



Legislation Text

File #: 0218-2023, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into a grant agreement with the Ohio Community Development Finance Fund for the Preston Pointe project.

Total City funding for this project is \$2,000,000.00. This ordinance establishes the \$500,000.00 bond-funded portion of the Preston Pointe project. Ohio Community Development Finance Fund is the developer of the Preston Pointe project and will enter into a grant agreement with the city for the bond funds as a pass-through entity. These bond funds will be loaned to the limited partnership established for Preston Pointe, FF Preston Pointe, L.P. the ownership entity.

A separate ordinance will be put forth in the amount of \$1,500,000.00 for the HOME program funding, provided by the U.S. Department of Housing and Urban Development, of this project. The HOME funds will be provided directly to FF Preston Pointe, L.P.

Preston Pointe is a proposed new construction development consisting of two three-story apartment buildings totaling 50 dwelling units on East Main Street in the Near East Side neighborhood of Columbus. The buildings will each have sidewalks connecting them to the public right of way, and there is a landscaped green space and a playground on the west lot of the development. The parking and main entrances are in close proximity to the units. The interior of each dwelling unit is creatively designed to be both functional and efficient. Bathrooms and kitchens alike will include easy-to-use fixtures and fittings laid out to accommodate occupants with varying levels of physical capabilities. The design team will meet and exceed all requirements to secure LEED Silver rating. Preston Pointe will also include solar panels on each building's rooftop designed to reduce overall energy use. The proposed development is targeting a 20% energy use reduction resulting in an approximately 24% reduction in Greenhouse gas emissions. A reduction in greenhouse gas emissions will contribute to improved air quality and healthy living. Energy use reduction will decrease the energy burden on low-income residents.

Preston Pointe will offer much-needed affordable housing: Finance Fund is working with Home For Families to fill ten units with households exiting homelessness, 20% of the units will be at or below 30% area median income (AMI), and average rents will be under 60% AMI. The unit breakdown will be 17 one-bed/one-baths, 24 two-bed/one-baths, and 9 three-bed/1.5 baths (totaling 50 units). Homes for Families is a partner that is providing services and support for 10 of the units at Preston Pointe.

Emergency action is requested to maintain the developer's project schedule.

FISCAL IMPACTS

This ordinance authorizes an expenditure of \$500,000.00 in the Affordable Housing Bond Fund. It is necessary to certify the requisite funds in the amount of \$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 038932 and expires 08/02/23.

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 \$500,000.00 with the Ohio Community Development

Finance Fund for the Preston Pointe project; to authorize the expenditure of \$500,000.00 from the Affordable Housing Taxable Bond Fund; and to declare an emergency. (\$500,000.00)

WHEREAS, the Director of the Department of Development desires to enter into a grant agreement with the Ohio Community Development Finance Fund for the Preston Pointe project; and

WHEREAS, Preston Pointe is a proposed new construction development consisting of two three-story apartment buildings totaling 50 dwelling units on East Main Street in the Near East Side neighborhood of Columbus; and

WHEREAS, the property will be mixed-income, 20% of the units will be at or below 30% area median income (AMI), and average rents will be under 60% AMI; and

WHEREAS, additionally, the Ohio Community Development Finance Fund is working with Home for Families to fill ten units with households exiting homelessness; and

WHEREAS, this ordinance will allow for the establishment of \$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 \$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 the Ohio Community Development Finance Fund to maintain the developer's project schedule, all for the preservation of public health, peace, property and safety; 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) / \$4,070,000.00 / (\$500,000.00) / \$3,570,000.00

7779 / P782042-100000/ Preston Pointe / \$0.00 / \$500,000.00 / \$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, 2023, the sum of \$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 P782042-100000 (Preston Pointe), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$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 \$500,000.00 on behalf of the City with the Ohio Community Development Finance Fund for the Preston Pointe project.

SECTION 5. That the expenditure of \$500,000.00 to the Ohio Community Development Finance Fund, 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 \$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.