

A quarterly newsletter linking donors to causes in our community

Helping Cleveland to survive the mortgage foreclosure crisis



Late last year, as the nation became painfully aware of the alarming increase in mortgage foreclosures, news media from around the world descended upon the city they believed to be the epicenter of the crisis – Cleveland, Ohio.

Strengthen

And indeed, Cleveland and the rest of Northeast Ohio were especially hard hit. At one point, the city was home to four of the top 21 zip codes for foreclosure filings in the United States. It has been estimated that vacant properties – many caused by foreclosures – have cost Cleveland more than \$35 million.

Support

Efforts to provide relief for consumers and for cities are numerous. The Cleveland Foundation, for example, recently completed a pilot project in which two foreclosed homes in Slavic Village were “deconstructed” and their building materials either sold off or recycled.

Hope

Connect

In this issue of *Donor Connections*, we examine five area organizations that are working to address the foreclosure problem in various ways, from consumer education to legislative reform to renovating abandoned properties for resale. Through their efforts, the region can recover from the devastating economic blow of the mortgage foreclosure crisis.

Succeed

Trust

WECO helps Clevelanders get back on their feet after foreclosure

Believe

For the many Greater Clevelanders who have experienced foreclosure or are on the brink of foreclosure, WECO (Wealth, Education, Collaboration, and Opportunity) can serve as a true partner on the road to recovery. WECO provides free financial education and personal coaching to individuals struggling to regain their financial footing.

participants rebuild their credit, develop a spending plan, and get back on their feet.”

Build

Another foreclosure-recovery tool WECO offers is individual development accounts. If a low- to moderate-income individual with one minor child saves \$750 and completes financial education and homeownership classes, the money is matched 3-to-1 and can be used toward the purchase of a house.

Invest

“A coach works with an individual one-on-one. It is a long-term approach driven by the needs of the individual,” said executive director Christine Henry. “We help

Henry added, “Our mission is to advance the ability for low- and moderate-income people to achieve financial success. That

Neighborhood Progress Inc. *Develops* new tools to fight foreclosure and abandonment

Since 2005, Neighborhood Progress Inc. (NPI), an organization that supports 14 community development corporations, has made significant strides to address the epidemic of abandoned properties in Cleveland. And this organization, which has been dedicated to the revitalization of Cleveland's neighborhoods since it was founded 20 years ago, is committed to stepping up those efforts as the crisis continues.

In partnership with seven community organizations forged under its Foreclosure Prevention and Abandoned Property Redevelopment Project, NPI has developed new tools for the prevention and reclamation of vacant property.



Residents improve their homes in target neighborhoods where NPI is helping to renovate vacant homes and return them to the market.

“Abandoned properties threaten the economic viability and competitiveness of Cleveland, and that ultimately affects every one of us who live and work here.”

These tools include:

- A foreclosure prevention program that has helped save 2,000 homes from foreclosure over the past two years
- A public-private coordinating council representing neighborhoods, suburbs, city and county government, and charitable funders
- An innovative data system to track and research the causes of abandoned property
- A revised city code enforcement system, which has

resulted in quicker action to inspect and condemn vacant buildings

- A statewide organization, Rebuild Ohio, to build a broad constituency on vacant property issues

“Abandoned properties threaten the economic viability and competitiveness of Cleveland, and that ultimately affects every one of us who live and work here,” said Bobbi Reichtell, senior vice president for programs. “We are proud of the progress NPI continues to make to meet this crisis head-on, and we appreciate the many organizations that are helping us.”

Going forward, NPI is pursuing a two-pronged strategy to counter the market-destructive effects of abandoned housing. It is increasing efforts to stop new foreclosures and strengthening tools to address the blighting effect of homes already lost to abandonment.

Grants to NPI will support efforts to combat foreclosures and abandonment and to strengthen neighborhoods. To find out more about NPI, call 216-830-2770. ■

Detroit Shoreway helps residents with *foreclosure* prevention

Detroit Shoreway Community Development Organization (DSCDO) is battling the foreclosure epidemic with a proactive neighborhood-based initiative to help area residents. Currently under development, its Westside Housing Center will serve as a multi-purpose facility offering housing assistance resources and educational opportunities in surrounding communities.

“Our actions are based on the understanding that sub-prime loans and adjustable rate mortgages are not solely to blame for the current housing crisis and foreclosure wave,” said Matthew Lasko, DSCDO’s director of housing and community involvement. “We believe our multi-faceted approach can reduce the impact of foreclosures and the vacant and abandoned properties that are crippling our neighborhoods and cities.”

Housing assistance services will include foreclosure prevention, home repair loan offerings and application assistance, for-sale home options, and rental housing options. Education offerings will involve first-time homebuyer awareness, transition from renting to owning, financial literacy, employment assistance, and more.

To provide such a wide array of services, DSCDO is partnering with seven other Cleveland-area organizations. The aim is to provide neighborhoods with a holistic approach to homeownership stabilization – and to offer those services under a single roof. With the building now ready, DSCDO is undertaking an aggressive fundraising initiative to meet the scheduled opening on January 1, 2009.



This home on Clinton Avenue was acquired for rehabilitation through the Opportunity Housing program supported by DSCDO.

DSCDO is also partnering with Neighborhood Progress Inc. and the Cleveland Housing Network to reclaim foreclosed properties in a program called Opportunity Housing. In six neighborhoods over three years, the program aims to save 300 homes from foreclosure, demolish 300 deteriorated homes, and rehabilitate 150 homes.

“Through comprehensive approaches and collaborative partnerships, we believe we can achieve strategic and incremental interventions that will rebuild our neighborhoods,” added Lasko.

Grants to DSCDO will directly support efforts to help residents prevent foreclosures. To learn more, go to dscdo.org or call 216-961-4242. ■

WECO ... continued from page 1

can mean helping build their assets by purchasing a home, pursuing education and job training, or starting a small business.”

As for the latter, WECO is well-known for providing microloans to help neighborhood-based enterprises. In recent years, it has loaned more than \$1.2 million to 60 area businesses.

Grants to WECO can assist residents in recovering from or avoiding foreclosures and in building a stronger future. For more information, visit wecofund.com or call 216-458-0250. ■



COHHIO advocates for legislative *reform* to protect low-income Ohioans

For seven years, The Coalition on Homelessness and Housing in Ohio (COHHIO) warned the Ohio legislature about the instability being created by unsound mortgage lending practices. In 2006, members of the legislature finally took heed and passed sweeping reform under the Ohio Homebuyers' Protection Act. COHHIO was the chief architect of the reform and the leading advocate for the consumer.

Bill Faith, COHHIO executive director, said, "Had the legislation been in effect years earlier, the predatory mortgage lenders that drove the foreclosure bus over the edge of the financial cliff would have been halted by roadblocks."

Columbus-based COHHIO is one of the state's leading advocacy organizations for the interests of low-income people and is involved in a range of housing assistance services. Its plans for the current legislative session include supporting bills that help clean up the foreclosure wreckage, including those that deal with tenant evictions due to landlord foreclosure.

"When landlords are foreclosed on, tenants are often the last to know but the first to go," said Faith. COHHIO is advocating for legislation that will require advance notice of the potential foreclosure and will prevent the immediate termination of the existing lease upon foreclosure and transfer of ownership.



COHHIO's Bill Faith celebrates with Ohio Sen. Joy Padgett following passage of the Ohio Homebuyers' Protection Act.

In addition, COHHIO is supporting a land reutilization bill that will allow county land banks to acquire properties that are either vacant or contain existing structures, and to use the properties for acquisition, demolition, or rehabilitation.

A voice for low-income people for nearly 30 years, COHHIO is also currently leading efforts for payday lending reform (Issue 5) and for OhioVOTES, a nonpartisan voter engagement effort.

To learn more about COHHIO's initiatives in predatory lending reform, [visit www.cohhio.org](http://www.cohhio.org) or call 614-280-1984.



How to recommend a grant for any of these organizations

Complete the grant recommendation form enclosed, or access your Advisor Xpress account through the Donors section of the foundation's website. For more information about these and other worthy organizations, please call or e-mail the Gift Planning and Donor Relations team.



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