

Ordinance No. 712-2023

**By Council Members Hairston and Griffin
(by departmental request)**

AN EMERGENCY ORDINANCE

Authorizing the Director of Community Development to enter into one or more agreements with various private nonprofit organizations to address vacant or abandoned properties and to provide financing for home repairs and to small businesses economically impacted by COVID-19, as authorized under Ordinance Nos. 898-2022 and 899-2022, both passed November 7, 2022.

WHEREAS, under Ordinance Nos. 898-2022 and 899-2022, both passed November 7, 2022, this Council authorized the Director of Community Development to enter into one or more agreements with various financial institutions and private nonprofit organizations to address vacant or abandoned properties and to provide financing for home repairs and to small businesses economically impacted by COVID-19 using \$15,000,000 of Coronavirus Local Fiscal Record Fund payments the City received from the U.S. Treasury (the “Fund Payment”); and

WHEREAS, both ordinances require additional legislation if authorizing contracts over \$50,000 for the purposes stated above; and

WHEREAS, this Council finds that the projects described in this Ordinance have been reviewed by the Housing Advisory Board on _____, 2023, in compliance with the Ohio Constitution and statutory requirements and will enhance the availability of adequate housing in the City and will improve the economic and general well-being of the people of the City and it is in the public interest and a proper public purpose for the City to provide and/or assist in providing housing for individuals and families; 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 the Director of Community Development is authorized to enter into one or more agreements with the following private non-profit organizations in the following approximate amounts for the purposes stated in Ordinance Nos. 898-2022 and 899-2022:

<u>Private Nonprofit Organizations</u>	<u>Approximate Contract Amount</u>
CHN Housing Partners	\$4,000,000
Cleveland Restoration Society	\$3,000,000
Greater Cleveland Habitat for Humanity	\$1,500,000
LISC Cleveland/Local Initiatives Support Corporation	\$1,500,000
Cleveland Development Advisory Community Reinvestment Fund, Inc. (CDA-CRF)	\$2,500,000
Village Capital Corporation	<u>\$2,500,000</u>
TOTAL	\$15,000,000

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Section 2. That the Director of Community Development is authorized to accept monies in repayment of loans authorized in this ordinance and to deposit those monies in Fund Nos. 10, 01, and 15, as appropriate.

Section 3. That the City is authorized to accept promissory notes, naming the City of Cleveland as payee, and mortgages, naming the City of Cleveland as mortgagee, and any other security instrument executed to evidence and secure repayment of loans made under the Projects described in this Ordinance.

Section 4. That the Director of Community Development is authorized to enter into forbearance agreements with any recipient of a validly existing loan administered by the City, and to charge and accept fees to cover costs incurred in the preparation of loan documents, closing, and servicing costs. Such fees shall be deposited into Fund Nos. 10, 01, and 15, as appropriate.

Section 5. That the cost of these contracts shall not exceed an aggregate amount of \$15,000,000, payable from the funding sources stated in Ordinance Nos. 898-2022 and 899-2022, which are: from the Fund Payment, Fund No. 01-001-9997, Fund No. 15 SF 190, from the fund or funds to which are credited any gifts or grants accepted under each ordinance, and from any other funds approved by the Director of Finance. (RQS 8006, RLA 2022-63 and RQS 8006, RLA 2022-65).

Section 6. That the contracts and other appropriate documents needed to complete the transactions authorized by this legislation 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.

GEP:nl
6-5-2023
FOR: Director Hernandez

