

AKRON HOUSING
STRATEGY

PLANNING
• TO GROW •
AKRON



DANIEL HORRIGAN, MAYOR



Introduction

Mayor Dan Horrigan is committed to growing Akron again.

We do this by making a great place even better - by building new housing, by rehabilitating existing buildings, by encouraging entrepreneurship and commercial redevelopment, and by using artistry in urban design to create irresistible places for people to live, work, and play.



For roughly 80 years, Akron was the center of the global rubber and tire industry. It was home to the headquarters of four of the world's five largest tire manufacturers – Goodyear, Firestone, B.F. Goodrich, and General Tire.

In 1920, it was building half of the world's tires. By 1982, not a single a passenger tire was built in the city. The impact on the city's economy, culture, and psyche was profound.

Between 1910 and 1920, Akron was the fastest growing city in the entire nation, expanding from a population of 69,000 in 1910 to 208,000 in 1920. As a result, much of the city's housing was built in the 1910's, and is now 100 years old. Like most cities, it is a place of diverse neighborhoods: hastily-built, poorly planned ones in the city's urban core; solidly middle-class, well-planned, historically significant ones, like Goodyear Heights and Firestone Park; and opulent ones containing palatial homes on tree-lined streets, like Merriman Hills and Fairlawn Heights, built for its most affluent residents.

The city hit its peak population in 1960, expanding to 290,000 residents. Since 1960, the city has lost 31% of its population. Today it is home to approximately 198,000 residents.





Despite losing 73,000 residents between 1960 and 2000, the number of households (90,000) remained consistent for 40 years, due to shrinking average household size. But since 2000, Akron has lost an additional 19,000 people and over 6,000 households. This has led to a growing problem with vacant and abandoned properties.

Despite its significant loss of population and manufacturing jobs, it is inaccurate to pigeonhole Akron as a “shrinking Rust Belt city”. The fact that the city once contained the corporate headquarters of at least half-a-dozen Fortune 500 companies, and all of the wealth that they generated; and the fact that it has since diversified its economy, retaining and attracting new high-paying jobs, means that it is still home to some of the most stable and affluent urban neighborhoods in the entire Great Lakes region. Like most places, it should not be painted with an overly broad brush.

Today, when it comes to housing, Akron is a city of contrasts. It is not one real estate market, but half-a-dozen. Approximately one-quarter of the city’s housing is in great shape, while another one-quarter is extremely distressed. The remaining 50% could be characterized as being at a tipping-point of sorts—largely solid, older homes, in middle class neighborhoods—for now.





The city contains approximately 96,000 housing units. The median date of construction for housing units in the City (houses and apartments) is 1952. 64% of the housing units were built prior to 1960. More housing was built during the Great Depression than has been built since 2000.

The 21st Century represents a true demographic turning point for our city. Our loss of not just population, but now households, too, is a direct result of our using up all of the viable, marketable housing that we had and our tearing down of more housing than we have been able to rebuild. Simply put – we are now at a place where we are physically unable to grow because we are experiencing a net loss of housing – year after year, as housing gets older and older. On average, 500 houses are torn down every year in this city. On average, only 10 are built.

New residents can move to Akron, of course, but they will simply be replacing someone who already lives here. The City is currently playing “musical chairs” with its housing stock – one person replaces another and every once in a while another chair is taken away. No matter how great of a place this city is to live (and it is) we can’t grow again if we don’t figure out how to build more housing than we tear down. It’s simple arithmetic. Right now, we have plenty of houses that people don’t want and not enough houses that people do want.

So what, you say? Why does it matter if we keep losing population? Because the size of our population has incredibly important ramifications for our tax base; our employment base; the performance of our schools; the distribution of everyday amenities like grocery stores, shops, and restaurants; the delivery of public services; and less tangible, but equally important things like our



sense of place and our sense of ourselves. As our neighborhoods are abandoned, decline and become hollowed out, access to social and economic opportunities diminishes along with the population: the jobs disappear, the doctor's offices disappear, the grocery stores disappear—relocated, often, to a distant and increasingly inaccessible locale. To pretend as though the economic and social well-being of city residents is not directly impacted by population decline is to turn a blind eye to reality itself.



We have to learn how to build new housing in this city - a lot of new housing. And we have to learn how to market it well. Rehabilitating old houses (where practical) will certainly help us, but even in a best case scenario, we will likely need to tear down five houses for every one that is renovated. Many of the houses that we have left are simply getting too old and obsolete. The best ones, in the best neighborhoods, are already occupied and are being cared for.

Downtown's future is as a mixed-use residential center, rather than as an office center. This trend is already happening in many cities. It is happening on a significant scale in Cleveland, as more and more office space is vacated and retrofitted as residential space. We will intentionally support the same thing here.

We are committed to pursuing a growth strategy in Akron. One that looks at reality with both eyes wide open, and that employs time-honored urban design principles and innovative placemaking strategies to build on our considerable strengths, and to turn our liabilities into assets.



We are reinventing Akron as a place to not simply work, or play, but to live. Our long-term goal is to grow back to 250,000 residents by 2050, and our short-term goal is to get our current population of 198,000 back over 200,000 by 2020.

A shrinking cities model of mothballing infrastructure and relocating residents will not serve us well. Instead of putting precious time, energy, and money into shrinking, let's build on our neighborhood assets, and figure out how to grow again.

Planning to Grow Akron discusses how we should go about revitalizing our residential neighborhoods and reinventing Akron as a place to live. The report takes a “30,000-foot” glance at housing supply and demand in Akron and recommends general strategies that will be analyzed in greater detail in the coming months. This housing strategy will work in concert with two other reports currently in progress for release in 2017—*Build in Akron* being prepared by the Greater Ohio Policy Center focusing on overcoming impediments to building market-rate housing and a *Market Value Analysis* being developed by the Reinvestment Fund.

We are Akron and we are strong. We can do this – working together.

Jason Segedy
Director, Department of Planning and Urban Development



Background

In 1919, Frank H. Adams, the Chairman of the Akron Chamber of Commerce City Improvement Committee, wrote the following:

Your City Improvement Committee, through the courtesy of its chairman and largely at his personal expense, is pleased to submit herewith a report, City Plan for Akron, prepared by John Nolen of Cambridge Massachusetts, one of the best known city planning experts in this country. Akron, since its establishment as a village in 1836 and its incorporation as a city in 1865, has grown to a population of about 175,000 without any thought to its proper development. It therefore lacks the proper thoroughfares for adequately handling the traffic of such a city; it lacks adequate parks and boulevards; it is without a civic center, and no thought has been given to the laying out of its industrial and business districts nor the protection of its residential sections. The plan herewith submitted, if adopted by the city and supported by the cooperation of our citizens, will provide remedies for these conditions and for a proper future development of our city...With such a plan adopted the city can grow along the lines of well-ordered development during the coming years if our citizens take an active interest in carrying forward these improvements, and Akron will become a city of which all our people may be proud.

That the need for a Comprehensive Plan was recognized as early as the year 1919, when the City Plan for Akron was adopted, illustrates just how quickly the City of Akron grew between 1900 and 1920. In that 20 year period, the population of Akron exploded from 42,000 residents in 1900 to 69,000 in 1910 to 208,000 in 1920. The City continued to grow through the 1950's until reaching a highpoint of over 290,000 residents in the 1960's—and all these people had to live somewhere. It is a testament to the leaders of Akron, both in terms of its Administration and its business leaders, that the City's neighborhoods have aged as well as they have considering the speed with which the new homes were constructed.

The reality of this early growth is easily apparent today – Akron is a city of diverse neighborhoods with numerous architectural styles in varying states of the aging process. The vast majority of the structures that Akron's residents called home in 1960 still serve as our homes today – nearly two-thirds of the existing housing units in the present-day City of Akron were constructed prior to 1960. Over one-third of the existing housing units in the City were constructed prior to 1940. Between 1976 and 2005 the City committed approximately \$230 million in Federal funding to assist in the rehabilitation of over 20,000 homes in the City. But with drastic cuts in federal funding, increasing costs, less staff and the recession of 2008, the City is now faced with more aging housing and less resources with which to address the problem.

The primary goal of this plan is to develop strategies to increase the supply of marketable, market-rate housing in the City of Akron to attract potential residents with middle to high incomes to the City and reverse Akron's gradual decline in population. In order to do this, the strategic plan is attempting to answer three questions:

- What is the state of our current housing supply?
- What is the state of our current housing demand?
- How do we change our housing supply in order to generate more demand?



City stakeholders were interviewed and past and present housing policies and programs were reviewed for effectiveness. Housing conditions, trends and needs were identified.

This report raises possibilities and ideas that will be used as the basis for more specific evaluation and implementation. While we are aware that schools, crime and other issues impact people's housing decisions, that is beyond the scope of this project. This plan provides an overview of the City of Akron's existing housing stock and provides a framework for strategies to promote growth and investment in the City's neighborhoods.

Akron's Housing Supply

Within its 62 square miles, the City of Akron contains approximately 97,000 housing units and a population of approximately 198,000 residents. With a population density of 3,209 residents per square mile (based on Census data), Akron's population density is consistent with other Ohio cities like Cincinnati (3,809 persons per square mile), Columbus (3,638) and Toledo (3,559). For comparisons sake, Cleveland has a population density of 5,122 persons per square mile, comparable to Detroit (5,142), Pittsburgh (5,521) and Buffalo (6,470).

<u>Akron Total</u>		<u>97,163</u>
<u>Housing Units</u>		
Built 1939 or earlier	34,175	35.2%
Built 1940 to 1949	10,050	10.3%
Built 1950 to 1959	18,028	18.6%
Built 1960 to 1969	11,286	11.6%
Built 1970 to 1979	9,594	9.9%
Built 1980 to 1989	5,181	5.3%
Built 1990 to 1999	4,559	4.7%
Built 2000 to 2009	4,097	4.2%
Built 2010 or later	193	0.2%

Akron has an aging housing stock, with over a third of the City's existing housing units having been built prior to 1940 (35.2%) based on Census 2010-2014 American Community Survey 5-Year Estimates. In Ohio, this is consistent with the rate in Toledo (34.7%) and Dayton (37.4%) and slightly less than Cincinnati (42.6%). The percentage of housing units in Cleveland built prior to 1940 is 53.9% and in Columbus it is only 12.8%. Akron is in the middle of these two extremes. Regionally, rates of pre-1940 housing are 63.9% in Buffalo, 52.9% in Pittsburgh, 45.2% in Chicago, 38.5% in Milwaukee and 33.1% in Detroit (this lower rate in Detroit is evidence of the massive effort to remove vacant homes in that city over the past 5 years).

As the chart above indicates, there have been less housing units built in Akron since the year 2000 than in any previous decade. Looking further, new construction of housing units slowed dramatically since the 1970's. This is indicative of the slowdown in regional growth in the entire northeast Ohio area through this time period. Some of this slowdown can also be attributed to Akron essentially being built out to the existing City limits by the end of the 1970's. Since 1980, much of the new housing construction is located on the extreme outskirts of the City in more recently annexed areas. Within the inner-city, the primary home builder of housing within City



neighborhoods over the past twenty years has been the East Akron Neighborhood Development Corporation (EANDC), a Community Development Corporation located in east Akron. EANDC specializes in low income housing tax credit projects that help stabilize tipping point neighborhoods in the City with new housing. The hesitancy by developers to construct infill-housing within Akron is an impediment that must be addressed.

In terms of housing types, Akron is primarily a City of single-family homes. Over two-thirds of the housing units in the City (66.8%) are single-family detached residences (as opposed to attached condominiums, for instance). This ratio is consistent with the surrounding communities of Tallmadge (73.5%), Barberton (72.5%), Cuyahoga Falls (64.1%) and Stow (60.8%). In the State, this ratio is also consistent with Toledo (65.2%) and Dayton (63.3%), slightly less than Youngstown (78.0%) and significantly more than Cincinnati (38.2%), Columbus (46.1%) and Cleveland (46.7%).

<u>Akron Total</u>		
<u>Housing Units</u>		97,613
1-unit, detached	64,942	66.8%
1-unit, attached	2,918	3.0%
2 units	6,944	7.1%
3 or 4 units	4,801	4.9%
5 to 9 units	4,565	4.7%
10 to 19 units	5,017	5.2%
20 or more units	7,593	7.8%
Mobile home	383	0.4%

Just over 53% of the housing units in Akron are owner-occupied units and 47% are renter-occupied. Since over 2/3 of the housing units in Akron are single-family detached units, the 53% owner-occupancy rate indicates that a significant number of the single-family units are rented, probably to families as opposed to single-person households. The average household size for owner-occupied units (2.35 persons) is only slightly greater than that for renter-occupied units (2.31 persons). Many single-family homes in the University Park area are rented as student housing.

The owner-occupancy rate in Akron of 53.3% (see below) is consistent with other Ohio cities like Toledo (54.6%) and Dayton (49.3%), and exceeds owner-occupancy rates in Columbus (45.9%), Cleveland (43.5%) and Cincinnati (39.4%).

<u>Occupied Housing Units</u>	83,021	
Owner-occupied	44,282	53.3%
Renter-occupied	38,739	46.7%

An essential part of homeownership is being able to afford to make necessary repairs, thus income related to housing costs is an important indicator in individual neighborhoods. Based on Census data, 31.7% of the housing units in the City with a mortgage are owned by persons paying 30% or more of their income on monthly owner costs. This is comparable to other Ohio cities such as Columbus at 30.3%, Toledo at 31.1%, Cincinnati at 32.8% and Dayton at 35.3%. Cleveland has a higher percentage of persons with a mortgage paying 30% or more in housing costs with a rate of 40.7%. For comparisons sake, the rate in Detroit is 47.1%.

According to the Q2 2016 U.S. Home Equity and Underwater Report prepared by RealtyTrac, the nation's leading source for comprehensive housing data, among 88 metropolitan statistical areas analyzed with a population of 500,000 or more and sufficient data, the Akron area ranked third nationwide with 24.9% of homes meeting the studies definition of being seriously underwater on their loans, with a loan to value ratio of 125% or more (the national average is 11.9%). This is a regional problem: the top five metropolitan statistical areas nationwide with seriously underwater properties, according to RealtyTrac, include Cleveland (27.5%), Las Vegas (25.7%), Akron (24.9%), Dayton (24.1%) and Toledo (23.6%). States with the highest percentage of seriously underwater properties are Nevada (22.2%), Illinois (22.1%), Ohio (20.9%), Indiana (18.6%) and Missouri (18.2%).

Foreclosures and vacant homes are continuing problems that need to be addressed. According to 2010-2014 American Community Survey 5-Year Estimates, 14.6% of Akron's 97,163 housing units are vacant.

<u>Akron Total Housing Units 97,163</u>		
Occupied housing units	83,021	85.4%
Vacant housing units	14,142	14.6%

This figure includes homes that are for sale or rent which are actively being marketed but are not abandoned.

While this number is cause for concern, of the major cities in Ohio, only Columbus (12.6%) has a lower rate of vacant housing units. In Dayton, 22.8% of the City's housing units are listed as vacant, followed by 21.5% in Cleveland, 19.1% in Cincinnati and 14.9% in Toledo.

Akron's Neighborhoods

Akron's diversity is embodied in its many neighborhoods. Akron's neighborhoods range from the abundant worker housing that quickly went up in the early twentieth century, to the affluent homes of the owners of those early businesses, to the post-war housing of the 1940's and 1950's. As the City grew out from the central city, each decade saw the City's neighborhoods expand further outward through the 1960's. Much of the housing construction since the 1970's consists of pockets of new housing at the fringes of the City and in more recently annexed areas. Exceptions to this include new developments alongside Merriman Road, Smith Road and in Ellet. The City has also sponsored new housing construction within neighborhoods and supported new development undertaken through the Akron Metropolitan Housing Authority (AMHA) and local non-profits. Unlike the suburbs, where housing continued to expand out into what was once cornfields, woods and golf courses, Akron generally lacks the space for new large, multi-unit housing developments, instead having to rely upon infill housing and costly land assembly to provide new housing options.

In 2016, the City of Akron redefined the boundaries of existing neighborhoods within the City. As part of the Planning to Grow Akron housing strategy, comparable data was assembled for each of these 24 neighborhoods. Housing types, housing conditions and the value of housing varies greatly from neighborhood to neighborhood. Understanding existing conditions within neighborhoods is vital to forming strategies to keep neighborhoods viable. As existing housing continues to age, this will become increasingly difficult in some portions of the City where a lack of investment in housing maintenance becomes a deterrent to new investment.



The development of strategies to spur investment in neighborhoods is area specific—each neighborhood is a distinct entity with its own history and sense of community. Our goal is to set up conditions in these neighborhoods to encourage new investment.

Some neighborhoods that need work warrant consideration as historic districts. In these areas the architectural quality of the homes presents an opportunity for preservation, restoration and increased property values due to the restoration of the neighborhood. These areas include Highland Square, West Hill, Goodyear Heights and Firestone Park along with portions of North Hill and West Akron.

In other neighborhoods, the architecture of the homes is more individually indistinct, but the areas still have character through their very uniformity. These neighborhoods are the backbone of the City's housing stock, but in some of these areas disinvestment is evident with more deteriorated housing conditions, vacant homes and vacant lots. Still, the craftsmanship of the interior detailing in many of these homes is rarely matched by today's homebuilders (interior hardwood trim, beautiful hardwood floors, built-ins, tiled bathrooms, leaded windows, fireplaces, large front porches, etc.). But the disinvestment in many of these areas and the subsequent low property values limits the merits of infill construction and makes housing rehabilitation costs prohibitive.

A brief summary of each neighborhood, including demographic data, comparative rankings and an assessment of current conditions is included in the Appendix.

The City of Akron's Role in Maintaining Neighborhoods

It is important to identify what the City of Akron has done and is currently doing in terms of housing assistance programs and the City's role in maintaining neighborhoods.

City of Akron Housing Assistance Programs

The City of Akron has taken steps to aid in the revitalization of City neighborhoods since the 1970's. Working through the City of Akron Department of Planning and Urban Development, a Community Development Program was established in 1975 and 29 Community Development Areas were identified across the City. These areas generally consisted of 300 to 500 homes in stable neighborhoods where minimal investment would go a long way in preserving the quality of the neighborhood. Funding was in the form of federal Community Development Block Grant (CDBG) and HOME Investment Partnership funds. Program criteria specified what portion of these funds would be allocated to benefit low and moderate income neighborhoods and residents. Assistance was provided in the form of grants and loans for housing improvements. Downpayment assistance for home loans was also available.

For selected areas, all homes were inspected. The correction of violations was mandatory. Selected Community Development Areas received new streets, curbs, sidewalks and street trees as necessary. Upon completion of improvements, it was very evident that these areas had received a boost. Improvements were highly visible and encompassed a large area. For neighborhoods that were not within one of the 29 selected areas, the Neighborhood Petition Program was established to allow neighborhoods the opportunity to apply to the City to bring the grants and loans associated with the



Community Development Area program to their neighborhood, but on a much smaller scale (generally only two or three blocks or 30 to 50 homes).

The Community Development Program assisted Akron neighborhoods in this way from the 1980's through about 2005. The City committed nearly \$230 million in CDBG and HOME funds to its neighborhood rehabilitation and petition programs, rehabilitating over 20,000 homes. In two of the later Community Development Program areas, the Bisson and Honodle areas, the City utilized federal funding to purchase the most deteriorated properties in the program area and assemble adjacent lots to facilitate new housing construction. The City worked in conjunction with area homebuilders who purchased the lots from the City to build new homes

In 2005, the old Neighborhood Development Area and Petition programs were replaced with new programs for targeted redevelopment. Neighborhood Redevelopment Areas were established that combined housing rehabilitation with acquisition and clearance. The emphasis was on creating space for new housing construction. The Neighborhood Housing Petition Program was replaced by the Neighborhood Initiatives Area program where property owners applied to receive voluntary rehabilitation assistance in the form of grants and low interest or deferred loans. Over 350 homes received rehabilitation assistance under the Neighborhood Initiative Area and Redevelopment Area programs between 2005 and 2013.

Economic crash and the foreclosure crisis

After the economic crash and the onset of the foreclosure crisis in 2008, the City received an allocation of approximately \$14.3 million in Federal and State Neighborhood Stabilization Program (NSP) funds to address foreclosures in the City. These funds were utilized to purchase vacant homes for either rehabilitation and resale or demolition. In order to eliminate blight, the City also assists with the removal of deteriorated structures at the property owners request through the City Waiver Demolition Program (the property owner maintains ownership of the parcel). Homes are also removed at the order of the Housing Appeals Board, usually after all attempts to get the property owner to repair the structure have been exhausted. The City tears down between 400 and 600 homes a year. The backlog of homes to be torn down is currently at about 370 homes.

In 2012 and again in 2015, the City received federal funding to abate lead safety hazards in homes with children under the age of 6. Due to time constraints required with inspection and rehabilitation, the City is undertaking housing rehabilitation activities in conjunction with the Lead Abatement Program. By combining housing rehabilitation activities with lead abatement the City is addressing housing concerns for many Akron residents most in need of assistance. Additionally, the City funds grants to provide up to \$4,000 for minor home repairs to correct emergency problems or code violations in properties owned by low income, elderly or disabled residents of the City. Roofing assistance to repair / replace failing roofs is also available.

One of the realities of the current economic situation of the City is that all City Departments are doing more with less—less federal funding, less State funding and less staff. Federal funding was the primary impetus for both the City's Community Development Program since the 1980's and the earlier large-scale urban renewal projects of the 1960's and 1970's. The City of Akron's annual allocation of federal CDBG funds and HOME Investment Partnership funds is gradually being reduced; between 2006 and 2016 CDBG funds have been cut over twenty percent (\$7.0 million in



2006 to \$5.5 million in 2016) and HOME funds have been cut nearly forty percent (\$1.8 million to \$1.1 million).

Looking back to 1996, the cuts are more severe – nearly 40% for CDBG funds and 43% for the HOME allocation.

City supported new-construction

The City has historically pursued opportunities to initiate, support, and promote new housing construction throughout the City, including both for-profit developments and projects undertaken by area Community Development Corporations.

Since 1979, over 400 new, single-family homes have been built utilizing the Urban Neighborhood Housing Development Corporation, a nonprofit organization representing private and public interests in the housing industry, in cooperation with the City. This program is part of the City's continuing effort to revitalize the inner city and encourage home ownership. The project is supported utilizing federal CDBG funds. Up to five new homes a year are built through this program.

The City remains involved in land assembly and infrastructure support for new private residential developments. , As was previously mentioned, in two of the later Community Development Program areas, the Bisson and Honodle areas, the City utilized federal funding to purchase the most deteriorated properties in the program area and assemble adjacent lots to facilitate new housing construction. The City worked in conjunction with area homebuilders who purchased the lots from the City to build new homes. In 2004, the City established the Hickory Corridor / Cascade Locks Urban Renewal Area. Again, blighted properties along Hickory Street were purchased and removed and the lots were replatted. Those lots were made available to people who would purchase the lot and have their home built on the lot to live in – the lots were not for sale to developers. At that time the City had received funding through the Energy Efficiency Conservation Block Grant Program through the federal government and grants were available for people building energy efficient homes. Three homes on Hickory Street utilized this funding.

Recent new housing projects include the \$25 million 22 East Exchange project, the \$12 million 401 lofts project, the \$40 million University Square project on East Exchange Street and the \$20 million Depot student housing development at the intersection of South Broadway and Exchange Street. All four of these projects involved the addition of new student housing with retail components in and around downtown. In total, these developments added approximately 2,000 beds for new student housing. Other residential projects assisted by the City included the Northside lofts and townhomes project on Furnace Street / North Howard Street, the Spicertown development south of the University of Akron campus, the Cascade Lofts project on North Street and the East End project at the old Goodyear headquarters on East Market Street. These projects are evidence of a demand for new housing of varying types in the City. For most of these projects, a Renewal or Redevelopment Plan was prepared by the City and passed by City Council to support the projects (see next page).

In addition to private construction, the City also supports efforts of area Community Development Corporations in new housing construction and rehabilitation, including the East Akron Neighborhood Development Corporation, the Mustard Seed Development Corporation, Nazareth Housing Development Corporation and the Westside Neighborhood Development Corporation.



Urban Renewal and Redevelopment Plans

In order to assist development and eliminate blight, the City establishes Urban Renewal Areas and Redevelopment Areas. The establishment of these areas requires approval by the City Planning Commission and City Council. Renewal and Redevelopment Plan Areas contain development objectives for the area and proposed actions to achieve objectives, including recommended land uses, zoning, development standards, tax increment financing and land acquisition and disposition. Urban Renewal Areas contain determinations of blighting conditions that allow for the use of eminent domain to purchase property to eliminate blighting conditions and/or achieve development objectives. The establishment of Renewal and Redevelopment Areas is a useful tool in promoting new development.

Current role of City Departments relating to housing activities

The City of Akron Department of Neighborhood Assistance promotes strong, safe and stable neighborhoods through nuisance abatement and housing code compliance. The Housing Division and Nuisance Compliance Division within this Department work to assure decent, safe and sanitary living conditions through the enforcement of the Environmental Health Housing Code and oversight of the Rental Registration Program. Housing complaints and complaints on property maintenance are processed and property owners are notified to correct violations. Ultimately, non-complying properties are reviewed by the Housing Appeals Board—a review board comprised of Akron residents appointed by the Mayor, with the approval of City Council. The Housing Appeals Board sees two types of cases: properties for which the Housing Division recommends demolition and appeals of Environmental Health Housing Code orders.

The City Department of Planning and Urban Development consists of five divisions, all of which oversee a variety of programs related to housing. The Comprehensive Planning Division oversees the City's annual allocation of federal funding to support neighborhoods and benefit low-income residents, the Housing and Community Services Division is responsible for the actual selection of homes and oversight of the City's Housing Rehabilitation Programs, the Capital Planning Division oversees the annual Capital Budget for street, park and infrastructure improvements, the Development Services Division oversees property acquisition and demolition and the Zoning Division administers the City's Zoning Code and reviews projects and complaints for compliance.

Downtown Housing

There is a scarcity of market rate housing downtown, but there seems to be a latent demand for downtown housing that Akron is in a position to capitalize upon. Through most of the 1970's, 1980's and 1990's, the only constant downtown housing was located at the Mayflower Manor, the historic hotel that was converted to low-income housing in 1973. But in the late 1990's and 2000's, Akron's downtown was revitalized with a new ballpark, the Towpath Trail, Lock 3 Park, many new restaurants and the expansion of the University's campus into downtown. Renovations to the Main Branch library and the Akron Art Museum followed.

In 2007, the University of Akron purchased the Quaker Square facility downtown, a purchase that included the hotel that was constructed in the converted silos at the former Quaker Oats factory and mill. The University transitioned the hotel into a residence hall over the next two years. This influx of students into downtown had a noticeable impact. Beginning in 2010, the downtown environment



was further transformed with the construction of the 142 unit (471 beds) 22 Exchange student housing project, followed by 189 units (323 beds) at the 401 Lofts project in 2013 and 144 units (624 beds) at the Depot project in 2014. The City supported these projects through the creation of Renewal and Redevelopment Areas and tax-increment financing.

In terms of market rate housing downtown, the 98-unit Northside Lofts condominiums project was constructed in the Northside district, immediately north of downtown, in 2008. In 2014, the 55-unit Canal Square Lofts opened in the beautiful art-deco former YMCA near Children's Hospital. The Maiden Lane district along East Market Street downtown continued to grow its retail component, with housing remaining steady at the same 3-units that had been there since 2001. In 2016, the 23-unit apartment Cascade Lofts project was opened on North Street in a converted old warehouse alongside the Ohio and Erie Canal Towpath Trail. East of downtown, 106 apartment units were opened in 2015 in a portion of the old Goodyear Headquarters on East Market Street converted for apartment use.

The influx of a permanent population downtown has had a dramatic impact on the downtown environment, which can now sustain restaurants and bars on a more permanent basis with longer hours and of a higher-quality than existed previously.

This vitality downtown combined with under-utilized vacant office space provides a ready-market for conversions to downtown housing.



Akron's Housing Demand

Existing Housing Market and Affordability

It is recognized that foreclosures and homeowner's being underwater on their mortgages are an ongoing problem. At the same time, in terms of affordability, national magazines and websites, such as Forbes and CNN Money, are recognizing Akron as one of America's most affordable cities in which to buy a home.

According to the 1st Quarter 2016 Housing Opportunity Index by Affordability Rank tracked by the National Association of Home Builders, 87.2% of Akron's homes are affordable for median income families. Akron places 33rd nationally on the list of 236 metropolitan statistical areas and metropolitan divisions for affordability. Based on Census data, the median sales price for Akron homes in 2016 is \$60,000, with an average sales price of \$82,434. The median value of an owner-occupied home in Akron is approximately \$82,600 (this value varies slightly according to the source used).

Housing Values		
<u>Owner-occupied units</u>	<u>44,282</u>	
Less than \$50,000	6,489	14.7%
\$50,000 to \$99,999	22,974	51.9%
\$100,000 to \$149,999	7,875	17.8%
\$150,000 to \$199,999	3,447	7.8%
\$200,000 to \$299,999	2,086	4.7%
\$300,000 to \$499,999	1,098	2.5%
\$500,000 to \$999,999	263	0.6%
\$1,000,000 or more	50	0.1%

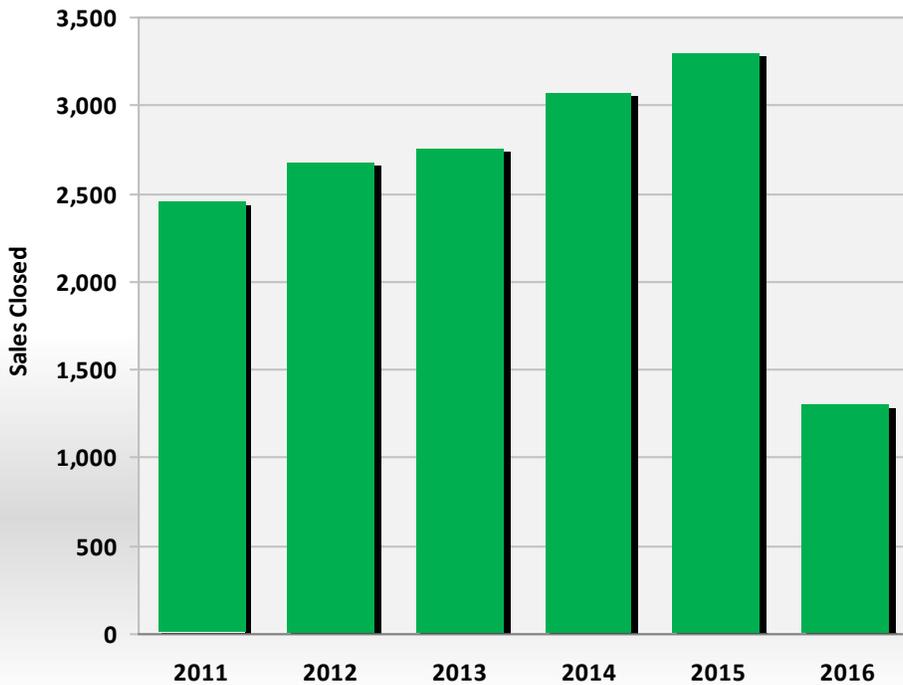
Median value \$82,600

Meetings with area realtors undertaken for this report indicate that the home market is currently strong and statistics compiled by the Akron Cleveland Association of Realtors bear this out. In the past 5 years, nearly all indicators in the Akron housing market are trending up.

Sales closed have increased from approximately 2,450 in 2011 to nearly 3,300 in 2015. Average days on the market has decreased from 128 to 96. The median sales price has increased from \$39,600 to \$60,000. Over five years, the final closing price to original sales price ratio rose from 86% to 93%. The inventory of homes on the market has dipped dramatically in the past four years, from a peak of 2,627 homes on the market in June, 2012 to 1,673 in June of 2016. In 2010, based on sales data at the time, the City of Akron had a 24 to 30 month inventory of homes for sale – at the present rate of homesales, the existing inventory is down to three months.

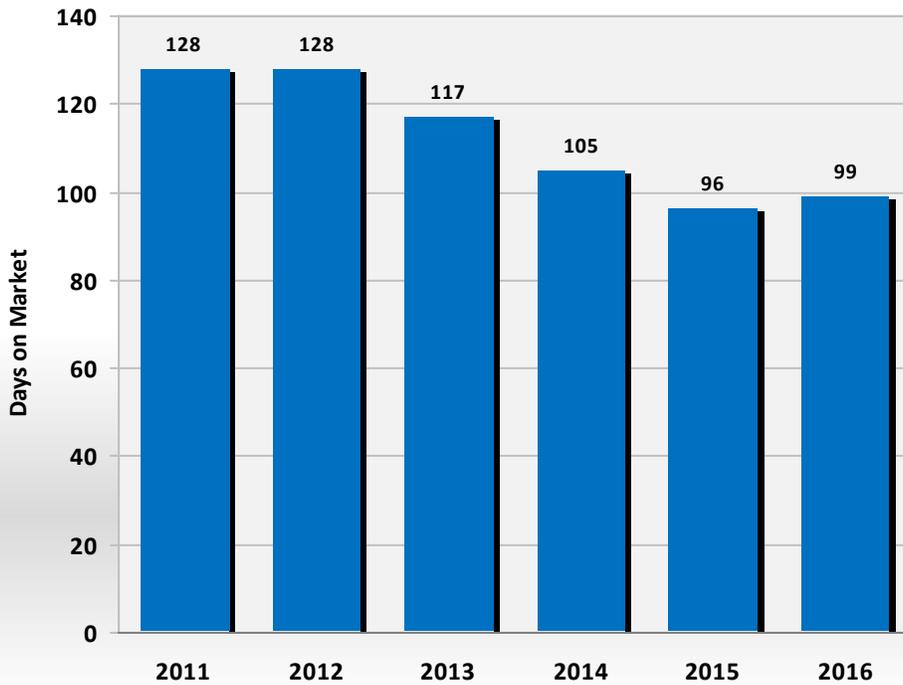


Number of Sales Closed

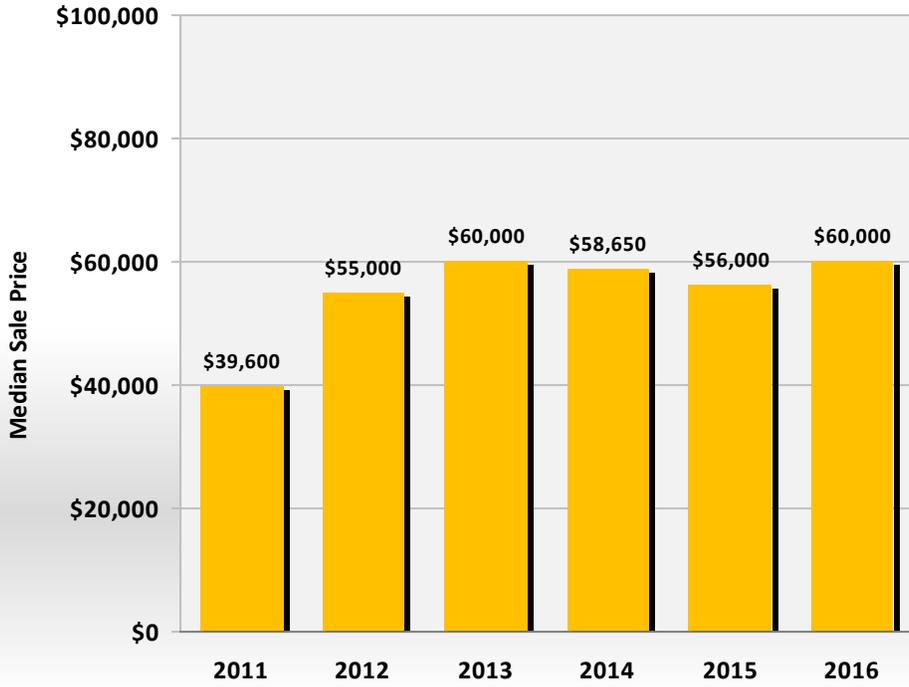


(as of June 2016)

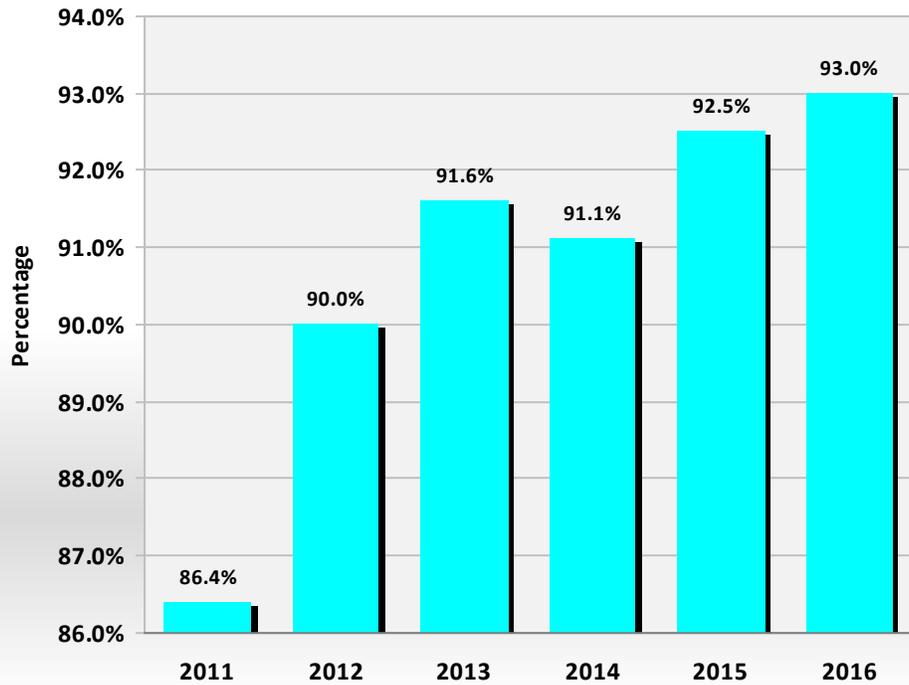
Number of Days on Market



Median Sale Price



Closing Price as Percentage of List Price



All of these factors, including strong demand for new apartment units in renovations and new construction in and around downtown, indicate a strong sellers market, but new infill construction, despite a strong demand for new housing, is still being dragged down by the affordability of existing housing in many areas of the City that makes the pricing and profitability of new home construction a question mark for area developers. Also, this optimistic outlook must be tempered with the reality that the City still has a shrinking supply of good homes.

Existing Housing Conditions

Housing conditions city-wide range from excellent to poor. In some neighborhoods homes with deficiencies are infrequent, while in others the opposite is the case and homes without deficiencies are in the minority. Overall, Akron's housing stock is generally in good condition for a City that expanded so rapidly and endured the loss of the rubber industries in the 1970's and the foreclosure crisis in 2008, especially compared to many surrounding municipalities. Still, stagnant property values and vacant properties continue to hamper new investment.

Comparing the range of housing values of owner-occupied homes in Akron to seven other Ohio cities based on Census data (Canton, Cleveland, Cincinnati, Columbus, Dayton, Toledo and Youngstown), Akron compares favorably. Only Cincinnati (4%) and Columbus (3%) have fewer homes in the range valued at less than \$40,000 than Akron (7%). By comparison, 38% of the owner-occupied homes in Youngstown are valued at less than \$40,000, followed by Dayton (13%), Toledo (13%), Canton (12%) and Cleveland (12%).

City Comparison of Housing Values of Owner-Occupied Housing Units (by percentage of total owner-occupied units in each City)

CITY	Less than \$20,000	CITY	\$20,000 to \$39,999
Youngstown	15%	Youngstown	23%
Canton	4%	Dayton	10%
Toledo	4%	Cleveland	9%
Akron	3%	Toledo	9%
Cleveland	3%	Canton	8%
Dayton	3%	Akron	4%
Cincinnati	2%	Cincinnati	2%
Columbus	2%	Columbus	1%

In terms of specific Akron neighborhoods, nearly 33% of the owner-occupied units in the Middlebury neighborhood are valued at less than \$40,000, the highest rate of low-value homes in the City (see table on following page). Other neighborhoods with a high percentage of homes valued at less than \$40,000 include University Park (27% of the owner-occupied units), Summit Lake (23%), Cascade Valley (19%), Sherbondy Hill (18%), South Akron (18%) and East Akron (14%). The same neighborhoods have the highest rates of vacant housing units in the City as well as the lowest household incomes and lowest median housing values. One outlier in the data is the West Hill neighborhood, where property values are higher than demographics would suggest they should be when comparing vacancy rates (20% of housing units - the third highest rate of any neighborhood in the City) and median household income (\$19,729 - fourth lowest of any City neighborhood - see



complete list on the next page) to other neighborhoods. Despite a high rate of vacant housing units and low household incomes, only 9% of the owner-occupied housing units in the West Hill neighborhood are valued at less than \$40,000, a rate comparable to more middle-tier neighborhoods such as West Akron, Goodyear Heights, Kenmore and North Hill.

**Percentage of Owner-Occupied Units Valued at less than \$40,000
(by percentage of total owner-occupied units in each neighborhood)
and Percentage of Vacant Housing Units by Neighborhood**

NEIGHBORHOOD	Less than \$40,000
Middlebury	33%
University Park	27%
Summit Lake	23%
Cascade Valley	19%
Sherbondy Hill	18%
South Akron	18%
East Akron	14%
Downtown Akron	9%
West Hill	9%
West Akron	8%
City of Akron	7%
Kenmore	7%
Goodyear Heights	6%
Chapel Hill	5%
North Hill	5%
Coventry Crossing	4%
Ellet	4%
Northwest Akron	4%
Firestone Park	3%
Highland Square	3%
Merriman Hills	3%
Fairlawn Heights	2%
Wallhaven	2%
High Hampton	1%
Merriman Valley	1%

NEIGHBORHOOD	Vacancy Rate
Summit Lake	24%
Middlebury	22%
West Hill	20%
University Park	19%
South Akron	18%
Cascade Valley	17%
Downtown Akron	17%
Sherbondy Hill	17%
East Akron	14%
North Hill	14%
Highland Square	13%
Merriman Valley	13%
City of Akron	12%
Kenmore	12%
West Akron	12%
Goodyear Heights	11%
Chapel Hill	9%
Firestone Park	8%
Ellet	7%
Northwest Akron	7%
Wallhaven	7%
Fairlawn Heights	6%
Coventry Crossing	5%
High Hampton	5%
Merriman Hills	4%



**Median Housing Value and Median Household Income by Neighborhood
(housing value for owner-occupied units)**

NEIGHBORHOOD	Med. Housing Value	NEIGHBORHOOD	Med. HH Income
High Hampton	\$232,782	High Hampton	\$89,568
Fairlawn Heights	\$221,369	Merriman Hills	\$88,015
Merriman Hills	\$204,234	Fairlawn Heights	\$67,940
Northwest Akron	\$155,562	Northwest Akron	\$53,639
Coventry Crossing	\$133,825	Coventry Crossing	\$48,682
Wallhaven	\$133,062	Firestone Park	\$45,649
Merriman Valley	\$125,756	Wallhaven	\$45,629
Downtown Akron	\$111,874	Ellet	\$43,527
Highland Square	\$111,205	Merriman Valley	\$42,239
Ellet	\$102,038	Goodyear Heights	\$37,546
Firestone Park	\$90,322	Highland Square	\$36,875
City of Akron	\$87,489	City of Akron	\$36,681
Chapel Hill	\$86,703	Kenmore	\$33,705
West Hill	\$81,646	North Hill	\$32,690
West Akron	\$77,991	West Akron	\$31,188
Goodyear Heights	\$77,821	Chapel Hill	\$27,584
North Hill	\$74,557	East Akron	\$25,887
Kenmore	\$72,409	South Akron	\$25,626
Sherbondy Hill	\$69,340	Middlebury	\$22,297
East Akron	\$68,251	Sherbondy Hill	\$19,989
South Akron	\$66,151	Cascade Valley	\$19,968
Cascade Valley	\$65,393	West Hill	\$19,729
Summit Lake	\$62,024	University Park	\$19,369
Middlebury	\$50,774	Summit Lake	\$19,075
University Park	\$48,380	Downtown Akron	\$11,444

Housing values and household incomes are generally higher in the northwest portion of the City. Median housing values in the Middlebury and University Park neighborhoods are significantly lower than housing values in other neighborhoods. Not surprisingly, the neighborhoods showing the greatest amount of disinvestment and deterioration are the neighborhoods with the lowest household incomes and median housing values.

In order to better grasp existing neighborhood conditions, open complaints with the Akron Housing Division of the Department of Neighborhood Assistance were mapped. The Housing Division works to assure decent, safe and sanitary living conditions for residents of the City of Akron through enforcement of the Environmental Health Housing Code. There were 2,350 active open complaints at the time of the analysis and mapping. Open cases are predominantly located within inner ring neighborhoods (see map in the Appendix).

In 2015, the Western Reserve Land Conservancy's Thriving Communities Institute in partnership with the East Akron Neighborhood Development Corporation surveyed the entire City of Akron, parcel by parcel. Ten Akron residents were engaged as surveyors. Each property was surveyed from



the street. Teams covered each street on foot using mobile devices to gather information and photograph each residential structure. Each property was assigned a condition rating.

- A. Excellent: No visible signs of deterioration. Well maintained and cared for.
- B. Good: Needs basic improvements, minor painting, removal of weeds, cleaning.
- C. Fair: Some cracking of brick or wood, major painting required, deteriorated concrete, crumbling concrete, cracked windows or stairs
- D. Deteriorated: Major cracking of brick, rotting wood, 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 and filled with trash, in danger of collapse, immediate safety hazard.

Progress was tracked on a daily basis and property information was spot-checked for accuracy by the authors. Results were published in the Akron Vacant Property Report.

<u>Akron Total Structures</u>	<u>76,028</u>	
Rated A	48,521	63.8%
Rated B	22,636	29.8%
Rated C	4,097	5.4%
Rated D	664	0.9%
Rated F	110	0.1%
<u>Occupied Structures</u>	<u>71,432</u>	<u>93.9%</u>
Rated A	47,443	62.4%
Rated B	20,717	27.3%
Rated C	3,002	3.9%
Rated D	247	0.3%
Rated F	23	0.0%
<u>Vacant Structures</u>	<u>4,596</u>	<u>6.1%</u>
Rated A	1,078	1.4%
Rated B	1,919	2.5%
Rated C	1,095	1.5%
Rated D	417	0.6%
Rated F	87	0.1%

According to the property condition report contained in the Akron Vacant Property Report, approximately 64% of the homes surveyed were rated as Excellent. 30% were rated as good. All properties rated “C”, “D” and “F” were mapped to determine their location. The dispersion of these properties City-wide was consistent with the location of homes with active complaints filed with the Housing Division—again, inner-ring neighborhoods contained the most homes with deteriorated conditions. According to the property report, the City contained 4,596 vacant structures (6.1% of all structures). Of these vacant structures, the report identified 368 as being unsecured. According to the report, the City also contains 17,450 vacant lots.

The definition of “Good” contained in the vacant property report referenced above notes that these properties need basic improvements, minor painting, removal of weeds, etc., so approximately one-third of the homes in the City are in need of at least basic maintenance. Still, as the report mentions, Akron has done a very good job in keeping up with vacant and deteriorating properties and has avoided calamitous freefalls in housing values brought on by neighborhood abandonment that is seen in other cities.

Assessment

While the demand for the housing we have in the City of Akron *is* improving, there is still a mismatch between the existing supply and the type of housing many people are looking for. We believe that by providing a supply of quality new housing with modern amenities, whether it is in an apartment, a condo or a detached single-family home, we will help unlock significant latent demand for housing. By catalyzing the construction of new market-rate housing that will create new demand, property values will hopefully rise to a point that makes reinvestment and rehabilitation of existing urban housing more cost effective.

The City’s role is as a catalyst to facilitate private sector investment that will rebuild our neighborhoods.

The following presumptions are adopted:

- Scarce public subsidies alone cannot create a market where none exists
- Public subsidy must leverage or clear the path for private investment
- Public subsidy in distressed markets should build from local nodes of strength (i.e. transportation hubs, parks, public amenities and anchor institutions)
- Decisions about places must be informed by empirical data
- All city residents are consumers who expect quality services

It is not the City’s intention to be a developer, builder or property manager—our intent is to empower the people that already do these things well and create opportunities for them to work in the City of Akron.



Housing Strategies

The primary goal of the *Planning to Grow Akron* report is to develop ideas and strategies to reverse Akron's gradual decline in population. Strategies can generally fall into one of two categories: (1) strategies to promote private investment and (2) strategies for the maintenance of neighborhoods and the existing housing stock. The role of the City of Akron in either of these respects can only go so far—the City of Akron is not a developer but a facilitator. It is the City's role to establish conditions for success and do what we can to improve the life of Akron's residents utilizing the resources available to us.

These housing strategies will work in conjunction with the pending Greater Ohio Policy Council housing analysis of Akron and the Market Value Analysis that will be undertaken by the Reinvestment Fund (offices in Baltimore and Philadelphia). These pending analyses will augment this Housing Strategy and offer more best practices and geographic-based strategies.

The following housing strategies represent a broad overview of potential strategies that can be studied further in subsequent analyses.

Financial Incentives

- Property Tax Abatement / Community Reinvestment Areas
- Developing a Housing Trust Fund
- Access to Credit
- Tax increment financing
- Target areas for neighborhood revitalization programs / grants and loans / downpayment assistance

Property Tax Abatement / Community Reinvestment Areas

Property tax abatement is a tool that many communities use to stimulate investment for both homeowners and developers and this strategy could hold real promise in the City of Akron. In a meeting with area homebuilders, city-wide tax abatement was the item at the top of their wish list. It was their feeling that if the City wants to jump-start housing demand, we need to offer property tax abatement.

Property taxes represent a major expense for most homeowners, typically amounting to 1% to 3% of the homes value each year. This recurring expense each year is a perpetual cost of home ownership and doesn't go away, even after the mortgage is paid. Eliminating this tax for a period of time would be a major incentive when trying to entice someone to move into the City or undertake major improvements to their property. The homebuilders stressed three major selling points for tax abatement:

1. Tax abatement is directed toward the consumer
2. No other cities in the area have tax abatement on a large scale
3. Tax abatement has never been done in Akron on a large scale but has succeeded in spurring new residential development in Columbus and Cleveland.



Programs can be established with a range of incentives, but essentially abatements eliminate the increase in real estate property tax for properties undergoing improvements in eligible areas. Concerns include the potential loss of funding to the local school district or incentivizing projects that could happen even without the abatement, but overall many communities utilizing tax abatements (such as Cleveland) have found the program effective in stimulating development.

How tax abatements work

In Akron, the City applies through the State to establish a Community Reinvestment Area (CRA) where tax abatement is available.

Type of Exemption	% of Real Property Tax Exemption	Term of Exemption	ORC Section
Residential Remodeling; 2 units or less; \$2,500 minimum	Up to 100%	Up to 10 years as specified in the resolution establishing the CRA	3735.67(D)(1)
Residential Remodeling; more than 2 units; \$5,000 minimum	Up to 100%	Up to 12 years as specified in the resolution establishing the CRA	3735.67(D)(2)
New Residential Construction	Up to 100%	Up to 15 years as specified in the resolution establishing the CRA	3735.67(D)(4)
Commercial and Industrial Remodeling	Up to 100%	Up to 12 years as negotiated in a CRA agreement	3735.67(D)(2)
New Commercial and Industrial	Up to 100%	Up to 15 years as negotiated in a CRA agreement	3735.67(D)(4)

The areas designated are areas where investment has proven difficult and a housing survey is required. The purpose of the CRA is to encourage revitalization of the existing housing and promote the construction of new housing. Property owners within the designated area can receive real property tax exemptions for making real property improvements.

The State specifies the terms and conditions on the percentage of real property tax exemption that is available as outlined in the Ohio Revised Code (ORC). For eligible projects, property owners will continue to be responsible for paying property taxes based on the assessed value of the land and the building(s) prior to improvements for a specified amount of time (generally a period of 10 to 15 years after the improvements have been completed). The abatements can bring homebuyers (and homeowners) significant savings.



Property tax abatement is a promising strategy for spurring new housing construction in the City of Akron and we recommend studying it in greater detail in order to craft an approach that is right for Akron.

Develop a Housing Trust Fund

The Housing Trust Fund would provide gap financing to developers to facilitate new home construction. The funding source for establishing the housing trust fund would have to be determined – this could include the City General Fund, CDBG funds, property tax revenues, recording fees, tax increment financing, special assessments from demolition and/or real estate transfer taxes.

The Housing Trust Fund could be used for new construction, blight reduction or partnerships with local developers and Community Development Corporations to facilitate the purchase, rehabilitation and resale of blighted properties.

Access to credit

Access to credit is a constant impediment for some homeowners both trying to get loans for home improvements or to obtain funding to buy a house.

The City would work with local banks to buy down rates of the loans. The City could also possibly guarantee the loans.

Tax increment financing

Tax Increment Financing (TIF) was developed as an alternative to tax abatement. A TIF basically captures a percentage of the real property taxes paid by the property owner and relocates it to a specific public improvement project necessitated by the property's development. The property owner continues to pay their real estate taxes. But those taxes are used to pay for the public improvement.

The City of Akron has found TIF to be a valuable tool in funding numerous projects. In order to be able to utilize TIF as a tool, a Redevelopment Plan or Urban Renewal Plan must first be established containing the property in question within the project area boundary.

Target areas for neighborhood revitalization programs

The City has been deliberating on the establishment of new target areas offering assistance since 2005. A variety of factors have delayed the establishment of new program areas including the foreclosure crisis, increased costs of rehabilitation, reduced federal funding and limited staff to carry out the necessary inspections and program oversight. Constraints on staff time imposed by meeting program deadlines associated first with Neighborhood Stabilization Program funding (the City received a total of \$11.4 million to deal with vacant homes in two rounds of funding in 2008 and 2010) and with competitive funding secured to abate lead hazards in homes with



children under the age of six (\$4.0 million in 2010, \$3.0 million in 2012 and \$3.7 million in 2015) have raised doubts on the feasibility of selecting new areas.

Nevertheless, targeted areas offering rehabilitation assistance and infrastructure improvements have been instrumental in maintaining the quality of neighborhoods throughout the City. Funding for these initiatives has historically been dependent upon the City's annual allocation of federal Community Development Block Grant funds (CDBG) and HOME Investment Partnership funds (HOME). Use of these funds is dependent upon benefiting a low to moderate income population based on federal guidelines. A cash match is required for persons above certain income levels (these program requirements are established by the City). For homeowners that fall below certain income levels (again, as established by the City), deferred loans are available to be paid off in the event of a sale of the property or change in ownership. Initially, compliance to the Health and Housing Code was mandatory for all homes within selected areas – this later became voluntary.

The following incentives should be considered in targeted areas:

1. Grants and loans

In order to facilitate maintenance on existing residential properties, grants and loans for rehabilitation assistance may be made available. The maximum grant amount could be up to \$10,000. Grants can require matching funds based on income. Grants and mandatory enforcement were the foundation of the City's Community Development Program Areas.

2. Downpayment Assistance

Downpayment assistance programs are fairly straightforward, providing limited downpayment assistance to qualified homebuyers. Programs can be set up to assist all homebuyers who qualify or restrict assistance to first-time homebuyers.

Neighborhood Planning - Preparation of neighborhood development plans

The development of neighborhood plans is crucial in creating buy-in for developers, homebuyers and neighborhood residents. Outlining a shared vision for an area can be instrumental in promoting investment – developers, homebuyers and homeowners do not feel that they are working in a vacuum if they can see a cohesive plan is in place so they do not have to feel that they are “going it alone.”

These plans can include recommendations for lot sizes, neighborhood business district requirements, setbacks, streetscape improvements, mixed-use requirements, changes to existing Zoning, etc. to outline a blueprint for future development that is helpful when trying to get people to invest in a neighborhood.



Public / Private Partnerships

With reduced federal funding, the City will seek alternative revenue streams to move neighborhoods forward. This will include working with area foundations and businesses to establish neighborhood endowments. The City would like to partner with the corporate community to invest in our neighborhoods, reaching out to area businesses to reinvest in their surrounding neighborhoods. More study is necessary in this regard to see how these endowments could be established and examples of communities doing something similar.

Promote downtown housing

Downtown's future is as a mixed-use residential center, rather than as an office center. This trend is already happening in many cities. It is happening on a significant scale in Cleveland, as more and more office space is vacated and retrofitted as residential space. We will intentionally support that same thing here.

Targeted acquisition and lot assembly

- New infill housing construction
- Establish Targeted Development Zones for higher density development or development along hubs of activity
- Utilize the Summit County Landbank to acquire buildable lots for new construction
- Establishment of Urban Renewal Areas

New infill housing construction

In order for the City to grow and provide new housing, conditions must exist that will encourage private investment. Homebuilders interviewed for this project strongly encouraged the City to adopt property tax abatement in order to facilitate new investment. Another recommendation was to provide contiguous adjacent lots for redevelopment, so the developer was not restricted to building just one home here or there on isolated infill parcels. One of the realities of infill housing construction is the condition of the *existing* homes located across the street or down the block, so it is important to identify areas that are not too negatively impacted by blighted properties in the project area that are not going to be removed. One complaint that was heard indicated that in some areas the cost to build the home would not even be offset by the sales price due to depressed property values in many neighborhoods.

Historically, in targeted areas the City has identified blighted properties or vacant lots to purchase and assembled the land to sell to for-profit or non-profit builders and developers. Examples of this within the past 15 years include development in the Bisson area and Honodle area. Housing conditions in these areas were stable and identifying a more blighted stretch of housing to remove and replace with new market rate homes had an immediate impact on the neighborhood. The City currently owns a 3.3 acre lot on Blinn Street that is suitable for redevelopment in this way.



The primary drawback to the City assembling lots for redevelopment is cost. In order to assemble enough lots to undertake significant redevelopment efforts (for example 30 to 40 lots) in most instances this requires the purchase of homes that are currently occupied but in deteriorated condition. On top of the cost of the actual price of the home or parcel (the price of the home is negotiated using independent appraisals of the property), relocation costs ranging anywhere from \$6,000 to \$40,000 per property are added to help the property owner find a new home that is safe, warm and dry.

The City uses federal CDBG funds for the purchase of the home, demolition costs and relocation costs. With the annual allocation of federal funding gradually being reduced (the City's 2016 allocation is \$5.5 million) the purchase of too many homes that entail relocation becomes cost prohibitive. The City continues to assemble lots with vacant homes or vacant parcels in targeted areas as opportunity purchases, but this is a long, drawn-out process.

Targeted acquisition and clearance is still an effective tool to promote development, but due to the costs involved, it is important to select appropriate areas for the expenditures.

Establish Targeted Development Zones

In addition to target areas established to help maintain neighborhoods and facilitate infill housing, the City must be proactive in establishing areas that will generate excitement and investment. People are more likely to invest in a property when there is a plan in place – or at least a uniform, collective vision.

Targeted Development Zones would be identified in areas that are more highly visible and more mixed use buildings, condominiums, row houses, etc. are appropriate. The East End (Goodyear) and Northside locations are existing examples of this, but the City contains some prime locations where land is vastly under-utilized and would be appropriate for redevelopment.

Location is very important. These areas would be characterized by more activity and walkability. Place-making is a valuable asset to be pursued. Some identifying features of these areas could include:

- Proximity to downtown, neighborhood parks or the Towpath Trail
- Mixed-use buildings – Retail and apartments
- Highly visible street improvements – Streetscape improvements are often more visible than housing rehabilitation projects and can spur neighborhood development
- Neighborhood parks and connectivity
- Attractive streetscapes and sidewalks, bikepaths – complete streets

The City must also take advantage of all the parks, greenspaces and recreational opportunities Akron affords when planning neighborhood improvements.

Utilize the Summit County Landbank

The Summit County Landbank has been established to support neighborhood and community reinvestment and economic development efforts through the strategic acquisition, reclamation,



rehabilitation and reutilization of property in Summit County. The goal of the Landbank is to revitalize neighborhoods and communities, stabilize property values, reduce blight, return property to productive use, and improve the quality of life in our community. The Summit County Land Reutilization Corporation (“SCLRC” or the “Landbank”) serves as an agent of the County for the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property within Summit County. The SCLRC is organized under chapters 5722 and 1724 of the Ohio Revised Code and is governed by an appointed Board of Directors.

The City should work with the Landbank to acquire buildable parcels to assist in land assembly, target properties for demolition and coordinate new construction.

Establishment of Urban Renewal Areas and Redevelopment Areas

The establishment of Urban Renewal Areas and Urban Redevelopment Areas passed by City Council gives the City the ability to guide, facilitate and support neighborhood redevelopment efforts. Both the Urban Renewal Plans and Redevelopment Area Plans contain development objectives and strategies to implement development objectives. The establishment of either Renewal Areas or Redevelopment Areas allows the City to utilize tax increment financing to facilitate development within the project area.

The primary difference between Urban Renewal Plans and Urban Redevelopment Plans is that the Renewal Plans contain a blight survey that documents that 70% of the parcels within the area meet State-designated criteria to classify as blighted. The designation of the area as a “blighted area” allows the City to designate properties for acquisition to meet development objectives.

Land Reutilization

Over time, areas that might have once been appropriate for residential use are no longer suitable for that purpose. The same holds true for aging commercial structures in some areas that are now vacant or under-utilized. It is important to identify these areas and guide land use in a more appropriate direction. Whether the land is better suited for use as open space or pocket parks, or whether old residential areas should be phased out for retail or commercial uses or vice versa, it is important to have a good idea of how the land should best be utilized in the future.

Historic Preservation and marketing of community assets

The City needs to more actively designate and market our historic areas. Private developers have been utilizing historic tax credits in the City of Akron to undertake highly visible renovations of income-producing historic properties that have had a significant impact on the quality of life in Akron for all our residents. In order to utilize these tax credits, these buildings must be listed on either the National Register of Historic Places (individually or as part of an historic district) or have achieved Local Landmark Status as designated by the City of Akron Urban Design and Historic Preservation Commission. These historic tax credits are only available for income producing properties, however, such as apartments, restaurants, downtown office buildings, etc. – they cannot be used on non-revenue producing properties such as single-family homes.



Prior to the foreclosure crisis the City of Akron was working with the Cleveland Restoration Society to support their Heritage Home Program in Akron's historic neighborhoods. The Heritage Home Program assists the owners of older homes in maintaining and improving their properties through a combination of technical assistance and low-interest loans with participating area lenders. The Cleveland Restoration Society has been instrumental in revitalizing Cleveland neighborhoods including Ohio City, Tremont, the downtown area, University Circle, Little Italy and on and on. Over thirty cities in Cuyahoga County participate in their program.

The City of Akron has many historic neighborhoods that would qualify for the program including West Hill, Highland Square, Fairlawn Heights, Firestone Park and Goodyear Heights. Marketing a program to make sure that people with historic homes realize there are economic benefits to rehabilitating their homes in a historically appropriate manner and low-interest loans and technical assistance are available would be a first step in creating momentum to revitalize these neighborhoods.

Hudson is the only community in Summit County currently implementing the Heritage Home Program. One impediment that would need to be addressed is that the funding source to buy down the loans in Hudson is the Ohio Housing Finance Agency (OHFA) which limits funding to low and moderate income residents. This pretty much excludes all Hudson residents from utilizing the loan component, but the technical assistance component has been so successful the program works (residents find their own loans). Alternate arrangements could be made in Akron such as the City or County being the funding source to buy down the loan and income requirements would not be necessary.

Development of CDC's and neighborhood associations – neighborhood involvement

It is evident that residents in many neighborhoods feel that they are being excluded in decision making for their own neighborhoods. Transparency and partnering with Community Development Corporations and facilitating the development of new Community Development Corporations would be beneficial in meeting the needs of the neighborhoods.

Reduce disincentives for investing in the City

- Expedite permitting process
- Review Zoning Code

Expedite permitting process

A common complaint heard from area developers was a lack of responsiveness in the permitting process. Things have gotten better since the City Building Department merged with Summit County, but the process is still burdensome with developers needing to submit separate sets of plans to two entities housed under one roof (the Summit County Building Department and the City of Akron Plans and Permits Division).



It should be noted that it is unrealistic to compare the permitting process in a City of Akron's size with a City like Fairlawn or some of the Townships where the entire permit process can be taken care of by one division because there only is one division! In Akron, permitting requires review of a number of different divisions including Fire, Zoning, Engineering, etc.

Review Zoning Code

Zoning codes were originally implemented to guide development and protect property values by designating land uses to separate zones. The primary purpose was to restrict incompatible land uses from locating next to one another so as to avoid one property being negatively impacted by actions of its' next door neighbor.

The City of Akron Zoning Code was established in 1922 and is continuously updated and revised. It is a challenge to balance all the variations that arise when trying to establish a single code that dictates land uses for an entire City. For instance, properties in a downtown cannot realistically be held to many of the same development standards as outlying areas when it comes to parking, setbacks, etc.

As land use development ebbs and flows over decades, the Zoning Code must remain malleable enough to accommodate, as an example, the exodus of people and offices from downtown to the suburbs and then welcome them back twenty years later to live in the buildings that were once offices, warehouses, etc. Traditionally, as in the case of Akron, developers can apply for a variance in the Zoning code to receive a Conditional Use to develop properties without meeting the traditional Zoning requirements.

In an alternative to the traditional Euclidean Zoning and its focus on land use, some communities are adopting more form-based Zoning or performance-based Zoning that imposes fewer limitations based on densities and land use but are more focused on development standards (location of parking, setback from the right-of-way, etc.).

It is recommended that the Zoning Code be modernized and that doing so will make it easier for people to build the type of mixed use urban housing that is increasingly popular in American cities. A Zoning Code that empowers us to have better urban design and mixed use will also make our neighborhoods more attractive for retailers and builders, improving property values.

Addressing blighted conditions

The desired end result of any housing rehabilitation program is to increase property values while stabilizing neighborhoods against disinvestment. The reality in some Akron neighborhoods, however, is that targeted demolition and new construction will need to precede any large-scale housing rehabilitation efforts simply because property values are too low to make most rehabilitation work cost effective. Tearing down properties in a targeted manner and working to get new homes constructed in areas where a plan is in place for the future of the neighborhood will hopefully impact property values enough that rehabilitation becomes more practical.



It is recommended that the City continue to address blighted conditions by continuing the following initiatives:

- Demolition
- Code enforcement
- Housing Division – Environmental Health and Housing Code
- Urban Renewal and Redevelopment Plans

City officials are aware of both sides of the issue when addressing demolition versus rehabilitation of vacant properties. In the City, there is a constant dynamic between “Why did you tear down a perfectly good home?” and “When are you going to get this vacant home torn down?” As was previously stated, rehabilitation becomes cost prohibitive due to low property values – in many instance the sales price obtained after rehabilitation would be less than the expenditures necessary to make the home livable. The condition of surrounding homes is also an issue – it is not a viable option to rehabilitate one vacant home that is structurally sound when other homes in the immediate area are blighting influences that are dragging down area property values and giving a negative perception of the block.

In most instances where homes can be rehabilitated and resold viably, the private market intervenes. One systemic problem in blighted neighborhoods is cash purchases of deteriorated homes for around \$5,000. A minimum amount of effort is put into making the homes livable and the homes are rented out. No taxes are paid and the homes are abandoned when pressure is exerted to either clean them up or pay the taxes.

The City will continue to work to make rehabilitation of structurally-sound homes a practical alternative to demolition through possible partnerships with Community Development Corporations and for-profit interests.

Promote Sustainability and Energy Efficiency

The City will continue to promote green building requirements and sustainability where we can, such as in development requirements for Urban Renewal or Redevelopment Areas, as appropriate.

Market Starter Homes

The City needs to market the affordability of homes in Akron, especially in areas where development is taking place. While many of the older homes in the City may not be ideal for larger families due to a lack of bathrooms, smaller room layouts, etc. the lack of many of these features reduces the price and makes these homes ideally suited for single individuals, couples with no children, couples starting a family, etc. According to 2010 Census data, of the roughly 84,000 households in the City of Akron, over one-third of the households (29,516 – 34.8%) consist of a householder living alone.



Conclusion

The primary goal of *Planning to Grow Akron* is to develop strategies to increase the supply of marketable, market rate housing in the City of Akron to attract potential residents with middle to high incomes and reverse Akron's gradual decline in population. We will implement sound, time-honored, place-based redevelopment strategies to strengthen our neighborhoods. It is not the City's intention to be a developer, builder or property manager – our intent is to empower the people that already do these things well and create opportunities for them to work in the City of Akron. Other cities are doing this – we can too.

