



Legislation Text

File #: 0917-2023, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$760,000.00 of the 2021 and 2022 HOME Investment Partnerships Program (HOME) entitlement grant (CHDO set-a-side) from the U.S. Department of Housing and Urban Development and to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Healthy Rental Homes VII, LLC to construct single family and duplex rental homes. The total commitment to the project is \$1,610,000.00 with the remaining financial support being provided by bond funds under separate ordinance.

Healthy Homes is an affordable housing developer, focused on increasing the stock of high-quality housing options available to families earning no more than 80% of Area Median Income (AMI) on Columbus' South Side. Healthy Rental Homes VII, LLC seeks to further address the housing affordability issues that Columbus faces by developing 11 units of new construction and 2 units of rehab construction rental housing in the zip code 43206. These properties will consist of infill development, designed to replace residential structures that have been demolished and rehabilitate two existing structures. Additionally, the parcels that have been identified for redevelopment are being acquired exclusively from the City of Columbus and Franklin County Land Banks.

The 13 rental units for which we are seeking funding will consist of 3 single-family homes and 5 duplexes. All but two of these properties will be built by Unibilt Industries—a modular home builder located in Dayton, Ohio. The modular units will be delivered approximately 75% complete and set on full foundations. Healthy Homes has engaged a General Contractor who will complete all site preparations, construct the foundations, and manage the balance of work post-delivery. Once delivered, the units will require mechanical connections for electricity, plumbing, and HVAC. Porches will be constructed on-site, and there will be some minor interior finishes to finalize. Lastly, the General Contractor will pour concrete parking pads and walkways, and each site will be fully landscaped with sod and a shade tree. Upon completion, these projects will blend with the existing fabric of the community, and there will be no visible evidence to suggest that they are modular in nature. The two units that are not modular are rehabilitation construction of two existing homes.

In addition to high-quality, affordable places to call home, the tenant families who will reside in these units will have access to a variety of supportive services and advocacy opportunities. Healthy Homes recently hired a full-time Tenant Services Coordinator to serve as a link between residents and health/social service providers and Nationwide Children's Healthy Neighborhoods Healthy Families (HNHF) programming. The Tenant Services Coordinator will work to increase the health knowledge and self-sufficiency of tenant families through outreach, community education, and referrals to community resources, social supports, and advocacy. More specifically, tenants will have improved access to health, education, workforce, and life skills development opportunities. Financial literacy, parenting classes, and mental health services will also be emphasized. Service engagement will not be a requirement for the families that Healthy Homes serves, but it will be available to all households as needed.

This legislation represents appropriation for a part of the HOME portion of the 2021 Action Plan, per Ordinance 2345-2020, and 2022 Action Plan per Ordinance 2800-2021.

Emergency action is requested to allow for the developer to maintain the project schedule and price due to the contractor only holding pricing for no longer than 30 days, thereby keeping the price of the project on budget.

Contract Compliance: the vendor number is 043658 and expires 11/16/2024

Fiscal Impact: \$520,121.00 is available from the 2021 HOME grant (CHDO set-a-side) (G452000) and \$239,879.00 is available from the 2022 HOME grant (CHDO set-a-side) G442102

To authorize the appropriation and expenditure of up to \$760,000.00 of the 2021 and 2022 HOME Investment Partnerships Program (HOME) entitlement grant (CHDO set-a-side) from the U.S. Department of Housing and Urban Development and to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Healthy Rental Homes VII, LLC to

construct single family and duplex rental homes, in an amount up to \$760,000.00; and to declare an emergency. (\$760,000.00).

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 2021 Action Plan, per Ordinance 2345-2020, and 2022 Action Plan per Ordinance 2800-2021, as required by HUD; and

WHEREAS, the Department of Development desires to support Healthy Rental Homes VII, LLC with financial support for 13 rental units; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the appropriation and expenditure of said funds to allow for the developer to maintain the project schedule and price due to the contractor only holding pricing for no longer than 30 days, thereby keeping the price of the project on budget; **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 ended December 31, 2023, the sum of \$520,121.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G452000 (2021 HOME CHDO set-a-side), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$520,121.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G452000 (2021 HOME CHDO set-a-side), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 3. 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 ended December 31, 2023, the sum of \$239,879.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442102 (2022 HOME CHDO set-a-side), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 4. That the expenditure of \$239,879.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G442102 (2022 HOME CHDO set-a-side), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 5. That the Director of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Healthy Rental Homes VII, LLC with financial support for 13 rental units, with HOME funds up to \$760,000.00.

SECTION 6. 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 7. 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 8. 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 9. 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.

