

GROW LAKEWOOD COMMITTEE
LAKEWOOD HOUSING ADVISORY PANEL REPORT

Introduction

The Grow Lakewood Committee report identified Lakewood’s current position to be at the “tipping point.” One of the key issues identified by the report that affects this “tipping point” is housing. In order to tilt Lakewood’s position to the better, the city must adopt a housing strategy designed to preserve and improve our housing stock for the second century of ownership. The task of the Housing Advisory Panel was to analyze the multitude of issues surrounding housing and develop a plan to preserve and grow housing values. The panel was charged with identifying, assessing and prioritizing issues to advance an agenda for housing in Lakewood.

The agenda centers on four broad areas: Marketing and Public Relations; Rental Markets/ Properties; Housing as an Economic Development Opportunity; and Housing Condition.

I. MARKETING AND PUBLIC RELATIONS

Marketing comes into play with regard to housing in several important ways. Marketing, for purposes of this report, includes community relations, public relations and marketing communications. From a strategic standpoint, Lakewood must be marketed to potential and existing residents. A comprehensive marketing plan would serve the City well in its efforts to attract and retain homeowners.

A strong need exists for coordination of marketing initiatives regarding quality of life and housing in Lakewood. Various groups and City departments are involved in marketing activities that affect perception of housing in Lakewood and ultimately homebuyers’ decisions to relocate and/or stay in Lakewood. Coordination of these activities is critical.

Recommendations:

A. Conduct comprehensive analysis of target markets as they relate to housing and develop strategic marketing program to position Lakewood as a viable option for each target market.

These target groups should include:

- Renters ready to buy first homes (i.e. young professionals currently living in Lakewood rental properties)
- Current homeowners ready to purchase next home
- Owners of doubles considering renovation or conversion to singles
- Developers looking for redevelopment sites and opportunities
- Residents of surrounding communities, to create awareness of Lakewood's assets

Key messages for each target group must be identified; then the subsequent marketing and communications strategy to deliver them can be developed and implemented.

B. Coordinate strategic marketing program with public relations efforts of key community organizations and businesses.

Coordination with the public relations efforts of the Lakewood City School District will ensure consistency and continuity of messages and the City will benefit from excitement surrounding the new school construction. A strategic connection to the marketing efforts of the Lakewood Public Library, Lakewood Community Progress, Inc., LakewoodAlive, Lakewood Hospital and First Federal of Lakewood should also be made.

C. **Establish an Economic Development Fund specifically for housing related development.**

This will enable the City to market opportunities to developers in a more aggressive fashion. Further study should be given to the demolition of obsolete and/or vacant housing for use of the properties as redevelopment opportunities. A marketing and communications plan targeted toward these developers could be implemented using these funds.

D. **Develop a comprehensive website to provide homeowners, potential homeowners, landlords and developers with access to up-to-date information on housing market trends to guide them in decision making.**

This website could also include examples of creative rebuilds and redevelopment projects and other useful information could be developed. This website should link to the Lakewood City School District and the Lakewood Public Library's websites.

II. RENTAL MARKETS/PROPERTIES

Housing is a need regardless of economic ability. Ownership of rental housing is an elective business. Only those who are able to properly maintain and manage their properties should be engaged in this business.

Recommendations:

A. **Conduct annual inspections of rental property.**

(Note: rental property, as defined by the building code, signifies a dwelling with no owner-occupied units.) Landlords control the quality of rental housing. Governmental inspections of rental property should be required annually. The

City should take proactive and vigorous measures via effective communication methods to encourage compliance with the building codes. Lakewood should also take proactive measures to strengthen enforcement of its safety and maintenance codes. Interior inspection of rental units must be included. Every new rental property owner should receive a letter explaining regulations, standards and procedures. These standards, regulations and expectations should be included on the website discussed earlier in the Marketing and Public Relations section of this report. A letter detailing what the inspector will be checking should be sent 60 to 90 days prior to an inspection to give owners ample opportunity to correct potential violations before the inspection occurs.

B. Utilize website.

The website discussed earlier should be well-promoted and utilized for information sharing. The website should inform owners of suggested maintenance and dangers (e.g. Federal Pacific electric boxes) and should provide a calendar with suggestions for maintenance appropriate to each month/season. The website address must be included on all printed materials and other collateral materials. The website can be a resource to pool management and maintenance resources to ensure uniformity, compliance and volume discount.

C. Establish customer-focused Building Department policies.

The Building Department is an important point of contact for the citizens of Lakewood. The departmental personnel should be trained in interpersonal relationships. Residents and building owners should come away from the Building Department with knowledge of what needs to be done and an understanding of the underlying issues. Emphasis must be placed on not only enforcing the code, but on helping people comply with the code. It is imperative that the department adopt a customer-focused policy and that it reflect a willingness to offer assistance. A skeleton staff should be available one evening

per week to allow homeowners and landlords to conduct business with the department outside of regular business hours.

D. **Adopt Secretary of the Interior's guidelines.**

The City should adopt the Secretary of the Interior's Standards for Rehabilitation as guidelines for the Architectural Review Board. All houses should be subject to periodic exterior inspections. Consistent enforcement using the Secretary of Interior's standards as an aesthetic gauge should be a goal. Rental properties should not be considered less critical than personal residences. The Housing Court should attempt to expedite a resolution of problem situations.

E. **Establish promotional material for renters to encourage purchasing.**

A promotional piece that explains the benefits of owning rather than renting should be developed for distribution to renters. This information should also be available on the website. The Lakewood Home Program should be promoted to renters. The City should partner with participating lenders in public seminars to promote the program. Programs to provide incentives (e.g. discount on interest rate and/or closing costs) should be developed for employees of the City and the Board of Education to buy homes in Lakewood (note: this issue is discussed further later in this report).

F. **Establish programs to assist landlords in finding tenants.**

Landlords should be encouraged to rent to tenants who contribute to the community. They should be discouraged from renting to those who do not pay for the city and social services that they use. Lakewood's rental advantages and proximity to downtown Cleveland should be marketed to companies with large populations of entry-level employees. The regulation for notifying landlords of problem behavior by tenants should also be tightened.

Landlords should receive rental education. Classes on credit and reference checks, applications and leases, and marketing strategies for attracting responsible tenants would be extremely beneficial. Forms such as sample leases, move-in/move-out checklists, refuse/recycling information and parking regulations could be available on the website's landlord/tenant section. Periodic seminars on topics such as maintenance, landscaping, creating "curb appeal," etc. will illustrate the link between the quality of the property and attracting longer-term tenants who will pay premium rents. Any landlords involved in Housing Court should be required to attend these seminars. The website for tenants should be widely promoted and include a link that would allow potential tenants to obtain their credit and criminal reports. The website should include a "reverse search" section that would allow tenants to post their needs to which landlords could respond. Tenants should be able to find assistance in dealing with problem landlords and landlords should be able to find assistance in dealing with problem tenants.

III. HOUSING AS AN ECONOMIC DEVELOPMENT OPPORTUNITY

Housing is a powerful tool for economic development. Lakewood is known as a city of homes and to capitalize on this reputation, certain incentives and development strategies can be implemented for expansion of the tax base and revitalization of the community.

Economic development opportunities can be found on a smaller scale with in-fill housing and individual homeowners and on a larger scale through residential development projects. When dealing with development projects, the City needs to be mindful of the existing character of Lakewood and ensure that new construction blends seamlessly with the built environment.

Recommendations:

A. Establish an aggressive policy of employee residency.

The City can do a great deal to help improve and preserve the community's housing stock. Areas of focus include creating incentives to encourage city employee residency, while recognizing legal and contractual prohibitions and restrictions. A study of data supports the economic engine created by employee residency. The data suggests that an increase in employee residency by just seven percent (7%) will generate an additional \$7,958,016 in payroll remaining in Lakewood.

The following data support residency incentives (statistics provided by the City of Lakewood's Finance Department and the Lakewood City School District Treasurer's Department):

City of Lakewood:

- 534 full-time employees; average salary \$48,338.52; payroll over \$25.8 million
- 169 or 31.46% live in Lakewood
- 120 or 22% live outside Cuyahoga County, which contributes to urban sprawl

Lakewood City Schools:

- 788 full-time employees; average salary \$51,403.00 (teachers \$63,278.00); payroll over \$40.5 million
- 339 or 43% live in Lakewood

Combined City/Schools:

- 1,322 full-time employees; average salary \$50,164.00; combined payroll over \$65 million
- 508 or 38% live in Lakewood

This means that \$41.1 million of taxpayer payroll (and housing buying power) leaves Lakewood annually. Additionally, the median family income in Lakewood is stagnant at \$43,405 (2004 per the Ohio Department of Taxation).

Given this data, an increase of employee residency to 661 (or 50%) keeps an additional \$7,958,016 of payroll in Lakewood. An increase of employee residency to 793 (or 63%) keeps an additional \$14,589,696 of payroll in Lakewood.

This will increase housing demand, promote housing maintenance and serve as a financial stimulus to Lakewood. Lakewood taxpayers, through the City and the school district, are the largest employers in Lakewood. As such, residency of these employees should be promoted as an economic and housing engine.

City/School employees are more likely to own than rent, which enhances property values and property taxes which benefit the schools. All payroll taxes would benefit the City.

More City/School payroll staying in Lakewood would support and promote Lakewood businesses. City/School employees should consume fewer City services and generate fewer calls for service.

The following are suggested incentives:

- Reduced loan rates
- Forgivable down payments
- Programs to financially support public safety, teachers or other select groups of municipal employees to live where they work

The City and the School District should implement a coordinated policy of locally recruiting and hiring Lakewood residents whenever possible or permitted. Emphasis should be placed on recruiting within our region. Additionally, residency should be encouraged in all policies. A sense of loyalty to the

community should be fostered. Whenever possible and practical, Lakewood residents should be promoted. When promotions to upper management are given to non-residents, moving incentives to relocate into Lakewood should be included. An expectation of residency should be created among department heads and those who aspire to policy-making positions in city government and the school district.

B. Establish policy to determine impact of grants on housing.

When applying for grants and outside funding, the City/Schools should first do a cost-benefit analysis to determine the financial and housing implications the grant or funding source will have. Questions to be asked include:

- Will it have a detrimental effect on housing condition or values?
- Will it create greater demand, increase or diversion of services?
- Will it create additional administrative expenses?
- Will it create a greater drain on general fund dollars than it actually funds?

Municipal income tax rates and credits should be configured so as not to discourage living and working in Lakewood.

C. Establish perks for resident reinvestment in Lakewood.

The City should adopt policies and procedures that create a climate conducive to reinvestment, including:

- “Packaging” permits to encourage reinvestment in properties
- Offering no-cost removal of broken sidewalks to encourage replacement. The criteria should include environmental safety, including no rebar or metals. Broken sidewalks should then be offered to lakefront property owners for erosion control. Sandstone could be saved and banked to be available to other Lakewood homeowners.

- Firewood cut from city trees and left at Wastewater Treatment Plant should be for sale to Lakewood residents only.

D. Establish land bank for vacant or abandoned properties.

The City should establish a land bank or similar program to deal with restoring vacant or abandoned properties to revenue/tax generating status. A fund must be created and set aside for the purpose of razing unsafe structures in a timely manner. This process should also include a plan for the site prior to demolition to avoid “missing tooth” situations.

The goal of the above should be to replace low quality with high quality housing. The Lakewood Municipal Court should attempt to obtain jurisdiction for foreclosure actions locally in a manner similar to Cleveland Municipal Court. Jurisdiction would have to be established by the Ohio General Assembly. Local politicians should commence studies and public comment regarding a Lakewood Housing Court with foreclosure jurisdiction. Necessary lobbying efforts to pass required legislation to create the foreclosure jurisdiction need to be entertained.

Sites vacated by the school district should be available for new, high quality housing.

E. Offer rebuilding incentives.

The city should market “rebuildable” housing to potential homeowners willing to purchase and improve these properties through incentives such as tax breaks on Brownfield clean up, demolition and assistance with the removal of existing footers or pipes, with the possibility of current sewer and water to remain for future tie-ins. Rehabilitation incentives could include tax abatement up to \$90,000 for five years and streamlining permits for homeowners. A “Go Green” Initiative could include incentives for construction of new homes and rehabilitation of

existing homes, and in-fill housing projects, using non-toxic materials and energy-efficient construction techniques.

F. **Promote energy-efficient new construction through tax and financial incentives.**

Construction of new residential housing in an architectural style consistent with the neighborhood should be a goal for in-fill housing opportunities created when an unsafe structure is razed. The City should offer short-term tax abatement and work with local lenders to establish special financing programs for new construction.

IV. HOUSING CONDITION

Most of the housing in Lakewood is nearing the century mark. Without ongoing maintenance and repair, some of these structures may encounter major structural problems. Some homes still operate with original electrical, plumbing and heating systems which are not as safe or efficient as currently available systems.

Recommendations:

A. **Establish an inspection program.**

To better understand the current condition of properties and their needs, the City needs a progressive inspection program. The inspection program should take a proactive approach to educating property owners about repairs necessary to maintain properties at specified standards. The inspection process would help administer housing, sanitation, health, fire and safety codes.

The City should implement geographic information system technology to coordinate the inspection services of Building, Fire, Health, Refuse and Police with other City departments.

Within the first three years of initiation, all houses should be inspected with the goals of identifying problem areas and educating homeowners on improvements related to efficiency, safety and health.

With the information from these inspections, the Building Department can create a database that will allow it to analyze the condition of the housing stock. The inspections should be customer-focused and proactive.

The inspection program should offer evening appointments to accommodate working homeowners and provide opportunity for discussion and questions.

The City should create a bundling of permits that cover all improvements for “do-it-yourself” homeowners. Homeowners should be advised of web-based catalogues of pictures and information available for guidance in home improvement projects.

B. Establish homeowner education program.

A first step in educating owners is to conduct informational sessions called “Ask the Expert.” Lakewood homeowners could have the opportunity to ask questions regarding codes, maintenance, general repairs and upgrades. Issues such as installing half-baths on first floors and adding central air could be discussed by architects, electricians, plumbers, HVAC technicians, etc. This could also be coordinated with the Lakewood Chamber of Commerce’s Home Show.

C. Provide City with authority to require improvement of housing.

The City must have the authority to require homeowners to improve and maintain their properties. This enables the city to attract state and federal funding, as well as stimulate economic development, while maintaining its sense of community.

The City should purchase abandoned property and promote its re-use to return it to a tax-generating status. If this is not possible, other re-uses such as community gardening spaces, should be explored.

Conclusion

The members of the Housing Advisory Panel respectfully submit this report and urge the City to create action steps designed to implement these recommendations as soon as possible.