



Legislation Text

File #: 1423-2009, **Version:** 1

BACKGROUND: This legislation authorizes the Director of the Department of Development, in conjunction with the activities of the Affordable Housing Opportunity Fund, Neighborhood Stabilization Fund or other U.S. Department of Housing and Urban Development (HUD) funds, to partially release its recorded mortgage interests on multi-family and single family residential properties by executing Partial Release of Mortgages on specific individual units, provided the release is in compliance with HUD regulations and provided the funds from the sale of the individual units are fully allocated to paying their proportional share of the recorded mortgage on the entire multi-or single-family residential property.

This legislation further authorizes the Director of the Department of Development to execute Release of Restrictive Covenants, provided the release is otherwise in compliance with HUD regulations, when the mortgages made through the Affordable Housing Opportunity Fund, Neighborhood Stabilization Funds or other U.S. Department of Housing and Urban Development (HUD) funds are fully satisfied or when the proceeds from the sale of an individual unit has been fully allocated to paying its proportional share of the recorded mortgage on the entire multi- or single-family residential property.

Emergency action is requested to expedite authorization so that pending releases may be completed.

FISCAL IMPACT: No funding is required for this legislation. This legislation will not affect the current funding of these programs.

To authorize the Director of the Department of Development, in compliance with HUD regulations, to release recorded mortgage interests resulting from loans granted in conjunction with the Affordable Housing Opportunity Fund, Neighborhood Stabilization Fund or other HUD funds, on individual units of multi- or single-family residential properties by executing a Partial Release of Mortgage; to authorize the Director of the Department of Development to execute Release of Restrictive Covenants on individual units of multi- or single-family residential properties; and to declare an emergency.

WHEREAS, Ordinance 509-76 authorized the Department of Development to make loans through the Columbus Rehabilitation Assistance Loan Program, now known as the Affordable Housing Opportunity Fund; and

WHEREAS, the Department of Development makes other loans utilizing U.S. Department of Housing and Urban Development (HUD) funds, including the Neighborhood Stabilization Fund; and

WHEREAS, Ordinance 594-77 authorized the release of any duly satisfied real estate mortgages taken as a result of the Affordable Housing Opportunity Fund; and

WHEREAS, in conjunction with the Affordable Housing Opportunity Fund, the Department of Development will sometimes make a loan on a multi-family and/or several single family residential properties in a single mortgage; and

WHEREAS, when an individual unit of a multi-unit property or single family residential property is then sold, the mortgage and the restrictive covenants, if any, need to be released on the unit in order to clear title on that specific individual unit sold; and

WHEREAS, Ordinance 1564-91, passed July 8, 1991, amended the title and Section I of Ordinance 65-83 and authorized the Director of Development or his designee to release and cancel any duly satisfied real estate mortgage taken as a result of what is now known as the Affordable Housing Opportunity Fund; and

WHEREAS, Ordinance 2719-97, passed on November 17, 1997, authorized the Director of the Department of Trade and Development to cancel and release all duly satisfied real estate restrictive covenants placed as a result of the Affordable Housing

Opportunity Program; and

WHEREAS, an emergency exists in the usual daily operations of the City in that it is immediately necessary to authorize the Director of the Department of Development to execute said releases, allowing the properties to be sold in a timely manner and thereby preserving the public health, peace, property, safety, and welfare; **NOW, THEREFORE**,

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

Section 1. That the Director of the Department of Development be and is hereby authorized, in conjunction with the loan activities under the Affordable Housing Opportunity Fund, Neighborhood Stabilization Fund or other U.S. Department of Housing and Urban Development (HUD) funds, to release its recorded mortgage interests on units within multi-family and single family residential properties by executing Partial Release of Mortgages on specific individual units, provided the release is in compliance with HUD regulations and provided the funds from the sale of the individual units are fully allocated to paying their proportional share of the recorded mortgage on the entire multi-or single-family residential property.

Section 2. That the Director of the City of Columbus, Department of Development be and is hereby authorized to execute Release of Restrictive Covenants, provided the release is otherwise in compliance with HUD regulations ,when the mortgages made through the Affordable Housing Opportunity Fund, Neighborhood Stabilization Funds or other U.S. Department of Housing and Urban Development (HUD) funds are fully satisfied or when the proceeds from the sale of an individual unit of a multi- or single-family residential property has been fully allocated to paying its proportional share of the recorded mortgage on the entire multi- or single-family residential property

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.