

RESOLUTION NO. 32 -2020 (PD)

By Council Member Ungar

A Resolution authorizing the City Manager to amend various economic development loan and grant agreements in response to the COVID-19 Coronavirus; and declaring an emergency.

WHEREAS, the City offers, and this Council has authorized, various economic development lending programs to encourage growth, economic viability, and jobs within the City; and

WHEREAS, the City's lending programs include the Commercial Revolving Loan Fund Program, the Economic Development Loan Fund Program, the Microenterprise Loan Program, and the Storefront Renovation Program; and

WHEREAS, this Council has, over time and to the extent necessary, authorized the City Manager to enter into various loan agreements with borrowers under these programs; and

WHEREAS, the loan agreements require the borrowers to adhere to a strict repayment schedule and term, and further imposes late fees and strict default provisions should the borrowers fail to meet their financial obligations under the agreements; and

WHEREAS, on March 9, 2020, Governor Mike DeWine declared a state of emergency in the State of Ohio due to confirmed cases of COVID-19 in the State of Ohio; and

WHEREAS, on March 15, 2020, in further response to the outbreak of COVID-19 within the State and to prevent and help control the spread of the virus, Governor Mike DeWine, through an Order issued by the Director of the Ohio Department of Health, mandated the indefinite closure of all Ohio bars and restaurants to in-house patrons, and subsequently extended that closure mandate to all barbershops, hair salons, nail salons, and tattoo parlors within the State of Ohio; and

WHEREAS, on March 16, 2020, by way of Resolution No. 22-2020, this Council declared the existence of a local emergency due to the outbreak of COVID-19 within the State of Ohio and County of Cuyahoga; and

WHEREAS, on March 22, 2020, in further response to the outbreak of COVID-19 within the State and to prevent and help control the spread of the virus, Governor Mike DeWine, through an Order issued by the Director of the Ohio Department of Health, mandated that Ohio residents stay at home or their place of residence except for certain "essential" activities and jobs; and

WHEREAS, this Council recognizes the financial burden that COVID-19 and the Governor's mandate place on businesses located within the City and wishes to alleviate some of that burden by amending the loan agreements into which the City has entered with various

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businesses in order to allow deferment, extensions, and/or suspensions of payments, and modified terms of repayment and/or payment schedules under the loan agreements.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. The City Manager, in consultation with Director of Economic Development, is hereby authorized to extend the terms of any loan agreements to suspend the repayment of principal and interest due for a period of three months effective for payments due between April 1, 2020 and June 30, 2020, which may be extended by up to an additional three months without further Council approval, and to provide that interest shall not accrue during that period.

SECTION 2. The City Manager, in consultation with Director of Economic Development, is hereby further authorized to extend any job retention, creation, or other compliance requirements for loan and grant agreements that are due to end between March 1, 2020 and June 30, 2020, for a period of three months, which may be extended by up to an additional three months without further Council approval.

SECTION 3. This Resolution specifically excludes those loans or grants provided to the City by outside agencies, including, but not limited to, the United States Department of Housing and Urban Development, the State of Ohio, and JobsOhio, unless the modification is in compliance with the agreement with the grantor or lender.

SECTION 4. All amendments to the loan agreements authorized herein shall be approved as to form by and subject to the final approval of the Director of Law.

SECTION 5. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 6. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to provide immediate financial relief in the form of providing leniency of loan payments and repayment options to borrowers to allow them to continue operations and business in light of the COVID-19 pandemic, including after such pandemic subsides. Wherefore, provided it receives the affirmative vote of five (5) or more members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

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JASON S. STEIN, Mayor  
President of the Council

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SUSANNA NIERMANN O'NEIL  
Acting Clerk of Council

PASSED: April 6, 2020