

# SMART GROWTH IN ACTION

## Housing Enhancement Loan Program

### CUYAHOGA COUNTY TREASURER'S OFFICE, OHIO



The Cuyahoga County Treasurer's Office, under the leadership of County Treasurer Jim Rokakis, created the Housing Enhancement Loan Program (HELP), an innovative program to improve quality of life and keep thousands of families in older Cleveland neighborhoods and inner-ring suburbs. HELP encourages property owners in 33 targeted communities to make improvements to their homes, making these communities more competitive with newer, outlying areas. Under HELP, six participating banks make home-improvement loans directly to property owners at three percentage points below market rate. The Treasurer's Office then purchases certificates of deposit at those banks for a matching amount, accepting a return of three percentage points below market rate. Homeowners can use the loans for maintenance, remodeling, landscaping, or room additions. All homes valued at up to \$250,000 are eligible, as are all multi-family rental properties with more than three units. There are no income restrictions.

From its inception in 1999 to the beginning of 2005, HELP made possible 5,292 loans totaling more than \$63.3 million, with an average five-year loan of about \$12,000. In a survey of borrowers, over 60 percent of respondents said they would not have made the investment in their property without HELP. These improvements have attracted new residents, boosted property values, and stabilized the tax base and local school districts. Cities have even noted a "halo effect"—neighbors of HELP loan recipients have made home improvements without county assistance.

The program has had a great impact at a lower cost than anticipated. The county was willing to invest \$1.2 million in foregone interest annually on HELP, but the annual interest foregone has never exceeded \$900,000. The leveraging is powerful—a \$10,000 loan only "costs" the county \$300 in foregone interest the first year, and even less in subsequent years.

The county has worked with Hamilton, Lorain, Medina, and Summit Counties in Ohio to help them design similar programs, and the state treasurer changed Ohio law to make matching funds available to counties with eligible programs. The program won the 2003 National Award for Smart Growth Achievement in the Policies and Regulations category (see [www.epa.gov/smartgrowth/sg\\_awards\\_publication\\_final\\_10\\_17.htm](http://www.epa.gov/smartgrowth/sg_awards_publication_final_10_17.htm)).

#### SMART GROWTH PRINCIPLES CUYAHOGA COUNTY LOAN PROGRAM

#1	Includes Mixed Land Uses	
#2	Exhibits Compact Building Design	
#3	Provides Range of Housing Types	✓
#4	Promotes Walkable Neighborhoods	
#5	Exhibits a Distinct Sense of Place	✓
#6	Preserves Open Space	★
#7	Utilizes Existing Development	★
#8	Provides Transportation Choices	
#9	Practices Fair Decision-making	
#10	Promotes Stakeholder Participation	

#### QUICK FACTS

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		Website:	<a href="http://www.cuyahoga.oh.us/treasurer/homeimprove/HELP.htm">www.cuyahoga.oh.us/treasurer/homeimprove/HELP.htm</a>
		Implemented:	1999