

**DEPARTMENT OF ECONOMIC DEVELOPMENT
EXECUTIVE SUMMARY
ORDINANCE NO. 936-2020**

Project: Metro West Community Development Organization
Vacant Home Rehabilitation (NTI)

Project Location: Scattered sites within Clark-Fulton

Project Manager: Matthew Keri

Ward/Councilperson: Ward 14 - Santana

Loan Amount: \$250,000

Purpose of Financial Assistance

The purpose of this loan program is to assist in the rehabilitation of at least three vacant single family homes within Clark-Fulton neighborhood. Cleveland Citywide Development Corporation, through the Mayor's Neighborhood Transformation Initiative, shall provide partially forgivable loans (one loan per eligible rehabilitation project) to Metro West Community Development Organization (MWCDO) each with a maximum amount of \$85,000. The loans may be used towards acquisition and hard costs associated with the rehabilitation of the vacant home.

Background

In August 2017, Cleveland City Council passed Ordinance No. 563-17, authorizing the City to enter into an agreement with Cleveland Citywide Development Corporation (CCDC) for the administration of several housing programs as part of Mayor Jackson's Neighborhood Transformation Initiative (NTI). The City entered into a Fund Administration Agreement, in an amount of \$5,650,000, with CCDC to create several funds to implement the following housing programs:

-Housing Development: \$3,200,000
-Homeowner Rehabilitation: \$1,450,000
-Down Payment Assistance Program: \$1,000,000

Section 3 of the Ordinance authorizes the creation of a Housing Development Fund to make loans and forgivable loans for the construction of new housing and rehabilitation of existing housing. *Each loan project utilizing this fund requires additional legislative authority.*

Project Description

Through the Fund Administration Agreement, CCDC has the ability to enter into several loan agreements to assist MWCDO in rehabilitating homes within the Clark-Fulton target area.

This assistance is crucial in addressing housing vacancy and blight in Clark-Fulton. The homes being rehabilitated through this program have been vacant for some time and need substantial work to stabilize and transform them into desirable homes. Still, the cost of rehabilitation is less than that of new construction. This project not only helps to restore the historical character of these homes and this neighborhood, but also offers quality home options to homebuyers at a lower price than what they would find with a new-construction home.

Through this project, MWCDO would be required to achieve the City's Green Building Standards in order for the home to receive the 15-year tax abatement. The tax abatement and energy efficient upgrades create additional long-term cost savings for the home buyer.

Community Benefits Applicability

Chapter 187 (MBE/FBE/CSB) applies

Chapter 188 (FANNIE LEWIS) applies

Prevailing Wage does not apply