

DEPARTMENT OF COMMUNITY DEVELOPMENT

REQUEST FOR AMENDMENT TO ORDINANCE 490-2023

Southeast Side Housing Rehab - American Rescue Plan (ARPA)

LEGISLATIVE REQUEST - EXECUTIVE SUMMARY

ORDINANCE NO. XXX-2023

Purpose: Preserving aging housing in the city is a major component of the city’s 10-year housing plan, critically important to neighborhood quality of life and our city’s attractiveness and competitiveness to residents, and an urgent and present need in the city’s neighborhoods. This program would create a network of new grants, deferred loans, and low interest loan funds for home repair to be created and administered by a third party based on guidelines and parameters developed by the City of Cleveland. Program will authorize the Director of Community Development to grant, offer deferred loans and low interest loan funds for home repair.

Program Description: Low income/disabled/senior residents would have the option of combining grants with deferred loans to assist them in filling gaps with existing programs (HOME/CDBG funded home repairs) to substantially repair their homes. Partner banks/Community Development Finance Institutions (CDFIs) would facilitate the grants and lending and create a loan loss reserve to allow participating banks to extend credit to those traditionally viewed as unbankable. Local CDCs and non-profit partners would provide credit counseling and technical assistance to ensure successful outcomes. The program would also cover small landlords. Grants for home repair will be directed to complement and close gaps of existing programming. Specifically, providing grant funds for structures owned or occupied by households up to 300% federal poverty guidelines. Grants will help provide a kickstart to a home repair industry in Cleveland. Loans for home repair will help make resources for home repair more sustainable. ARPA funding allows resources to subsidize home repair loans issued by CDFIs. Creating a home repair lending market for structures owned or occupied by households between 80% AMI and 300% AMI is key to ensuring that this work does not end with ARPA.

- Requested Amendments:**
1. Add Housing Advisory Board review requirement.
 2. Add the ability for Department of Community Development to use the funds through its Home Repair and Rehabilitation programs.
 3. Add the Department of Aging to use the funds through its Home Repair and Rehabilitation programs.
 4. Add the Department of Aging as being authorized to contract with CDFIs and Private Non-profits.

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Award Amount: \$5,000,000

Period of Performance: Estimated Project Start Date: Upon receipt of funds
Estimated Project End Date: September 2043 (or last date of loan repayment)

Funding Source: Fund No. 10 SF 400

RL No. RQS 8006, RL 2023-31