



Legislation Text

File #: 1266-2024, **Version:** 1

Background: Columbus City Council by Ordinance No. 2293-2015, passed September 10, 2015, authorized the Director of the Department of Development to make financial assistance available as grants to homebuyers, renters, for-profit and non-profit organizations to increase the local supply of decent, safe, and sanitary housing and decrease the number of vacant properties in our neighborhoods. The ordinance also authorized the expenditure of \$2,231,684.71 from the 2015 Housing Preservation Fund.

Pursuant to the authority of Ordinance No. 2293-2015, a grant agreement was made as of May 1, 2017 by and between the City of Columbus, Department of Development (City) and Toni J. Sofranko and Carl D. Sofranko, married Ohio residents (Recipient). The City committed to make a Housing Preservation Bond grant to Recipient in the amount of Ninety- Seven Thousand Eight Hundred Thirty-Six and 25/100 dollars (\$97,836.25). This agreement was later modified on September 17, 2017 to add additional needed funds in the amount of Seven Hundred Thirty-Eight and 75/100 dollars (\$738.75) in accordance with Ordinance No. 2053-2014 passed on September 25, 2014. There was a second modification made on October 26, 2017 to add in additional funds needed in the amount of One Thousand and One Hundred 00/100 dollars (\$1,100) and in accordance to ordinance number 2053-2014 passed on September 25, 2014, bringing the total amount of funds provided in this grant agreement to Ninety-Nine Thousand Six Hundred Seventy-Five dollars (\$99,675.00).

This funding was made available under the Housing Preservation Bond Program for the purpose of assisting the City with the Vacant and Abandoned Properties Initiative. The Recipient used the Funds for the rehabilitation of a two (2) unit rental housing project located at 176-178 N. Harris Avenue, Columbus, Ohio 43204 (Property). In return for the rehabilitation funding, the Recipient agreed to maintain the rental units as affordable to low- and moderate-income households for a 15-year period.

Paragraph two within the Restrictive Covenant section (Scope of Services) of the agreement states that “the Recipient shall not sell, transfer, encumber or otherwise dispose of all or any material part of the above described premises, or alter its intended use without first obtaining the written consent of the City.”

In an email received by the City from the Recipient dated February 22, 2022, and through ensuing correspondence, the Recipient indicated that they desired to sell the property to Morgan Scroggy. Upon this correspondence, an application was submitted by Morgan Scroggy and was approved by the Department of Development Housing Administrator on February 20, 2024.

This legislation is to authorize the Director of the Department of Development to amend the Agreement for the first time to change the Recipient from Toni J. Sofranko and Carl D. Sofranko to Morgan Scroggy as the successor owner of the Property. This legislation would also authorize the Director of the Department of Development to amend the Restrictive Covenant placed on the property to transfer the affordability requirements to Morgan Scroggy for the remainder of the affordability period, which expires on December 04, 2032.

Emergency action is requested in order to facilitate timely transfer of the property to the successor owner.

Fiscal Impact:

No funding is required for this legislation.

To authorize the Director of the Department of Development to amend a grant agreement for the first time to release Toni J. Sofranko and Carl D. Sofranko (the Recipient) from the obligations of the agreement and to substitute Morgan Scroggy (Successor Recipient) as a party to the agreement to allow the transfer of 176-178 N Harris Avenue, Columbus, Ohio 43204 (Property) from the Recipient to Successor Recipient subject to the Successor Recipient executing an Amended Agreement and Restrictive Covenant assuming the responsibilities of the Recipient for the remaining affordability period; to consent to the transfer of the Property from Recipient to Successor Recipient; and to declare an emergency. (\$0.00)

WHEREAS, the City of Columbus (City) entered into a funding Agreement and a Restrictive Covenant on May 1, 2017 under the Housing Preservation Bond Program for the purpose of assisting the City with the Vacant and Abandoned Properties Initiative with Toni J. Sofranko and Carl D. Sofranko (Recipient) for \$97,836.25 to rehabilitate 176-178 N. Harris Avenue with the understanding that the property would be affordable rental housing for 15 years subsequent to completion; and

WHEREAS, the Agreement was authorized by Ord 2293-2015, passed September 10, 2015; and

WHEREAS, the Agreement was subsequently modified On September 25, 2014 to add \$738.75 and again on October 26, 2017 to add \$1,100.00 pursuant to Ord. 2053-2014, passed September 25, 2017; and

WHEREAS, the Recipient wishes to transfer ownership of the property to Morgan Scroggy (Successor Recipient) but by the terms of the Agreement, must have consent from the City to do so; and

WHEREAS, Successor Recipient is willing to assume the responsibilities of Recipient by executing an amended Agreement and amended Restrictive Covenant; and

WHEREAS, it has become necessary in the daily operations of the Department of Development to amend the Agreement and Restrictive Covenant to allow Recipient to be released from its obligations and for Successor Recipient to assume those obligations;

WHEREAS, an emergency exists in the usual daily operations of the Department of Development to authorize the immediate amendment of the Housing Preservation Grant Agreement and Restrictive Covenant to timely facilitate the transfer of property from the Recipient to the Successor Recipient, and to continue the availability of affordable housing opportunities at the Property, all for the immediate preservation of the public peace, healthy, property, and safety; **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

Section 1. That the Director of the Department of Development is authorized to amend the City of Columbus Housing Preservation Grant Agreement and Restrictive Covenant to release Toni J. Sofranko and Carl D. Sofranko from their obligations under the agreement and obligate Morgan Scroggy to assume those obligations for the remainder of the affordability period which expires on December 4, 2032.

Section 2. That the City Council hereby consents to the transfer of the property 176-178 N. Harris Avenue, Columbus, 43204 from Toni J. Sofranko and Carl D. Sofranko to Morgan Scroggy.

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

