



Managing Property Investor Challenges

City of South Euclid
South Euclid, Ohio



Many communities are struggling with increasing home prices as houses get scooped up by investors who are buying with cash. Cash sales expedite the sales process, which is valuable for sellers, but create nearly impossible circumstances for first-time buyers. The trend is creating a shift in the market and making a historically effective asset-building strategy difficult or even impossible for first-time buyers,

thereby hampering the capacity to build inter-generational wealth.

South Euclid is a first-ring suburb outside of the city of Cleveland. Its middle neighborhoods offer affordable and safe housing but in the late 2000s, its distressed housing market resulted in ownership values dipping below \$50,000. Rental costs remained the same, however, which created conditions for property takeovers by investors who could purchase properties for very little but still charge a standard market rent. The area became flooded with investors and by 2021, nearly 45% of rental properties were owned by out-of-state buyers. To help gain control of the investor situation, the city created ordinances, pooled resources, and developed other strategies to provide relief. A few solutions are listed below:

1). Collaboration. One of the key strategies the City of South Euclid implemented was its participation in a regional collaboration among city governments, community development practitioners and other entities to break down municipal borders. The collaboration, called VAPAC (Vacant and Abandoned Property Action Council), established a place for collaboration and sharing of information and best practices. The group created a database of investor information and property holdings and established a goal of working together to address irresponsible investor behavior in the region. The group meets once a month to talk about issues affecting neighborhoods such as vacant properties, delinquent property tax collection, demolition, and tenant displacement. Having a regular meeting time allows people from around the region to come together and coordinate. Within VAPAC, specific working

groups were established such as one focusing on speculators who are buying up real estate but not truly investing in the property or neighborhood. VAPAC is chaired by researcher and Senior Policy Advisor at Western Reserve Land Conservancy, Frank Ford.

2). Code Enforcement – Investment Properties.

[READ ON FOR MORE SOLUTIONS!](#)

Cleveland City Council Approves \$1 Million to Stoke Housing Investments in Middle Neighborhoods

Cleveland City Council approved \$1 million to establish a loan loss reserve intended to help residents buy and rehabilitate homes in the city's middle neighborhoods. The new program will be administered by non-profit CHN Housing Partners and Village Capital Corp. as part of the city's Middle Neighborhoods Initiative, which seeks to stabilize suburban-like, largely working-class neighborhoods before they deteriorate. Such neighborhoods include Lee-Harvard, North Shore, Collinwood and Old Brooklyn, among others.

The city's \$1 million commitment is intended to spark \$10-13 million in additional private investments to provide loans to residents looking to buy and renovate homes in middle neighborhoods. The city's contribution would serve as a loan loss reserve, providing banks and other lending institutions extra security for loans that would otherwise be considered too risky. Jason Powers, Cleveland's director of the Middle Neighborhoods Initiative, told a City Council committee on Monday that six different lenders or other partners have committed to participating.

Loans will allow for a 120% loan-to-value ratio, helping to lead appraisals up in markets where appraisal gaps often discourage home repairs and updates needed to attract today's homebuyers.

Building Neighborhood Capacity with Public Support

City of Oklahoma City, Planning Department
Oklahoma City, Oklahoma

The City of Oklahoma City's Strong Neighborhoods Initiative (SNI) offers a five-year partnership between neighborhood associations and the planning department with an aim of building a good neighborhood improvement plan and capacity for a successful neighborhood association. The City and local non-profit partner, Neighborhood Alliance, help residents build capacity, set goals, plan events, create, and distribute fliers, connect with local partners,



and advertise on social media.

Some of the most successful ideas may surprise you, but succeed because they are based on resident priorities. For example, residents from all three SNI areas one year shared that they didn't feel safe being outdoors because of stray animals. Neighbors and the city worked together to create partnerships to offer free pet vaccination event, as well as opportunities for spaying or neutering pets. Local animal control used the event to educate owners about proper care and provide resources if needed. This turned out to be an important service to offer; trips to the vet can be expensive and sometimes there are no

nearby options. More than 400 people and pets attended. [READ ON.](#)

COMMUNITY ENGAGEMENT AFFINITY GROUP

The **Community Engagement Affinity Group** formed in fall 2021 to explore community engagement strategies and best practices in middle neighborhoods. The group's monthly '*engagement chats*' give practitioners and community leaders an opportunity to share stories and practice new methods of engagement. Discussion topics have included strategies for engaging the community during building demolition (see list of ideas generated, below), using data for engagement and strategic planning, effective social media plans, the importance of providing digital literacy support, and others. Members discuss engagement strategies that work (and some that don't) and practice using virtual tools such as jamboards and padlets as well as Zoom features like polls and breakout rooms.

Engagement Chats are monthly and led by Kamla Lewis, Senior Housing Development Project Manager for the Cuyahoga County Land Reutilization Corporation. For more information, email marcia@middleneighborhoods.org

Engagement Chat Brainstorming: Saying Goodbye to a Building

What's the best way to say good-bye to a building and what are some ideas for commemorating its history and include the community?

- Create a time capsule with stories, photos, and interesting artifacts from the building to be buried at the new construction site.
- Build a virtual scrapbook web page with photos and stories. Solicit photos and stories from the community about experiences and memories.
- Link the virtual scrapbook with other entities in the community such as the historical society, the new owner/developer, the neighborhood association, etc.
- Contact a repurpose / reuse / recycling company to assess materials and salvage items in the building to be used elsewhere such as doors, light fixtures, sinks, etc.
- Host an 'Artists Day' and invite local artists to collect items they can use in their artwork. Later, coordinate an art tour or exhibit for the community.
- Reclaim a component of the building to be incorporated into the new development or green space.

Next Engagement Chats

- Wednesday February 16 @noon
- Wednesday March 16 @noon
- <https://us06web.zoom.us/j/84667560436>

All are welcome!

Upcoming Free Webinar

MARCH WEBINAR

March 31, 2022
12:00-1:30 pm Eastern
[REGISTER HERE](#)

Middle Neighborhood Trends in the Desert Southwest



The American Southwest has been the fastest-growing region of the nation for several decades, outpacing the national growth rate every decade between 1950 and 2010. The foreclosure crisis hit the Southwest hard, and cities like Phoenix and Las Vegas saw property values drop by 40% or more. Yet, by and large, the region has recovered strongly, and most analysts expect the Southwest to continue growing in population faster than the nation as a whole for the foreseeable future. The 2020 Census found that Phoenix was the fastest-growing big city in the nation from 2010 to 2020. How are middle neighborhoods faring in this super-charged regional economy?

In this session, Alan Mallach and Marcia Nedland will present and discuss findings from a study of middle neighborhoods in six Southwestern cities: Fresno, California; Las Vegas, Nevada; Phoenix, Arizona; Albuquerque, New Mexico; and Lubbock and Arlington, Texas. Director of Neighborhood Services Lori Schwarz will share the approach used by the City of Plano, Texas to strengthen middle neighborhoods, including several innovative programs to support community engagement and property maintenance.

Join in to discuss how these markets differ from Midwest and legacy cities, and how the challenges for middle neighborhoods are different, too. And the final report will be available to everyone who registers in advance of the webinar.

Speakers:

Alan Mallach, *Senior Fellow, Center for Community Progress*

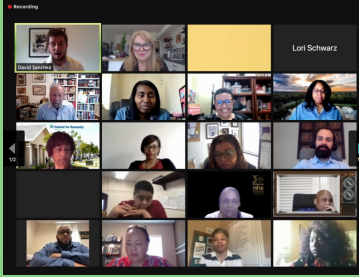
Lori Schwarz, *Director of Neighborhood Services, City of Plano, Texas*

Moderator:

Marcia Nedland, *Principal, Fall Creek Consultants; and Organizer, Middle Neighborhoods Community of Practice*

Recent Webinar

Recordings



Moving Middle Neighborhoods Forward: Looking Back and Planning Ahead, What Will Success Look Like in 2022?

Watch Now

With:

Greg Perelka, EVP, Lending Operations, CHN Housing Capital, Cleveland

Lisa Potts, Board Member, Cornerstone, St. Louis

Kathi Thomas-Gibson, Director, Community Services, City of Las Vegas

Shut Out: Exploring the Impact of Institutional Investors on Middle Neighborhoods Watch Now

With:

Timothy Kobie, PhD, Business Process Analyst, City of Cleveland, Ohio

Jayme Lucas-Bauer, Neighborhood Development Project Manager, Old Brooklyn CDC

Sally Martin, Housing Director, City of South Euclid, Ohio

Jeff Verespej, Executive Director, Old Brooklyn CDC

A Practical Method for Assessing the Physical Conditions of Every Property in Your Middle Neighborhood — and Exciting Ways to Put the Data into Action Watch Now

With:

Charles Buki, Founder and President, czbLLC

Peter Lombardi, Director of Revitalization Planning, czbLLC

Find all recordings of the Middle Neighborhoods' webinar series [HERE](#)

Webinars are co-sponsored by the [Middle Neighborhoods Community of Practice](#), the [National Community Stabilization Trust](#), and [NeighborWorks America](#).

In the News + Resources

Please [send us](#) links to articles about your work in middle neighborhoods or topics relevant to middle neighborhoods.

1. [Cleveland City Council approves \\$1 million to stoke housing investments in middle neighborhoods](#), Courtney Astolfi, November 8, 2021, Cleveland.com.
2. [Biased appraisals and the devaluation of housing in Black neighborhoods](#), Jonathan Rothwell and Andre Perry, November 17, 2021, Brookings Institute.
3. [How the Real Estate Boom Left Black Neighborhoods Behind](#), Vanessa Gregory,



November 18, 2021, New York Times.

4. [As the Black population continues to drop in Chicago and Illinois, few regret their move: 'I have peace'](#), William Lee, November 22, 2021, Chicago Tribune.

5. [Black suburbanization is changing Black neighborhoods](#), December 8, 2021, California YIMBY.

6. [One in Four New Homes are Infills or Teardowns in Older Neighborhoods](#), Natalia Siniavskaia, December 9, 2021, NAHB Eye on Housing.

CoP Reports + Action Items

Out and About: We will be delivering an afternoon workshop on Middle Neighborhoods at the upcoming NeighborWorks Virtual Training Institute, on Thursday February 10, from 4:30 to 6:00 pm Eastern. In April, we'll lead a session on Middle Neighborhoods at the Arizona Housing Coalition Conference, in Mesa, Arizona.

Custom Webinars: We often get requests for custom webinars on middle neighborhoods, which we gladly deliver! Please let us know if you'd like one for your staff, board, network, or community.

CoP Listserv: Don't forget to use our listserv, MiddleNeighborhoodsCoP@googlegroups.com to share announcements, news articles, questions and the like. If you are in the CoP, you are already a member of the listserv. If you are not a CoP member, but would like to join the listserv, email [us](#).

Actions You Can Take to Grow and Support the CoP

1. Join and participate in the Listserv, MiddleNeighborhoodsCoP@googlegroups.com. This is the most direct way for CoP members to interact with each other. Share your questions and successes.
2. Submit an article, news item, or resource idea for the newsletter to [Marcia](#).
3. Host a Middle Neighborhoods 101 webinar for people in your organization or community to help them learn about middle neighborhoods and launch a discussion on local opportunities. [We](#) will help you plan this and deliver the webinar with you.
4. Submit an idea for a webinar or case study topic to [Ann](#).
5. Convene (virtually until in-person meetings are advisable) with other CoP members in your region to discuss a particular issue, or to start creating a regional action agenda. [Marcia](#) can help you contact your peers and plan your convening.
6. We can also help you convene a group of CoP members by interest rather than geography. Past convenings have included city government representatives.
7. Represent middle neighborhoods in local policy discussions. [We'll](#) share some talking points.
8. Propose and conduct a session on middle neighborhoods for conferences and other convenings or groups you participate in. [We'll](#) help with the proposal, recruiting panelists, planning, etc.