Organization	Lakewood Division of Community Development (DCD)
Organization Type	Municipal Government
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Project/Program Name	Affordable Housing Financial Assistance Program
Total FY27 Project Budget	$437,841
FY27 CDBG Funding Request	$182,500

Affordable Housing Financial Assistance Fund	$155,000
HOME Program Activity Delivery	$27,500
Total FY27 CDBG Funding Request	**$182,500**

Lakewood Division of Community Development

Affordable Housing Rehabilitation

CDBG Eligibility Criteria

The City of Lakewood Division of Community Development's Affordable Housing Rehabilitation activities satisfy the following CDBG eligibility criteria and are therefore suitable for CDBG funding consideration.

CDBG National Objectives

Low-Moderate Income Housing (LMH): Activities including acquisition and rehabilitation that provide or improve permanent residential owner- or renter-occupied, single- or multi-family structures which, upon completion, will be occupied by low-moderate income households.

CDBG-Eligible Activity Categories

Housing Rehabilitation (Residential): The acquisition, repair, rehabilitation, and reconstruction, of single- and multi-family owner- and renter-occupied housing to be occupied by low-moderate income persons including bringing property up to local codes and standards; energy efficiency/weatherization; handicapped accessibility/visitability; and emergency repair programs.

Housing Services: CDBG funds may be used to pay for administration of the HOME program.

HUD-Designated Performance Objective

Provide Decent Affordable Housing

HUD-Designated Performance Outcome

Affordability

Funding Request

Lakewood's Division of Community development respectfully requests $182,500 in FY27 CDBG funding, $155,000 for the City's *Affordable Housing Financial Assistance Fund (AHFA)* which provides critical financial assistance for low-moderate-income (LMI) households to rehabilitate, preserve, and improve the safety, accessibility, and energy efficiency of their housing and, $27,500 for *HOME Program Activity Delivery* which facilitates the delivery of the City's HOME-funded single-family rehabilitation/new construction; multi-family rental rehabilitation; and first-time homebuyer downpayment assistance programs

I. Introduction

Lakewood's CDBG Affordable Housing Financial Assistance Program (AHFA) provides critical financial assistance that enables low-moderate-income (LMI) households to rehabilitate, preserve, and improve the safety, accessibility, and energy efficiency of their housing.

The AHFA offers loans, grants, and rebates to address urgent repair needs, correct code violations, and ensure the City's aging housing stock remains safe, affordable, and livable for decades to come. The program places particular emphasis on assisting households earning less than 50% of the Area Median Income (AMI); helping seniors (62+) age in place; and enabling residents with permanent disabilities remain in their homes.

This critical investment of CDBG resources in Lakewood's housing stock, residents, and neighborhoods:

- prevents displacement of vulnerable households;
- preserves the existing affordable housing stock and prevents neighborhood decline;
- eliminates health and safety hazards that threaten resident well-being;
- increases accessibility for elderly and disabled residents, enabling them to safely age/remain in place;
- stimulates reinvestment, increasing neighborhood stability and property values.

The AHFA strategically aligns with complementary community initiatives, including streetscape enhancements, code enforcement, storefront renovation, and infrastructure upgrades, creating a comprehensive approach to neighborhood health and vitality. This important, ongoing strategic investment in Lakewood's neighborhoods and residents leverages CDBG resources to help LMI homeowners and renters remain safely and comfortably in their homes, protects the integrity of the City's aging housing stock, and ensures Lakewood remains a community where residents of all incomes can thrive.

II. Statement of Need

Lakewood's housing stock is among Ohio's oldest. According to the US Census Bureau, the median age of the City's housing stock is approximately 78 years; the typical Lakewood home was built around 1947; approximately 60% of the City's housing units were built before 1939; and 28% were constructed between 1940 and 1969.

While Lakewood's aging housing stock undeniably contributes to the city's unique character and serves as a powerful economic engine, it also poses significant challenges. Their aging systems and infrastructure require significant, ongoing, expensive maintenance, rehabilitation, and energy efficiency upgrades to remain safe, affordable, livable, and marketable, especially for families of limited means, seniors, and the permanently disabled.

Moreover, 14% of Lakewood households are "cost-burdended," meaning they spend more than 30% of their income on housing costs, and an additional 11% are "severely cost-burdended" and spend more than 50% of their income on housing costs (US Census Bureau, 2019-2023 American Community Survey).

Sustained, targeted interventions like the Affordable Housing Financial Assistance Program help "cost-burdened" and "severely cost-burdended" Lakewood households maintain, improve, and remain in their homes.

III. Program Description

Affordable Housing Financial Assistance Fund

The Division of Community Development's Affordable Housing Financial Assistance Program (AHFA) offers home improvement grants, rebates, and loans and to very low-, low, and, low-moderate income (LMI) Lakewood single-family homeowners and owners of two- and three unit residential properties occupied by LMI tenants.

AHFA offers the following types of financial assistance that enable LMI Lakewood homeowners who lack sufficient resources and cannot obtain conventional financing and landlords with LMI tenants to make necessary home repairs/ and improvements.

- outright grants and deferred, 0% interest, no payment loans repayable upon sale or transfer of the subject property for low- and very low- (≤50% AMI) income, low-asset households; seniors (62+), and the permanently disabled;
- 50% rebates of total project costs up to $10,000 for LMI households capable of self-financing or paying cash for repairs;
- 3% repayable amortized loans with flexible terms and affordable monthly payments for low-moderate income (50%-80% AMI) households.

HOME Program Activity Delivery

The City of Lakewood receives approximately $175,000 in HOME Investment Partnerships Program (HOME) funding through the Cuyahoga Housing Consortium. Because HOME regulations do not provide sufficient allowances for program delivery and administration, HUD created the HOME Activity Delivery activity which enables the City to utilize CDBG funds to cover the costs of administering and delivering the City's HOME-funded single-family rehabilitation/new construction; rental rehabilitation; and down payment assistance programs. HOME Activity Delivery funds will support Division of Community Development staff that administer HOME-funded programs during FY27.

IV. Target Population

Participation in the Housing Rehabilitation Program is limited to Lakewood single-family homeowners whose annual household income does not exceed the HUD-established limits in the table below and owners of two- and three-unit residential structures occupied by tenants whose household income does not exceed these limits. The City requires documentation of household size, household income, and property ownership information to determine applicant eligibility. Program participants must be current on all City payments (taxes, water, utilities, parking violations).

2026 HUD Income Limits Cleveland-Elyria, OH *(effective 5.1.26 until further notice)*	
Household Size	**Low-Mod Income Limit**
1	$58,800
2	$67,200
3	$75,600
4	$84,000
5	$90,750
6	$97,450
7	$104,200
8	$110,900

V. Community Impact & Benefits

For LMI Families

- *Preserves Safe, Healthy Housing:* repairs address critical health, safety, and code compliance issues, such as lead hazards, faulty wiring, unsafe stairs, and failing roofs, preventing displacement and costly emergency situations and preserving the supply of affordable housing;
- *Improves Accessibility:* ADA modifications (ramps, grab bars, widened doors) enable seniors to safely age in place, and persons with disabilities to remain and live independently in their homes;
- *Reduces Utility Costs:* energy efficiency upgrades (insulation, window replacement, high efficiency HVAC) lower monthly utility bills, easing financial strain;
- *Protects Homeownership Stability*: by covering otherwise unaffordable maintenance and repair costs, AHFA helps promote long-term homeownership, prevent foreclosure, and preserve intergenerational wealth for working families;
- *Enhances Quality of Life:* a safe, comfortable, and well-maintained home reduces stress, improves health outcomes, and increases family stability.

For Neighborhoods & the Community

- *Maintains Neighborhood Property Values:* rehabilitated, well-maintained homes prevent decline in surrounding property values and encourage further private investment;
- *Reduces Blight & Vacancy:* timely repairs prevent deterioration that can lead to abandonment, vacancy, and foreclosure;
- *Supports Long-Term Neighborhood Stability:* helps residents stay in their homes, reducing turnover and strengthening the fabric of the community;
- *Leverages Local Economic Impact:* housing rehabilitation projects often utilize local contractors which strengthens Lakewood's economy;
- *Advances Equity & Inclusion:* targets investment to LMI households and historically underserved neighborhoods, ensuring benefits are distributed fairly across the community.

VI. Program Goals

- preserve and improve the City's existing affordable housing stock;
- ensure compliance with building codes;
- promote neighborhood revitalization and property stabilization;
- eliminate hazardous conditions that threaten health & safety;
- improve accessibility & visitability;
- increase energy efficiency;
- implement emergency repairs.

VII. Eligible Improvements

The program focuses on improvements that enhance the long-term soundness of the structure, increase the health and safety of its occupants, and bring the structure in compliance with the City's building code. Eligible improvements include, but are not necessarily limited to:

Health & Safety (electrical hazards, plumbing leaks or sewer backups, roof replacement or repair, structural repairs, emergency heating system repair/replacement); *Code Compliance* (handrails, smoke/carbon monoxide detectors, GFCI outlets in bathrooms/kitchens, fire egress corrections; exterior paint); *Accessibility Improvements* (wheelchair ramps, grab bars and handrails, roll-in showers, accessible sinks, door widening, lever handles, removal of architectural barriers); *Energy Efficiency/Weatherization* (window/door replacement, furnace/boiler upgrades, insulation/weatherization, hot water tank replacement); *Environmental Hazard Remediation* (lead-based paint hazard abatement, asbestos/mold remediation; *Exterior & Site Work* (siding or soffit repairs, driveway/walkway repair/replacement.

Improvements ineligible under the program include, but are not limited to, new construction, reimbursement for an owner's personal labor/"sweat equity," furniture, patios, landscaping upgrades, repairs that are interim in nature, recreational equipment/facilities, swimming pools, hot tubs, high end appliances/finishes, and other "luxury" items.

Projects must comply with Lakewood's building code, the City's design standards/guidelines and federal lead-safety, historic preservation, environmental protection, and fair housing laws and regulations. Energy efficient/green building materials and techniques are encouraged and, when feasible, incorporated. Contracts let through the program are competitively bid and all contractors selected to work on City-funded projects must be registered with both Lakewood's Division of Building & Housing and the City's Finance Department. Finally, all applications for assistance are reviewed and approved by Lakewood's citizen-led Loan Approval Board.

VIII. Community Partnerships & Outreach Strategies

The Division of Community Development works closely with a variety of community partners including LakewoodAlive, Lakewood's Division of Building & Housing, lenders, realtors, Emerald Development and Economic Network (EDEN), and Cuyahoga County to leverage/maximize available resources and ensure the City's most vulnerable households can remain safely and affordably in their homes.

Community outreach strategies include social media, direct mail, word of mouth, water bill messages, coordination with LakewoodAlive; and information included with Division of Building & Housing correction notices.

IX. Program Staffing & Implementation

DCD Programs Manager, Marty Castelletti, manages all aspects of the Affordable Housing Financial Assistance Program including marketing, resident outreach, application intake & review, project specifications, progress inspections, contractor remuneration, and compliance reporting.

The Programs Manager in Lakewood's Division of Community Development manages all aspects of the Affordable Housing Financial Assistance Program. Licensed contractors are selected by program participants through a competitive bidding process.

Program marketing, resident outreach, application intake and eligibility screening, project scoping, contractor selection, construction, contractor payments, progress inspections, project close-outs, compliance monitoring, and HUD reporting occur on an ongoing basis throughout the program year.

X. Program Evaluation

The Division of Community Development collects, utilizes, and analyzes local and regional data from the following of sources to effectively target, continuously improve, and assess the impact of its affordable housing programs: HUD, the US Census Bureau, the Home Mortgage Disclosure Act, Case Neighborhood Strategy Technology, Cleveland State University's Levin College of Urban Affairs, CWRU's Center on Urban Poverty and Community Development, and the Federal Reserve. Programmatic accomplishment.

XI. Projected Beneficiaries (January 1 – December 31, 2027)

The Division of Community Development's Affordable Housing Financial Assistance Program anticipates funding approximately 15-20 projects comprised of an estimated 20-25 owner and renter housing units during 2027 with an emphasis on assisting households earning ≤50% of Area Median Income, seniors, and persons with disabilities.