

DEPARTMENT OF ECONOMIC DEVELOPMENT  
EXECUTIVE SUMMARY

ORDINANCE NO.: 621-2019

**Project:** Famicos Foundation Vacant Home Rehabilitation (NTI)  
**Project Location:** Scattered sites within the Circle North area of Glenville  
**Project Manager:** Briana Butler  
**Ward / Councilperson:** 9/Conwell  
**Loan Amount:** Up to eleven (11) loans, each in a maximum amount of \$250,000

**Purpose of Financial Assistance**

The purpose of this loan program is to assist in the rehabilitation of eleven (11) vacant single family homes within the Circle North area of Glenville. Cleveland Citywide Development Corporation, through the Mayor's Neighborhood Transformation Initiative, shall provide up to eleven (11) partially forgivable loans to Famicos Foundation, Inc. each with a maximum amount of \$250,000. 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). In 2018, 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 Famicos in rehabilitating homes within the Circle North target area. Famicos currently has seven vacant homes in Circle North, with four additional vacant homes being acquired through private transfers (transfers will be completed before summer of 2019).

This assistance is crucial in addressing housing vacancy and blight in Glenville. The homes being rehabilitated through this program are large, 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, Famicos 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