

**Cleveland-Cuyahoga Consortium for NSP2
c/o Cuyahoga County Land Reutilization Corporation
323 W. Lakeside, Suite 160
Cleveland, Ohio 44113**

**Neighborhood Stabilization Program 2 Application
July 15, 2009**

Application # 207813805

**NSP2 Application
Cleveland-Cuyahoga
Consortium**

a.5. Program Summary

NSP2 Cleveland-Cuyahoga Consortium Application for NSP2 Application July 15, 2009

The Cuyahoga County Land Reutilization Corporation (CCLRC), Cuyahoga County, the City of Cleveland and the Cuyahoga Metropolitan Housing Authority (CMHA) have combined forces to present a comprehensive plan for market recovery in Cuyahoga County and the City of Cleveland. The resulting Cleveland-Cuyahoga Consortium for NSP2 requests \$74,550,000 in HUD Neighborhood Stabilization Program 2 support to implement a comprehensive revitalization program designed for market recovery in 20 target areas hard hit by the foreclosure crisis.

The proposed use of funds will create the following targeted and coordinated program: (1) Acquisition-Rehab for Homeownership (415 units) \$24,900,000; (2) Demolition (1000 units) \$10,000,000; (3) Deconstruction (100 units) \$1,500,000; (4) Long Term Acquisition/Stabilization (150 units) \$2,250,000; (5) Land Reutilization (150 units) \$1,500,000; (6) Homebuyer Assistance (415 units) \$8,300,000; and (7) Rental Project Development Assistance (252 units) \$18,645,000.

Our NSP 2 plan builds from programs that are already being implemented by the City, County, CMHA, and the non-profit community development community. Among the factors which we have brought together to create a successful approach are:

- The Greater Cleveland community came together in 2008 to develop a new, county-wide land bank as a tool to rapidly return vacant and abandoned properties to productive use, to eliminate the nuisance created by properties that could not be restored and to provide stewardship for properties that could be restored, but where no immediate rehabilitation plans are in place. The CCLRC provides a very powerful new tool in the neighborhood revitalization toolkit which facilitates substantial site control over vacant and abandoned properties in redevelopment areas and a nimble approach to returning those properties to productive use.
- Key to the consortium approach is to base programming on market realities. Cleveland, based upon the data platform created by the Case Western Reserve University NEO CANDO web site, created a comprehensive Neighborhood Market Typology in 2006. Updated in 2008, the Typology identifies areas of housing strength and weakness and has guided neighborhood investment decisions.
- We have initiated critical new programs in market areas identified as fragile and transitional which we believe require the aggressive acquisition and concentrated investment envisioned by the HUD NSP 2 NOFA. In 2007, Cleveland jump started the acquisition of vacant property in its model block program which calls for acquisition and rehabilitation of homes, strategic demolition of homes that cannot be saved and re-positioning model block

communities in the marketplace to support reinvigorated housing investment. In addition, Neighborhood Progress Inc. in partnership with six Community Development Corporations, the Cleveland Housing Network, and other important partners created Opportunity Housing which provides comprehensive neighborhood revitalization services through a comprehensive capital pool to fund housing development, patient financing to support short term lease purchase for credit challenged families, foreclosure prevention outreach and counseling, companion investment in neighborhood assets, and support for critical community services like crime prevention and community building. Cleveland targeted its NSP1 funds to support these critical initiatives and proposes to continue to build upon those successful concepts and in NSP 2.

- Over the last three years Cuyahoga County and its inner ring suburbs have worked closely with the City of Cleveland and others to address the foreclosure crisis through entities like the Vacant and Abandoned Properties Action Council (VAPAC). The VAPAC has worked diligently to create new and strengthen existing efforts to redevelop vacant and abandoned properties. Like Opportunity Housing, the County's NSP 1 program provides a credit facility to allow acquire, rehab, and sell projects to move forward in this time of curtailed credit.
- The Cuyahoga Metropolitan Housing Authority, the County and Cleveland have a solid reputation of investing in affordable housing, and all have invested significantly in housing for very low income families and individuals during this crisis.

The budget provides much needed resources to abate nuisances, demolish properties that no longer have a viable market, create homeownership opportunities in quality rehabilitated homes and provide new rental housing for people of limited means.

Analysis of the Marketplace Based on Facts

Since 1990, over 50,000 newly built or adaptive reuse residential units have been created in Cuyahoga County. In that same period, the County has had a flat to declining population: 1,412,140 in 1990 and 1,267,662 according to the 2007 American Communities Survey. Although less pronounced there has also been a decline in households -- 563,243 in 1990 and 537,492 in 2007. In the early part of the decade this manifested itself in the market place by moderate single family housing abandonment and weak rental demand. These changes are also indicated by the HUD vacancy factor analysis provided as part of the NSP 2 process.

Since the foreclosure/subprime crisis hit, operators of rental property have reported substantial strengthening of rental occupancy while the abandonment of single and double homes in Cleveland and the inner ring suburbs has sky rocketed. This condition is

