



# Shaker Heights

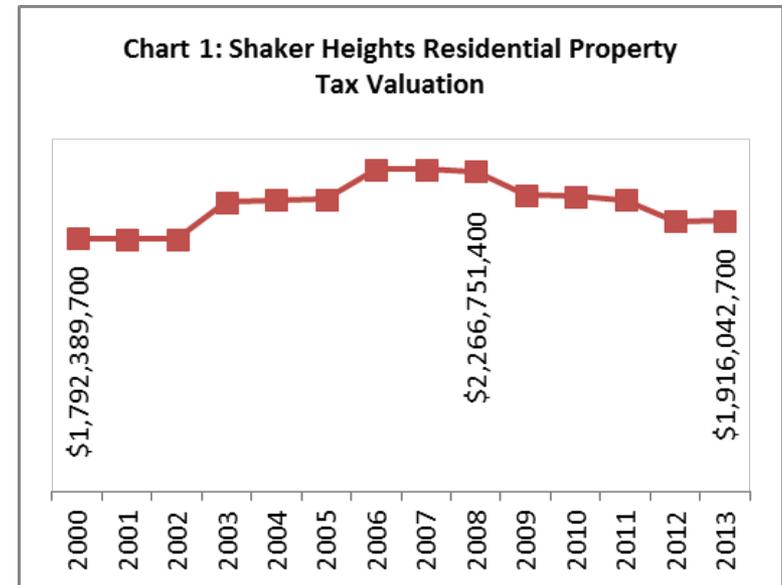
## Housing and Neighborhood Plan



2015 Presentation to Neighborhood Associations

# Why Housing Matters

- ∞ Housing matters to the individual, the family, the neighborhood & the City
- ∞ Typically largest single investment of residents
- ∞ Housing is our brand
- ∞ Tax revenue for City, schools & library:
  - Represents 60% of the City's revenue (income tax from residents & property tax revenue)
  - 82% of Schools' revenues



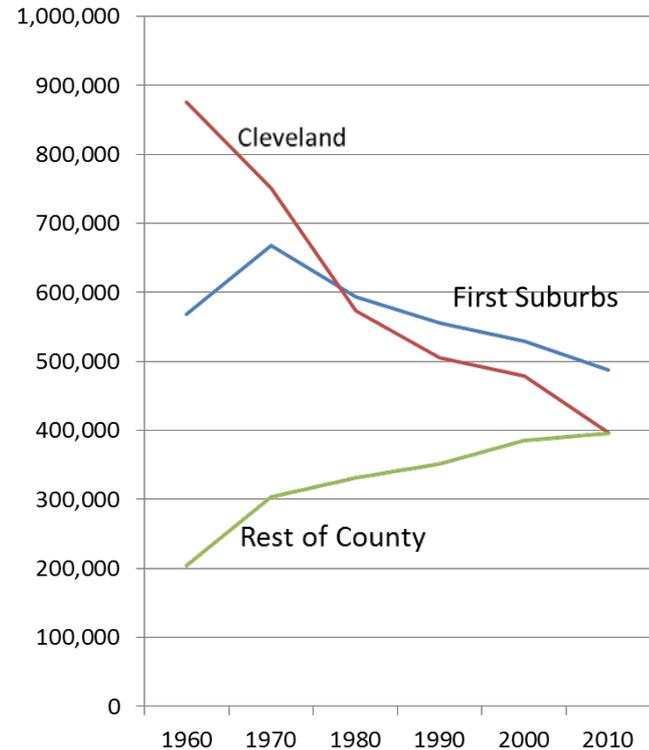
# Housing Plan Goals

1. **Attract New Residents to Shaker, Increase Demand for Houses and Increase Property Values**
2. Preserve Existing High Quality Housing Stock
3. Increase Cohesiveness, Desirability, Attractiveness & Stability in the Neighborhoods



# The Inner Ring Challenge

- Population Decline: 3.5%  
Shaker; 8.2% Cuyahoga County
- Sprawl
- Increased competition
- Aging Housing Stock:  
80% built pre-1959
- Growth of poverty in  
inner ring suburbs



# Where We Were



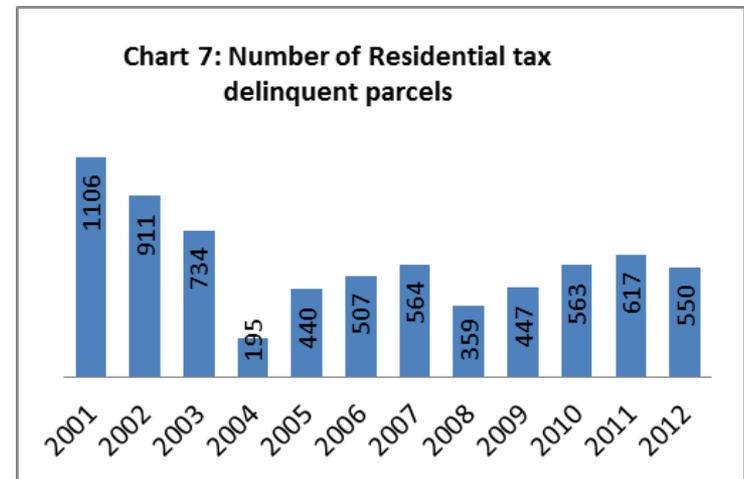
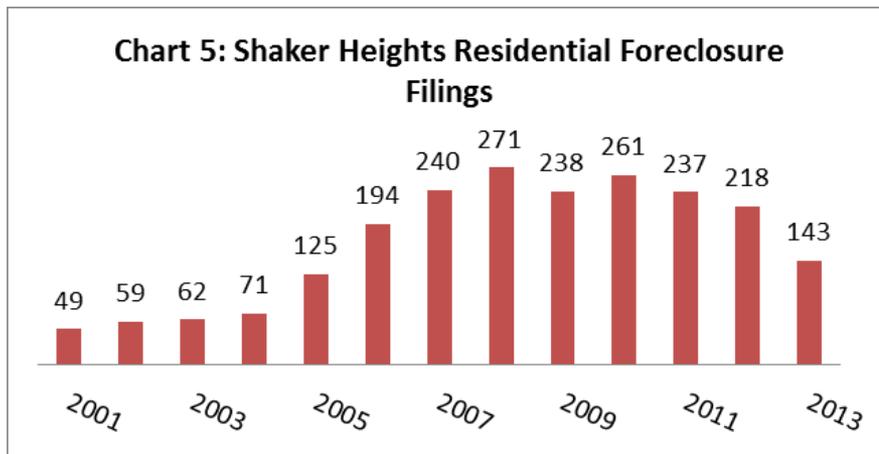
# The Pre-Recession Years: 2001-2006

- ✎ First Housing Preservation Plan
- ✎ Rising home values; healthy housing market
- ✎ Strong consumer confidence
- ✎ Strong rental rates; low vacancy



# The Recession Years: 2007-2012

- ☞ Foreclosure Crisis in 2007
- ☞ Economic Recession in 2008
- ☞ Decline in housing values
- ☞ Loss of consumer confidence
- ☞ Vacant housing



# What's Been Accomplished (2001-2013)

## New Housing

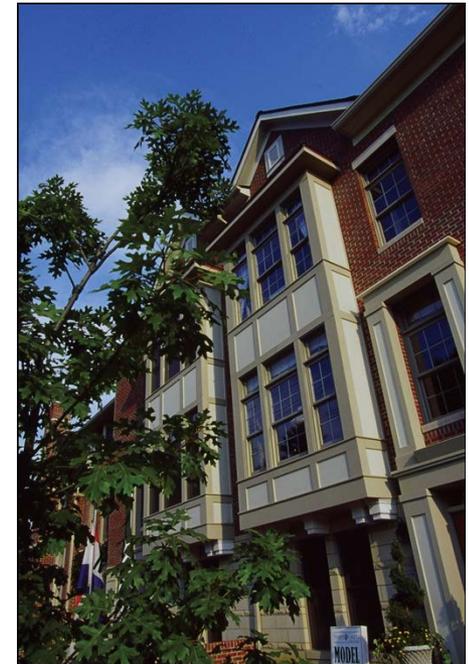
- ☞ 62 new luxury townhomes (\$22 million)
- ☞ 51 loft condos (\$12 million)
- ☞ 44 units of senior housing (\$6 million)
- ☞ 7 infill houses (\$1.4 million)



*Infill houses on Lindholm*



*Library Court senior apartments*



*Sussex Court townhomes*

# What's Been Accomplished (2001-2013)

## Investment in Existing Housing

- ∞ \$25+ million through Point of Sale Escrow
- ∞ \$157 million in residential building permits
- ∞ \$2.1 million in rental upgrades through Certified Shaker program
- ∞ 9 new units of entrepreneurial housing
- ∞ \$3+ million of new property value through 15 Shaker Renovator rehabs
- ∞ 1,371 households assisted in home repairs through City grants



# What's Been Accomplished (2001-2013)

## Strengthening Neighborhoods

- ∞ \$3 million NSP program
  - 3 new homes
  - 8 rehabbed houses
  - 5 new parks
  - public art & green spaces
- ∞ 130+ lots land banked for future redevelopment
- ∞ 13 vacant lots returned to productive use as side lots, new houses & community gardens
- ∞ 55 blighted properties repaired
- ∞ 154 houses demolished
- ∞ Criminal nuisance activity ordinance
- ∞ Foreclosure filing fee ordinance



# Where We Are



# Where We Are Now

## ∞ Significant challenges remain:

- 7.3% loss in property value in 2012 assessment
- Homeownership below 50%
- 6% tax delinquency rate
- Increasing numbers of out of town & institutional owners
- Increasing number of rentals

## ∞ Starting to see positive signs of change:

- Mortgage foreclosures still high but declining
- Vacancy levels still high but declining
- Housing values stabilizing and improving
- Renewed developer interest

## ∞ Time to look towards the future again

# Key Opportunities

## 1. Target Markets

- millennials/Generation Y & Baby boomers will dominate the market
- Immigrant population & entrepreneurs seeking live-work opportunities expanding

## 2. Demographic shifts favor Shaker style living

- Diverse, walkable, transit friendly communities
- Smaller homes; density

<b>Cohort</b>	<b>Dates of Birth</b>	<b>Age in 2020</b>	<b>Population (000s)*</b>	<b>% of Population in 2020*</b>
Matures	Prior to 1946	75 +	23,173	6.9%
Baby Boom	1946 to 1964	56 to 74	75,560	22.6%
Generation X	1965 to 1980	40 to 55	60,836	18.2%
Millennials/Gen Y	1981 to 2001	19 to 39	89,792	26.9%
Gen Z / iGen	Post 2001	< 19	84,537	25.3%

Source: CRMTrends.com, U.S. Census Bureau - 2012

\* Measures are approximate given Census Bureau age group breaks e.g. Census age 40 - 54 vs our 40 - 55 above

# Key Opportunities

## 3. With modernization, existing homes remain a strong asset

- **Energy efficiency** a must: more than 80% of Gen Y homebuyers prefer a highly energy efficient home over a lower priced home without energy efficient features
- **Accessibility:** small changes can significantly impact accessibility



## 4. City owned land

- City owns 138 vacant lots
- Residential tax abatement as a means of increasing diversity of housing stock



# Where We're Going



# Investing in Existing Homes

## ∞ Existing Programs

- Systematic inspections
- Point of Sale Escrow Program: \$2 million ; 127 accounts p/yr.
- HELP & Heritage Loans: \$850k p/yr.
- Heritage Home Purchase Loan
- City grant programs: approx. 40 p/yr.

## ∞ Proposed Programs

- Accessibility Program
- Energy Efficiency Financing Program



Brighton Road Heritage loan

# Rental Properties

- 718 owners reside outside of Cuyahoga County
- 445 single family rentals; 189 condo rentals

## Existing Programs

- Interior/Exterior Systematics
- Certificate of Occupancy
- Discounted Tenant Screening
- Landlord training

## Proposed Programs

- Multi-family building reinvestment program
- Out of town landlord education program

<b>Total Rental Units</b>	<b>4,897</b>
<b>Apartment Rental units</b>	<b>2,963</b>
<b>Two Family Rental units</b>	<b>1,300</b>
<b>Single Family Rental units</b>	<b>445</b>
<b>Condo rental units</b>	<b>189</b>

# Institution Owned Properties

**358 properties owned by LLCs and other corporate entities**

## ∞ Existing Programs

- Monitor HUD/Fannie/Freddie properties
- REO relationships
- Foreclosure Filing Fee

## ∞ Proposed Programs

- Out of town landlord education program



# Vacant Properties

**332 vacant houses & 148 vacant condos in 2013**

## ∞ Existing Programs

- Vacant Property Monitor
- Problem Property Forum
- Secure vacant properties
- Foreclosure Filing Fee
- Vacant Property Ordinance
- Advocacy (VAPAC)
- Acquiring distressed properties
- Demolition

## ∞ Proposed Programs

- Preventative Vacant Property Securing Initiative
- Small scale nuisance abatement



# Vacant Lots

## 138 City owned lots

### ∞ Existing Programs

- Side Lot Program: 6 side lot sales; 4 neighborhood green spaces
- Infill Program: 5 infill houses

### ∞ Recommendations

- Expand residential tax abatement to increase infill housing
- Encourage more creative uses of vacant lots & different housing types
- Increased marketing



*Community Garden on Rolliston*



*The Penbury - front elevation*

# Owner Occupancy

**Owner occupancy rate = 63.9%** (2010 census)

## Existing Programs

- Winslow Road owner occupancy grant (ending in 2015)
- Shaker Renovator Program: \$ 3.7 million over 4 years
- Private Purchase Rehab Program: 4 complete; 2 underway
- Deed in Escrow Program with County Land Bank
- Land Trust Program with Neighborhood Housing Services (NHS)
- County Down Payment Assistance Program

## Proposed Programs

- Live Work Incentive Program
- Increased marketing of housing initiatives
- Neighborhood Association welcome program
- Homebuyer education/asset building partnerships



*Pennington land trust rehab*

# Innovation Zone at Chagrin-Lee

- Dynamic, mixed use, multigenerational neighborhood
- Modeled after Kansas City Start Up Village
- Build off the Launch House energy & entrepreneurial housing
- New opportunities for live/work
- Market rate senior cottages with services
- Leverage high speed fiber to attract new residents & businesses



# Transit Village

- Van Aken/Onaway/Sutton 2 acre site
- 27 unit, for-sale energy efficient townhomes;
- \$250,000 proposed price point
- Discussions underway with a developer
- CRA/tax abatement process underway



# Avalon Station II

- ∞ 50 townhomes (\$220-\$350k)
- ∞ Discussions underway with developer
- ∞ Target market: millennials & empty nesters



# Van Aken District

- Phase I: luxury rental apartments on Farnsleigh
- 200 units with on-site attached garage parking.

*BIRDS EYE VIEW ABOVE FARNLSLEIGH ROAD LOOKING SOUTH*



# Next Steps

## ∞ Public Input

- Neighborhood Revitalization Committee (January)
  - With Landmark Commission & Fair Housing Review Board
- Community Groups: February-March

## ∞ Council – March/April

## ∞ Prioritization of projects & funding