



Legislation Text

File #: 1276-2022, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$700,000.00 of the 2021 HOME Investment Partnerships Program (HOME) entitlement grant and program income from the U.S. Department of Housing and Urban Development and to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Cherry Blossom Senior Housing Limited Partnership to renovate the existing Cherry Blossom complex.

Cherry Blossom is an existing apartment community designed to house low-income seniors aged 62+ within Central Ohio. The site for this senior housing community is 5225 Cherry Creek Pkwy North in Columbus, located near the intersection of Sullivant Ave. and Norton Rd. The site is located in close proximity to neighborhood services, shopping, public transportation, and healthcare services. The project consists of fifty-four (54) one-bedroom units and one (1) two-bedroom manager's unit located in the Westland neighborhood of Columbus. Each unit has a separate kitchen, bathroom, living area, and bedroom. A percentage of the residential units will be designed to be 100% accessible and will be consistent with Section 504, Uniform Federal Accessibility Standards, Fair Housing and ADAAG.

This deeply affordable community will include an on-site Service Coordinator who is currently and will continue to be funded out of project rents. Cherry Blossom will also include dedicated staff office space and commons areas for social and wellness activities.

Cherry Blossom will participate in the Rental Assistance Demonstration (RAD) program to convert its Project Rental Assistance Contract (PRAC) subsidy into a long term Section 8 contract which will cover all 54 affordable units. In response to a need for a long term preservation strategy, the "RAD for PRAC" initiative was approved in HUD's FY2018 budget. This program allows owners to convert rental assistance contracts to the Section 8 platform and leverage additional financing to fund capital repairs. The total cost of repairs to Cherry Blossom is estimated to be approximately \$11 million.

National Church Residences will serve as the developer, owner, management agent, and service coordinator of Cherry Blossom. National Church Residences is committed to infusing over \$5 million of its own funds into the property in addition to over \$340,000 in competitively-awarded Capital Magnet Funds (CMF).

This legislation represents appropriation for a part of the HOME portion of the 2022 Action Plan, per Ordinance 2800-2021.

Emergency action is requested to allow for the developer to maintain the project schedule.

Contract Compliance: the vendor number is 041100 and expires 3/3/2021

Fiscal Impact: \$376,751.82 is available from the 2021 HOME entitlement grant (G452000) and \$323,248.18 is available in 2021 HOME program income (G452000).

To authorize the appropriation and expenditure of up to \$700,000.00 of 2021 HOME Investment Partnerships Program (HOME) grant and program income from the U.S. Department of Housing and Urban Development; authorizes the Director of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Cherry Blossom Senior Housing Limited Partnership, in an amount up to \$700,000.00, to renovate the existing Cherry Blossom complex; and to declare an emergency. (\$700,000.00).

WHEREAS, the City of Columbus is a participating jurisdiction of the U.S. Department of Housing and Urban Development; and

WHEREAS, the City of Columbus is the recipient of HOME Investment Partnerships funds from the U.S. Department of Housing and Urban Development; and

WHEREAS, the Columbus City Council has approved the 2022 Action Plan, per Ordinance 2800-2021, as required by HUD; and

WHEREAS, the Department of Development desires to support Cherry Blossom Senior Housing Limited Partnership to renovate the existing Cherry Blossom complex; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to appropriate and expend said funds to allow for the developer to maintain the 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 from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2022, the sum of \$700,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G452000 (2021 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$700,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G452000 (2021 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 3. That the Director of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Cherry Blossom Senior Housing Limited Partnership, in an amount up to \$700,000.00, to renovate the existing Cherry Blossom complex.

SECTION 4. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 6. At the end of the grant period, any repayment of unencumbered balances required by the grantor is hereby authorized and any unused City match monies may be transferred back to the City fund from which they originated in accordance with all applicable grant agreements.

SECTION 7. 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 from and after its approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.