



## Legislation Text

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**File #:** 3363-2021, **Version:** 1

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**BACKGROUND:** This ordinance authorizes the Director of Development to modify a promissory note and mortgage held by Blacklick Apartments, LLC.

Waggoner Woods Limited Partnership received a \$1,000,000.00 HOME loan from the City of Columbus in March 2003 to construct a 176 unit complex on the Far East side of Columbus. HOME loans made by the City generally require repayment based on cash flow as defined in the operating agreement. If there is positive cash flow, then a portion is returned to the City.

On July 18, 2019, the assets of Waggoner Woods Limited Partnership were acquired by Blacklick Apartments, LLC, which is an affiliate of Preservation of Affordable Housing, Inc. (POAH), a national non-profit organization, and the loan was assumed by Blacklick Apartments, LLC. In 2020, Blacklick Apartments, LLC had a higher than expected cash flow and has requested that the amount that would normally be repaid to the city be reinvested into the complex to address routine maintenance and repair needs. The estimated amount to be reinvested is \$67,025.00. To memorialize this, a modification to the promissory note and mortgage are needed.

Emergency action is requested in order to maintain the project schedule for routine maintenance and repair.

**Contract Compliance:** The vendor number is pending.

**Fiscal Impact:** There will be a loss of up to \$67,025.00 in HOME receivables.

To authorize the Director of Development to modify a promissory note and mortgage with Blacklick Apartments, LLC for the purpose of reinvesting the funds to address routine maintenance and repair needs; and to declare an emergency.

**WHEREAS,** in March 2003, Waggoner Woods Limited Partnership received a \$1,000,000 HOME loans from the City of Columbus to construct a complex 176 units of affordable housing on the Far East side; and

**WHEREAS,** among the loan terms was a requirement to make payments on the loan to the City of Columbus based on cash flow from the operation of the development; and

**WHEREAS,** in July 2019, Blacklick Apartments, LLC assumed the assets of Waggoner Woods Limited Partnership; and

**WHEREAS,** Blacklick Apartments, LLC has requested that funds that would normally be repaid to the city be reinvested to address routine maintenance and repair needs; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Development, Housing Division, in that it is immediately necessary to authorize the Director of Development to modify a promissory note and mortgage with Blacklick Apartments, LLC in order to maintain the project schedule for routine maintenance and repair, 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 be and is hereby authorized to modify a promissory note and mortgage held by Blacklick Apartments, LLC. in order to reinvest the funds to address routine maintenance and repair needs.

**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.