

# No sign of fraud, waste or abuse in Ohio's use of Hardest Hit Funds for home demolitions: Jim Rokakis (Opinion)



A backhoe starts the demolition of a foreclosed house on East 130th Street in Cleveland by the Cuyahoga Land Bank and Lightning Demolition and Excavating. *(Dave Andersen/cleveland.com)*

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on July 10, 2016 at 7:15 AM, updated July 10, 2016 at 7:16 AM

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Jim Rokakis helped found the Cuyahoga Land Bank *Steven Mastroianni*

Last month, the Special Inspector General of the Troubled Asset Relief Program issued a long-awaited [report](#) outlining its review — and criticisms — of the U.S. Treasury's Blight Elimination Program through the Hardest Hit Fund (HHF) program.

Simply put, this was a report questioning how the money is being spent in Ohio and a select group of states to take down vacant and abandoned properties with federal dollars. The report said that failure to follow more stringent rules of earlier U.S. Housing and Urban Development programs regarding bidding procedures and competitiveness put these programs and funds at risk for fraud, waste and abuse.

Not surprisingly, when the report was issued, critics of the Troubled Asset Relief Program and this Hardest Hit Fund allocation were quick to pounce on the report as another example of a failed program from President Barack Obama.



## June: Federal inspector general slams blight-removal program

The program to demolish eyesore homes is ripe for abuse, lacking requirements to assure competitive bidding and hold down costs, the report says.

It is worth noting that before the report was released, the Inspector General's Office spent hundreds of hours in Ohio meeting with land banks who are using these monies and with officials at The Ohio Housing Finance Agency who are administering these funds. They reviewed every document, every contract and expenditure, and guess what?

They didn't find a single example of any of the practices they warned about.

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*Not one.*

Treasury created a program that had maximum flexibility so communities could move quickly to eliminate blight — and the program has been working. Nationwide, more than 10,000 dilapidated structures have been removed so far under the program, with highly encouraging results. Studies all over the country, including studies in Michigan and Ohio, are proving that property values are increasing in these once-forgotten neighborhoods where demolition dollars are being spent.

Not only is Treasury providing money for the demolition of these eyesores, but they also are allowing communities up to \$5,000 per lot for the greening

of these lots after demolition so communities can transform these from blighted properties to community assets — and it's working.



[2015: Vacant houses, blighted buildings still plague Cleveland, but problem is shrinking \(photos, interactive map\)](#)

A detailed, citywide survey puts Cleveland's demolition need at roughly 6,100 properties. That's a big number, but it's not as bad as researchers expected.

In Warren, Ohio, a town plagued by more than 1,500 vacant houses, the land bank has used the HHF dollars to rid communities of more than 200 blighted properties. Half of these lots have gone to adjacent property owners who are expanding their property and adding to the county's tax base. The county land bank has also worked to create several dozen public land use projects, including community gardens, orchards, vineyards, basketball hoops, and prayer gardens.

**Property values are increasing in these once-forgotten neighborhoods where demolition dollars are being spent.**

In the city of Campbell, Ohio, a fire-damaged house at an intersection was demolished with HHF dollars by the Mahoning County Land Bank, which

then installed a landscaped island of perennial flowers, grasses and trees on the property before transferring ownership of it to an adjoining resident. Within a few months, blight was turned into beauty.

In Richland County, the county government is proceeding with plans to construct new transitional housing for young adults as they age out of foster care. This eight-unit facility was made possible by land acquired through the land bank there and demolition of abandoned structures through Hardest Hit Funds.



[April: Ohio gets \\$94.3 million from Washington to deal with blight and foreclosures, a 'disappointing' award](#)

While the \$94.3 million is blight-fighting money the state didn't have before, it is substantially less than the \$250 million Ohio requested.

In Toledo, Hardest Hit Fund dollars were leveraged to demolish a nuisance home and build [an elaborate rain garden](#) on a site across the street from Pickett Elementary School. This project will not only beautify the neighborhood, but it will also serve as a first-of-its-kind educational laboratory for the nearby schoolchildren to experiment in a natural habitat and observe butterflies and other wildlife.

HHF dollars have been used to demolish more than 2,000 vacant structures in the 18 Ohio counties with county land banks (Only counties with land banks are eligible to expend these funds). We can't lose sight of that.

While the report issued by the Inspector General makes good points about potential abuses, the Ohio Housing Finance Agency has done an outstanding job managing this program and carefully monitoring these land banks and how they are expending these funds. The State Auditor is carefully monitoring these expenditures as well.

This is the story that needs to be told: that communities are responsibly spending these badly needed dollars and bringing stability — and hope — to communities where there was none.

*Jim Rokakis, director of Thriving Communities and vice president of the Western Reserve Land Conservancy, helped found the [Cuyahoga Land Bank](#).*