



Volume 3 Issue 1

Cleveland's Land Bank: Catalyzing a Renaissance in Affordable Housing By Christina Rosan

As noted by Keating and Sjoquist (see [Bottom Fishing](#)), Cleveland was one of the first cities to utilize a land bank for returning tax-delinquent properties to productive use. Cleveland has one of the most sophisticated and effective networks of community development corporations (CDCs) in the country. The land bank is partially responsible for the success of Cleveland CDCs in new affordable housing construction, according to Rob Curry, Executive Director of the Cleveland Housing Network (CHN), a consortium of Cleveland housing CDCs. Curry says the Cleveland Land Bank has provided a "remarkable revitalization stream" of land that is funneled to local CDCs for new housing development. About 90 percent of new residential construction—both CDC and private—involves land bank lots. In some of Cleveland's previously most distressed neighborhoods—such as Hough, Central, and Fairfax—the land bank is responsible for "a remarkable renaissance."

Since CHN was established 20 years ago, its member CDCs have produced 2,700 single-family homes in the city of Cleveland. One-third of the houses have been sold and the remaining two-thirds have been a part of a lease-purchase model through which renters are given title to the home after 15 years of renting. Currently, CHN constructs 300 houses a year and provides home repair and energy conservation services to 5,000 homes a year.

"I can't imagine if we didn't have the land bank how we could have built all the houses we have built," says Denise Van Leer, Community Development Director of the Fairfax Renaissance Development Corporation (FRDC), a Cleveland-based CDC established in 1992. When FRDC first started working in Fairfax, the neighborhood had patterns such as two houses clustered together and then three vacant lots. "The fabric of the neighborhood was tattered," says Van Leer. By focusing on infill housing using land acquired from the land bank, the FRDC has constructed 203 new houses and plans to build another 100 units in the next two to three years. Between 85 and 90 percent of the new construction is on land bank land because the FRDC cannot afford to purchase market-rate lots. Because the land bank land is so affordable, local CDCs can use their scarce resources to focus on housing development and construction. The FRDC is currently constructing an 80-unit development primarily on land bank land. While the land bank has been a great help in the revitalization of Fairfax, there are not enough buildable vacant lots left. In the upcoming years, the FRDC will adjust its development strategy; it plans to repair existing homes and rehabilitate vacant multifamily buildings.

According to Starr Barry, Housing Director at the Buckeye Area Development Corporation, "I don't know what we would do without the land bank." Before the creation of the land bank, CDCs hoping to develop land would have to identify the landowners and negotiate. Often when landowners know that a CDC is interested in a piece of property, they raise the prices above what CDCs can afford to pay. Another way to

acquire land is through a sheriff's sale, but then the CDC has to pay the back taxes, which can be expensive. It is also difficult for CDCs to compete with private developers for the land.

The Cleveland Land Bank sits at the center of competing interests. The County Treasurer's office, hoping to recoup some of the delinquent property taxes, has begun selling tax liens to a private company. Cleveland CDCs are concerned that this practice reduces the pool of properties available through the Cleveland Land Bank for affordable housing development. Buckeye Area Development Corporation reports that its experience so far is that, while it can negotiate with the company to buy land, it is significantly more expensive than if the land bank owns it. Officials at the Cleveland Department of Community Development say they are committed to keeping parcels that CDCs have targeted for development in the land bank. If the city knows that a CDC is interested in a parcel, the city will work with the county to put the land into the land bank, but "it means that CDCs have to be on their toes," says Evelyn Sternad, manager of the City of Cleveland's Land Bank.

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