

# HOUSING



**Connecting Cleveland  
2020 Citywide Plan**

# HOUSING

## OVERVIEW

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Cleveland is a city full of older homes with unique architectural styles not typically found in newer homes, much of which was built in the early 1900s. Many of the homes were built in close proximity to factories, giving residents access to available jobs. As advancement in transportation grew, the more affluent residents began to move further out, abandoning the housing in the central city. As people began to move from the inner city to the suburbs, the quality of housing began to decline. Many of the houses were converted to two-family and multi-family homes to accommodate the new immigrants that were moving to the area. These new immigrants developed several different, and unique, ethnic neighborhoods in the city. Cleveland's industrial boom began to attract a great number of African Americans from the south looking for employment opportunities. As the African American population grew, racial tensions greatly increased, and many of those who could afford it moved out to the suburbs. As a result the number of homes that were either rented out or abandoned increased.

The Urban Renewal (Housing Act of 1949) and the development of the highway system (Federal Highway Act of 1956) displaced many residents, and contributed to large concentrations of poverty in many neighborhoods on the east side. Redlining and white-flight had a significant impact on the ability of homeowners to maintain their property. As a result, the quality and value of housing began to decline and people moved out at alarming rates, which caused a decrease in the city's tax base.

During the 1990s Cleveland was able to utilize the Community Reinvestment Act of 1977 to get banks to invest in the City's revitalization efforts. Residents in areas that were once redlined by banks could now receive loans for home improvement or for the purchase of new homes. By 2002 Cleveland had risen to number one in new housing starts in Cuyahoga County.

As we look to the future, we should focus not just on the number of housing units constructed, but also on the quality and type of housing in order to offer residents a greater variety of housing options so that Cleveland becomes a "community of choice". Income and lifestyle are critical factors when it comes to deciding where one is going to live. By using some of the assets we currently have, we can begin to create options for people of all ages, incomes, and lifestyles. There is tremendous opportunity for residential development in areas where retail and industry are no longer viable, particularly along many of our main streets. In some cases vacant buildings can be converted from another use (factory, school) to housing, as has been done for example, with the upscale lakefront condos now known as Quay 55 (a former automobile storage facility) and Famicos (formerly a women's college). We must focus on creating sustainable neighborhoods that are safe and have access to basic services, shopping, and



*Quay 55, a former car warehouse, is an example of how vacant commercial and industrial buildings can be adaptively renovated as housing. [Lakefront – Goodrich-Kirtland Park]*

opportunities for recreation to address the needs and desires of all residents.

## TRENDS

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*Some interesting trends emerge from a study of census data that give a clearer picture of the challenges faced by the city of Cleveland in the area of Housing:*

- **Household Size:** The average household size in Cleveland is 2.4 persons per household. Single-person households account for just 29% of Cleveland's owner-occupied units and 41% of the renter-occupied units; whereas 2-to-4 person households account for 60% of the city's owner-occupied units and 48% of renter-occupied units.
- **Resident Tenure:** The decade ending in 2000 saw a decline in the total number of *occupied* units (both rental and owner-occupied). However, the *percentage* of occupied units owned by the people who were living in them increased from 48% to 49%. This is still low by suburban standards (where 70% of total housing units are owner-occupied).
- **Age of Residents:** As the "Baby Boomers" reach 65, housing that serves the needs of seniors will need to grow proportionately if Cleveland wants to hold on to a significant segment of its population. Within the next 10 years almost 10% of the city's residents will be entering their senior years. The development of new senior housing *here* will allow these residents to remain in their communities and close to their relatives.
- **Housing Units:** The total number of housing units available in the city of Cleveland decreased by 4% between 1990 (224,361) and 2000 (215,856). The largest drop was in Central, one of the oldest and poorest neighborhoods in the city, where available units fell by 32%. Many of the housing units in this neighborhood were in such poor condition they needed to be demolished; the good news is that this made room for new housing development. It was the downtown area, however, that saw the biggest increase in available housing (up 48%), as part a strategic effort to make downtown more vibrant.
- **Vacancy Rate:** Although the vacancy rate in Cleveland rose only slightly between 1990 and 2000, from 11% to 12%, it is much higher than the 5% vacancy rate reported by the suburbs at the end of the same period. The Central and Riverside areas saw the largest drop in vacancies in the city due to the large number of demolitions, while Lee Miles and Downtown saw a significant increase in vacancies. Many of the new Downtown housing units, however, were just built and had not yet been occupied by the time the 2000 Census was taken.
- **Housing Value:** According to the 2000 Census, the median housing value of owner-occupied units in the city was \$71,000 as compared to \$128,000 in the suburbs. The neighborhoods closer to the border of the city have higher median values than the neighborhoods closer to the central city. The near east side neighborhoods (with the exception of Central, which had a high number of demolitions) have the lowest median value, ranging between \$32,000 and \$55,000. Downtown and Kamm's Corners claimed the highest median value, ranging between \$100,001 and \$145,833.
- **Affordability:** The affordability of housing in the city of Cleveland remained constant between 1990 and 2000. Relative to median family income, housing within the city is slightly less affordable in comparison to that in the county's suburbs. Residents in the city

of Cleveland have a median family income that is 62% greater than the median price of housing, while the suburban residents have a median income that is 78% greater than the median price of housing.

- **Residential Building Conditions:** Housing located closer to the central and near east side of Cleveland is in the poorest condition. The housing in neighborhoods along the border of the city is mostly rated above average; but a disturbing 42% of the units in Cleveland are rated below average by the County Auditor's office—as compared to 5% of the housing in the suburbs.
- **Age of Housing Stock:** The city of Cleveland has the oldest housing stock in Cuyahoga County. According to the County Auditor's records, the median year to which residential structures date in Cleveland is 1920, as compared to the suburban median (1955). The oldest housing in the city is found in the neighborhoods immediately adjacent to Downtown, while the newest is located in Downtown Cleveland itself and in the neighborhoods that lie closer to the city's suburban borders.

*Sources: US Census, Cuyahoga County Auditor, The Center for Community Solutions, Case Western Reserve University*

## ASSETS

*Cleveland has a number of important assets in the area of Housing that can be built upon. These include:*

**Citirama:** An annual event inaugurated in 2003 by the Homebuilders Association of Great Cleveland (HBA) that encourages developers who might not otherwise have considered it to build in the city. The goal is to hold an annual Citirama event in each of Cleveland's 36 neighborhoods promoting the urban lifestyle, the special character and advantages offered by each neighborhood, and the many housing options now available. Unlike many of the newer "cookie cutter" developments, the homes built for Citirama have different architects, which offer a variety of housing styles that complement the neighborhood, including many energy-efficient/environmentally friendly "green" ideas.



Citirama 2004 in Glenville neighborhood offers diverse architectural styles, while maintaining the unique character of the neighborhood.

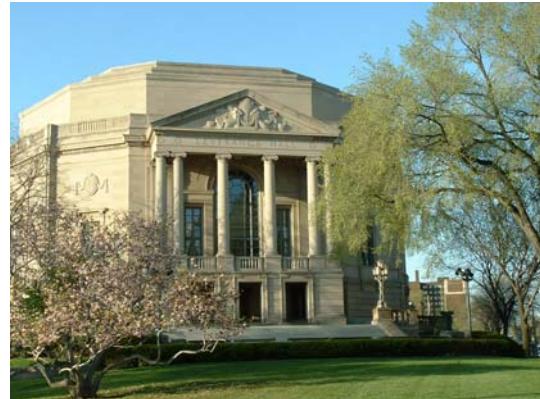
**Historically Significant Housing:** Many of the older homes in Cleveland were built with high quality building materials and beautiful historic architectural detail. The type of architecture and decorative elements in these older homes are not typically seen in more modern housing.

**Ethnic Neighborhoods:** Cleveland's neighborhoods historically were defined by the many different ethnic groups that migrated here from other countries in the late 1800s and early 1900s. One of the remaining ethnic neighborhoods is Little Italy, which is located at the southern edge of University Circle. Many of the descendants of the immigrants continue to reside in the city. There has been a recent influx of Hispanic and Asian immigrants. Many of the latter reside in the

Goodrich/Kirtland Park neighborhood, while the majority of the Hispanic immigrants have settled on the near west side.

#### **Proximity to Cultural Institutions and**

**Entertainment Districts:** The city of Cleveland has unique cultural, historic and entertainment districts that could not be duplicated. These cultural assets are located within residential communities such as Tremont, University Circle, Buckeye-Shaker, North Collinwood, and the new Downtown residential areas.



Severance Hall, home of the Cleveland Orchestra, is an example of a cultural amenity which makes Cleveland neighborhoods unique.

**Financial incentives:** As a way of encouraging housing development and home repair, the City of Cleveland has developed many programs offering financial assistance or incentives including help with arranging second mortgages, property tax abatement, low interest loans, grants, and rebates. (See Community Development Department Web Site: <http://www.city.cleveland.oh.us/government/departments/commdev/cdind.html>.)

**Land Bank Program:** The City acquires vacant and abandoned property which it then resells to developers at a low cost. This program encourages the redevelopment of vacant land and assists in the elimination of blight and crime throughout the city.

#### **Conveniently Located to Shopping and Transit:**

Neighborhoods such as Shaker Square, University Circle and Ohio City offer residents access to a variety of amenities and a range of transportation options that make a neighborhood a convenient and pleasant place to live. These neighborhoods are also pedestrian-friendly places that foster a sense of community and the development of a sustainable environment.



The Shaker Square Historic District is a great example of transit-oriented development.

## **CHALLENGES**

*Cleveland faces a number of specific challenges in the area of Housing that must be addressed:*

- **Housing Conditions:** The **aging housing stock** coupled with low-income households and owner disinvestment has contributed greatly to the declining condition of many of the homes in Cleveland. Repairing older homes that have been neglected for an extensive period of time can be costly. In most cases homeowners need financial assistance to make necessary repairs. **Vacant and abandoned homes** are a sign of decline in a community, and send that message to prospective homebuyers. One or two boarded up houses on a street can make the entire street appear to be blighted. Vacant homes tend to attract criminal

activity. "The US Fire Administration reports that more than 12,000 fires in vacant structures are reported each year in the US, resulting in \$73 million in property damage annually. More than 70% of fires in vacant or abandoned buildings are the result of arson or suspected arson."<sup>1</sup> Due to the age of much of Cleveland's housing stock, the presence of **lead-based paint** is a major concern. Of the 126,784 housing structures existing in Cleveland as of the year 2000, according to the County Auditor's data, 123,485 were built prior to 1978, the year the federal government banned the use of lead-based paint. Elevated levels of lead were found in 26.8% of the children whose blood was tested between 1997 and 2000. The elimination of lead-based paint can be rather expensive and in some cases cost-prohibitive; but the effects of lead-based paint on the physical and mental development of children can be devastating.



Vacant houses, such as this one on Benham Avenue, can negate other positive neighborhood improvements, like the nearby renovation of Carol McClendon Park

- **Code Enforcement:** Building code enforcement is a major concern of many Cleveland residents, but it is difficult to enforce the code on residents that do not have the financial means to make necessary repairs.
- **Absentee Landlords:** Too often absentee landlords do not maintain their properties, contributing to a decrease in property value. Experience has shown those that do not live in close proximity to their property typically are not concerned with maintenance issues, and when made aware of them do everything possible to avoid making necessary repairs.
- **Affordability:** The lack of affordable housing can lead to overcrowding, lost utilities, lack of home maintenance, homelessness, or sacrificing other necessities such as food or medication. Many of the City's housing assistance programs are funded through CDBG (federal block grant) funds. With the recent cuts in CDGB funding, Cleveland will have to find other means to assist its residents.
- **Predatory Lenders:** Many residents in low-income neighborhoods are taken advantage of by so-called predatory lenders, people or organizations that prey on the poor and the desire of many families with limited means or poor credit records to own a home. These loans are often characterized by higher-than-normal interest rates, penalties for early payoff, and/or "balloon" payments (the ability to make minimal payments, deferring the rest until some far-off date—which unfortunately one day rolls around). Predatory lenders typically prey on low-income minority communities where prime lending institutions do not exist. When residents cannot make the payments it often leads to foreclosure. The City of Cleveland has begun to address this issue by adding to the City's housing law a codified ordinance addressing predatory lending (Chapter 659).
- **Foreclosures:** A mortgage foreclosure not only result in the eviction of an individual or family who may have no other place to go, contributing to the instability of the neighbor and local economy, it is likely to leave a property in limbo for an extended period of time,

increasing the number of vacant and abandoned houses. The City loses tax revenue and the home becomes a potential breeding ground for crime and blight. Over the past decade, the number of foreclosures in Cuyahoga County has significantly increased. According to a study done in August of 2005 by Cuyahoga County, there were 2,582 foreclosures in 1995; it was estimated that by the end of 2005, however, the number of foreclosures *initiated that year* would top 12,000, with the highest percentage occurring in the city of Cleveland. According to an article in the *Plain Dealer*, HUD reported that Cleveland had a default rate of 12.46% for FHA loans, the *second highest default rate in the country.*<sup>2</sup>

- **Disreputable Contractors:** Finding an honest skilled contractor can be a challenge for residents who want to build or rehab their home. Many residents have been taken advantage of by contractors who charge them for work that is either incomplete or not done according to code. In addition to being out the money paid to the contractor, the residents may incur fines and be served violation notices, which places an undue burden on them and may further impede their ability to improve the condition of their property.
- **Providing Transitional Housing or Group Homes—the NIMBY syndrome:** There is a need for transitional housing in every community throughout the city. It can be difficult to find a location for housing for residents with special needs or those that seek to transition back into society after incarceration or homelessness (an estimated 16,000-plus individuals per year in Cuyahoga County). Many of those former prisoners being released back into the community are returning to the city of Cleveland. Many people do not want these transitional homes located in their neighborhood because they fear the residents will present an element of danger to their community; yet this type of housing is sorely needed and we must find a way to integrate it into the city.
- **Land Assembly:** Assembling land for large-scale housing projects can be a challenge due to the number of different property owners that must be contacted and dealt with to assemble a sufficient number of adjacent lots. Areas once used for industrial or commercial purposes may be easier to appropriate, but they are usually not zoned for residential use, and remediation of polluted sites can be an expensive proposition.
- **Making Housing in Cleveland Competitive:**  
If Cleveland is to be competitive in the housing market, it must be able to offer a variety of housing *options*. These days, people are often looking for a certain *type* of housing that will meet the needs of their particular lifestyle. **Seniors**, for example, typically seek housing that will allow them to be mobile and independent. Having everything on one level can be critical for some seniors. Senior apartment buildings should be built no higher than three stories or levels, in any case; and senior housing should be located within walking distance of necessary amenities



Beacon Place: new townhouse development along Euclid Avenue increases the variety of housing options in the Fairfax neighborhood

such as grocery stores, drug stores, recreation, worship, and if possible libraries and community centers, and transportation, making it easier for them to get around on their own. **Young, single professionals** are typically looking for affordable for sale homes or rental units located in a safe area that offer a variety of shopping and entertainment amenities. Cleveland is in a position to offer just such housing in areas now designated for mixed-use, where there is access to housing—in the form of converted period buildings, above-street-level apartments over storefront businesses, lofts with dramatic urban views, or even combination live-work spaces—as well as to shopping and transportation. Like seniors and young singles, **empty-nesters** typically do not want to have to deal with maintaining a yard and therefore will be more likely to opt for a house with a small yard or an apartment or condominium. **Families with children**, on the other hand, may want to be in a neighborhood that offers larger lot sizes, to allow their children room to play, and homes with sufficient space to accommodate each member of the family.

## POLICIES & STRATEGIES

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*The overarching goal is to provide new and renovated housing that meets the needs and preferences of Clevelanders of all incomes, ages and lifestyles. The Connecting Cleveland 2020 Plan therefore puts forth a comprehensive set of policies relating to Housing citywide, each addressing a key issue—along with strategies through which we might take immediate steps toward implementing those policies:*

- I) Decent and Affordable Housing.** Give highest priority among the City's housing initiatives to the provision of decent and affordable housing for all Clevelanders.
  - a. Preserve and fully utilize the existing inventory of housing units with project-based rent subsidies for low income tenants.
  - b. Increase the availability of high quality, below market-rate rental housing by maximizing the use of Low Income Housing Tax Credits, the Ohio Housing Trust Fund, Tax Exempt Bonds and the HOME Program.
  - c. Utilize tax abatement to make newly built or rehabilitated, affordable housing available at the lowest sustainable rent.
  - d. Promote the development of active tenant organizations to work with management in buildings with project-based rent subsidies to assure continued housing quality and affordability.
  - e. Assure maximum utilization of available tenant-based rent subsidies to make housing affordable to low income families and individuals.
  - f. Make homeownership financially feasible for additional households in stable, regional choice and other neighborhoods with specific reinvestment plans.
  - g. Educate homebuyers on what is involved in financing and owning a home to increase their capacity to maintain and retain the home after purchase.
- 2) Alternative Housing.** Attract residents seeking an urban lifestyle by offering alternative housing types, including townhouses, condominiums, live-work spaces, and converted commercial, industrial and institutional buildings.
  - a. Convert vacant commercial and mixed use buildings into housing where other

- amenities are developed to create lifestyle centers.
- b. Where a market exists, build townhouses along main streets where there is vacant land, demolish deteriorated commercial structures as needed and implement a property holding and maintenance program that makes land held for future use a community asset.
- 3) Competitive Places.** Create and preserve neighborhoods that are competitive urban places, characterized by mixed-use development, pedestrian-friendly design and transit access.
- a. Increase the number of high-density residential and mixed-use developments near transit facilities.
  - b. Utilize Pedestrian Retail Overlay zoning to ensure that developments are pedestrian-friendly.
  - c. Locate new housing near greenways increasing the opportunity for alternative means of transportation.
- 4) Housing Choice.** Provide a diversity of housing types in neighborhoods throughout the city, maximizing choices for residents of all incomes, ages, ability levels and social circumstances.
- a. Create more mixed-income communities.
  - b. Assess the need for various types of housing in each neighborhood to determine what type of housing should be developed and develop a strategy for each neighborhood that markets or re-brands that community to compete for the identified market.
  - c. Limit financial incentives to developments that demonstrate a new market for housing within each neighborhood or increases the affordability of such housing for low and moderate income families.
  - d. Promote and encourage the use of universal design standards for all newly constructed housing.
  - e. Ensure compliance with requirements concerning the creation of accessible units for all new construction or substantial rehabilitation housing development being assisted with CDBG, HOME or other federal funds.
- 5) Code Enforcement.** Target residential code enforcement in a manner that helps stabilize neighborhoods without causing undue hardships for low-income households.
- a. Provide training and resources that will allow homeowners to carry out more of their own maintenance and repair work.
  - b. Offer a program that will help residents with financial constraints to prepare a budget that will help them to maintain their home.
  - c. Develop a marketing strategy to promote existing home maintenance programs.
  - d. Utilize neighborhood associations or other community organizations to organize volunteers to help correct code violations. (See, for example, <http://www.rebuildingtogether.org/>)
  - e. Encourage the use of home repair loan programs that offer financing at discounted rates before using publicly funded loan and grant products to allow low and moderate income residents to meet their home repair needs.

- f. Reduce housing operating costs through weatherization assistance and energy efficient building techniques, thereby allowing more money to be available for home maintenance.

- g. Target vacant structures for code enforcement.

- h. Use rental registration program to assure that landlords maintain buildings to code.

**6) Housing Development Incentives.** Ensure that financial incentives for housing development are the minimum necessary to be effective, and do not result in undue losses of revenue for City services or the public schools.

- a. Reexamine the tax abatement program to determine its effectiveness. Look at changes that can be made to the policy that will sustain gains made in recent years, while increasing the revenue for the City and the public schools.

**7) Rehabilitation.** Give priority to housing rehabilitation as the most effective means of making affordable housing available to the greatest number of residents.

- a. Undertake rehabilitation in areas adjacent to catalytic development projects or in areas where residential new construction occurred to maximize the investment of public dollars.
- b. Work with non-profit and philanthropic organizations to create a prototype for redesign of obsolete residential structures common in the city including the Cleveland double, small multi-family buildings, and modest bungalows.
- c. Redirect federal funds to concentrate a larger portion of those resources on rehabilitation of vacant and abandoned property in areas with a specific redevelopment plan.

**8) Land Assembly.** Promote housing development through strategic, proactive land assembly.

- a. Work with CDCs, developers, market analysts and the community to identify acquisition strategies for priority areas for development of housing.
- b. Rezone areas to residential that are no longer appropriate for other uses.
- c. Remediate brownfield sites suitable for housing.
- d. Develop property maintenance capacity and standards for holding property until it can be reused at its highest and best use.

**9) Homelessness.** Address homelessness through a multi-faceted strategy that includes emergency shelters, permanent supportive housing, medical and social services, and job training.

- a. Assure that everyone with an emergency need for shelter has access to shelter.
- b. Utilize street outreach workers to seek out those homeless persons living outside the shelter system.
- c. Encourage all homeless service providers and funders to adopt a housing first policy which seeks to minimize shelter stays and stabilize individuals and families as soon as feasible within permanent housing linked to supportive services as needed.
- d. Continue to support the production of permanent supportive housing units that can offer the opportunity for long-term homeless persons to leave the shelter system.

- e. Within the shelter system, provide immediate assessment and linkages to case management and mainstream social services, including agencies providing mental health care, substance abuse treatment, medical services and assistance to veterans.
  - f. Work with the criminal justice system to strengthen the support for the reentry into the community of person returning from incarceration.
  - g. Expand resources for and educate residents about programs providing assistance in preventing the loss of housing through eviction or foreclosure.
- 10) Senior Housing.** Develop housing for senior citizens in proximity to shopping, medical facilities, social services, and public transportation to support their ability to remain independent.
- a. Support development of senior housing that allows for and accommodates multigenerational families with designs that meet this need.
  - b. Incorporate green space into new senior housing developments.
  - c. Support development of senior housing that is located near transportation, shopping and medical services.
  - d. Design housing that permits for ADA adaptation should future disabilities dictate.
- 11) Design.** Ensure that the design of new and renovated houses complements the character of the surrounding neighborhood, through a design review process that is effective, expeditious and equitable.
- a. Develop housing design guidelines for new housing development with supplemental guidelines for specific areas that will give developers direction prior to meeting with the design review committee.
  - b. Develop housing rehabilitation guidelines for minimum standards for the size of kitchens and bathrooms where significant "gut" rehab is being done.
- 12) Neighborhood Plans.** Locate infill houses where neighborhood plans ensure a supportive environment for residential development.
- a. Limit the distribution of land bank properties for infill housing to areas that have a redevelopment plan in place.
  - b. Utilize CDCs and other community agencies to acquire, renovate/reuse, and market vacant structures and vacant land in areas where plans have been developed.
- 13) Green Building.** Encourage use of "green building" principles in new and renovated housing.
- a. Development a zoning code that encourages green building and requires the use of green building techniques where the cost of the project is not significantly increased.
  - b. Offer financial incentives such as low-interest loans or tax abatement to projects that use green building techniques.
- 14) Housing Accessibility.** Expand the range of residential opportunities for persons with special housing needs.

- a. Promote and encourage the use of universal design standards for all newly constructed housing.
- b. Ensure compliance with requirements concerning the creation of accessible units for all new construction or substantial rehabilitation housing development being assisted with CDBG, HOME or other federal funds.

Specific identified opportunities relating to housing are listed in the [Development Opportunities](#) section of the Citywide Plan website.

#### **References**

1. "Vacant Properties: The True Costs to Communities," *National Vacant Properties Campaign*, August 2005 (<http://www.vacantproperties.org/>)
2. Murray, Teresa Dixon, "Defaults blamed on Shady Lending," *The Plain Dealer*, July 7, 2005.