



Legislation Text

File #: 0658-2024, **Version:** 1

BACKGROUND: This legislation authorizes the appropriation and expenditure of up to \$400,000.00 of HOME Investment Partnerships Program (HOME) entitlement grants (\$100,000.00 from the 2022 grant and \$300,000.00 from the 2024 grant) from the U.S. Department of Housing and Urban Development and authorizes the Director of the Department of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Habitat for Humanity-MidOhio to construct four single family homes. Each address would have its own set of loan documents.

Habitat for Humanity is a global nonprofit housing organization working in local communities across all 50 states in the U.S. and in approximately 70 countries. Habitat's vision is of a world where everyone has a decent place to live. Habitat works toward the City's vision by building strength, stability, and self-reliance in partnership with families in need of decent and affordable housing. Habitat homeowners help build their own homes alongside volunteers and pay an affordable mortgage.

Habitat has a well planned construction schedule that must take into account timing of public and private funding availability, volunteer labor, and subcontractor schedules. Habitat for Humanity is the only developer building homeownership units with HOME funds for qualified homebuyers who earn between 30-60 % AMI and every home on the list is one purchased or optioned from/with the Land Bank.

Habitat offers a zero percent interest mortgage and also brings up to 58% of the funding to each deal with the use of donor dollars, the mortgage payments of other Habitat homeowners, and in-kind donations for materials. These four units are part of the eleven in Columbus that Habitat plans to build in the 2024-2025 construction season and funded, in part, with City of Columbus HOME funds:

1333 Minnesota Avenue (010 059149) (HOME 2022) - Habitat will partner with a family from their pool of vetted applicants to build their two-story, four-bedroom home on this lot.

1402 Genessee Avenue (010-064915) (HOME 2024) - Habitat will partner with a family from their pool of vetted applicants to build their two-story, four-bedroom home on this lot.

1415 Genessee Avenue (010-059204) (HOME 2024) - Habitat will partner with a family from their pool of vetted applicants to build their two-bedroom, ranch style home on this lot.

1406 Minnesota Avenue (010-059872) (HOME 2024) - Habitat will partner with a family from their pool of vetted applicants to build their two-story, four-bedroom home on this lot.

This legislation represents appropriation for a part of the HOME portion of the 2022 Action Plan per ordinance 2800-2021 and the 2024 Action Plan per ordinance 2993-2023.

Contract Compliance: the vendor number is 004859 and expires 3/20/2025.

Fiscal Impact: \$100,000.00 is available from the 2022 HOME grant (G442102) and \$300,000.00 is available from the 2024 HOME grant (442302). The commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The funding from HOME Fund (2201) is only authorized if all HOME review and comment requirements have been met prior to any commitment of funds, as approved by the Responsible Entity Agency Official. An Authorization to Utilize Grant Funds will be received by the City from HUD in advance of the execution of documents for this project.

To authorize appropriation and expenditure of up to \$400,000.00 of HOME Investment Partnerships Program (HOME) entitlement grants (\$100,000.00 from the 2022 grant and \$300,000.00 from the 2024 grant) from the U.S. Department of Housing and Urban

Development and to authorize the Director of the Department of Development enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Habitat for Humanity-MidOhio to construct four single family homes with each address having its own set of loan documents. (\$400,000.00).

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 2022 Action Plan per ordinance 2800-2021 and the 2024 Action Plan per ordinance 2993-2023; and

WHEREAS, the Department of Development desires to support Habitat for Humanity-MidOhio with financial support for four single family homes; 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, 2024, the sum of \$100,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442102 (2022 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$100,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442102 (2022 HOME grant), 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, 2024, the sum of \$300,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442302 (2024 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 4. That the expenditure of \$300,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G443202 (2024 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 5. That the commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The funding from HOME Fund (2201) is only authorized if all HOME review and comment requirements have been met prior to any commitment of funds, as approved by the Responsible Entity Agency Official. An Authorization to Utilize Grant Funds will be received by the City from HUD in advance of the execution of documents for this project.

SECTION 6. That the Director of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Habitat for Humanity-MidOhio to construct four single family homes with each address having its own set of loan documents

SECTION 7. 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 8. 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 9. 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 10. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

