



Legislation Text

File #: 2698-2020, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$400,000.00 of the 2020 HOME Investment Partnerships Program (HOME) entitlement grant from the U.S. Department of Housing and Urban Development and to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Warner Junction, Ltd for the Warner Junction Project.

Warner Junction, Ltd. is a FHAct50 Building Opportunity Fund recipient of Low Income Housing Tax Credits with Ohio. The FHAct50 Building Opportunity fund provides access to a pool of \$3 million in low income housing tax credits to further the creation of diverse and accessible communities with the boundaries of the Target Area Plan (TAP) identified by the City of Columbus. The approved TAP selected by the City is Franklinton on the west side of Columbus

The project is comprised of new construction of a fifty (50) unit rental project with a forty (40) unit building to be located at 731 West Rich Street and five (5) duplexes to be located at 134, 149, 151, 161 and 165 Hayden Avenue in the approved Franklinton TAP on the west side of Columbus. The duplexes will be built on City of Columbus Land Bank properties.

All units are to be affordable to and occupied by households at or below 50%, 60% and 70% of the Area Median Income.

The lead entity in the project is the Ohio Community Development Finance Fund in partnership with Ohio Capital Corporation for Housing as the equity investor. The Finance Fund builds bridges between resources and the low and moderate income community to improve the quality of life for people. The Finance Fund has been in business for over 30 years and, until recently, focused exclusively on loan and grant making efforts. With the addition of Jeff Mohrman as Executive Vice President of Real Estate, the Finance Fund has begun to do affordable housing development. The organization has a competitive LIHTC project in development in Athens County. Warner Junction will be their second LIHTC project.

FHAct50 tax credit recipient. There will be a HOME loan commitment, HOME loan agreement, HOME loan open end mortgage, promissory note and a HOME restrictive covenant

This legislation represents appropriation for the HOME portion of the 2020 Action Plan, per Ordinance 2162-2019.

Emergency action is requested to allow the project to close on financing and begin construction.

Contract Compliance: the vendor number is 033543 and expires 11/13/2022.

Fiscal Impact: \$400,000.00 is available from the 2020 HOME grant (G451903).

To authorize the appropriation and expenditure of up to \$400,000.00 of 2020 HOME Investment Partnerships Program (HOME) grant from the U.S. Department of Housing and Urban Development; to authorize the Director of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Warner Junction, Ltd in an amount up to \$400,000.00; and to declare an emergency. (\$400,000.00).

WHEREAS, the City of Columbus is a participating jurisdiction of the U.S. Department of Housing and Urban Development; and

WHEREAS, the City of Columbus is the recipient of HOME Investment Partnerships funds from the U.S. Department of Housing and Urban Development; and

WHEREAS, City Council has approved the 2020 Action Plan, per Ordinance 2162-2019, as required by HUD; and

WHEREAS, it is necessary to appropriate and expend funds from the 2020 HOME grant for eligible expenses and the Warner Junction project is an eligible expense; and

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 commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Warner Junction, Ltd and appropriate and expend said funds to allow the project to close on financing and begin construction, thereby preserving 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 ended December 31, 2020, the sum of \$400,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G451903 (2020 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$400,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G451903 (2020 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 3. That the Director of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Warner Junction, Ltd for the Warner Junction project.

SECTION 4. 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 5. 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 6. At the end of the grant period, any repayment of unencumbered balances required by the grantor is hereby authorized and any unused City match monies may be transferred back to the City fund from which they originated in accordance with all applicable grant agreements.

SECTION 7. 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.