
VILLAGE OF OAKWOOD
COUNCIL MEETING MINUTES

January 8, 2019

PRESENT:

Johnnie Warren–Council President
Elaine Gaither – Council-at-Large
Eloise Hardin – Ward 2
Patricia Rogers – Ward 4
Candace Williams – Ward 5

Gary Gottschalk-Mayor
James Climer-Law Dept.
Brian Thompson-Finance
Dan Marinucci-CBO
Tom Haba – Service Director
James Schade-Fire Chief
Mark Garratt-Police Chief

ABSENT:

Chris Callender – Ward 1
Anthony Akins – Ward 3

Ed Hren – Engineer
Carlean Perez – Recreation Director

Warren opened the meeting at 7:03p
Pledge of Allegiance was recited, and roll call was taken.

No correspondence

MOTION TO APPROVE MINUTES OF 12-06-2018 Finance meeting by Rogers seconded by Williams
4 YES-Warren, Gaither, Rogers, Williams 1 Abstain-Hardin

MOTION TO APPROVE MINUTES OF 12-11-2018 Finance meeting by Rogers seconded by Gaither
4 YES-Warren, Gaither, Rogers, Williams 1 Abstain-Hardin

MOTION TO APPROVE MINUTES OF 12-11-2018 Council meeting by Gaither seconded by Rogers
5 YES-Warren, Gaither, Hardin, Rogers, Williams.

MOTION TO APPROVE MINUTES OF 12-13-2018 Finance meeting by Williams seconded by Rogers
5 YES-Warren, Gaither, Hardin, Rogers, Williams.

MOTION TO APPROVE MINUTES OF 12-18-2018 Finance meeting by Rogers, seconded by Gaither
5 YES-Warren, Gaither, Hardin, Rogers, Williams.

Departmental Reports

Fire-Schade extended holiday wishes for a new year.

Building-**Marinucci** did the same. He shared information about the Heritage Home Program (HHP) which identifies 594 aging homes in the Village. It encompasses a 2% loan for interior repairs of homes 50 years or older. I spoke with Brian and it will cost the Village \$1,096 the first year and \$50 less each year thereafter. Warren asked if it is through the County. **Marinucci**: Yes. **Hardin**: Once passed, can we advertise it? **Mayor**: Absolutely. **Gaither** mentioned Shaker Heights uses it. **Marinucci**: HHP creates all the flyers. **Hardin** asked about the Mayor’s Breakfast (mentioned in the letter). **Warren**: Cleveland Restoration Society sent this to Mayor’s throughout the County. **Rogers** asked about income guidelines. **Gaither**: The house must qualify, it is not based on income. **Marinucci** will contact Brian to get this going.

Police-**Garratt**: Rich’s Towing and NOCO worked together to get the jump boxes for our Police Department. We have a presentation for them tonight. Also, the winner of the TV from Shop with a Cop is sitting here tonight.

Law-Climer: I should have the credit card ordinance for the next agenda. We are working on Economic Development issues as well.

Finance-Thompson thanked Council for passing the ¼ budget. We will reconvene those meetings at 6:00pm on January 22nd for the budget.

Service-Haba: We had minor vandalism to speed limit signs at Lincolnville and Booker with graffiti. **Mayor:** We saved some money on salt. **Haba:** Yes, but we still have to purchase what we agreed to purchase. We can order less next year. **Gaither** mentioned she was at the Community Center with the Mayor today. The wall by the windows looks nice. She asked about the room by the bathroom. **Haba:** It was a small project but is turning into a bigger one. The stationary tub was leaking on the newer floor in the hallway. Custodians found it. We replaced the fiberglass, took out the concrete basin and behind it, the walls were deteriorated badly; to the ceiling. We replaced all that. The bathroom walls do not have much support. It was leaking for a while to do this much damage. It is being done professionally.

Economic Development Update

Mayor: Each month I like to give a brief presentation on economic development.

Macedonia - Premier

Mayor: The Bugarcic property was purchased by the Village and will be sold back to Premier in February. Things will begin in March. Between the \$1.1 million spent on the road and traffic light, landscaping is also being paid by the developer. The buildings will total about \$75 million. The previous largest project in the Village was \$10 million. This will take your breath away. To sell this to the residents in the area, we are installing beautification with a winding stream, a trail with mounding 10' high and landscaping, all paid by the developer.

Silver Oak Demolition Debris Landfill

Mayor: There are 45 acres there. The Village owns 3 acres. A firm in Texas owns 8 acres adjoining. The Metropark is just south, abutting the properties. Oakwood received a grant from the Federal Government which prohibits the Village from using the property at the park for other than recreation. We had to look for another site for Dakar. That site is here. They will pay for the land and this will be on the ballot in May, changing it to passive park and nature preserve. The County Board of Health has overseen this since it is not closed yet. The estimated cost to close the landfill is \$1 million. The Trustees of this land owe \$1/4 million in past taxes. We are looking to purchase the whole area with Dakar at the northern end of the property. We are looking for layover zoning for the entire 45 + 11 acres. It will only be passive park and nature preserve and the eventual site of Dakar, which will have a helipad. Goldenrod and lavender will be growing on rolling hills and hallows with 11 miles of trails in the Village, connecting to the Metroparks. It will be spectacular. **Warren** asked if EPA has performed studies on the land. **Mayor:** EPA has been involved, yes. I met with Mitch Snyder of Legacy Village and the Western Reserve Land Conservancy as well to see if they want to get involved.

Overview of Development

Mayor: Premier site is not an and-all. We have offsets. Northern Haserot is looking for 13 acres, which we don't have. It wouldn't have worked at the Premier site due to all the trucks. We are looking at \$500,000 loss from Northern Haserot in 2020. If they stayed, we would still be out \$300,000. We collect \$200,000 in net profits which would be written off if they built a new building here. We would also have to give up at least 1/3 in tax collection because any city will offer that to them. Windows Direct is putting up a building in Bedford Heights, which is \$200,000 a year we are losing. **Warren** asked about wetlands. **Mayor:** I will address that a bit later. Other companies will want to come to Oakwood, but we have five additional potential sites. This was the key to get this moving. This will hit headlines across the State. A software development company will take up 2/3 of the one building. We are looking at high payroll. We have to put in a white tablecloth restaurant on Broadway. With the renovation to Broadway, that could happen. That is why Dunkin has held out two years.

24 Acres near John's Trailer

Mayor: John's Trailer is next to Waste Management. Kokosing operates there now. A stream runs in that property, which can be reworked. Parking can be near the electrical lines. A company wants to purchase the entire 30 acres. John's Trailer has placed equipment out front. It will no longer be there once Kokosing is finished. As the business has evolved, they don't need the large building. They will possibly sell over 24 acres. There is an additional 6 acres there, which could be purchased as well. **Warren** asked if the 24 acres encompasses Kokosing. **Mayor:** Yes, they are only there until 2020. **Hardin** asked about Waste Management improvements. **Mayor:** Yes, in addition to the doors being down at 5pm. **Hardin:** That will ensure the odors? **Mayor:** You can't see much of the site. Most of this was wetlands. This should not have been built in the first place, but it was a done deal before I came here. It was stated, everything will be free. It is not free, it costs the Village over \$100,000 annually.

Chagrin Valley Engineering site

Mayor: There is one property which is zoned residential. The owners called me today, they are willing to sell their house. This will not be on the ballot until November. It will be light industrial for small computer components or pharmaceuticals. **Hardin** asked the legislation to have those restrictions. **Mayor:** That was the same with Ward 4. It will be a deed restriction. The house property is about 8 acres next to the freeway.

Tartabini Property

Mayor explained Broadway and the Oakhill park with the circle at Mt. Zion. There are 24 acres, which is mostly wetlands. This would have been a great site for Northern Haserot, but they didn't want cold storage in wetlands. We will work on this to mitigate it for development. A slight zoning change for two small partials, which are still zoned single family residential, which will be on the ballot in November. **Hardin** asked about access from Tryon. **Mayor:** We don't want them entering/exiting from Tryon. **Warren:** That was a deed restriction when the church was built. **Hardin:** You will have the same deed restriction there. **Mayor:** Yes. **Warren:** When they are investing in landscaping, the \$1 million to address the wetlands would be a greater investment for that property. **Mayor:** That is what we are hoping for. **Warren:** At one time, it would have been \$1.1 million to mitigate it. I would think we could get assistance from the Army Corps of Engineers. **Mayor:** This has been a process. You are looking at 1.5 to 2 years dealing with the Federal Government on wetland mitigation. **Warren:** The purpose is preservation, but there aren't species of animals impacted in that area. If he would have had oats growing there over the years, there wouldn't have been wetland issue.

Paladino Property

Mayor explained Thermo Fisher Way and the Paladino property in conjunction with it comprising 22 acres. That is the last piece which could be developed. There are electrical lines. **Warren:** Is that adjacent to Macedonia when we were looking at Cisco? **Mayor:** Yes. They can enter the site off Golden Oak. Any one of these properties are spin off properties if they couldn't go into the Macedonia Road project.

Community Center Remodeling

Mayor explained there will be a canopy at the entrance with outdoor lighting.

Municipal Complex

Mayor: This will all lead to the new municipal complex.

Broadway Renovation

Mayor: The renovation of Broadway from the bridge to Tryon is \$1.08 million with Oakwood putting up \$330,000, OPWC will put up \$1/4 million. We have applied for \$50,000 grants totaling \$150,000, leaving \$500,000 CDBG grant, with a \$220,000 loan over 20 years at 2%. We will redo Broadway with trails on both sides.

Summary

Mayor: With the development on Macedonia, the Village will not need to raise taxes over the next 20-30 years except the schools, which we do not control. We will not charge rubbish pick up or snow removal. It has been a great team effort.

Sewer Rates

Hardin asked if the Mayor got information about the Bedford Heights sewer rates. **Mayor:** Yes, as well as NEORS D rates. **Hardin** mentioned it took effect Jan. 1st and goes up over the next three years. We need to get that information out. **Mayor:** It is less than NEORS D, which is charging for storm water runoff. **Hardin** mentioned the homestead rate is

available too. **Mayor:** In the Crain's edition, if you open the front page, the President of the Cleveland Film Association, Ivan Schwartz, mentioned Arlene Burkes of Dakar. The State is giving \$40 million tax credit to entice film studios in Ohio wanting to move it up to \$100 million. Although we are discouraged about the property near Mt. Zion, we are waiting to hear about another property. Tyler Perry's operation has skyrocketed in Atlanta. If Dakar comes across buying the 8 acres and the ballot passes in May, that is where Dakar will be. Currently Dakar is using the old U.S. Bank building in Bedford for its offices. The Walton Hills deal collapsed with the new administration.

Open floor comments – hearing none the floor was closed

Legislation

2018-67 An ordinance authorizing the Mayor to enter into an agreement for senior transportation services with the Village of Glenwillow and declaring an emergency

Third reading

Mayor: After one month, if we see there is a problem, we will amend it.

MOTION TO ADOPT made by Rogers seconded by Gaither

5 YES: Warren, Gaither, Hardin, Rogers, Williams

2018-72 A resolution of appreciation to Rich's Towing

Garratt: We don't do jump starts using the Police vehicles because of the issue with the computers. We needed a tool and Denice inspired this project with Jay giving her the directive. NOCO was then able to donate 10 of these units; equipping all our cars. These are jump boosters. They run about \$300 each. It was nice of them to do, and it is all thanks to them.

Warren: This isn't a jump start service if your car doesn't start in the driveway. This is if you are stranded on the road or highway. **Garratt:** This is just for an emergency. We really appreciate the efforts. Jay thanked Council and the Chief for allowing him to operate in the Village. **Garratt:** They are professional, their operation is clean. **Mayor:** They are also classy. **Warren:** We are a community which works together. We appreciate you, from all of us and our residents.

Garratt: Mr. Noco isn't here tonight, but they will accept their resolution for them.

Warren read the resolution in its entirety into the record. A RESOLUTION OF APPRECIATION TO RICH'S TOWING.

WHEREAS, Rich's Towing has been operating in the Village of Oakwood since 2009, with their main offices located in Middleburg Heights, Ohio; and

WHEREAS, the company has partnered with the Village Police Department for many years for the purpose of assisting stranded drivers on Oakwood's roadways; and

WHEREAS, Denice Carbone of Rich's Towing saw the need for the Oakwood Police Dept. to carry jump starters to assist stranded drivers; and

WHEREAS, Manager, Jay Marek, authorized Denice to seek out such apparatus; and

WHEREAS, Denice Carbone, who has worked for Rich's Towing for seven years, contacted the Glenwillow firm, NOCO®, for donations of battery chargers; and

WHEREAS, established in 1914, NOCO® designs and creates premium consumer battery chargers, jump starters, solar panels, portable power devices and accessories for auxiliary power purposes; and

WHEREAS, NOCO® agreed to donate 10 Boost Jump Starters at the retail cost of \$300 each, totaling a \$3,000 donation of the equipment to the Village Police Department; and

WHEREAS, the Oakwood Village Police Department wishes to thank both, Jay Marek and Denice Carbone of Rich's Towing, for their continuing partnership and addressing the need of the Village Police Department Dept.; and

NOW THEREFORE LET IT BE RESOLVED THAT by the Village of Oakwood, County of Cuyahoga, and State of Ohio, that:

SECTION 1. The Village Council and Mayor wish to express their most sincere appreciation to Jay Marek and Denice Carbone of Rich's Towing for their foresight in securing the equipment for our Police Dept..

SECTION 2. The Clerk is hereby authorized to present a copy of this resolution to Rich's Towing.

SECTION 3. This Resolution shall be in full force and effect immediately upon its adoption by this Council and approved by the Mayor, otherwise from and after the earliest period allowed by law.

Presented this eighth day of January 2019

MOTION TO SUSPEND made by Hardin seconded by Rogers

5 YES: Warren, Gaither, Hardin, Rogers, Williams

MOTION TO ADOPT made by Gaither seconded by Williams

5 YES: Warren, Gaither, Hardin, Rogers, Williams

2018-73 A resolution of appreciation to NOCO Company for their donation

MOTION TO SUSPEND made by Rogers seconded by Gaither

5 YES: Warren, Gaither, Hardin, Rogers, Williams

MOTION TO ADOPT made by Williams seconded by Rogers

5 YES: Warren, Gaither, Hardin, Rogers, Williams

2019-01 A resolution of condolences to the family of Ella Louise Hill

MOTION TO SUSPEND made by Williams seconded by Gaither

5 YES: Warren, Gaither, Hardin, Rogers, Williams

MOTION TO ADOPT made by Hardin seconded by Rogers

5 YES: Warren, Gaither, Hardin, Rogers, Williams

Hardin: This young lady, of which there are only two left, was part of the new development homeowner's association. A lot of the Charter came from this homeowner's association. The only two left are Ms. Cooper and Ms. Bush

2019-02 A resolution authorizing the Mayor to enter into a memorandum of understanding with the Cuyahoga Soil and Water Conservation District and the Northeast Ohio Regional Sewer District to provide U.S. EPA Phase II Storm Water services for the 2019 calendar year, and declaring an emergency

MOTION TO SUSPEND made by Rogers seconded by Gaither

5 YES: Warren, Gaither, Hardin, Rogers, Williams

MOTION TO ADOPT made by Hardin seconded by Williams

5 YES: Warren, Gaither, Hardin, Rogers, Williams

2019-03 A resolution of condolences to the family of Ronald H. Cotten Jr

MOTION TO SUSPEND made by Williams seconded by Rogers

5 YES: Warren, Gaither, Hardin, Rogers, Williams

MOTION TO ADOPT made by Hardin seconded by Gaither

5 YES: Warren, Gaither, Hardin, Rogers, Williams

2019-04 A resolution of condolences to the family of Terence (Rance) Antonio Gibbs

MOTION TO SUSPEND made by Gaither seconded by Rogers

5 YES: Warren, Gaither, Hardin, Rogers, Williams

MOTION TO ADOPT made by Hardin seconded by Gaither

5 YES: Warren, Gaither, Hardin, Rogers, Williams

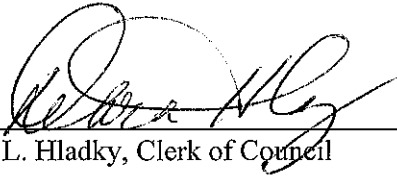
Warren thanked Jay and Denice for their donations. Pictures were taken.

MOTION TO ADJOURN made by Gaither, seconded by Hardin
7 Yes-Warren, Gaither, Hardin, Rogers, Williams

Adjourned at 8:30pm

Adopted January 23 2019


Johnnie Warren, Council President


Debra L. Hladky, Clerk of Council

VILLAGE OF OAKWOOD
WORK SESSION
MINUTES OF
January 9, 2018

PRESENT:

Johnnie Warren—Council President
Elaine Gaither – Council-at-Large
Chris Callender – Ward 1
Eloise Hardin – Ward 2
Patricia Rogers – Ward 4
Candace Williams – Ward 5

Gary Gottschalk-Mayor
Jim Climer-Law Director
Brian Thompson-Finance
Daniel Marinucci – Acting Chief Building Official
Tom Haba – Service Director
Mark Garratt-Police Chief
James Schade-Fire Chief
Davie Hobson – Housing Inspector

ABSENT:


Anthony Akins – Ward 3

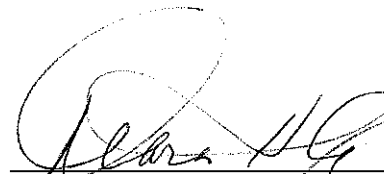
Ed Hren – Engineer
Carlean Perez – Recreation Director

** Arrived after roll call*

Opened by Warren at 8:35pm

Approved:

January 22 2019

Johnnie Warren, President


Debra Hladky, Clerk of Council



HERITAGE HOME PROGRAM

216-426-3116 (T) 216-426-1975 (F)

HHP@HERITAGEHOMEPROGRAM.ORG

WWW.HERITAGEHOMEPROGRAM.ORG

November 29, 2018

Ms. Debra Hladky
Village of Oakwood
24800 Broadway Avenue
Oakwood, Ohio 44146

Re: An opportunity to join the Heritage Home ProgramSM in 2019.

Dear Ms. Hladky,

The Cleveland Restoration Society would like to extend an opportunity for Oakwood to join the Heritage Home ProgramSM in 2019. The program is a preservation-based approach to home maintenance and repairs that is offered to residents with homes that are 50 years old or older. If you join, residents of Oakwood will be eligible for free technical assistance on home improvement projects and will have access to low-interest financing to cover project costs.

Our free technical assistance is the heart and soul of the program. This technical assistance usually starts with a site visit to the homeowner's property by our Construction Specialist. Our Construction Specialist can then answer questions regarding the work, help the homeowner prioritize projects, and also point out other repairs that the homeowner should consider. Following the site visit, we can provide the homeowner with information on contractors who do the type of work they'd like to complete. Once the homeowner has bids for the work, we can help them make a decision regarding which contractor to use.

Two recent surveys of the recipients of our Technical Assistance indicated that 35% of the respondents have already completed their projects and 24.5% were planning to complete their projects. Therefore, 59.5% of the respondents have moved forward with a project, or will be moving forward, even though they did not utilize the Heritage Home Loan. The respondents also indicated that services such as contractor information, estimate review, and impartial feedback from Heritage staff helped move their projects forward. We will continue to send surveys to homeowners who have received our technical assistance, and are excited to share the positive results received thus far!

The low-interest financing option that we provide comes in the form of a fixed-rate equity loan (as low as 2.0%). A unique aspect of the HHP loan is that the equity amount is



established by an after-rehab appraisal, meaning that the homeowners' proposed projects will be used to forecast the value of the property once all work is complete. For value-added projects, this appraisal can be very helpful in its potential to create additional equity and borrowing power.

The program has been expanding across Cuyahoga County and is now operating in 43 individual communities. We would love to add the Village of Oakwood to our growing service area! We estimate there are 594 houses in Oakwood that are eligible for our services. The cost to Oakwood for offering these homeowners the program for all of 2019 is \$1,060.00. This fee assumes that we will send a Mayor's letter to eligible homeowners in lieu of our normal spring postcard mailing. The Mayor's letter will tell the residents of the new service that is being provided to them. Such a letter typically gets **double** the response of our postcard mailing. We will process this mailing and are more than happy to provide you with a draft letter to edit. This fee also assumes that we will make our usual postcard mailing in the fall. In subsequent years, we will do our normal spring and fall postcards and your fee will be adjusted to \$1,010.00.

I invite you to visit our website (www.heritagehomeprogram.org) for more information on the services that we provide. **Additionally, please consider attending our Mayors' Breakfast on January 18th, 2019 from 8:30am – 10:30am.** The event will be held at the Cleveland Restoration Society, 3751 Prospect Avenue, and the invitation is extended to yourself as well as any councilperson who would like to attend. This is a great opportunity for you to meet our staff and learn first-hand about our successes in other communities. Please RSVP to Emma Kopp at ekopp@clevelandrestoration.org.

Please call or email me with any questions or comments.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tom", with a long, sweeping underline that extends to the left.

Thomas A. Jorgensen
Chief Operating Officer
(216) 426-3108

tjorgensen@clevelandrestoration.org

cc: The Honorable Gary V. Gottschalk

The Heritage Home Program (HHP) has two components available to homeowners in participating cities who own houses that are 50 years old and older.

1) Technical Assistance:

The HHP offers homeowners free advice on home improvement, repair, and maintenance projects that are unique to older homes. Now homeowners wishing to do work on their older home can have the help and answers they need in order to get the project done properly.

Take advantage of these services for free:

- Site visits from a construction specialist to review your home improvement projects and to answer home repair and maintenance questions
- Recommendations on maintenance, repair, rehab, additions, and modernizations
- Information on local contractors
- Review of contractor bids and estimates
- Advice on energy efficiency methods
- Guidance on materials, supplies, and resources
- Color consults for exterior painting

2) Heritage Home Program Loan:

Qualified homeowners have the option of obtaining a low-interest, fixed-rate Heritage Home Program equity-based loan for maintaining and improving their older houses.

Loan eligibility:

- **Is your house in a participating community?** For a complete list visit www.heritagehomeprogram.org
- **Is your house at least 50 years old?** The home must be 50 years old or older.
- **Is the repair scope within the parameters of our program?** Most interior and exterior projects may be funded with this loan. Ineligible projects are: vinyl siding, vinyl or composite windows, removable appliances, incompatible building additions or materials, landscaping, and other "luxury" items. Call to discuss your projects if you are unsure.
- **Does the home contain three occupancy units or less?** Owner-occupied properties containing three units or less qualify for the loan. Non-owner occupied properties can apply through KeyBank, but do not qualify through Third Federal Savings & Loan.
- **Is the property zoned residential?** The property must be zoned residential.
- **Is there equity in the home?** The loan amount is based on the available equity in your home, as established through an appraisal of the property.
- **Is there more than one existing lien on the property?** The Heritage Home Program loan can be a first or second lien on the property, but it cannot be a third.
- **Are property taxes current?** Property taxes must be up-to-date. Payment plans may be considered.
- **Is homeowners insurance in place for the property?** The property must be insured.
- **Has the project already started?** Loan funds cannot be used for any work that has already started or that has already been paid for.

T: (216) 426-3116
F: (216) 426-1975

Heritage Home Program
3751 Prospect Avenue
Cleveland, Ohio 44115

www.heritagehomeprogram.org
hhp@heritagehomeprogram.org

Loan Application Process

1) Determine if your property and project are eligible for a loan.

Once you have determined that the property and project are eligible for the loan (page 1), contact the Heritage Home Program staff to review your project scope, discuss the terms and conditions, and obtain an application. Note, homeowner must also meet the bank's lending requirements (see step 4).

No work funded with loan proceeds can begin until loan funds have been dispersed.

2) Choose your contractor(s) and estimate(s) for the project.

If you need assistance finding contractors or selecting estimates, Heritage staff may be able to assist you by completing a site visit to the property to assess your projects.

3) Submit the Heritage Home Program Loan application.

Contact is on page 1. HHP staff will contact you to discuss the next steps, schedule a site visit to the property (if not already completed), and provide you with a bank contact. Please remember to include estimates from chosen contractors. **All contractor estimates must be selected and approved by Heritage staff before starting the bank application (step 4).**

4) Start financial pre-approval process (see bank table for lending information on page 4).

Choose a lending institution. Homeowner must meet the bank's lending requirements to obtain a loan. You may visit or call the bank branch to speak with a relationship manager about these requirements. Provide a copy of the Heritage Home Loan Application and additional personal information requested by the bank. A standard credit evaluation will be performed as well as an initial review of available equity.

5) The lending institution will determine whether the applicant is conditionally approved.

The bank may request additional personal documents and will require an appraisal. See page 3 for more information on appraisals.

6) Final loan approval

Bank will notify homeowner and Heritage staff of final approval. Heritage staff will send final paperwork to the bank to confirm project eligibility and loan amount. The lending institution will then prepare the loan documents and set a loan closing appointment with the homeowner.

7) Sign loan documents at the bank.

The bank will schedule a loan closing appointment with the homeowner. After the three-day right-of-rescission period, the bank will disburse the funds to a CRS escrow account.

No work funded with loan proceeds can begin until loan funds have been dispersed.

8) Heritage Escrow Contracts are signed by all parties. Specifications for exterior work will be provided to homeowner and contractor (specifications are not written for interior projects).

An escrow contract and payment schedule will be established between the homeowner, contractor and CRS.

9) Work begins!

You will have eighteen months from the signing date to complete all projects funded by the Heritage Home Program Loan. Heritage staff will conduct progress checks at the property throughout construction.

10) After project completion, a Heritage Home Program staff member will complete a final project close-out site visit.

Homeowner Representative Services

The Heritage Home Program now offers Homeowner Representative Services, made available to homeowners in participating communities who wish to self-finance their eligible home repair and maintenance projects, and seek third-party contractual protections and technical assistance to ensure the project goes smoothly from start-to-finish. Please contact Heritage staff for full service details.

Heritage Home Program Loan Appraisals

An appraisal is useful when equity needs to be established to fund the loan. The lending institution will determine when an appraisal is required. The following formula is used to determine available equity:

1. Current market value of home x ___% LTV (loan-to-value) = Max available Equity
2. Max available equity – Existing Mortgage balance(s) = Available Equity for Heritage Loan

Example: \$100,000 home market value x 85% LTV = \$85,000 Max Available Equity
\$85,000 - \$50,000 First mortgage balance = \$35,000 Available equity

Two types of appraisals can be completed through the Heritage Home Program to help establish equity.

1. **As-Is Appraisal**- valuation to determine the market value of the house in the current condition to establish available equity. The as-is appraisal is generally useful when the project(s) are maintenance-based: roof repair/replacement or exterior painting.
2. **After-Rehab** - valuation to determine the market value of the home after the improvements are complete. The after-rehab appraisal is useful in situations where the property has insufficient equity or when the home is in poor condition and will be valued at significantly more when all improvements are complete.

KeyBank Approach to Appraisals

Once an application has been made with KeyBank, the bank will complete a credit evaluation. Pending approved credit evaluation, they will then order an after-rehab appraisal for all loans.

Third Federal Savings & Loan Approach to Appraisals

Once an application has been made with Third Federal, the bank will complete a credit evaluation. Pending approved credit evaluation, Third Federal will determine what type of appraisal is required to continue the process.

Escrow Procedure

Both banks require all loan proceeds to be escrowed through the Cleveland Restoration Society to ensure the projects are complete and the after-rehab value is achieved for the home. Escrow/construction documents are drawn up for the homeowner, contractor and Cleveland Restoration Society to sign. All payments to contractors are made on a progress-based method. No down payments can be made to the contractor prior to work starting. Once a portion of the work is complete, the contractor can invoice for payment. At each payment, Heritage staff will get the homeowners' approval before disbursing funds. A 10% retainer is held at each partial draw and released to the contractor upon project completion. Be sure to disclose these terms to your contractor prior to signing for the loan.

HERITAGE **HOME** PROGRAM

OWNER OCCUPIED RESIDENCE		
	KeyBank	THIRD FEDERAL
Loan Amount	\$3K - \$150K	\$5,200 - \$150K
Fixed Interest Rate*	2%	2.99% / 3.481% APR*
Term	5-10 years	15 years
Loan To Value	85-90%	Up to 85%
Origination Fee (assessed by bank)	\$125	\$395
HHP Admin Fee	Loan Amount \$3K - \$10K \$10,001 - \$25K \$25,001 +	Fee 0% 1% of loan total 2% of loan total
Appraisal Fee	Avg. \$365 - \$385	None
Loan Funds Escrow Fee	\$350 (Required for all loans)	\$350 (Required for all loans)
Income Limits	None	Income Limits Apply** Call HHP for details.
NON-OWNER OCCUPIED RESIDENCE		
Loan Amount	\$3K - \$150K	N/A
Fixed Interest Rate	2%	N/A
Term	5-10 years	N/A
Loan To Value	70-90%	N/A
Origination Fee (assessed by bank)	\$125	N/A
HHP Admin Fee	Loan Amount \$3K - \$10K \$10,001 - \$25K \$25,001 +	Fee 0% 1% of loan total 2% of loan total
Appraisal Fee	Avg. \$400 - \$500	N/A
Loan Funds Escrow Fee	\$350 (Required for all loans)	N/A
Process/Vendor Fee (Recording, Title, Flood)	Avg. \$200	N/A
Pre-Payment Penalty	None	N/A

Interest rates are reviewed regularly by bank and may change. Interest rates and terms noted above are current as of 11/8/2018. Once the loan is closed, the current rate is fixed for the life of the loan.

* Interest rates effective as of 11/8/18, are subject to change and available for loan amounts between \$5,200 - \$150,000. Annual Percentage Rate based on \$75,000 loan amount with 80% LTV based on appraisal.

** Income Limits as of 3/27/18 in Cuyahoga County are as follows: Maximum annual household income of \$54,324.00. OR, Homeowners must be located in an LMI Census Tract.

Please call HHP for more details.