



To: Alyssa Hernandez
Director of Community Development

From: Michiel Wackers
Assistant Director of Community Development

Date: May 19, 2023

Subject: RFQ Recommendations

The Department received 9 proposals from the Home Repair Revolving Loan and Small and Minority Developer Revolving Loan Request for Qualifications.

Staff scored the proposals and the recommend the following:

Home Repair						
Organization	Approach	Requested	Source	Score	ARPA Rec.	CDBG Rec.
CHN	Co-designed Product	\$14M	ARPA & CDBG	89.6	\$4M	\$4M
Cleveland Restoration Society	Enhanced HHP Loan Program	\$3.5M	ARPA	87.6	\$3M	
Habitat for Humanity	Grant and Loan	\$3M	ARPA	83.6	\$1.5M	
LISC Cleveland	Home Repair Loan Program	\$7.3M	ARPA	83.6	\$1.5M	
Slavic Village	2 nd Mortgage	\$750,000	ARPA & CDBG	62.8		
Slavic Village	Forgivable Loan	\$1,000,000	ARPA	60.2		
Community Housing Solutions	<50% AMI Grants	\$3,000,000	ARPA	62.8		
Community Housing Solutions	50%-80% AMI Grants	\$2,000,000	ARPA	62.8		
		\$27,250,000			\$10M	\$4M

Small/ Minority Developer						
Organization	Approach	Requested	Source	Score	ARPA Rec.	CDBG Rec.
Cleveland Development Advisors	Enhanced EDEC	\$5M	ARPA	88.2	\$2.5M	
Village Capital Corporation	Existing Programs	\$10M	ARPA	93.2	\$2.5M	
		\$15M			\$5M	

Approved X Denied _____ More Info Needed _____

Alyssa Hernandez
Alyssa Hernandez
Director of Community Development

5/23/23
Date

City of
Attn:
City

Here are more details on the recommended proposals:

Home Repair Revolving Loan Fund-----

CHN Housing Partners

City Investment: \$4,000,000 ARPA & \$4,000,000 CDBG

Fund Purpose: CHN’s approach would bring system changes in how services are delivered and the availability of home repair credit. Creating a single access point where residents can access home repair resources allows for a better alignment of resources and greater access to resources within the community compared to the multiple places residents need to research and access. It would give us the ability to create a more universal intake for programs, creating more efficiency in the alignment and collaboration of programming. The point of entry could also be used to measure and monitor the data around who is accessing programs, and the efficacy and compliance for the programming.

Finally, this is an opportunity to work closely with banks to help facilitate access to more home repair lending capital in our community. We believe we will be able to set a precedent that begins with banks first investing in a fund to lend in our communities

and, when that performs, do more lending directly in the future as the loans that we make first with public money and then with private money perform.

We intend to our whole home approach through a combination of ARPA and CDBG funds, CHN program resources and private funds. This comprehensive, whole home approach leverages existing federal and private resources to provide financing through grants, 0% deferred and amortizing loans. CHN is already in the process of leveraging available resources for our home repair work. In the future, we plan to use this as a foundation to continue to leverage resources as they become available to continue to increase home repair outcomes throughout Cleveland.

Cleveland Restoration Society

City Investment: \$3,000,000 ARPA

Fund Purpose: The purpose of the fund is to provide low-interest loans to minority borrowers who would otherwise not be eligible for the traditional Heritage Home loan from KeyBank. The loans would be for essential repair and rehabilitation of houses over 50 years old. Funding from the City of Cleveland will enable CRS to partner with KeyBank, which has agreed to reduce the requirements for homeowners that qualify for the Enhanced HHP Loan. Homeowners with a credit score of 580—rather than the current required credit score of 660 for a Heritage Home Loan—will qualify for an Enhanced HHP Loan. They will also qualify if their Debt to Income Ratio is 50%. Finally, the Loan to Appraised After-Rehab Value Ratio will be increased from 80% to 100%. KeyBank will sell the loan to the Heritage-ARPA Revolving Fund and maintain servicing within regulatory standards on behalf of the Fund.

Greater Cleveland Habitat for Humanity

City Investment: \$1,500,000 ARPA

Fund Purpose: Cleveland Habitat has long felt that a key element was missing from its affordable homeownership program in inner-city neighborhoods, and that is a repair program geared to home preservation for existing homeowners in Habitat's focus neighborhoods. Many of these homeowners are elderly seeking to remain in their homes but lack the resources to make critical repairs to enhance safety and ensure structural integrity.

Habitat looks forward to partnering with the city of Cleveland to offer this needed program in select inner-city neighborhoods. We have extensive experience working with a variety of city administrative departments and understand regulations, processes, and procedures.

Our proposal is to begin a pilot program to undertake up to 120 critical home repair projects in neighborhoods in which Habitat has been building new and rehabbing vacant houses; we have also conducted spruce-up events (minor to moderate exterior repairs) helping more than 400 families for a very nominal fee.

LISC Cleveland | Local Initiatives Support Corporation

City Investment: \$1,500,000 APRA

Fund Purpose: LISC proposes a housing preservation and home repair loan program for up to 256 low-moderate income homeowners within the City of Cleveland. The innovative model proven in Detroit has provided over 694 homeowners with almost \$13.9 million in capital to reinvest and improve their homes to prevent blight, foreclosure and stabilize homeownership. Providing low-interest loans with an up to 10-year repayment term to people living on low incomes, the program affords a pathway for home investment for people who do not have sufficiently strong credit or collateral to access traditional loans. Now being implemented by LISC in other markets throughout the Midwest and South, the Program model improves the housing market and neighborhood stabilization, while supporting asset-building and intergenerational wealth transfer.

Small/Minority Developer Acquisition & Rehab Revolving Loan Fund-----

Cleveland Development Advisors Community Reinvestment Fund, Inc. (CDA-CRF)

City Investment: \$2,500,000 ARPA

Fund Purpose: Beginning in 2023, the Equitable Development Ecosystem Collaborative will bring the Equitable Development Initiative (EDI) to Cleveland. This training will also be conducted in 2024 for a second cohort. Training is an essential competency to cultivating the next generation of successful real estate developers. The EDI training is a 16-week program, 4 – 5 hours per session, that provides a development-based curriculum training and one-on-one support to minority real estate developers. It has three overarching goals: long-term wealth creating opportunities for real estate developers of color, neighborhood improvements through completion of real estate projects, and increased knowledge and connections within the real estate development industry. The EDI training will leverage and establish relationships with local and regional real estate developers and funders, pulling from their knowledge and expertise to grow minority developers.

Complement and enhance the Equitable Development Ecosystem Collaborative and Equitable Development Initiative initiatives by providing access to capital for minority developers with flexible and patient capital, to allow early success and wealth creation through real estate development. The funds will help to leverage the resources of each of the EDEC partners, and create an avenue for minority developers to develop projects in underserved communities.

Village Capital Corporation

City Investment: \$2,500,000 ARPA

Fund Purpose: The fund will provide loan capital, financial investments, training, mentoring, peer support, and ecosystem navigation to small/emerging, minority-owned general contracting and real estate development firms for the purpose of building their capacity to create generational wealth while produce high-quality assets for Cleveland residents.

Approved X Denied _____ More Info Needed _____

Alyssa Hernandez
Alyssa Hernandez
Director of Community Development

5/23/23
Date



City of Cleveland
Justin M. Bibb, Mayor

Department of Community Development
Alyssa Hernandez, Director
601 Lakeside Avenue, Room 320
Cleveland, Ohio 44114-1070
216/664-4000
www.clevelandohio.gov

May 19, 2023

Kevin Nowak
Executive Director
CHN Housing Partners

RE: Home Repair Revolving Loan Fund RFQ - Intent to Award

Dear Mr. Nowak,

The City of Cleveland, upon reviewing your response to the Home Repair Revolving Loan Fund RFQ, is intending to award \$4,000,000 in ARPA funding and \$4,000,000 in CDBG funding for your program.

This is an intent to award is subject to completing a number of requirements:

1. Council authorization to enter into a contract over \$50,000;
2. Completing Agency Registration in Department grants management system, Neighborly;
3. Agreement on the scope of services to be performed;
4. Completing any compliance requirements identified by the City; and
5. Executing a contract with the City for such services by December 31, 2023.

Please contact Assistant Director Michiel Wackers regarding any questions and undertaking next steps.

I look forward to deploying your program for the benefit of Cleveland.

Sincerely,

Alyssa Hernandez, Director
Department of Community Development

Cc: Michiel Wackers, Assistant Director



City of Cleveland
Justin M. Bibb, Mayor

Department of Community Development
Alyssa Hernandez, Director
601 Lakeside Avenue, Room 320
Cleveland, Ohio 44114-1070
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May 19, 2023

Kandis Williams
Executive Director
LISC Cleveland

RE: Home Repair Revolving Loan Fund RFQ - Intent to Award

Dear Ms. Williams,

The City of Cleveland, upon reviewing your response to the Home Repair Revolving Loan Fund RFQ, is intending to award \$1,500,000 in ARPA Funding for your program.

This is an intent to award is subject to completing a number of requirements:

1. Council authorization to enter into a contract over \$50,000;
2. Completing Agency Registration in Department grants management system, Neighborly;
3. Agreement on the scope of services to be performed;
4. Completing any compliance requirements identified by the City; and
5. Executing a contract with the City for such services by December 31, 2023.

Please contact Assistant Director Michiel Wackers regarding any questions and undertaking next steps.

I look forward to deploying your program for the benefit of Cleveland.

Sincerely,

Alyssa Hernandez, Director
Department of Community Development

Cc: Michiel Wackers, Assistant Director



City of Cleveland
Justin M. Bibb, Mayor

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Alyssa Hernandez, Director
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May 19, 2023

John Litten
President/CEO
Greater Cleveland Habitat for Humanity

RE: Home Repair Revolving Loan Fund RFQ - Intent to Award

Dear Mr. Litten,

The City of Cleveland, upon reviewing your response to the Home Repair Revolving Loan Fund RFQ, is intending to award \$1,500,000 in ARPA funding for your program.

This is an intent to award is subject to completing a number of requirements:

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Please contact Assistant Director Michiel Wackers regarding any questions and undertaking next steps.

I look forward to deploying your program for the benefit of Cleveland.

Sincerely,

Alyssa Hernandez, Director
Department of Community Development

Cc: Michiel Wackers, Assistant Director



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Justin M. Bibb, Mayor

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Alyssa Hernandez, Director
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May 19, 2023

Yvette Ittu
President and CEO
Cleveland Development Advisors Community Reinvestment Fund, Inc.

RE: Small/Minority Developer Acq. & Rehab Revolving Loan Fund RFQ - Intent to Award

Dear Ms. Ittu,

The City of Cleveland, upon reviewing your response to the Small/Minority Developer Acquisition & Rehab Revolving Loan Fund RFQ, is intending to award \$2,500,000 in ARPA funding for your program.

This intent to award is subject to completing a number of requirements:

1. Council authorization to enter into a contract over \$50,000;
2. Completing Agency Registration in Department grants management system, Neighborly;
3. Agreement on the scope of services to be performed;
4. Completing any compliance requirements identified by the City; and
5. Executing a contract with the City for such services by December 31, 2023.

Please contact Assistant Director Michiel Wackers regarding any questions and undertaking next steps.

I look forward to deploying your program for the benefit of Cleveland.

Sincerely,

Alyssa Hernandez, Director
Department of Community Development

Cc: Michiel Wackers, Assistant Director



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May 19, 2023

Dione Alexander
President
Village Capital Corporation

RE: Small/Minority Developer Acq. & Rehab Revolving Loan Fund RFQ - Intent to Award

Dear Ms. Alexander,

The City of Cleveland, upon reviewing your response to the Small/Minority Developer Acquisition & Rehab Revolving Loan Fund RFQ, is intending to award \$2,500,000 in ARPA funding for your program.

This intent to award is subject to completing a number of requirements:

1. Council authorization to enter into a contract over \$50,000;
2. Completing Agency Registration in Department grants management system, Neighborly;
3. Agreement on the scope of services to be performed;
4. Completing any compliance requirements identified by the City; and
5. Executing a contract with the City for such services by December 31, 2023.

Please contact Assistant Director Michiel Wackers regarding any questions and undertaking next steps.

I look forward to deploying your program for the benefit of Cleveland.

Sincerely,

Alyssa Hernandez, Director
Department of Community Development

Cc: Michiel Wackers, Assistant Director