



**COMMUNITIES at
the CROSSROADS**
**A Survey of Five
First-Ring Suburbs**

2017 PROPERTY SURVEY
EUCLID | GARFIELD HEIGHTS | MAPLE HEIGHTS
SOUTH EUCLID | WARRENSVILLE HEIGHTS

Contents

01	INTRODUCTION	1
02	EXECUTIVE SUMMARY	3
03	ABOUT the SURVEY	6
04	DECISION SUPPORT TOOLS	10
05	REAL ESTATE MARKET TRENDS	14
06	IMPACTS of DEMOLITION & REHABILITATION	26
07	COMMUNITY CONDITIONS	32
	Euclid	38
	Garfield Heights	50
	Maple Heights	62
	South Euclid	74
	Warrensville Heights	88
08	GROWING GREENER	100
09	SUBURBAN FUTURES	105
10	ACTION AGENDA for FIRST-RING SUBURBS	109
	Further Reading	115
	Acknowledgments	117

01 INTRODUCTION

Jim Rokakis

Western Reserve Land Conservancy’s urban arm—Thriving Communities—has conducted property surveys of communities in Northeast Ohio since 2013. The most significant survey was the 2015 Cleveland property inventory which provided a detailed look at the property conditions throughout the City of Cleveland, block by block and building by building—almost 160,000 properties in total.

The foreclosure crisis that devastated Cleveland for over a decade and the resulting “Great Recession” created thousands of vacant and abandoned buildings and exacerbated the already serious conditions in distressed Cleveland neighborhoods. While less publicized, the foreclosure crisis also had a detrimental impact in Cleveland’s first-ring suburbs—communities that had suffered decline from decades of out-migration and disinvestment. These suburbs also suffered vacancies, increased foreclosures, and declining property values. The 2015 Cleveland survey aided policymakers on the ground, assessing which properties were most distressed and candidates for demolition, and which could be salvaged. This report provides the same opportunity for suburban policymakers.

Over the past several years, significant economic resources were made available to the City of Cleveland and the Cuyahoga County Land Reutilization Corporation (CCLRC), commonly known as the Cuyahoga Land Bank, including:

- Monies from the 50 state “Robo-Signing” settlement—a lawsuit brought against five major banks involved in fraudulent foreclosure practices;
- Reallocation of the Hardest Hit Funds (HHF) located in the Troubled Asset Relief Program (TARP); and
- A commitment by Cuyahoga County government provided the resources to make a significant impact on the problem of vacant and abandoned properties. Over \$100 million raised through these sources has eliminated approximately 75 percent of the vacant and abandoned residential structures in Cleveland and the majority of blighted structures in the suburbs that are the subject of this report. By the end of 2020, we believe that most of the blighted structures in Cleveland, and suburban properties falling into distress, will be eliminated.

Those behind the destructive real estate practices in Cleveland learned that the suburbs, in particular the first-ring suburbs, were fertile ground for speculation and faulty mortgages that came with that speculation. The foreclosure rate in Cuyahoga's first-ring suburbs, particularly in eastern Cuyahoga County, took off in 2003. By 2010, these communities had experienced issues that were already present in Cleveland: increased vacancies, significantly reduced property values, higher property tax delinquency rates, and blight—and many smaller suburbs lacked the staff capacity and resources to aggressively address the problem.

Most encouraging about the survey, and blight-fighting efforts through the CCLRC, is that there are few blighted, abandoned properties awaiting demolition in the five suburbs in this survey. However, property values are still struggling to recover, home ownership has declined, and property tax delinquencies have increased in these communities.

The good news for the five first-ring suburbs in this survey is the quality of their housing stock. While there are limitations to an exterior-only survey, it is encouraging that over 98 percent of the surveyed homes are in excellent or good condition. This is critical. As public health expert Dr. Megan Sandell recently noted:

Stable, affordable housing serves as the first vaccine in a series to ensure healthy people and communities. You need good education, public safety, and decent jobs as well, but if you don't start with housing, none of these interventions will work well.¹

1 The Housing Vaccine: Why a Stable, Decent Affordable Home Keeps Kids and Families Healthy. Address to Affordable Housing Alliance Central Ohio, Columbus, 20 November 2015.

In 2017, Cleveland Neighborhood Progress (a nationally recognized community development funding intermediary) hosted Dr. Paul Brophy, the editor of a book entitled *On the Edge: America's Middle Neighborhoods*. The book focuses on neighborhoods not yet in distress but clearly not thriving. Middle neighborhoods are more of a concern in cities with declining populations. These cities have been labeled legacy cities—older industrial cities in the Northeast and Midwest, over 50,000 in population, that have lost more than 20 percent of their population since mid-century.

Cleveland, a city that had 920,000 residents in 1950, but has fewer than 400,000 people today, qualifies as a legacy city and has numerous middle neighborhoods. 38% of the population of Cuyahoga County lives in a first-ring suburb, like the five suburbs surveyed in this report. We use the concept of the middle neighborhood to provide a framework for discussion around what first-ring suburbs face, and what prescriptions might be offered to restore these communities to full health.

As Western Reserve Land Conservancy researcher Frank Ford points out, property values in the first-ring suburbs have not recovered yet from the foreclosure crisis. Leaders in these communities are concerned that a process of 'filtering' will ensue, whereby landlords and homeowners spend less on the upkeep of their properties for fear they will not see a return on their investment.

The decline in upkeep and standards keeps property values down, thereby reducing property tax revenues and further stressing the economies of these communities. This begins a process of decline that is self-fulfilling and costly to reverse. The importance of developing a strategy of early intervention is critical, as it will be far more cost-effective to deal with this problem now than later.

02 EXECUTIVE SUMMARY

Communities at the Crossroads: A Survey of Five First-ring Suburbs measures the assets of five first-ring suburbs within the context of larger economic and social trends affecting these communities and the entire region. This report also assesses the impact that demolition, rehabilitation, and other housing initiatives have on building inventories and the local tax base.

POSITIVE FINDINGS

- 98% of the housing inventory is rated in excellent or good condition in these five suburban municipalities.
- The most severely blighted properties have largely been addressed; there are very few blighted, abandoned structures awaiting demolition.
- Mortgage foreclosures and sheriff sales have declined dramatically.
- The number of vacant structures has decreased.
- Median home sale prices are on the increase, although they have not regained either their peak 2005 or 2000 levels.

AREAS OF CONCERN

- Homeownership has been declining in all five communities since 2000, although the decline appears to be leveling off in Garfield Heights and Warrensville Heights.
- Residential property tax delinquency is a serious problem for Cuyahoga County as a whole, but is increasing more rapidly in the five suburbs. If not addressed, this will lead to an increase in tax foreclosure and a new cycle of property abandonment.
- While vacancy is decreasing, each suburb has homes that have been vacant for one year or longer. If these properties are not maintained, they could represent a new wave of distress that will undermine the housing market.
- Median home sale prices have not regained either their peak 2005 or 2000 levels.
- Access to bank financing for home purchase and home rehabilitation appears to be a challenge for the five cities. Addressing this issue will be important for increasing levels of homeownership and restoring a healthy housing market.

A proposed action agenda for first-ring suburbs includes:

1. **Monitor Property Conditions.** While the vast majority of the properties surveyed are in good or excellent condition, it is critical that the cities in this survey maintain strong and viable building and housing departments that keep a close watch on property conditions on an ongoing basis to prevent a decline in property maintenance.
2. **Enforce Building Codes.** Code enforcement and compliance is already high in the five suburbs. But continued vigilance is essential, especially in neighborhoods with many vacant houses and growing numbers of rental properties.

Intact neighborhoods are essential for attracting new residents, so encourage rehab wherever possible and demolish only when necessary. For example, vacant property registration ordinances enable cities to keep track of property owners, inform them of maintenance requirements, collect registration fees and, if necessary, cite for violations that might occur.
3. **Reduce Tax Delinquency.** Getting to people early in the delinquency period makes repayment plans far more manageable and prevents large, uncollectable delinquencies. Consider outreach to delinquent taxpayers in your communities; consider legislation to prohibit the registration of rental properties with delinquent tax balances; and work proactively with the County Treasurer to move severely delinquent properties through the tax foreclosure process.
4. **Expand Homeownership.** The transition of a neighborhood from one of mostly homeowners to one with higher percentages of renters can be disruptive. Mortgage assistance and rent-to-own programs can help turn renters into homeowners. Consider adopting pro-integrative programs which can help discourage self-segregating behavior and promote neighborhood diversity.
5. **Market First-ring Neighborhoods.** First-ring suburbs should invest in up-to-date market data about the kinds of households and businesses that could be attracted to your communities. If you know who you're trying to reach, it is easier to launch targeted outreach efforts. For Cleveland's first-ring suburbs to capture a larger share of the regional housing market, the advantages of these communities need to become better known, especially to the range of households who would be most interested in the housing and amenities found in the first-ring.
6. **Expand Access to Home Mortgages.** A lack of mortgage lending is turning suburban communities into cash markets, which suppresses housing values. Leaders must continue to work with local lenders to create a mortgage product for mortgages under \$50,000.
7. **Expand Financial Tools for Home Rehabilitation.** Cuyahoga County is uniquely positioned to create a loan loss reserve fund that could be used to enhance an existing home improvement loan program. People with weak credit scores are hard to finance, but statistics show that the majority of borrowers will make good on their loan obligations.

8. **Address Edge Conditions.** Collaborative programs are needed to deal with edge conditions where inner- ring suburbs adjoin the cities of Cleveland and East Cleveland. This could include joint streetscape projects that provide visual continuity between city and suburb, and allow for greater connectivity of bike lanes and pedestrian infrastructure.

9. **Tackle Crime.** Vacant homes can become magnets for crime and cause a lack of confidence in local housing markets. First-ring suburbs need to tackle crime aggressively, since people will not choose to live in a neighborhood where they feel unsafe. Communities can address blight early by staying ahead of unsightly houses, vacant lots, and abandoned automobiles. And the good news is that early blight remediation efforts have largely accomplished this.

10. **Foster Social Cohesion.** Encourage residents to work together to promote their neighborhood's identity and help market a neighborhood's strengths. Some urban strategists recommend enlisting residents to become 'sales agents' for their neighborhood. Small, inexpensive improvement projects, sponsored by the local government, or perhaps the county government, could help to spark new interest in under-appreciated neighborhoods. Encouraging community spirit through festivals and block parties can help to create neighborhood unity.

To assist with the implementation of these recommended actions, each of the five suburbs is equipped with Neighborhood Intel, a decision support tool created by Dynamo Metrics. This tool allows communities to monitor the impact of demolition and rehabilitation efforts, while easily identifying trouble spots so that targeted intervention strategies can be implemented.



SURVEY TEAM for the Five Suburb Property Survey.

03 ABOUT the SURVEY

Western Reserve Land Conservancy's Thriving Communities program conducted a parcel-by-parcel property survey in 2017 in cooperation with the mayors and building and housing departments in Euclid, Garfield Heights, Maple Heights, South Euclid, and Warrensville Heights.

A 14-member team worked to inventory 56,346 parcels in the five suburbs. Information about each parcel, including its vacancy status, the condition of any structures on it, and a photograph, was recorded on a tablet computer. Each surveyor answered 28 questions pertaining to each specific property record. If team members were approached by local residents and neighbors, they recorded any comments provided, along with the data about each property.

Each of the five suburbs received two tablet computers, loaded with survey data for all properties in the community. These computers give the communities the ability to update and create their own data about local property conditions. For example, if building inspectors encounter deteriorated properties or changes in maintenance levels, the survey can be updated easily so the data remains current. These updates can reflect positive changes based on building permit activity, as well as negative changes based on observed conditions or complaints from neighbors. By keeping the survey data current, each community will be able to address minor issues quickly and keep them from spreading into major problems.

Survey team members were trained to assess each property in a consistent way, beginning with conditions of vacancy. They used the following questions to identify vacant structures:

1. Is the building open and unsecured? Are windows and doors missing?
2. Is the building boarded up?
3. Is there an accumulation of trash and debris on the property?
4. Is there some type of notification displayed on the property?
5. Is the house for sale or rent?
6. Is the grass cut?
7. Is the electric meter attached to the house?
8. Is the mailbox overflowing with mail?
9. Has siding been removed from the structure?
10. Are there any visible signs that people are living in the house?

VACANT RESIDENTIAL STRUCTURES

Comparing Survey Vacancy and Post Vacancy

City	Residential parcels	Vacant residential structures (survey)	% of residential structures vacant per survey	Vacant residential structures (US Postal - NEOCANDO)	% of structures vacant per postal vacancy	Survey vacancy as % of postal vacancy
South Euclid	8,741	208	2%	264	3%	79%
Euclid	15,670	563	4%	779	5%	72%
Warrensville Hts	3,396	72	2%	127	4%	57%
Garfield Heights	11,479	263	2%	544	5%	48%
Maple Heights	9,886	267	3%	600	6%	45%
Total	49,171	1,373	3%	2,314	5%	59%

FIGURE 3.01 Residential vacant structures by surveyed vacancy and postal vacancy. Source: NEO CANDO at Case Western Reserve University (CWRU) and US Postal data.

In suburban communities, buildings may look occupied even when they are not. Absentee owners will often maintain vacant properties to an acceptable standard in order to avoid citations from the city’s building department. Neighbors may also help maintain an appearance of occupancy by mowing the lawn and picking up trash. In well-maintained, intact neighborhoods, postal records provide an important supplement to a vacancy survey.

Figure 3.01 compares the number of structures the survey team identified as vacant, with vacancies from US Postal records. As an example, in Garfield Heights, 564 buildings are vacant according to postal records but only 294 of these buildings looked vacant according to the surveyors’ assessments. This discrepancy is a positive sign—it means that many vacant buildings look occupied and are therefore less likely to have a negative impact on surrounding property values. However, as noted in Section 5 of this report, properties left vacant and

unattended for an extended period of time will eventually deteriorate and undermine the value of neighboring properties.

With future analysis, it would be useful to compare the vacancy indicators observed by the surveyors in conjunction with postal vacancy records and local utility information. The combination of these three data collection methods would lead to an increased confidence in identifying vacant properties.

Property Grades

Each building in the five suburbs was given a grade of A through F based on exterior conditions, with A meaning excellent condition and F assigned to buildings that are deteriorated to the point of being unsafe or hazardous. (Figure 3.02)

Although no property inventory this large and comprehensive can be perfectly accurate, there were quality control measures built into the process to ensure that the information recorded by the project team reflects actual conditions.

PROPERTY INVENTORY GRADING SYSTEM



A EXCELLENT

- No visible signs of deterioration
- Well maintained and cared for
- New construction/renovation
- Historic detailing, unique



B GOOD

- Needs basic improvements
- Minor painting required
- Removal of weeds
- Cleaning necessary



C FAIR

- Some cracking of brick or wood
- Major painting required
- Deteriorated cornice
- Crumbling concrete
- Cracked windows or stairs



D DETERIORATED

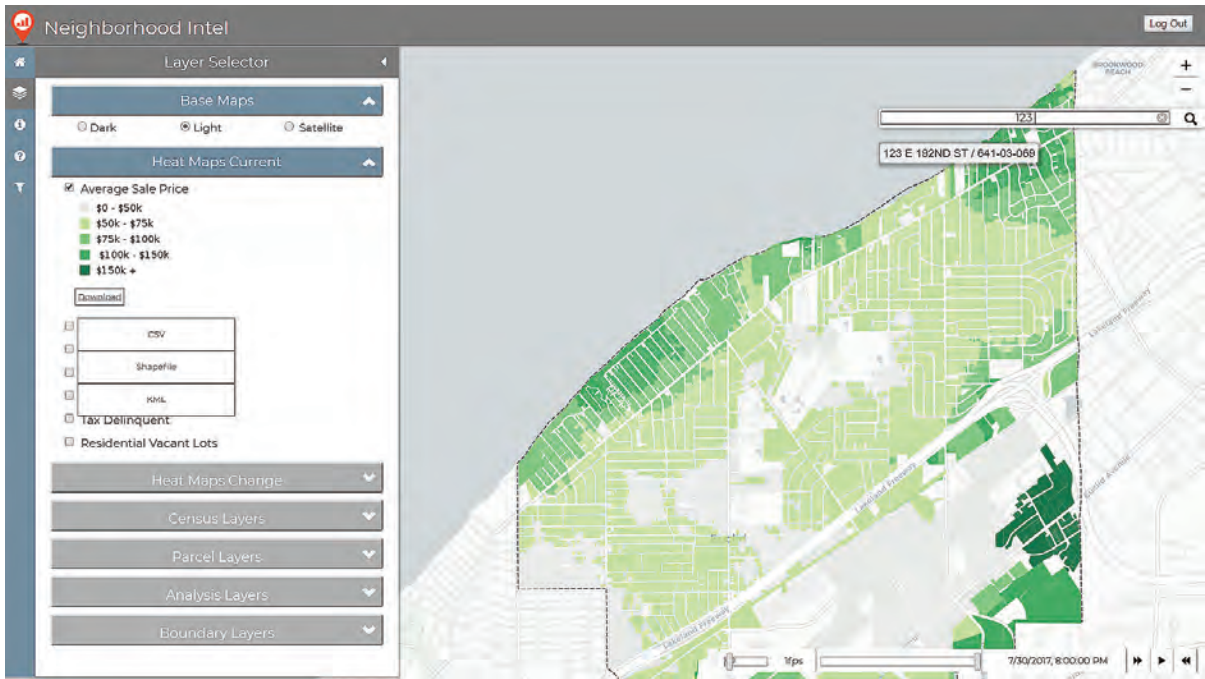
- Major cracking of brick, wood rotting
- Broken or missing windows
- Missing brick and siding
- Open holes



F UNSAFE/HAZARD

- House is open and a shell
- Can see through completely
- House ransacked / filled with trash
- Immediate safety hazard

FIGURE 3.02 Property grading criteria



ABOVE Screenshot of Neighborhood Intel data portal for the City of Euclid.

04 DECISION SUPPORT TOOLS

Neighborhood Intel™ Mapping Tool and Dashboard

Dynamo Metrics developed Neighborhood Intel, a web-based mapping and decision support tool, that allows in-depth analysis of properties in the five suburban municipalities. Neighborhood Intel provides a context for the property survey, including indicators of neighborhood health and economic activity based on NEO CANDO and census bureau data. Neighborhood Intel also estimates property value impacts caused by residential demolition and programmatic rehabilitation completed since 2009 in the five suburbs.¹

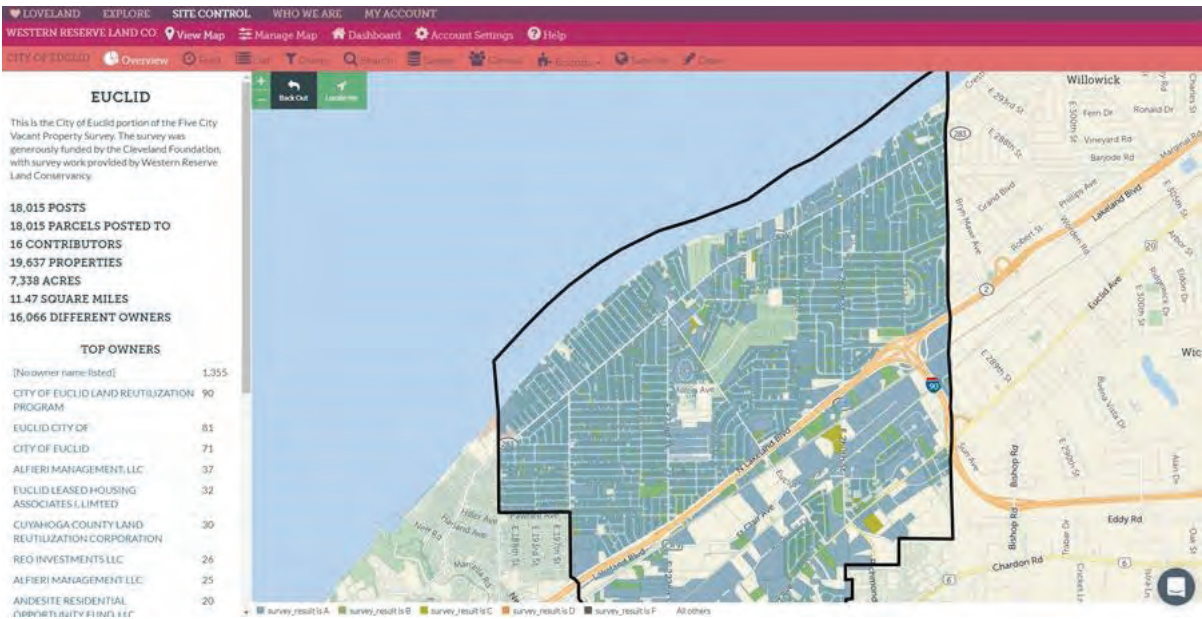
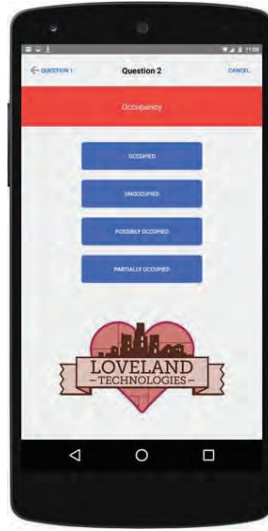
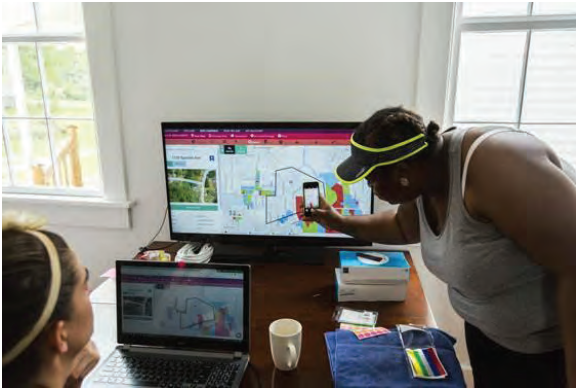
The data in Neighborhood Intel can be used to develop neighborhood programs and policies and to measure the impacts of these efforts. It can also be used for original research and to monitor trends at the neighborhood scale and across all five municipalities.

With Neighborhood Intel, each community can sync data across multiple departments and agencies. It is possible to share data publicly through an open portal or for a city to use data strategically as an internal tool. Cities have the option to choose which data is for internal use only and which can be shared publicly. Neighborhood Intel can be accessed at the following URLs:

- Euclid: oh-euclid.dynamo.city/public
- Garfield Heights: oh-garfieldhts.dynamo.city/public
- Maple Heights: oh-maplehts.dynamo.city/public
- South Euclid: oh-seuclid.dynamo.city/public
- Warrensville Heights: oh-warrensvillehts.dynamo.city/public

Each property and neighborhood can viewed through these portals to find its attributes. Heat maps show concentrations of occupancy, home values, and tax delinquency. There are also heat maps that show concentrations of change over one- and five-year time periods. Information from the US Census Bureau (at the census tract level) has been included as well. Detailed information can be found by clicking on each property, including the impact of rehabilitation and demolition. Changes in occupancy and tax delinquency at the property level can be viewed for any time period between 2009 and the second quarter of 2017 using the time slider. Filtering tools allow the user to query specific types of properties.

¹ Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.



ABOVE Loveland Technologies mapping tools.

Loveland Technologies Mapping Tool

Western Reserve Land Conservancy used Loveland Technologies' Site Control software to conduct the property inventory portion of this project. Loveland's mobile app, which is available on both iOS and Android, allows any number of surveyors in the field to take pictures and collect property information to be uploaded to a map in real time. The password-protected website has the ability to create accounts, manage surveyors, monitor performance, and conduct quality control as the data streams into the live mapping feature. Data analysis can occur directly in the Loveland website, and the data and imagery can also be exported for use in other data analysis tools. The Land Conservancy has used the Loveland app for multiple property inventory projects, including large, highly coordinated city- and statewide campaigns, to smaller neighborhood projects.

The Loveland system is accessible through www.makeloveland.com. The system enables users to:

- *Create parcel maps:* Allows users to make beautiful parcel maps with no GIS experience required. Site Control comes pre-loaded with detailed parcel information including ownership and basic assessment data, as well as lets users add and query data simply, and quickly. Querying helps to visually explore data and uncover patterns within the built environment.
- *Survey property:* The survey editor makes it easy to create unique multiple choice or open-ended survey questions. These questions are then uploaded to the Loveland App to survey properties in the field, or add and edit information to a map from a computer with desktop surveying. Data collected in the field hits the Site Control account live, which means no need for digitizing, downloading, or uploading results.
- *Collaboration & sharing:* The Site Control account ensures that the data collected is completely private and secure. This grants full control over who can access the maps and data you create. These maps and data can be shared with team members and colleagues, or any other authorized user that has an account. Site Control maps can also be published on a "read only" basis, which can be embedded in web pages.
- *Import & export data & maps:* The Land Conservancy imported a large amount of existing data into Site Control thanks to the team at NEO CANDO. The tool easily lets you upload your own parcel datasets (CSV or Excel), or integrate data from an open data portal. Site Control allows you to drag-and-drop a file or copy-and-paste a link. To work with Site Control data in other programs, data can be exported as a spreadsheet, shapefile, and other file types.

FIVE SUBURBS PROPERTY CLASSIFICATION

City	Residential		Commercial		Industrial		Land bank		Tax Exempt		Highway & Utilities		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
South Euclid	8,741	95%	273	3%	26	0.3%	76	0.8%	109	1%	--	--	9,225
Euclid	15,670	92%	675	4%	192	1.1%	236	1.4%	261	2%	13	0.1%	17,047
Garfield Hts	11,479	91%	557	4%	126	1.0%	188	1.5%	233	2%	10	0.1%	12,593
Maple Hts	9,885	91%	453	4%	91	0.8%	304	2.8%	142	1%	31	0.3%	10,906
Warrensville Hts	3,396	84%	353	9%	93	2.3%	115	2.9%	61	2%	8	0.2%	4,026
													53,797

FIGURE 5.01 Five Suburbs Property Classification
Source: NEO CANDO at CWRU.

05 REAL ESTATE MARKET TRENDS

Frank Ford

The five suburbs in this survey vary in size and in types of property. Euclid has the greatest number of parcels at 17,047; Warrensville Heights has the smallest footprint at 4,026 parcels. South Euclid has the highest percentage of property classified as residential (95%) while Warrensville Heights (84%) has the lowest percentage of residential parcels. Conversely, Warrensville Heights has the highest percentage of commercial and industrial-class property (9%) while South Euclid (3%) has the lowest percentage of commercial and industrial-class property. Figure 5.01 provides a comparison of property classifications.

The real estate market is improving in these five suburbs, as shown by these positive trends:

1. Mortgage foreclosures have declined dramatically.
2. Sheriff sales from mortgage foreclosures have also declined.
3. The number of vacant structures has decreased.
4. The most severely blighted properties have largely been addressed.
5. The housing stock is generally in good condition.
6. Median home sale prices are increasing.

However, there are several areas of concern:

1. Homeownership has been declining since 2000, although the decline appears to be leveling off in Garfield Heights and Warrensville Heights.
2. Residential property tax delinquency is a serious problem for the county as a whole, but is increasing more rapidly in the five suburbs. If not addressed this will lead to an increase in tax foreclosure and a new cycle of property abandonment.
3. While vacancy is decreasing, each suburb still has homes that have been vacant for an extended period. If these are not maintained, they could represent a new wave of distress that will undermine the housing market.
4. Median home sale prices have not regained either their peak 2005 or 2000 levels.
5. Access to mortgage credit for home purchase and home rehabilitation appears to be a challenge for the five suburbs. Addressing this issue will be important for increasing levels of homeownership and restoring a healthy housing market.

MEDIAN PRICE - ARMS LENGTH SALES 2000 - 2016

Five Eastside First Ring Suburbs & Three Cuyahoga Regions

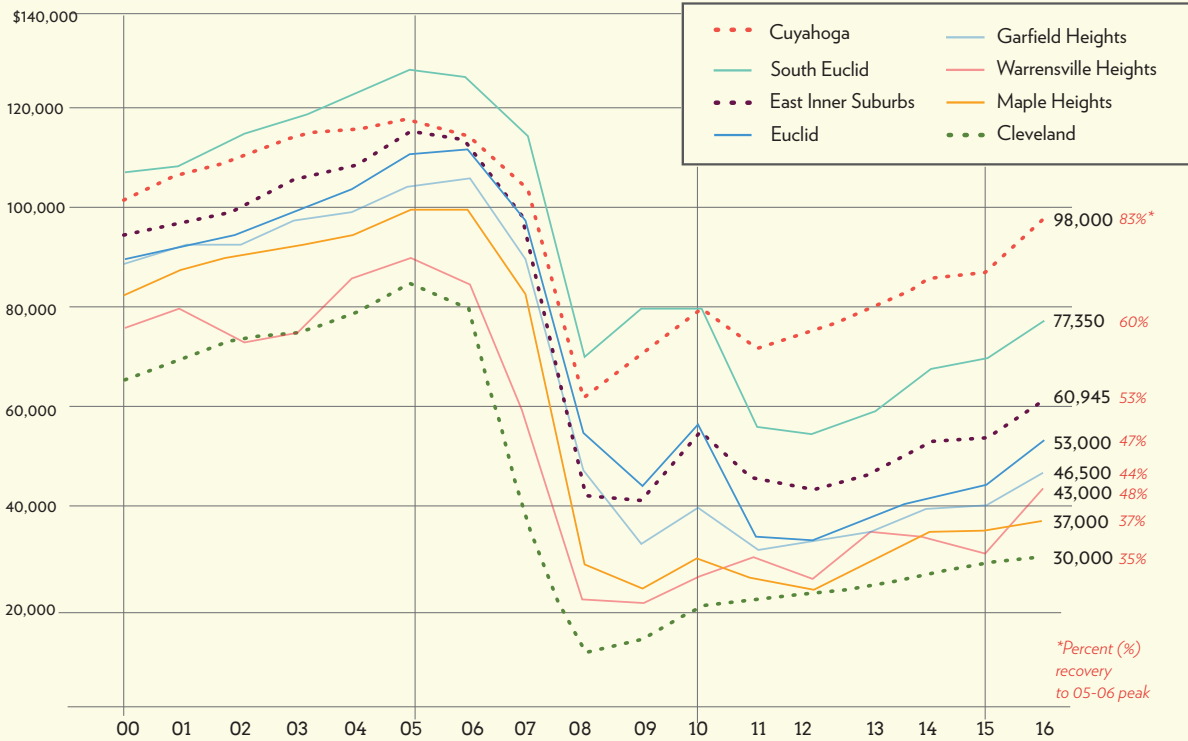


FIGURE 5.02 Median home sale price, arms length sales 2000-2016. Source: NEO CANDO at CWRU.

Arms length sales = sales on 1-3 family residential property that exclude: 1) transfers at Sheriff Sale; 2) \$0 transfers; and 3) transfers to a bank or federal agency; includes vacant lots >\$100,000.

IMPACT OF FORECLOSURE ON HOUSING MARKET RECOVERY						
City	Median peak sale price in 2005-06	Foreclosure filings 2006-2016	Residential parcels	% of filings to residential parcels	Median sales price in 2016	% recovery to 2005 peak price
Maple Heights	\$100,000	4,390	9,885	44%	\$37,000	37%
Garfield Heights	\$106,450	3,935	11,479	34%	\$46,500	44%
Euclid	\$112,000	6,141	15,670	39%	\$53,000	47%
Warrensville Heights	\$90,000	1,317	3,396	39%	\$43,000	48%
South Euclid	\$128,250	2,786	8,741	32%	\$77,350	60%
East first-ring suburb	\$115,700	27,455	79,255	35%	\$60,945	53%
West first-ring suburb	\$133,000	10,872	66,153	16%	\$119,900	90%

FIGURE 5.03 Impact of foreclosure on housing market recovery. Source: NEO CANDO at CWRU.

Median Home Sale Prices

On a positive note, home sale prices are recovering in the five suburbs since the market bottomed out in 2008. Notably, Warrensville Heights experienced a marked increase in 2017.

However, the level of recovery for the five suburbs lags behind the rest of the county, as shown in Figure 5.02. Median home sales price is still only at 37 to 60% of the peak years of 2005-2006, and only 45 to 72% of 2000 prices. South Euclid has seen the most robust recovery, while Maple Heights has just begun to recapture lost value.

Foreclosures have been decreasing in all five suburbs since 2012.

Mortgage Foreclosure

Euclid, Garfield Heights, and Maple Heights had the highest volume of foreclosure filings in the five suburbs, followed by South Euclid and Warrensville Heights. Foreclosures have been decreasing in all five suburbs since 2012 and leveled off between 2015 and 2016. However, both South Euclid and Maple Heights saw an uptick in mortgage foreclosure activity in 2016.

The number of foreclosures alone does not adequately suggest the impact of foreclosure, since the five suburbs vary significantly in size. Figure 5.03 compares foreclosure activity relative to the size of the community. Because there could have been several foreclosures filed on the same parcel over the 11 year period, the percentages cited below cannot be interpreted as the percent of parcels that have had a foreclosure. Nevertheless these percentages are useful as an indication of the volume of foreclosure activity distributed over different geographies.

The greatest concentration of foreclosure activity was in Maple Heights, followed by Euclid and Warrensville Heights. The concentration of foreclosures in these three communities was higher than in the eastside first-ring suburbs generally. The concentration in Garfield Heights and South Euclid was slightly less than the average for the eastside first-ring suburbs.

Early in the foreclosure crisis home sale prices in the eastside and westside first-ring suburbs were similar. But the concentration of foreclosures in the eastside suburbs was twice that of the westside suburbs (35% to 16%) resulting in a much greater drop in home sale prices in the eastside suburbs. By 2016, the westside suburbs had recovered 90% of their prior peak price, the eastside suburbs only 53%. Except for South Euclid, which has recovered 60% of its prior peak price, the market recovery for the five suburbs is below the average for all eastside first-ring suburbs and far below the average for westside first-ring suburbs.

SHERIFF SALES RESULTING IN RECORDED DEED 2000 - 2017 (DEC)

Counts Displayed are Peak Year and 2017

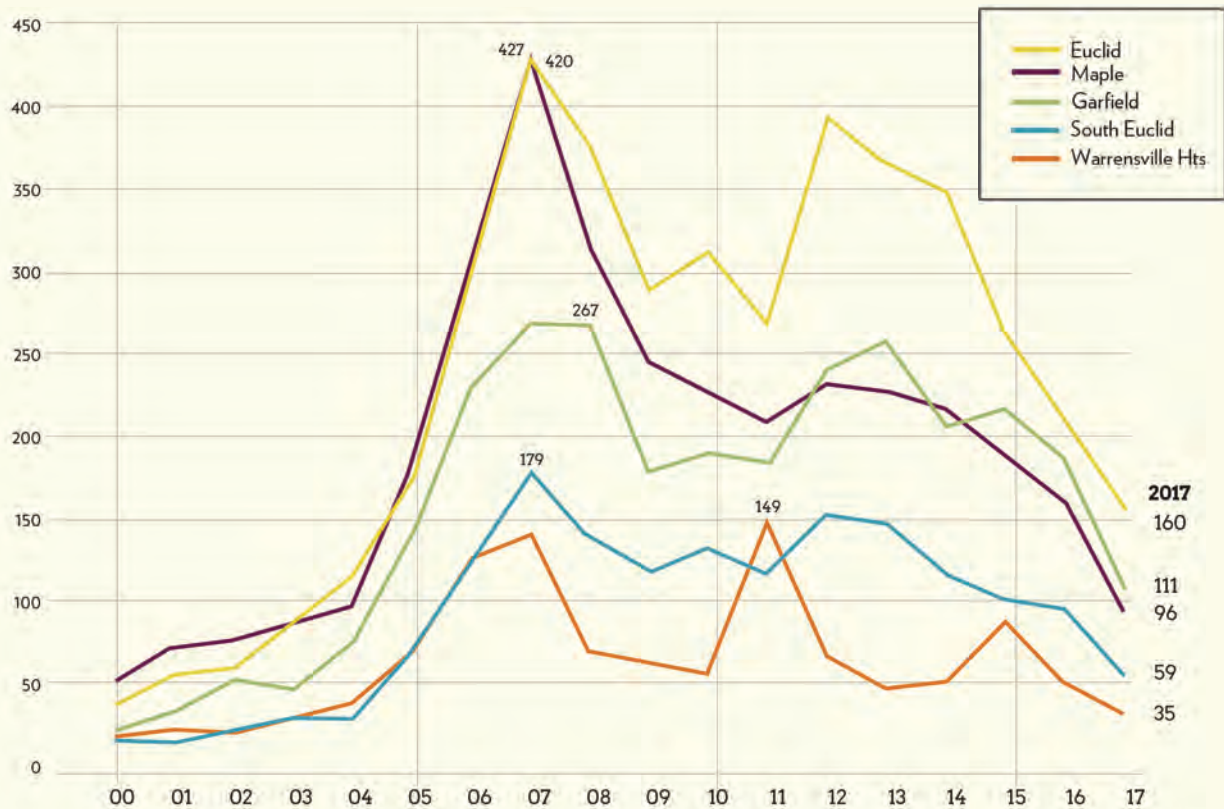


FIGURE 5.04 Sheriff Sales, resulting in recorded deed Jan 2000 - Dec 2017. Source: NEO CANDU at CWRU. Includes mortgage foreclosure, tax foreclosure, BOR foreclosure, tax certificate foreclosure. Excludes sales that were not recorded. Multiple Sheriff Sales may have occurred on a parcel in this 18-year period. All were included.

IMPACT OF SHERIFF SALES ON HOUSING MARKET RECOVERY

City	Recorded Sheriff sales 2000-2107	Residential parcels	% of sales to residential parcels	Peak median 1-3 family sale price 2005-2006	2016 median 1-3 family sale price	% market recovery to peak
Maple Heights	3,430	9,885	35%	\$100,000	\$37,000	37%
Warrensville Hts	1,197	3,396	35%	\$90,000	\$43,000	48%
Euclid	4,238	15,670	27%	\$112,000	\$53,000	47%
Garfield Heights	2,937	11,479	26%	\$106,450	\$46,500	44%
South Euclid	1,700	8,741	19%	\$128,250	\$77,350	60%

FIGURE 5.05 Impact of recorded Sheriff sales on housing market recovery. Source: NEO CANDU at CWRU.

Sheriff Sales

Foreclosure location was not recorded by the Cuyahoga County courts prior to 2006, but Sheriff Sales, which result from foreclosures, have location dating to 2000. Figure 5.04 shows a dramatic increase in recorded Sheriff Sales, with the highest being a six-fold increase in Euclid and Maple Heights. These sales put thousands of homes on the market at bargain basement prices, undermining the residential housing market.

In some cases a Sheriff Sale does not go forward, for example if a resolution was reached with the bank that allowed the homeowner to stay in the home. Figure 5.05 focuses only on Sheriff auctions that resulted in a sale. This demonstrates that a higher concentration of recorded Sheriff Sales tends to correlate with slower market recovery.

For example, Maple Heights had the highest concentration of recorded Sheriff sales (35%) and the lowest recovery to peak prices in 2005 (37%). The opposite is also indicated. South Euclid's higher market recovery (60%) is consistent with its low concentration of Sheriff Sales (19%) over the 18-year period.

More Sheriff Sales = slower market recovery

RESIDENTIAL PROPERTY TAX DELINQUENCY

Percent Increase from 2009-2016

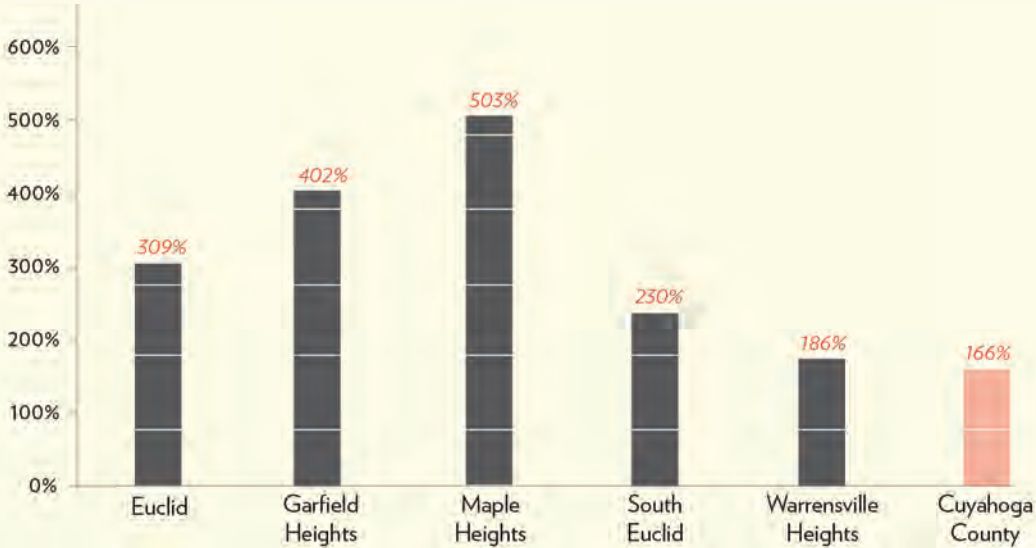


FIGURE 5.06 Residential property tax delinquency, percent increase from 2009-2016. Source: NEO CANDO at CWRU and Cuyahoga County Treasury.

RESIDENTIAL PROPERTY TAX DELINQUENCY - 2009

2009 (file date 11-9-10)	Delinquency	Number of delinquent parcels	Average delinquency	Residential parcels (2010)	% of parcels delinquent
Warrensville Heights	\$1,473,966	618	\$2,385	3,444	17.94%
Maple Heights	\$1,784,474	700	\$2,549	10,008	6.99%
Garfield Heights	\$1,588,618	561	\$2,832	11,505	4.88%
Euclid	\$1,712,618	670	\$2,556	15,897	4.21%
South Euclid	\$871,574	255	\$3,418	8,798	2.90%

RESIDENTIAL PROPERTY TAX DELINQUENCY - 2016

2016 (file date 5-23-17)	Delinquency	Number of delinquent parcels	Average delinquency	Residential parcels (2017)	% of parcels delinquent
Warrensville Heights	\$4,216,042	640	\$6,588	3,396	18.85%
Maple Heights	\$10,761,249	1,188	\$9,058	9,885	12.02%
Garfield Heights	\$7,978,897	1,091	\$7,313	11,479	9.50%
Euclid	\$6,996,718	1,198	\$5,840	15,670	7.65%
South Euclid	\$2,879,614	385	\$7,480	8,741	4.40%

FIGURE 5.07 Residential property tax delinquency, 2009 and 2016. Source: NEO CANDO at CWRU and Cuyahoga County Treasury.

Property Tax Delinquency

Residential property tax delinquency is a significant problem county-wide. Delinquency increased in Cuyahoga County from \$89 Million in 2009 to \$238 Million in 2016, a 166% increase. But in the five suburbs we studied, the rate of increase was even greater than for the county. Among the five suburbs, the greatest percent increase between 2009 and 2016 was in Maple Heights followed by Garfield Heights and Euclid, as shown in Figure 5.06.

In addition to the rate at which delinquency is increasing, two other indicators are worth noting. Figure 5.07 points out that the average delinquency on each delinquent parcel has also been increasing at an alarming rate over the past seven years. For example, the average tax delinquency on parcels in Maple Heights went from \$2,549 in 2009 to \$9,058 in 2016. This means that individual taxpayers who are delinquent are getting further and further behind. Unless this problem is addressed, these severe delinquencies could result in a new wave of foreclosure and abandonment.

Figure 5.07 also takes into consideration the relative size of each suburb and notes the concentration of delinquency. For example, while Warrensville Heights does not have the greatest average delinquency on each parcel, it does have the highest concentration—or percentage of residential parcels (18.85%)—that are delinquent. South Euclid has a higher average delinquency on each parcel but has a lower concentration of delinquency—4.4% of its residential parcels.

The average tax delinquency has been increasing at an alarming rate

FIGURE 5.08 Concentration of residential postal vacancy (3rd quarter of 2017).
Source: US Postal data and NEO CANDO at CWRU.

RESIDENTIAL POSTAL VACANCY Third Quarter 2017			
Location	Residential parcels	Postal vacant 3rd quarter 2017	% postal vacant
<i>Cleveland eastside</i>	63,988	5,573	8.71%
Maple Heights	9,885	600	6.07%
<i>Eastside first-ring suburbs</i>	79,255	4,218	5.32%
Euclid	15,670	779	4.97%
Garfield Heights	11,479	544	4.74%
Warrensville Heights	3,396	127	3.74%
South Euclid	8,741	264	3.02%

FIGURE 5.09 Concentration of residential postal vacancy. Homes continuously postal vacant for last four quarters (4th quarter of 2016 - 3rd quarter of 2017).
Source: US Postal data and NEO CANDO at CWRU.

CONTINUOUS RESIDENTIAL POSTAL VACANCY			
Location	Residential parcels	Postal vacant Last 4 quarters	% postal vacant
<i>Cleveland eastside</i>	63,988	4,969	7.77%
Maple Heights	9,885	432	4.37%
<i>Eastside first-ring suburbs</i>	79,255	3,224	4.07%
Euclid	15,670	572	3.65%
Warrensville Heights	3,396	110	3.24%
Garfield Heights	11,479	339	2.95%
South Euclid	8,741	188	2.15%

OWNER-OCCUPIED UNITS Percent & Change since 2000				
Location	% Owner-occupied Census 2000	% Owner-occupied Census 2010	ACS 2011-2015 5 year estimates	% change since 2000
South Euclid	83.86%	80.22%	77.90%	-5.96%
Garfield Heights	79.91%	69.60%	69.00%	-10.91%
Maple Heights	83.74%	73.70%	64.00%	-19.74%
Cuyahoga County	63.17%	60.89%	59.30%	-3.87%
Euclid	59.47%	54.04%	49.00%	-10.47%
Warrensville Heights	48.23%	43.32%	43.80%	-4.43%
Cleveland	48.54%	44.13%	42.00%	-6.54%

FIGURE 5.10 Owner-occupied housing units, percent and percent change since 2000. Source: US Census and NEO CANDO at CWRU.

Residential Vacancy

Vacancy has been declining in all five suburbs since 2014. To assess the impact of concentrated vacancy, the count of vacant structures must be viewed relative to the size of the community. Figure 5.08 shows that while Euclid has the highest number of vacant structures, it does not have the greatest concentration of vacancy. Similarly, while Warrensville Heights has the lowest number of vacant structures, it does not have the lowest concentration of vacancy.

Among the five suburbs, the greatest concentration of residential vacancy (per US Postal records) is in Maple Heights where 6.07% of all residential structures are unoccupied. This is only slightly higher than the average for all first-ring suburbs, and lower than the average for neighborhoods on the eastside Cleveland, which stands at 8.71%. The lowest concentration of residential vacancy is in South Euclid at 3.02%, just below Warrensville Heights at 3.74%.

Of particular concern are structures that have been continuously vacant for at least a year, as shown in Figure 5.09. Now that the most distressed homes have been addressed by demolition or rehabilitation, the survey results suggest that the balance of the homes are in good condition. Still, a careful watch should be kept on homes that have been vacant for an extended period—they could become the next wave of distressed properties if they are not properly maintained.

Homeownership has declined in all five cities since 2000

Homeownership

Homeownership varies significantly in the five suburbs as noted in Figure 5.10 with South Euclid having the highest rate of homeownership at nearly 80%, and Warrensville Heights having the lowest at just under 44%. A significant concern is that homeownership has declined in all five suburbs since 2000, with the most dramatic decline being a nearly 20% decline in Maple Heights and the least decline being just under 5% in Warrensville Heights. (Figure 3.10) The mid-decade census estimate has the decline leveling off for Warrensville Heights and Garfield Heights, but continuing for the other three suburbs.

2015 Cuyahoga County Home Sales & Home Purchase Loans			
Location	1-3 family arms length sales in 2015	1-4 family loans originated by banks	% of sales with loan originations
Eastside of Cleveland	2,603	307	12%
Maple Heights	449	102	23%
Warrensville Heights	183	52	28%
Garfield Heights	584	194	33%
Euclid	814	287	35%
Eastside first-ring suburbs	3,904	1,589	41%
Westside of Cleveland	2,588	1,165	45%
South Euclid	411	212	52%
Cuyahoga County	19,128	10,912	57%
Westside first-ring suburbs	3,170	2,366	75%
Outer suburb	6,863	5,485	80%

FIGURE 5.11 2015 Cuyahoga County home sales and home purchase loans.

Applications exclude loans purchased from another lender that originated the loan. Home purchase excludes applications for home improvement and refinancing, and excludes applications for multi-family and manufactured homes. Arms length sales exclude sheriff sales, transfers to financial institutions and government agencies, and \$0 transfers. In 2015, 99.5% of all transfers were either 1 or 2 family; 3-4 family were statistically insignificant.

Source: Bank lending data from NEO CANDO at CWRU.

Lower housing prices provide an entry point to homeownership, but traditional lenders appear unwilling to enter this segment of the marketplace.

Access to Mortgage Credit

Although traditional arms-length home sales are taking place throughout the county, bank financing does not appear to be as prevalent in some communities as others. At one extreme, 80% of sales in Cleveland's outer suburbs are financed by a bank loan, but in Cleveland's eastside neighborhoods, only 12% are bank financed, as shown in Figure 5.11.

Four of the five suburbs fare only marginally better than the eastside of Cleveland. South Euclid has more home sales with traditional bank financing, but it is still slightly below the average for the entire county.

Anecdotal reports from local realtors and community development practitioners—on occasion even confirmed directly by some lenders—suggest that many banks avoid making mortgage loans under \$50,000 because they deem them to be less profitable. Since it takes the same amount of effort to make a small loan as a large one, large dollar loans are favored, and small ones are not. Unfortunately, this can cut off whole areas of a city or region from conventional bank financing.

Median home sale prices in Maple Heights, Garfield Heights, and Warrensville Heights are below this \$50,000 lending threshold, as shown in Figure 5.11, making bank-financing available for fewer homes in these communities. When the housing market peaked in 2005-06, median sales prices in all five communities were well above \$50,000. But now that market values are significantly lower, potential home buyers may find it difficult to obtain financing. Further, they will be competing with local and out-of-state investors who will pay cash for low priced homes they'll convert to rentals. This in turn contributes to reduced rates of homeownership and reduced housing stability in these communities.

The housing in these five communities is in good condition and provides an excellent opportunity for first time homebuyers, and provides an opportunity for these communities to restore declining homeownership levels. But these opportunities will be lost unless lenders are willing to create and aggressively promote mortgage products that meet local market conditions.



In Maple Heights, approximately 2 in 10 homes were purchased with bank financing.



In Euclid, Garfield Heights, and Warrensville Heights, the percentage is approximately 3 in 10.



South Euclid fares a bit better, where half of all home sales involve bank financing.



Compared to first-ring suburbs on the westside, where 75% of homes are purchased with bank financing.

SUBMARKETS

- Stressed rental areas
- Special rental areas
- Moderately functioning ownership areas
- Higher functioning ownership areas

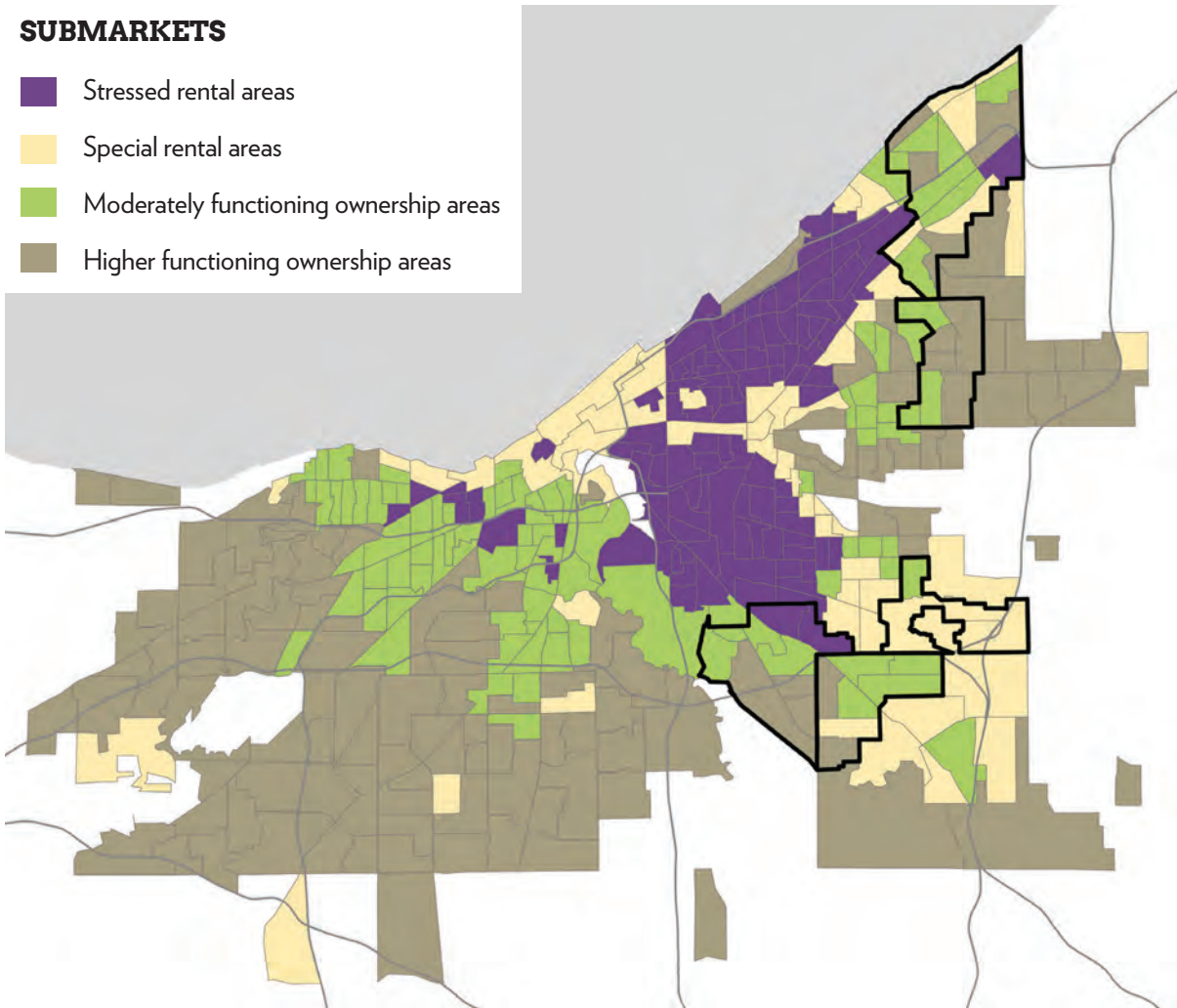


FIGURE 6.01 Greater Cleveland map of four submarket areas considered in the five first-ring suburb residential demolition and programmatic rehab study.

06 IMPACTS of DEMOLITION & REHABILITATION

Dynamo Metrics

Dynamo Metrics utilized the results from previous housing research in Cuyahoga County¹ to prepare an estimate of the impacts of programmatic rehabilitation² and demolition³ in the five suburbs between 2009 to the third quarter (Q3) 2017. The econometric method used for this project was a benefits transfer analysis.⁴ This approach uses the results (benefits) of the prior analysis and transfers them to the demolition and rehab activity in the five first-ring suburbs between 2009 and third quarter (Q3) 2017 to estimate the impact of these activities on property values. The property value impact analyses are available in the Neighborhood Intel decision support tools created by Dynamo Metrics for each of the five first-ring suburbs.

As shown in Figure 6.01, Dynamo's 2016 rehab research identified four unique submarket types in the Greater Cleveland area:

- **Higher Functioning Ownership Areas:** predominately owner-occupied homes.
- **Moderate Functioning Ownership Areas:** also largely owner-occupied, but experiencing more stress than the Higher Functioning Ownership Areas.
- **Stressed Rental Areas:** predominantly tenant-occupied and facing significant stress, such as higher poverty and lower educational levels.
- **Special Rental Areas:** tenant-heavy neighborhoods that may have special attributes such as proximity to downtown or medical/educational/cultural districts; first-ring suburbs with solid housing and preferred educational options.

1 Dynamo Metrics. 2016. Decision Support for Property Intervention: Rehab Impact in Greater Cleveland, 2009 - 2015.

2 Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.

3 Demolition is defined as the transformation from a residential structure that is land bank owned into a residential vacant lot as a result of demolition activity.

4 Rosenberger, R.S. and J.B. Loomis. 2017. Benefits Transfer (Chapter 11) from A Primer on Nonmarket Valuation | Patricia A. Champ | Springer. n.d.

ESTIMATED PROPERTY VALUE IMPACT

From Rehabilitations in the Five Suburbs: 2009 to 2017 (third quarter)

Location / Type	Number	Estimated impact on adjacent property values
Euclid		
CLB Deed-in-escrow	127	\$62,201,607
CLB In-house	11	\$5,889,316
Other	12	\$4,328,798
CLB demolition	75	\$38,745,103
Garfield Heights		
CLB Deed-in-escrow	123	\$36,144,217
CLB In-house	5	\$2,132,649
NSP	4	\$157,253
Other	3	\$1,150,169
CLB demolition	167	\$21,578,044
Maple Heights		
CLB Deed-in-escrow	85	\$23,052,807
CLB In-house	4	\$1,503,497
NSP	3	\$667,747
Other	3	\$357,443
CLB demolition	98	\$24,231,445
South Euclid		
CDC	1	\$632,547
CLB Deed-in-escrow	14	\$9,946,497
CLB In-house	1	\$463,677
NSP	6	\$3,371,956
One South Euclid	24	\$16,526,400
Other	7	\$5,179,299
CLB demolition	64	\$45,040,301
Warrensville Heights		
CLB Deed-in-escrow	28	\$5,895,371
CLB In-house	4	\$802,717
Other	1	\$387,325
CLB demolition	46	\$12,650,795
TOTAL	916	\$323,036,980

FIGURE 6.02 Estimated property value impact from rehabilitations in the five suburbs.

Demolition Impact		
Location	Total demolitions	Est. impact on adjacent property values
Euclid	75	\$38,745,103
Garfield Heights	167	\$21,578,044
Maple Heights	98	\$24,231,445
South Euclid	64	\$45,040,301
Warrensville Hts	46	\$12,650,795
TOTAL	450	\$142,245,688

FIGURE 6.03 Estimated property value impact from demolitions in the five suburbs from 2009 to the third quarter of 2017.

Rehabilitation Impact		
Location	Total rehabilitations	Est. impact on adjacent property values
Euclid	150	\$72,419,721
Garfield Heights	135	\$39,584,288
Maple Heights	95	\$25,581,494
South Euclid	53	\$36,120,376
Warrensville Hts	33	\$ 7,085,413
TOTAL	466	\$180,791,292

FIGURE 6.04 Estimated property value impact from rehabilitations in the five suburbs from 2009 to the third quarter of 2017.

Census tract level submarket types were identified through an analysis of socio-economic, demographic, and housing characteristics.⁵ The impact of demolition and rehab differ across the four submarket types and were applied accordingly in the analysis. The unique impact that each rehab and demo had on the sale prices of all neighboring homes within 500 feet was found in each submarket type in each of the five suburbs.

Multiple rehab programs were considered in the analysis. Figure 6.02 shows the number of rehabs performed in each city over the analysis time period by program type.

450 demolitions had an estimated impact of more than \$142 million in nearby property value across the five cities. 466 property rehabilitations in the five cities had an estimated impact of almost \$181 million on nearby residential property values. Figures 6.03 and 6.04 provide a snapshot of the total property value impacts from demolition and rehab in the five suburbs over the study time period.

A deeper dive into the property value impacts caused by demolition and rehab within each submarket type in each of the five suburbs is available in Chapter 7.

⁵ See Appendix 7 (page 18) of Preserving Home Values: Demolition Impact Study for Jackson, MI, 2012-2016, for a detailed explanation of the analytic process for identifying housing submarkets.

	Stressed rental areas	Special rental areas	Moderately functioning ownership areas	Higher functioning ownership areas
Property transformation caused by rehab and demo	Property value impact of the change that rehab and demo bring to neighboring values			
Land bank owned becomes owner occupied tax current	0.46%	10.16%	6.07%	11.09%
Land bank owned becomes renter occupied tax current	0.00%	10.16%	5.55%	10.63%
Unoccupied mortgage foreclosed becomes owner occupied tax current	0.46%	2.72%	2.06%	2.81%
Unoccupied mortgage foreclosed becomes renter occupied tax current	0.00%	2.72%	1.54%	2.34%
Land bank owned become a vacant lot	-0.29%	9.36%	5.74%	10.94%

FIGURE 6.05 Percent impact on nearby property value from rehabilitation and demolition activity

	Stressed rental areas	Special rental areas	Moderately functioning ownership areas	Higher functioning ownership areas
500 Feet Neighborhood Proximity Variables				
Owner occupied and tax current within 500 feet	0.46%	0.36%	0.33%	0.15%
Renter occupied and tax current within 500 feet	No impact	0.35%	-0.19%	-0.31%
Unoccupied and tax current within 500 feet	No impact	-1.35%	0.40%	-2.12%
Owner occupied and tax delinquent within 500 feet	-0.98%	-2.35%	-2.13%	No impact
Renter occupied and tax delinquent within 500 feet	-1.48%	-2.35%	-0.91%	4.13%
Unoccupied and tax delinquent within 500 feet	-0.48%	-3.96%	-2.53%	-5.66%
Mortgage foreclosed and occupied within 500 feet	No impact	No impact	No impact	-3.22%
Mortgage foreclosed and unoccupied within 500 feet	No impact	-2.36%	-1.73%	-2.66%
Land bank owned residential structure within 500 feet	No impact	-9.80%	-5.74%	-10.94%

FIGURE 6.06 Percent impact on nearby property value from rehabilitation and demolition activity

Quantitative Methods

Dynamo Metrics performs property value impact research by creating parcel-level time-series data systems⁶ that allow spatial econometric hedonic analysis⁷ to be performed. The hedonic analysis provides academically defensible estimates of how much a property's value is impacted by multiple types of neighboring properties in each submarket. This component of the analysis explains the impact of the neighborhood environment value of a home. The hedonic analysis also estimates the impact of the physical attributes of each property (square feet, number of bedrooms and bathrooms).

These models work because thousands of willing-buyer/willing-seller home transactions are incorporated into the econometric model using the hedonic method. It becomes possible to estimate the impact of a demolition or rehab on nearby properties because Dynamo's spatial methods identify the property value impact on neighbors in each submarket from a property status change in each submarket. This application of the hedonic method is termed "proxy" analysis. Demolition changes a neighbor's property status from a blighted land bank owned structure into a vacant lot. Rehab changes the status from vacant mortgage foreclosed or land bank owned into occupied and tax current. Each neighbor's status has a differing impact on the property value of the homes nearby. This knowledge is then utilized and applied in an analysis that estimates the property value impact on all neighbors near a property status change of interest—namely demolition or rehab.

Figure 6.05 provides the estimated impact on nearby property values from a property status change in the four types of submarkets investigated in this project. Figure 6.06 provides a comprehensive overview of the impact that any type of neighbor defined in the Dynamo hedonic analysis has on any other neighbor in each of the submarket areas under investigation.

For this analysis, we (1) identified the before and after status of every rehabbed and demolished property within the five suburbs between 2009 and Q3 2017; (2) counted the number of nearby properties impacted; and, (3) applied property value impact findings from previous research that matches each submarket type to estimate property value change for every property near a demolition or rehab. The results for each of the five inner-ring suburbs are detailed as components of Chapter 6.

Given that multiple demolitions and rehabs occurred near many of the homes impacted by intervention in each of the five inner-ring suburbs during the study time-period, a logarithmic correction was applied to all properties that experienced multiple nearby interventions. In essence, the value of a home during the time period when an intervention occurred must be considered, given that a certain percent of the current price was impacted by the intervention during that time period.⁸

6 Data for research provided by NEO CANDO and the Poverty Center at Case Western Reserve University.

7 For explanation, see page 11 of *Estimating the Effect of Demolishing Distressed Structures in Cleveland, OH, 2009-2013: Impacts on Real Estate Equity and Mortgage-foreclosure*.

8 For further discussion on this topic see footnote (viii), page 22: <https://demolitionimpact.com/report/>



MEDIAN AGE OF HOUSING

Location	Median construction date of occupied housing units
Euclid	1956
Garfield Heights	1954
Maple Heights	1956
South Euclid	1954
Warrensville Heights	1960

FIGURE 7.01 The median housing stock in the five suburbs is over 60 years old, an age at which many homes need to be updated.

Source: American Community Survey 5-year estimates.

07 COMMUNITY CONDITIONS

In total, Euclid, Garfield Heights, Maple Heights, South Euclid, and Warrensville Heights are home to about 133,000 people. These communities are stable places, neither urban nor rural, but a comfortable spot in between. Suburbs have historically offered safety, privacy, mobility, and choice, not just to the wealthy but to a wide range of households.¹ This remains true today.

Across the country, the population of first-ring suburbs has risen 161.3 percent since 1950, with much of this growth happening between 1950-1970. The percentage of racial and ethnic minorities in first-ring suburbs has been growing since the 1980s, while the percentage of white residents in these communities has been declining. Many people choose to age in place in first-ring suburbs. The suburban elderly population is growing rapidly, while the population of children in first-ring suburbs throughout the country has barely grown at all in over the past 30 years.² Cleveland's first-ring suburbs reflect these national demographic trends.

Each of the five suburbs in this study experienced a housing boom in the mid-20th century, when owning a single-family detached home was the epitome of the American dream. As time went on, central cities declined and recovered, while newer suburbs were developed farther out from the urban core. First-ring suburbs were literally caught in the middle, between the excitement and challenges of the core city, and the newer, more affluent suburbs taking shape in the outer ring.

Suburban expansion, out-migration, and the mortgage foreclosure crisis took a serious toll on first-ring suburbs in Cuyahoga County. Between 1994-2015, the county's first-ring suburbs lost a combined residential value of \$4.73 billion. By comparison, the City of Cleveland lost \$2.27 billion in residential value over the same time period.³

All cities have pockets of older housing that needs to be repaired and updated to align with the preferences of today's home buyers and renters. But home renovation challenges are different in first-ring suburbs because much of the housing was built in the same time period, as shown in Figure 7.01. The housing stock is aging, not incrementally, but all at once. Housing obsolescence is a real risk, especially when investments in home rehabilitation and new construction are not keeping pace with the demands of the regional housing market.

1 Robert Bruegmann, *The Antisuburban Crusade in Infinite Suburbia*, 2017.

2 Robert Puentes and David Warren, *One-Fifth of America: A Comprehensive Guide to America's First Suburbs*, 2006.

3 Thomas Bier, *Housing Dynamics in Northeast Ohio*, 2017.

HOT SPOT & COLD SPOTS

Vacant Structures

- Cold Spot: vacant structures are dispersed
- Not significantly different than random
- Hot Spot: vacant structures are clustered

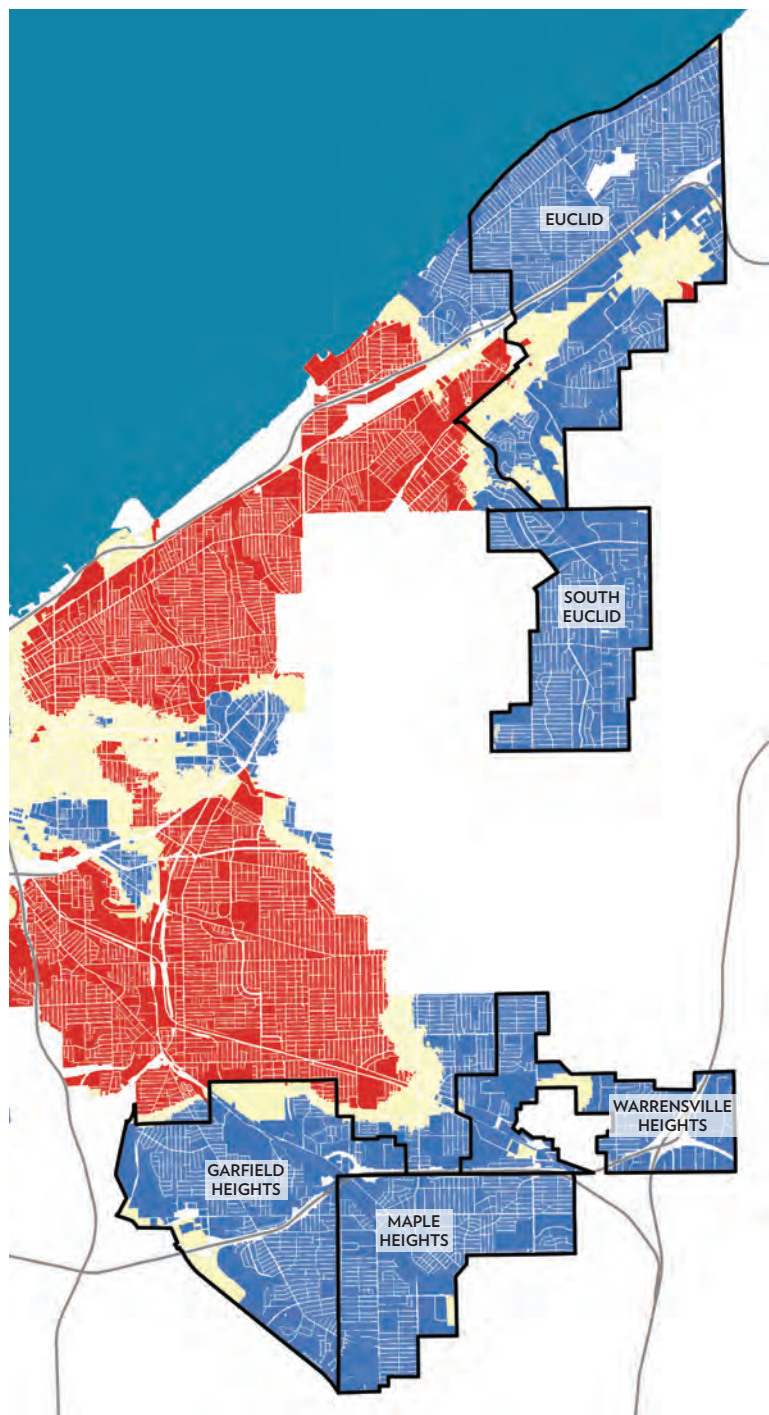


FIGURE 7.02 Areas where distressed properties are concentrated (Hot Spots) and dispersed (Cold Spots),

Vacant Structures in the Five Suburbs

Vacant buildings are a challenge in many first-ring neighborhoods. Figure 7.02 shows concentrations of vacant buildings in the five suburbs that are the focus of this report, and in the City of Cleveland.

In first-ring suburbs, most vacant buildings are well-maintained, which is different than in Cleveland where signs of vacancy and disinvestment are more visible.

Hot Spots (shown in red) are areas where vacant buildings are more concentrated. Suburban Hot Spots tend to be in the areas that are adjacent to the City of Cleveland. Cold Spots (shown in blue) have fewer vacant buildings and they are less concentrated. In between, there are areas in yellow where vacant buildings are neither concentrated nor dispersed. These areas are at risk of becoming Hot Spots for vacancy and should be closely monitored.

HOT SPOT & COLD SPOTS

Cleveland & First-ring Suburbs

- Cold Spot: low grades are dispersed
- Not significantly different than random
- Hot Spot: Low grades are clustered
- D & F buildings

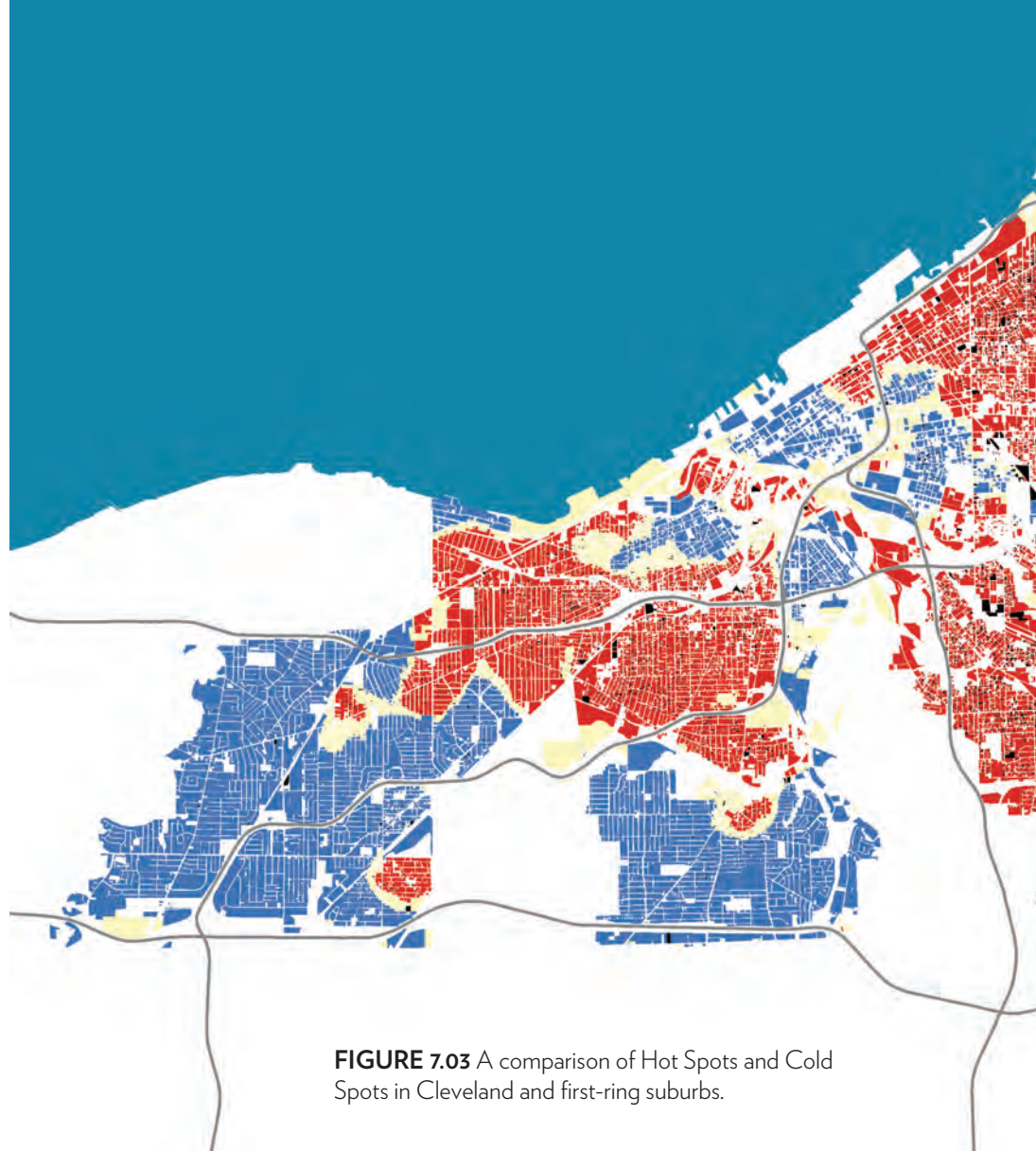
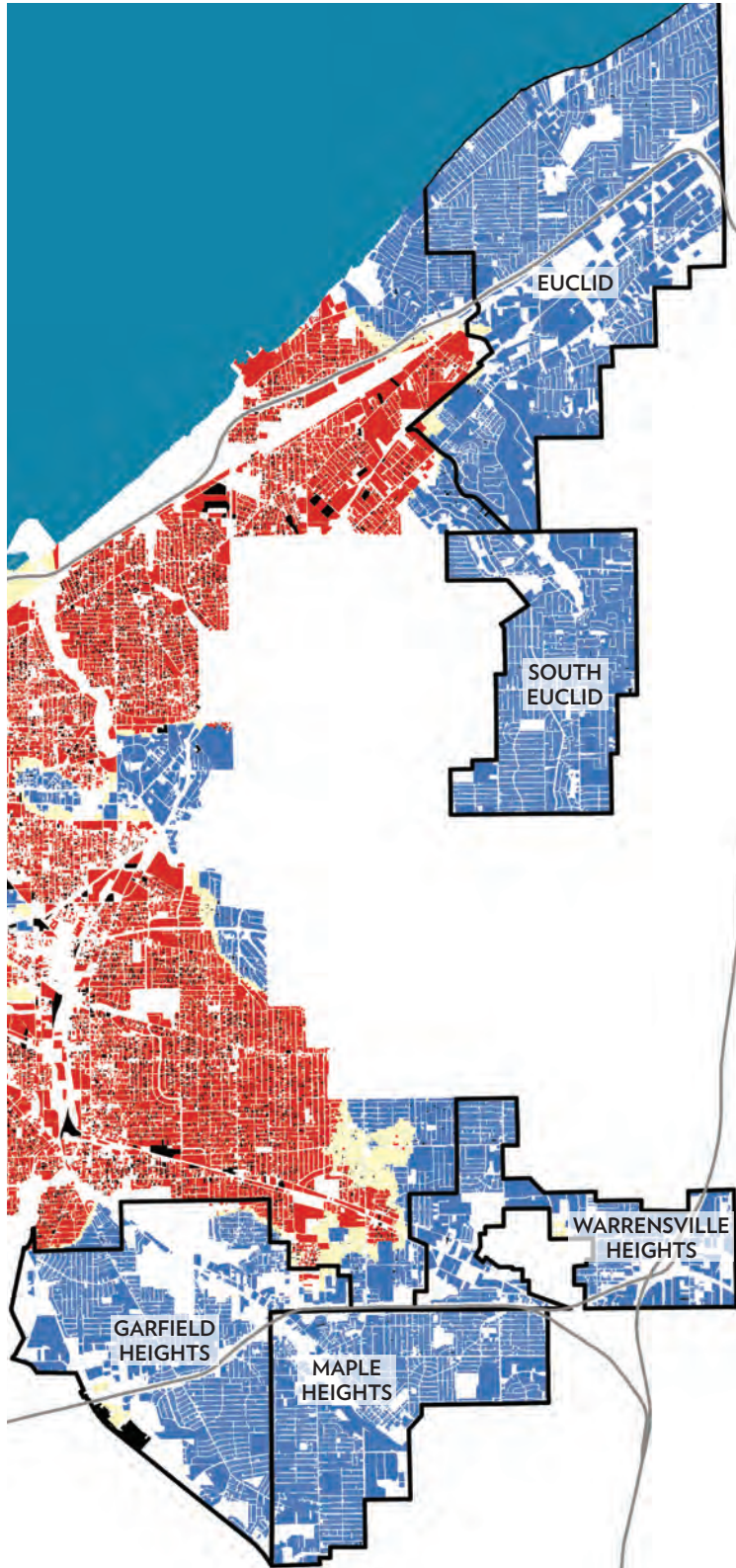


FIGURE 7.03 A comparison of Hot Spots and Cold Spots in Cleveland and first-ring suburbs.



Distressed Properties in the Five Suburbs

Distressed properties (buildings graded D or F) are also clustered in Hot Spots or dispersed in Cold Spots in the five suburbs and in the City of Cleveland. Data about Hot Spots and Cold Spots can help public officials and community members make strategic decisions about where to invest in housing improvements, targeted demolition, commercial district revitalization, public space enhancements, and other community priorities.

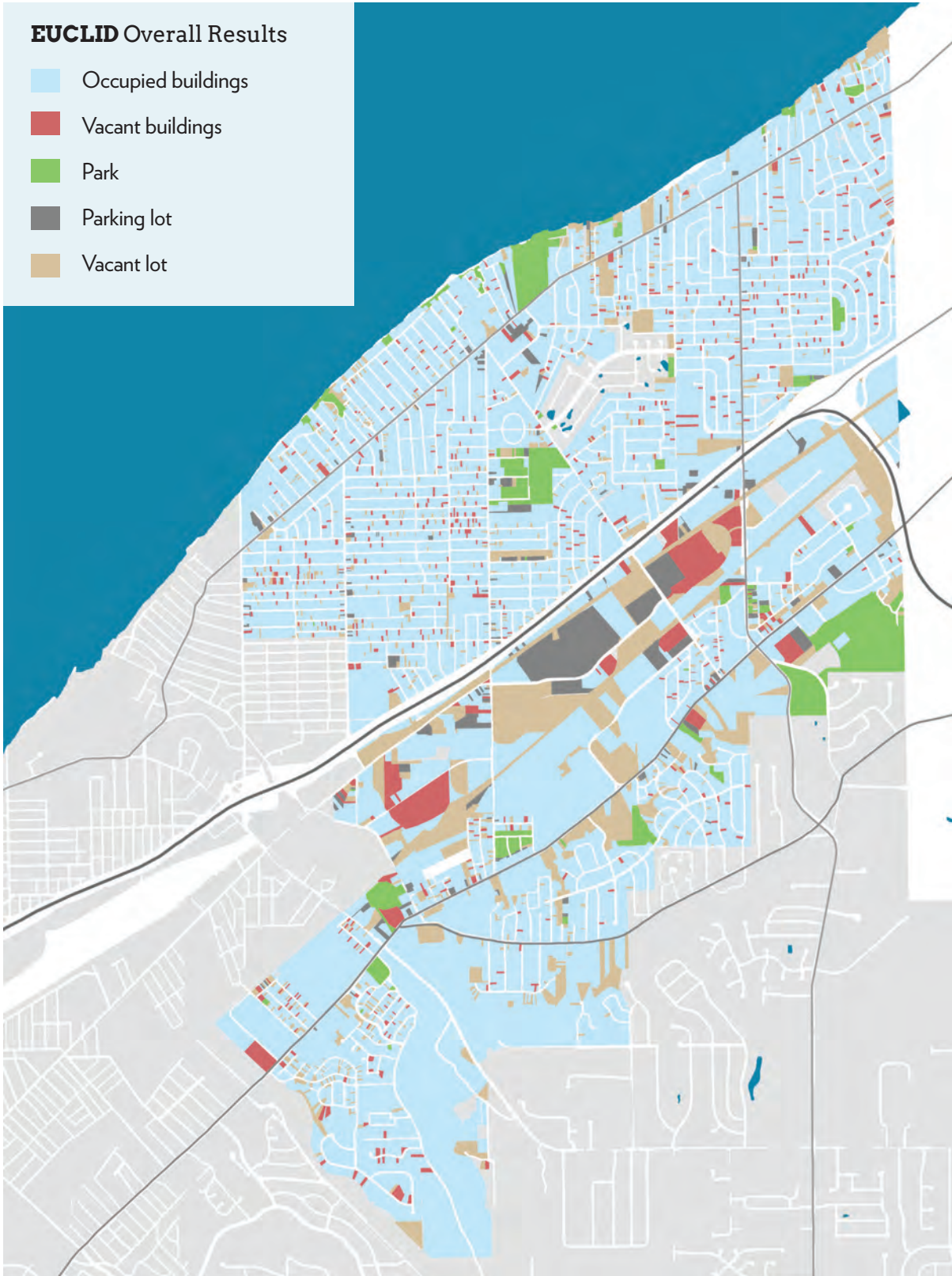
The total number of distressed properties is remarkably low in all five suburbs. In Cold Spots, targeted demolition or rehabilitation of distressed properties will help to protect and reinforce property values in already stable neighborhoods. In the few small Hot Spot areas, an ongoing effort may be needed to address clusters of buildings and to assemble vacant properties for redevelopment and community greening efforts.

First-ring suburbs benefit from their proximity to amenities and employment opportunities in Cleveland. But suburbs can also experience negative effects caused by vacancy and disinvestment in the core city. Hot Spots in the suburbs typically occur in areas that are immediately adjacent to distressed neighborhoods in the cities of Cleveland and East Cleveland. Extra attention and investment may be needed to address edge conditions where the suburbs and the city come together.

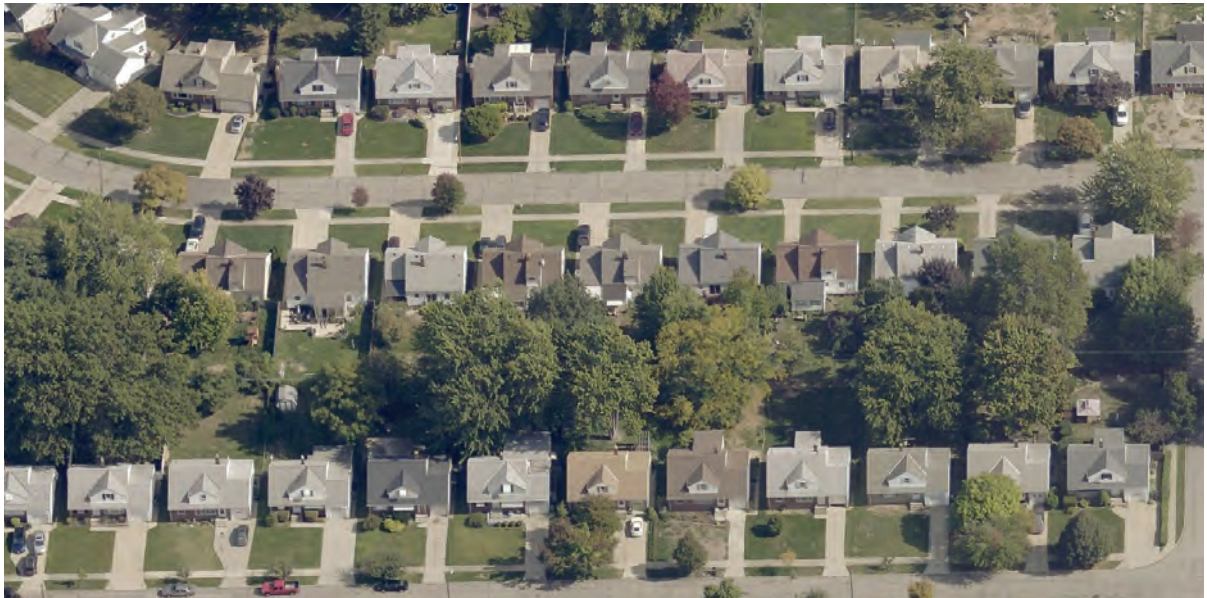
Overall, building conditions in first-ring suburbs are much better than in the city proper. But suburbs need to be vigilant about addressing any emerging conditions of blight on their borders. A collaborative monitoring and maintenance program would help focus attention on areas where the city and suburbs meet. Stabilizing edge conditions would benefit city and suburban residents alike.

EUCLID Overall Results

- Occupied buildings
- Vacant buildings
- Park
- Parking lot
- Vacant lot



EUCLID



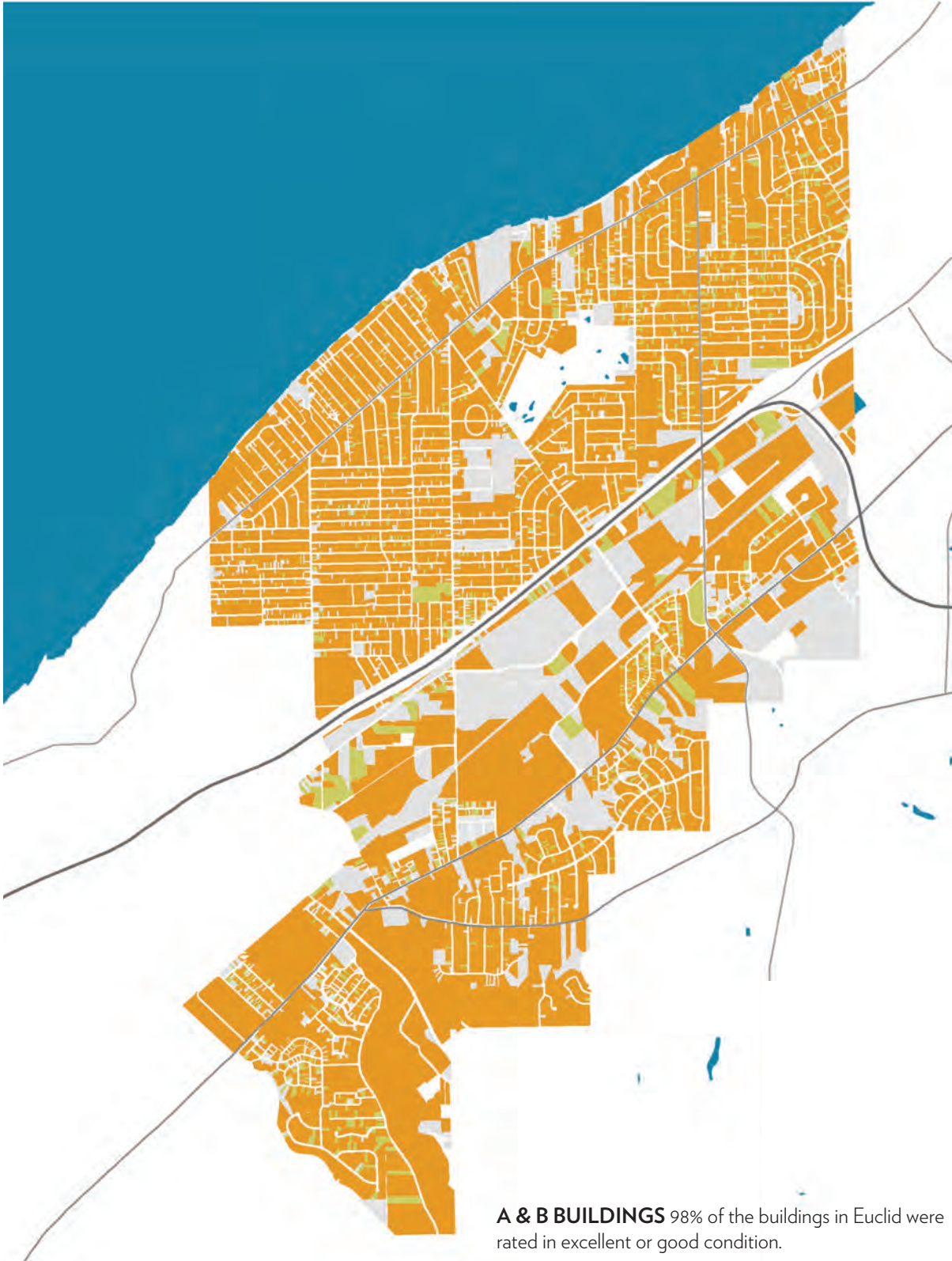
Source: Cuyahoga County Pictometry®

The survey team looked at 18,025 properties in the City of Euclid. 98% of the buildings in the city were rated in excellent (A) or good (B) condition. 229 buildings were rated to be in fair (C) condition. Only 41 received a grade of D (poor). There are no F buildings in Euclid.

However, almost every street in the city has at least one vacant home and many streets have several. Some of the streets just west of E. 222 Street have a somewhat higher percentage of vacant buildings. As noted in the introduction, vacant houses in first-ring suburbs do not always look vacant because they are often maintained to community standards. But over time, growing numbers of vacant houses, and vacant lots where houses were demolished, can undermine the vitality and market appeal of a neighborhood. And as noted earlier in this report, Euclid has 572 homes that are reported by the US Postal service to have been vacant for at least 12 months. A careful watch should be kept on these homes to ensure they don't deteriorate.

There is a concentration of vacant buildings and larger vacant lots located in a band between I-90 and Euclid Avenue, which essentially cuts the city in two. Residential areas to the north and south of this band show consistently high levels of home maintenance. However, the neighborhoods south of Euclid Avenue are cut off from the city's major natural asset, Lake Erie.

Euclid has a Waterfront Improvement Plan that includes a trail and public amenities along the lake. Investment in the waterfront will provide much broader access to Lake Erie and will enhance property values in nearby neighborhoods. Streetscape improvements and bike lanes on E. 222 Street and Babbitt Road, stretching to the southern boundary of the city, could help extend the impact of lakefront investments to the neighborhoods south of I-90.

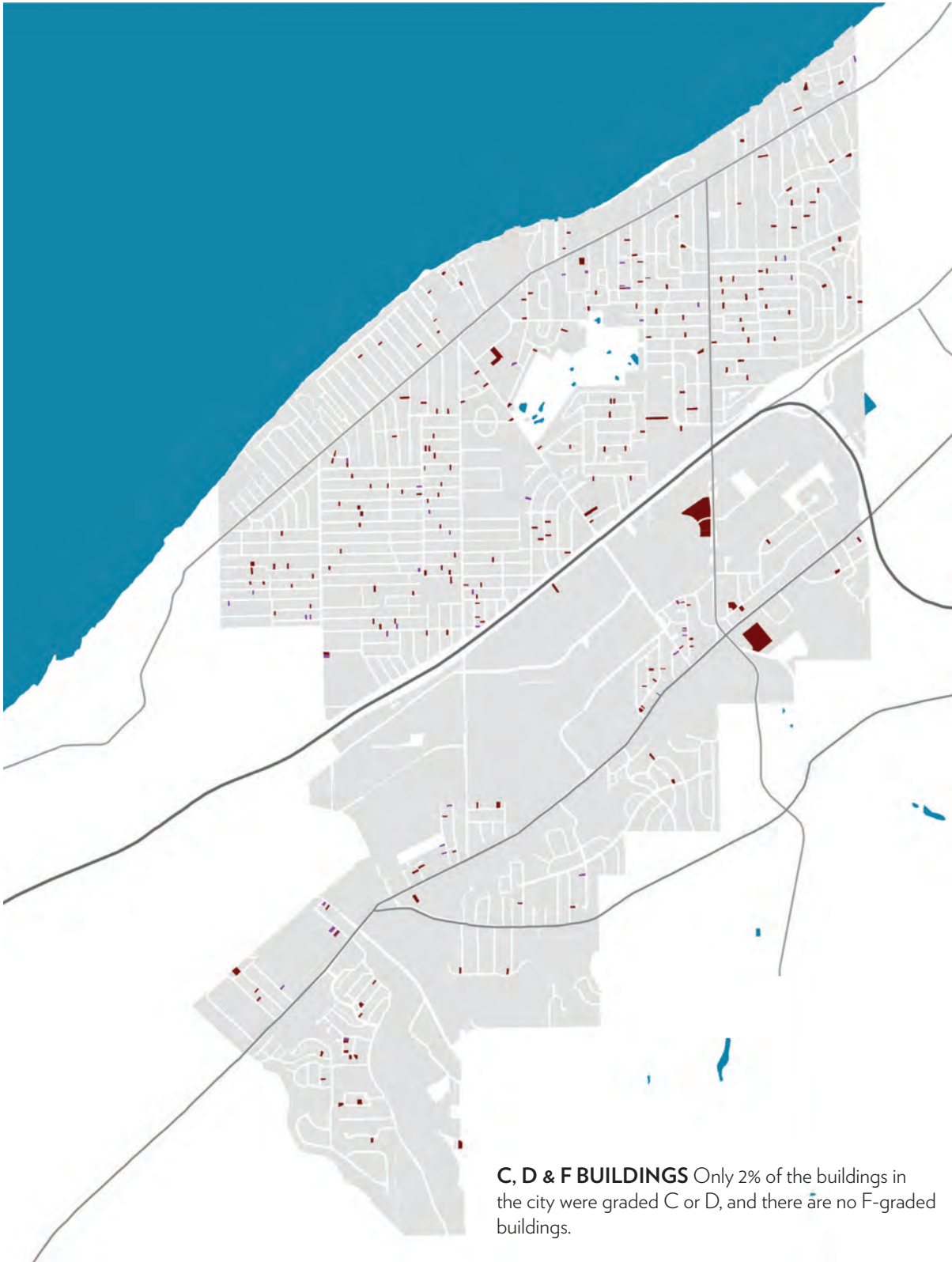


A & B BUILDINGS 98% of the buildings in Euclid were rated in excellent or good condition.



UPPER Examples of A and B buildings in Euclid.

LOWER Public trail and amenities planned for Euclid waterfront. Source: SmithGroup JJR





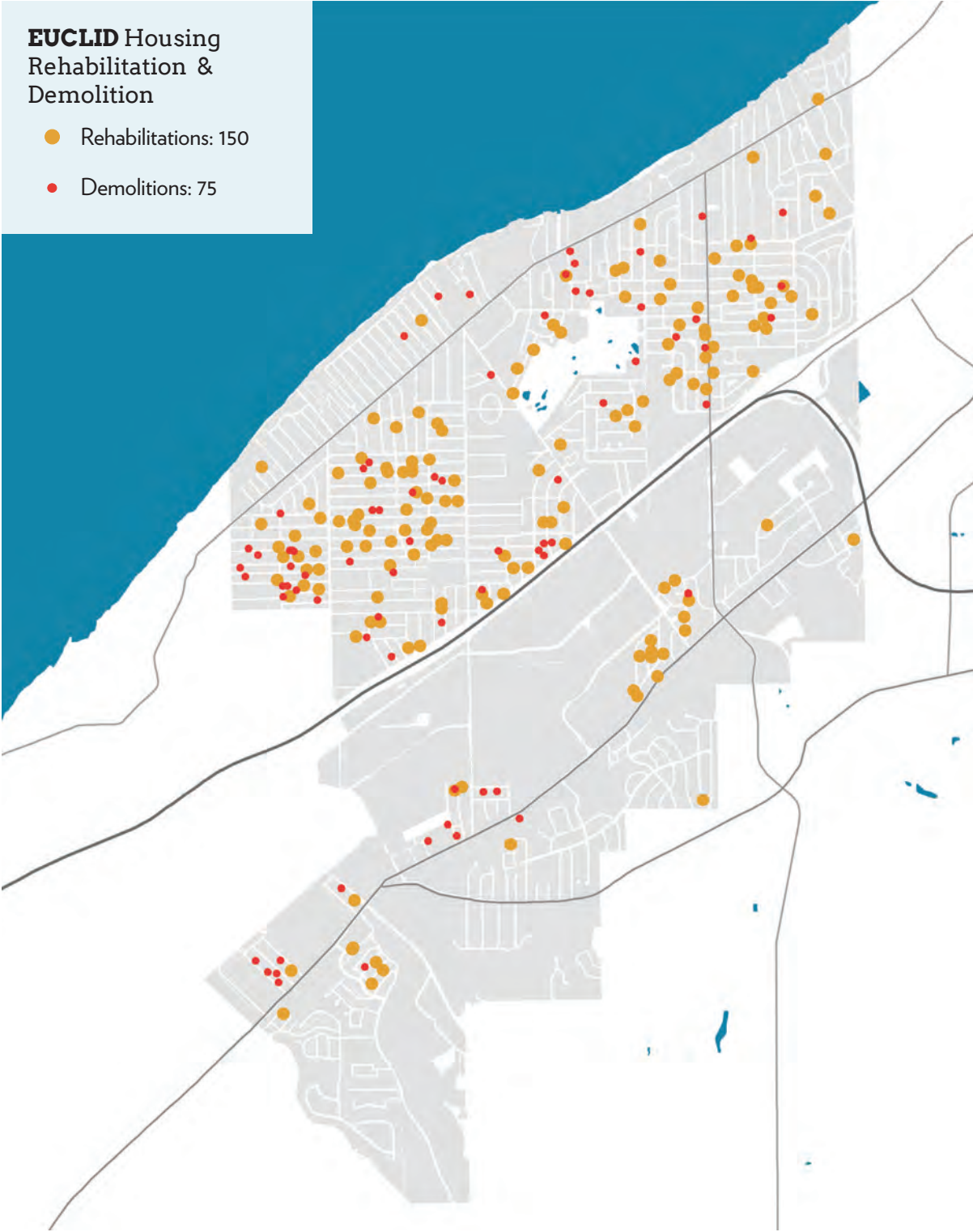
UPPER Examples of C- and D-grade buildings in Euclid.

LOWER Babbitt Road, looking north toward the lake. Pedestrian lighting, landscaping, bike lanes, and other streetscape enhancements could help neighborhoods south of I-90 benefit from public improvements to Euclid's waterfront.

Source: Street View data © 2016 Google

EUCLID Housing
Rehabilitation &
Demolition

- Rehabilitations: 150
- Demolitions: 75



IMPACT OF RESIDENTIAL DEMOLITION

Between January of 2009 and July of 2017, the City of Euclid experienced 75 residential demolitions through the Cuyahoga County Land Reutilization Corporation. A total of two residential demolitions occurred within Euclid's stressed rental submarket, negatively impacting \$13,656 in value of 107 homes in those areas. A total of 19 residential demolitions occurred within Euclid's special rental areas, positively impacting \$15,183,651 in value of 1,082 homes in those areas. A total of 41 residential demolitions occurred within Euclid's moderately functioning ownership submarket, positively impacting \$14,187,855 in value of 2,713 homes in those areas. A total of 13 residential demolitions occurred within Euclid's higher functioning ownership areas, positively impacting \$9,387,253 in value of 1,401 homes in those areas. The total property value impact of all 75 residential demolitions in Euclid during the project period is estimated at \$38,745,103.

IMPACT OF RESIDENTIAL REHABILITATION

Between January of 2009 and July of 2017, the City of Euclid experienced 150 programmatic residential rehabilitations.¹ Of these, a total of seven residential rehabilitations occurred within Euclid's stressed rental submarket, positively impacting \$114,965 in value of 318 homes in those areas. A total of 20 residential rehabilitations occurred within Euclid's special rental areas, positively impacting \$10,155,793 in value of 1,176 homes in those areas. A total of 76 residential rehabilitations occurred within Euclid's moderately functioning ownership submarket, positively impacting \$30,119,209 in value of 4,565 homes in those areas. A total of 47 residential rehabilitations occurred within Euclid's higher functioning ownership areas, positively impacting \$32,029,754 in value of 2,940 homes in those areas. The total property value impact of all 150 residential rehabilitations in Euclid during the project period is estimated at \$72,419,721.

¹ Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.

Demolition Impact		
Submarket	Count	Impact
Higher functioning ownership areas	13	\$9,387,253
Moderately functioning ownership areas	41	\$14,187,855
Special rental areas	19	\$15,183,651
Stressed rental areas	2	-\$13,656
TOTAL	75	\$38,745,103

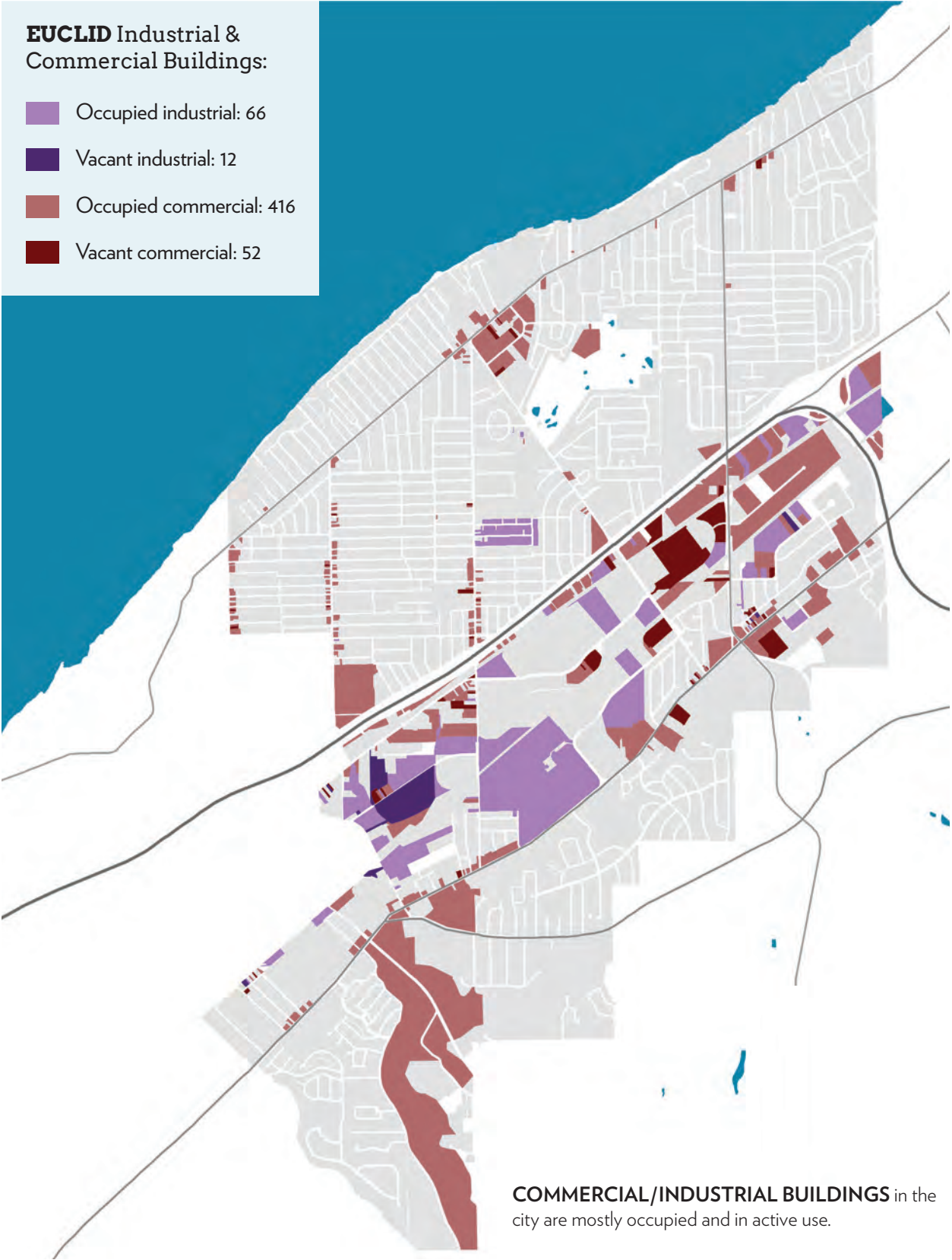
FIGURE 7.04 Demolition impact in Euclid

Rehabilitation Impact		
Submarket	Count	Impact
Higher functioning ownership areas	47	\$32,029,754
Moderately functioning ownership areas	76	\$30,119,209
Special rental areas	20	\$10,155,793
Stressed rental areas	7	\$114,965
TOTAL	150	\$72,419,721

FIGURE 7.05 Rehabilitation impact in Euclid

EUCLID Industrial & Commercial Buildings:

- Occupied industrial: 66
- Vacant industrial: 12
- Occupied commercial: 416
- Vacant commercial: 52



COMMERCIAL/INDUSTRIAL BUILDINGS in the city are mostly occupied and in active use.



UPPER Re-purposing underutilized commercial and industrial properties is important in first-ring suburbs. One of the largest vacant structures in Euclid, Euclid Square Mall, is being replaced with an Amazon fulfillment center. Source: Seefried Industrial Properties, MacGregor Associates Architects

LOWER The city's industrial district between I-90 and Euclid Avenue is well maintained, but this swath of large buildings and parking lots divides the city in two and cuts off southern neighborhoods from the lakefront.

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**OUR LAKEFRONT
DOES MAKE US
DIFFERENT. WE
AS A CITY ARE
STARTING TO
REALIZE THAT
MORE AND MORE.**

CITY of EUCLID

Kirsten Holzheimer Gail, Mayor



For much of its history, Euclid didn't brag about being a suburb with four miles of shoreline on Lake Erie. Though some Euclid neighborhoods have private beach clubs and beautiful homes that were built as summer homes in the early 1900s, Euclid defined itself more as a working-class factory town. Being a suburb with beach property wasn't a central focus.

In the 1950s and 1960s when Euclid was growing, most thought of Lake Erie as the place for power plants and refuse dumping and huge iron ore ships. That perception is changing now. City officials are leading that change.

"Our lakefront does make us different. We, as a city are starting to realize that more and more," says Euclid Mayor Kirsten Holzheimer Gail. "We have a strong business sector and good retail choices—and great neighborhoods too. But we are seeing that the lakefront ties all those things together."

Like many other inner ring suburbs in the Midwest, Euclid has worked its way through a housing crisis and a subsequent population drop.

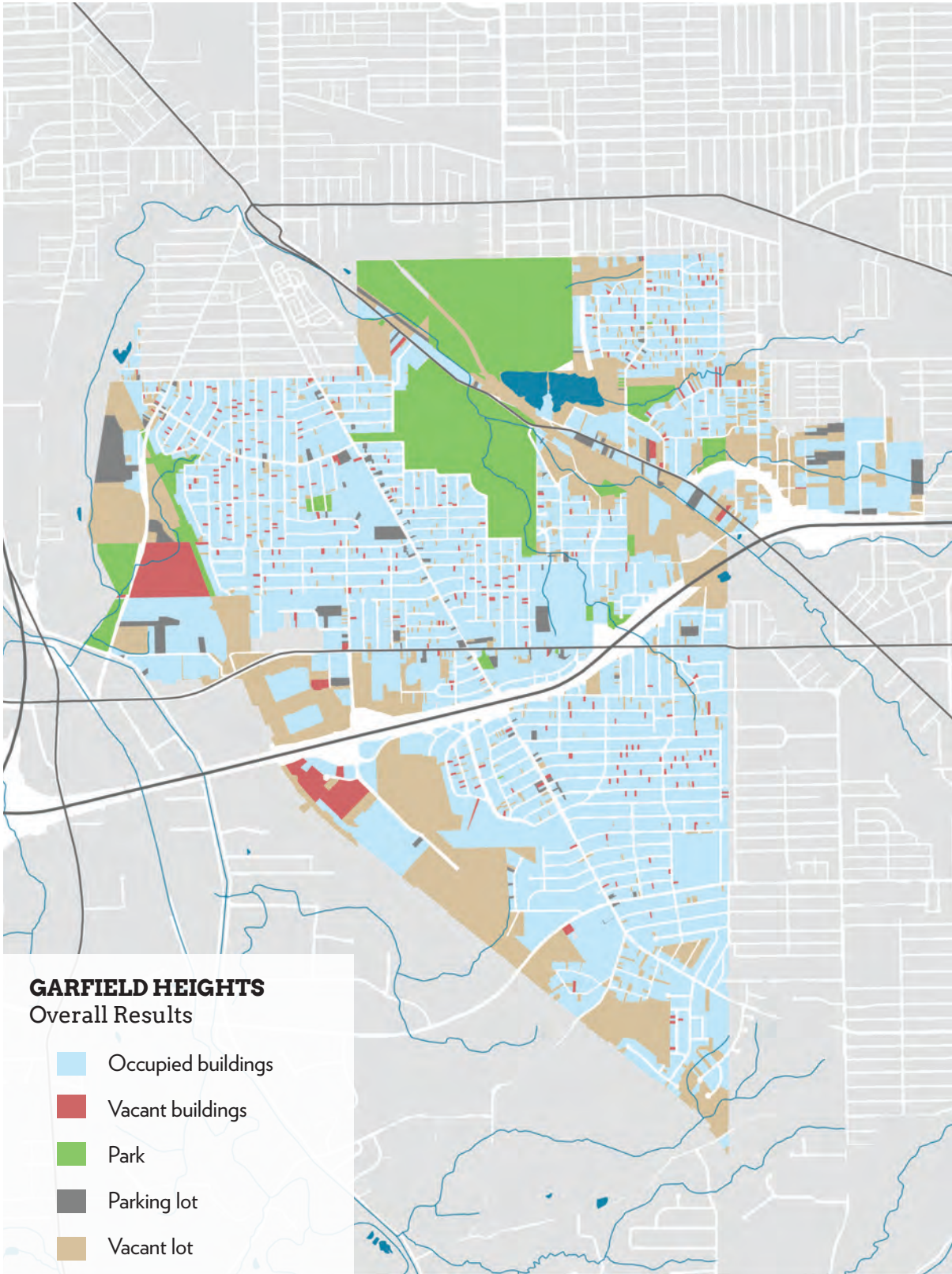
In its heyday, more than 70,000 residents called Euclid home. For the past few years, that number has steadily held at just under 50,000.

There are many indications of positive change. Bars and restaurants have popped up in the downtown area. The city is about to build a three-quarter mile biking and walking trail on the lake for families of all sizes to enjoy. Commercial businesses are expanding. The long vacant Euclid Square Mall is being torn down to make room for an Amazon regional distribution center.

In addition to these changes, residents are also investing in their properties. A significant portion of Euclid's housing stock consists of bungalows that were built in the 1950s. The city encourages reinvestment by connecting homeowners to assistance programs for renovations. These range from how-to workshops for the handy homeowner, professional advice through the Heritage Home Program, and various types of financial assistance to help make home improvements more affordable.

"The survey data will help us make the decisions about which properties to demolish or rehab and how to get the greatest impact with limited funds," Gail says. "Younger people want to live in Euclid and a lot of that has to do with having good housing at affordable prices, being close to downtown Cleveland, and having access to the lake."

"Having the lakefront is definitely one of our greatest assets," she says "and we are using it to spur investment and interest in Euclid and re-define who we are as a city."



GARFIELD HEIGHTS



Source: Cuyahoga County Pictometry®

The survey team looked at 12,975 properties in the City of Garfield Heights. 99% of the buildings in the city were rated in excellent (A) or good (B) condition. 83 buildings were rated in fair (C) condition and 13 in poor (D) condition. Only 3 received a grade of F, for being unsafe or hazardous.

Garfield Heights is one of the oldest suburbs in Cuyahoga County, which makes the high level of maintenance especially remarkable. The city has a distinctive character, with historic houses dating from the early 20th century as well as many houses that were built in the post-war housing boom. This diversity of housing in one of the city's strengths, along with its close proximity to the Garfield Park Reservation, the Cuyahoga Valley National Park, and the Towpath Trail.


Although most buildings in Garfield Heights are well-maintained, there are vacant buildings throughout the city, with higher concentrations in neighborhoods north of Granger Road. Vacant houses and commercial storefronts are also scattered along Turney Road, north of Granger Road.

A cluster of vacant houses near Garfield Park, many of which are in B or C condition, seems like a prime opportunity to attract young home buyers interested in affordable fixer-uppers, with access to nearby green space. Attracting new investment to B and C properties is critically important, to prevent these properties from slipping into D or F condition.

A & B BUILDINGS 99% of the buildings in Garfield Heights were rated excellent or good.



GARFIELD HEIGHTS
A & B Buildings

 A-Grade buildings: 10,140

 B-Grade buildings: 1,109

Total buildings: 11,348



UPPER LEFT As one of the oldest suburbs in Cuyahoga County, Garfield Heights has many well-maintained, historic homes.

UPPER RIGHT Garfield Heights also has many post-war houses, also in good condition.

LOWER Garfield Parkway is a wide boulevard lined by stately homes and mature trees.

C, D & F BUILDINGS Only about 1% of the buildings in the city were graded C, D, or F and most of these properties are clustered in the northern part of the city,



GARFIELD HEIGHTS

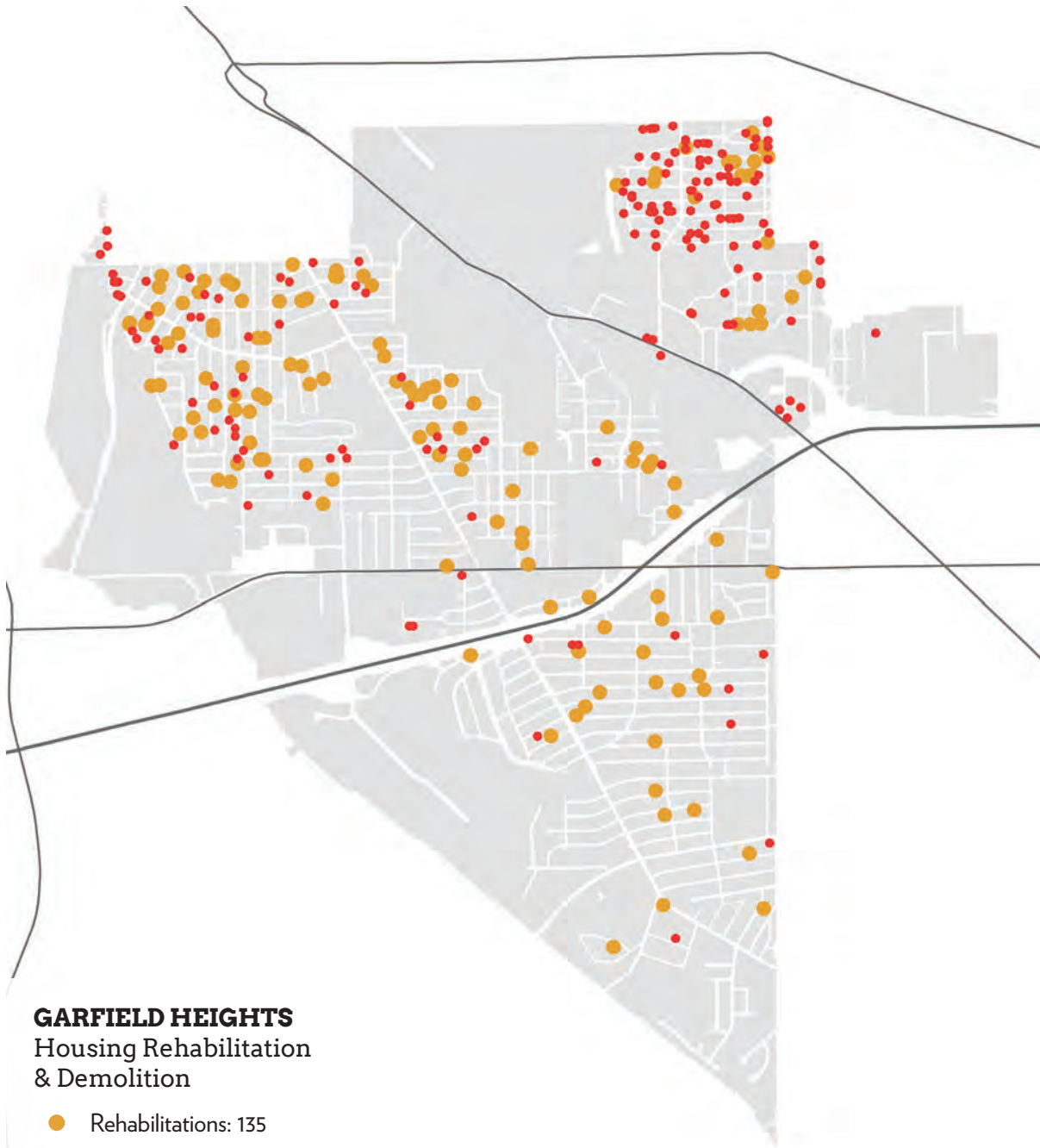
C, D & F Buildings

- C-Grade buildings: 83
- D-Grade buildings: 13
- F-Grade buildings: 3

Total buildings: 11,348



ABOVE Only about 1% of the buildings in the city were graded C, D, or F. Almost all of these properties are clustered in the northern part of the city, north of Granger Road.



IMPACT OF RESIDENTIAL DEMOLITION

Between January of 2009 and July of 2017, the City of Garfield Heights experienced 167 residential demolitions. A total of 92 residential demolitions occurred within Garfield Heights' stressed rental submarket, negatively impacting -\$773,203 in value of 1,102 homes in those areas. Although these demolitions had a negative impact on 1,102 nearby homes, this is less than the negative impact of allowing 92 blighted structures to remain in place. A total of 4 residential demolitions occurred within Garfield Heights' special rental submarket, positively impacting \$57,684 in value of 52 homes in those areas. A total of 52 residential demolitions occurred within Garfield Heights' moderately functioning ownership submarket, positively impacting \$11,573,265 in value of 2,603 homes in those areas. A total of 19 residential demolitions occurred within Garfield Heights' higher functioning ownership areas, positively impacting \$10,720,298 in value of 1,585 homes in those areas. The total property value impact of all 167 residential demolitions in Garfield Heights' during the project period is estimated at \$21,578,044.

IMPACT OF RESIDENTIAL REHABILITATION

Between January of 2009 and July of 2017, the City of Garfield Heights experienced 135 programmatic residential rehabilitations.¹ Of these, a total of 21 residential rehabilitations occurred within Garfield Heights' stressed rental submarket, positively impacting \$54,584 in value of 837 homes in those areas. A total of 78 residential rehabilitations occurred within Garfield Heights' moderately functioning ownership submarket, positively impacting \$18,758,179 in value of 3,511 homes in those areas. A total of 36 residential rehabilitations occurred within Garfield Heights' higher functioning ownership areas, positively impacting \$20,771,525 in value of 2,857 homes in those areas. The total property value impact of all 135 residential rehabilitations in Garfield Heights during the project period is estimated at \$39,584,288.

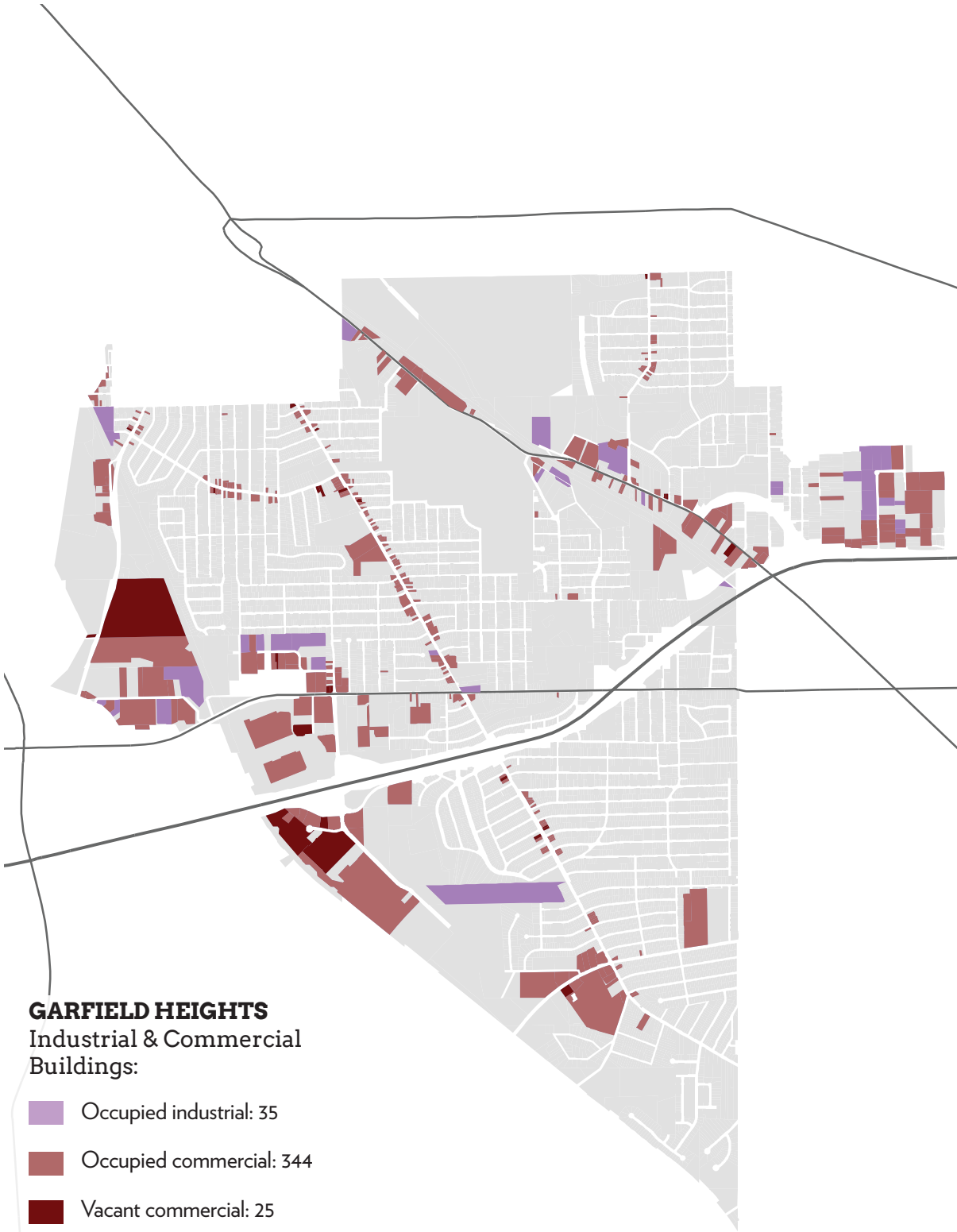
1 Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.

Demolition Impact		
Submarket	Count	Impact
Higher functioning ownership areas	19	\$10,720,298
Moderately functioning ownership areas	52	\$11,573,265
Special rental areas	4	\$57,684
Stressed rental areas	92	-\$773,203
TOTAL	167	\$21,578,044

FIGURE 7.06 Demolition impact in Garfield Heights

Rehabilitation Impact		
Submarket	Count	Impact
Higher functioning ownership areas	36	\$20,771, 525
Moderately functioning ownership areas	78	\$18,758,179
Stressed rental areas	21	\$54,584
TOTAL	135	\$39,584,288

FIGURE 7.07 Rehabilitation impact in Garfield Heights





UPPER LEFT In the E. 131 Street commercial area, most of the buildings are occupied and well-maintained, though interspersed with vacant lots.

UPPER RIGHT Example of one of the city's vacant commercial buildings.

LOWER City View Center is a shopping center built on a former landfill site, overlooking the Cuyahoga Valley National Park. The national economic downturn led to multiple store closures, leaving vacancies in the center.

Source: Street View data © 2016 Google

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**YOU STILL HAVE
TO PROVIDE THE
SERVICES EVERYONE
EXPECTS, YOU JUST
HAVE LESS MONEY
TO DO SO.**



CITY of GARFIELD HEIGHTS

Vic Collova, Mayor



Garfield Heights Mayor Vic Collova is pretty straightforward and you can tell he likes it that way. He will be celebrating his 50th wedding anniversary with his wife Jeannie this year, and is a former vice president of Teamsters Local 964. He's coached kids in baseball for decades and is a big backer of the local Golden Gloves boxing program. Don't get him started on his golf game.

And don't try to tell him about how to be Mayor of Garfield Heights, either. He has been Mayor since 2009. "Sometimes I just smile at people when they think they know how all this works," he says with a laugh. "Because no one gets that you have a finite amount of funds to deal with. When you lose your tax dollars, you cannot just have a bake sale."

"You still have to provide the services everyone expects, you just have less money to do so," he says. "That's what we are dealing with in the inner ring suburbs right now."

Garfield Heights was founded in 1919, making it one of the older suburbs in the Cleveland area. The city has declined in population from 41,000 to 28,000 since 1970 due to smaller households and a decrease in average family size.

Garfield Heights is ideally located, near the I-77/I-480 interchange, and close to Garfield Park, the Metroparks' Bedford Reservation, and the northern edge of the Cuyahoga Valley National Park.

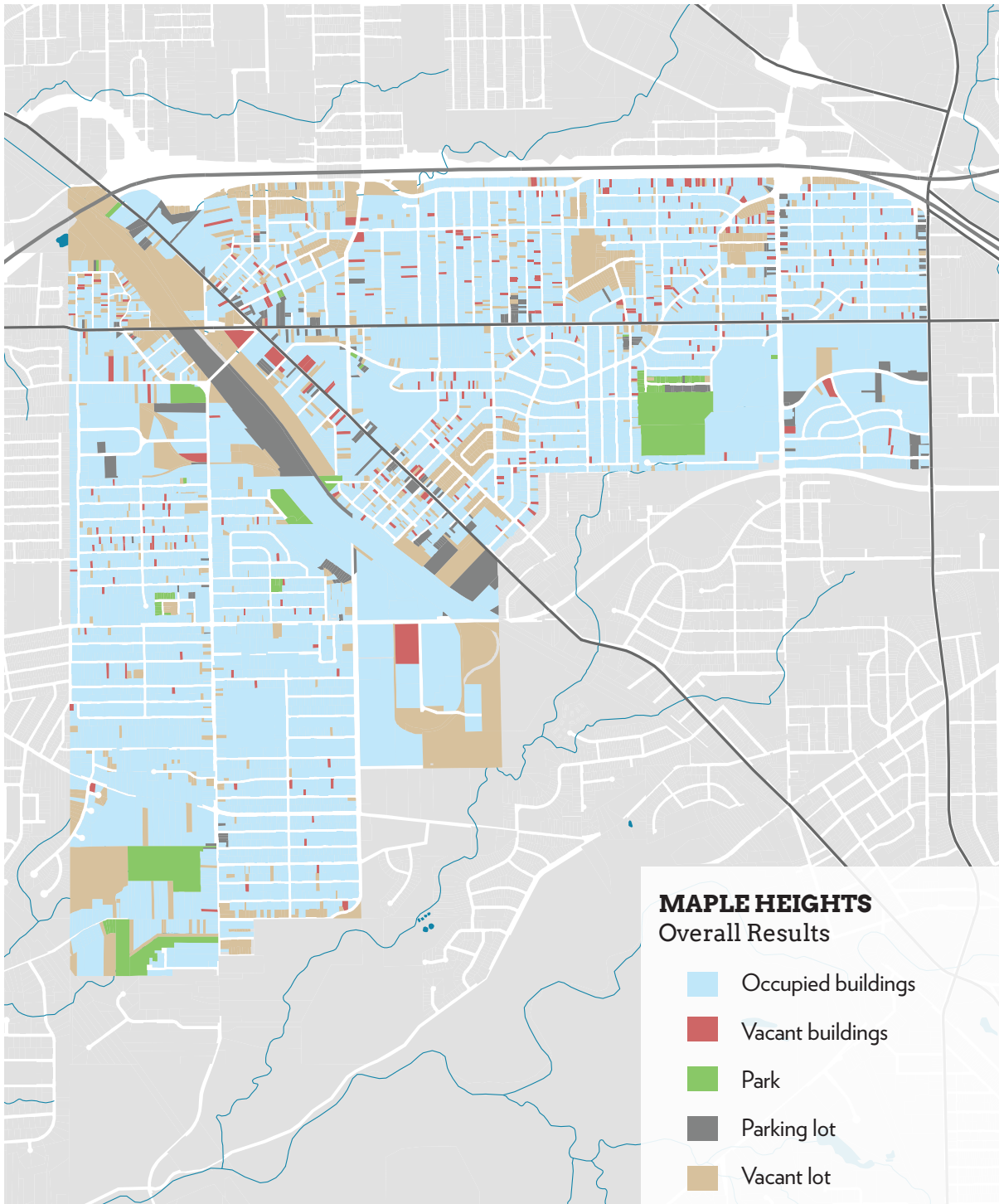
"I think we are seeing a change in the importance of location," Collova says. "When I was young, we played on our school sports teams and that was our outdoor activity. But now people want to be out in the parks hiking and biking. We are very near the national park and the towpath trail. It's a big plus for us."

"The problem we are dealing with most is the age of our homes and deciding which to tear down, which to rehab, and how to arrange all the financing that goes with that," he says.

Garfield Heights has torn down 255 homes in recent years, with another 40-50 set to come down in the next few years. Most of the resulting vacant lots are offered to those living next door as side yards. Those neighbors can purchase the lot for just \$100-\$200.

"I guess my age makes me a little more historic on how I see things," Collova says. "You can come here and get a really nice house for \$60,000-\$70,000. That is a good price for a starter home for young families. Garfield Heights was a good place for starter homes when I was young, so I think we are keeping our priorities in line."

"We are really happy with the results of the property assessment, because, to be honest with you, we thought we would do much worse," he says. "We didn't have many 'C' and 'D' rated houses. This data will be great for us to coordinate which houses and streets need immediate help, and which ones will need help a little further down the line."



MAPLE HEIGHTS



Source: Cuyahoga County Pictometry®

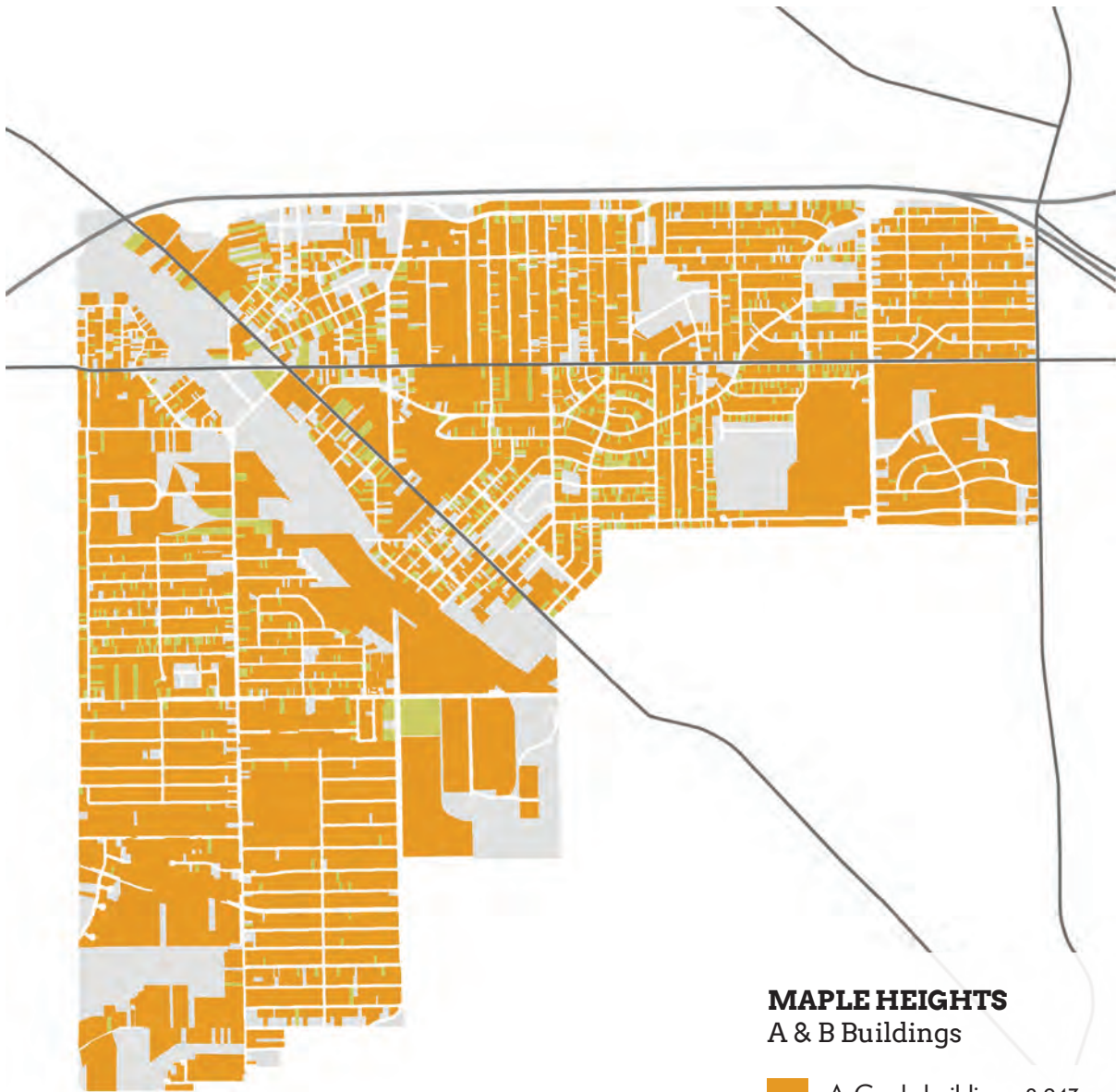
The survey team looked at 11,557 properties in the City of Maple Heights. 99% of the buildings in the city were rated in excellent (A) or good (B) condition. 108 buildings were rated in fair (C) condition and 14 in poor (D) condition. Only one building received a grade of F, for being unsafe or hazardous.

The majority of buildings in C and D condition are north of Libby Road and east of Broadway Avenue. Vacant buildings and lots are also more prevalent in these parts of the city.

Maple Heights offers stability, affordability, and convenience. Citywide, home maintenance levels are high, housing prices are low, and residents have easy access to the freeway system.

On the downside, housing values in Maple Heights have been slowest to recover from the foreclosure crisis, among the five suburbs in this survey. In 2016, the median sales price for housing in the city was \$37,000. This is only 37% of the median price when the market peaked ten years ago.

Although it is possible to purchase a solid, well-maintained house in Maple Heights for a very affordable price, it is difficult to get a mortgage at this price point as explained in the Housing Market Trends section of this report. Also, prospective homeowners can't be certain whether their purchase will appreciate in value, making it difficult to build home equity and invest in improvements.



MAPLE HEIGHTS
A & B Buildings

■ A-Grade buildings: 8,943

■ B-Grade buildings: 833

Total buildings: 9,899

BELOW & RIGHT Examples of homes graded A by the survey team.



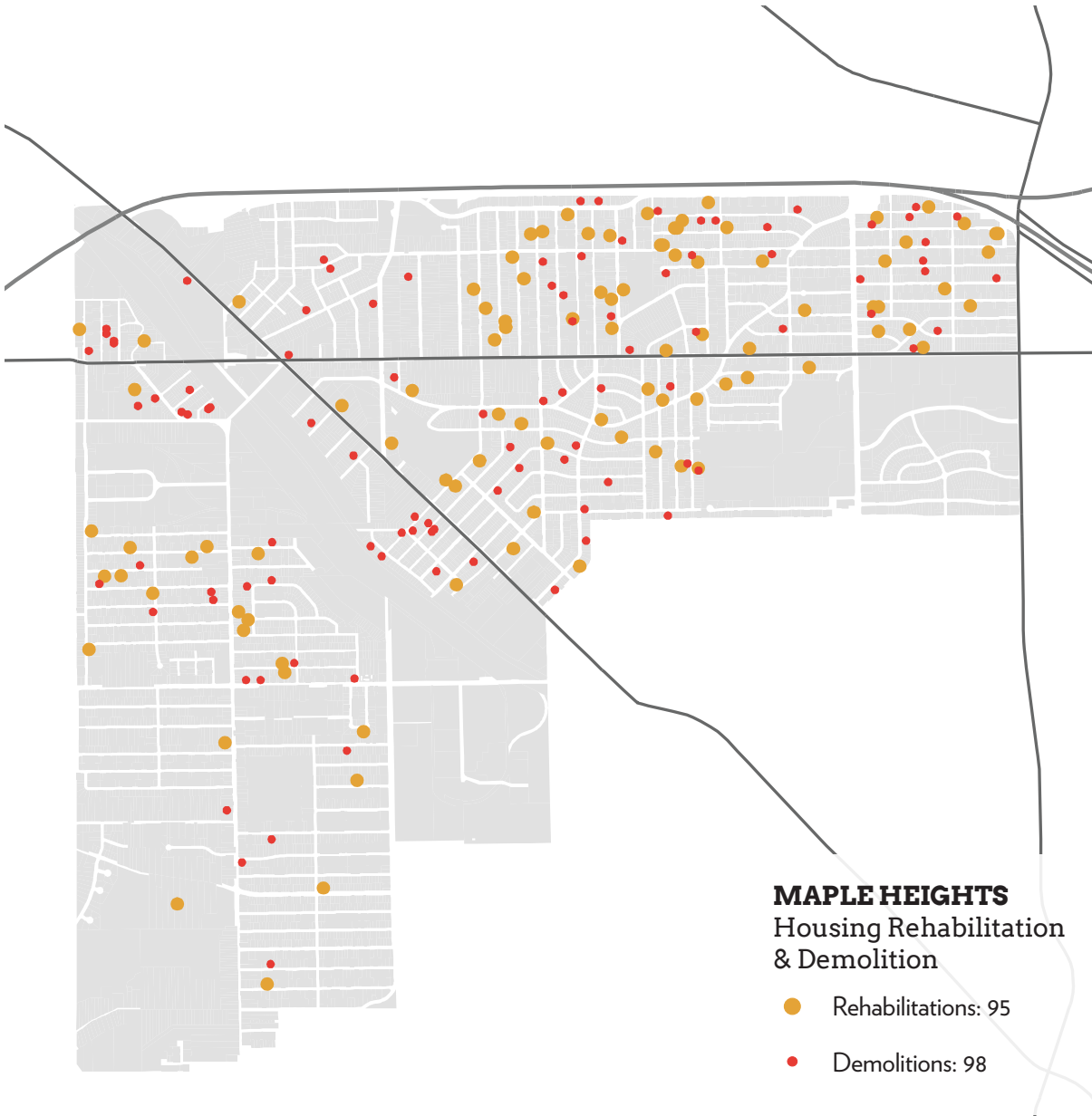
ABOVE Maple Heights has stable neighborhoods adjacent to well-maintained commercial districts. Most retail properties in the city were designed for convenient access by car, but some could be adapted to be more pedestrian friendly for nearby residents.

Source: Street View data © 2016 Google





ABOVE & LEFT Examples of homes in C, D, and F condition in Maple Heights, most of which are located north of Libby Road.



IMPACT OF RESIDENTIAL DEMOLITION

Between January of 2009 and July of 2017, the City of Maple Heights experienced 98 residential demolitions. A total of two residential demolitions occurred within Maple Heights’ special rental submarket, positively impacting \$1,262,855 in value of 188 homes in those areas. A total of 75 residential demolitions occurred within Maple Heights’ moderately functioning ownership submarket, positively impacting \$16,148,789 in value of 4,150 homes in those areas. A total of 21 residential demolitions occurred within Maple Heights’ higher functioning ownership areas, positively impacting \$6,819,801 in value of 1,050 homes in those areas. The total property value impact of all 98 residential demolitions in Maple Heights during the project period is estimated at \$24,231,445.

IMPACT OF RESIDENTIAL REHABILITATION

Between January of 2009 and July of 2017, the City of Maple Heights experienced 95 programmatic residential rehabilitations.¹ Of these, a total of three residential rehabilitations occurred within Maple Heights’ special rental submarket, positively impacting \$1,654,388 in value of 273 homes in those areas. A total of 78 residential rehabilitations occurred within Maple Heights’ moderately functioning ownership submarket, positively impacting \$17,819,380 in value of 4,165 homes in those areas. A total of 14 residential rehabilitations occurred within Maple Heights’ higher functioning ownership areas, positively impacting \$6,107,726 in value of 1,101 homes in those areas. The total property value impact of all 95 residential rehabilitations in Maple Heights during the project period is estimated at \$25,581,494.

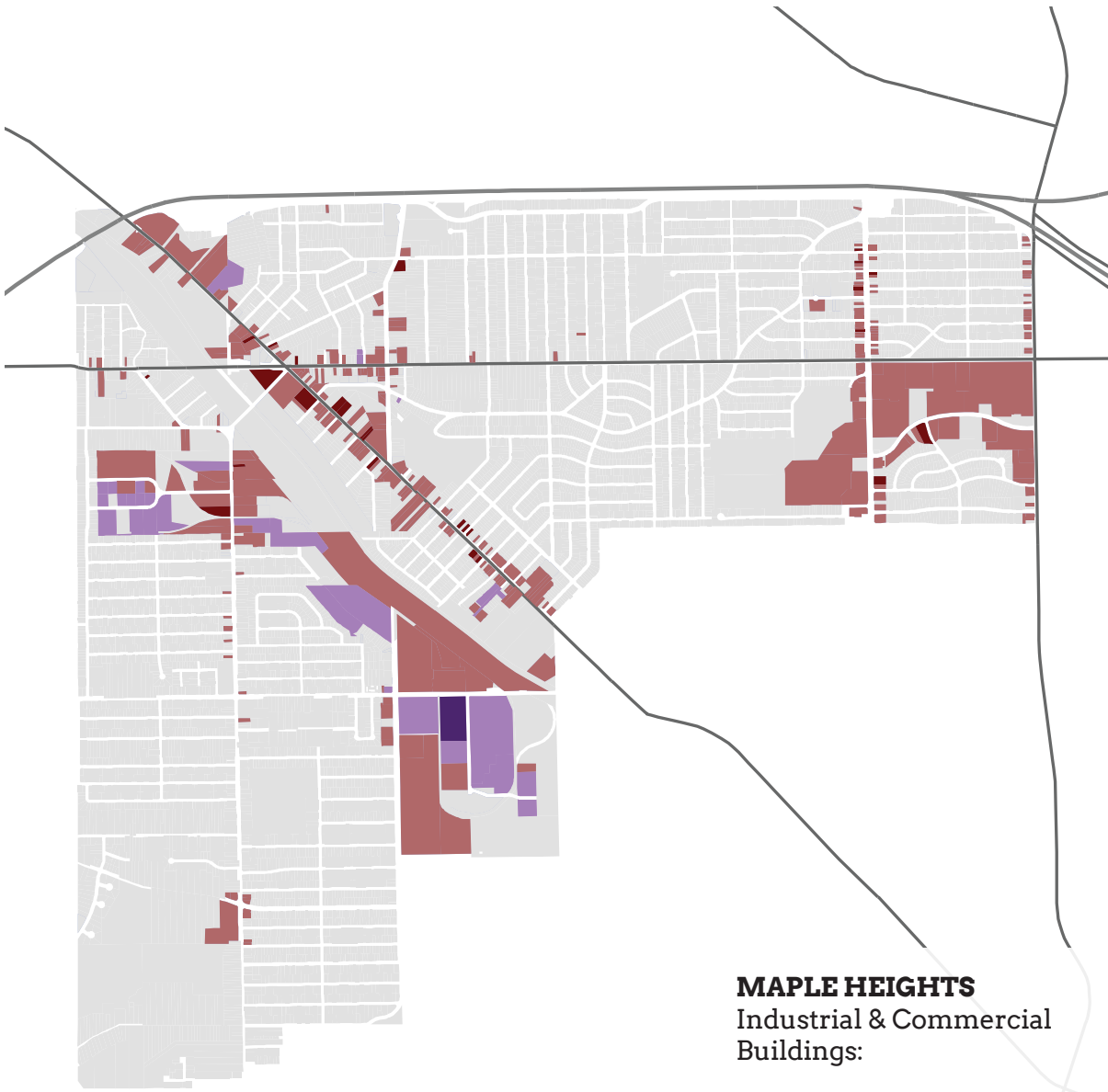
¹ Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.

Demolition Impact		
Submarket	Count	Impact
Higher functioning ownership areas	21	\$6,819,801
Moderately functioning ownership areas	75	\$16,148,789
Special rental areas	2	\$1,262,855
TOTAL	98	\$24,231,445

FIGURE 7.08 Demolition impact in Maple Heights

Rehabilitation Impact		
Submarket	Count	Impact
Higher functioning ownership areas	14	\$6,107,726
Moderately functioning ownership areas	78	\$17,819,380
Special rental areas	3	\$1,654,388
TOTAL	95	\$25,581,494

FIGURE 7.09 Rehabilitation impact in Maple Heights

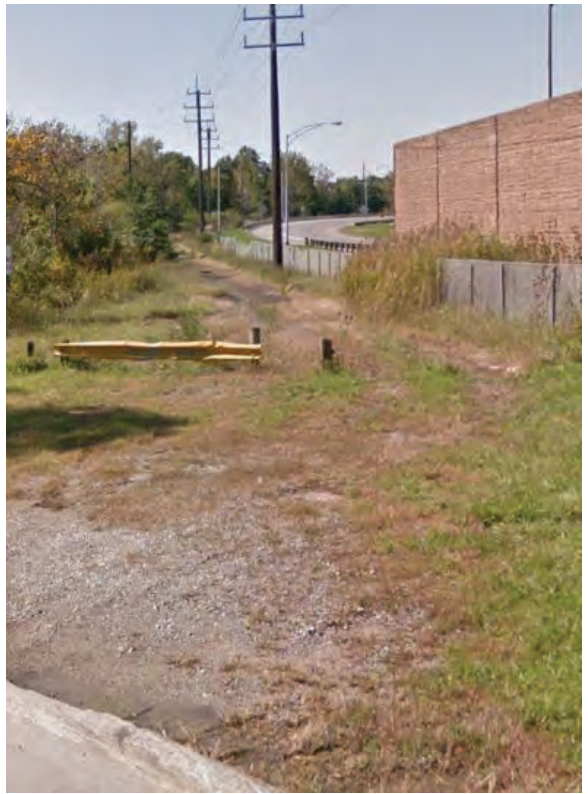


MAPLE HEIGHTS
 Industrial & Commercial
 Buildings:

- Occupied industrial: 30
- Vacant industrial: 1
- Occupied commercial: 318
- Vacant commercial: 26



ABOVE Retail buildings along commercial are well-maintained.



ABOVE Vacant retail buildings and industrial sites occur in scattered pockets throughout the city.

“



**WE MUST FIND WAYS
FOR RESIDENTS TO
BELIEVE AGAIN AND
BE PROUD OF THEIR
COMMUNITY.**

CITY of MAPLE HEIGHTS

Annette Blackwell, Mayor



When Annette Blackwell was sworn in as mayor of Maple Heights in January of 2016, she inherited some problems. The city was in fiscal emergency and it was difficult to provide basic services like street repairs.

But her message during the campaign was clear: “We need to bring people and businesses in the city together,” said Blackwell, a business owner and mother of three. “We must find ways for residents to believe again and be proud of their community.”

She has been Mayor for two years and she sees progress. “This city is now more than two-thirds African-American (68%). I have always fought for communities like Maple Heights to be seen just as positively as any other city in this area,” she says. “Not as a place that has seen better days.”

“We are a bedroom community and we need places to shop for food and prescriptions and clothing and all the things people who live in the suburbs need. We are making progress in that regard,” Blackwell says.

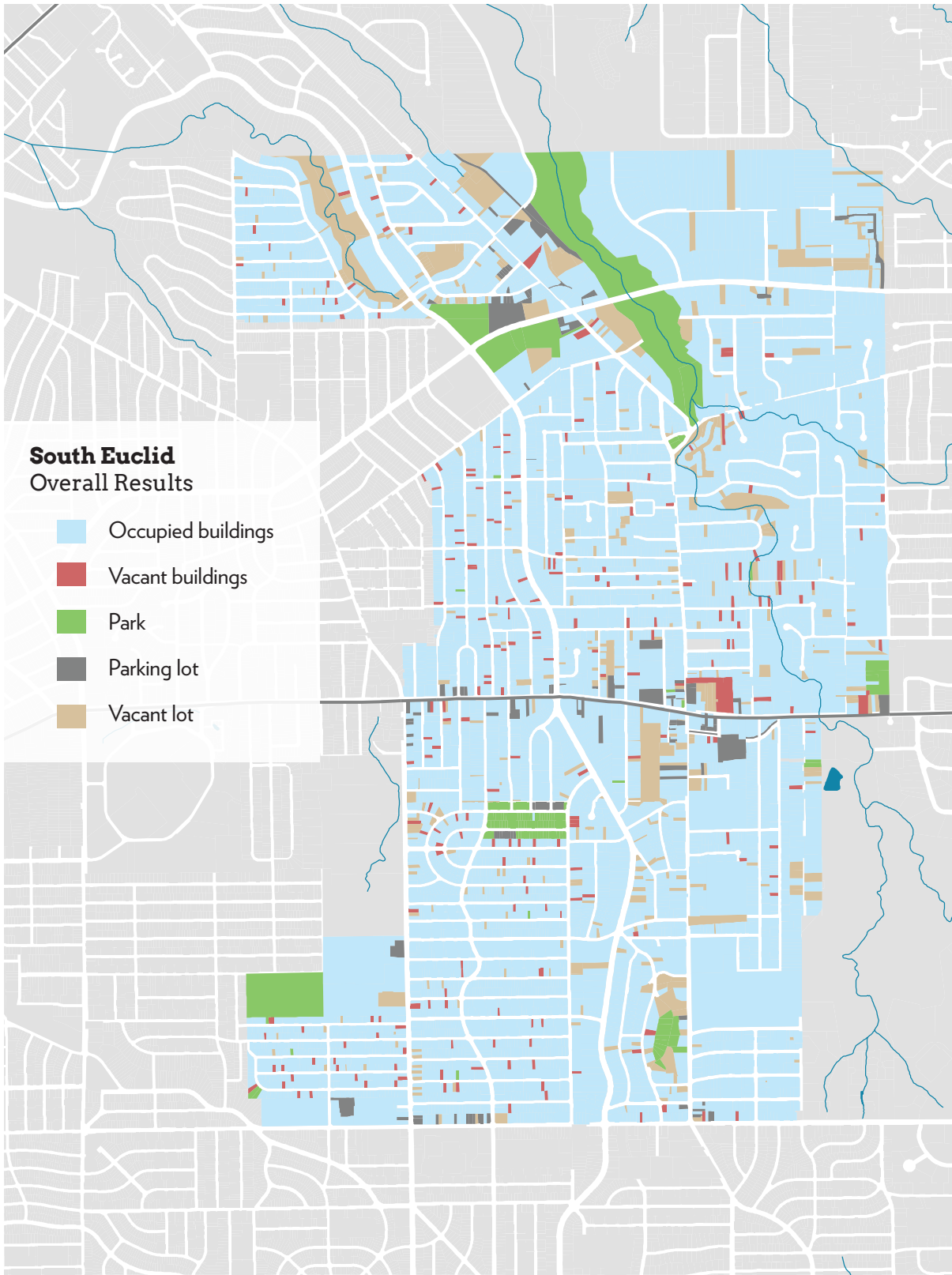
Much of the housing in Maple Heights was built in the 1950s. The city has seen some of that old housing deteriorate over the decades. However, the city is not merely an inner ring suburb with inexpensive bungalows on street after street.

“It all depends on what part of the city you are in,” Blackwell says. “Yes, there are lots of smaller bungalows, but also split levels and nice brick two-stories, colonials and single-story ranches too. There is a wide variety of housing at different price points, in a location that is close to many jobs.”

The Mayor says the city is becoming a favorite place for younger women with incomes in the \$35,000-\$50,000 range. “Many women who work in the healthcare, entertainment, and hotel industries, and are in that middle-class wage group, like the options they have in housing they can own. And we like to have them here.”

Maple Heights is trying to avoid too many demolitions. “Streets with too many vacant lots can be seen as unsafe,” Blackwell says, The city has seen an uptick in housing values during the past two years. One reason is location: the suburb is near the I-480/I-271 interchange and bisected by Broadway Avenue.

“We are very near the Cuyahoga Valley National Park,” she says. “And about ten miles from the Brandywine Ski Resort. I tell people they should move to Maple Heights if they like hiking or skiing. People usually don’t think of us that way.”



SOUTH EUCLID



Source: Cuyahoga County Pictometry®





The survey team looked at 9,592 properties in the City of South Euclid. 99% of the buildings in the city were rated in excellent (A) or good (B) condition. 64 buildings were rated to be in fair (C) condition and 8 in poor (D) condition. There are no F buildings in South Euclid.

C and D buildings are distributed throughout the city, with no noticeable concentrations of distressed properties. Vacant lots and vacant buildings are similarly dispersed, in relatively small numbers, across the city. By any indicator, South Euclid building stock is well maintained and its housing market is the strongest of the five first-ring suburbs in the survey.

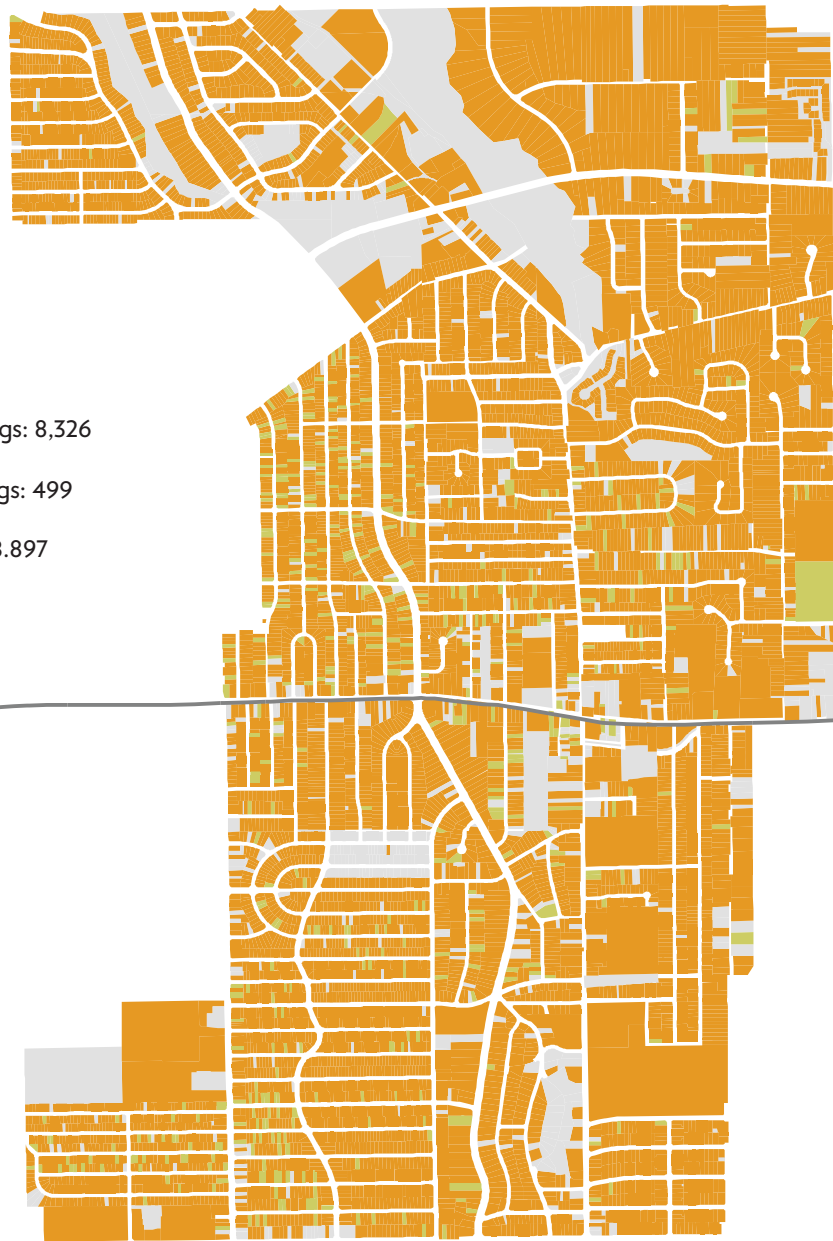
The city has been repositioning itself with distinctive branding, as a healthy, friendly, green community where people “come together and thrive.” This civic identity is reflected through recent innovations in LEED certified housing rehabilitation and vacant lot greening projects, as well as in the ecologically friendly landscape design of the Oakwood Commons shopping center.

SOUTH EUCLID
A & B Buildings

 A-Grade buildings: 8,326

 B-Grade buildings: 499

Total buildings: 8,897





BELOW and LEFT Examples of A and B homes in South Euclid.






LEFT LEED-certified home rehabilitation, part of South Euclid's Green Neighborhoods Initiative.



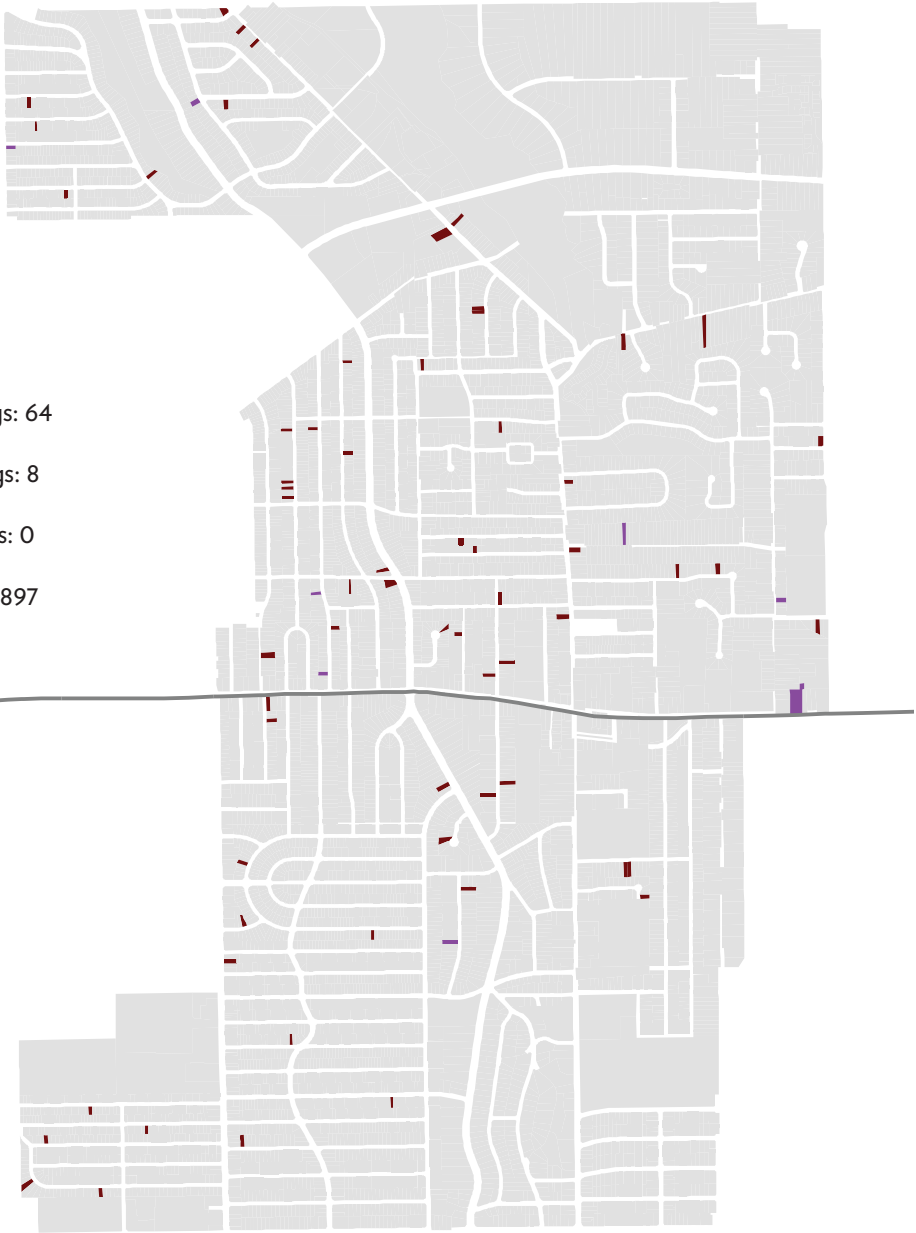


SOUTH EUCLID

C, D & F Buildings

-  C-Grade buildings: 64
-  D-Grade buildings: 8
-  F-Grade buildings: 0

Total buildings: 8,897





ABOVE AND LEFT C and D property conditions in South Euclid.



ABOVE and **RIGHT** Vacant structures in South Euclid.



ESTIMATING THE IMPACT OF VACANT PROPERTY REGISTRATION PROGRAM

Prior to 2010, South Euclid had no way to ensure that vacant structures were being brought up to code. A previous point of sale ordinance was defeated in a referendum. As a result, during the height of the foreclosure crisis, numerous vacant properties were changing hands, often to unscrupulous speculators who were flipping distressed properties with little to no repair. With over 800 vacant homes at the peak of the crisis, vacant homes represented almost 10 percent of the housing stock.

In 2010, South Euclid City Council passed an ordinance requiring the registration and inspection of all vacant homes prior to sale. Vacant homes are now required to be registered, maintained in safe and secure condition, and inspected inside and out prior to resale. Properties are required to be fully code compliant before they are re-occupied. Escrow and an assumption of violations is required at sale. Buyers have six months from transfer date to bring the property into code compliance.

As a result, since 2010 almost 1,200 formerly vacant properties have been brought into full code compliance—more than 10 percent of all the housing stock in the city. This represents over \$50 million in residential permit activity since 2010.

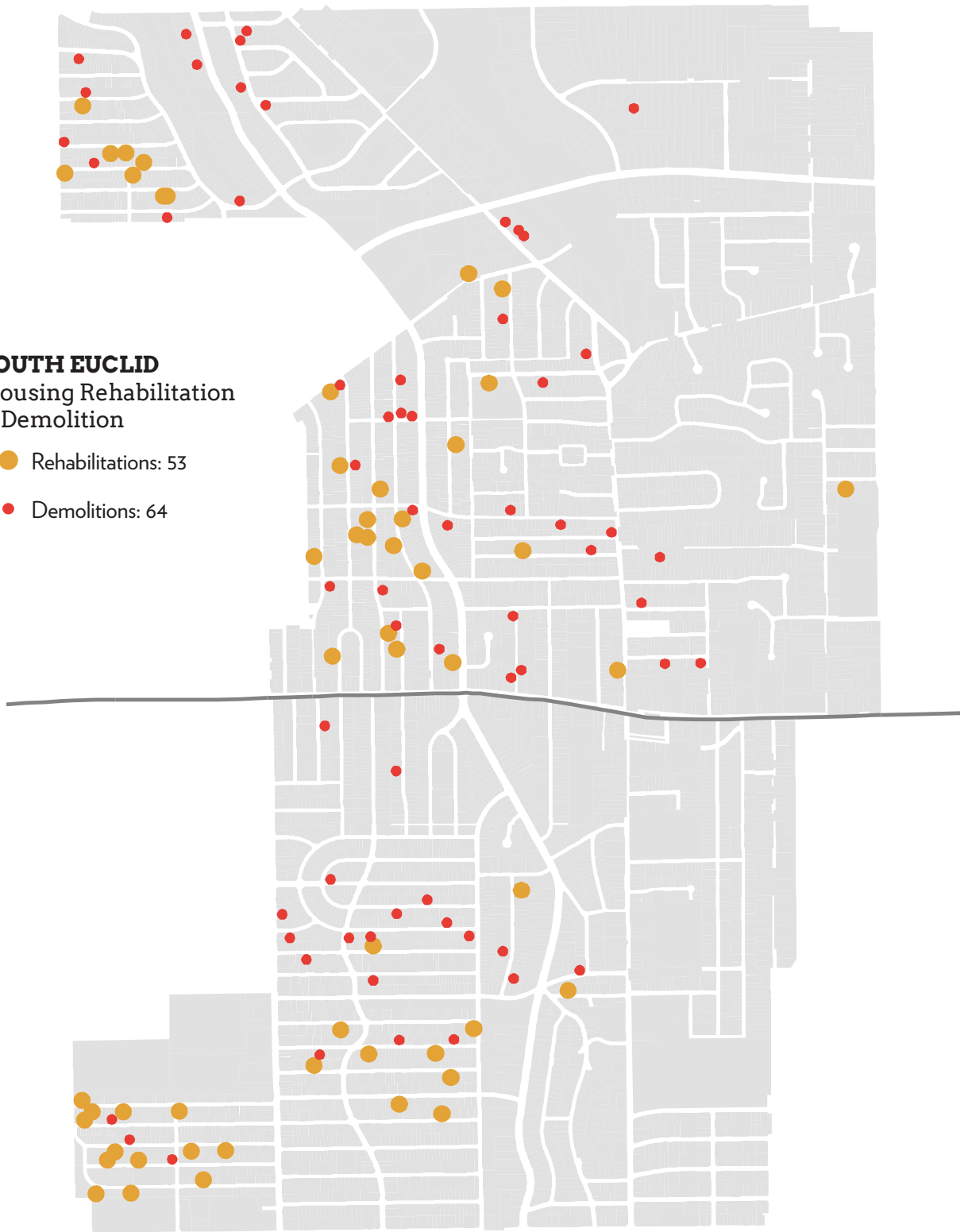
Many of the vacant homes affected by this ordinance went through mortgage foreclosure and then were reoccupied and became tax current after being brought back up to code. This change has been shown in the Dynamo Metrics models to impact the value of neighboring homes. Dynamo therefore measured the impact of mortgage foreclosed vacancies becoming reoccupied and tax current.

While the ordinance does require homes to be properly invested in to become code compliant, we cannot assume that the home would have otherwise stayed vacant or worse, become blighted and tax foreclosed. With that said, we do know that the homes that were reoccupied were guaranteed to be in consistent code compliant condition, as opposed to dilapidated or with any nuisance violations. While the full impact of an occupancy may not be attributed to each reoccupation, some portion of that value is likely a component of the South Euclid program. Dynamo therefore valued the average home being brought from mortgage foreclosure back to code compliant occupied and tax current. This number is relevant because if homes are left to deteriorate they likely will become vacant, dilapidated and eventually require demolition - permanently leaving a gap in the tax base. This average number can be multiplied to all homes that may have gone through a spiral of decline had the ordinance not been put in place.

A sample of 627 properties was identified as to have gone through mortgage foreclosure that were then subsequently impacted by the ordinance and became occupied in South Euclid. The average impact of one of these homes on its neighbor's property values when changing from mortgage foreclosed and vacant into tax current and occupied is \$173,794.

SOUTH EUCLID
Housing Rehabilitation
& Demolition

- Rehabilitations: 53
- Demolitions: 64



IMPACT OF RESIDENTIAL DEMOLITION

Between January of 2009 and July of 2017, the City of South Euclid experienced 64 residential demolitions. A total of 34 residential demolitions occurred within South Euclid’s moderately functioning ownership submarket, positively impacting \$16,997,693 in value of 2,163 homes in those areas. A total of 30 residential demolitions occurred within South Euclid’s higher functioning ownership areas, positively impacting \$28,042,608 in value of 2,018 homes in those areas. The total property value impact of all 64 residential demolitions in South Euclid during the project period is estimated at \$45,040,301.

IMPACT OF RESIDENTIAL REHABILITATION

Between January of 2009 and July of 2017, the City of South Euclid experienced 53 programmatic residential rehabilitations.¹ A total of 31 residential rehabilitations occurred within South Euclid’s moderately functioning ownership submarket, positively impacting \$18,438,726 in value of 1,719 homes in those areas. A total of 22 residential rehabilitations occurred within South Euclid’s higher functioning ownership areas, positively impacting \$17,681,650 in value of 1,474 homes in those areas. The total property value impact of all 53 residential rehabilitations in South Euclid during the project period is estimated at \$36,120,376.

¹ Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.

Demolition Impact		
Submarket	Count	Impact
Higher functioning ownership areas	30	\$28,042,608
Moderately functioning ownership areas	34	\$16,997,693
TOTAL	64	\$45,040,301

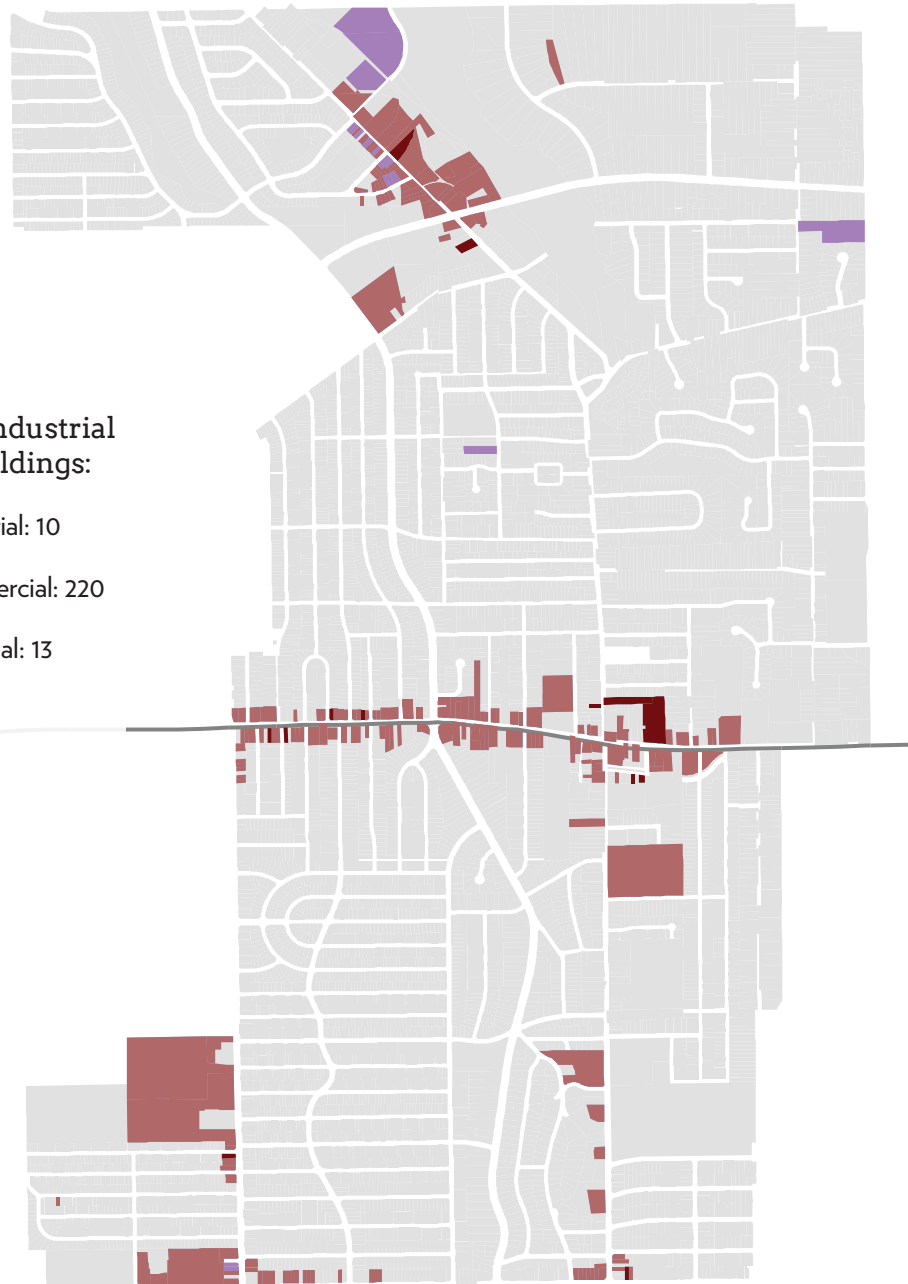
FIGURE 7.10 Demolition impact in South Euclid

Rehabilitation Impact		
Submarket	Count	Impact
Higher functioning ownership areas	22	\$17,681,650
Moderately functioning ownership areas	31	\$18,438,726
TOTAL	53	\$36,120,376

FIGURE 7.11 Rehabilitation impact in South Euclid

**SOUTH EUCLID Industrial
& Commercial Buildings:**

- Occupied industrial: 10
- Occupied commercial: 220
- Vacant commercial: 13



BELOW The Oakwood Commons shopping center, which includes one of the few Walmarts nationally to pursue LEED certification.

Source: Street View data © 2016 Google



LEFT Commercial district at the intersection of Green and Mayfield Roads includes well-maintained storefronts, landscaping, and public amenities.

Source: Street View data © 2016 Google

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**WHEN YOU MEET
AND KNOW YOUR
NEIGHBORS,
IT CHANGES
EVERYTHING.**



CITY OF SOUTH EUCLID

Georgine Welo, Mayor



When she was elected in 2003, Georgine Welo became South Euclid's first female mayor. She had served on city council for eight years prior to becoming mayor and she could see that South Euclid needed some new ways of thinking.

"First of all, we needed to embrace diversity and foster an inclusive environment in South Euclid", Welo says. "We were no longer the all-white suburb we had been, as more African-American families and other ethnic groups decided to call South Euclid home. Accepting and valuing diversity in our community is a key component to our current and future success.

"It turns out to be pretty simple for us," she says. "If you are close to where people work or where they like to hang out, and you have good public transportation and roads to get them there, they are very happy to live in a place that has good housing and might be a little quieter."

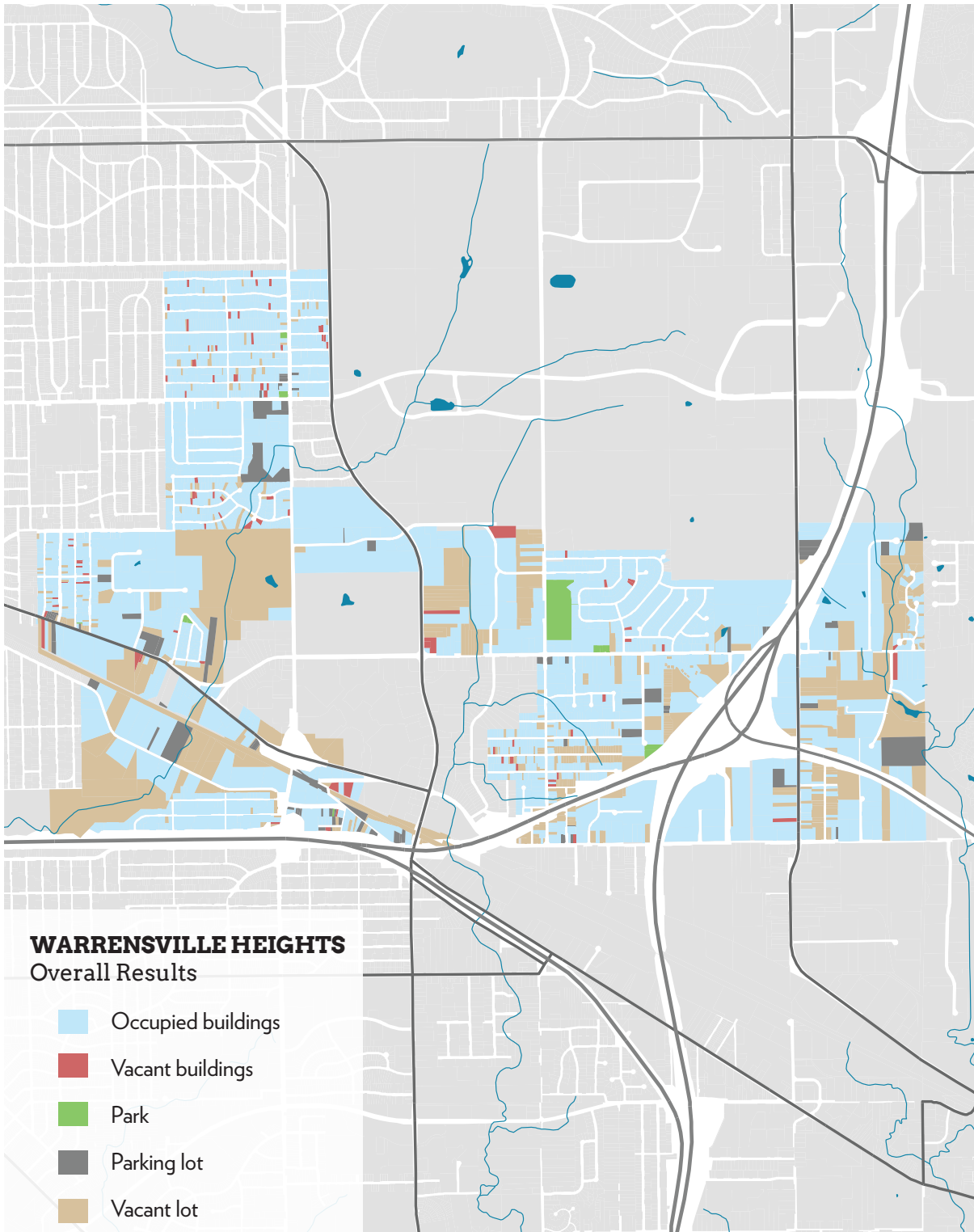
"It's not good to be the best kept secret," Welo says. "We always need to expand the circle of people who think of our city as a place they would like to live." To do that, the city undertook an extensive branding and marketing campaign and adopted the tagline, "Come Together and Thrive".

To that end, South Euclid is refocusing its attention on neighborhood groups, because as Welo says, "when you meet and know your neighbors, it changes everything. It doesn't matter how old you are." The city encourages community gardens, builds small pocket parks within neighborhoods, and promotes block parties to give residents opportunities to interact.

The City has an affiliate community development corporation, One South Euclid that is helping to further the mission of bringing residents together and revitalizing neighborhoods. So far, the organization has facilitated the resale and redevelopment of almost 60 homes, and offers a neighborhood grant program to help residents with home repairs. Almost 90 residents have received grants for home repairs. Demolition activities have created the opportunity for new housing construction in the city. "We're excited that 15 new homes have been built. It provides new housing choices in our formerly built out community," said Mayor Welo. Those homes are selling for over \$200,000, often more than double the sales price average on the streets where they are located.

Aggressive code enforcement has also been a key strategy for South Euclid. "The vacant building ordinance that City Council passed in 2010, allowed us to bring over 1,000 formerly vacant homes back into full code compliance," according to Mayor Welo. This translates into more than \$50 million of residential investment since 2010.

"We have found two approaches that work together," Welo says. "We have promised our residents that we will move very quickly at City Hall and not get bogged down in getting things done, and we empower residents to be leaders in their neighborhoods. That's made all the difference."



WARRENSVILLE HTS



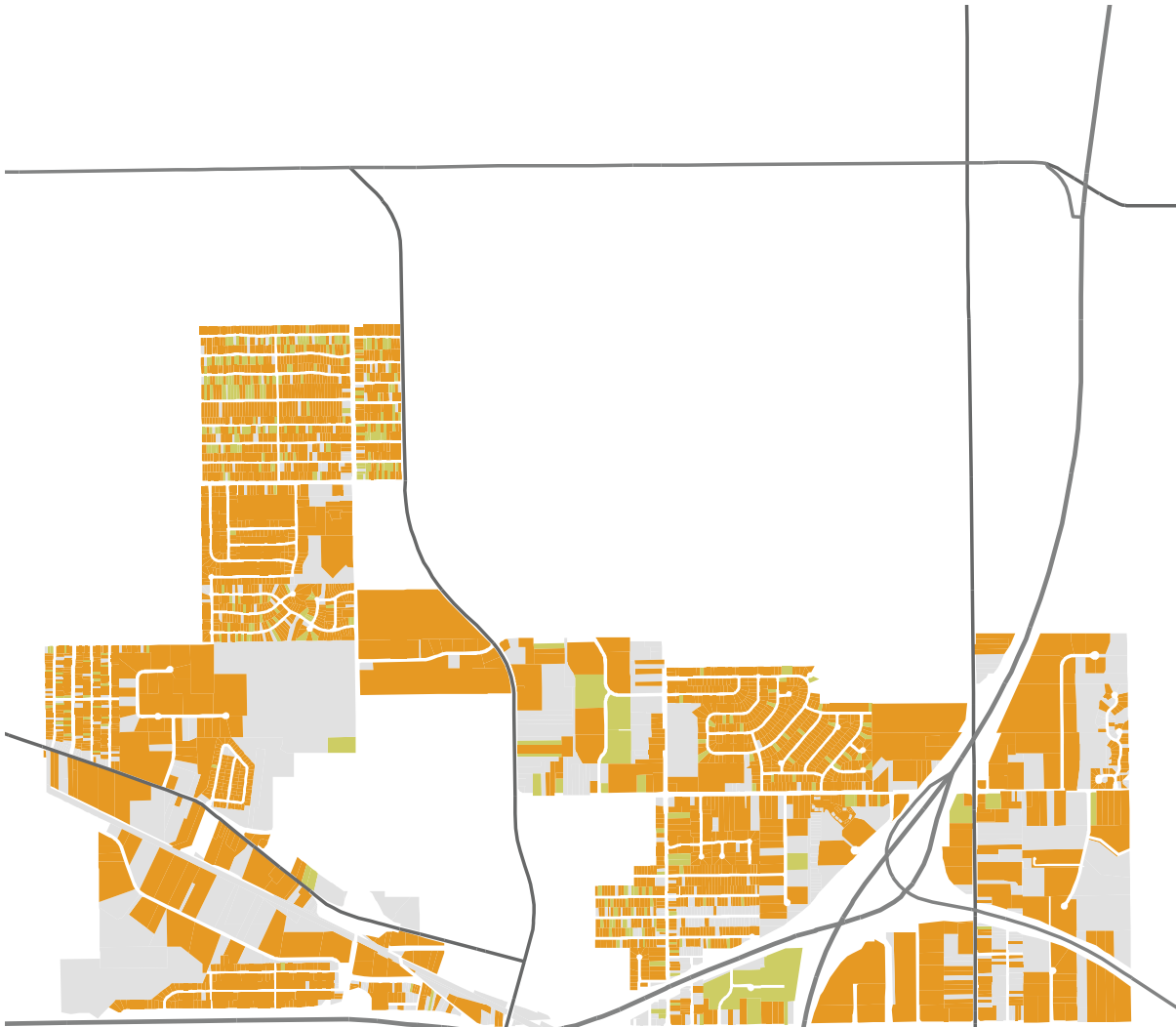
Source: Cuyahoga County Pictometry®

The survey team looked at 4,180 properties in the City of Warrensville Heights. 98% of the buildings in the city were rated in excellent (A) or good (B) condition. 47 buildings were rated to be in fair (C) condition and 7 in poor (D) condition. There is just one F-graded building in Warrensville Heights.

The city has relatively few vacant buildings, but several large vacant sites, which offer opportunities for future development. There are small pockets of C- and D-graded houses but overall, the city's neighborhoods are exceptionally well-maintained. While much of the housing in the city was built in the 1950s, there are also areas with newer housing, including the recent Cinema Park and Chateaux of Emery Park developments.



Perceptions of the city may be impacted by vacant and underutilized commercial buildings in nearby North Randall. But these perceptions are likely to change as Randall Park Mall is converted into a new Amazon fulfillment center. Within Warrensville Heights, the city's efforts to create a town center have given the city a renewed image.

From a transportation and employment standpoint, first-ring suburbs like Warrensville Heights are in an advantageous location. Historically, people commuted from the suburbs into the city for work. But today, trips from home to work are primarily movements from suburb to suburb, around the rim of a wheel and no longer like the spokes of a wheel, focused on the central city. Warrensville Heights is especially well positioned to take advantage of evolving patterns of regional development.



WARRENSVILLE HEIGHTS

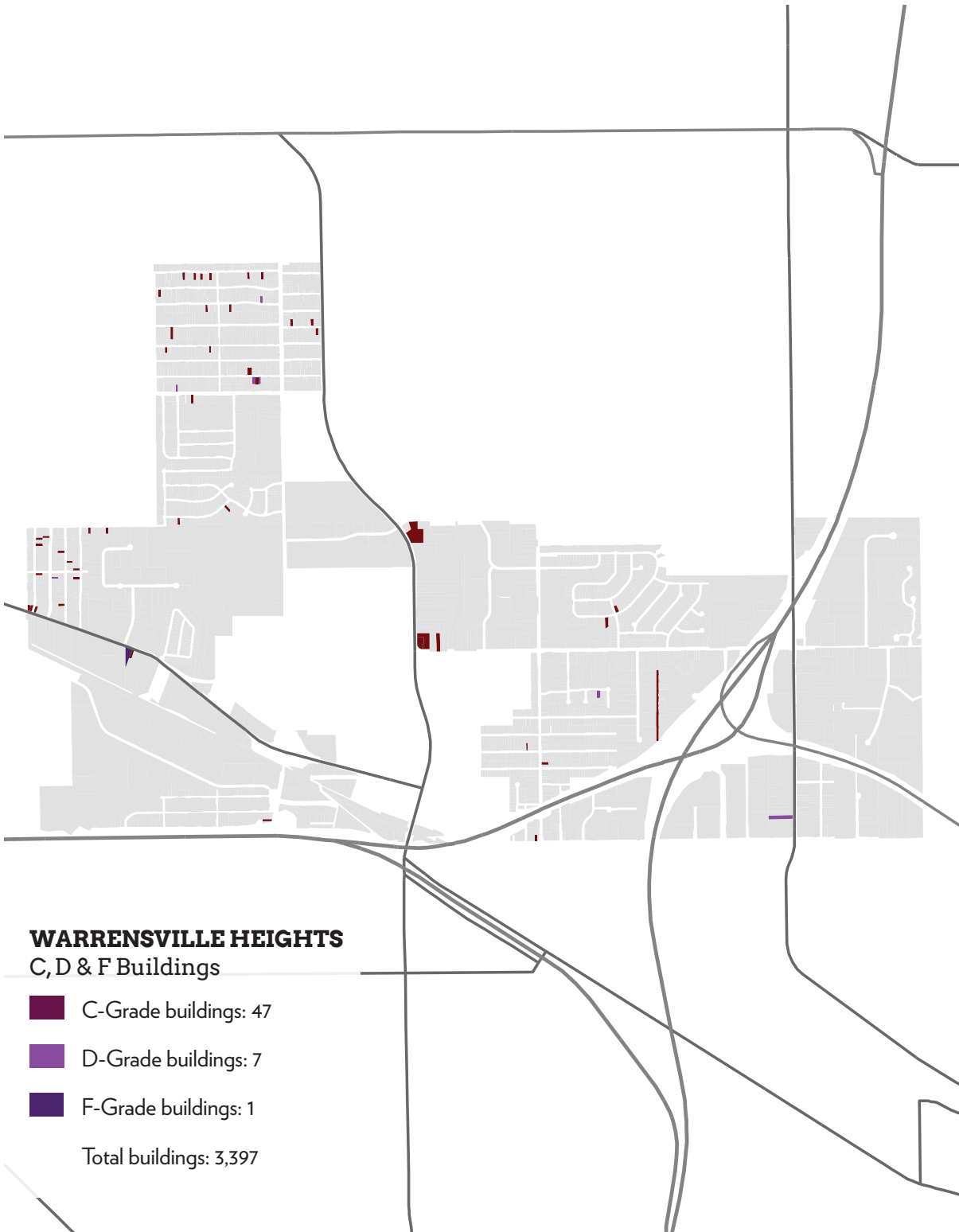
A & B Buildings

-  A-Grade buildings: 3,094
-  B-Grade buildings: 348
- Total buildings: 3,497



ABOVE Housing in A condition, old and new.

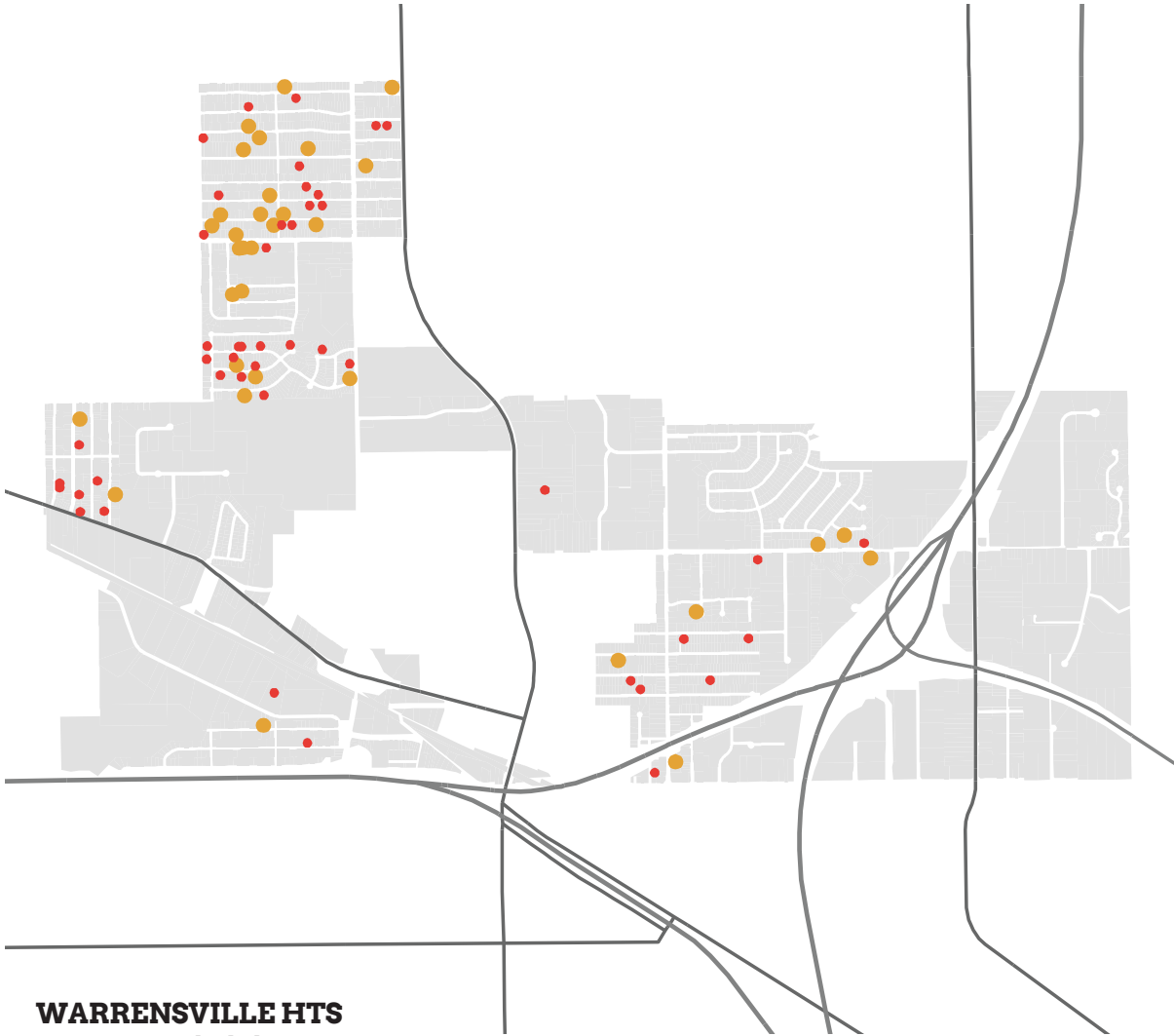
LEFT Warrensville Heights Town Center, a complex of new buildings and public amenities.





ABOVE Examples of C and D buildings in Warrensville Heights.

RIGHT The city has numerous vacant lots, some of which have been used for new housing construction and others, like the one pictured, support mature trees.



WARRENSVILLE HTS
Housing Rehabilitation
& Demolition

- Rehabilitations: 33
- Demolitions: 46

IMPACT OF RESIDENTIAL DEMOLITION

Between January of 2009 and July of 2017, the City of Warrensville Heights experienced 46 residential demolitions. A total of 19 residential demolitions occurred within Warrensville Heights’ special rental areas, positively impacting \$6,891,761 in value of 812 homes in those areas. A total of 27 residential demolitions occurred within Warrensville Heights’ moderately functioning ownership submarket, positively impacting \$5,759,034 in value of 1,076 homes in those areas. The total property value impact of all 46 residential demolitions in Warrensville Heights during the project period is estimated at \$12,650,795.

IMPACT OF RESIDENTIAL REHABILITATION

Between January of 2009 and July of 2017, the City of Warrensville Heights experienced 33 programmatic residential rehabilitations.¹ A total of 10 residential rehabilitations occurred within Warrensville Heights’ special rental areas, positively impacting \$2,651,114 in value of 636 homes in those areas. A total of 23 residential rehabilitations occurred within Warrensville Heights’ moderately functioning ownership submarket, positively impacting \$4,434,299 in value of 1,092 homes in those areas. The total property value impact of all 33 residential rehabilitations in Warrensville Heights’ during the project period is estimated at \$7,085,413.

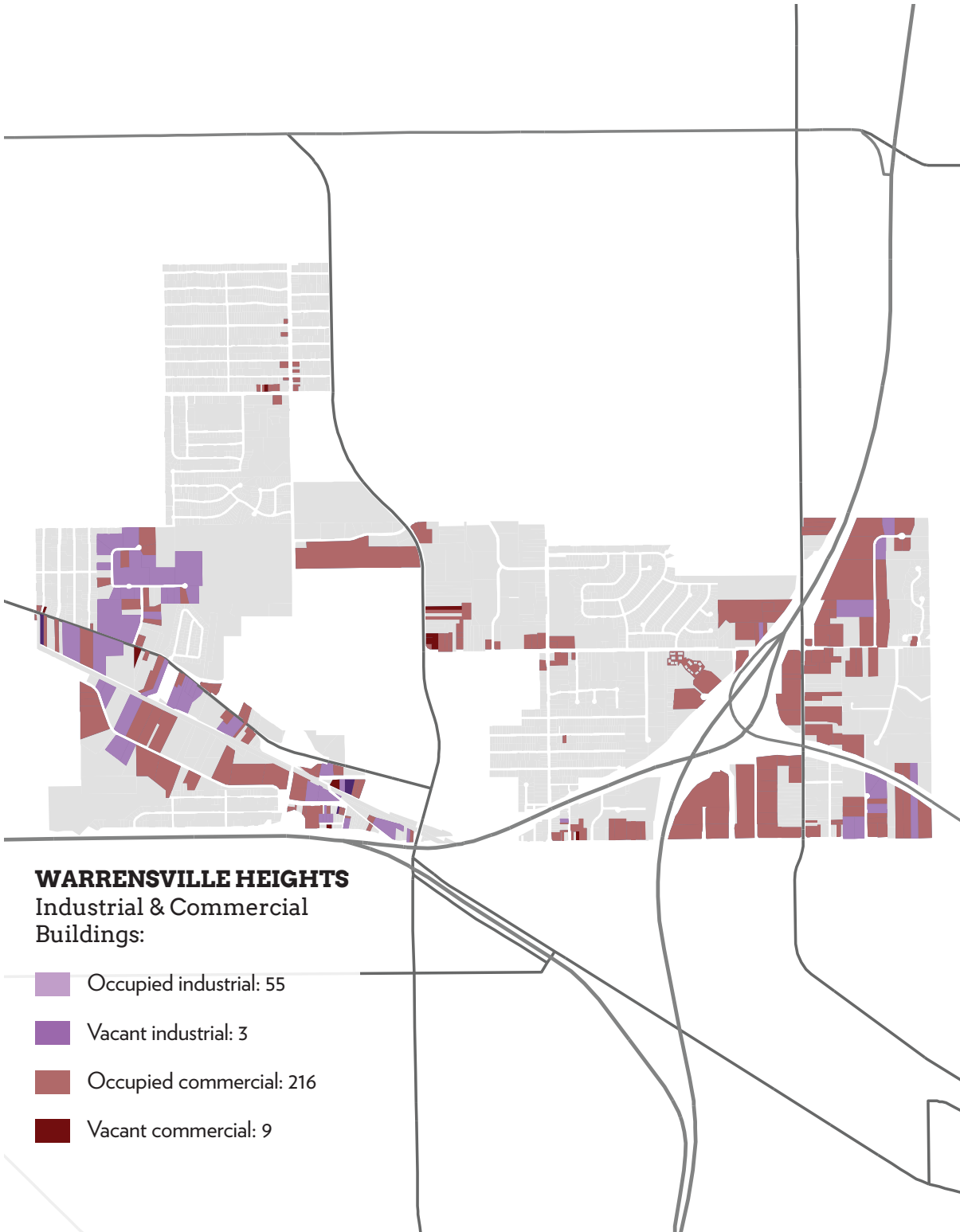
¹ Programmatic residential rehabilitations are those that were performed by the CCLRC, a Community Development Corporation or municipality. This does not include rehabs performed by homeowners or private developers.

Demolition Impact		
Submarket	Count	Impact
Moderately functioning ownership areas	27	\$5,759,034
Special rental areas	19	\$6,891,761
TOTAL	46	\$12,650,795

FIGURE 7.12 Demolition impact in Warrensville Heights

Rehabilitation Impact		
Submarket	Count	Impact
Moderately functioning ownership areas	23	\$4,434,299
Special rental areas	10	\$2,651,114
TOTAL	33	\$7,085,413

FIGURE 7.13 Rehabilitation impact in Warrensville Heights



BELOW The only F-graded structure in Warrensville Heights is a former industrial property.

RIGHT Most industrial structures in the city are well-maintained.



ABOVE and **RIGHT** Commercial structures in the city are well-maintained and mostly designed for easy access by car.



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**YOU DON'T HAVE
TO GO UPSIDE
DOWN IN A DEAL
TO OWN A
HOME HERE.**

CITY of WARRENSVILLE HEIGHTS

Brad Sellers, Mayor



Before Brad Sellers became Mayor of Warrensville Heights in 2011, he served as Director of Economic Development for the city for 11 years. This gave him the time and perseverance needed to keep projects going strong, even if short-term economic problems push things back a few years.

One example of that is a housing development at an old drive-in theater off Miles Road in the city. In the mid-2000s, a real estate development firm planned to convert the Miles Drive-In (closed in 2000) into more than 80 single-family homes. But the collapse of the housing market in 2008 put everything on hold.

But now, Cinema Park is flying high and Sellers is proud of the city's work on the project. "We knew we had a good project, and it made a lot of sense because of our location. But the economic issues were out of our control and we had to sit back and wait for national foreclosure issues to settle," Sellers says. "But we kept at it, and now new single-family homes are selling in an older suburb, proving it is a place where people want to live."

Many know Sellers from his basketball career. He played at Ohio State University in college and in the NBA for the Chicago Bulls in the late 1980s. He currently does broadcast work for the Cleveland Cavaliers when time permits.

Warrensville Heights, with a population of about 13,200, is near Interstates 271 and 480, and near entertainment and employment areas like the Hard Rock Rocksin and Amazon's planned fulfillment center. "Real estate agents always say 'location, location, location.' It is so true," Sellers says.

Sellers is finding that the housing market for middle-income earners is strong in suburbs like Warrensville Heights. "We have had 250 new houses built in the past five years. These are homes the middle-class can afford in a great location," he says. "You don't have to go upside down in a deal to own a home here."

Many vacant houses have been torn down by the city, facilitating the development of new housing for those lots. The city provides home design choices, packages the legal costs and development fees into the final price, and delivers a \$95,000 to \$120,000 home with a \$400 to \$500 per month mortgage.

"We combined tear-downs with the development of new housing, which has allowed us to turn the corner from the foreclosure problems," Sellers says. "Having control of our housing stock is a sign of stability, and that stability means jobs and retail development will follow."

"Younger first-time buyers are seeing the value in living in Warrensville Heights, and we couldn't be more happy about that," he says.

08 GROWING GREENER

Historically, suburbs have been a place to go to escape from the noise, congestion, and pollution of the city. This is perhaps less true today, as core cities invest in parks, plazas, and public spaces, like Cleveland’s recently revitalized Public Square. But suburbs offer different kinds of amenities—friendly community parks and patch of green to call your own.

The classic suburban landscape is a neatly manicured lawn. Turf grass provides a green and orderly impression of nature, but not necessarily an ecologically healthy landscape. Fertilizer, herbicides, and regular watering are needed to maintain lawns and keep them looking neighborly. Although the classic front lawn remains the preferred landscape of the suburbs and an essential part of suburban identity, first-ring suburbs are starting to embrace a deeper shade of green in landscapes that look attractive and also offer ecological benefits.

Suburban tree lawns, parks, and vacant lots offer opportunities for recreation, beautification, community gatherings, wildlife habitat, and stormwater management. If first-ring suburbs adopt better ecological practices for public areas, homeowners and businesses may begin to experiment with more natural kinds of green spaces as well. This is already happening. It’s becoming more common to see wildflower borders along residential lawns in the suburbs, creating habitat for birds and beneficial insects. Many homeowners disconnect their downspouts and divert the water into rain gardens, helping to improve water quality in the creeks and streams that feed into Lake Erie, while earning a stormwater credit from the Northeast Ohio Regional Sewer District. At the commercial scale, developments like the Oakwood Commons shopping center in South Euclid provide a landscape designed for visual appeal and ecological benefits.

All five suburbs offer well-maintained parks and recreational facilities for their residents. Maple Heights and Garfield Heights benefit from their proximity to the Cuyahoga Valley National Park, a major regional green space amenity. Maple Heights recently reached an agreement that allows Cleveland Metroparks to lease Dunham Park, a 49.9 acre green space in the community. About 80% of the land in Dunham Park is wild, with forests and headwaters of the Cuyahoga River. Dunham Park borders 9.4 acres of land owned by the Garfield Heights land bank, which may also be managed by Metroparks in the future, creating an even larger expanse of nature in the first-ring suburbs.

Protecting and expanding the tree canopy is one of the most impactful things first-ring suburbs can do to manage stormwater, improve air quality, reduce energy bills, and enhance property values and curb appeal in residential neighborhoods and commercial districts. As shown in Figure 8.01, most first-ring suburbs have more tree canopy cover than the City of Cleveland. Fairview Park, Cleveland Heights, Shaker Heights, and Bratenahl are among the most heavily wooded suburbs. But all five suburbs in this study have a healthy tree canopy, which can be maintained through good stewardship and expanded by planting new trees in parks and vacant lots, and on tree lawns and private properties.

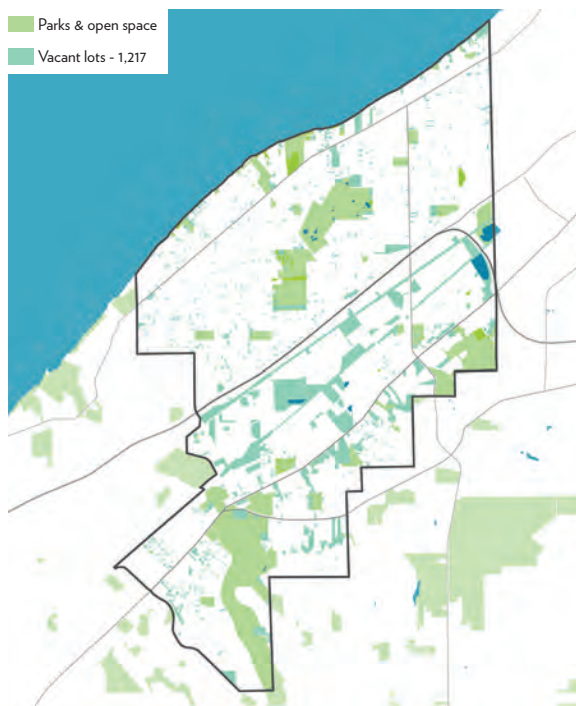
Demolition efforts in the five suburbs have resulted in vacant lots that can become a valued part of the suburban landscape. South Euclid is a leader in this area, where vacant lots have been transformed into community gardens and other neighborhood amenities.

Vacant lots can also be used to connect the dots between existing parks and public spaces, and to link residents to community destinations, like Euclid’s waterfront. The maps on this page and the next show existing public parks and green spaces, along with vacant lots that could be used to establish green space networks that allow for expanded recreation and enhanced community wellness. Green space networks are also essential for maintaining the health of suburban waterways. Euclid Creek, Nine Mile Creek, and Mill Creek are among the tributaries that run through the five suburbs. These natural assets should be protected and celebrated.

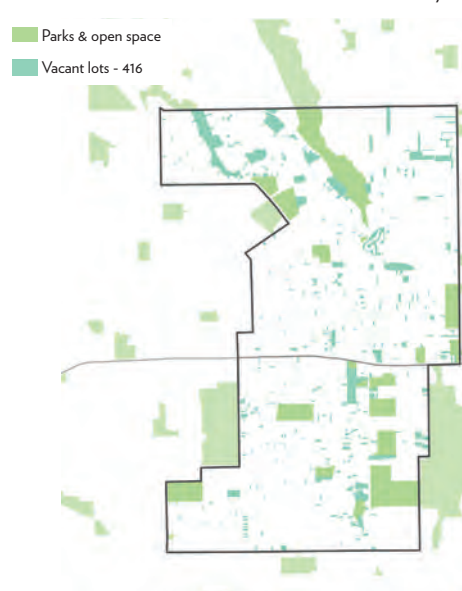
TOP RIGHT Clustered vacant lots in Euclid could be assembled to create a green connection between residents in the southern parts of the city and the lakefront.

LOWER RIGHT Landscaping efforts for vacant lots in South Euclid reinforce the community’s image as a green and sustainable place.

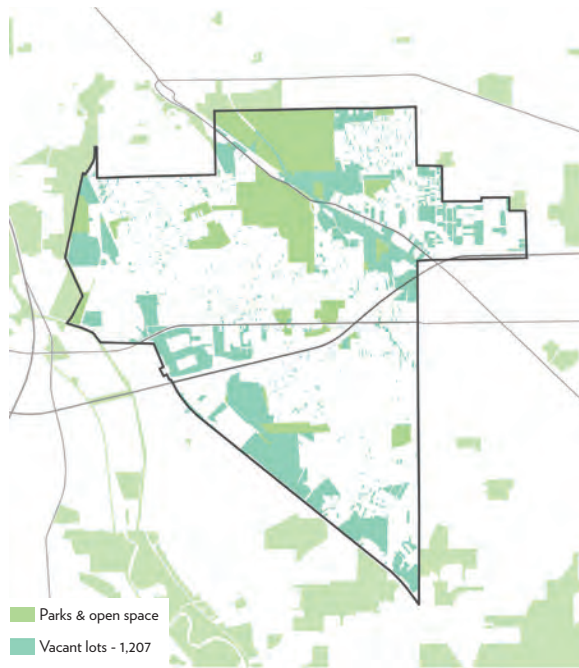
EUCLID Parks and Vacancy



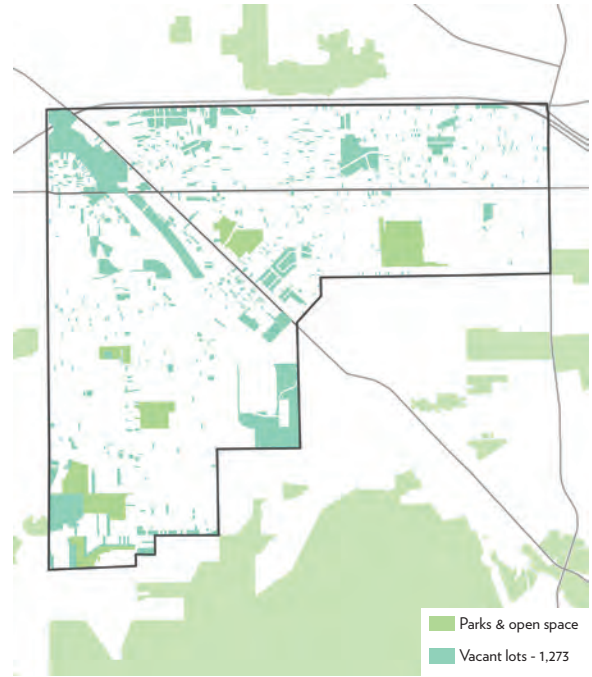
SOUTH EUCLID Parks and Vacancy



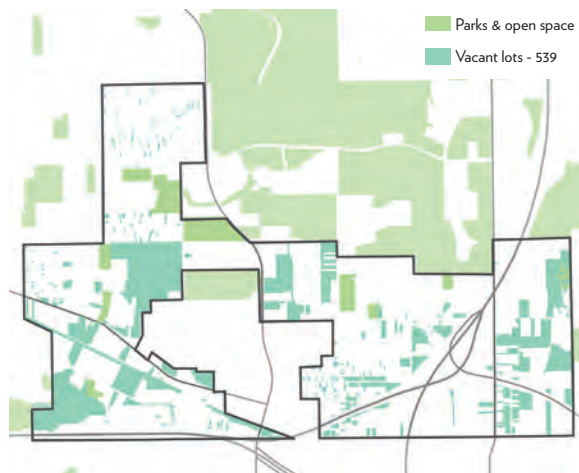
GARFIELD HEIGHTS Parks and Vacancy



MAPLE HEIGHTS Parks and Vacancy



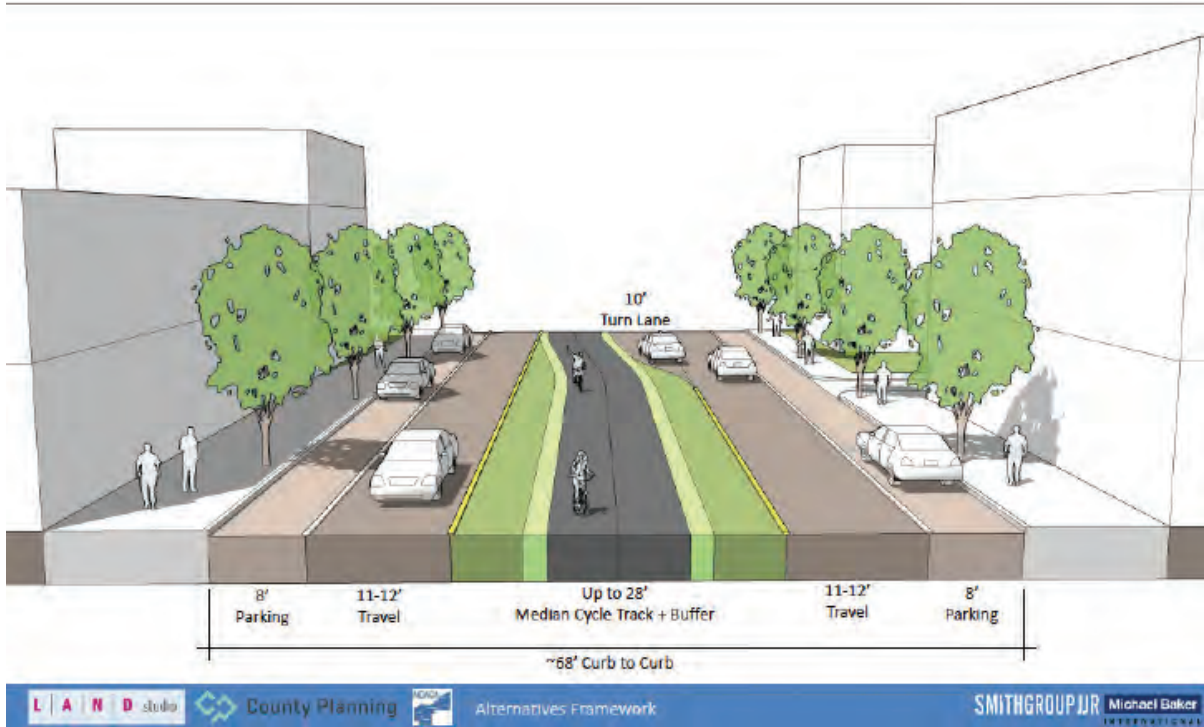
WARRENSVILLE HTS Parks and Vacancy



TOP LEFT Garfield Heights has vacant sites that align with major corridors and could be used to forge new connections to the Metroparks and Cuyahoga Valley National Park.

TOP RIGHT Maple Heights has vacant properties that align neatly with major entry points and gateways to the city. Strategic landscape investments enhance the community's image.

LEFT Warrensville Heights could use vacant properties to create parks and green spaces in areas of the community that lack them.



The planned Eastside Greenway will increase bicycle and pedestrian connectivity in eastern Cuyahoga County. It will be a major community asset, connecting 20 communities including Warrensville Heights, Euclid, and South Euclid. When completed, the Eastside Greenway will consist of approximately 60 miles of trails. Additional trail miles may be added for neighborhood connections and secondary spurs. Today, approximately 30 miles of trails are already completed and in place.

ABOVE Typical street section for the Eastside Greenway.

LEFT Vacant land greening project in South Euclid.

09 SUBURBAN FUTURES

First-ring suburbs need to rekindle their market appeal to build confidence in the future of these communities. The majority of homes in the five suburbs were built about 60 years ago—not old enough to seem “historic” to many buyers, but of an age where remodeling is often necessary. Although most houses in these communities are well-built and well-maintained, they do not always align with the preferences of contemporary home buyers.

The renewal of first-ring neighborhoods involves working from strengths. Homes in all of these communities are affordable. But the five suburbs have other strengths as well.

Euclid is ideally situated on Lake Erie and developing a spectacular waterfront plan. South Euclid has the strongest property values of the five suburbs surveyed. It also has thriving commercial districts and is close to local universities. Warrensville Heights is in the heart of, or near significant economic development opportunities in the eastern part of Cuyahoga County. Garfield Heights and Maple Heights are convenient to many of the region’s transportation hubs and close to the Cuyahoga Valley National Park, one of the most beautiful park systems in the region. Housing demand in first-ring suburbs will grow as more people rediscover the advantages of these communities.

For Cleveland’s first-ring suburbs to capture a larger share of the regional housing market, the advantages of the suburbs need to become better known, especially to the range of households who would be most interested in the housing and amenities found in the first-ring. These include:

Two Wage-Earner Households: When Cleveland’s suburbs first developed, the typical household had one parent who worked outside the home and another who stayed home with the kids. But over the last fifty years, a demographic shift has occurred. Many households now have two wage earners who work outside the home. First-ring suburbs are well situated for two-income households because they offer easy access to growing suburban employment centers like Chagrin Highlands, as well as a quick commute into Downtown Cleveland and University Circle.

Working-class Families: First-ring suburbs offer safety, privacy, mobility, and choice. Working class families need safe, stable, and affordable places to live. After the foreclosure crisis, many people moved from Cleveland into the first-ring suburbs. Movement of minorities into the suburbs is not a symptom of decline—it is an advantage, a defense against gentrification, and an opportunity to foster truly diverse and socially equitable communities.

Housing in Cleveland's most desirable neighborhoods is becoming prohibitively expensive for working class households. In other parts of the city, housing is more affordable but neighborhoods may have extensive vacancy and disinvestment. First-ring suburbs offer something in between—stable, affordable housing in neighborhoods largely free of blight. Suburbs offer social mobility and a chance for people with modest incomes to build home equity.

Most suburbs were originally developed as places where people could live among others much like themselves. This resulted in strong social ties and stable neighborhoods, but also in a mono-culture, which is a common criticism of suburban living. First-ring suburbs have an important role to play in the region. Buying or renting an affordable home in the suburbs hold the key to achieving greater social equity and racial integration in the region.

Millennials: The established thinking about the Millennial generation is that young people prefer to live in core cities, commute by bikes and transit, and have the necessities of life within easy walking distance. While it is true that Millennials have contributed a lot to the revitalization of Downtown Cleveland and other cities across the country, there are signs that some Millennials may be ready to rediscover the suburbs.

Recent surveys suggest that as Millennials grow older, pay off their student loans and find their financial footing, and begin to start families, many members of this generation will want a home of their own.¹ There are 95 million Millennials—the largest generation in US history. Communities that

understand the goals and values of Millennials will be rewarded with growth and investment. At the risk of over-generalizing, here is a snapshot of what (some) Millennials are looking for:

- **Value:** Having come of age during the foreclosure crisis and the Great Recession, many Millennials prefer a modest home they can afford rather than a showplace that will stretch their finances.
- **Customization:** Millennials may seek out houses that can be customized to their own preferences. The post-war housing of first-ring suburbs often has a uniform, cookie-cutter appearance. But these houses could serve as a blank canvas for younger residents, who will customize them with creative color choices, interior modifications, and outdoor living spaces. Communities that accommodate (or incentivize) creative home rehab efforts may find younger households interested in moving in.
- **Fixer uppers:** Almost 1/3 of Millennials surveyed prefer a fixer-upper to a move-in ready home.²
- **Curb appeal:** For a generation used to sharing their lives on social media, Millennials may seek homes that provide an appealing backdrop for their activities.
- **Green building/energy efficiency:** Many Millennials have strong environmental values and they also don't want to waste money on high energy bills. Home weatherization and energy-efficient appliances will increase housing appeal.
- **Places to work:** Rather than just a place to come home to after work. Millennial-friendly housing will have flexible live/work spaces.

1 Morley Winograd and Michael Hais, "Millennials Hearts are in the Suburbs," in *Infinite Suburbia*, 2017.

- Walkable neighborhoods: Even as Millennials begin to leave the core city for other housing options, many will still value the convenience and health benefits of being able to walk to nearby destinations.
- Neighborhood green spaces and community led projects: Communities can create built-in opportunities for socialization and community service, which have great appeal for Millennials.²

Immigrants The stereotypical view of the suburbs is that these communities are racially, economically, socially, and architecturally homogeneous. Perhaps this was largely the case when suburbs were first developed. But now, Cleveland suburbs reflect a powerful national trend of growing diversity in the suburbs. Bhutanese refugees are settling in South Euclid, Lakewood, and Cleveland Heights. Parma has a growing Indian population. There are growing numbers of Middle Eastern and Hispanic residents in Lakewood. The five suburbs in this study can attract people from diverse geographies by offering a low-cost, high-value version of the American Dream.

Foreign born Americans overwhelmingly prefer a single family, detached house in the suburbs.³ Immigrants build value in the inner ring by reinvesting in vacant houses, establishing businesses in vacant storefronts, and contributing new vitality to suburban neighborhoods.

Immigrants start businesses at a higher rate than native-born Americans.⁴ This is good news for aging commercial corridors that would benefit from having unique, mom-and-pop style retail to fill vacant storefronts.

Infrastructure Investments

A focus needs to be placed on infrastructure enhancements, good planning around transit nodes, and a complete-streets approach that supports walking, bicycling, and transit use. First-ring suburbs have an inherent advantage of being walkable and transit-friendly, but little has been done to build around these strengths. More state and federal funding is needed to help first-ring communities in this regard.

Reinvention of Commercial Districts

Streetscape projects, new public plazas, and major reconstruction of suburban commercial districts can be prohibitively expensive. But low-cost, high visibility investments in the public realm can help to attract new businesses and customers. Hanging flower baskets in the summer months, holiday lighting in the cold and dark times of the year, and year-round programming can have a transformative effect at a relatively low cost.

It may also be useful for suburban municipalities to revisit their zoning codes, to help foster creative uses for vacant buildings and storefronts, such as pop up shops and retail incubators. This zoning code review could be conducted regionally, with recommendations for best practices from the Cuyahoga County Planning Commission. Small suburbs often lack planning departments and don't have the capacity to update zoning codes on their own. A template could be designed for first-ring suburbs, which would be helpful for communities with limited resources.

2 Winograd and Hais.

3 Joel Kotkin, "Suburbia as a Class Issue," in *Infinite Suburbia*, 2017.

4 *Ibid.*

10 ACTION AGENDA for FIRST-RING SUBURBS

The following action steps are intended to build on existing efforts to strengthen first-ring communities and guide future policies and investments.

1. Monitor Property Conditions

This is job one for first-ring communities. The 2017 Property Survey provides baseline data, but this information will be more useful if it is kept current. Positive changes (reflected in building permit activity) and negative changes (based on building inspections and citizen complaints) should be used to update the survey records at least once a year for each community. Or, each community could be re-surveyed on an ongoing basis based on smaller sub-geographies like a neighborhood, census tract, or planning area.

While the vast majority of the properties surveyed were in good or excellent condition, it is critical that the cities in this survey maintain strong and viable building and housing departments that keep a close watch on property conditions to prevent 'back-sliding'. It is easier to keep track of a handful of properties showing earlier signs of neglect than it is to deal with hundreds of properties falling into disrepair. Communities should pay special attention to properties that have been vacant for a year or longer as lengthy periods of vacancy are often indicators of circumstances (legal, financial, and personal) that could lead to failure to maintain the property in question.

2. Enforce Building Codes

Strong code enforcement is critically important. Code enforcement and compliance is already high in the five suburbs, as demonstrated by the fact that there are so few buildings in these communities in poor or distressed condition. But continued vigilance is essential, especially in neighborhoods with many vacant houses and growing numbers of rental properties.

Some suburban communities, including Maple Heights and Euclid, have outsourced some Building and Housing Department functions to third parties, due to a lack of money and a shortage of available inspectors with the necessary certifications. Collaboration among first-ring suburbs to use one code enforcement data system could possibly lay the groundwork for a more regional approach to code enforcement.

Intact neighborhoods are essential for attracting new residents, so encourage rehab wherever possible and demolish only when necessary. First-ring suburbs should maintain strong ties with the county land bank to identify the most problematic properties and work with the land bank to acquire them for re-purposing.

Vacant property registration ordinances enable cities to keep track of property owners, inform them of maintenance requirements, collect registration fees and, if necessary, cite for violations that might occur. Cities might want to consider imposing a fee that increases for each year that the property remains vacant. This would serve as an incentive for out of state property owners who feel no sense of urgency to deal with a vacant property that they don't encounter every day.

3. Reduce Tax Delinquency

Programs are needed to help with rising rates of tax delinquency. These rates have skyrocketed for a variety of reasons including some that are beyond the control of the leaders of our five city survey. The fallout from the "Great Recession" resulted in distressed economic conditions for millions of Americans, and the collapse of traditional bank/mortgage financing has exacerbated the delinquency problem. Some banks have moved to mortgages that don't require escrow of tax payments. This is a high risk proposition for many homeowners, and has resulted in higher tax delinquency in some cases.

Just as these factors began to affect tax delinquency rates in the county, the county began eliminating staff positions, ultimately reducing staff by almost 60%, including all of the staff who had been assigned to reach out to taxpayers and offer help. These staff reductions could not have come at a worse time and delinquency rates have since accelerated even further. Uncollected taxes increased from \$89 million in 2009 to \$238 million in 2016—an increase of 166%. In addition, without any coordinated effort

to reach out to delinquent home owners, those who became delinquent just kept getting further behind to where the average delinquency has now doubled or tripled. In Maple Heights, average delinquency has increased from approximately \$2,500 in 2009 to over \$9,000 in 2016.

The likelihood of a homeowner paying off a delinquent tax bill and keeping current on new property taxes decreases significantly as the amount of the delinquency grows. State law limits the length of delinquent payment plans to five years, which makes the repayment plans for large delinquent amounts even more problematic.

Getting to people early in the delinquency period makes repayment plans far more manageable and prevents large, uncollectable delinquencies.

The Cuyahoga County Fiscal Office needs to increase staffing levels in the Treasurer's Office to allow for early, aggressive outreach to delinquent taxpayers in these communities, exploring and encouraging payment options.

Cities can assist in property tax collection efforts, by making efforts to reach out to delinquent taxpayers, providing information on HUD approved counseling options, and encouraging property owners to enter into payment plans. Some cities including South Euclid and Maple Heights prohibit the registration of tax delinquent rental properties. Cities can work closely with the County Treasurer and the County Prosecutor's office to recommend tax foreclosure on vacant tax delinquent units and those that that are unlikely to be brought current.

4. Expand Homeownership

Programs are needed to build home ownership in these communities and ensure diverse neighborhoods. Renters aren't necessarily bad for a neighborhood, but the transition of a neighborhood from one of mostly homeowners to one with higher percentages of renters can

be disruptive. Renters tend to move more frequently and this can weaken community ties in a neighborhood. Also, homeowners are more likely to invest in their home and their community. Absentee landlords may be less proactive about maintenance and upkeep, which can undermine first-ring suburbs over time.

Mortgage assistance and rent-to-own programs can help turn renters into homeowners. And pro-integrative programs can help discourage self-segregating behavior and promote neighborhood diversity.

5. Market First-ring Neighborhoods

First-ring suburbs should invest in up-to-date market data about the kinds of households and businesses that could be attracted to these communities. If you know who you're trying to reach, it is easier to launch targeted outreach efforts.

6. Expand Access to Home Mortgages

Greater access to mortgage financing and home repair dollars is essential. A lack of mortgage lending is turning these suburbs into cash markets, which suppresses housing values.

Community leaders must continue to work with local lenders to create a mortgage product for mortgages under \$50,000. The inability to access bank financing for smaller mortgages suppresses the supply of financing and forces potential homeowners to non-traditional financing, which is often more costly, or shuts them out of the market altogether. The problem is particularly acute in Euclid, Warrensville Heights, Maple Heights, and Garfield Heights where fewer than 40% of homes are purchased with traditional bank financing.

7. Expand Financial Tools for Home Rehabilitation

For existing homeowners, it's essential to help people of all income levels invest in their properties. For 18 years Cuyahoga County has operated the Housing Enhancement Loan Program (HELP). This home-improvement linked deposit loan offers a buy

down of interest rates from local banks. Additionally, through the Cleveland Restoration Society and the Heritage Home Loan Program, a linked deposit loan is available to provide technical and financial assistance to restore historic properties. However, people must be credit-worthy to qualify. Additionally, the appraisals must support the improvement which is becoming increasingly difficult where mortgages are "under water."

Cuyahoga County is uniquely positioned to resolve both of these issues by creating a loan loss reserve fund that could be used to enhance a home improvement loan program. People with weak credit scores are hard to finance, but statistics show that the majority of these people will make good on their loan obligations. If there are higher rates of default, they could be backed up by the county through this loan loss reserve fund. Additionally, people willing to take out loans to improve their homes, even when the appraisals don't support the loan, should be encouraged to make the improvement as it will strengthen their community and their individual investment.

The creation of a housing improvement bond to finance home improvements could leverage tens of millions of dollars on top of the existing loan pool that the HELP program currently supports. The program needs to be re-branded, more banks need to be encouraged to participate, and significant marketing must take place. The HELP program works, as evidenced by the numbers. The program has loaned close to \$200 million since its inception in 1999. It can work in a new format to address the persistent issues caused by the foreclosure crisis.

8. Address Edge Conditions

Collaborative programs are needed to deal with edge conditions where first-ring suburbs adjoin the cities of Cleveland and East Cleveland. This could include joint streetscape projects that provide visual continuity between city and suburb, and allow for greater connectivity of bike lanes and pedestrian infrastructure.



ABOVE Greenfield Community Gardens in South Euclid.

9. Tackle Crime

Vacant homes can become magnets for crime and cause a lack of confidence local housing markets. First-ring suburbs need to tackle crime aggressively, since people will not choose to live in a neighborhood where they feel unsafe. Communities can address blight early by staying ahead of unsightly houses, vacant lots, and abandoned automobiles. And the good news is that early blight remediation efforts have largely accomplished this.

10. Foster Social Cohesion

Encourage residents to work together to promote their neighborhood's identity and help market a neighborhood's strengths. Some urban strategists recommend enlisting residents to become 'sales agents' for their neighborhood.

Small, inexpensive improvement projects, sponsored by the local government, or perhaps the county government, could help to spark new interest in under-appreciated neighborhoods. Encouraging community spirit through festivals and block parties can help to create neighborhood unity.

MOVING FORWARD

The five suburbs that were the focus of this survey are poised to make a complete recovery from the foreclosure crisis of the last decade. They have already taken critical steps forward and have made significant progress to eliminate blighted housing, stabilize neighborhoods, and increase homeownership rates. But they can't do it alone, which is why partners in the community and at the county, state and Federal government level, and in the banking industry, are so critical. County support for housing rehabilitation and to create programs that reduce the rate of tax delinquency is critical. Bank support to help meet home mortgage credit needs can go a long way to restoring some of the lost luster to these proud communities.

First-ring suburbs are working together through the First Suburbs Consortium, but they need substantial backup from a larger, more potent entity. The county needs to make the renewal and redevelopment of first-ring suburbs a higher priority. Housing policy expert Tom Bier also advocates for enlisting the aid of State agencies in this work. According to Dr. Bier:

Cuyahoga is the first of the state's central counties to be built out, but it won't be the last. Hamilton County (Cincinnati) probably is next in line. And all of Ohio's major counties (except Franklin/Columbus) have central cities and some suburbs that are engaged in DIY survival.¹

The State of Ohio has done very little to address the issues confronting these older inner ring suburbs. In fact, their continued cuts in funding to these communities, by reducing the Local Government Support Fund, has destabilized these communities and forced them to reduce service levels to their residents. The State needs to restore these funds to pre-2010 levels, at a minimum, and recognize that these communities—older inner ring suburbs throughout Ohio—present unique challenges and require unique solutions.

Likewise, the federal government should be engaged for additional assistance in dealing with housing and infrastructure issues. The assistance the Department of Treasury provided to the County Land Bank for blight removal through the Hardest Hit Fund helped these communities eliminate virtually every blighted property in these cities (along with the County's commitment in this same area), but cuts in federal block grant dollars and other assistance programs are making them an unreliable partner in stabilization efforts in these cities. All levels of government need to understand that smart investment dollars today will pay dividends in distressed areas—and require less government investment over time. Invest now—before it is too late.

¹ Thomas Bier, *Housing Dynamics in Northeast Ohio: Setting the Stage for Resurgence*, 2017.

FURTHER READING

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The nationally recognized NEO CANDO data system at Case Western Reserve University was the source for most of the housing market trends data.

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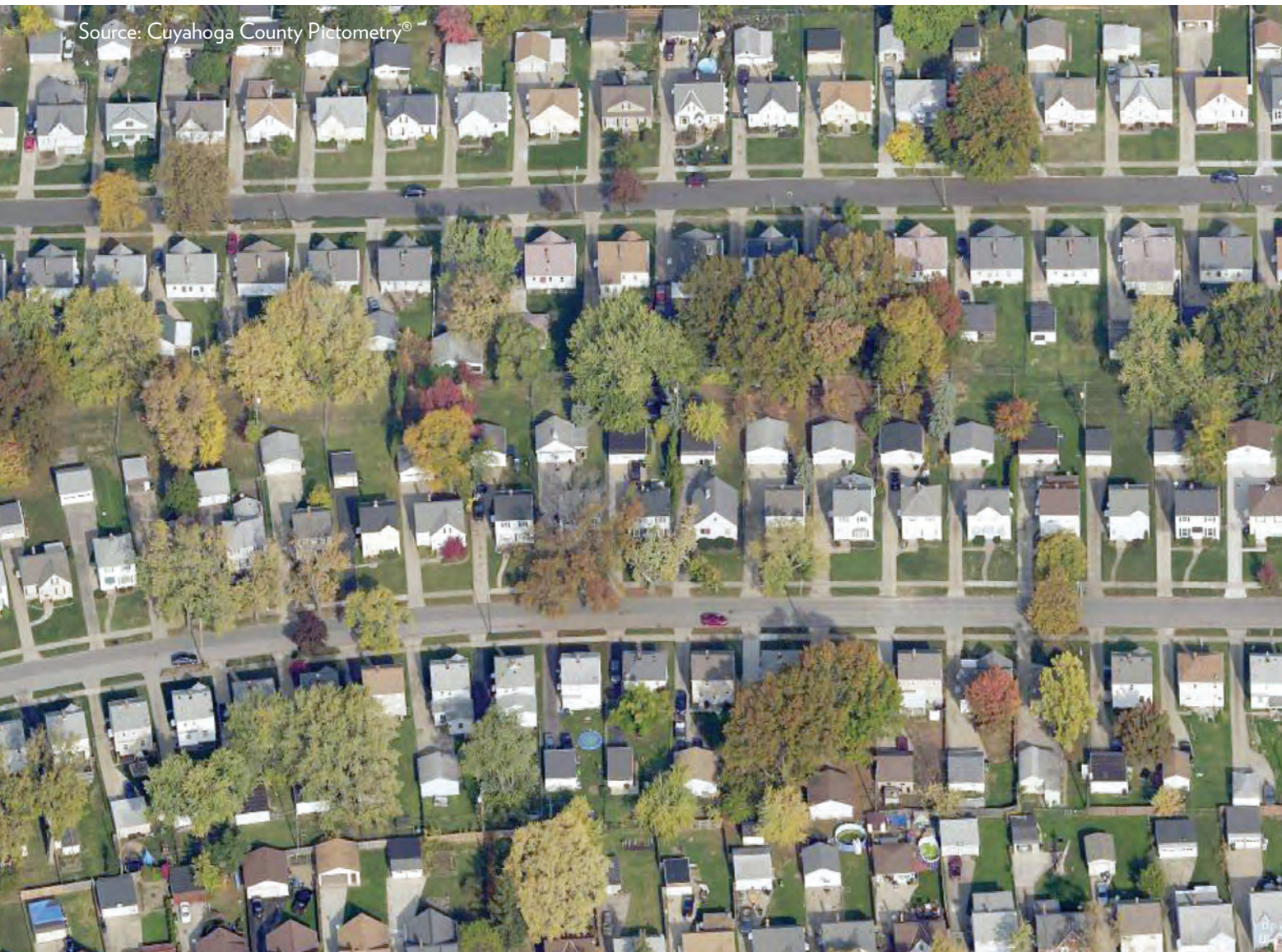
Dan McGraw: Interviews with the Mayors

Nigel Griswold and Benjamin Calnin, Dynamo Metrics, LLC: Demolition and rehabilitation impact analysis

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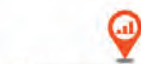
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