

# Ordinance No. 942-2021

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

## AN EMERGENCY ORDINANCE

Authorizing the Director of Community Development to enter into an agreement with CHN Housing Partners, and/or its affiliates, to provide a loan loss reserve for loans to eligible homebuyers to assist with acquisition and rehabilitation, for a period of five years.

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WHEREAS, the City of Cleveland has proposed to enter into an agreement with CHN Housing Partners, and/or its affiliates (“CHN”), to provide a loan loss reserve for loans to eligible homebuyers using \$1,000,000 from the Mayor’s Middle Neighborhoods Initiative account; and

WHEREAS, the loans given under this ordinance will assist homebuyers in middle neighborhoods located in Wards 1, 8, 10, 11, 12, 13, 16, and 17 to acquire homes and perform initial rehabilitation investments; and

WHEREAS, due to limited mortgage lending in these middle neighborhoods and a lack of products aimed at providing homebuyers with initial construction investment dollars these loans are crucial to support home buying and renovating Cleveland’s aging housing stock; 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 enter into an agreement with CHN to provide a loan loss reserve for loans to eligible City of Cleveland homebuyers to assist with acquisition and rehabilitation.

Section 2. That the agreement shall require that CHN stop dedicating the loan loss reserve to new loans at the end of five years and shall return any loan loss reserve funds not dedicated to the support of outstanding loans made by the Middle Neighborhoods Loan Program at the end of the five year term. Any remaining loan loss reserve funds shall be returned by CHN to the City no later than the end of 10 years. The returned loan loss reserve funds shall be deposited into the fund to be determined by the Director of Finance.

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Section 3. That the agreement and all appropriate documents needed to effectuate this ordinance shall be prepared by the Director of Law.

Section 4. That the costs of the agreement shall not exceed \$1,000,000 and shall be paid from Fund No. 01-9997-6985 (RQS 8006, RL 2021-88).

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  
10-25-2021  
FOR: Director Wackers

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**REPORT  
after second Reading**

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

**AN EMERGENCY ORDINANCE**

Authorizing the Director of Community Development to enter into an agreement with CHN Housing Partners, and/or its affiliates, to provide a loan loss reserve for loans to eligible homebuyers to assist with acquisition and rehabilitation of their property, for a period of five years.

**READ FIRST TIME on OCTOBER 25, 2021** **REPORTS**  
**and referred to DIRECTORS of Community Development, Finance, Law;**  
**COMMITTEES on Development Planning and Sustainability, Finance**

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**CITY CLERK**

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**READ SECOND TIME**

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**CITY CLERK**

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**READ THIRD TIME**

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**PRESIDENT**

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**CITY CLERK**

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**APPROVED**

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**MAYOR**

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

FILED WITH COMMITTEE

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**PASSAGE RECOMMENDED BY  
COMMITTEE ON  
FINANCE**

FILED WITH COMMITTEE

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