

ORDINANCE NO. 88-18 AC CMS

AN ORDINANCE ACCEPTING THE PROPOSAL OF THE OBERLIN HOUSING  
REHABILITATION NETWORK FOR GRANTWRITING SERVICES AND  
HOUSING PURCHASE AND REHABILITATION SERVICES  
FOR THE CITY OF OBERLIN AND DECLARING AN EMERGENCY

BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That the proposal of the Oberlin Housing Rehabilitation Network dated February 4, 1988, for the furnishing of grantwriting services and housing purchase and rehabilitation services to the City of Oberlin, Ohio, is hereby accepted, a copy of said proposal being attached hereto, marked "Exhibit A", and incorporated herein by reference.

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of the Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, to-wit:

"to ensure timely filing of an application for 1988  
Community Development Block Grant funds for the City  
of Oberlin"

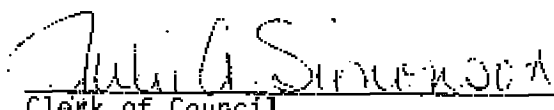
and shall take effect immediately upon passage.

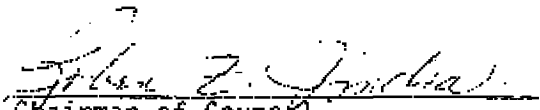
PASSED: 1st Reading - March 14, 1988 (Emergency)

2nd Reading -

3rd Reading -

ATTEST:

  
Clerk of Council

  
Chairman of Council

POSTED: March 16, 1988

## ***Oberlin Housing Rehabilitation Network***

Lorain County, Oberlin, Ohio

February 4, 1988

Mr. Dale Sugarman  
Oberlin City Manager  
Oberlin City Hall  
85 South Main Street  
Oberlin, Ohio 44074

Dear Mr. Sugarman:

Enclosed, you will please find a proposal submitted to the City of Oberlin, Ohio on February 4, 1988 by the Oberlin Housing Rehabilitation Network.

If you have any questions or concerns regarding the contents of this proposal, please do not hesitate to contact me.

Thank you for your time and consideration.

Sincerely,

Meredith Grigsby  
President, O.H.R.N.

# ***Oberlin Housing Rehabilitation Network***

**Lorain County, Oberlin, Ohio**

Proposal to City of Oberlin

Submitted: February 4, 1988

The Oberlin Housing Rehabilitation Network is a community based, non-profit organization committed to providing affordable housing to low and moderate income families. It was incorporated October 19, 1987. The objective of this organization is to acquire and renovate below standard houses as well as to land-bank parcels of land for future newly constructed houses. These houses will be made available for rental, with an option to purchase. The funds from the rental/purchase will then be recycled into additional housing acquisitions.

The Oberlin Housing rehabilitation Network (OHRN) is affiliated with the Cleveland Housing Network (CHN) which has been in operation since 1981. CHN provides a variety of technical assistance sources in the area of program development to various non-profit housing organizations, such as OHRN, that are interested in establishing rehabilitation programs following the Famicoos model.

Famicoos' assistance to housing organizations is not limited to teaching it's single family rehabilitation program. It is recognized as a leader in the development of housing for low and moderate income people. It also provides assistance in multi-family building renovation, new house construction and an array of social services. The social services include budgeting, home maintenance and repair, and energy conservation counseling for family participants.

Under the tutelage of CHN and Famicoos, Oberlin Housing Rehabilitation Network will be responsible for completing the grant application to the State of Ohio by the April, 1988 deadline. A representative of OHRN will attend the annual training session that is scheduled during the month of March in Columbus, Ohio. OHRN will also pursue additional funding from local foundations. If successful in securing these funds from the State and foundations, the project will be completed within the fiscal period prescribed by the State of Ohio.

### TECHNICAL APPROACH

The program will operate as follows. Below standard houses are purchased at a low cost due to their condition. Strict rules and guidelines are followed for housing selection to insure a successful rehabilitation. The houses that are selected are then rehabilitated to meet city code requirements. Family participants are expected to provide an amount of "sweat equity" by doing the interior decorating and painting. To insure that the units are affordable to low income families, attempts are made to keep the combined acquisition and rehabilitation costs below \$28,300.00. Once the rehabilitation is completed, the house is leased with an option to purchase. The lease payments are based on the total cost amortized on a 15-20 year schedule at 5% interest. This plan generally yields a monthly payment for a typical three or four bedroom house that is substantially below the market rent for a similar house.

Recognizing that in order to stabilize a community rehabilitation program, a new construction program may also be advisable. The secondary component of the program will be to acquire vacant lots with an eye toward future development.

The proposed scope of the work consist of two phases:

#### Phase one: House Acquisition and Renovation

1. Develop sources of deteriorated units (HUD, banks, sheriff sale, individuals).
2. Evaluate unit and estimate cost to restore.
3. If interested, do title search and check liens.
4. Negotiate purchase price.
5. Obtain liability and property damage insurance as soon as title transfers.
6. Secure house (protect against vandalism).
7. Prepare renovation specs.
8. Bid from approved builders (MBE/EEO) requirements.
9. Award contract
10. Pay invoices approved by Director and technical staff person.
11. Have preliminary completion inspection prior to occupancy.
12. Monitor structure - one year guarantee - complete necessary additional work.
13. Monitor family "sweat equity" contribution (interior decorating, painting, etc.).
14. Establish a Family Advocate Committee for home visitation.
15. At the end of the lease term, deed house to family.

## Phase two: Evaluate Family Applicant

1. Qualify family as low or moderate income by accepting preliminary Application, eliminating those obviously unqualified.\*
2. For the family that qualifies, check in detail and interview after carefully screening and counseling.
3. Establish training and counseling sessions (maintenance, weatherization, decorating, financial budgeting).
4. Upon completion of the house, prepare lease and option agreement; annual statement of amortization (average 15 - 20 years @ 5% interest, including taxes and insurance).
5. Assist family with moving in and "sweat equity" responsibilities; set up Family Advocate Relationship.
6. Make certain family understands the operation and maintenance of the home; make needed repairs and/or improvements during the guarantee period (one year).

## MANAGEMENT AND STAFFING

### Permanent Staff:

Director - to oversee total program  
Office Manager/Secretary - as needed

### Temporary Staff:

Project Manager - prepare specifications, conduct training,  
as needed per project goals  
Contractor - per bidding process, encourage MBE and EEO  
compliance, as well as employment of unemployed  
residents of Oberlin.

### Volunteer Staff:

Family Advocate Committee - provide assistance to leasing  
family to insure successful  
homeownership

\* Potential renter/buyers are those people who have lived in public housing previously.

#### PRIOR EXPERIENCE

Oberlin Housing Rehabilitation Network is affiliated with the Cleveland Housing Network (see attached letter). The CNH will provide training and its expertise in housing rehabilitation and grant writing. Since its inception the Cleveland Housing Network and Famicoos has renovated over 200 houses with many tenants now having taken title to their own homes. CHN has also provided vacant land held in its land-bank for the Lexington Village Complex - a four block area of new apartment buildings bordering the Hough district and a major medical center. They have also worked closely with several foundations, private businesses and state and federal agencies to secure funding for their various projects.

#### PROFESSIONAL SERVICES FEES

The total funding for this program will be through acquisition of grants from the State of Ohio and local foundations. The amount being requested for the first year is \$100,000.00.

#### General Administrative and Implementation Costs:

Administrative, Audit and Close Out	\$ 15,000.00
Implementation and Planning	10,000.00
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	\$ 25,000.00
 Housing Acquisition, Rehabilitation and Rental Program	 \$ 75,000.00
 (Three (3) houses initial year @ \$25,000.00 per house)	
 TOTAL	 \$100,000.00

#### COMPLIANCE WITH MBE/EEO

The Board of Trustees of the Oberlin Housing Rehabilitation Network is predominantly minority (nine members total; six black, six women). It is the intention of the Board to meet and/or exceed the goals of minority involvement as stated in Ordinance #951 ACCMS and Ordinance #85-65. All contracts that do not meet these stated goals will be rejected.

Board members of the Oberlin Housing Rehabilitation Network are as follows:

Meredith Grigsby, President

Margaret Smith, Vice President

Ruth Palmer, Recording Secretary

Anthony Mealy

Amy Levin

Rev. Laurence Nevels

Katherine Rinehart

Imogene Pearlman

Ann McKay

Famicos Foundation  
Cleveland, Ohio

The Famicos Foundation was started eighteen years ago to help provide food, clothing and furniture to the most economically deprived families in a deteriorated neighborhood. As this assistance continued and it was possible to evaluate the basic problems of these families it became apparent that suitable housing was a basic unfulfilled need.

There were many deteriorated houses available in the area at low cost. Our goal was to buy and restore one or more of these houses at a total cost which permitted a family on public assistance to lease it at less than their renewal rent and to use these payments for the family to build equity in the house and to eventually achieve ownership. As this procedure was perfected after many expensive mistakes and the number of units began to grow the Famicos Foundation invited contiguous neighborhood groups to use our experience and financial resources to start similar programs. This was done one neighborhood at a time until there now are nine such groups in Cleveland which have been incorporated into the Cleveland Housing Network. These groups are restoring 100 units per year at an investment of \$1.6 million.

The beginning of each group was as described in the proposal from the Oberlin Housing Rehabilitation Network. In each case we followed the group carefully as they learned the business and were able to expand. We offer suggestions and advice learned from our experience mostly aimed at saving money. This would be done by one of our experienced persons who would contact the group once a month or more frequently if the group requires it. There is close contact the first time through. This is done at no cost to the group.

We also would advise the group on ways to acquire the equity needed as the program grows. The sources providing funding to the Cleveland Housing Network limit our activities to the city limits of Cleveland. It will be necessary for O.H.R.N. to develop public and private resources in Oberlin and Lorain County.

After eighteen years the Cleveland Housing Network has restored approximately 600 units with an investment approaching \$9 million.

(Original hand-written letter was signed by Bob Wolf).