



## Legislation Text

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**File #: 2059-2023, Version: 1**

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### BACKGROUND

This legislation authorizes the Director of Development to enter into a grant agreement with Franklinton Rising for a new affordable housing construction project in an amount not to exceed \$600,000.00. This funding will provide for eligible costs, including soft costs, which may have been incurred prior to the establishment of the project's purchase order, making those pre-award costs eligible for reimbursement if needed.

Franklinton Rising is initiating its first ground-up new construction project, 89/93 Chicago Avenue, Columbus, 43222 (being Parcel Nos. 010-001842-00 and 010-024891-00). This project includes two buildings, each on adjacent vacant lots. Each building will have a full basement and two, three bedroom apartments with one and one half bathrooms. One unit is at ground level and the second directly above the first on the second floor. There is a covered exterior stairway to the basement and to the second floor. Each apartment will have between 1100 and 1200 sq. ft. of space, plus a portion of the basement for storage. The first floor apartments will be fully handicap accessible. Parking will be provided in the rear of the buildings, off the alley.

The architectural design is consistent with other buildings in the neighborhood, including porches for maintaining/creating neighborhood socialization. These apartments will be rented and targeted for families with income at or below 60% of AMI or at or below 80% AMI.

Franklinton Rising intends for graduates of the Lower Lights Adult ministry program, also on Chicago Avenue, to be some of the renters. Lower Lights Adult Ministries has programs for females coming from abuse, addictions and/or prison; they have been renting two Franklinton Rising properties on Chicago Avenue for a portion of their programs. They have long term rental agreements with Franklinton Rising and want to stay in the properties. Ten to twelve women are graduating from the Lower Lights programs each year and moving back into society on their own, generally with full-time employment. They need affordable housing; these apartments will be ideal for this population and Lower Lights is desiring for them to have residential options in the neighborhood and there are currently very few options. Because these apartments will contain all new appliances including washers/dryers, tenants will only need personal furniture. Franklinton Rising will teach household maintenance and care to help each tenant maintain an attractive, safe and comfortable residence.

There are many singles and single female parents in the area who need safe and affordable housing. Because this location is a short bus ride, about one mile, from the heart of downtown Columbus, it is convenient for those singles and single parents who are working in downtown and want newer, but affordable housing. There is also a large call center operating in the former Mt. Carmel Hospital area on West Broad Street and their employees are and will be seeking residence in the area. There are about 1200 households in the general area headed by females; our apartments will be a great option for them.

With Franklinton Rising also doubling as its own workforce development program, by the time the construction of the apartments is complete, Franklinton Rising will have provided mentoring and some training for 10-20 different Franklinton Rising trainees. Franklinton Rising will expect at least six of these trainees to be placed with some of the best contractors in the area to begin careers.

Emergency justification is requested for this ordinance in order to commit funding by the construction start date in August 2023. 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. 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.

**FISCAL IMPACT:** Funding in the amount of \$600,000.00 is available in the 2023 Capital Improvement Budget, contingent upon the passage of Ordinance No. 1711-2023. An amendment to the approved 2023 Capital Budget will be required to establish sufficient budget authority for the project. Amendments to the 2023 Capital Improvement Budget are contingent upon approval of the 2023 Capital Improvement Budget.

**CONTRACT COMPLIANCE:** the vendor number is 021767 and expires 04/10/2025.

To amend the 2023 Capital Improvement Budget, contingent upon its approval by the passage of Ordinance No. 1711-2023; consistent with the passage of the 2023 Capital Improvement Budget, to the 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 Franklinton Rising in an not to exceed \$600,000.00 in support of their new affordable housing development; to authorize the expenditure of an amount not to \$600,000.00 from the Affordable Housing Bond Fund, contingent upon the passage of Ordinance No. 1711-2023; to allow for the payment of expenditures prior to the issuance of a purchase order; and to declare an emergency. (\$600,000.00)

**WHEREAS,** the Director of Development seeks to enter into a grant agreement with Franklinton Rising in an amount not to exceed \$600,000.00 in support of their new affordable housing development to be located at 89/93 Chicago Avenue, Columbus, 43222 (being Parcel Nos. 010-001842-00 and 010-024891-00); and

**WHEREAS,** Franklinton Rising is initiating its first ground-up new construction project where the apartments will be rented and targeted for families with incomes at or below 60% to 80% AMI; and

**WHEREAS,** Franklinton Rising intends for graduates of the Lower Lights Adult ministry program, that need affordable housing, to be some of the tenants; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Development in order to commit funding by the construction start date in August 2023. 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. 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 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 Director of Development be and is authorized to enter into a grant agreement with Franklinton

Rising in an amount not to exceed \$600,000.00 00 in support of their new affordable housing development. This funding will provide for eligible costs, including soft costs, which may have been incurred prior to the establishment of the project's purchase order, making those pre-award costs eligible for reimbursement if needed.

**SECTION 2.** That the 2023 Capital Improvements be amended, contingent upon the passage of Ordinance No. 1711-2023, as follows to establish sufficient authority for this project:

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

7779 / P782012-100000 / Affordable Housing Funds / \$1,470,000.00/ (\$600,000.00) / \$870,000.00

7779 / P782046-100000 / Franklinton Rising / \$0 / \$600,000.00/ \$600,000.00

**SECTION 3.** That the transfer of \$600,000.00 or so much thereof as may be needed, is authorized within Fund 7779 (Affordable Housing Bond fund), Dept-Div 44-10 (Housing) per the account codes in the attachment to this ordinance.

**SECTION 4.** That for the purpose as stated in Section 3, the expenditure of \$600,000.00, or so much thereof as may be necessary, is authorized in fund 7779 (Affordable Housing Bond fund), Project P782046-100000, Dept. 44-10 (Housing), in Object Class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

**SECTION 5.** That the funds necessary to carry out the purpose of this ordinance are deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 6.** 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 7.** For the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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.