



Legislation Details (With Text)

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Title: This ordinance authorizes the Director of the Department of Development to modify a loan agreement, promissory note, and mortgage with Riverlodge III, LLC for the Riverlodge III project and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/20/2022	1	CITY CLERK	Attest	
4/19/2022	1	ACTING MAYOR	Signed	
4/18/2022	1	COUNCIL PRESIDENT	Signed	
4/18/2022	1	Columbus City Council	Approved	Pass

BACKGROUND: This ordinance authorizes the Director of the Department of Development to modify a loan agreement, promissory note, and mortgage with Riverlodge III, LLC for the Riverlodge III project.

Riverlodge III is an affordable apartment development located on Broad Meadows Boulevard in North Columbus, adjacent to two other phases of the development. Riverlodge III was originally constructed in the 1970's and was upgraded in 2017. This phase of the project consists of 147 units - 75 one bedroom units, 60 two bedroom units, and 12 three bedroom units.

When the development was upgraded in 2017, the City provided a \$250,000.00 HOME loan to the project. Included in the terms of the loan documents was the requirement of the developer to seek consent from the City for the sale or transfer of the premises along with payment to the City from the proceeds of the sale/transfer. Franklin County has purchased a sewer easement through the property for \$50,000.00. The developer is seeking consent to pay the City \$2,350.00 of the \$50,000.00 towards the loan. This reduction in payment will be memorialized in a modification to the original loan agreement, promissory note, and mortgage. Allowing the easement will assist nearby property owners and is in the best interest of the community. Agreeing to the reduced payment amount allows the project to move forward without prolonged negotiations on the amount that may be due to the City.

Original	\$250,000.00	Ord. 1016-2016 (PO046675) + Ord. 1946-2016 (PO046682) + Ord. 0688-2015 (PO046688)
Mod 1	<u>\$ 0.00</u>	
Total	\$250,000.00	

Emergency action is requested in order for Franklin County to maintain their project schedule.

Fiscal Impact: No funding is needed for this modification.

This ordinance authorizes the Director of the Department of Development to modify a loan agreement, promissory note, and

mortgage with Riverlodge III, LLC for the Riverlodge III project and to declare an emergency.

WHEREAS, the City provided a HOME loan to Riverlodge III, LLC for the Riverlodge III project; and

WHEREAS, the loan documents provide provisions for repayment if the property is sold or transferred; and

WHEREAS, Franklin County has purchased a sewer easement through the property and the developer has requested a change in the loan documents in reference to this easement; and

WHEREAS, the City concurs with this change and seeks to modify the original loan agreement, promissory note, and mortgage; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to modify the loan agreement, promissory note, and mortgage in order for Franklin County to maintain their project schedule, thereby preserving the public health, peace, property, safety, and welfare; and **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Development is hereby authorized to modify a loan agreement, promissory note, and mortgage with Riverlodge III, LLC for the Riverlodge III project to allow for the property to grant an easement for a sewer line and accept a payment of \$2,350.00 on the loan.

SECTION 2. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.