

ORDINANCE RECORD**VILLAGE OF NEWBURGH HEIGHTS, OHIO****ORDINANCE NO. 2018-62****INTRODUCED BY: Mayor Elkins****AN ORDINANCE ADOPTING ADMINISTRATIVE GUIDELINES FOR A STUDENT LOAN ASSISTANCE PROGRAM, AND REFERRING THE GUIDELINES TO THE NEWBURGH HEIGHTS COMMUNITY IMPROVEMENT CORPORATION FOR ADOPTION AND IMPLEMENTATION.**

WHEREAS, the Village of Newburgh Heights needs to grow its population to support its housing stock and to compete in the modern age;

WHEREAS, the Village does not competitively attract young professionals and recent college graduates to live within its boundaries;

WHEREAS, knowledge professionals, and their discretionary income, can determine the success of commercial enterprise and commercial development within a municipality;

WHEREAS, municipalities that bring together talent accelerate the local rate of economic development and success;

WHEREAS, without a strategy to attract the target market of knowledge professionals and recent college graduates, the Village of Newburgh Heights will have great difficulty in transitioning from a post-industrial economy to a knowledge-based economy;

WHEREAS, the average student loan debt for Class of 2016 graduates was \$37,172.00, up six percent from the previous year;

WHEREAS, Americans owe over \$1.48 trillion in student loan debt, spread out among approximately 44 million borrowers, and said amount is approximately \$620 billion more than the total U.S. credit card debt;

WHEREAS, the average monthly student loan payment for borrowers between the ages of 20 and 30 is \$351.00 per month, and the median monthly student loan payment for borrowers between the ages of 20 and 30 is \$203.00 per month;

WHEREAS, in 2012, seventy-one percent (71%) of students graduating from four-year colleges had student loan debt;

WHEREAS, these student loan statistics show that the cost of attending college is becoming a growing burden for a huge portion of Americans;

WHEREAS, the Village seeks to promote home ownership to develop stability in the Village and to revitalize the Village's neighborhoods;

WHEREAS, the Village wishes to adopt policy that will stabilize home values, foster development and improve its own local economy;

WHEREAS, the Village wishes to infuse young professionals into its population, lessen college graduates' student loan burden, and improve its local economy by providing a student loan assistance program as an incentive to young college graduates and professionals to live in and own a home in the Village;

WHEREAS, there are numerous infill lots located throughout the Village due to the demolition of blighted and /or nuisance properties, and the infusion of young professionals and college graduates will create a market for the construction of new housing on these infill lots, which, otherwise, would likely remain vacant and unproductive;

WHEREAS, the student loan assistance program is designed to promote long-term residency and home ownership within the Village;

WHEREAS, the student loan assistance program has multiple public purposes including, but not necessarily limited to stabilization of home values, promotion of home ownership, promotion of stable neighborhoods, improvement of the local economy, population stabilization, and promotion of the knowledge based economy; and

WHEREAS, the Newburgh Heights Community Improvement Corporation was created under Revised Code Chapter 1724 to advance, encourage, and promote the industrial, economic, commercial and civic development of the Village and is positioned to effectively administer the Student Loan Assistance Program;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF NEWBURGH HEIGHTS, CUYAHOGA COUNTY, OHIO, at least two-thirds of all the members elected thereto concurring, that:

Section 1. The Village Council hereby enacts Guidelines for a Student Loan Assistance Grant Program, which shall read in their entirety as follows:

STUDENT LOAN ASSISTANCE GRANT PROGRAM GUIDELINES

- Section 1 Findings.
- Section 2 Student Loan Assistance Grant Funding.
- Section 3 Student Loan Assistance Grant Program.
- Section 4 Eligible Person.
- Section 5 Eligibility Criteria.
- Section 6 Authorization for Grants.
- Section 7 Student Loan Assistance Grant Program Procedures
- Section 8 Limitation on Grants.
- Section 9 Records.
- Section 10 Grant Program Renewal.
- Section 11 Conflict of Interest.
- Section 12 Definitions.

SECTION 1 FINDINGS

The Council of the Village of Newburgh Heights finds that the enactment of the Student Loan Assistance Grant Program will attract young professionals and recent college graduates to live within its boundaries, and will result in the maintenance of property values and the creation of a market for new housing and safe and healthy housing facilities in the Village. Council finds that the Student Loan Assistance Grant Program will help to stabilize or grow the Village's population. Council also finds that the Student Loan Assistance Grant Program will help to stabilize property values in the Village. Village Council further finds that attracting young professionals and college graduates to invest in home ownership in the Village will promote the local economy and may help in job creation. To this extent, the Student Loan Assistance Grant Program as set forth in this chapter will fulfill a public purpose and will assist in the maintenance of the health, safety and welfare of citizens of Newburgh Heights.

SECTION 2 STUDENT LOAN ASSISTANCE GRANT FUNDING

The Newburgh Heights Community Improvement Corporation (the "CIC") shall create a line item fund for administration of the Student Loan Assistance Grant Program. The Fund shall be maintained at a level as determined, from time to time, by the CIC Board and through appropriation by Village Council of such sums, from its General Fund, as may be determined by Council, which will be earmarked for administration of the Student Loan Assistance Grant Program. Such funds shall be used exclusively for the Student Loan Assistance Grant Program created by these Guidelines.

The Village will budget for and make annual deposits in the Student Loan Assistance Grant Fund in amounts equal to the CIC's grant awards, on an amortized basis.

**SECTION 3 STUDENT LOAN ASSISTANCE
GRANT PROGRAM**

- (a) The CIC will provide student loan assistance to an Eligible Person (as such term is defined in Section 4 of these Guidelines) who meets the requisite eligibility criteria as set forth in Section 5 of these Guidelines, up to available amounts earmarked for said purpose. The CIC Treasurer/Village Fiscal Officer is authorized and directed to pay a given Eligible Person, from time to time, Student Loan Assistance Grants upon satisfaction of all eligibility criteria. The Student Loan Assistance Grant Program shall have a term of five calendar years, beginning in 2019. Thereafter, the Student Loan Assistance Program will renew for consecutive terms of five years, with the approval of both Village Council and the CIC Board. Each five year period shall be deemed a grant cycle.
- (b) A Student Loan Assistance Grant shall be in an amount determined by the CIC Treasurer/Fiscal Officer, but in any case shall not exceed the lesser of fifty percent (50%) of the applicant's outstanding student loan debt or \$50,000.00, calculated at the time of the grant award by the Newburgh Heights Community Improvement Corporation.
- (c) A Student Loan Assistance Grant will not vest upon its award. A Student Loan Assistance Grant will be paid in installments upon the achievement of vesting milestones. Vesting shall not occur on a pro-rated basis. In order for vesting to occur on any particular vesting date, the Eligible Person shall be in full compliance with the requisite eligibility criteria for the program for all periods of time up to and as of the vesting date. Grant awards shall be paid at vesting milestones as follows:
- (i) On the date that is the ten-year anniversary of the date on which the Fiscal Officer/Treasurer approved and authorized a Student Loan Assistance Grant, such grant shall be considered eighty percent (80%) vested, and the Fiscal Officer shall pay the grant applicant an amount equal to the sum of eighty percent (80%) of the awarded Student Loan Assistance Grant. Said payment will be made by the CIC to the grant applicant within forty-five (45) days of the date of vesting.

- (ii) On the date that is the fifteen-year anniversary of the date on which the Fiscal Officer approved and authorized a Student Loan Assistance Grant, such grant shall be considered one hundred percent (100%) vested, and the Fiscal Officer shall pay the grant applicant the remaining balance of the grant after deducting the previously paid eighty percent (80%) of the grant paid to the Eligible Person during the applicable vesting periods. Said payment will be made by the CIC to the grant applicant within forty-five (45) days of the fifteen year vesting date.

SECTION 4 ELIGIBLE PERSON

Any applicant for a grant under the Student Loan Assistance Grant Program must meet all of the following requirements to be an "Eligible Person."

- (a) The applicant must be a human being who owns a single-family home located within the Village of Newburgh Heights. For purposes of this subsection, the applicant must own a home in fee simple, or jointly and severally or as a tenant in common. Any corporation, limited liability company, partnership, limited partnership, Real Estate Investment Trust, organization, trust or other legal entity is ineligible for grant funding under the Student Loan Assistance Program.
- (b) The applicant must have purchased his/her single-family home after the enactment of this ordinance in an arms-length transaction for a purchase price of fifty thousand and 00/100 Dollars (\$50,000.00) or greater.
- (c) The applicant must be and remain domiciled in the Village of Newburgh Heights and must be able to demonstrate proof of domicile.
- (d) The applicant must have graduated from an accredited four year college or university with a bachelor's degree or greater (including, but not necessarily limited to, any masters or doctoral degree) or with a degree (B.S.N.) in nursing.
- (e) The applicant must have proof of existing and outstanding student loan debt as of the date of application, which debt was incurred solely for the

purposes of paying educational expenses of the Eligible Person and/or toward the Eligible Person's degree, including tuition, room and board and/or expenses in connection with obtaining the degree required for participation in the grant program, and which degree was earned within five (5) years of the date of submission of the grant application hereunder.

- (f) The eligible person must have graduated from an accredited four year college or university with a bachelor's degree or greater (including, but not necessarily limited to, any masters or doctoral degree) or with a degree (B.S.N.) in nursing within no more than five (5) years of applying for a grant under the Student Loan Assistance Grant Program.

SECTION 5 ELIGIBILITY CRITERIA

To qualify to receive grant funds upon any given vesting date, an Eligible Person must meet all eligibility criteria as hereafter set forth.

- (a) The Eligible Person shall demonstrate that he/ or she continuously owned, resided in, and was domiciled in a single-family home in the Village of Newburgh Heights from the date of the approval of the grant application through the applicable vesting date, and that the single-family home was purchased by the Eligible Person after the enactment of this ordinance in an arms-length transaction for an amount equal to or greater than fifty thousand and 00/100 dollars (\$50,000.00). The Eligible Person must reside and be domiciled in the single family home, the purchase of which fulfilled their eligibility requirement hereunder.
- (b) The Eligible Person shall enter into a Student Loan Assistance Program liability waiver agreement with the CIC.
- (c) The Eligible Person must be current in the payment of any property taxes or other taxes due and owing with respect to the property, including but not limited to: taxes levied against real property pursuant to Ohio Revised Code Title LVII – Taxation, taxes levied against real property pursuant to any other section of the Ohio Revised Code now in existence or as may be provided for in the future, any tax or assessment by any governmental authority now in existence or as may be

provided for in the future, and any and all assessments that may be levied against the property, such as nuisance abatement fees owed to the Village.

- (d) The Eligible Person must not be in default to any creditor in connection with any student loan.
- (e) The Eligible Person shall be, continue to be and remain an Eligible Person, as such term is defined in Section 4 of these Guidelines, from the date of approval of the grant application through the applicable vesting date.

SECTION 6 AUTHORIZATION FOR GRANTS

The Treasurer/Fiscal Officer, or his/her designee, is authorized to determine whether a particular applicant is an Eligible Person who meets all of the criteria set forth in Section 4 of these Guidelines. A grant hereunder may only be awarded to an Eligible Person. The Treasurer/Fiscal Officer shall also be authorized to determine if, upon any given vesting date, the applicant to whom a grant was awarded satisfies the eligibility criteria set forth in Section 5 of these Guidelines for payment of grant funds.

SECTION 7 STUDENT LOAN ASSISTANCE GRANT PROGRAM PROCEDURES

The administration of the Student Loan Assistance Program shall be through and by the CIC. In order to qualify for a grant, an Eligible Person shall submit an application to the Treasurer/Fiscal Officer, including verifying documentation including, but not necessarily limited to, proof of a bachelors or nursing degree or greater (including, but not necessarily limited to, any masters or doctoral degree) from a four-year accredited college or university, proof of home ownership in the Village, proof of the arm's length purchase price for said home, proof of domicile within the Village, proof of the existence of current and outstanding student loan debt, and such other documentation or proof as may be required by the Treasurer/Fiscal Officer. The Treasurer/Fiscal Officer shall be authorized to develop additional guidelines or regulations governing the Student Loan Assistance Grant Program application process and administration thereof. The Treasurer/Fiscal Officer shall require proof of continuing eligibility and satisfaction of the eligibility criteria upon or after any vesting date. Payment of grant funds shall be by check issued by the CIC to the Eligible Person following determination by the Treasurer/Fiscal Officer of the Eligible Person's satisfaction of all eligibility criteria as of any given vesting date. Any grant awards disbursed to any given Eligible Person shall not exceed in the aggregate the amount paid by the Eligible Person to satisfy student loan debt during the vesting periods.

SECTION 8 LIMITATION ON GRANTS

Any given Eligible Person shall be entitled to one (1) grant award under the Student Loan Assistance Grant Program. There shall be a limit of one (1) grant

and/or One Eligible Person per household. Any grant award shall be in an amount equal to the lesser of fifty percent (50%) of the applicant's outstanding student loan debt as of the date of application or fifty thousand and 00/100 dollars (\$50,000.00), provided that an Eligible Person shall only be entitled to receive payment of grant funds for actual amounts paid by the Eligible Person during the vesting periods to satisfy student loan debt.

SECTION 9 RECORDS

The CIC shall maintain records concerning the administration of this program.

SECTION 10 GRANT PROGRAM RENEWAL

The Student Loan Assistance Grant Program shall be reviewed by Village Council and the CIC Board prior to the expiration of each grant cycle to determine whether the Student Loan Assistance Grant Program will be renewed for another grant cycle. Council may terminate funding of the Student Loan Assistance Grant Program at any time through legislative action, subject to any contractual agreements between the Village and the CIC.

SECTION 11 CONFLICT OF INTEREST

No elected official of the Village or CIC Board Member, or member of an elected official's or CIC board member's household, may benefit from the Student Loan Assistance Grant Program during the occupancy of any such position or office.

SECTION 12 DEFINITIONS

For purposes of this chapter, the following terms shall have the following definitions.

- (a) "Accredited college or university" means a college or university that has obtained regional accreditation from a regional accreditation agency that is approved by the United States Department of Education to provide regional accreditation.
- (b) "Domiciled" shall mean establishing domicile by satisfying both of the following criteria: (i) residing for some period of time in the Village of Newburgh Heights, but, in any full calendar year for not less than six (6) months and (ii) having the intent to reside in Newburgh Heights permanently or indefinitely. Verification of domicile to be determined by proof of annual local income tax return filings (R.I.T.A.) and evidence of a Newburgh Heights voting record if applicable, and/or any other means established by law.
- (c) "Student loan" means a loan taken to pay for educational expenses of an accredited four-year college or university, including tuition, room and board, and other necessary expenses such as books and supplies.

(d) "Vesting date" means an anniversary of either ten (10) years or fifteen (15) years, as applicable, from the date of a Student Loan Assistance Grant Program award approval, through which date the Eligible Person has continuously satisfied the eligibility criteria and thereby becomes entitled to the distribution of grant funds.

Section 2. That Council makes the finding that the Student Loan Assistance Grant Program is for a public purpose.

Section 3. Council authorizes the CIC to administer the Student Loan Assistance Grant Program in accordance with the Guidelines adopted hereby, and authorizes funding of the CIC for an initial five-year grant cycle.

Section 4. Council authorizes the Mayor and Fiscal Officer to enter into a contract with the CIC for funding of Student Loan Assistance grants awarded to any given Eligible Person, governing certain terms and conditions of the Student Loan Assistance Grant Program.

Section 5. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council that resulted in such formal action occurred in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

PASSED: December 4, 2018

Approved as to Form

Luke F. M. Lela
Solicitor

Trevor Elkins
Trevor Elkins, Mayor
Village of Newburgh Heights, Ohio

Cathleen Nagorski
Cathleen Nagorski, Fiscal Officer
Village of Newburgh Heights, Ohio

1ST Reading: 11/6/18
2ND Reading: 11/20/18
3RD Reading: 12/4/18