



## Legislation Text

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**File #: 3338-2022, Version: 1**

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### **BACKGROUND**

This legislation authorizes the Director of the Department of Development to modify a grant agreement with National Church Residences, in an amount up to \$1,900,000.00, for the Clover Glen project.

Original grant amount	\$1,000,000.00	Ord. 1839-2022	PO353882
Mod 1 grant amount	<u>\$1,900,000.00</u>		
Total grant amount	\$2,900,000.00		

Ordinance 1839-2022, passed by City Council on July 20, 2022, authorized the Director of the Department of Development to enter into a Housing Development Agreement (HDA) for the Project. The HDA stated that the city would provide up to \$2,900,000.00 over two years through two payments of \$1,000,000.00 and \$1,900,000.00. The first installment was authorized under Ordinance 1839-2022. This grant agreement modification is the second and final payment for the Project.

National Church Residences proposes Clover Glen, formally, West Broad Senior, a 92-unit, affordable housing community for seniors aged 55+ located at 5719 W Broad Street in Columbus, Franklin County. Clover Glen serves the unique and growing aging, low income population in Ohio. This senior housing community will offer 92 one-bedroom units with approximately 20 units affordable to residents at or below 30% AMI, 72 units affordable to residents at 60% AMI.

Residents at Clover Glen will benefit from an amenity-rich location with easy access to health care services, grocery stores, and senior services. Of particular note, the property is within walking distance of the Prairie Township Community Center which offers a pool, fitness center, walking path, and seasonal farmer's market, in addition to hosting programming specifically for seniors including adult education opportunities. Residents will also have walking access to dental care, eye care, grocery shopping, park with walking trail, place of worship, pharmacy, dining, salon, bank, and bus service.

The National Church Residences Home for Life service model was developed as an enhanced delivery approach that will ensure a comprehensive network of services is offered to seniors at the property allowing them to remain happy, healthy and independent for as long as possible. This robust program is backed by central office support staff and presents a holistic, person centered supportive services experience that extends far beyond traditional service coordination. Residents will also benefit from National Church Residences existing preferred partnerships and have access to CareGuide, the organization's online, evidenced-based population health management tool to assess resident needs. CareGuide allows for the tracking of tenant metrics to better recognize patterns that can aide in designing targeted programming while also being proactive in assisting to help prevent avoidable and costly resident hospitalizations. These resources will assist the property staff in developing the enriched service program best suited for resident needs.

Clover Glen will consist of one building with 92 one-bedroom apartments units. Each unit will have a separate kitchen, bathroom, living area, and bedroom. At least five of the units will meet Section 504 accessibility standards. In addition, National Church Residences will incorporate building design features to enable residents to age in place including but not limited to accessible means of egress/ingress for each unit, 36" door widths, lever handles, and facets, clear floor space of 30" x 50", and accessible locations of lighting and environmental controls. The building will also incorporate sustainable design practices and methods in accordance with OHFA's Green Policy.

Clover Glen has closed its financing with the exception of the second round of City capital funds and is currently under construction with completion planned in Fall of 2023.

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

**FISCAL IMPACT:** This ordinance authorizes an expenditure of \$1,900,000.00 in the Affordable Housing Taxable Bond Fund. It is necessary to certify the requisite funds in the amount of \$1,900,000.00 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 040110 and expires 11/10/2023.

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 modify a grant agreement in an amount up to \$1,900,000.00 with National Church Residences for the Clover Glen project; and to authorize the expenditure of \$1,900,000.00 from the Affordable Housing Taxable Bond Fund; and to declare an emergency (\$1,900,000.00).

**WHEREAS,** the Director of Development seeks to enter into a grant agreement modification in an amount up to \$1,900,000.00 with National Church Residences for the Clover Glen project; and

**WHEREAS,** the grant agreement modification shall provide the second and final payment for the project; and

**WHEREAS,** this ordinance will allow for the establishment of \$1,900,000.00 from the City's 2022 Capital Budget through a bond agreement funded temporarily with the Special Income Tax Fund until bonds are issued; and

**WHEREAS,** these bond funds will be used to pay for expenses incurred prior to purchase order approval for infrastructure work such as alley and right-of way-work; 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 \$1,900,000.00; 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; and

**WHEREAS**, it has become necessary in the usual daily operation of the Department of Development to authorize the Director to modify a grant agreement in an amount up to \$1,900,000.00 with National Church Residences for the Clover Glen project; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to enter into agreement with National Church Residences to maintain the closing schedule of the project and to mitigate construction cost increases, all for the preservation of public health, peace, property and safety; **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 modification:

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

7779 / P782012-100000 / Affordable Housing Funds (Voted 2019 SIT Supported) / \$7,220,000 / (\$1,900,000.00) / \$5,320,000.00

7779 / P782034-100000/ Clover Glen / \$0.00 / \$1,900,000.00 / \$1,900,000.00

**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 \$1,900,000.00 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 P782034-100000 (Clover Glen), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

**SECTION 3.** That the transfer of \$1,900,000.00, 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 modify a grant agreement for up to \$1,900,000.00 on behalf of the City with National Church Residences for the Clover Glen project.

**SECTION 5.** That the expenditure of \$1,900,000.00 to National Church Residences, 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 \$1,900,000.00 (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 the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

**SECTION 11.** 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.