

Ordinance No. 28-2026

**By Council Member Santana and Griffin
(by departmental request)**

AN EMERGENCY ORDINANCE

Authorizing the Director of Development to enter into an Option to Lease Agreement, for a period of up to one year, with Pennrose Holdings, LLC or its designee, for city-owned property located at 4242 Lorain Avenue for future redevelopment.

WHEREAS, Ordinance No. 42-2025, passed February 10, 2025 as amended by Ordinance No. 739-2025, passed June 2, 2025, authorized the sale or lease of the property formally known as McCafferty Health Center located at 4242 Lorain Avenue and enter into a development agreement with Pennrose Holdings, LLC (“Pennrose”) for future development of affordable housing; and

WHEREAS, the current Federal funding in the above-mentioned project does not allow Pennrose to have the necessary level of site control for other funding applications; and;

WHEREAS, entering into an Option to Lease Agreement will provide Pennrose access for securing additional Federal funding sources without triggering a choice-limiting activity; and

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That notwithstanding and as an exception to the provisions of Chapters 181 and 183 of the Codified Ordinances of Cleveland, Ohio, 1976, the Director of Development is authorized to enter into an Option to Lease Agreement with Pennrose for the property known as PPN 003-34-034 located at 4242 Lorain Avenue (the “Property”), for the redevelopment of the Property.

Section 2. The term of the Option to Lease Agreement shall be a period of up to one year.

Section 3. That the consideration paid for the Option to Lease Agreement by Pennrose shall be a price not less than fair market value as determined by the Board of Control.

Section 4. That as an alternative to the sale of the Property authorized in Ordinance No. 42-2025 as amended by Ordinance No. 739-2025, a lease agreement entered into pursuant to the Option to Lease Agreement may authorize Pennrose to

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make improvements to the Property subject to the approval of appropriate City agencies and officials.

Section 5. That as an alternative to the sale of the Property authorized in Ordinance No. 42-2025 as amended by Ordinance No. 739-2025, the directors of Development, Law and other appropriate City officials are authorized to execute other documents and certificates, and take any other actions which may be necessary or appropriate to effect the Option to Lease authorized by this ordinance.

Section 6. That the Option to Lease Agreement shall be prepared by the Director of Law.

Section 7. That this ordinance is declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

ND:uo
1-12-26

FOR: Director Bourdeau-Small

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READ FIRST TIME on JANUARY 12, 2026

REPORTS

and referred to DIRECTORS of Economic Development, Finance, Law;
COMMITTEES on Development, Planning and Sustainability,
Finance Diversity Equity and Inclusion

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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REPORT after second Reading

PASSAGE RECOMMENDED BY
COMMITTEE ON
DEVELOPMENT, PLANNING AND
SUSTAINABILITY

FILED WITH COMMITTEE

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COMMITTEE ON
FINANCE, DIVERSITY, EQUITY
and INCLUSION

FILED WITH COMMITTEE