

Ordinance No. 1377-18

**Council Members Brancatelli and Kelley
(by departmental request)**

AN EMERGENCY ORDINANCE

Authorizing the Director of Community Development to consent to the assignment of HOME Loan Contract No. 60367 from Glenville Development Corporation to Famicos Foundation for the Glenville Elderly II Project; and authorizing the director to enter into an amendment to the assigned contract regarding certain terms.

WHEREAS, under Ordinance No. 1044-01, passed June 19, 2001, this Council authorized the Director of Community Development to enter into agreements with various housing development entities, or their designees, to implement the Housing Trust Fund Program; and

WHEREAS, one of the contracts entered into under that ordinance was HOME Loan Contract No. 60367 with Glenville Development Corporation ("Glenville") to implement its Glenville Elderly II Project located at 661 E. 103rd Street, which is a low-income housing tax credit project; and

WHEREAS, Glenville has ceased operations and is now defunct; and

WHEREAS, the Famicos Foundation ("Famicos") actively started managing the building located at 661 E. 103rd Street, Cleveland, Ohio; and

WHEREAS, Famicos is seeking to acquire the property and to refinance the existing first mortgage in order to sustain the operation of the building and the Glenville Elderly II Project; and

WHEREAS, Glenville has consented to the assignment of the HOME Loan Contract to Famicos; 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 consent to the request of Glenville to assign the obligations of HOME Loan Contract No. 60367 to Famicos.

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Section 2. That the Director of Community Development is authorized to enter into an amendment to HOME Loan Contract No. 60367, assigned by Section 1 of this ordinance ("Amendment"), with Famicos, containing the following new terms:

- a. Extend the City's loan maturity date to August 1, 2034.
- b. At maturity the \$600,000 loan is forgiven assuming that the project remains and continues to operate as affordable housing for seniors at 60% of the Area Median Income ("AMI").
- c. The City agrees to subordinate the loan upon Famicos' successful attempt to recapitalize the property with additional equity/loans if a new first position loan is required by a recapitalization.
- d. Amend the interest rate to 0.00%.
- e. Forgive the \$65,293 of deferred interest and any accrued interest as of the amendment date, or as of the maturity date as determined by Famicos.

Section 3. That the Director of Community Development is authorized to execute all documents and do all things necessary and appropriate to effect the consent to the Assignment and amendments authorized by this legislation. A copy of the Assignment shall be filed in the office of the Commissioner of Accounts.

Section 4. That the amendment shall be prepared by the Director of Law

Section 5. 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
11-12-18

FOR: Director Menesse

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READ FIRST TIME on NOVEMBER 12, 2018

**and referred to DIRECTORS of Community Development, Finance, Law;
COMMITTEES on Development Planning and Sustainability**

REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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Published in the City Record

REPORT
after second Reading

**PASSAGE RECOMMENDED BY
COMMITTEE ON
DEVELOPMENT, PLANNING AND
SUSTAINABILITY**

FILED WITH COMMITTEE

**PASSAGE RECOMMENDED BY
COMMITTEE ON
FINANCE**

FILED WITH COMMITTEE