

Ordinance No. 403-2019

Council Members: Brancatelli and Kelley (by departmental request)

An emergency ordinance authorizing the Director of Community Development to terminate HOME Loan No. 57636 with Harvard Elderly Limited Partnership and to forgive the principal balance and interest due on the loan and to release the mortgage and cancel the promissory note.

WHEREAS, under Ordinance No. 918-98, passed June 15, 1998, and Ordinance No. 751-2000, passed June 19, 2000, 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 those ordinances was HOME Loan Contract No. 57636 in the amount of \$500,000 to Harvard Elderly Limited Partnership ("Harvard Elderly"), for affordable housing for seniors; and

WHEREAS, Harvard Elderly does not have sufficient reserves or operating cash flow to meet its obligations and has significant capital repairs that are immediate to the property, and taking into account the services that Harvard Elderly provides to the City, including affordable housing for seniors, the City agrees to forgive the remaining debt on Contract No. 57636 in the principal amount of \$500,000 and the accrued interest currently in the approximate amount of \$64,935, and to release the mortgage, and cancel the Promissory Note; 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 terminate Contract No. 57636 with Harvard Elderly and to forgive the balance of the payments due under the contract in the amount of \$500,000 plus accrued interest currently in the approximate amount of \$64,935, to release the mortgage, and to cancel the promissory note.

Section 2. 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.

Passed April 15, 2019.

Effective April 17, 2019.