



Legislation Details (With Text)

File #: 1021-2023 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 3/28/2023 **In control:** Health & Human Services Committee

On agenda: 4/24/2023 **Final action:** 4/26/2023

Title: To authorize the appropriation and expenditure of an amount not to exceed \$230,000.00 from the Neighborhood Economic Development Fund and to authorize the appropriation and expenditure of an amount not to exceed \$35,000.00 from the General Fund - Neighborhood Initiative Subfund; to authorize the Director of the Department of Development, or designee, to execute a grant agreement with the Tony R Wells Foundation dba The Wells Foundation in an amount not to exceed \$265,000.00 to provide a one-time cash payment and furniture directly to each leaseholder that was displaced from the Latitude Five25 apartment complex on December 25, 2022, and to pay for expenses incurred before the purchase order was approved; to authorize the advancement of funds; and to declare an emergency. (\$265,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1021-2023 Admin Wells NED 2023-03-27

Date	Ver.	Action By	Action	Result
4/26/2023	2	CITY CLERK	Attest	
4/25/2023	2	MAYOR	Signed	
4/24/2023	2	COUNCIL PRESIDENT	Signed	
4/24/2023	1	Columbus City Council	Amended as submitted to the Clerk	Pass
4/24/2023	1	Columbus City Council	Approved as Amended	Pass
4/24/2023	2	COUNCIL PRESIDENT	Signed	
4/3/2023	1	Columbus City Council	Postponed to Date Certain	Pass

BACKGROUND: This legislation authorizes the Director of the Department of Development, or his designee, to execute a grant agreement with the Tony R Wells Foundation dba The Wells Foundation in an amount not to exceed \$265,000.00 of Neighborhood Economic Development funds (\$230,000.00) and Neighborhood Initiative Subfund (\$35,000.00) to provide a one-time cash payment and furniture directly to each leaseholder displaced from the Latitude Five25 apartment complex on December 25, 2022 and to pay for expenses incurred before the purchase order was approved.

On December 25, 2022, Latitude Five25 - an apartment complex located at 525 Sawyer Blvd., Columbus, Ohio - was declared unsafe due to bursting pipes and resulting flooding. As a result, the 154 households in the apartment complex had to be immediately evacuated.

An emergency shelter was established at Dodge Recreation Center to serve the displaced tenants. Given the extensive damage to the apartment complex, the City of Columbus, in partnership with the Franklin County Board of Commissioners, provided resources for temporary housing in motels, relocation services, and rental assistance.

On February 16, 2023, the Environmental Court of Franklin County found the ownership of Latitude Five25 in contempt and ordered a fine of \$2,500,000.00 to compensate former tenants for damages and losses suffered as a result of the Christmas Day evacuation. However, shortly after the judgment was issued, PAXE, the property owner, filed for Chapter 11 bankruptcy thereby delaying these payments indefinitely.

As of March 23, 2023, 109 households have been approved for new units with 65 moves completed. There is an immediate need for additional resources so that these households are able to re-establish their families in their new locations and acquire the household items that they need. Payment amounts will be calculated based on household size and monthly expense estimates as provided by the IRS and FEMA. Additionally, one of the most critical needs has been the replacement of furniture in order to furnish the new units. To date, philanthropic funding from partners (including Big Lots, CMHA, and the Equity Now Coalition) have been utilized to cover these items. That funding has been exhausted and there are still approximately 30 households in need of basic furniture items including, but not limited to, a bed frame and mattress, sofa, and a dresser. The City will work to get reimbursed for these expenses through the Environmental Court of Franklin County.

The Tony R Wells Foundation will make the payments directly to the displaced leaseholders and will facilitate the purchase and delivery of furniture. They will also provide each leaseholder a 1099. ~~form for tax purposes.~~ A portion of the grant amount will be an administration fee for their services with the remaining funds disbursed to the leaseholders and for the purchase of furniture.

Funds will be advanced based upon an advancement schedule included in the contract.

Emergency action is requested for the immediate preservation of the public peace, property, health and safety, in order to have funding available as soon as possible to assist residents rebuild their lives as they have been without their belongings since the evacuation and many do not have the financial means to replace what they have lost.

FISCAL IMPACT: Funding is available in Fund 2237, Neighborhood Economic Development Fund (\$230,000.00) and in the General Fund's (fund 1000) Neighborhood Initiative Subfund (100018) (35,000.00).

CONTRACT COMPLIANCE: the vendor's vendor number is 033793 and expires 9/1/2023.

To authorize the appropriation and expenditure of an amount not to exceed \$230,000.00 from the Neighborhood Economic Development Fund and to authorize the appropriation and expenditure of an amount not to exceed \$35,000.00 from the General Fund - Neighborhood Initiative Subfund; to authorize the Director of the Department of Development, or designee, to execute a grant agreement with the Tony R Wells Foundation dba The Wells Foundation in an amount not to exceed \$265,000.00 to provide a one-time cash payment and furniture directly to each leaseholder that was displaced from the Latitude Five25 apartment complex on December 25, 2022, and to pay for expenses incurred before the purchase order was approved; to authorize the advancement of funds; and to declare an emergency. (\$265,000.00)

WHEREAS, the Director of the Department of Development desires to execute a grant agreement with the Tony R Wells Foundation dba The Wells Foundation in an amount not to exceed \$265,000.00 comprised of Neighborhood Economic Development funds (\$230,000.00) and funds from the Neighborhood Initiative Subfund (\$35,000.00) to provide a one-time cash payment and furniture directly to each leaseholder displaced from the Latitude Five25 apartment complex on December 25, 2022 and to pay for expenses incurred before the purchase order was approved; and

WHEREAS, on December 25, 2022, Latitude Five25 - an apartment complex located at 525 Sawyer Blvd., Columbus, Ohio - was declared unsafe due to burst pipes and resulting flooding and tenants being immediately evacuated; and

WHEREAS, on February 16, 2023, the Environmental Court of Franklin County found the ownership of Latitude Five25 in contempt and ordered a fine of \$2,500,000.00 to compensate former tenants for damages and losses suffered as a result of the Christmas Day evacuation. However, shortly after the judgment was issued, PAXE, the property owner, filed for Chapter 11 bankruptcy thereby delaying these payments indefinitely; and

WHEREAS, there is an immediate need for additional resources so that these householders are able to re-establish their families in new locations and acquire the household items that they need; and

WHEREAS, the Tony R Wells Foundation will make the payments directly to, and purchase furniture for, the displaced leaseholders as well as provide each leaseholder with a 1099 form for tax purposes; and

WHEREAS, the Tony R Wells Foundation is a non-profit organization that provides grants for technology, social enterprise, and leadership development; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in order to have funding available as soon as possible to assist residents rebuild their lives as they have been without their belongings since the evacuation and many do not have the financial means to replace what they have lost, all for the preservation of the public health, peace, property, safety and welfare; and **NOW THEREFORE**,

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

SECTION 1. 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 ending December 31, 2023, the sum of \$230,000.00 is appropriated in Fund 2237 (NED), Dept-Div 44-01 (Administration), in object class 05 (Other) per the account codes in the attachment to this Ordinance.

SECTION 2. That the expenditure of \$230,000.00 or so much thereof as may be needed is authorized in Fund 2237 (NED), Dept-Div 44-01 (Administration), in object class 05 (Other) per the account codes in the attachment to this Ordinance.

SECTION 3. 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 \$35,000.00 is appropriated in Fund 1000 (GF), Subfund 100018 (Neighborhood Initiative) Dept-Div 44-01 (Administration), in object class 05 (Other) per the account codes in the attachment to this Ordinance.

SECTION 4. That the expenditure of \$35,000.00 or so much thereof as may be needed is authorized in Fund 1000 (GF), Subfund 100018 (Neighborhood Initiative) Dept-Div 44-01 (Administration), in object class 05 (Other) per the account codes in the attachment to this Ordinance.

SECTION 5. That the Director of the Department of Development, or his designee, is authorized to execute a grant agreement with the Tony R Wells Foundation dba The Wells Foundation in an amount not to exceed \$265,000.00 to provide a one-time cash payment and furniture directly to each leaseholder displaced from the Latitude Five25 apartment complex on December 25, 2022, and to pay for expenses incurred before the purchase order was approved, and is authorized to advance funds per a schedule to be included in the contract.

SECTION 6: 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 7: 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 legislation.

SECTION 8: That for reasons stated in the preamble hereto, which is 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.