



## Legislation Text

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**File #:** 1980-2023, **Version:** 1

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### BACKGROUND

This Ordinance is to authorize the Director of Development to enter into a grant agreement with Columbus Housing Partnership for \$360,000.00 coming from the 2023 Capital Budget, Affordable Housing Bond fund 7779. This legislation authorizes the bond funds be used to pay 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. This ordinance 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 our HOME entitlement allocation. The Lender, Columbus Housing Partnership Inc., may assign some or all duties and responsibilities under our bond agreement to the project owner, Fieldstone Cottages, LLC.

Fieldstone Cottages will offer 40 units of affordable senior housing in a series of row ranch buildings with garages. The property is adjacent to Homeport's 42-unit Fieldstone Court, a three-story elevator building placed in service in 2007. Fieldstone Cottages will provide a mix of 20 one- and 20 two-bedroom units, as well as a separate community building with community room, kitchenette, fitness room and office. All apartments will be fully accessible or adaptable and incorporate universal design elements, as well as meeting green building standards. 25% of the units will be affordable to extremely low-income households and all will be affordable to households at or less than 60% of area median income. In conjunction with services at Fieldstone Court, Homeport will offer supportive services typically provided in independent living senior communities, including health care screening and referral to community services.

Homeport accepts that as a condition of City funding for Fieldstone Cottages over \$300,000, the property will agree that up to 4 units, affordable at or below 30% AMI will be offered first to households currently in the shelter system with household incomes that would be sufficient to pay the 30% AMI rents and meet all other criteria in the property Tenant Selection Plan with the exception of an eviction due to non-payment of rent. In the event there is not a prospective household in the shelter system at the time of unit vacancy, the next available prospective resident on the waiting list may be selected.

Emergency justification is requested for this ordinance as this project is scheduled to close its financing and start construction 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. 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.

**FISCAL IMPACT:** Funding in the amount of \$360,000.00 is available in 2023 Capital Improvement Budget, contingent upon the passage of Ordinance 1711-2023. An amendment to the 2023 Capital Budget is required to establish sufficient budget authority for the project.

**CONTRACT COMPLIANCE:** the vendor number is 004842 and expires 03/14/2024.

To amend the 2023 Capital Improvement Budget, contingent upon the passage of Ordinance No. 1711-2023; 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 Columbus Housing Partnership, INC in an amount not to exceed \$360,000.00 in support of the Fieldstone Cottages affordable housing development; to authorize the expenditure of not more than \$360,000.00 from the Affordable Housing Bond Fund; and to declare an emergency. (\$360,000.00)

**WHEREAS,** the Director of Development seeks to enter into a grant agreement with Columbus Housing Partnership, Inc in an amount not to exceed \$360,000.00 in support of the Fieldstone Cottages affordable housing development; and

**WHEREAS,** Fieldstone Cottages will offer 40 units of affordable senior housing in a series of row ranch buildings with garages. The property is adjacent to Homeport's 42-unit Fieldstone Court, a three-story elevator building placed in service in 2007. Fieldstone Cottages will provide a mix of 20 one- and 20 two-bedroom units, as well as a separate community building with community room, kitchenette, fitness room and office. All apartments will be fully accessible or adaptable and incorporate universal design elements, as well as meeting green building standards; and

**WHEREAS,** Columbus Housing Partnership, Inc. accepts that as a condition of City funding for Fieldstone Cottages over \$300,000, the property will agree that up to 4 units, affordable at 30% AMI will be offered first to households currently in the shelter system with household incomes that would be sufficient to pay the 30% AMI rents and meet all other criteria in the property Tenant Selection Plan with the exception of an eviction due to non-payment of rent. In the event there is not a prospective household in the shelter system at the time of unit vacancy, the next available prospective resident on the waiting list may be selected; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Development as this project is scheduled to close its financing and start construction 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. 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 Director of Development be and is hereby authorized to enter into a grant agreement with Columbus Housing Partnership Inc. in an amount not to exceed \$360,000.00 to develop up to 40 units of affordable senior housing in a series of row ranch buildings with garages.

**SECTION 2.** That the 2023 Capital Improvements Budget, contingent upon the passage of Ordinance No. 1711-2023, be amended 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 / \$2,720,000.00/ \$360,000.00 / \$2,360,000.00

7779 / P782045-100000 / Fieldstone Cottage / \$0 / \$360,000.00/ \$360,000.00

**SECTION 3.** That the transfer of \$360,000.00 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 \$360,000.00, or so much thereof as may be necessary, is hereby authorized in fund 7779 (Affordable Housing Bond fund), Project P782045-100000, 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 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.