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Cuyahoga County Land Reutilization Corporation

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FOR IMMEDIATE RELEASE:

HUD, Cuyahoga Land Bank Renew Ground Breaking Agreement

In the Spring, 2010, HUD and the Cuyahoga County Land Reutilization Corporation, commonly known as the Cuyahoga Land Bank, forged a nationally groundbreaking agreement whereby HUD would transfer low-value, vacant and abandoned properties to the Cuyahoga Land Bank for \$100. HUD ended up with these properties as a result of mortgage foreclosures guaranteed by the Federal Housing Administration (FHA). This agreement was considered essential to stabilizing real estate market values. Instead of transferring these properties to speculators and perpetuating the cycle of tax foreclosure and abandonment, HUD transfers these properties to the Cuyahoga Land Bank for \$100 after paying all current taxes. After one full year, HUD and the Cuyahoga Land Bank have renewed the contract for another year based on the need and success of the relationship.

Frank Ford, Senior Vice President for Research and Development of Neighborhood Progress, Inc. hailed this renewal as an essential step toward stabilizing real-estate values in Cuyahoga County in removing blighted and abandoned properties from the market. "In order to preserve the value of the good apples in the basket, you have to remove and demolish the rotted apples," said Ford. The Cuyahoga Land Bank has a similar agreement with Fannie Mae.

The new agreement calls for transferring HUD-owned properties in Cuyahoga County valued at under \$30,000. Once acquired, the Cuyahoga Land Bank evaluates all properties, demolishes those that are beyond repair and preserves those homes capable of being rehabilitated. Any experienced rehabbers are welcome to acquire properties from the Cuyahoga Land Bank, provided they agree to an enforceable and detailed rehabilitation program.

"This collaboration with the Cuyahoga Land Bank will help stem home price declines as we work to make these houses homes again," said HUD's Cheryl Walker, REO Division Director for HUD's Philadelphia office. "This partnership is about stabilizing neighborhoods hard-hit by foreclosure and preventing these homes from becoming blight on the community."

Because these homes are dealt with in a responsible manner and neighborhood blight is being addressed by the Cuyahoga Land Bank, Walker said that extending the contract for another year would promote community development in many of Cuyahoga County's neighborhoods. "HUD encourages arrangements where blight can be eliminated, responsible dispositions occur and neighborhood stabilization is promoted," said Walker.

"We very much appreciate our relationship with HUD and the highly efficient manner in which HUD and the Cuyahoga Land Bank are able to address some of the worst properties resulting from the real estate collapse," said Gus Frangos, President and General Counsel of the

Cuyahoga Land Bank. “As a result of this agreement, we have been able to work with housing and economic development departments throughout the County to provide stabilization services.”

To date, the Cuyahoga Land Bank has acquired approximately 1,300 properties overall and has demolished 562 properties, with 184 additional properties pending or under contract. Additionally, approximately 184 properties have been rehabilitated through qualified rehabbers or are currently undergoing rehabilitation. Approximately 370 abandoned vacant lots have been acquired and transferred to city land banks for neighborhood side yard expansions.

Chris Warren, Development Director for the City of Cleveland praised the Cuyahoga Land Bank efforts and its close partnership with the City of Cleveland. “The City of Cleveland initially paved the way for this agreement. The Cuyahoga Land Bank has taken it county-wide and we work very closely with the Cuyahoga Land Bank in stabilizing Cleveland’s neighborhoods.”

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