



Legislation Details (With Text)

File #: 2011-2023 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 6/28/2023 **In control:** Housing Committee

On agenda: 7/31/2023 **Final action:** 8/2/2023

Title: To amend Ordinance No. 3296-2022 to authorize the additional expenditure of \$1,250,000.00 to Columbus Housing Partnership, Inc., (aka "Homeport") for the Easton Place Homes Phase II development (the "Project"); to amend the 2023 Capital Improvement Budget; to authorize the City Auditor to transfer funds within the Affordable Housing Bond Fund; to authorize a third amendment to the Bond Funded Grant Agreement; to authorize the filing of a restrictive covenant on the Project; to authorize the assignment of some or all duties and responsibilities under the Bond Funded Grant Agreement to the project owner; and to declare an emergency. (\$1,250,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2011-2023 Housing Easton Phase II Mod Bond 2023-06-26

Date	Ver.	Action By	Action	Result
8/2/2023	1	ACTING CITY CLERK	Attest	
8/2/2023	1	MAYOR	Signed	
7/31/2023	1	COUNCIL PRESIDENT	Signed	
7/31/2023	1	Columbus City Council	Approved	Pass

BACKGROUND

This legislation amends Ordinance No. 3296-2022, passed on December 12, 2022, to appropriate additional funds to the grant agreement with Columbus Housing Partnership, Inc. (aka "Homeport") for Easton Place Homes Phase II development. This amendment also authorizes the filing of a restrictive covenant for the project, allowing for some units to be utilized for the City's HOME match requirement which is an obligation for the City's HOME entitlement allocation. Additionally, Columbus Housing Partnership, Inc., may assign some or all duties and responsibilities under the bond agreement to the project owner, Easton Loop Apartments II, LLC.

The original Ordinance No. 1821-2022 passed on July 11, 2022, authorized the Director to enter into a Housing Development Agreement for the total contract amount of \$4,800,000.00 and a grant agreement for \$2,250,000.00 coming from the 2021 Capital Budget with Easton Loop Apartments II, LLC. Upon further discussion, the correct recipient should have been the Columbus Housing Partnership, Inc., (aka "Homeport"), so an amendment to the original ordinance was established and was authorized by Ordinance No. 2484-2022 passed on September 19, 2022.

The original ordinance established an ACPO007959 in the amount of \$2,250,000.00 utilizing Affordable Housing bond funds coming from the 2021 Capital Budget. A second amendment, authorized by Ordinance No. 3296-2022, passed on December 12, 2022, provided the remaining \$2,550,000.00 from the City's 2022 Capital Budget through a bond agreement funded temporarily with the Special Income Tax Fund until bonds could be issued (the "Bond Funded Grant Agreement").

This ordinance authorizes an amendment to allow the establishment of an additional amount of \$1,250,000.00 from the City's 2023 Capital Budget ("Third Amendment"), bringing the total amount of established funds to \$6,050,000.00; \$2,250,000.00 coming from the 2021 Capital Budget, \$2,550,000.00 coming from the 2022 Capital Budget, and \$1,250,000.00 from the 2023 Capital Budget (collectively, the "Project Costs").

This ordinance also will authorize the filing of a restrictive covenant with the project, allowing for some units to be utilized for the City's HOME match requirement which is an obligation for the City's HOME entitlement allocation. The Lender, Columbus Housing Partnership Inc., may assign some or all duties and responsibilities under the Bond Funded Grant Agreement to the project owner, Easton Loop Apartments II, LLC, as necessary.

Easton Place Homes Phase II is a proposed 100-unit apartment development for families located at Easton Square Place and Charter Oak Way in Columbus, Ohio. The 4.65-acre parcel will be split to create lots on which approximately 200 units of affordable housing will be developed in three phases. Easton Place Homes Phase II is located directly south of the market rate townhomes facing Easton Way, which is the southern boundary of the premier retail/restaurant/entertainment district in Columbus. Major employers, such as JPMorgan Chase and Huntington Bank, employ thousands within walking distance-census data from 2018 indicates 24,000 jobs within a mile of the site-making this an extremely convenient location in all respects.

The property will consist of four 3-story apartment buildings with a combination of townhomes and stacked flats. Easton Place Phase II will offer a mix of 24 one-bedroom, 59 two-bedroom, and 17 three-bedroom apartments. Community space includes a community room with kitchenette, fitness room and management office. Easton Place will serve a mix of income levels from 30% AMI to 60% AMI (the "Easton Phase II Project"). Depending on final utility allowances, net rents for the different unit sizes are estimated at \$360-830 for one-bedroom, \$430-995 for two-bedroom and \$485-1135 for three-bedroom apartments.

Easton Place Homes is owned and developed by Homeport (aka Columbus Housing Partnership, Inc.) and The Georgetown Company. Homeport is a non-profit housing developer based in Columbus, Ohio. Since its inception in 1987, Homeport has given greater security, opportunity and dignity to thousands of low income people by building quality, affordable homes, primarily financed with private investment leveraged by Federal tax credits. Homeport has established itself as the largest locally focused nonprofit producer of affordable housing and related services in the region. For more than 30 years Homeport has participated in the development, sale or preservation of more than 4,000 units of housing in Central Ohio.

Emergency justification is requested for this ordinance as this project is scheduled to close its financing and start construction in early September. In order to close its financing, other sources want to see all funds firmly committed, including City funding. City funding cannot be firmly committed if this ordinance passes as not effective until 30 days after the Mayor signs. Delaying the closing results in additional carrying costs to the project, the threat of additional construction cost increases that are not budgeted for, fewer days of good weather to allow for outside work to be accomplished before winter weather sets in that will in turn result in additional carrying costs and the threat of additional construction costs increases. Approximately 81% of the total development cost is covered with equity generated from the low income housing tax credits awarded by the State to the project. The pricing of credits is dependent on market conditions including an estimated completion and rent up date. If the project is delayed in closing its financing and starting construction, it may have to pay a credit adjuster to the equity investor for late completion causing additional financial harm to the project.

CONTRACT COMPLIANCE: the vendor number is 004842 and expires 03/14/24.

FISCAL IMPACTS

This ordinance authorizes an expenditure of \$1,250,000.00 in the Affordable Housing Bond Fund. An amendment to the 2023 Capital Improvement Budget is required to establish sufficient budget authority within the proper project.

To amend Ordinance No. 3296-2022 to authorize the additional expenditure of \$1,250,000.00 to Columbus Housing Partnership, Inc., (aka "Homeport") for the Easton Place Homes Phase II development (the "Project"); to amend the 2023 Capital Improvement Budget; to authorize the City Auditor to transfer funds within the Affordable Housing Bond Fund; to authorize a third amendment to the Bond Funded Grant Agreement; to authorize the filing of a restrictive covenant on the Project; to authorize the assignment of some or all duties and responsibilities under the Bond Funded Grant Agreement to the project owner; and to declare an emergency. (\$1,250,000.00)

WHEREAS, the original Ordinance No. 1821-2022 passed on July 11, 2022, authorized the Director of Development ("Director") to enter into an agreement with the Columbus Housing Partnership, Inc., ("Developer") for the total contract amount of \$4,800,000.00, and authorized a grant agreement ("Bond Funded Grant Agreement") with the Developer in the amount of \$2,250,000.00, funded from the 2021 Capital Budget; and

WHEREAS, the second Ordinance, No. 3296-2022, authorized the Director of Development to amend the Bond Funded Grant Agreement with the Columbus Housing Partnership, Inc., for the Easton Place Homes Phase II development, and authorized the expenditure of \$2,550,000.00 from the City's 2022 Capital Budget; and

WHEREAS, it is necessary to amend Ordinance No. 3296-2022 to authorize an additional expenditure of \$1,250,000.00; to amend the Bond Funded Grant Agreement for the third time; and to amend the 2023 Capital Improvement Budget for the same; and

WHEREAS, this third amendment also authorizes the filing of a restrictive covenant for the Project, allowing for some units to be utilized for the City's HOME match requirement which is an obligation for the City's HOME entitlement allocation; and

WHEREAS, Easton Place Homes Phase II is a proposed 100-unit apartment development for families located at Easton Square Place and Charter Oak Way in Columbus, Ohio, and will offer a mix of 24 one-bedroom, 59 two-bedroom, and 17 three-bedroom apartments ("Project"); and

WHEREAS, the Project will consist of four 3-story apartment buildings with a combination of town-homes and stacked flats. Easton Place Phase II will offer a mix of 24 one-bedroom, 59 two-bedroom, and 17 three-bedroom apartments. Community space includes a community room with kitchenette, fitness room and management office. Easton Place will serve a mix of income levels from 30% AMI to 60% AMI. Depending on final utility allowances, net rents for the different unit sizes are estimated at \$360-830 for one-bedroom, \$430-995 for two-bedroom and \$485-1135 for three-bedroom apartments.

WHEREAS, in addition to the City's Capital funds, Phase II has also secured 4% tax credits from OHFA in 2021, along with OHFA HDAP, and County HOME funds and other private loans; and

WHEREAS, it is necessary to amend the 2023 Capital Improvement Budget to establish authority within the correct project; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to amend ordinance 3296-2022 as this project is scheduled to close its financing and start construction in early September. In order to close its financing, other sources want to see all funds firmly committed, including City funding. City funding cannot be firmly committed if this ordinance passes as not effective until 30 days after the Mayor signs. Delaying the closing results in additional carrying costs to the project, the threat of additional construction cost increases that are not budgeted for, fewer days of good weather to allow for outside work to be accomplished before winter weather sets in that will in turn result in additional carrying costs and the threat of additional construction costs increases. Approximately 81% of the total development cost is covered with equity generated from the low income housing tax credits awarded by the State to the project. The pricing of credits is dependent on market conditions including an estimated completion and rent up date. If the project is delayed in closing its financing and starting construction, it may have to pay a credit adjuster to the equity investor for late completion causing additional financial harm to the project, all for the preservation of the public health, peace, property, safety, and welfare; **NOW, THEREFORE**,

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

SECTION 1. That the 2023 Capital Improvements Budget authorized by Ordinance No. 1711-2023 be amended as follows to establish sufficient authority for this Third Amendment to the Bond Funded Grant Agreement:

Fund / Project / Project Name / Current / Change /C.I.B. as Amended

7779 / P782012-100000 / Affordable Housing Funds / 1,760,000.00/ (\$1,250,000.00) / \$510,000.00

7779 / P782035-100000 / Easton Place Homes II / \$0.00 / \$1,250,000.00 / \$1,250,000.00

SECTION 2. That the transfer of \$1,250,000.00 or so much thereof as may be needed, is hereby authorized within Fund 7779 (Affordable Housing Bond fund), Dept-Div 44-10 (Housing) per the account codes in the attachment to this ordinance.

SECTION 3. That the expenditure of \$1,250,000.00 to the Columbus Housing Partnership, Inc, or so much thereof as may be needed, is hereby authorized in Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 44-10 (Housing Division), in object class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance, and that the Director of the Department of Development is authorized to enter into a Third Amendment to the Bond Funded Grant Agreement to increase the funding as provided hereunder.

SECTION 4. That Section 3 of Ordinance No. 3296-2022 be amended to transfer \$3,800,000.00.

SECTION 5. That Section 4 of Ordinance No. 3296-2022 be amended to authorize a grant agreement totaling \$3,800,000.00.

SECTION 6. That Section 5 of Ordinance No. 3296-2022 be amended to authorize an expenditure totaling \$3,800,000.00.

SECTION 7. That the filing of a restrictive covenant for the Project is authorized, allowing for some units to be utilized for the City's HOME match requirement which is an obligation for the City's HOME entitlement allocation.

SECTION 8. That the Columbus Housing Partnership, Inc., is authorized to assign some or all duties and responsibilities under the Bond Funded Grant Agreement to the project owner, Easton Loop Apartments II, LLC.

SECTION 9. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 10. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 11. 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 12. 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.