



Legislation Text

File #: 0753-2023, Version: 1

BACKGROUND: This ordinance authorizes the Director of the Department of Development to execute two Master Mortgages for single family homes financially supported through the Department of Development's American Dream Down Payment Initiative (ADDI) program.

The Department of Development provides down payment assistance using federal HOME funds or non-federal funds to first time homebuyers whose household income is at or below 80% or 120% AMI, respectively, for the purchase of a home in the City of Columbus. The amount of assistance provided is the lesser of 6% of the purchase price or \$7,500.00 and is provided as a forgivable loan. The household must remain in the home for a period of five years for the loan to be forgiven.

Participants in the program execute a mortgage with the City (the lender) in the amount of the financial support provided. Each mortgage document includes all the necessary requirements of the ADDI program and the necessary requirements based upon the funding source. The purpose of the Master Mortgages is to establish one document for each funding source that includes standard mortgage requirements that apply to all borrowers who purchase a home. The Master Mortgages will reduce the number of pages of the mortgage document signed by participants of the ADDI program thereby saving them money in recording fees. The Master Mortgage document is incorporated by reference in the mortgage document.

The Master Mortgage documents will be filed with the Franklin County Recorder's Office (and other counties as necessary that include the City of Columbus).

The Master Mortgages executed under the authority of this ordinance shall be effective starting the date this ordinance is effective.

Emergency action is requested in order for Master Mortgages to be recorded as soon as possible in order to save first time homebuyers recording costs when buying their first home.

FISCAL IMPACT: no funding is needed for this ordinance.

To authorize the Director of the Department of Development to execute two Master Mortgages for single family homes financially supported through the Department of Development's American Dream Down Payment Initiative (ADDI) program; to authorize the Master Mortgages executed under the authority of this ordinance to be effective starting the date this ordinance is effective; and to declare an emergency. (\$0.00)

WHEREAS, the Department of Development provides down payment assistance through the ADDI program using federal HOME funds or non-federal funds to first time homebuyers whose household income is at or below 80% or 120% AMI, respectively, for the purchase of a home in the City of Columbus; and

WHEREAS, participants in the program execute a mortgage with the City (the lender) in the amount of the financial support provided; and

WHEREAS, the mortgage documents include all the necessary requirements of the ADDI program and the necessary requirements based upon the funding source; and

WHEREAS, the purpose of the Master Mortgages is to establish one document for each funding source that includes standard mortgage requirements that apply to all borrowers who purchase a home. This will reduce the number of pages of the mortgage document signed by participants of the ADDI program thereby saving them money in recording fees; and

WHEREAS, the Master Mortgage documents will be filed with the Franklin County Recorder's Office (and other counties as necessary that include the City of Columbus); and

WHEREAS, the Master Mortgages executed under the authority of this ordinance shall be effective starting the date this ordinance is effective; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to approve this ordinance in order for the Master Mortgages to be recorded as soon as possible in order to save first time homebuyers recording costs when buying their first home, 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 the Director of the Department of Development is authorized to execute two Master Mortgages for single family homes financially supported through the Department of Development's American Dream Down Payment Initiative (ADDI) program and the Master Mortgages executed under the authority of this ordinance shall be effective starting the date this ordinance is effective.

SECTION 2. 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.