



Legislation Text

File #: 1401-2020, **Version:** 1

BACKGROUND: This legislation authorizes the Columbus City Auditor to change the funding source for the contract with the Affordable Housing Trust for Columbus authorized under ordinance 0511-2020, passed by Council March 16, 2020. The funding source for this contract will be changed from wholly Hotel/Motel excise tax funding to Hotel/Motel excise tax and CARES Act funding. Due to the economic impact of the coronavirus, actual Hotel/Motel excise tax collections are anticipated to be significantly less than anticipated in 2020.

The economic fallout of the coronavirus has impacted Ohio and the national economy at historic levels. Ohio's unemployment rate has risen to 16.8%, an increase of 11% versus pre-coronavirus levels. Similarly, Columbus's unemployment level has risen to 13.7%, an increase of 9.5% versus pre-coronavirus levels. The travel and tourism sector of the economy has been disproportionately impacted and is experiencing an unprecedented contraction in business due to the COVID-19 pandemic. Marriott, a bellwether for the industry, recently projected a 75% decrease in global revenues and a 90% decrease in domestic (U.S.) revenues. The Airline industry has been similarly impacted with domestic U.S. flights decreasing 70% over pre-coronavirus levels. The aforementioned economic impacts to the travel and tourism have resulted in a significant decrease in 2020 Hotel/Motel excise tax proceeds, which in turn has drastically reduced funding available for social service contracts.

For 2020, it was estimated that \$1,952,000.00 of Hotel/Motel excise tax would be available for these contracts. Through early June 2020, the city has received approximately \$424,000 for this need when the expected amount is approximately \$813,000. Depending upon the revenue received later this year, additional legislation may be needed to change the funding source again in order to fund the contract amount.

Emergency action is requested to change the funding source so payments can be made without interruption.

FISCAL IMPACT: Funding is provided to the City of Columbus from the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress and signed into law March 27, 2020. There is \$1,528,067.00 remaining on PO220380. Of this amount, \$411,143.00 will be changed from Hotel/Motel Excise Tax to CARES Act funds. Funds in the amount of \$411,143.00 are appropriated and available in the Department of Development, Fund 2207, Subfund 220702.

To authorize the Columbus City Auditor to change the funding source for \$411,143.00 of the remaining funds on PO220380, from wholly Hotel/Motel excise tax funds to CARES Act funds; to authorize the expenditure of up to \$411,143.00 from the CARES Act fund; and to declare an emergency. (\$411,143.00)

WHEREAS, it was estimated that \$1,952,000.00 of Hotel/Motel excise tax would be available in 2020 for a contract with the Affordable Housing Trust For Columbus; and

WHEREAS, due to the economic impact of the coronavirus, actual Hotel/Motel excise tax funds are anticipated to be significantly less than anticipated in 2020; and

WHEREAS, the COVID-19 pandemic has resulted in the need for changing the funding source for the contract with the Affordable Housing Trust because of a reduction in Hotel/Motel excise tax; and

WHEREAS, expenditure of CARES Act funds to support the Affordable Housing Trust is necessary to facilitate the production of affordable housing and enhancement of home ownership opportunities in Columbus caused by the COVID-19 public health emergency; and

WHEREAS, such expenditure of funds has not been previously accounted for in the 2020 Budget; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to change the funding source of the contract so payments can be made without interruption thereby preserving the public health, peace, property, safety and welfare; **NOW, THEREFORE**,

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

SECTION 1. That the Columbus City Auditor is hereby authorized to change the funding source for \$411,143.00 of the remaining funds on PO220380 (ACPO005087) from Fund 2231 to Fund 2207, per the accounting codes in the attachment to this ordinance.

SECTION 2. That for the purpose stated in Section 1, the expenditure of \$411,143.00 or so much thereof as may be needed, is hereby authorized in Fund 2207 (CARES Act), Dept-Div 44-01 (Administration), in object class 03 (Services) per the accounting codes in the attachment to this ordinance.

SECTION 3. That the funds necessary to carry out the purposes of this ordinance are hereby deemed appropriated 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. 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 passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.