

# **Resident Engagement & Neighborhood Revitalization Strategies**

**Detroit Shoreway CDO  
September 24, 2008**

# Model Blocks Program



# Model Blocks Program

- ◆ Targeting 150 homes surrounding “Anchor Project” (Battery Park)
- ◆ Provide existing homeowners (and landlords) with:
  - \$2,000 matching exterior home improvement grant
  - \$500 exterior home improvement grant
  - \$500 landscaping grant
  - \$450 vouchers for exterior paint
  - \$20,000 for trees and decorative light poles
  - To date, 49 homes have accessed \$30,000 in grant dollars that have leveraged another \$43,000 in private investment
- ◆ Provide CDCs grants and lines of credit for acquisition, rehab and demolition

# Model Blocks Program





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# Opportunity Housing

## Program Summary

- ◆ Partnership between Neighborhood Progress Incorporated (NPI), Cleveland Housing Network (CHN) and 6 area CDCs
- ◆ CDCs locate the homes, NPI through a subsidiary is the financier, and CHN will carry out the rehabilitation
- ◆ 3-year pilot program aimed at reclamation of neighborhoods at 3 levels
  - **Mitigation** – save 100 at-risk homeowners from foreclosure (per year)
  - **Demolition** - demolish 100 structures not suitable for rehab (per year)
  - **Redevelopment** – rehab 50 vacant homes for sale or short-term lease purchase (per year)
- ◆ 3-year totals include: 300 demolitions, 300 homes saved from foreclosure and 150 redeveloped vacant structures across 6 neighborhoods
- ◆ All for-sale homes will target buyers between 60-80% AMI
- ◆ Homes not sold outright will be converted to 3-year Lease Purchase

# Opportunity Housing

## Financing Model (Per Year)

- ◆ Total development costs are approximated at \$125,000 per house (\$25,000 for holding costs, \$100,000 for acquisition and rehab)
- ◆ \$1.5 million (\$30,000/home) subsidy from Ohio Housing Finance Agency
- ◆ \$500,000 (\$10,000/home) subsidy from City of Cleveland Housing Trust Fund
- ◆ \$500,000 (\$10,000/home) deferred second mortgage from City of Cleveland Afford-A-Home

## Example

\$125,000	Total development cost
-\$ 30,000	OHFA write down
<u>-\$ 10,000</u>	Housing Trust Fund write down
\$ 85,000	Sales Price
<u>-\$ 10,000</u>	Afford-A-Home write down
\$ 75,000	Bank first mortgage



# 3<sup>rd</sup> Party Rehabilitation

- ◆ DSCDO uses its 501 (c)3 status to achieve property donation or discounted rates on REO properties.
- ◆ DSCDO then sells homes to investor/rehabber at prices below what they would have been able to purchase the home from banks/mortgage companies.
- ◆ Selective selling process to only proven and trusted investors/rehabbers.
- ◆ Reduced acquisition price permits rehabber to either increase investment in the home or extend holding period on market if home is not selling.
- ◆ DSCDO charges minimal administrative fee for our services and DSCDO and new owner complete tandem marketing.
- ◆ Include reversion clause in the deed stating that a home not rehabbed to a certain standard or within a certain period of time will revert back to DSCDO.

# Westside Housing Center

- ◆ Collaboration of 8 Cleveland-area organizations

## **Services offered**

- ◆ **(1) Housing Assistance**

- foreclosure prevention
  - home repair loan offerings and application assistance
  - promotion of homeownership
  - promotion of rental housing options
  - linking investors with available properties

- ◆ **(2) Education**

- first-time homebuyer awareness
  - moving from renting to owning
  - financial literacy (budgeting, improving credit, savings plans, ect...)
  - individual development accounts
  - employment assistance (job searching, interview skills, resume)
  - basic computer skills
  - responsible renter awareness
  - beginning investor principles and education

# Gordon Square Arts District

## Arts as a catalyst for economic development

- ◆ Renovation of Capitol Theatre
- ◆ Renovation of Cleveland Public Theatre
- ◆ Construction of new Near West Theatre facility
- ◆ Streetscape improvements (i.e. buried utilities, public art, widened sidewalks, new lighting, street trees)
- ◆ Parking expansion



**GORDON  
SQUARE**



# Gordon Square Arts District



*Near West  
Theatre*

*Capitol Theatre*



# Gordon Square Arts District

- ◆ Project will create \$30 million in investment

## Results

- ◆ Project will leverage additional \$500 million in economic development
- ◆ Economic Impact Analysis determined district will create 1,000 new jobs in and around the neighborhood
- ◆ 730 housing units recently under construction or planned.
- ◆ Already 14 new businesses have located in the neighborhood with an estimate of 25 total by Spring of 2009
- ◆ Spillover effects on adjacent residential streets

# Neighborhood Attributes Supporting Development

- ◆ CDC capacity – 32 employees
  - Economic development
  - Energy conservation and weatherization
  - Safety
  - Code enforcement
  - Environmental sustainability
  - Fund development
  - Housing development
  - Property management
  - Youth development
  - Community organizing and advocacy
  - Arts district expansion
  - Resident services
- ◆ Positive relationship with political bodies
- ◆ Proximity to Lake Erie and Downtown
- ◆ 4 Historic Districts
- ◆ 20+ Churches and 8 Schools in Service Area
- ◆ National notoriety of demonstration projects
- ◆ CDC catalyst for private sector development
- ◆ 12 engaged block clubs



# Resident Engagement Strategies

## Garnering Attention

- ◆ Disseminating information regarding financial implications of vacant properties
- ◆ Distribution of vacancy reports and pending sheriff sales
- ◆ Disseminating information regarding recent sales, condemnations and pending demolitions
- ◆ Community planning around green-space
  - Orchards
  - Dog parks
  - Farmers markets
  - Private lot expansion
  - Reading gardens
  - Infill new construction

# Resident Engagement Strategies

## Methods of Engagement

- ◆ Collaboration creating annual demolition “wish list”
- ◆ Draw on resident testimony for housing court cases
- ◆ Facilitate creation of resident LLCs to acquire and rehabilitate properties
- ◆ Dissemination of property preservation, servicer and city department points of contact
- ◆ Assist in grant-writing for community grant programs (i.e. Neighborhood Connections & Cityworks)
- ◆ Provide financial incentives and matching grants for exterior improvements
- ◆ Technical assistance for completing home improvement loan applications
- ◆ Foreclosure prevention outreach and locally based assistance (in conjunction with CWRU)



**\$500.00 Winner in 2007**

Best Landscaping Award  
Billy & Crystal Coakley  
7423 Goodwalt Avenue  
**\$500.00 CASH PRIZE**

Who will win in 2008? It could be you!!  
The work must be completed by July 31<sup>st</sup>, 2008 to be eligible