



## Legislation Text

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**File #:** 0258-2023, **Version:** 1

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**BACKGROUND:** This legislation authorizes the expenditure of 0.43% of the combined rates of 5.1% of the Hotel/Motel/Short-Term Rental Excise Tax (presently estimated at \$2,091,000.00) and authorizes the Director of the Department of Development to enter into a Not for Profit Service Contract in an amount of \$2,091,000.00 with the Affordable Housing Trust for Columbus and Franklin County.

The Affordable Housing Trust for Columbus and Franklin County (Housing Trust) combines public and private funding through a variety of sources to support the development of housing within the City. Both rental units and homeownership projects are developed. These services require expertise that cannot be provided by existing city employees.

In 2023, the City will commit its annual contribution of the hotel/motel/short-term rental tax receipts to the Housing Trust at an estimated \$2,091,000.00 or whatever greater or lesser sum of money may be received through the portion of the Hotel/Motel/Short-Term Rental Excise Tax fund allocated to the Housing Trust. The amount is based on 0.43% in relation to the 5.1% combined rate.

This legislation is presented as an emergency because of the need to continue program services without interruption.

**FISCAL IMPACT:** Funding is estimated to be available in Fund 2231. Payments will be made to the Housing Trust by the Auditor's Office on a monthly basis, up to the amount available in the fund, which in total may be more or less than the estimated amount of \$2,091,000.00. Funding is contingent up passage of Ordinance 2938-2022.

To authorize the Director of the Development Department to enter into a Not for Profit Service Contract with the Affordable Housing Trust for Columbus and Franklin County to facilitate the production of affordable housing and enhance home ownership opportunities in Columbus; to authorize the expenditure of 0.43% of the combined rates of 5.1% of the Hotel/Motel/Short-Term Rental Excise Tax (presently estimated at \$2,091,000.00); and to declare an emergency. (\$2,091,000.00)

**WHEREAS,** Mayor Coleman commissioned a Columbus Housing Task Force in May 2000 to design the City's first housing trust fund and to recommend a structure whereby an Affordable Housing Trust for Columbus and Franklin County could facilitate the production of housing in Columbus; and

**WHEREAS,** the goal of the Housing Trust Fund is that 50% of the City's leveraged funding would go to benefit citizens who are at or below 60% of the median income; and

**WHEREAS,** Section 371.02(c) of the Columbus City Codes, 1959, specifies that up to 0.43 percent of the combined rates of 5.1 percent of the revenues of the Hotel/Motel/Short-Term Rental Excise Tax are to be used to support the production of affordable housing and create home ownership opportunities within the city of Columbus through the Columbus Housing Trust; and

**WHEREAS,** the City has determined to adjust the annual distribution of hotel/motel/short-term rental tax receipts to

allow for on-going contributions in the amount of 0.43% of the combined rates of 5.1% of the Hotel/Motel/Short-Term Rental Excise Tax fund (presently estimated at \$2,091,000.00) to Affordable Housing Trust for Columbus and Franklin County for this effort; and

**WHEREAS**, should the actual amount of the 0.43% of the combined rates of 5.1% of the Hotel/Motel/Short-Term Rental Excise Tax fund be lesser or greater than presently estimated at \$2,091,000.00 at any time during the year, the City Auditor shall have the authority to decrease or increase cash appropriations to the amount of cash on hand to meet contractual obligations; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to authorize the appropriation and expenditure of said funds to the Affordable Housing Trust for Columbus and Franklin County to continue delivery of program services without interruption, in order to preserve the public peace, health, safety, and welfare; and **NOW, THEREFORE**,

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

**SECTION 1.** That the Director of the Development Department is hereby authorized to enter into a Not for Profit Service Contract with the Affordable Housing Trust for Columbus and Franklin County to support the production of housing in the City of Columbus in an amount of \$2,091,000.00.

**SECTION 2.** That for the purposes stated in Section 1, the expenditure of \$2,091,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2231 (Hotel Motel Tax), Dept-Div 4401, in Object Class 03 (Contractual Services) per the accounting codes in the attachment to this ordinance.

**SECTION 3.** That the City Auditor shall have the authority to decrease or increase cash appropriations to the amount of cash on hand at any time during the year to meet contractual obligations should the actual amount of the 0.43% of the combined rates of 5.1% of the Hotel/Motel/Short-Term Rental Excise Tax fund be lesser or greater than presently estimated at \$2,091,000.00.

**SECTION 3.** 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 4.** 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 5.** That in the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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.