



Legislation Details (With Text)

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File created: 6/26/2024 **In control:** Housing, Homelessness, & Building Committee

On agenda: 7/15/2024 **Final action:**

Title: To authorize the City Auditor to transfer funds within the Affordable Housing Bond Fund; to authorize the Director of Development to enter into a grant agreement with Hudson Investment Fund V, LLC in an amount up to \$1,250,000.00 in support of the Topiary Park Apartments, LLC project; to authorize the expenditure of up to \$1,250,000.00 from the Affordable Housing Bond Fund; to authorize the reimbursement of expenditures incurred prior to the establishment of a purchase order; and to declare an emergency. (\$1,250,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1962-2024 Housing Hudson Inv Topiary Park Bond

Date	Ver.	Action By	Action	Result
7/15/2024	1	Columbus City Council		

BACKGROUND

This ordinance authorizes the Director of the Department of Development to enter into a grant agreement with the Hudson Investment Fund V, LLC for the acquisition and redevelopment of 163 units across four sites in downtown Columbus in an amount up to \$1,250,000.00. Hudson Investment Fund V, LLC will enter into a grant agreement with the city for the bond funds as a pass-through entity. The Topiary Park Apartments, LLC is the ownership entity of the project and child entity under Hudson Investment Fund V, LLC. Approval is also requested for reimbursement of expenses incurred prior to execution of the purchase order, starting January 1, 2023.

The Topiary Park Apartments, LLC project involves the acquisition and redevelopment of a scattered site portfolio that consists of 163 apartment units across 4 sites in downtown Columbus. Pursuant to the acquisition, a land use restrictive agreement (LURA) was recorded ensuring that 40% of the rental units are limited to a maximum of 80% of AMI, 60% of the rental units are limited to a maximum of 60% of AMI, and any rent increases to current residents are limited to a maximum of 4% per year.

The redevelopment plan includes a multifaceted approach to ensuring affordability while improving quality and addressing deferred maintenance. The priority for this project is to provide safe, well-maintained, energy-efficient, accessible and affordable housing to residents, many of whom work in the community, rely on access to public transit, and wish to continue to call downtown Columbus home.

The terms of the LURA ensure that these residents, who would otherwise have limited housing options due to the rapidly rising cost of living both in Columbus and nationwide, have access to quality residences at levels well below market rents. The Topiary Park Apartments, LLC project represents an important opportunity to improve downtown affordability, given the well-known challenges in developing affordable housing units due to the rising cost of construction within the region.

Per Vogt Strategic Insights, the Topiary Park Apartments, LLC and Market Mohawk Apartments, LLC projects combined

represent a 74% increase in deed-restricted affordable housing in the Downtown CRA District at a time when market rate development is increasingly unable to produce affordable housing at scale.

Emergency action is requested in order to maintain the construction schedule and to fulfill financing needs prior to closing deadlines with the developer's other lenders. Without emergency action, new affordable housing would be further delayed from a low-income community in urgent need of it.

FISCAL IMPACT: Funding in the amount of \$1,250,000.00 is available in the Affordable Housing Bond Fund. A transfer of cash between projects is required to establish sufficient authority for the project.

CONTRACT COMPLIANCE: the vendor number is 048436 and expires 03/13/2026.

To authorize the City Auditor to transfer funds within the Affordable Housing Bond Fund; to authorize the Director of Development to enter into a grant agreement with Hudson Investment Fund V, LLC in an amount up to \$1,250,000.00 in support of the Topiary Park Apartments, LLC project; to authorize the expenditure of up to \$1,250,000.00 from the Affordable Housing Bond Fund; to authorize the reimbursement of expenditures incurred prior to the establishment of a purchase order; and to declare an emergency. (\$1,250,000.00)

WHEREAS, the Director of Development seeks to enter into a grant agreement with the Hudson Investment Fund V, LLC for the acquisition and redevelopment of 163 units across four sites in downtown Columbus in an amount up to \$1,250,000.00; and

WHEREAS, pursuant to the acquisition, a land use restrictive agreement (LURA) was recorded ensuring that 40% of the rental units are limited to a maximum of 80% of AMI, 60% of the rental units are limited to a maximum of 60% of AMI, and any rent increases to current residents are limited to a maximum of 4% per year; and

WHEREAS, the redevelopment plan includes a multifaceted approach to ensuring affordability while improving quality and addressing deferred maintenance; and

WHEREAS, the priority for this project is to provide safe, well-maintained, energy-efficient, accessible and affordable housing to residents, many of whom work in the community, rely on access to public transit, and wish to continue to call downtown Columbus home; and

WHEREAS, it is necessary to authorize a transfer of cash and an expenditure in the Affordable Housing Bond Fund, Fund 7779, in connection with this project; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to enter into a grant agreement with Hudson Investment Fund V, LLC in order to maintain the project construction schedule and to fulfill financing needs prior to closing deadlines with the developer's other lenders, and new affordable housing would be further delayed from a low-income community in urgent need of it, all for the immediate preservation of 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 enter into a grant agreement with the Hudson Investment Fund V, LLC in support of the Topiary Park Apartments, LLC project in an amount up to \$1,250,000.00 and to authorize the reimbursement of expenditures incurred prior to the establishment of a purchase order, beginning January 1, 2023.

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 for the purpose as stated in Section 1, the expenditure of \$1,250,000.00, or so much thereof as may be necessary, is hereby authorized in fund 7779 (Affordable Housing Bond Fund), Project P782050-100005, Dept. 44-10 (Housing), in Object Class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

SECTION 4. 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 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. 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 7. 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 passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.