



Legislation Text

File #: 3301-2022, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into a grant agreement with Olde Towne Investors LLC for the Triumph Apartments development.

Triumph Apartments is located at the corner of Oak and 18th in the City's Olde Towne East area. The development is mixed income, with six 60% AMI units, thirteen 80% AMI units and at least thirteen or more units affordable to 100% AMI with the units remaining affordable for fifteen years.

Units are spacious and modern - including stainless steel appliances, ample closets, granite counters, plank flooring and LED lighting throughout. All units are of the same finish regardless on rent or income level. The project also provides and encourages mix-used growth, including inclusion of over 2700 square feet of ground floor retail.

The amenity space includes a resident lounge, onsite fitness facility, and outdoor community courtyard. The project features onsite property management and maintenance spaces; special features include a valet trash service program and 109 general resident spaces within the enclosed garage, 17 additional individual rentable garages, and over 140 surface spaces.

Metropolitan Holdings, general partner of Olde Towne Investors LLC, is additionally pleased that it continues to be a pioneer in housing concepts, and is working toward a formal relationship with IMPACT Community Action. This relationship provides for formal referral and preferred placement of qualified households into the proposed affordable housing units. This ensures that those who need the housing the most also have immediate access to vacant units once they are available for lease.

IMPACT Community Action Agency has existing Vocational Training and Certification Programs providing a mixture of classroom instruction and hands on work to help prepare participants for the construction field trades. Additionally, they offer supportive services and programming that can help Tenant live independently and with dignity, and further have agreed to provide supportive services and programming to any Eligible Tenant at the development. Examples of supportive services include, but are not limited to employment programs that integrate financial literacy training or assist with overcoming employment barriers. This can also include rent and utility assistance, career training programs that offer accredited credentials in the skilled trades, or licensing or certifications in healthcare, technology fields and more.

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.

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

FISCAL IMPACTS

This ordinance authorizes an expenditure of \$330,000.00 in the Affordable Housing Bond Fund. It is necessary to certify the requisite funds in the amount of \$330,000.00 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 043178 and expires 09/30/24.

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 \$330,000.00 with Olde Towne Investors LLC for the Triumph Apartments development; to authorize the appropriation and expenditure of \$330,000.00 within the Affordable Housing Taxable Bond Fund; to authorize the reimbursement of expenses incurred prior to the approval of the purchase order; and to declare an emergency. (\$330,000.00) **(AMENDED BY ORD. 2692-2023 PASSED 10/30/2023) BA**

WHEREAS, the Director of the Department of Development desires to enter into a grant agreement with Olde Towne Investors LLC for the Triumph Apartments development; and

WHEREAS, Triumph Apartments is located at the corner of Oak and 18th in the City's Olde Towne East area; and

WHEREAS, the development is mixed income, with six 60% AMI units, thirteen 80% AMI units and at least thirteen or more units affordable to 100% AMI with the units remaining affordable for fifteen years; and

WHEREAS, this ordinance will allow for the establishment of \$330,000.00 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, 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 \$330,000.00; 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 Olde Towne Investors LLC to maintain the schedule of the project and to mitigate construction cost increases; 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) / \$12,950,000 / (\$330,000.00) / \$12,620,000.00

7779 / P782039-100000/ Triumph Apartments / \$0.00 / \$330,000.00 / \$330,000.00

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 \$330,000.00 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 P782039-100000 (Triumph Apartments), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$330,000.00, 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 \$330,000.00 on behalf of the City with Olde Towne Investors LLC for the Triumph Apartments development.

SECTION 5. That the expenditure of \$330,000.00 to the Olde Towne Investors LLC, 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 \$330,000.00 (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.