



Legislation Text

File #: 1402-2021, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$385,000.00 of the 2020 HOME Investment Partnerships Program (HOME) entitlement grant from the U.S. Department of Housing and Urban Development and to enter into a commitment letter, loan agreement, promissory note, and mortgage with Habitat for Humanity MidOhio for five single family home projects. Each home will have its own set of agreements and four homes will receive support in an amount up to \$75,000.00 and one home will receive support in an amount up to \$85,000.00.

Habitat for Humanity MidOhio proposes to build five new single-family homes in the City of Columbus. Three of the homes will be on Aberdeen Avenue: 1541, 1545, and 1578 and two homes will be on E. 15th Ave.: 1049 and 1252. The homes will be built to AWARE standards and are designed to blend in with the surrounding neighborhood.

Each of the five homes will be two-stories and have four or five bedrooms and two bathrooms. They will have front porches and no garages.

The homes will be built on vacant property purchased from COCIC (1541 and 1545 Aberdeen, 1049 E. 15th) and the City of Columbus' Division of Land Redevelopment (1578 Aberdeen).

First-time homebuyers earning below 80% of the Area Median Income have been identified for each home. The families in contract to purchase the homes include:

- 1541 Aberdeen: A single mother of three.
- 1545 Aberdeen: A family of eight.
- 1578 Aberdeen: A family of nine.
- 1049 E. 15th: A single mother of four.
- 1252 E. 15th: A single mother of two.

HFHMO has a 34 year history of creating safe, decent, affordable homeownership opportunities for low-and very-low-income families. An affiliate of Habitat for Humanity International, HFHMO has built, repaired, or rehabilitated more than 600 homes throughout their service area of Franklin, Madison, and Licking Counties. Their homes are typically sold to first-time homebuyers earning 30%-60% of the Area Median Income who are willing to partner with them by completing a homeownership education course and up to 200 hours of sweat equity work on their own home, as well as other Habitat homes.

A unique aspect of the Habitat model is that they offer no-interest, no-profit mortgages to their buyers, making the homes affordable to families who would not qualify for traditional mortgages.

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

Emergency action is requested to allow for the developer to maintain the project schedule.

Contract Compliance: the vendor number is 004859 and expires 4/13/2023.

Fiscal Impact: \$385,000.00 is available from the 2020 HOME grant (G451903).

To authorize the appropriation and expenditure of up to \$385,000.00 of 2020 HOME Investment Partnerships Program (HOME) grant from the U.S. Department of Housing and Urban Development; to authorize the Director of the Department of Development to enter into a commitment letter, loan agreement, promissory note, and mortgage with Habitat for Humanity MidOhio in an amount up to

\$75,000.00 for 1541 Aberdeen Ave., 1545 Aberdeen Ave., and 1578 Aberdeen Ave., and 1252 E. 15th Ave. and up to \$85,000.00 for 1049 E. 15th Ave.; and to declare an emergency. (\$385,000.00)

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, City Council has approved the 2021 Action Plan, per Ordinance 2345-2020, as required by HUD; and

WHEREAS, the Department of Development desires to support Habitat for Humanity MidOhio with financial support for five single family home projects. Each home will have its own set of agreements and four homes will receive support in an amount up to \$75,000.00 and one home will receive support in an amount up to \$85,000.00; 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 ended December 31, 2021, the sum of \$385,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G451903 (2020 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$385,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G451903 (2020 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, and mortgage with Habitat for Humanity MidOhio for five single family home projects. Each home will have its own set of agreements and support will be in an amount up to \$75,000.00 for 1541 Aberdeen Ave., 1545 Aberdeen Ave., and 1578 Aberdeen Ave., and 1252 E. 15th Ave. and up to \$85,000.00 for 1049 E. 15th Ave.

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. 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.