



Legislation Text

File #: 0034-2023, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$1,500,000.00 of the 2022 HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (\$850,000.00 from the 2022 HOME grant and \$650,000.00 from 2022 HOME program income) and to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with FF Preston Pointe, L.P. for the Preston Point project.

Total City funding for this project is \$2,000,000.00. This ordinance establishes the HOME funding for the Preston Pointe project and another ordinance will be put forth in the amount of \$500,000.00 of bond funds for this project. Ohio Community Development Finance Fund is the developer of Preston Pointe and will be entering into a grant agreement with the City for the bond funds as a pass through entity. Those bond funds will be loaned to the limited partnership established for Preston Pointe, FF Preston Pointe, L.P., the ownership entity. The HOME funds placed into this project will go directly to the limited partnership, FF Preston Pointe, L.P.

Preston Pointe is a proposed new construction development consisting of two, three-story apartment buildings totaling 50 dwelling units on East Main Street in the Near East Side neighborhood of Columbus. The buildings will each have sidewalks connecting them to the public right of way and there will be a landscaped green space and a playground on the west lot of the development. The parking and main entrances are in close proximity to the units. The interior of each dwelling unit is creatively designed to be both functional and efficient. Bathrooms and kitchens alike will include easy-to-use fixtures and fittings laid out to accommodate occupants with varying levels of physical capabilities. The design team will meet and exceed all requirements to secure LEED Silver rating. Preston Pointe will also include solar panels on each building's rooftop designed to reduce overall energy use. The proposed development is targeting a 20% energy use reduction resulting in an approximately 24% reduction in Greenhouse gas emissions. A reduction in greenhouse gas emissions will contribute to improved air quality and healthy living. Energy use reduction will reduce the energy burden on low-income residents.

Preston Pointe will offer much-needed affordable housing. Finance Fund is working with Home For Families to fill ten units with households exiting homelessness, 20% of the units will be at or below 30% area median income (AMI), and average rents will be under 60% AMI. The unit breakdown will be 17 one-bed/one-baths, 24 two-bed/one-baths, and 9 three-bed/1.5 baths (totaling 50 units). Homes for Families is a partner that is providing services and support for 10 of the units at Preston Pointe.

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 043570 and expires 11/3/2024.

Fiscal Impact: \$1,500,000.00 is available from the 2022 HOME grant (G442102). The commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The funding from HOME Fund (2201) is only authorized if all HOME review and comment requirements have been met prior to any commitment of funds, as approved by the Responsible Entity Agency Official. An Authorization to Utilize Grant Funds will be received by the City from HUD in advance of the execution of documents for this project.

This ordinance authorizes the appropriation and expenditure of up to \$1,500,000.00 of 2022 HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development; authorizes the Director of the Department of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with FF Preston Pointe, L.P. in an amount up to \$1,500,000.00 for the Preston Pointe project; and to declare an emergency. (\$1,500,000.00).

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 Director of the Department desires to support the Preston Pointe project with HOME funds; 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 ending December 31, 2023, the sum of \$1,500,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442102 (2022 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$1,500,000.00, or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G442102 (2022 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 FF Preston Pointe, L.P. for the Preston Pointe Project in an amount up to \$1,500,000.00.

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. The commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The funding from HOME Fund (2201) is only authorized if all HOME review and comment requirements have been met prior to any commitment of funds, as approved by the Responsible Entity Agency Official. An Authorization to Utilize Grant Funds will be received by the City from HUD in advance of the execution of documents for this project.

SECTION 8. 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.