funds, it is the intention of the City of Cleveland to combine ESG funds allocated for rapid rehousing and homeless prevention with those received by Cuyahoga County to support programs administered through the Office of Homeless Services.

A detailed description of the City of Cleveland's proposed use of its Emergency Solutions Grant funds, including the policies and procedures for administering the program is included in the Emergency Solutions Grant section beginning on page 40 of this Narrative Statements document.

#### Community Development Block Grant (CDBG)

The City of Cleveland will utilize \$527,300 from its CDBG Public Services line item to supplement the ESG Program in supporting the operating costs of emergency shelters.

#### Emergency Food and Shelter National Board Program (FEMA Board)

Since 1983, The Emergency Food and Shelter National Board has been a source of operating funding for emergency shelters and supportive services for the homeless. It also helps support local hunger programs. Funds are administered by United Way and allocated through a local Emergency Hunger and Shelter Board. In 2012, \$235,791 of these funds was allocated for shelter operations. No estimate of the amount for 2013 is available.

#### State of Ohio Homeless Assistance Programs

Within the past year, the State of Ohio, through the Homeless Crisis Response Program and the Supportive Housing Program, awarded a total of \$4,913,700 to Cuyahoga County and 12 non-profit organizations in Cleveland to prevent homelessness and provide housing assistance and services to homeless persons.

## 2. Homelessness – Strategic Plan Objectives

The lead entity for coordinating local planning and implementation efforts to address the issue of homelessness is the Cleveland/Cuyahoga County Office of Homeless Services (OHS). The OHS was established in 1992 as a result of a community-wide planning process, jointly chaired by the elected leadership of the City of Cleveland and Cuyahoga County, which included over 150 community stakeholders. The OHS is housed within County government, but also gets operating support from the City of Cleveland.

The OHS receives policy direction from a 25 member Advisory Board. The Advisory Board includes representatives of local government, private business, faith based agencies, mainstream systems, advocacy organizations, foundations and homeless/formerly homeless individuals. The OHS Advisory Board provides the structure for planning and policy development related to implementation of a Continuum of Care with the following primary objectives.

- Assure that Everyone Seeking Shelter Has Access to Shelter
- Prevent Families and Individuals From Becoming Homeless
- Move people from shelters or the street into the most appropriate form of permanent housing.

### a. Emergency Shelter System

Although the focus of local efforts to address homelessness is no longer primarily on providing shelter, it remains a basic premise of the homeless services system in Cleveland that no one should be without a warm and safe place to sleep. While meeting this standard has been challenging in times when growth of demand was exceeding growth of capacity, there now exists sufficient shelter and overflow space to assure that no one will be turned away at the door because the shelter is full.

Significant progress has also been made in improving the quality of the shelter facilities, including the total reconstruction of the primary women's shelter in 2010, utilizing \$1,000,000 in CDBG-R funds

The primary sources of City of Cleveland support for the shelter system this year will be an estimated \$1,145,000 from the Emergency Solutions Grant Program, supplemented by a \$527,300 allocation of CDBG funds.

### b. Transitional Housing

The transitional housing system currently has units for 105 families and 687 single persons. In January 2008, North Point Transitional Housing was opened to assist 160 homeless single men that had been residing at the

2100 Lakeside Shelter or at an overflow site that had been required to close. The focus of this program has been on linking its residents with job training and placement in order to move them toward permanent housing and self sufficiency as rapidly as possible.

c. Permanent Housing Assistance

The ultimate goal of the homeless assistance system is to enable persons to obtain and remain in permanent housing. For many, efforts to increase the supply of affordable housing units can best address the problem. For those with needs for longer term support in conjunction with housing, the Shelter Plus Care program will continue to be an important source of assistance. Shelter Plus Care, begun in 1995, is now providing over 1600 formerly homeless persons with permanent housing that is directly linked to the provision of support services. Efforts will continue to further expand the program.

3. Chronic Homelessness

Within the homeless population, there are persons that HUD refers to as chronically homeless, who are usually referred to in Cleveland as long-term homeless. These are persons that have experienced lengthy and/or repeated episodes of homelessness, often because of disabilities such as severe mental illness or substance abuse.

In many cities, permanent supportive housing facilities have been developed and are successfully providing homeless persons with significant disabilities the opportunity to break the cycle of homelessness. This model essentially is a apartment building with comprehensive services available on site. There is 24 hour a day staffing and security. Operating subsidies assure that tenants will pay no more than 30% of income for rent. Because it is permanent housing, there is no limit on how long a person can live there.

In Cleveland, a consortium of housing and service providers, public agencies and homeless advocates has been actively working on the development of permanent supportive housing. In December 2006, the first new permanent supportive housing project was occupied, the 52 unit Emerald Commons. In 2007, projects of 44 and 72 units were completed and occupied. Projects of 82 and 30 units were completed and occupied in 2008. A 63 unit project was completed in 2009, and construction on a 70 unit project was completed in 2011. Two new projects, conversion of a vacant building into 40 units and development of a new 65 unit building, will open in 2013. Plan for a new 66 unit building is currently being planned.

A critical component in the financing of these projects has been HUD resources, both through local allocations from the HOME program and through Supportive Housing Program grants from the national Continuum of Care competitive process. A total of \$1.88 million in City of Cleveland HOME funds are being utilized for the development of the two permanent supportive projects currently under construction.

#### 4. Homelessness Prevention

In August 2009, the City of Cleveland received a grant of \$9,801,913 from the Homelessness Prevention and Rapid Re-housing Program (HPRP), created under the American Recovery and Reinvestment Act of 2009. These funds have been administered through the Cleveland/Cuyahoga Office of Homeless Services, in conjunction with HPRP funds received by Cuyahoga County. All HPRP funds were expended by July 2012. HPRP funds were utilized for cash assistance and support services to both help persons avoid becoming homeless and to help those already in shelters move into housing as quickly as possible. With the end of HPRP funding, some of these initiatives are being continued under the Emergency Solutions Grant (ESG) Program.

With substantially less funding available under ESG, not all of the services provided under HPRP will be able to be maintained. HUD has recognized this and has made clear what it believes should be the priorities for the use of ESG funds in its January 27, 2012 Federal Register notice:

“HUD strongly encourages each jurisdiction to focus as much of its new ESG funding as possible on rapidly re-housing individuals and families living on the streets or in emergency shelters. While both rapid re-housing and homelessness prevention are eligible activities, only rapid re-housing assistance targets those individuals and families living on the streets or in emergency shelters...In contrast, the success of homelessness prevention activities are much more difficult to strategically target. These difficulties increase the risk that the use of ESG funds for homelessness prevention assistance will be insufficient at demonstrably preventing people from going to the streets or shelters. As public and nonprofit resources become increasingly strained, rapid re-housing should be given the highest priority under ESG to help ensure that existing resources...are used as efficiently as possible to help those most in need.”

Based on the local experience with HPRP and this very clear directive from HUD concerning ESG, the City of Cleveland, working through the Cleveland/Cuyahoga County Office of Homeless Service, has made the continuation of rapid re-housing activities the highest priority for the use of the new ESG funding.

A limited amount of ESG funds for homelessness prevention is focused on two specific uses: shelter diversion and assisting frail elderly persons facing an immediate loss of housing.

As part of the Coordinated Intake process, all persons seeking entry into emergency shelter are assessed to determine if they may have a preferable alternative to shelter. This is not intended to discourage persons that have critical shelter needs. However, if there are specific issues leading to homelessness that can be immediately addressed, it may be possible to avoid a stay in shelter. In such cases, the use of ESG funds for prevention can directly reduce the number of persons utilizing emergency shelter.

The frail elderly represent a special population of persons losing housing. Because of their physical limitations, traditional emergency shelter services may not be a viable option for many seniors facing homelessness. The City of Cleveland's Department of Aging provides homelessness prevention and housing locator services to older individuals that are facing a housing crisis because of condemnation of their existing residence or imminent eviction. A small amount of HPRP funding has been used to provide assistance to this population in avoiding homelessness. This program will be continued with ESG funds.

#### 5. Discharge Coordination Policy

The Cleveland/Cuyahoga Office of Homeless Services has been actively engaged in discussions of discharge policy protocols with publicly funded systems in the areas of foster care, health care, mental health and criminal justice.

##### Foster Care

The Cuyahoga Department of Children and Family services is required to develop an Independent Living Plan (ILP) for every youth in foster care. The ILP is intended to identify any barriers to the youth transitioning successfully to independent living. Housing is included in the ILP.

##### Health Care

Under Ohio Department of Health policies, persons requiring ongoing medical care are prohibited from being discharged to a shelter. A local coalition that includes the Office of Homeless Services, shelter providers, hospital representatives and foundations have developed a medical criteria screen to determine when it is appropriate for a homeless person to be discharged to a shelter.

### Mental Health

The discharge policies of the Ohio Department of Mental health state that Behavioral health organizations are prohibited from discharging persons with mental illness to a shelter or the street. This policy is enforced by the local Alcohol, Drug Addiction and Mental Health Services (ADAMHS) Board of Cuyahoga County. The ADAMHS Board has written policies that require:

- upon entering an institution, a client must be linked with a Community Support Program worker;
- discharge planning must be initiated at intake; and
- the client can not be discharged without a housing plan.

In addition, the ADAMHS Board funds a Housing Coordinator that monitors compliance with these policies.

### Criminal Justice

Cuyahoga County has established an Office of Re-entry to implement a comprehensive strategy that links returning offenders with housing, behavioral health access and employment supports. A local behavioral health agency is funded to outreach into institutions prior to offender release to identify persons at risk of homelessness upon discharge, due to mental health and chemical dependency issues. The Veterans Administration is also providing pre-release services to veterans in the criminal justice system to help prevent homelessness upon release.

The Ohio Department of Rehabilitation and Correction awarded a \$1 million grant to the City of Cleveland and Oriana House, a local non-profit organization, to operate a pilot program that is assisting Cleveland residents' transition back into the community upon returning from incarceration. The Cleveland Transition Center opened during 2007. Clients are provided with a range of services, including case management, cognitive therapies, mental health services, substance abuse treatment, employment and housing assistance, parenting skills enhancement, and family support services. A daily regimen of structured activities helps clients develop a sense of responsibility and self-sufficiency; facilitates their ability to pay rent, restitution, and taxes; and provides opportunities to establish critical ties to family and community.

## **Emergency Solutions Grant (ESG) Program**

- 1 Identify the written standards for providing ESG assistance in accordance with 24 CFR 576.400(e)(1) and (e)(3).
- 2 If the Continuum of Care for the jurisdiction's area has established a centralized or coordinated assessment system that meets HUD requirements, describe the centralized or coordinated assessment system and the requirements for using the system, including the exception for victim service providers, as set forth under 24 CFR 576.400(d)



- 3 Identify the process for making awards and how the jurisdiction intends to make its allocation available to nonprofit organizations, and in the case of urban counties, funding to participating units of local government.
- 4 If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), specify the plan for reaching out to and consulting with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities or services that receive funding under ESG.
- 5 Describe the performance standards for evaluating ESG activities.
- 6 Describe the consultation with each Continuum of Care that serves the jurisdiction in determining how to allocate ESG funds, develop performance standards, evaluate outcomes of activities assisted by ESG funds, and develop funding policies, and procedures for the administration and operation HMIS.

2013-2014 Action Plan ESG response:

## 1. Standards for ESG Assistance

Because the ESG Program remains an essential component of the funding needed to provide basic emergency shelter services in Cleveland, up to 60% of 2013 allocation will go for this purpose. The primary focus for the use of the balance of the ESG funds will be on providing rapid re-housing services and assistance that will allow homeless persons to move from shelter to housing as quickly as possible. Homeless prevention activities will be carried out under specified circumstances.

Policies and procedures for the use of ESG funds for rapid re-housing and homeless prevention are as follows:

### A. Eligibility Requirements for Rapid Re-housing Assistance

Rapid re-housing assistance is available to homeless individuals and families who are in one of the following circumstances:

- sleeping in an emergency shelter;
- sleeping in a place not meant for human habitation, such as cars, parks, abandoned buildings, streets/sidewalks;
- graduating from or timing out of a transitional housing program, with a documented status of homeless before entering the program;
- fleeing domestic violence.

The purpose of rapid re-housing is to assist eligible program participants in quickly obtaining sustainable stable housing. Program staff will utilize an assessment tool for all potential rapid re-housing program participants to determine their level of service and financial need, other resources available to them and the appropriateness of their participation in rapid re-housing. A household's ability to sustain housing will not be a threshold requirement for receiving program assistance. Program participants for whom rapid re-housing

is not an appropriate option will be referred to other programs and services to meet their needs.

## B. Eligibility Requirements for Homeless Prevention Assistance

Homeless prevention assistance can be made available under one of two circumstances:

- Coordinated Intake staff has determined that an individual or family which is seeking shelter can be diverted from shelter only if ESG assistance is made available;
- The Cleveland Department of Aging has determined that an elderly person is facing immanent homelessness through the loss of their current housing unless ESG assistance can be provided.

Homeless prevention assistance can only be made available to households that have incomes below 30 percent of area median income.

## C. Types of Assistance

### i. Financial Assistance

In no case may financial assistance payments be made directly to program participants. Payments must be made to third parties, such as landlords and utility companies.

Financial assistance is limited to payments for rent, rental arrears, security deposits, utility payments and deposits when the assistance is necessary for a move from homelessness to stable housing.

Tenant-based rental assistance may be provided to help individuals and families to obtain and remain in suitable rental units. Rental assistance may be provided for up to 18 months for rapid re-housing. The amount and length of rental assistance will be calculated on the least amount necessary to enable a household to become re-housed. The amount of assistance will be recalculated no less than every three months to determine whether there is a continuing need for assistance.

Service providers must verify and retain necessary documentation showing a participant is in need of rental assistance, along with the documentation of calculation of level of ESG assistance.

Rental assistance paid may not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness". Rent reasonableness means that the total rent charged for a unit must be

reasonable in relation to rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

ESG funds may be used to pay security and/or utility deposits, if these payments are required for the program participant to obtain housing.

## ii. Housing Relocation and Stabilization Services

Program participants are eligible to receive services to assist with housing placement and stabilization for up to 18 months. Housing relocation services may include housing location, inspection and negotiation of lease terms. Housing stabilization services may include case management designed to link program participants to community resources and mainstream benefits and working with participants to develop a plan to prevent future housing instability.

Housing relocation and stabilization services are limited to the following activities:

a. Case management: ESG funds may be used to provide case management to arrange, coordinate, monitor and deliver services related to meeting the housing needs of program participants. Case managers are required to include or arrange for the inclusion of any of the following services needed by program participants: counseling; developing, securing and coordinating services; monitoring and evaluating program participant progress; assuring the program participants' rights are protected; developing an individualized housing and service plan for each household, including a path to permanent housing stability when the participant is no longer receiving ESG financial assistance.

Program participants must meet at least monthly with a case manager while they are continuing to receive ESG assistance

b. Housing Search and Placement Services: These services are designed to assist program participants locate, obtain and maintain suitable rental housing and may include: tenant counseling, assisting individuals and families to understand leases, securing utilities, making moving arrangements, representative payee services for rent and utilities, and mediation and outreach to property owners related to locating or retaining housing.

c. Inspections: Agencies providing financial assistance for rapid re-housing are required to conduct initial and any required follow-up Habitability Quality

Standards (HQS) inspections for rental units into which program participants will move. In addition to the initial inspection, units must be inspected annually and upon a change of tenancy.

Agencies must certify that the unit passed the HQS inspection by completing the HQS assessment before any ESG funds may be released.

Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) as amended by the Residential Lead-Based Paint Hazard Reduction of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M and R shall apply to housing occupied by families receiving assistance through ESG.

Lead-based paint visual assessments must be completed for all units that meet the following 3 conditions:

- The household living in the unit is receiving ESG financial assistance for any of the following: rent, utilities, security or utility deposit:
- Unit was constructed prior to 1978;
- Child under age of six is or will be living in the unit.

The visual assessment must be completed prior to ESG assistance being provided and annually thereafter if assistance continues.

## 2. Coordinated Intake and Assessment System

Since late in 2009, the Cleveland/Cuyahoga County Office of Homeless Services has been utilizing the HPRP funds to support a comprehensive program of homeless prevention, diversion and rapid re-housing services aimed at reducing the number of person entering homeless shelters and helping those in shelters move into housing as quickly as possible. This has included the development of a Coordinated Intake system at the 2100 Lakeside Men's Shelter and the Norma Herr Women's Center.

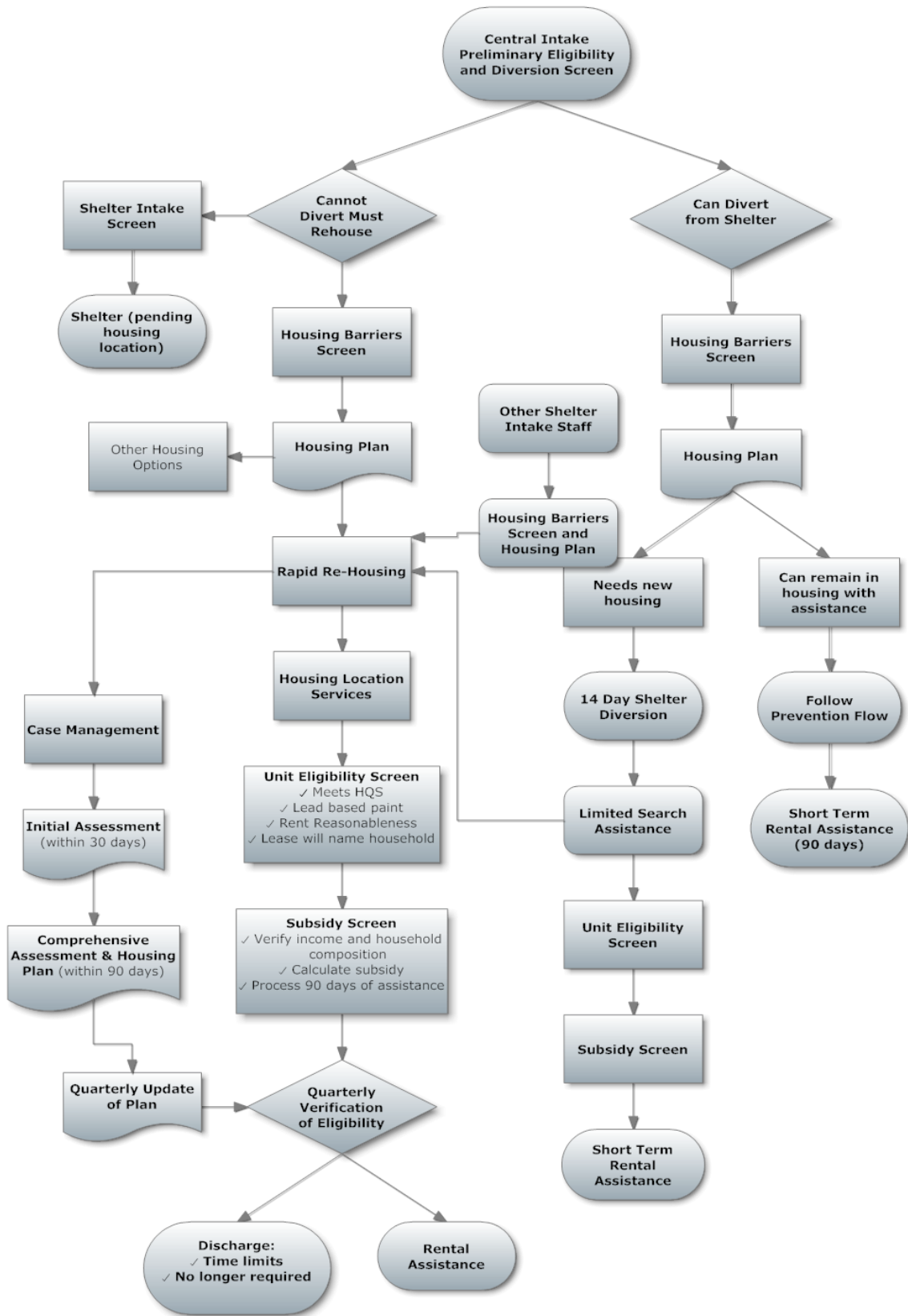
As part of the Coordinated Intake process, all persons seeking entry into emergency shelter are assessed to determine if they may have a preferable alternative to shelter. This is not intended to discourage persons that have critical shelter needs. However, if there are specific issues leading to homelessness that can be immediately addressed, it may be possible to avoid a stay in shelter. In such cases, the use of ESG funds for diversion can directly reduce the number of persons utilizing emergency shelter.

Persons who identify themselves as victims of domestic violence will not be required to go through the coordinated intake process. Domestic violence victims will continue to access safe and secure shelter in a confidential location as they always have in Cuyahoga County. In no case, are domestic

violence victims required, or even permitted to have data entered into the HMIS.

On the following page is a work flow chart illustrating how the needs of homeless persons coming to Coordinate Intake will be assessed in order to determine appropriate diversion or rapid re-housing assistance.

## ESG Coordinated Intake Work Flow



### 3. Process for Making Awards to Service Providers

A small portion of the new ESG funds will be retained by the City of Cleveland for the provision of program services by its Department of Aging to elderly persons that are losing their housing. The balance of the program funds will be allocated through the Cleveland/Cuyahoga County Office of Homeless Services, which administers the local Continuum of Care planning and implementation. These funds, together with Cuyahoga County's ESG funds and any additional ESG funds received from the State of Ohio, will be awarded to experienced non-profit service providers through a competitive Request for Proposal (RFP) process.

### 4. Homeless Participation in ESG Decision Process

The City of Cleveland, in collaboration with the Cleveland/Cuyahoga County Office of Homeless Services (OHS), will consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services or other assistance that will receive ESG funding.

The policies of the OHS are directed by an Advisory Board which meets no less than every 2 months throughout the year. The Advisory Board also has a number of committees that work closely with OHS staff to develop policy recommendations to bring before the full Board for review and approval. The Advisory Board includes representation of both formerly homeless individuals and the advocacy organization that has ongoing contact with shelter residents.

The Manager of the Office of Homeless Services also attends monthly meetings of the Homeless Congress, which includes representatives of those currently staying in the various local shelters.

### 5. Performance Standards for Evaluating ESG Activities

The goals for the ESG funded homeless prevention and rapid re-housing activities will be:

- 20% of persons seeking shelter will be successfully diverted to alternative safe housing
- the length of stay for those persons that do enter shelters will be reduced by 10% through rapid exit strategies
- the rate at which persons return to shelter after initially securing housing will be reduced by 5%

## 6. Consultation with Continuum of Care

The local Continuum of Care is managed by Cleveland/Cuyahoga County Office of Homeless Services (OHS), which is part of County government, but also receives operating support from the City of Cleveland. Decisions concerning policies and procedures for the use of ESG funds and other resources available to address homelessness are made through the Office of Homelessness and its Advisory Board. Combined City and County ESG funds are allocated through a request for proposals issued by the Office of Homeless Services. OHS also manages the Homeless Management Information System (HMIS).

## COMMUNITY DEVELOPMENT

### **Community Development**

1. Identify the jurisdiction's priority non-housing community development needs eligible for CDBG assistance.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

2013-2014 Action Plan Community Development response:

### Non-Housing Community Development Needs

The statutory goals of the community development programs covered by this plan include not only the provision of decent housing, but also the establishment and maintenance of suitable living environments and the expansion of economic opportunity. These closely parallel the City of Cleveland's Mission Statement:

"We are committed to improving the quality of life in the City of Cleveland by strengthening our neighborhoods, delivering superior services, embracing the diversity of our citizens, and making Cleveland a desirable, safe city in which to live, work, raise a family, shop, study, play and grow old."

The provision of decent affordable housing cannot be separated from the broader issues of neighborhood quality and condition. Nor is the physical condition of the surroundings the only element critical to the viability of a community. Residents require safety, services that address basic needs and access to quality public and private facilities, including commercial activity.



It is virtually impossible to sustain community viability, even with substantial ongoing public support, in an environment where poverty is pervasive and residents see little hope for economic improvement. Job creation, quality education and training, and fair access to development capital and credit are all needs that must be addressed.

In addition to the activities for expanding economic opportunity described in the next section, the Antipoverty Strategy, the primary non-housing needs to be addressed include:

a) Neighborhood Development Activities

A significant allocation of Cleveland's CDBG each year will be for the Neighborhood Development Activities (NDA) budget, which provides a source of funds for specific projects or programs tailored to individual neighborhood needs.

Utilizing the City's citizen participation process, which solicits the input of neighborhood residents and local organizations on priority uses of CDBG funds, and the day to day contact of the Community Development Department with neighborhood-based Community Development Corporations, Community Development staff work with the elected representative in each neighborhood to develop a priority list of CDBG eligible activities to be funded.

In recent years, there has been a shift toward committing NDA funds to support housing, commercial and other neighborhood development activities being carried out by community-based, non-profit organizations. Utilizing NDA funds through such organizations allows the direct involvement in planning and implementation of projects by those who will be most affected by the outcomes.

b) Commercial Development

Blight and deterioration along commercial streets often begins to appear adjacent to stable residential areas. Because of its high visibility, a declining commercial area can help shape perceptions of the whole neighborhood that may initiate disinvestment in the housing sector. Likewise, efforts at neighborhood housing revitalization have little chance of long-term success when they are bordered by boarded-up storefronts and run-down, marginal businesses.

Viewing this issue from another perspective, neighborhood residents want convenient access to a variety of quality goods and services at competitive

prices. Having to drive long distances for basic shopping needs diminishes the appeal of a residential area.

A key objective of Cleveland's community development strategy is to preserve and enhance the viability of its neighborhood commercial areas, working in close cooperation with non-profit organizations representing residents, property owners and business operators. CDBG funds to support this objective will be allocated through the Storefront Renovation Program.

The Storefront Renovation Program uses CDBG funds in the form of loans and rebates to leverage private investment in the rehabilitation of commercial building exteriors. Design standards are developed in conjunction with a neighborhood-based organization, and technical assistance is provided throughout the design and construction process.

c) Public Services

Whatever is done to improve its physical condition, a neighborhood will not be viewed as a suitable living environment if basic service needs are not being met. Cleveland has annually utilized the maximum allowable percentage of its CDBG allocation for public service activities, with emphasis on innovative youth activity and education initiatives, meals programs and services for the elderly. A substantial portion of each year's CDBG public service budget is set aside for AIDS prevention activities.

d) Problem Properties

Cleveland's lower income neighborhoods suffer from a variety of detrimental conditions relating to abandoned buildings, unmaintained vacant land, and illegal uses, such as junk yards, that pose threats to health, safety and neighborhood quality. CDBG funds have been utilized in a number of ways to ameliorate those threats:

- special neighborhood code enforcement programs
- expeditious demolition of condemned structures after a determination that rehabilitation is not feasible
- aggressive public land banking of abandoned properties through tax foreclosure and other land assembly methods
- interim maintenance of land bank properties pending redevelopment or conveyance of non-buildable parcels to adjacent property owners.

The housing abandonment and foreclosure crisis of the past few years has greatly increased the magnitude of the problem of distressed properties, with over 34,000 foreclosure filings in Cleveland since the beginning of 2006 and over 7,700 distressed vacant houses counted in a citywide survey in August 2011. The Neighborhood Stabilization Program (NSP) funds have provided substantial additional resources to address problem properties through demolition of blighted structures and development of innovative uses for vacant properties.

A major focus of the City's efforts to transform blighted properties will be the implementation of the Reimagining Cleveland grant program. Funds have been allocated through a competitive process to individuals, community organizations, non-profits and small businesses to carry out projects to turn vacant land bank lots into community assets that:

- Provide productive use and public benefits
- Build community stewardship over land, inspire community pride
- Increase the community's self-reliance for food and energy through community gardens and energy production
- Enhance the City's ecosystem functions through storm water management, increasing biodiversity, or remediating contaminated sites
- Advance the City's comprehensive sustainability strategy

e) Support for Community Development Corporations (CDCs)

Cleveland has one of the nation's most comprehensive systems of neighborhood-based development organizations. The City is currently working with 28 different groups in their efforts to revitalize their neighborhoods through housing and commercial development, job creation, land reutilization and the provision of critical development services. The City assists these CDCs through basic operating support as well as providing development capital for viable projects.

## **Antipoverty Strategy**

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

2013-2014 Action Plan Antipoverty Strategy response:

Taken at the most basic level, the key to escaping poverty is finding and holding full time employment with health care and other job benefits.

The City of Cleveland's extensive economic development efforts are focused on retaining and creating employment generating activity in Cleveland, thereby reducing the overall poverty level. The following initiatives are specifically directed at expanding economic opportunities for low income Cleveland residents.

### 1. Workforce Development

The City of Cleveland and Cuyahoga County have joined in a collaborative workforce system, Employment Connection, to help local employers meet their human capital needs and assist residents with the tools necessary for a successful job search.

- Maintaining strong partnerships with business, the public sector and local educational institutions to ensure that training programs supply the skills employers seek
- Providing a comprehensive network of training and educational resources for basic skill remediation, skill upgrade and skill-set enhancement, as well as job search assistance
- Providing employers with on-the-job and customized training opportunities for new and/or current employees

### 2. Fannie M. Lewis Cleveland Resident Employment Law

The City of Cleveland is working to expand economic opportunities for its residents through the Fannie M. Lewis Resident Employment Law, which requires that for any construction activity receiving \$100,000 or more in assistance under a City of Cleveland contract, 20% of the construction work hours must be performed by City of Cleveland residents and 4% of the work hours should be carried out by low income persons. Contracts funded through the CDBG and HOME Programs are included under this requirement.

### 3. Community Benefits Agreement

In February 2013, Cleveland Mayor Frank G. Jackson, along with representatives from several key business, civic, labor and trade organizations, signed a Memorandum of Understanding Regarding Community Benefits and Inclusion. This historic public-private agreement will help drive investment in Cleveland in a way that creates direct benefits for Cleveland residents by increasing pre-apprentice and apprenticeship training opportunities, connecting qualified local residents with job opportunities, increase utilization of minority, female and locally owned business enterprises as both prime and sub-contractors, and convening a committee to monitor progress of these efforts.

The partner organizations are: the City of Cleveland, the Construction Employers Association, Black Contractors Group, Hispanic Roundtable, Hard Hatted Women, the Urban League of Greater Cleveland, Greater Cleveland Partnership, Cuyahoga Community College, the Cleveland Metropolitan School District and the Cleveland Building and Construction Trades Council.

#### 4. Use of HUD Resources for Job Creation Activities

Cleveland will seek to identify specific job creating economic development projects that can be supported through the use of HUD's Section 108 financing and Brownfields Economic Development Initiative (BEDI).

With the phasing out of HUD's Empowerment Zone program of financial assistance for job creation and business development activities, Cleveland is more aggressively pursuing the use of other potential HUD resources that can create jobs that will be made available to low and moderate income residents. To facilitate this effort, the City of Cleveland recently designated four new Neighborhood Revitalization Strategy Areas (NSRAs). The establishment of additional NRSA's provides the City with greater flexibility in the use of CDBG funds. Developing an NRSA in a highly distressed area will allow additional resources to be blended with CDBG funding to provide expanded and enhanced economic development and job training activities, contributing to a reduction of poverty.

During the next five years, the following strategies will be undertaken within each NSRA with the goals of creating jobs and economic opportunities, and revitalizing the neighborhood and its business areas.

- Assist business owners with façade/tenant improvements. Using CDBG and/or other funds, the City of Cleveland will assist business owners with improvements that will enhance existing businesses or create new businesses and create job opportunities for low to moderate-income persons in the NRSA.
- Link job opportunities with local residents, especially low-moderate income persons. All businesses receiving City assistance in the NRSA's will be subject to the Workforce Development Agreement. The Workforce Development Agreement requires that employers list jobs with the Workforce Investment Act Employment Connection office, which will link local unemployed residents with jobs.
- Vacant Property Initiative. The City of Cleveland will continue to work to revitalize vacant, underutilized property in the NRSA's including providing Phase I and Phase II site assessments and seeking State and Federal funds

for Brownfield remediation with the goal of assembling parcels for attraction of new businesses.

- Work with local foundations and community institutions to create cooperative businesses which create jobs and build equity for neighborhood residents. The City of Cleveland will use New Market Tax Credits and Section 108 funds to establish cooperatives working with the Evergreen Cooperative Development Fund, capitalized with a grant from the Cleveland Foundation.
- Provide Section 108 loan assistance to leverage for economic development opportunities within the NRSAs. The City of Cleveland Department of Economic Development is using the HUD 108 Loan Program to increase job creating investments by closing financing gaps and leveraging New Market Tax Credits. Because these are pass-through loans, backed by the Community Development Block Grant funds received by the City, these projects are well collateralized. The projects must be in one of the designated Neighborhood Revitalization Strategy Areas. The Section 108 loans are targeted to projects that create jobs, especially jobs targeted to low- and moderate-income residents of NRSAs, and revitalize brownfields.

Section 108 projects that are currently underway being planned for the coming program year are:

- Flats East Bank, a \$241 million office, hotel and retail project creating 540 new jobs and retaining at least 1,080 existing jobs, was able to start construction as the result of a \$30 million HUD 108 loan to fill the final financing gap. Construction is underway.
- The City has received a HUD Brownfields Economic Development Initiative grant of \$3 Million and a Section 108 Loan of \$10 Million for the redevelopment of the former Warner Swasey Building. The approximately 160,000 square foot building, located on 3.6 acres in Cleveland's Health-Tech Corridor, is proposed to be redeveloped into office and flex space. The project is expected to create 300 new jobs. Asbestos removal was completed in 2012 and project closing is expected in 2013.
- The City has received a HUD Section 108 Loan pool in the amount of \$18,125,000. The Section 108 Loan pool will fund real estate development projects of vacant properties in strategic Economic Development areas within the City's Neighborhood Revitalization Strategy Areas.

- One loan was made out of the Section 108 Loan pool in 2012. The redevelopment of 6555 Carnegie Avenue is the third phase of the Midtown Tech Center project. The site, located in the Central NRSA, required partial demolition and asbestos removal, prior to redevelopment of the remaining 64,000 square foot building as open floor plan flexible space.
- In 2013, the City anticipates making additional loans, including some or all of the following:
  - East Ohio Gas Building – The \$65 Million project proposes to leverage New Market and Historic Tax Credits, public and private financing to redevelop a historic downtown office building, located in the as mixed-use retail and residential.
  - Midtown E. 57<sup>th</sup> Street Development Site – This 8.2 acre site located in Cleveland’s Health Tech Corridor in the heart of the Central NRSA is a candidate site for a significant headquarters development and may support over 400 jobs. The site is a brownfield that the City has invested several million dollars to ready for commercial development.
  - Victory Building – This historic structure located in the Health Tech Corridor and Central NRSA is currently under redevelopment. A mix of public and private financing from the City and State has been invested in the build-out of the site’s core and shell, but additional financing is required for the final build-out and tenant improvements. The developer indicates that the 165,000 square foot building could support 75 jobs in the short-term after build out with significant upside growth potential.
- Other potential project areas may include:
  - Further opportunities in the Health-Tech Corridor, including the E. 69<sup>th</sup> Street & Euclid Development Site, which is currently under environmental assessment. Projects supporting the City’s logistics hub along Interstates 90 and the railroad lines near the Lakefront.
  - Cuyahoga Valley Industrial Center – the City and State have invested over \$9 Million in a public-private partnership to prepare a 60-acre brownfield for industrial development

## NON-HOMELESS SPECIAL NEEDS HOUSING

### Non-homeless Special Needs (91.220 (c) and (e))

\*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

2013-2014 Action Plan Special Needs Housing response:

The City of Cleveland's primary objective will be to expand opportunities for persons with special needs to utilize housing in the private market. Because of the range of differing populations defined as having special needs, there are limited generalizations that can be made about appropriate housing strategies. However, a prevailing theme among organizations responsible for funding and advocating for supportive housing opportunities for specific special needs populations is the importance of diversifying housing choices and offering needed services to the fullest extent possible within the context of the conventional housing market, rather than an institutional setting.

Strategies will include:

a) Strictly enforce federal requirements concerning the creation of accessible units within housing being constructed or substantially rehabilitated with CDBG, HOME Program or other federal financial assistance.

For federally assisted new construction housing projects and most substantially rehabilitated projects, Section 504 of the Rehabilitation Act of 1973 requires 5% of the dwelling units, or at least one unit, whichever is greater, to meet accessibility standards for persons with mobility disabilities. Beginning in 2011, the City of Cleveland has increased this requirement to 10%. An additional 2% of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. To the maximum extent feasible, accessible units must be distributed throughout projects and available in a sufficient range of sizes and amenities so as not to limit choice.

Building owners must also assure that information regarding the availability of accessible units reaches eligible individuals with disabilities and take



reasonable non-discriminatory steps to maximize use of such units by eligible individuals.

The City of Cleveland will work to assure that these requirements are fully enforced on the projects for which it is committing federal funds. This may include helping to coordinate the collection of information on accessible units in a central information base linked to non-profit agencies assisting persons with disabilities.

b) Promote and encourage the use of universal design standards for all newly constructed housing in Cleveland

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. Many of the common practices of housing design and construction can be adapted to universal design principles at little or no additional cost. Things such as the width of doorways, the height of counters or the types of switches and handles can do much to assure future ease of use for any resident that is disabled or becomes less mobile because of age or accident.

Beginning in 2011, all new affordable housing developed with financial assistance from the city of Cleveland must incorporate the following Universal Design elements which constitute "visitability", meaning that units can be visited by people who have trouble with steps or who use wheelchairs or walkers.

c) Provide Housing Choice Vouchers through the Gateway Program to enable low income persons with disabilities to rent private market units

The Gateway Program involves a set aside by the Cuyahoga Metropolitan Housing Authority of Housing Choice Vouchers to be used by formerly homeless persons and persons with disabilities. It has allowed service agencies with responsibility for disabled populations to secure housing assistance to meet the critical needs of their clients.

The City of Cleveland will also encourage the development of additional supportive housing for those persons with disabilities that need a more intensive level of assistance. Cleveland will support the efforts of special needs housing provider agencies to access the various Federal and State categorical programs available for the development of additional supportive housing opportunities. Given the substantial development, operating and service expenses that can be required for supportive housing, it is essential that maximum use be made of Federal and State programs designed specifically for that purpose.

Local support may include the use of HOME Program funds to supplement or leverage Federal and State categorical program resources, which include:

- Section 811 Supportive Housing for Persons with Disabilities
- Housing Opportunities for Persons with AIDS (HOPWA)
- Ohio Department of Mental Retardation and Developmental Disabilities Community Capital Grants Program
- Ohio Department of Mental Health Community Capital Funding Program.

The City of Cleveland committed \$600,000 in HOME funds to the non-profit housing organization, Maximum Accessible Housing of Ohio, for the development of a new 36 unit multifamily building for persons with mobility impairments. Construction will be completed in 2013.

Additional financing for special needs housing units will receive priority consideration in reviewing requests in the allocation of housing development assistance from the CDBG and HOME programs.

## **Housing Opportunities for People with AIDS**

1. Provide a Brief description of the organization, the area of service, and a broad overview of the range/ type of housing activities to be done during the next year.

2013-2014 Action Plan HOPWA response:

Since 1995, the City of Cleveland has been the recipient of a United States Department of Housing and Urban Development (HUD) grant for the Housing Opportunities for Persons With AIDS (HOPWA) program. The Cleveland Department of Public Health (CDPH) in conjunction with the Cleveland Department of Community Development administers HOPWA in the Cleveland Eligible Metropolitan Area (EMA).

Cleveland's HOPWA Program provides resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons living with HIV/AIDS (PWHAs) and their families. The focus of HOPWA is on housing activities including rental assistance payments and housing information services. Other housing services such as housing acquisition, rehabilitation and construction of facilities have not been funded in the past five years out of HOPWA funds. Related supportive services are also eligible for funding including mental health, drug and alcohol abuse treatment and counseling, personal assistance, and nutritional services, to assist in meeting the long-term housing needs of persons living with HIV and AIDS, and the City has focused its housing supportive services funding on housing case management and nutritional services.

HOPWA services are open to any PWHA living in the Greater Cleveland area with an income of 80% the area median income. The Cleveland EMA includes Cuyahoga, Geauga, Lake, Lorain and Medina counties.

Over the past year, there has been an effort to better coordinate the use of HOPWA funds with Ryan White Part A funds from the U.S. Department of Health and Human Services. The result has been a transition plan that focuses HOPWA funds primarily on direct housing assistance, with Ryan While funds being devoted to services, including case management and nutrition. Projected outcomes include increasing the number of HOPWA clients receiving direct housing assistance by 28% over 2012.

Allocation of HOPWA funding for the coming program year will be based on a request for proposals (RFP) issued by the Cleveland Department of Public Health. Proposals from qualified non-profit agencies will be sought for three primary activities:

#### Short Term Rental Assistance Payments

- An agency receiving funds for short term rental assistance payments must offer housing case management services to clients free of charge.
- HOPWA regulations and statute limit short term assistance to no more than 21 weeks in any 52 week period. Organizations proposing to offer Short Term Rental Assistance Payments must have procedures in place to track compliance with this requirement. HUD Short Term Rental Assistance is not an entitlement and need must be demonstrated through loss of income or an HIV/AIDS health-related issue.
- HOPWA requirements limit this assistance to individuals and families who are already housed and who have a legal right to be occupying the residence (named tenants on lease, mortgagor, or the account holder for utility payments). Persons who are homeless are not eligible for this assistance.
- Payments under Short Term Rental Assistance are limited to no more than the equivalent of two months' rent according to the HUD established Fair Market Rent schedule for the Cleveland area. For a single individual residing in a one bedroom or efficiency unit, the maximum annual assistance is \$1,048. For a family residing in a multi-bedroom unit, the maximum annual assistance is \$1,456. Households who have received the maximum annual assistance will be considered to have received the full 21 weeks of assistance and not be eligible for additional support in the program year.
- In keeping with the outcome goal for the HOPWA program, clients receiving assistance through the Short Term Rental Assistance should be linked to a case manager who will conduct an assessment of client's housing situation and assist the client in developing a Housing Services Plan with the goal of

establishing long term housing stability. A Housing Services Plan or update should be developed each time a client accesses Short Term Rental Assistance and submitted with client's application for Short Term Rental Assistance.

#### Tenant Based Rental Assistance

- Housing case management services to clients free of charge.
- All HOPWA beneficiaries must be income eligible (family household income below 80% of area median income). Incomes must be verified annually.
- Clients receiving tenant based rental assistance must pay rent. Rent is determined to be the greater of 30% of adjusted income or 10% of gross income.
- The maximum subsidy is the difference between the rent standard or the reasonable rent (whichever is lower) and the client's contribution. Rent reasonableness means the rent charged must be reasonable in relation to rents currently being charged for comparable units in the private market.

#### Permanent Housing Placement

- An agency receiving funds for Permanent Housing Placement must offer housing case management services to clients free of charge.
- Permanent housing placement services can include up to two months of rental payments to cover security deposits and initial monthly rent for clients who are able to secure housing in which they are expected to reside on a continuing, on-going basis. Other allowable expenses are fees related to application for housing, and credit checks.

## Other Narratives

### Fair Housing

The City of Cleveland Department of Community Development's Office of Fair Housing and Consumer Affairs is preparing a new Analysis of Impediments to Fair Housing Choice, often referred to as the AI. This study is a comprehensive review of public and private sector policies that have an impact on housing opportunities in Cleveland. The Department of Community Development uses the AI to guide the objectives and strategies for Cleveland's programs relative to the expansion of fair housing choices. The most recent update to the Analysis of Impediments to Fair Housing Choice Study was completed in 2010.

This year the City of Cleveland Department will be participating in the Northeast Ohio Sustainable Communities Consortium (NEOSCC), study known as the Regional Analysis of Impediments to Fair Housing Choice. The NEOSCC is

conducting this study about fair housing choice in its 12 counties. The goals of the study are to identify whether barriers to fair housing choice exist in Northeast Ohio in the rental and real estate markets, mortgages lending, insurance and appraisal industries. NEOSCC's Regional AI findings will provide valuable guidance and assistance to Cleveland in addressing its specific fair housing issues.

### Float Loan Activity

Cleveland will continue to make available CDBG float loans as short-term construction financing to assist housing developments that address Consolidated Plan objectives. All new float loans will comply with established City of Cleveland policies:

- Float loans will not be made if the CDBG letter of credit balance is projected to fall below \$10 million at any point during the coming program year.
- Each float loan will be secured by an unconditional and irrevocable letter of credit from an approved lender. The letter of credit will repay the loan in full in the event of default.

At this time, there is no specific CDBG float loan activity planned for the 2013-2014 program year.