



Legislation Text

File #: 3283-2022, Version: 2

BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into a grant agreement with Erie Ohio Capital CDFI Fund LLC for the Starling Yard project.

Starling Yard will occur on the former school site located at 120 South Central Avenue. The property contains the historic 1908 Starling School (originally built as West High School), and is bounded on its perimeter by existing housing (north, east, and south), as well as the new Starling Middle School, West Central School and existing senior apartments to the west. The site is walkable to the West Broad Street corridor, which contains a number of restaurants and retail stores. The Franklinton Branch of the Columbus Metropolitan Library and City of Columbus Fire Station and EMS Station 10 are just a short distance away. When completed, the project will deliver new high-quality infill development with important safe and accessible affordable units needed by families, redevelop a vacant historic structure as additional affordable housing units while at the same time returning the building to its more appropriate 1908 configuration, and provide housing in an ~~undeserved~~ **underserved** area of the City of Columbus.

Starling Yard will contain 18 one-bedroom units, 26 two-bedroom units, and 8 three-bedroom units. The property will be mixed-income, featuring affordable housing ranging from 30% AMI, up to 80% AMI, accommodating various household sizes. 20 units will be set-aside for residents earning at or below 30% AMI, 24 units will be set-aside for residents earning at or below 50% AMI, 11 units will be set-aside for residents earning 60% AMI, and 42 units will be set-aside for residents earning 80% AMI. The project will be appropriate for a variety of populations: singles, young professionals, seniors, single-parent households, small families needing three-bedroom units, and those needing workforce housing in close proximity to downtown and surrounding job centers. The project intends to have no fewer than 10% of the units be fully accessible, ideal for people with housing entry barriers including elderly, persons with mobility disabilities, and those less mobile. Additional units will be set-aside for hearing/vision impaired residents.

On-site amenities will include management offices, community room, and more. The project is less than 100' of COTA bus stops, and quality retail including United Dairy Farms store, Bottoms Up Coffee, several restaurants, houses of worship, Jubilee Market Grocery, and Lower Lights Pharmacy. Programming opportunities will be offered through Franklinton Development Association.

The original ordinance 2041-2022 passed on July 25, 2022 allowed for the establishment of a Housing Development Agreement to utilize Affordable Housing bond funds coming from the City's 2022 Capital Budget in the amount of \$3,000,000.00. Since that time, there have been construction cost increases and the request has increased to \$3,500,000.00. This ordinance will allow for the establishment of \$3,500,000.00 from the City's 2022 Capital Budget through a bond agreement funded temporarily with the Special Income Tax Fund until bonds are issued, with a Housing Development Agreement no longer needed.

Emergency action is requested LLC to maintain the permit and closing schedule of the project and to mitigate construction cost increases.

FISCAL IMPACTS

This ordinance authorizes an expenditure of \$3,500,000.00 in the Affordable Housing Bond Fund. It is necessary to certify the requisite funds in the amount of \$3,500,000.00 against the Special Income Tax Fund. An amendment to the 2022 Capital Improvement Budget is required to establish sufficient budget authority within the proper project.

CONTRACT COMPLIANCE: the vendor number is 033062 and expires 06/24/24

To amend the 2022 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax to the Affordable Housing Taxable Bond Fund; to authorize the Director of the Department of Development to enter into a grant agreement in an amount up to \$3,500,000.00 with Erie Ohio Capital CDFI Fund LLC for the Starling Yard project; to authorize the appropriation and expenditure of \$3,500,000.00 within the Affordable Housing Taxable Bond Fund; and to declare an emergency. (\$3,500,000.00)

WHEREAS, the Director of the Department of Development desires to enter into a grant agreement with Erie Ohio Capital CDFI Fund LLC for the Starling Yard project; and

WHEREAS, the Starling Yard project will deliver new high-quality infill development with important safe and accessible affordable units needed by families, redevelop a vacant historic structure as additional affordable housing units while at the same time returning the building to its more appropriate 1908 configuration, and provide housing in an undeserved area of the City of Columbus; and

WHEREAS, Starling Yard will occur on the former school site located at 120 South Central Avenue; and

WHEREAS, the property will contain 18 one-bedroom units, 26 two-bedroom units, and 8 three- bedroom units. The property will be mixed-income, featuring affordable housing ranging from 30% AMI, up to 80% AMI, accommodating various household sizes. 20 units will be set-aside for residents earning at or below 30% AMI, 24 units will be set-aside for residents earning at or below 50% AMI, 11 units will be set-aside for residents earning 60% AMI, and 42 units will be set-aside for residents earning 80% AMI; and

WHEREAS, the original ordinance 2041-2022 passed on July 25, 2022 allowed for the establishment of a Housing Development Agreement to utilize Affordable Housing bond funds coming from the City's 2022 Capital Budget in the amount of \$3,000,000.00; and

WHEREAS, this ordinance will allow for the establishment of \$3,500,000.00 from the City's 2022 Capital Budget through a bond agreement funded temporarily with the Special Income Tax Fund until bonds are issued, with a Housing Development Agreement no longer needed; and

WHEREAS, the City's obligation to provide financial assistance as set forth herein is contingent upon the subsequent adoption of appropriate legislation by Columbus City Council authorizing such assistance; and

WHEREAS, it is necessary to amend the 2022 Capital Improvement Budget to establish authority within the correct project; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

WHEREAS, the City will reimburse the Special Income Tax Fund; and

WHEREAS, this transfer should be considered as a temporary funding method; and

WHEREAS, the aggregated principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$3,500,000.00; and

WHEREAS, the City anticipates incurring Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended) with respect to the project described in this ordinance (the "Project"); and

WHEREAS, the City's agreement to provide financial assistance as set forth herein is contingent upon authorization pursuant to subsequent passage of appropriate legislation by Columbus City Council;

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the Director to enter into a grant agreement with Erie Ohio Capital CDFI Fund LLC to maintain the permit and closing schedule of the project and to mitigate construction cost increases; now, therefore; **NOW, THEREFORE**,

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

SECTION 1. That the 2022 Capital Improvements Budget authorized by ordinance 1896-2022 be amended as follows to establish sufficient authority for this project:

Fund / Project / Project Name / Current / Change /C.I.B. as Amended

7779 / P782012-100000 / Affordable Housing Funds (Voted 2019 SIT Supported) / \$10,720,000 / (\$3,500,000.00) / \$7,220,000.00

7779 / P782041-100000/ Starling Yard / \$0.00 / \$3,500,000.00 / \$3,500,000.00

SECTION 2. 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, 2022, the sum of \$3,500,000.00 is appropriated in Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) in Object Class 10 (Transfer Out Operating) and in Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 44-10 (Housing Division), Project P782041-100000 (Starling Yard), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$3,500,000.00, or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax Fund), Dept-Div 2201 (City Auditor) to Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 44-10 (Housing Division) per the account codes in the attachment to this ordinance.

SECTION 4. That the Director of the Department of Development be and is hereby authorized to enter into a grant agreement for up to \$3,500,000.00 on behalf of the City with the Erie Ohio Capital CDFI Fund LLC for the Starling Yard project.

SECTION 5. That the expenditure of \$3,500,000.00 to the Erie Ohio Capital CDFI Fund LLC, or so much thereof as may be needed, is hereby authorized in Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 44-10 (Housing Division), in object class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

SECTION 6. That upon obtaining other funds for this project for the Department of Development, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3.

SECTION 7. That the City intends that this ordinance constitute an "official intent" for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$3,500,000.00 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is "placed in service" within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

SECTION 8. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the

City Auditor shall establish such accounting codes as necessary.

SECTION 9. 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 10. 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.