



## Legislation Text

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**File #:** 0939-2023, **Version:** 1

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**BACKGROUND:** The Housing Division has operated programs focused on stabilizing low income homeowners since at least 1986. These programs provide critical and emergency home repairs such as roof replacements, water heater replacement, foundation stabilization, home modifications, connection to city water and sewer services. These services are a critical tool to ensure that residents are not faced with homelessness or additional financial hardship.

Historically, the programs have been funded by both local and federal funding sources, in the form of both grants and loans. Recognizing that there is a limited useful life of the home improvement and value for the City's investment as well as the importance of ensuring that the City's programs do not perpetuate inequitable outcomes or limit wealth building opportunities for those who have faced a legacy of systematic disinvestment; the Department of Development will implement a loan forgiveness policy for its homeownership services. All federally funded loans that will be considered for forgiveness will have met all required affordability periods of the federal funding source.

This legislation authorizes the Director of the Department of Development, to establish and implement the loan forgiveness policy associated with the Housing Division Homeowner Services programs on loans closed on behalf of the City of Columbus. The policy is guided by Sections 335.01 and 335.012 and will allow the Director to authorize the forgiveness of individual loans up to \$2,500, the City Attorney to forgive individual loans up to \$20,000, and loans over \$20,000 will require City Council approval. The full policy to determine eligibility of qualifying loans is outlined in Exhibit A.

Emergency action is requested in order to immediately establish and implement the policy to allow for the immediate review of the loan portfolio and the forgiveness of eligible loans to remove the burden for qualifying homeowners to help support housing stability.

**FISCAL IMPACT:** The current portfolio that is 10 (+) years old, and eligible to be evaluated for forgiveness is in an amount up to \$7.7 million. As loans in the portfolio mature they will become eligible to be evaluated on a rolling basis.

To authorize the Director of the Department of Development, to implement the loan forgiveness policy associated with the Housing Division Homeowner Services programs on loans closed on behalf of the City of Columbus; and to declare an emergency.

**WHEREAS,** the Housing Division has operated programs focused on stabilizing low income homeowners since at least 1986. These programs provide critical and emergency home repairs such as roof replacements, water heater replacement, foundation stabilization, home modifications, connection to city water and sewer services. These services are a critical tool to ensure that residents are not faced with homelessness or additional financial hardship.

**WHEREAS,** historically, the programs have been funded by both local and federal funding sources, in the form of both grants and loans. Recognizing that there is a limited useful life of the home improvement and value for the City's investment as well as the importance of ensuring that the City's programs do not perpetuate inequitable outcomes or limit wealth building opportunities for those who have faced a legacy of systematic disinvestment; the Department of Development will implement a loan forgiveness policy for its homeownership repair services programs.

**WHEREAS**, in the administration of the programs it is necessary to authorize the Director of Development to establish and implement the loan forgiveness policy associated with the Housing Division Homeowner Services programs on loans closed on behalf of the City of Columbus

**WHEREAS**, the policies and procedures to determine an eligible forgivable loan is outlined in Exhibit A; and

**WHEREAS**, the policy is guided by Sections 335.01 and 335.012 of the Columbus City Code and authorizes the Director to forgive eligible loans up to \$2,500, the City Attorney to forgive eligible loans up to \$20,000 and eligible loans over \$20,000 require City Council approval ; and

**WHEREAS**, emergency action is requested in order to immediately establish and implement the policy to allow for the immediate review of the loan portfolio and the forgiveness of eligible loans to remove the burden for qualifying homeowners to help support housing stability, thereby preserving public health, peace, property, safety, and welfare;

**NOW, THEREFORE,**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** The Director of the Department of Development, is authorized to establish and implement the loan forgiveness policy outlined in Exhibit A, which is associated with the Housing Division Homeowner Services programs on loans closed on behalf of the City of Columbus.

**SECTION 2.** That based on the guidance of Sections 335.01 and 335.012 the Director is authorized to forgive eligible individual loans up to \$2,500, the City Attorney is authorized to forgive eligible individual loans up to \$20,000, and eligible individual loans over \$20,000 will require City Council approval

**SECTION 3.** 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 passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.