

A Tale of Two Markets:

Equitable Housing Platform for Cuyahoga County



2022

Acknowledgments

A Tale of Two Markets was developed in partnership with the Cuyahoga County Housing Stakeholder Group. This document is a product of research, interviews, and data analysis and could not have been completed without the dedication and hard work of Cuyahoga County's most passionate housing stakeholders. The member organizations listed do not necessarily endorse all of the findings, potential strategies, and next steps included in **A Tale of Two Markets**, but instead, agree on the general principles and the need for Cuyahoga County's leadership to prioritize addressing the housing needs of its residents.

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Case Western Reserve Milton and Charlotte Kramer Law Clinic
CHN Housing Partners
City of Cleveland Department of Building and Housing
City of Cleveland Department of Community Development
Cleveland Mediation Center
Cleveland Neighborhood Progress
Greater Cleveland Realist Association
Community Housing Solutions
Cuyahoga Affordable Housing Alliance
Cuyahoga County Department of Development
Cuyahoga County Office of Homeless Services
Cuyahoga Land Bank
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The Fair Housing Center
Famicos Foundation
Federal Reserve Bank of Cleveland
First Suburbs Consortium
Home Repair Resource Center
The Legal Aid Society of Cleveland
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Lutheran Metropolitan Ministry
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United Way of Greater Cleveland
Vacant and Abandoned Property Action Council

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Contents

Our Objectives.....4

 Home 5

 A Tale of Two Markets 6

Bridging 2017 to Today8

 Looking to the Future..... 9

 Pillar #1: Increase Resources for Housing Stability 10

 Pillar #2: Reduce Barriers to Housing 15

 Pillar #3: Strengthen Fair Housing 18

 Pillar #4: Equitably Invest in the Housing Market 21

Next Steps & A Call to Action25

Equitable Housing Platform

Supported by Four Pillars



Increase Resources for Housing Stability

With low wages and increasing housing costs, many residents face housing instability. Compounding the matter, quality housing is often out of reach when home repairs, especially for seniors, are unaffordable. Access to financial and programmatic resources can help alleviate this burden.



Reduce Barriers to Housing

Many residents have multiple housing needs, which can lead to nearly insurmountable barriers for finding and keeping stable housing. Policy design for these at-risk populations are rarely prioritized, but barriers can be reduced when they are.



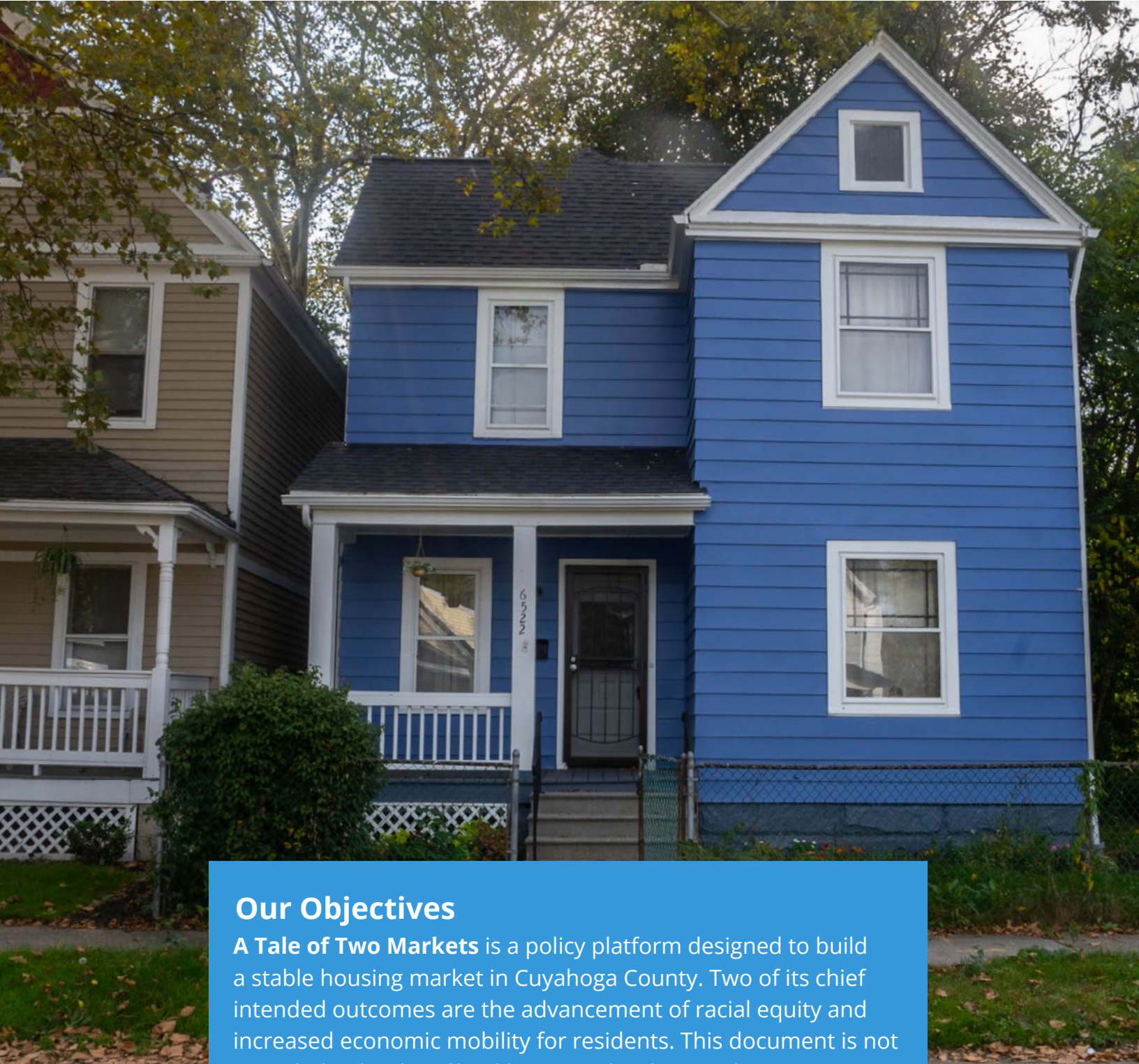
Strengthen Fair Housing

The Fair Housing Act seeks to protect residents from discrimination, but these protections have eroded. Cuyahoga County has the highest incidence of fair housing complaints compared to the surrounding counties.



Equitably Invest in Housing Markets

The median home sale prices in Cuyahoga County has risen over 29%. However, this growth in home values has not been equitably realized in Black and brown communities across the county.



Our Objectives

A Tale of Two Markets is a policy platform designed to build a stable housing market in Cuyahoga County. Two of its chief intended outcomes are the advancement of racial equity and increased economic mobility for residents. This document is not intended to be the official housing plan for Cuyahoga County, but rather, a strong starting point. The County's leadership is urgently encouraged to adopt the four pillars of equitable housing stability described in this document.

Home

Cuyahoga County is home to nearly 1.25 million people. The county's residents raise their families and build community here. While many residents proudly call this place their home and enjoy a high quality of life, others are left behind and systematically provided with limited opportunities. It is time to recognize that, while these sentiments currently coexist, it does not need to be this way.

Cuyahoga County's leadership is charged with ensuring that all of its residents can live healthy, dignified, and productive lives -- and with the right guiding principles in mind and partnerships in place, they are capable of achieving this.

In 2017, a large and diverse group of Cuyahoga County's housing stakeholders collectively developed a prospective housing plan to set the county on this path. Subsequently, the County adopted the County Housing Program in 2019. But much has changed since then. Home sale values for most of the county's suburbs are at the highest they have been in 22 years, which benefits current homeowners and adds wealth to the local economy. Thousands of blighted buildings have been demolished, making way for new opportunities. Mortgage foreclosures which drove blight and abandonment have continued to remain low, giving the housing market an opportunity to recover. New home construction is on the rise, driven by a recent investment in Cleveland that the city has not seen in decades. Tax collection is up, and, with growing property values, the region has more money to reinvest in itself. In many ways, Cuyahoga County's housing landscape is moving in the right direction. There are many reasons to be optimistic about the County's future being prosperous.

However, this narrative of a booming housing market is only half of the story. With growth and development comes a different set of challenges, like increased displacement pressure. New development and redevelopment boost neighboring property values, which also leads to higher property taxes for those living in

surrounding homes. This ripple effect on property values is beneficial for some, such as those interested in selling their homes and the government entities who are able to collect additional property tax revenue. But some long-term residents, including seniors who lived on fixed incomes, find it increasingly challenging to pay for their increased property taxes. This increase in property taxes is one of several reasons why tax foreclosures in some neighborhoods and municipalities are on the rise.

Many of the challenges Cuyahoga County's residents faced five years ago also still exist today. Much of Cuyahoga County's housing stock is aging and in need of repair, but access to home repair loans is limited for low-income residents and those who own homes with low appraised values. These challenges are made all the more difficult for residents who have multiple or different housing needs, including those living with disabilities. Meanwhile, Ohio state courts have eroded the state's fair housing law and protections meant to ensure equal access to safe and affordable housing.¹

Cuyahoga County's housing market has also drawn the attention of out-of-state and out-of-country businesses who are increasingly interested in purchasing single-family homes and turning them into rental opportunities. While rents continue to climb in the region as it faces a rental unit shortage, converting these homes to rental units adds options to that pool. This is particularly beneficial for families who rent and have a hard time finding rental opportunities, including those who need more than two bedrooms. However, there is a concurrent shortage of affordable homes for sale, and this shift reduces opportunities for first-time homebuyers who are seeking to build wealth and equity. Furthermore, recent studies have shown that many of these outside investors are bad faith landlords who fail to make necessary repairs and are poor property managers. As one investor said,

"(t)he streets of Cleveland are paved in platinum because the houses are so cheap and the rents have never declined."⁴

¹ The State of Fair Housing in Northeast Ohio 2022, Fair Housing Center for Rights & Research

² The Impact of Real Estate Investor Activity on the Cuyahoga County, Ohio Housing Market 2004 - 2020, Vacant and Abandoned Properties Action Council

A Tale of Two Markets

Cuyahoga County's housing landscape has deeply rooted and nuanced challenges. These nuances and divergent stories are most visible when taking a closer look at the housing market conditions in the predominantly Black communities in the east side of Cleveland and eastern inner ring suburbs.

While most of Cuyahoga County's suburbs are seeing the highest median sales prices in 22 years, homes on the east side of Cleveland are *still appraised at less than half* the value they were before the 2005 foreclosure crisis.³ This means property owners in these markets have suffered from decades of lost wealth building that continues to this day. Similarly, while the median price for homes in Cuyahoga County as a whole has risen by \$25,000 (a 22% increase), homes in the eastern inner ring suburbs have only recovered their pre-foreclosure crisis values and broken even as of 2021.⁴ Despite lower homes values in these communities, there has been no relief for renters as rents continue to rise rapidly.

While thousands of blighted homes have been demolished across the region, the largest concentrations of vacant properties still exist in these various east side communities, notably including the City of East Cleveland.⁵ At the county level, the share of homes purchased by businesses has grown from one in 14 home sales in 2004 to nearly one in five as of 2020. Worse, this practice occurs in nearly one in three homes sold in the eastern inner ring suburbs, and nearly one in two homes sold on the East Side of Cleveland. It is plausible that those figures have only worsened since 2020.⁶ These conditions make it exceptionally difficult for the Black and brown communities in Cuyahoga County to reap the benefits of the housing market's recent turnaround.

Like every major metropolitan area in the United States, many Black and brown residents in Cuyahoga County have inequitable access to opportunity, wealth building, and socioeconomic mobility due in part to a legacy of segregation, redlining, and predatory lending. While race-explicit practices are outlawed today, many are still the de facto practice as the systems that established and perpetuated these inequities have yet to be undone and rebuilt. Recognizing that these vestiges of the past still exist today, Cuyahoga's County Council unanimously declared racism a public health emergency in 2020.

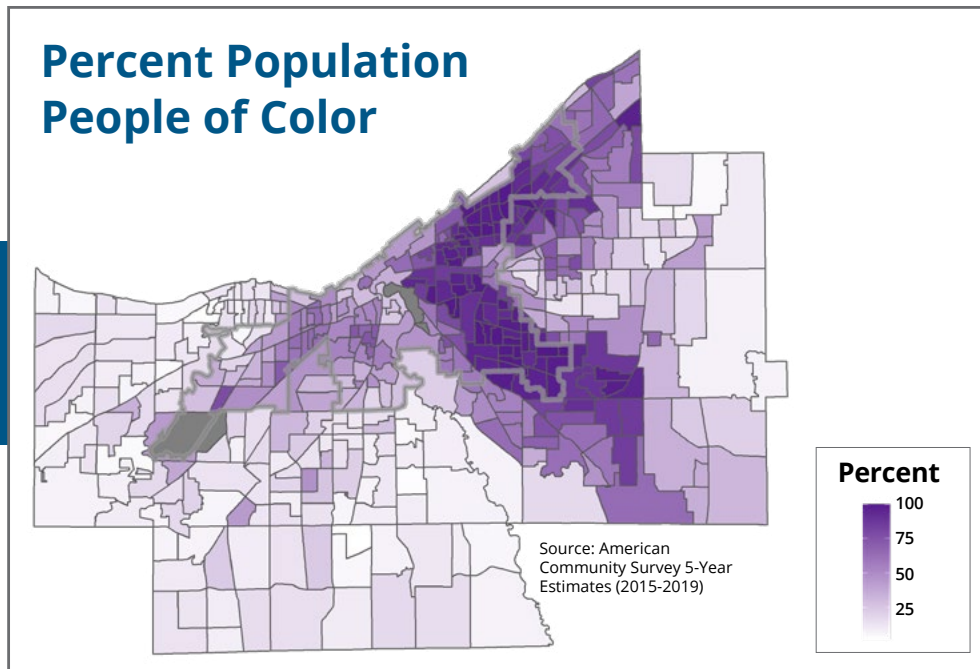
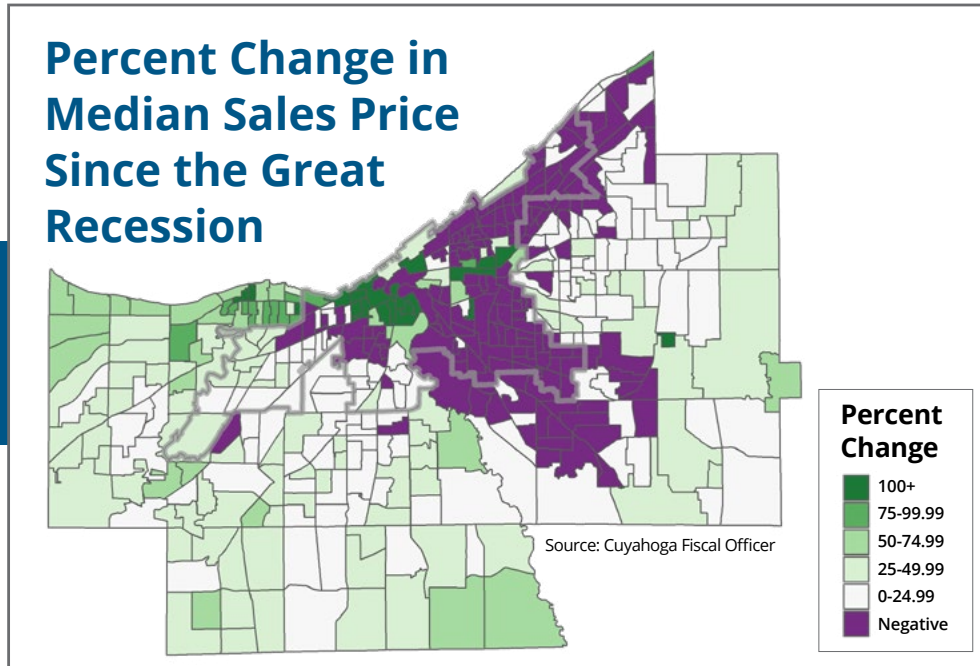
More broadly speaking, homeowners on fixed incomes in neighborhoods that are seeing more investment are at risk of being priced out of their homes due to exorbitantly higher property taxes. For those living in neighborhoods that still face disinvestment, the value of many residents' homes are too low to have the collateral needed to receive home repair loans. The rental unit shortage has given landlords the opportunity to raise rents and be more selective about their tenants. It is even more difficult for families using vouchers or other subsidies to find housing, let alone families facing additional barriers, including residents with disabilities, or residents who have been involved with the criminal justice system. Furthermore, the COVID-era policies and programs designed to protect renters, such as the federal eviction moratorium and emergency rental assistance programs, have either ended or will end soon making the plight of renters perhaps even more precarious than in 2017.

³ Lopsided Housing Market Recovery Continues to Leave Black Communities Behind, Western Reserve Land Conservancy

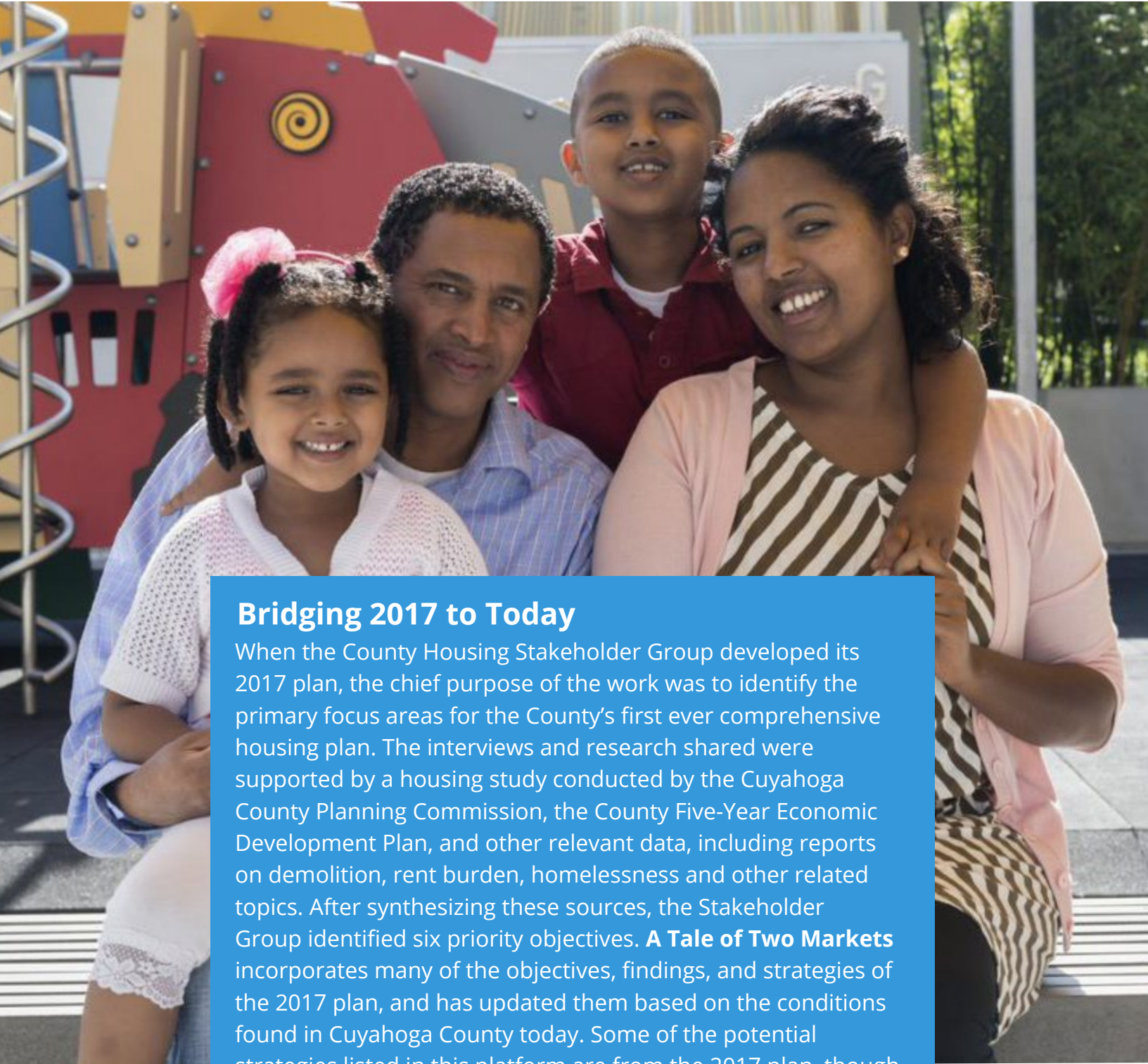
⁴ Ibid

⁵ City of Cleveland Building & Housing Data, Vacant and Abandoned Properties Action Council

⁶ The Impact of Real Estate Investor Activity on the Cuyahoga County, Ohio Housing Market 2004-2020, Vacant and Abandoned Property Action Council



The maps above depict the change in median housing price (top) and the percentage of the population who are people of color (bottom). There is a clear overlap between the communities that have seen the least growth in housing prices and the communities where the highest percentage of people of color live, starkly illustrating the inequity that exists in the County's housing market today.



Bridging 2017 to Today

When the County Housing Stakeholder Group developed its 2017 plan, the chief purpose of the work was to identify the primary focus areas for the County's first ever comprehensive housing plan. The interviews and research shared were supported by a housing study conducted by the Cuyahoga County Planning Commission, the County Five-Year Economic Development Plan, and other relevant data, including reports on demolition, rent burden, homelessness and other related topics. After synthesizing these sources, the Stakeholder Group identified six priority objectives. **A Tale of Two Markets** incorporates many of the objectives, findings, and strategies of the 2017 plan, and has updated them based on the conditions found in Cuyahoga County today. Some of the potential strategies listed in this platform are from the 2017 plan, though the conditions that justify them are not all explicitly addressed in this document. Nevertheless, they remain relevant strategies worth considering by the County's leadership developing the County's official housing plan.

Looking to the Future

Community leaders envision an inclusive Cuyahoga County with homes and neighborhoods that are stable, accessible, affordable, and safe. The County Housing Stakeholder Group unanimously agreed that while many of the underlying issues identified in 2017 remain, the county is faced with new and complex challenges. It is apparent now more than ever that the County must adopt an official housing plan that makes a concerted and robust commitment to advance long-term affordable housing solutions. Beyond that, the housing plan must be designed such that systems, policies, and programs advance racial equity and socioeconomic mobility in such a way that this rising tide can lift all boats. As such, community leaders have identified the following four pillars of work as priorities for County leadership:

1. Increase resources for housing stability
2. Reduce barriers to housing
3. Strengthen fair housing
4. Equitably invest in the housing market



A local housing fund is a dependable and flexible resource administered and financed by a local government agency typically to construct, preserve, and rehabilitate affordable housing. The Summit County Affordable Housing Trust Fund and the Affordable Housing Trust for Columbus and Franklin County are two local models worthy of consideration.

Additionally, the County Housing Stakeholder Group identified three overarching, concrete, and impactful calls to action that the next County Executive and their leadership team can enact even before the development of the next housing plan:



1. **Create a cabinet-level Housing Czar position** who is capable of coordinating the County's housing resources, programs, and policies in addition to operationalizing this platform into the County's next housing plan. This position would also be charged with strengthening collaboration between the County and all 59 communities, recognizing that the housing conditions in one inextricably impacts the other.



2. **Dedicate a recurring revenue source for a local housing fund** to ensure that the County's leadership has the flexible resources it needs to foster a more equitable housing market. If possible, pursue a city-county model that allows all local government resources, as well as potentially private resources, to be leveraged.



3. **Adopt a policy officially stating that housing is a human right** and a top priority so that all residents have access to the safe, affordable housing needed for a healthy and dignified life. To ensure that this proclamation is more than symbolic, the County's future leadership is encouraged to work with the County Housing Stakeholder Group to determine how to implement and resource this policy.

The remainder of this document discusses the importance of the platform's pillars, provides key context, and outlines potential next steps, as well as more specific potential strategies.



Pillar #1:

Increase Resources for Housing Stability

Why is this important?

Given the nuanced changes in Cuyahoga County's housing market, addressing housing instability is increasingly complex. For instance, compared to many other markets, Cuyahoga County may appear affordable. When considering the lower-than-average wages for many of Cuyahoga County's residents however, the affordability narrative is simply not true. Low-income and wage-earning residents are being confronted with rapidly increasing housing costs and those costs are becoming increasingly burdensome and jeopardize their housing stability.

Low-income homeowners, renters, and those experiencing homelessness alike are vulnerable to housing instability, an umbrella term that can describe many challenges, including housing unaffordability, safety, poor quality, or a loss of housing entirely. As the pandemic revealed, we must build a stronger housing infrastructure that can absorb shocks, especially for those most in need of an affordable place to call home.

One pathway to increasing housing stability is increasing residents' access to critical financial resources. When unlocked, this can have a ripple effect that impacts entire communities and the county at-large. While there has been a recent injection of federal dollars in the form of pandemic-related housing assistance, access to financial assistance remains difficult for many individuals in Cuyahoga County.

Access to mortgage products and down payment assistance helps to build individual, intergenerational and community-level wealth, especially when made available to first-time homebuyers looking to build equity.

Home repair loans and grants can have a tremendous impact on preserving existing affordable housing by making the difference between a home being condemned as obsolete and a home being safe, livable, and comfortable. Repairing homes and saving them from irreversible decay also helps neighboring property values, which is crucially important for communities on the east side of Cleveland and eastern inner ring suburbs.

Short-term rental assistance programs proved invaluable for individuals and families who faced layoffs or reduced hours during the pandemic, keeping children in a stable home, and giving wage earners a little more time to find a new source of income to help pay rent. While the worst of the pandemic may be in the past, many residents are still on the brink of financial instability.

Additionally, access to capital from lenders has an outsized impact on creating and maintaining a stable and accessible housing market, which in turn, has an outsized impact on the region's economy as a whole. When the foreclosure crisis hit the region, property values tanked, and some local government bond ratings were downgraded – which made access to capital more difficult and expensive for the entire region.

What Does the Data Tell Us?

There are several causes for housing instability. As such, there is no one solution to this challenge.

Shifting Cost Burden

A common metric used to gauge housing instability is housing cost burden, which means an individual or family is using more than 30% of their income to pay for housing. As of 2020, over 47,000 homeowners and over 100,000 renters in Cuyahoga County were housing cost burdened. Over the past 10 years, the share of cost burdened homeowners has dropped nearly 32% – a real victory for the county. Meanwhile, the share of cost burdened renters has dropped by only 9%. Despite these drops, nearly 1 in 4 homeowners and 1 in 2 renters remain housing cost burdened.⁷ One study that examined the cost of rent relative to wage growth found that since 2017, Cleveland experienced the greatest drop in affordability for renters of any city in the United States.⁸ These statistics present a clear indication that not enough has been done to stymie the threat of housing instability, particularly for renters.

Economic Instability

For renters, housing stability may be more precarious now than ever. Renters are generally more likely to be wage earners, whereas homeowners are more likely to be salary earners.⁹ Many wage earners were laid off or had their hours reduced during the COVID-19 pandemic, which led many to fall behind on their rent. The federal moratorium on evictions created a system that helped protect these vulnerable renters. Fortunately, unlike many other parts of the country, the county did not see a significant rise in evictions once the moratorium was lifted in at the end of 2021. Nonetheless, the pandemic demonstrated the interconnectedness between economic instability and housing instability in Cuyahoga County.



**Over 47,000
homeowners
and
over 100,000
renters**

in Cuyahoga County were
housing cost burdened
as of 2020.



**1 in 4
homeowners
and
1 in 2 renters**

remain housing cost
burdened⁷ as of 2020.

⁷ DP04 5-Year Selected Housing Characteristics, 2015-2019

⁸ Wages Can't Keep Up with Spike in Housing Prices, New York Times

⁹ Digging Deeper into the Story: The Widespread Implications of the Growth in High Income Renters on Low- and Middle-Income Renter Households, Joint Center for Housing Studies

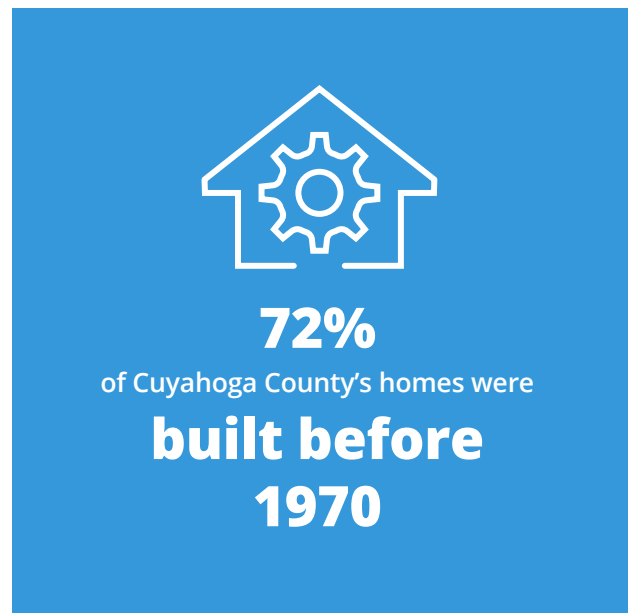


Housing Conditions

As Cuyahoga County's housing stock continues to age, many homeowners find themselves with critical repairs and are unable to access the capital needed to address them. In fact, over 72% of Cuyahoga County's homes were built before 1970, meaning most of the county's homes likely need at least some repairs and, further, require some remediation to be considered lead safe.¹⁰ Renters face similar threats in the form of rising rents or being forced to live in unsafe and unhealthy conditions because of negligent landlords. Even good faith landlords may have tenants facing housing instability if banks believe a home is not valuable enough to justify offering a home repair loan to the owner.

Additionally, renters may be subjected to unsafe conditions as outside investors are purchasing owner-occupied homes, converting them into rental units, and failing to make needed repairs and upgrades. When those upgrades are identified by tenants or code enforcement officers, the investors are often elusive and difficult to get ahold of, particularly when there are several layers of Limited Liability Companies (LLCs) between code enforcement officials and the actual owners. This is evidenced by the fact that among out-of-state investors, there was a lower rate of applying for home repair permits for their rentals despite many being in severely distressed condition.¹¹

Considering the age of Cuyahoga County's housing stock, repairs and rehabilitation of existing homes alone won't be enough to meet the county's need for affordable housing. The construction of new below-market value homes and rentals will be an essential component of achieving this goal.



“Housing instability is expensive, and it’s expensive for everybody. Stability is much more cost effective and allows people the opportunity to be productive members of their community.”

-Stakeholder Group Member

¹⁰ DP04 5-Year Selected Housing Characteristics, 2015-2019

¹¹ The Impact of Real Estate Investor Activity on the Cuyahoga County, Ohio Housing Market 2004-2020. Vacant and Abandoned Property Action Council

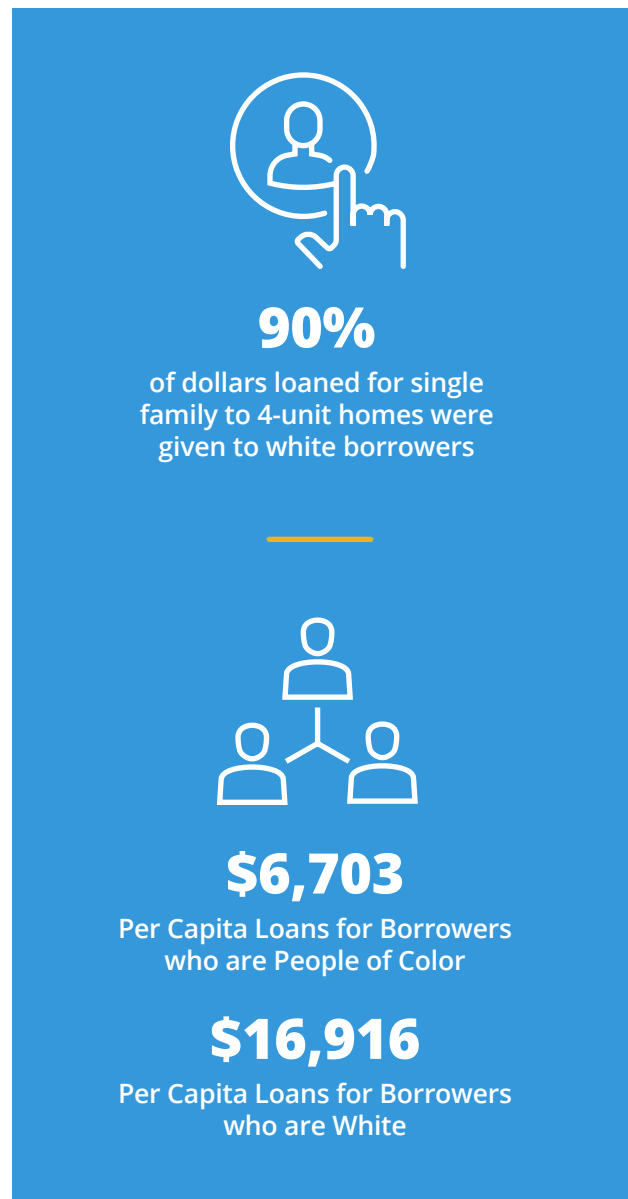
Limited Access to Financing

While pandemic-related federal funding has helped provide capital for some of these areas, it will be up to the county and local financial institutions to provide access to capital once the federal dollars have been deployed. Historically, local financial institutions have a poor track record of meeting the capital needs of Black and brown residents, whether that be for home mortgage loans or home repair loans. In Cuyahoga County, nearly 90% of dollars loaned for single family to 4-unit homes were given to white borrowers though they only represent 50% of the population. Furthermore, when borrowers of color in Cuyahoga County were given loans, the per capita amount was \$6,703 whereas white borrowers received \$16,916 per capita.¹² Not only do white borrowers tend to receive larger loans than Black borrowers, banks rejected Black borrowers for home improvement loans twice as often as white borrowers and three times as often for home purchase loans.¹³ These statistics are particularly concerning considering high-income Black borrowers continue to be denied loans more frequently than moderate or even low-income white borrowers.¹⁴ This stark disparity in lending practices results in an underinvestment in Black and brown borrowers and their communities, which creates and perpetuates a system that prevents all communities from participating fully in the economy – which undermines the entire county’s potential for financial success, not just that of individuals or neighborhoods.

How Do We Build this Pillar?

While residents across the county face housing instability in a variety of forms, the federally funded emergency rental assistance programs proved hugely successful in helping individuals and families stay in their homes. These programs and the eviction and foreclosure moratoriums demonstrated that there can be policy solutions that absorb shocks, but with limited federal funds, it will soon be up to the County and its partners to more intentionally create tools and policies to do so. Similarly, while the American Rescue Plan Act (ARPA) funds provide a new revenue source, County leadership would be wise not to build programs around the continued access to federal funds, though ARPA could be used to fund pilot programs and provide programmatic seed investments to leverage additional funding.

Furthermore, providing access to the capital needed to keep existing homes in good condition, ensuring qualified borrowers can secure loans, and building new homes in underinvested neighborhoods will be critical. There is an unprecedented opportunity for local financial institutions and the County to work together to ensure that every resident can obtain the financial product they need most.



¹² Proposed Community Lending Initiative Memo, City of Cleveland Department of Community Development

¹³ 2020 Home Mortgage Lending in Cuyahoga County, Western Reserve Land Conservancy

¹⁴ 2020 Home Mortgage Lending in Cuyahoga County, Western Reserve Land Conservancy

Potential Strategies

Resources for Residents

- Provide down payment assistance to low- and moderate-income homebuyers, potentially using federal stimulus funds
- Utilize American Rescue Plan Act funds to provide residents with needed emergency financial assistance, including direct cash assistance
- After federal relief funding is spent, continue permanent financial assistance and rental assistance programs
 - Consider making permanent rental assistance programs more flexible and dynamic to support shallow subsidies, utility deposits, application fees, and security deposits with the ultimate goal being to support housing stability
- Seek public and private funding to pilot new home repair and rehabilitation programming for homeowners and landlords, and refine current programs to make more homes safe, healthy and accessible
- Enact and fund a countywide right to counsel policy for renters facing eviction
- Prioritize funding proactive, lead safe remediation and other healthy housing programs to prevent additional related repairs and increase home values
- Provide more and better information on existing programs throughout the county (home rehab, down payment, counseling, etc.) available to renters, homeowners, and landlords

Increase and Optimize Funding Sources

- Research national models of dedicated, local funding sources to tackle housing instability & adequately fund a local housing fund
- Continue to use federal funding to leverage increased investment and improve affordable housing options
- Conduct analysis of existing Prevention, Retention and Contingency (PRC) funding to maximize and better leverage its use
- Consider providing various incentives to landlords who accept vouchers and other long-term housing subsidies

Enhancing Coordination and Administration

- Prioritize the increase in access and availability of affordable housing as a top county objective, including constructing new and rehabilitating more affordable housing
- Create housing czar role who coordinates deployment of all housing funds and programs including, but not limited to, those administered by the Department of Development and Department of Health and Human Services
- Coordinate with Cuyahoga Metropolitan Housing Authority, non-profit affordable housing providers, the City of Cleveland, and other key leaders to monitor existing affordable housing and prioritize its preservation
- Support a more robust role of the County Department of Consumer Affairs in housing, including financial education, tenant rights education and referral, landlord tenant workshops, and coordination with County Department of Health and Human Services
- Consider supporting the creation of a countywide tenant's rights organization
- Consider repurposing the NEORentHelp.org website or another resource to serve as a one-stop-shop or clearinghouse for all housing-related programs and assistance for Cuyahoga County residents
- Share available housing assistance programs across County departments

Bank Environment

- Engage banks in conversations to expand lending and provide products that meet homeowner and landlord investor capital needs
- More deeply and meaningfully leverage current community benefit agreements
- Encourage banks to work more directly with Community Development Financial Institutions (CDFIs) to further help facilitate mortgage lending.
- Consider investing in research that monitors Home Mortgage Disclosure Act (HMDA) lending from banks within the county, and review and publish Community Reinvestment Act (CRA) rankings and HMDA research
- Continue to use Cuyahoga County government deposits with local banks as leverage to strongly encourage or even require certain investments to fulfill their CRA requirements



Pillar #2: Reduce Barriers to Housing

Why is this important?

The populations who face the most barriers to accessing safe, quality, affordable housing are not prioritized when it comes to developing public policy and are often the most vulnerable to housing instability. The pandemic drew this into sharp focus. Residents living with disabilities, seniors, transition age youth, youth aging out of foster care, LGBTQ+ individuals, domestic violence and human trafficking survivors, veterans, refugees, and individuals and families who are homeless often have different or multiple housing needs while confronting non-housing related challenges.

Individuals who have been involved with the criminal legal system, including people with sex offenses on their records, face additional barriers. More than two million Ohioans have criminal records and approximately one out of every seven people currently incarcerated in Ohio returns to Cuyahoga County, more than any other county. After four-to-seven years where no re-offense has occurred, a person with a prior conviction is no more likely to commit a crime than someone who has never had a conviction. Blanket discrimination in housing limits returning citizens' likelihood of success.

While the needs of these communities are often bunched together ("special populations"), their needs are very different. However, with increased pressure on the housing market, many residents in these populations find it all the more difficult to access suitable housing that meets their needs.



Different Housing Challenges

Most seniors want to remain in their homes as they age. Yet, few homes are safe and accessible to accommodate home modifications that are needed to age in place. Cuyahoga County has an aging population so the need for home modifications and for additional housing for seniors is going to grow rapidly.

People with disabilities need housing that is physically accessible to them. The number of accessible housing units in the county is very limited and those units that are accessible tend to be more expensive. The lack of housing that is both accessible and affordable has not been adequately addressed.

The rental shortage has allowed landlords to be more selective when choosing tenants, including screening out those with supplemental income or those with criminal records – or both – which are violations of the Fair Housing Act.

When there are barriers to obtaining rental housing, homeownership can feel completely out of reach.

"These are your neighbors, your coworkers, people your kids play with, people you see at the store. If not for anything else, it's about improving the quality of life for the people you see every day."

-Stakeholder Group Member

Opportunities for Partnership

Many of the County Housing Stakeholder Group members are currently working on plans that should be considered and aligned when the county begins work on its overall housing plan. For instance, as of the writing of this platform, the Office of Homelessness Services is in the beginning stages of developing a Continuum of Care strategy plan. Additionally, other members are also currently in the planning process to ensure that individuals released from incarceration to Cuyahoga County have fair access to safe, stable, affordable homes. Led by Enterprise Community Partners, partners across sectors and individuals with lived experience are working to identify the disparate impacts of mass incarceration and create a strong and collaborative housing-focused reentry system. The plan will make recommendations on how to increase access to affordable housing for justice-involved individuals and cultivate new housing solutions through partnerships



What Does the Data Tell Us?

In recent years, the county has made admirable strides and investments in reducing the population of chronically homeless individuals. The County's Office of Homelessness Services and their partnership with the City of Cleveland is considered one of the most successful City-County partnerships when it comes to addressing the area's shared housing needs. On the night of January 23, 2018, the Point-In-Time (PIT) count reflected that the total number of homeless persons was 1,808 and, as of the 2021 PIT, that figure dropped to 1,557 – a 14% decrease. This is an even more dramatic improvement compared to ten years ago when the County had 2,262 persons experiencing homelessness reflected in the PIT – a 45% decrease.¹⁵ During the pandemic, shelters were forced to reduce their tenancy by 50% to maintain social distancing, which led to the other 50% of individuals they served being housed primarily in non-congregate shelters, including hotels. The added privacy and calmer environments have led to a measurable increase in people following their housing plans, helping to move those experiencing homelessness into more stable housing and living situations.

Additionally, since 2018, the number of persons utilizing shelter beds has slightly decreased. However, the Continuum of Care reports that people they currently serve have higher barriers to attaining housing, which has resulted in a longer length of time experiencing homelessness. The average length of stay in shelters has increased from 90 days in 2018 to 148 days in 2021. Shelter providers have identified the lack of affordable housing in our community as a significant barrier to long-term, stable housing.¹⁶

¹⁵ HUD Continuum of Care Homeless Assistance Programs, 2011, 2018, 2021

¹⁶ HUD Continuum of Care Homeless Assistance Programs, 2011, 2018, 2021

How Do We Build this Pillar?

The County Housing Stakeholder Group acknowledges that this platform, or truly any single document, cannot and will not address the needs of all of Cuyahoga County's residents who face additional housing barriers. While those experiencing long-term homelessness are the only residents discussed in detail above, the progress made demonstrates that with the right leadership, resources, and programming, even the most challenging barriers for residents can be overcome. It is important to recognize that many residents have multiple housing needs, leading to nearly insurmountable barriers to find appropriate housing. It is imperative that the County's leaders take specific measures to develop systems and policies that remove these barriers and enable these residents to live dignified and healthy lives.



Potential Strategies

- Prioritize ending homelessness, especially long-term homelessness, in Cuyahoga County by continuing to support and maintain the Housing First Initiative and other permanent supportive housing
- Coordination with County departments and agencies such as Health and Human Services, Alcohol, Veterans Administration, Drug Addiction and Mental Health Services (ADAMHS) Board, Board of Developmental Disabilities, municipalities, the County Land Bank, and others to better leverage housing to meet the needs of special populations
- Engage service providers currently working with the identified populations to create meaningful recommendations to:
 - Build or renovate housing that can best accommodate specific needs, such as seniors desiring to age in place or accessory dwelling units to encourage multi-generational living
 - Connect their clients and/or those populations in need with other existing housing programming and resources
- Encourage and incentivize the development and retrofitting of rental units that follow universal design principles, including enforcing the Fair Housing Act's accessibility guidelines
- Recognize the challenges that justice-involved residents face when looking for housing and develop policies such as fair chance housing ordinances and programs designed specifically for this population



Pillar #3: Strengthen Fair Housing

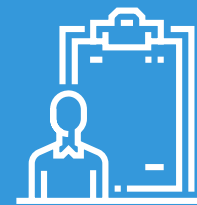
Why is this important?

Housing discrimination and residential segregation continue to afflict the housing market of Cuyahoga County. The Fair Housing Act was passed to protect people from discrimination when renting, buying a home, applying for a mortgage, seeking housing assistance, and engaging in other housing-related activities. Unfortunately, the law often goes unenforced, and, for many, fair housing protections have been diminished, particularly at the state level, over the years. For example, state courts limited the statute of limitations for bringing complaints against new multifamily buildings that fail to meet the State’s accessible design requirements. State courts also found that landlords are not responsible for their tenants who racially discriminate against neighbors. Additionally, they reduced penalties against those who violate fair housing laws.¹⁷

These regressive decisions are particularly important for Cuyahoga County’s leaders to be aware of considering the county has the highest incidence of fair housing complaints when compared with Lake, Ashtabula, Lorain, Medina, and Geauga Counties.

Source of income (SOI) discrimination occurs when a landlord refuses to rent a unit to a prospective tenant based on their source of income. This is currently legal in Cuyahoga County and happens often, particularly in areas with lower poverty rates and high-performing schools. According to research conducted by The

Fair Housing Center, landlords outside of areas with heavy concentrations of existing housing vouchers deny housing voucher participants rental units more than 90% of the time. Simply put, in many cases, SOI discrimination is a proxy for racial discrimination. Nearly 90% of the more than 16,000 households using a housing voucher in Cuyahoga County are Black.¹⁸ Almost one in ten of all Black households and one in seven of all Black renter households in Cuyahoga County are voucher recipients. The Fair Housing Center also noted that landlords in Cuyahoga County who put “No Section 8” in rental ads are more likely to discriminate based on race.



90%

Instances in which Landlords Deny Housing Voucher Recipients (excluding clusters where vouchers are accepted)

89%

Percent of Voucher Holders who are Black

¹⁷ The State of Fair Housing in Northeast Ohio 2022, Fair Housing Center for Rights & Research
¹⁸ Housing Voucher Discrimination and Race Discrimination in Cuyahoga County, The Housing Center

Discrimination can also happen through criminal background screenings. In 2016, HUD issued guidance on the implications of the Fair Housing Act because such screening has a disparate impact on African Americans and Latinx tenants.¹⁹ In 2022, HUD issued a guidance for implementation of its 2016 guidance.²⁰ Currently, of the Cuyahoga County residents who are incarcerated in prisons of the Ohio Department of Rehabilitation, 76% are Black.²¹ This racial disparity in the population of those who are incarcerated demonstrates how a neutral rule based on criminal background will have a disparate impact of Black residents in Cuyahoga County.

There is a robust body of evidence that says low-income families with children who move to high-opportunity areas do better in the long term. Families able to access a neighborhood of their choice have reported better health outcomes, greater educational attainment and, ultimately, overcoming intergenerational poverty. Cuyahoga County, as a charter government, is in a unique position to strength fair housing law and provide complementary programming support for family mobility.

“Housing is a building block for all our neighborhoods and creates stability for families... a lack of housing destabilizes families and relationships within the community.”

-Stakeholder Group Member

What Does the Data Tell Us?

Over the past 25 years, the most common complaints allege discrimination against disability (33.2%), race (25.9%) and families with children (18.2%), however in the past five years, gender discrimination claims have surpassed discrimination against families with children.²²

It is important to recognize that discrimination exists on more than an individual level, such as between tenant and landlord or mortgage applicant and mortgage lender. While explicit discrimination is outlawed, implicit discrimination still exists today. For instance, race-explicit zoning ordinances are illegal, and yet many of the County’s municipalities ban housing types that ostensibly discriminate against anyone who cannot afford to purchase a single-family home – which as discussed in the Increasing Resources for Housing Stability section, is often most challenging among Cuyahoga County’s residents of color. In fact, 58.1% of the county’s total land is zoned for single-family homes and only 16.9% of all land in the county is zoned for two-family buildings or larger – which are often more affordable. Furthermore, eleven of the County’s municipalities ban rental homes altogether.²³ This would seem to indicate that many of the County’s municipalities are falling short of fulfilling the spirit of the Fair Housing Act.

Unfortunately, the number of discrimination cases has risen in recent years. The Fair Housing Center received and investigated 388 new complaints of housing discrimination in 2021, a 90.4% increase from the average number of annual calls, and they are expected to surpass 500 before the end of 2022. This underscores the need for Fair Housing Act capacity building and resourcing.

¹⁹ Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions

²⁰ Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions

Implementation of the Office of General Counsel’s Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions

²¹ Ohio Department of Rehabilitation and Corrections, January 2022 Census Report

²² The State of Fair Housing in Northeast Ohio 2022, Fair Housing Center for Rights & Research

²³ Exclusionary Zoning in Cuyahoga County, Fair Housing Center for Rights & Research

How Do We Build this Pillar?

While the Fair Housing Act was passed to protect people against discrimination, it was also passed to affirmatively advance fair housing, meaning Cuyahoga County's leadership must also take meaningful steps to overcome the patterns of segregation that haunt the County's history.



Potential Strategies

- Ensure County fair housing laws prevent discrimination and expand protected classes.
 - Use the County platform and resources to support complementary fair housing laws in municipalities
 - Fully empower and resource the Cuyahoga County Human Rights Commission to adjudicate on fair housing complaints
- Allocate and provide consistent funding for agencies and organizations that provide education and enforcement of the fair housing laws
- Promote integrated and diverse communities through affirmative measures such as welcoming immigrants, age friendly, visitability, and universal design
- Continue and expand support for mobility programming that includes supportive services for families seeking to move to communities with higher opportunity as well as resources for landlords to improve their properties to meet voucher inspection standards and be made whole when participate in subsidy programs.
- Continue funding fair housing activities including education and outreach, complaint intake and testing, and affirmatively furthering fair housing activities
- Collaborate with all participating jurisdictions/entitlement municipalities on fair housing policies and create a regional approach throughout the County to affirmatively further fair housing
- As recommended by the Cuyahoga County Citizen's Advisory Council on Equity, consider passing countywide source of income protection legislation.
 - Work with the Cuyahoga Metropolitan Housing Authority and other voucher administering agencies to improve implementation and ease of voucher programs as well as pair any potential strategies with support and financial incentives for property owners
- Further develop other recommendations included in the Cuyahoga County's Citizen's Advisory Council on Equity's Status Report to the Community
- Strengthen, expand and introduce new legislation that advance tenant rights like Pay to Stay, Eviction Diversion, Eviction Sealing, and Right to Counsel, where possible and advocate for changes at the state level
- Create a countywide zoning ordinance that prohibits municipalities from excluding or limiting rental opportunities
- Use state and federal funds as leverage to incentivize the County's more exclusive, single-family municipalities and townships to diversify residential development opportunities



Pillar #4:

Equitably Invest in the Housing Market

Why is this important?

In some ways, Cuyahoga County's housing market today is nearly unrecognizable when compared to 2017. Five years ago, some communities appeared to have clawed their way back from the devastation left by the Great Recession. For example, from 2014 to 2015, home values in Cleveland remained flat and values increased by 2% at the county level. Furthermore, sales prices increased by 9% in Cleveland and almost 2% in the County over the same period.²⁴ The relief these statistics brought was not shared by all, however, as Cuyahoga county's Black and brown neighborhoods had home values well below their pre-2006 values.

The overarching narrative that many of Cuyahoga County's residents hear is that the confidence in the County's housing market is booming and there are reasons to be optimistic about its prospects. Many in Cuyahoga County have been touched by it and are experiencing this change, whether it be through increased home values, sales prices, higher rents, higher property taxes, more blight removal and construction, and greater competition for homebuyers and mortgage borrowers, just to name a few. While the reasons to be optimistic may feel true for the region's predominantly white communities, Black and brown communities have not seen comparable benefits and, instead, face new threats and predatory activity.

Recognizing the continued existence and impact of racial inequities that exist in the community, Cuyahoga County's leadership declared racism to be a public health crisis in 2020.

This declaration led to the creation of the Cuyahoga County Equity Commission, which has stated its intention to recommend new equity investments towards affordable housing.²⁴ Constructing new and rehabilitating existing affordable housing is as needed today as it was a decade ago, considering the poverty rate in Cuyahoga County was at 17.1% in both 2011 and 2021.²⁵ Equitably investing in affordable housing in Cuyahoga County implies that those investments should be targeted towards the communities that disproportionately experience low incomes and high poverty, which also tend to be the communities with a disproportionately high share of Black and brown residents. Thus, equitable investments towards housing have the dual purpose of, and the potential to, attack both poverty and racism. Doing so first requires understanding that the area's market upswing is not a shared experience, and that poverty itself threatens the county's housing stability.

²⁴ Cuyahoga County 2022 Equity Commission Report

²⁵ DP03 5-Year Selected Economic Characteristics, 2011, 2021

What Does the Data Tell Us?

The median home sale price in the county has risen over 29%, resulting in the highest home prices in over two decades for most of the county's suburbs and the west side of Cleveland.²⁶ This increase in home values is long overdue as many believe that the homes in the county have been undervalued and this recent improvement in the market could be considered a decades-long market correction. Further bolstering confidence in this argument is the fact that new residential building permits are up 52% since their lowest point in 2011.²⁷

Geographic Inequity

The confidence many are feeling about Cuyahoga's housing market is not realized everywhere, however. For example, **homes on the east side of Cleveland and in East Cleveland are still only valued at 45% of what they were in 2005.**²⁴ This represents a tragic loss of value, and a loss of generational wealth the majority Black homeowners in these regions should be able to pass on to their children.

“Housing is something that affects everybody. It is one of the few ways the average joe can build wealth. Just go to work and your home appreciates.”

-Stakeholder Group Member

Although great progress has been made in eliminating the blight and abandonment that had been undermining housing market recovery, it would be a mistake to declare victory and “mission accomplished.” Estimates from both the Cuyahoga Land Bank and the City of Cleveland suggest there are still 3,000 homes requiring demolition – the majority of which are in the east side of Cleveland and in East Cleveland. The recovery of housing value – and lost tax revenue – should continue to be a priority for Cuyahoga County.

Some argue that these lower-than-average home values provides an excellent opportunity for first-time homebuyers seeking affordable for sale options. However, many Black and brown residents who

currently live in these neighborhoods are confronted with a number of challenges: prospective homeowners seeking to buy homes in these communities are now often competing with all-cash offers from outside real estate investors, or they are unable to purchase mortgage loans because the low value of the home makes the loan unprofitable and unjustifiable to underwrite for lenders. In the eastern inner ring suburbs, one in three homes being sold is sold to a business. Despite so many of these neighborhoods being considered “affordable” due to their considerably slower growth in home values, many barriers remain for those who seek homeownership.

Income Inequity

A major threat to individual and neighborhood housing stability, especially for low-income residents, is tax foreclosure. Unsurprisingly, this is most threatening for the region's Black residents, seniors, and persons with disabilities. While the County has made concerted efforts to reduce the total number of tax delinquent residents, which should be celebrated, tax foreclosures in predominantly Black and brown communities are on the rise in recent years. Today, 70% of Cleveland and Cuyahoga County's tax delinquent properties are located in the east side of Cleveland and the eastern inner ring suburbs, which also represents 82% of all residential tax delinquent dollars.¹⁵ Concurrently, there has been an uptick in tax delinquency for properties typically owned by low-income seniors and persons with disabilities (known as “homestead exempt” properties), with an increase of over 27% in total tax delinquent dollars for these properties since the onset of the pandemic.

Tax delinquency tends to grow once it has occurred, creating an even higher barrier to achieving housing stability. However, with the proper programming and financing in place, this trend could be mitigated relatively affordably. In Cuyahoga County, 55% of residential properties that are tax delinquent owe less than \$3,000 in taxes. In fact, 77% of residential delinquent properties owe less than \$10,000 in taxes.¹⁶


²⁶ Zillow Home Value Index Median Sales Prices, 2012, 2017, 2020, 2021

²⁷ U.S. Census Manufacturing, Mining and Construction Statistics, 2017, 2021

How Do We Build this Pillar?

There is no doubt that Cuyahoga County's housing market is experiencing a period of confidence unlike it has seen in decades. This is due in part to the county's establishment of the County Housing Program in partnership with the Cuyahoga Land Bank in 2019. The Cuyahoga Land Bank is part of a network of organizations using its financial and land acquisition tools to help stabilize neighborhood property values and hold onto properties until they are ready for redevelopment or infill development.

Yet, the barriers for individuals and families who seek to purchase a home in the east side of Cleveland and the eastern inner ring suburbs in 2017 continue to exist today, and in some cases are even steeper to climb. The pervasiveness of outside investors purchasing homes in these communities is predatory and results in an uneven distribution of the benefits that come with an improving housing market. And for those low-income homeowners, the threat of tax delinquency continues to threaten their housing stability. As the County has already demonstrated, these are solvable problems when the correct policies and programs are in place, and resources are targeted to those who need them most. County leadership will need to target resources, reform policies, and break the systems that perpetuate these inequities suffered particularly by the county's Black and brown residents if they seek to foster an equitable and prosperous future for all.



Homes on the east side of Cleveland and in East Cleveland are still only valued at

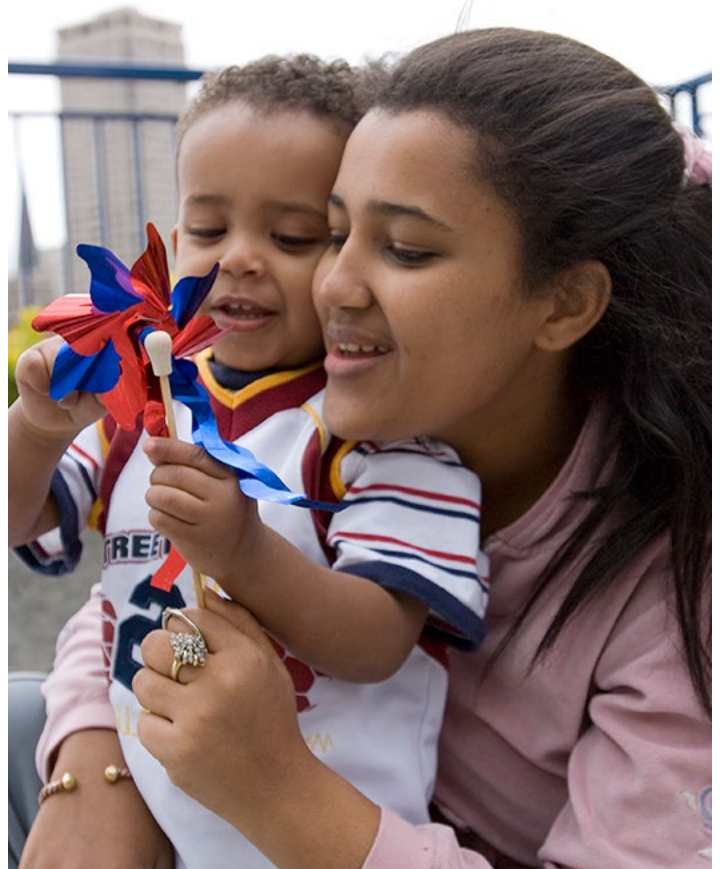
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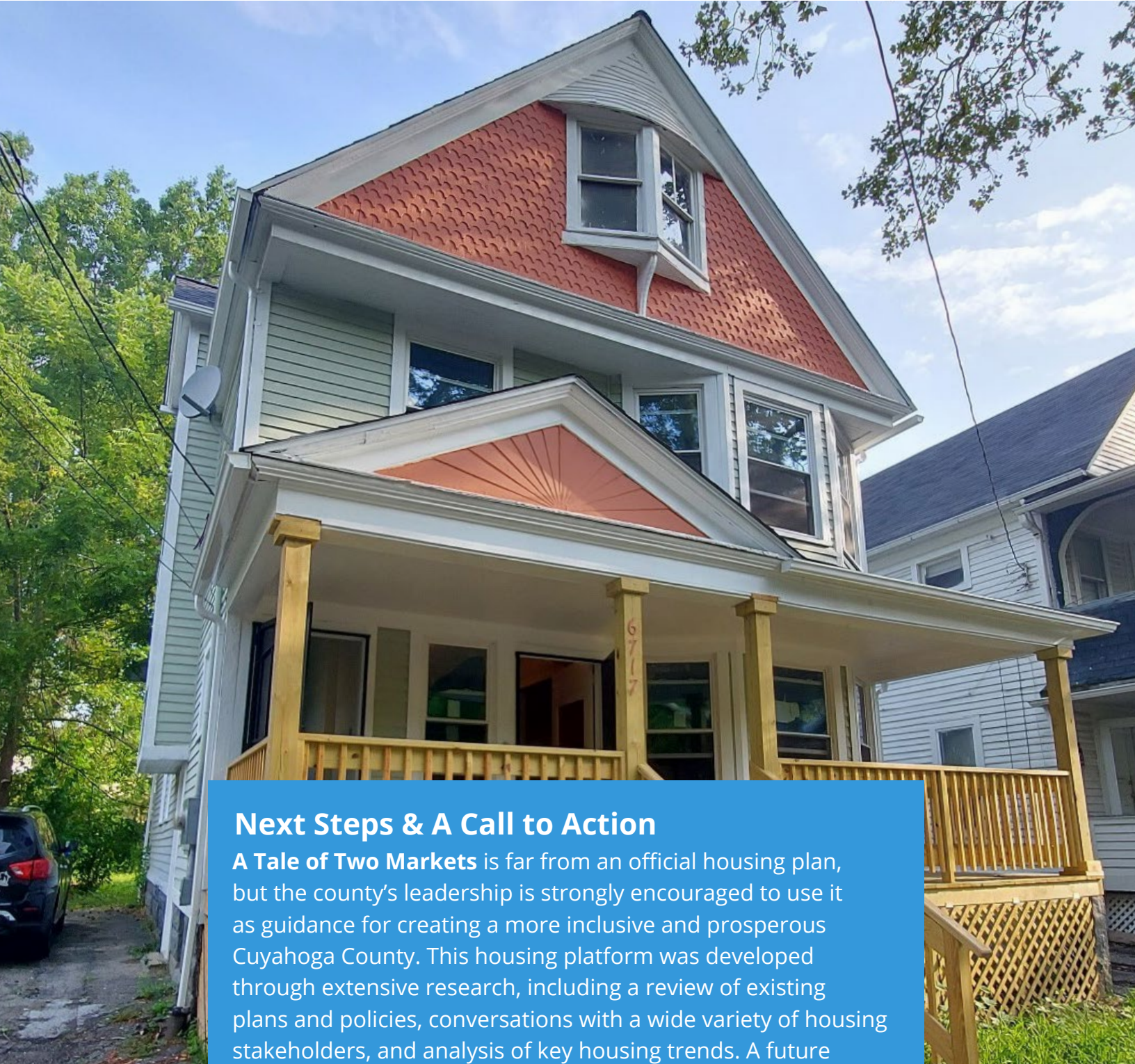
of what they were in 2005.



Potential Strategies

- Clearly and comprehensively target programming and funding towards identified needs and communities that create impact, or which have been most negatively affected by housing trends
 - Work collaboratively with the County municipalities, the Cuyahoga Land Bank, and other stakeholders to address the abandonment and blight that continues to undermine wealth and equity in majority Black neighborhoods.
- Align housing and planning initiatives with other larger economic development and community planning initiatives that focus on density and transit-oriented development
- Define and fully implement the County's role in supporting code enforcement and rental registration efforts
 - Consider strengthening code enforcement by recruiting more code enforcement officers, possibly through a university partnership. Code enforcers could be hired at the County level and "lent" out to municipalities as needed.
 - Consider policies that protect residents from predatory investors, many of which can be found in a recent VAPAC study titled [The Impact of Real Estate Investor Activity on the Cuyahoga County, Ohio Housing Market 2004-2020](#)
- Consider investing in innovation housing production, such as manufactured/modular housing as infill development done at scale where there are several parcels of vacant/recently cleared land
- Continue and expand the 2019 County Housing Program with the Cuyahoga Land Bank. Improve the Program with additional strategies:
 - Consider an expanded direct transfer provision
 - Consider creating a forum or avenue for broader housing stakeholders to work with the County and the Cuyahoga Land Bank in their land acquisition strategy and disposition process
- Continue funding and enhancing the Tax Delinquency Response unit with the primary responsibility of enhancing collection effort
 - Consider eliminating tax lien sales or maintaining current consumer protections and further enhancing them by bidding down interest rate, including bonding language to cover property maintenance/demolition and eliminating the lienholder's ability to reassign liens.
- Pursue creating the most flexible payment plans allowable under Ohio Revised Code, targeting marketing of easy pay programs, increasing community awareness of payment programs, and resourcing counseling services that will include modified tax payment contracts for eligible residents
- Through state legislation and/or local programming, pursue providing tax relief for qualified low-income or fixed-income residents, especially for those located near areas of growing displacement pressure.





Next Steps & A Call to Action

A Tale of Two Markets is far from an official housing plan, but the county's leadership is strongly encouraged to use it as guidance for creating a more inclusive and prosperous Cuyahoga County. This housing platform was developed through extensive research, including a review of existing plans and policies, conversations with a wide variety of housing stakeholders, and analysis of key housing trends. A future housing plan must incorporate community engagement and a more detailed qualitative and quantitative housing analysis, as well as a clear strategy for program and policy implementation complete with timelines and funding resources.

Statistics and data, while essential tools for understanding a housing ecosystem, are not needed to illustrate the dramatic change that Cuyahoga County's housing market has experienced over the past five years. **A Tale of Two Markets** has demonstrated that most if not all residents of Cuyahoga County have been touched by it and are experiencing this change, whether it be through increased home values, sales prices, higher rents, higher property taxes, more blight removal and construction, and greater competition for homebuyers and mortgage borrowers, just to name a few. It should be clear by now that Cuyahoga County's housing market is not monolithic nor should its recent activity be viewed as unambiguously positive.

"If you're not looking at housing, you're not looking at the big picture."

-Stakeholder Group Member

Furthermore, it is important to recognize that the County's divergent housing markets are not a product of individuals or individual choices. Rather, they are a consequence of the county's legacy of segregation, redlining, and predatory lending which has resulted in starkly apparent geographic differences in access to housing opportunities. Fostering a stable housing market in Cuyahoga County that advances racial equity and increases economic mobility will require a reinvention of the systems and practices in place that address the County's housing needs. The first step in doing so would be to adopt the four pillars that prop up this equitable housing platform.

Additionally, there are three overarching and concrete steps that Cuyahoga County's new leadership should take to start to achieve this:



1. Create a Cabinet-Level Housing Czar



2. Dedicate Revenue for a Local Housing Fund



3. Adopt a Housing is a Human Right Policy

Cuyahoga County has seen a nearly unprecedented and largely unpredicted change in its housing market over the past five years. There is a lot that the county has gained and will continue to gain as the county's overarching housing market improves. It is absolutely imperative that Cuyahoga County's new leadership recognizes that these benefits need to be shared with all and doing so is only possible by adopting a truly equitable housing platform.

A Tale of Two Markets:

Equitable Housing Platform for Cuyahoga County