

**Introduction**

The COVID-19 crisis has underscored Cleveland’s longstanding racial and economic disparities. As unemployment rises and the threat of eviction looms, the ability for residents to pay rent becomes increasingly uncertain. The consequences of pandemic-related financial hardship are of particular concern for renters in the city’s East Side, which is predominantly Black and characterized by historic and ongoing economic marginalization. In order to protect some of the city’s most vulnerable residents and prevent a wave of evictions, the City launched a rental relief program in late June. The program aims to help 5,000 households throughout the city by providing rental assistance, legal aid, and homelessness prevention services. Unlike cities such as Philadelphia, Baltimore, and Los Angeles which run their programs in-house, Cleveland has opted for a decentralized model that distributes assistance via 35 non-profit organizations and agencies. The CARES Act Emergency Rental Assistance program aims to mitigate existing vulnerability and prevent future instances of displacement and homelessness.

**Rental Landscape and COVID-19 Impact**

*The East Side of Cleveland: Geographic, Economic, and Housing Inequality*

In the mid- to late-twentieth-century, Cleveland experienced decades of economic and industrial decline and white flight to the suburbs. Despite a substantial recovery in the last decade, the city remains racially and economically segregated.

While the city as a whole is 49% Black, the large majority of these residents are concentrated in the historically Black East Side of Cleveland (Figure 1). The city has shown signs of economic recovery in the form of downtown revitalization, but individuals and households in the East Side continue to face significant financial challenges. As of 2018, East Side residents had the lowest incomes and highest rates of poverty, housing cost burden, and unemployment in the city. The COVID-19 crisis has highlighted and worsened these disparities. Black residents are disproportionately represented in confirmed COVID-19 cases and deaths. Predominantly Black neighborhoods also face some of the highest levels of low-wage job loss, creating financial insecurity that could lead to housing insecurity.

**Renters by Race:  
Percent Black**

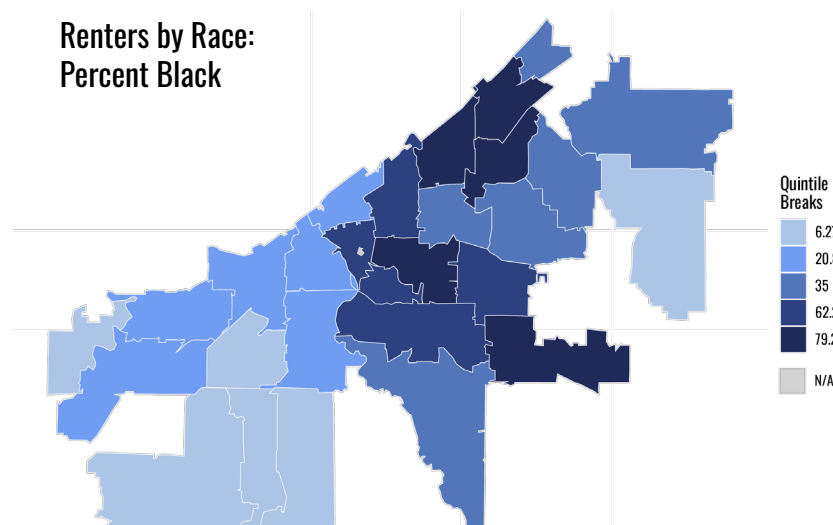


Figure 1: This map shows the spatial concentration of Cleveland’s Black renter population. Black renter households are highly concentrated in Cleveland’s historically Black East Side neighborhoods. 48% of residents and 57% of renters in Cleveland are Black. Source: 2018 ACS 5-year estimates.

## *The Impact of COVID-19 Reaches Far Beyond Health Concerns*

As the COVID-19 crisis progresses, both the health and financial well-being of residents are threatened. As of July 16, 2020, there have been 3,394 confirmed cases and 77 deaths in Cleveland. Black residents are disproportionately represented in these counts, comprising 61% of all cases and 56% of deaths. Such patterns are consistent with national trends and further underscore the vulnerability of communities of color. Contracting COVID-19 not only endangers the lives of residents, but potentially leads to long-term debt. Out-of-pocket costs may cause the 8% of Cleveland residents who do not have health insurance to forgo needed care or enter long-term economic hardship and even bankruptcy.

With many jobs and educational programs transitioning to a remote work environment, access to a computer and internet has become essential. Yet 21% of Cleveland residents do not own a computer and 18% do not have access to internet. These rates are even higher in census tracts located on the predominantly Black East Side. Residents caught in the digital divide face barriers to employment, education, and even applying for aid, which may contribute to financial uncertainty in the short- and long-term.

### *Low Incomes and High Levels of Housing Cost Burden Pose Obstacles to Paying Rent Even Before the COVID-19 Crisis.*

The COVID-19 pandemic has led to widespread economic distress that further threatens the well-being of Cleveland residents. The income required to cover the basic cost of living in Cleveland is estimated to be \$30,000.<sup>1</sup> However, in 2018, the median income of renters was only \$20,577, leaving renters nearly \$10,000 short of the amount deemed necessary to ensure their basic needs are met.

It is also nearly \$10,000 less than the overall city median income, \$29,008, and more than \$50,000 less than the area median income, \$70,700 (Table 1). As a result, more than 50% of renters are housing cost burdened (paying more than 30% of their income towards rent). Economic hardship also follows racial lines, as the median income for Black residents is \$21,769, nearly \$20,000 less than that of white residents. Cleveland's predominantly Black East Side has some of the highest rates of poverty and cost-burdened renters, as well as the lowest incomes, in the city.

As the COVID-19 crisis continues to impose financial hardship, the need for rental assistance becomes ever more urgent. As of May, unemployment in Cleveland reached 17.1%, over 4% higher than that of the county as a whole. Over 30% of residents reported income below the federal poverty level in 2018 and more than half of the city's children live in poverty. In the East Side, where poverty rates are as high as 54.5% in some neighborhoods and as many as 16.6% of low-income jobs are estimated to have been lost, residents face particularly severe financial uncertainty.<sup>2</sup>

A lack of employment combined with insufficient incomes places many residents in an economically precarious position in which it is not always clear how to cover next month's rent. As of July 7, 19% of Ohio residents were unable to pay rent in the last month and 14% reported no confidence in their ability to pay the next month's rent (see Appendix C). Since Ohio's median household income for renters is more than \$10,000 higher than that of Cleveland's, it is likely that an even higher share of Cleveland renters are currently unable to pay rent. In fact, nearly 20% of Ohio renters whose income is less than \$25,000 (the median income bracket of Cleveland renters) reported an inability to pay the last month's rent and 14% reported no confidence in their ability to cover the next month's rent.

#### Footnotes

1) Economic Policy Institute. *Family Budget Calculator*. <https://www.epi.org/resources/budget/>

2) Urban Institute. 2020. "Where Low-Income Jobs Are Being Lost to COVID-19." <https://www.urban.org/features/where-low-income-jobs-are-being-lost-covid-19>

Median Household Income	Median Household Income (Renters)	30% AMI	50% AMI	80% AMI	100% AMI
\$29,008	\$20,577	\$21,200	\$35,350	\$56,550	\$70,700

Moderately Rent Burdened	Severely Rent Burdened	Low-Income Jobs Lost	Did Not Pay Last Month's Rent (OH)	No Confidence to Pay Next Month's Rent (OH)
23%	31%	14%	19%	14%

Table 1: The above table displays the income characteristics of renters in Cleveland and Ohio. (a) Income characteristics: It is evident that the median household income (both overall and of renters) is less than 50% AMI. (b) Rent characteristics: Many Cleveland and Ohio renters have reported trouble paying rent both before and after the COVID-19 crisis.

### *Insufficient Housing: Vacancy, Homelessness, and Evictions*

Housing insecurity can result in negative housing outcomes, including foreclosure, eviction, and ultimately homelessness. In Cleveland, the frequency of these outcomes, and their disproportionate impact on non-white residents, signal that the housing landscape is not meeting the needs of Cleveland’s most vulnerable residents.

The vacancy rate in Cleveland is 20%, more than three times that of the United States. Vacancy is most prevalent in Cleveland’s East Side, where neighborhoods have vacancy rates up to 36%. During the Great Recession, high rates of mortgage foreclosure in the East Side resulted in widespread property abandonment.<sup>3</sup> Here, many vacant sites are deemed unlikely to generate recovery and thus remain unrepaired and unoccupied. The residents of the East Side lack the resources to improve the housing stock, which is of such little value that they cannot secure mortgage or improvement loans.<sup>4</sup>

The Northeastern Ohio Coalition for the Homeless (NEOCH) estimates that Cuyahoga County had a homeless population of 23,000 individuals in 2018. Of these individuals, only 7,000 accessed a homeless shelter. NEOCH also estimated the number of homeless families to be 2,572, a 35% increase from the year prior.

Existing shelters in the county have beds sufficient for 906 single individuals and 287 families, which only meets the needs of 3% and 11% of those populations, respectively.

Of the individuals and families experiencing homelessness in Cleveland, the majority are Black. The NEOCH estimates that 77,000 residents are in need of affordable housing, yet there are only 710 permanent affordable housing units in the city. The issue of homelessness becomes even more pressing in a context where access to sanitation facilities can mean the difference between life and death. With 35 organizations collaborating to provide relief services throughout the city, several organizations will be dedicated solely to homelessness prevention.

The City of Cleveland declared an eviction moratorium between March 23<sup>rd</sup> and June 15<sup>th</sup>, resulting in almost zero filings during that period. However, between May and June the number of eviction filings increased sharply, from 2 to 511. This increase is accompanied by significant racial disparities in the number of evictions filed in the last six months. In each month where evictions were permitted to take place, the number of eviction filings in majority Black neighborhoods outnumbered filings in all other neighborhoods (see Figure 2 on the following page).<sup>5</sup> The newly launched rental relief program is designed to prevent thousands of individuals from losing their homes this summer, both through direct assistance and legal aid.

Footnotes

3, 4) Western Reserve Land Conservancy. 2019. *Housing Market Study*. <https://www.wrlandconservancy.org/articles/2019/07/31/housingmarketstudy/>

5) Eviction Lab. 2020. Cleveland, OH. <https://evictionlab.org/eviction-tracking/cleveland-oh/>

## Filings by Neighborhood Racial/Ethnic Majority July 11, 2020

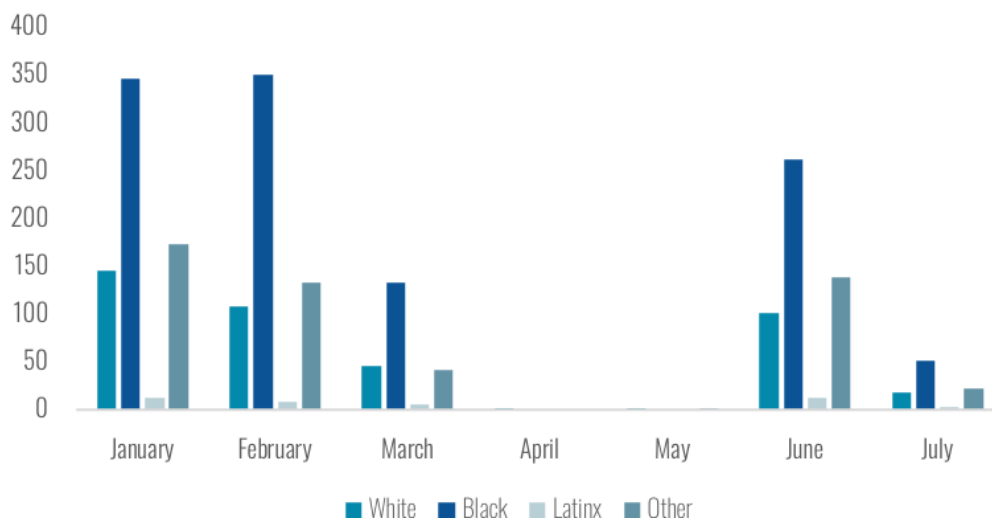


Figure 2: The above graph displays eviction filings by neighborhood racial or ethnic majority. In every month where eviction filings took place, filings in majority Black neighborhoods disproportionately outnumbered other racial or ethnic majorities.

### Rental Relief Program

In order to remedy some of the worst impacts of the COVID-19 rent crisis and mitigate an anticipated wave of evictions, the City of Cleveland Department of Community Development launched a rental assistance program in late June. Prior to the launch of this program, the city of Cleveland invoked an eviction moratorium from March 23<sup>rd</sup> to June 15<sup>th</sup>. Shortly after its lapse, the City launched its multipronged rental assistance program to further stem anticipated evictions. The program consists of \$11 million dollars in funding stemming from CARES Act CDBG and ESG grants, as well as HOME grants. To qualify, applicants must provide proof of income at or below 80% AMI. Assistance will be provided up to a year to qualifying households, with a maximum of \$600 per month.

While rental relief programs in other cities have opted for an in-house (e.g. Los Angeles, Baltimore, Philadelphia) or third-party (e.g. Atlanta) model, the City of Cleveland has decided to pursue a more decentralized approach. The City has opted to distribute funding to ten different referral organizations, each of which will administer the program according to their own eligibility criteria and application process. Beyond this, 25 additional organizations will work to provide related services such as homelessness diversion and legal aid to individuals in housing court.

This program design takes advantage of the pre-established connections between local organizations and their surrounding constituencies, thereby promoting trust and a more localized approach to implementation.

### Key Takeaways

- » The negative impacts of eviction, vacancy, job loss, and poverty are disproportionately impacting Cleveland's predominantly Black neighborhoods located on the East Side.
- » The City of Cleveland established an eviction moratorium between March 23<sup>rd</sup> and June 15<sup>th</sup>; since then, eviction filings have increased from nearly 0 to more than 500, with most filings taking place in majority Black neighborhoods.
- » The City of Cleveland has collaborated with 35 different organizations and agencies to launch a rental assistance program with the goal of providing aid to 5,000 households.
- » The decentralized approach to rental assistance capitalizes on pre-established connections between local organizations and the neighborhoods they serve.

# Appendix

This appendix includes a series of visuals and tables that provide data and information pertinent to understanding the context of rental assistance in Cleveland.

## A. Rental Assistance

### COVID-19 Rental Assistance Timeline: Cleveland

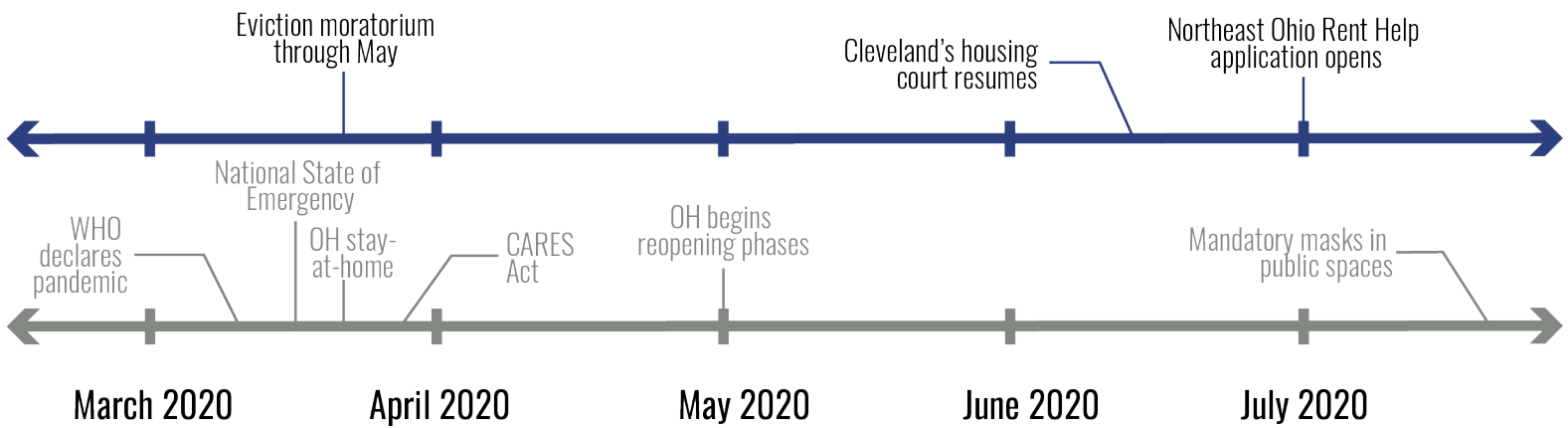


Figure 3: The above graphic displays the progression of rental relief programs and policies in Cleveland and the United States between March and July 2020.

## B. COVID-19 Data

COVID-19 Cases & Deaths	City of Cleveland
Total Population	387,398
Confirmed Cases	3812
Cases per 1000 residents	10
Cases by Race (Percent)*	
Black	60%
White	17%
Asian	1%
Hispanic or Latinx	NA
Unknown	13%
Other	9%
Total Deaths	77
Deaths by Race (Percent)	
Black	56%
White	26%
Asian	
Hispanic or Latinx	NA
Unknown	10%
Other	6%

Table 2: The above table includes COVID-19 case and death data as of July 24, 2020. Source: <https://www.clevelandhealth.news/>

## C. Pulse Data

Ability to Pay Rent	Ohio	USA
Occupying Unit Without Rent	3.2%	4.5%
Did Not Pay Rent Last Month	19.2%	17.5%
Deferred Rent	0.9%	1.8%
<b>Renter Confidence to Pay Next Month's Rent:</b>		
No Confidence	14.1%	13.1%
Slight Confidence	21.2%	19.9%
Moderate Confidence	21.6%	24.9%
High Confidence	39.7%	36.2%
<b>Income &amp; Employment</b>		
Lost Income Since March 13th	45.2%	10.3%
Expecting to Lose Income in the Next 4 Weeks	29.9%	--
Currently Unemployed	32.8%	15.1%
<b>Use of Stimulus Check</b>		
Expenses	61.4%	63.3%
Debt	11.7%	12.0%
Added to Savings	13.1%	9.5%
No Stimulus Expected or Received	12.0%	14.3%
Rent	22.7%	24.5%
<b>Food Sufficiency</b>		
Enough of the Types of Food Wanted	67.1%	62.4%
Enough food, but not always the types wanted	18.0%	27.0%
Sometimes Not Enough to Eat	12.0%	8.9%
Often Not Enough to Eat	1.1%	1.5%

Remote Learning	Ohio	USA
<b>Average Hours Spent on Online Learning</b>		
Teaching Children at Home	3.1	6.3
Live Virtual Education	0.9	4
Children Learning Alone	4	7.8
<b>Device Availability for Online Learning</b>		
Always Available	65.3%	60.8%
Usually Available	17.3%	21.4%
Sometimes Available	12.4%	10.3%
Rarely Available	1.0%	3.5%
Never Available	3.6%	2.6%
<b>Mental Health</b>		
<b>Anxiety</b>		
Not At All Anxious	34.0%	28.6%
Anxious Several Days	31.3%	31.6%
Anxious More than Half the Days	12.1%	13.5%
Anxious Nearly Everyday	14.4%	17.3%
<b>Uncontrolled Worrying</b>		
Not At All Worried	42.0%	35.7%
Worried Several Days	27.0%	29.8%
Worried More than Half the Days	10.2%	11.8%
Worried Nearly Everyday	12.6%	13.7%

Table 3: The above table displays data from the 2020 Household Pulse Survey, as of July 9-14.

## D. Census Data

	2010	2018	Percent Change
<b>Demographic Characteristics</b>			
<b>Householder Age</b>			
15 to 24 (%)	9.1	8.7	-5.0
25 to 34 (%)	23.2	26.0	12.2
35 to 44 (%)	20.0	16.8	-15.9
45 to 54 (%)	20.7	16.6	-19.4
55 to 64 (%)	14.1	17.8	26.5
65+ (%)	13.0	14.1	8.5
<b>Race</b>			
Asian (%)	1.9	2.4	25.1
Black (%)	58.0	56.8	-2.1
Hispanic or Latino (%)	7.3	9.4	28.0
White (%)	28.2	29.6	4.9
<b>Household Characteristics</b>			
Average Household Size	2.2	2.1	-4.5
Rentership (%)	55.9	58.7	5.1
<b>Household Composition</b>			
Single Occupancy (%)	46.2	48.9	5.9
Nonfamily (%)	7.0	8.3	19.4
Family (%)	46.8	42.8	-8.7
Households with Children (%)	33.3	29.2	-12.2
Overcrowded (%)	1.9	2.3	18.6
<b>Economic Characteristics</b>			
Median Household Income (2018 \$)	20174	20577	2.0
Median Gross Rent (2018 \$)	724	700	3.3
<b>Monthly Rent</b>			
1 Bedroom (\$)	--	553	--
2 Bedroom (\$)	--	706	--
Rent Burden (%)	56.3	53.7	-4.6
Households Below Poverty (%)	26.6	30.2	13.6

	2010	2018	Percent Change
<b>Housing Unit Characteristics</b>			
<b>Units</b>			
Single-Family	28230	34654	22.8
2 to 4	30031	28658	-4.6
5 to 19	13293	12520	-5.8
20+	18277	23245	27.2
Mobile	235	287	22.1
Total Units	93579	99423	6.2
<b>Median Year Built</b>			
Year Built	--	1942	--
Before 1930 (%)	50.2	47.7	-5.0
1940s (%)	10.8	10.2	-5.3
1950s (%)	11.2	11.9	6.2
1960s (%)	9.5	9.2	-3.2
1970s (%)	8.0	7.6	-4.5
1980s (%)	3.2	3.3	3.3
1990s (%)	3.2	3.7	15.4
2000s (%)	3.9	4.2	7.7
2010s (%)	--	2.1	--
<b>Vacancy</b>			
Vacancy (%)	19.3	20.2	4.9
For Rent (%)	26.7	16.6	-37.7
For Sale (%)	11.5	4.3	-62.9
Rented or Sold (%)	7.3	7.5	2.9
<b>Technology</b>			
Internet Access (%)	--	71.2	--

Table 4: The above table contains data from the 2018 ACS 5-year estimates. The data offers an overview of Cleveland in terms of its economic, demographic, and housing landscapes.