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
Model Blocks Program
Model Blocks Program
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**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total development cost</td>
<td>$125,000</td>
</tr>
<tr>
<td>OHFA write down</td>
<td>-$ 30,000</td>
</tr>
<tr>
<td>Housing Trust Fund write down</td>
<td>-$ 10,000</td>
</tr>
<tr>
<td>Sales Price</td>
<td>$ 85,000</td>
</tr>
<tr>
<td>Afford-A-Home write down</td>
<td>-$ 10,000</td>
</tr>
<tr>
<td>Bank first mortgage</td>
<td>$ 75,000</td>
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</tbody>
</table>
3rd 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 reh abb ed 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, etc...)
  - 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 Arts District

Capitol Theatre

Near West 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 31st, 2008 to be eligible