



## Legislation Text

**File #:** 1064-2021, **Version:** 1

**BACKGROUND:** This ordinance authorizes the appropriation and expenditure of \$90,000.00 of the 2020 HOME Investment Partnerships Program (HOME) entitlement grant from the U.S. Department of Housing and Urban Development and authorizes the Director of the Department of Development to add \$90,000.00 to the yet-to-be executed contract authorized under ordinance 1787-2020. The contract with the developer will be comprised of five documents: a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant.

Ordinance 1787-2020 authorized the Director of Development to enter into contract with Franklinton Development Association for the Town Square Station project. Town Square Station is a 10 unit, new construction, rental development located at 931-937 W. Town Street, 202-204 Hawkes Avenue, and 936 W. Rich Street. The majority of the site is currently owned by the City Land Bank. Prior to development, the site will be conveyed to the Central Ohio Community Land Trust with the improvements being owned by Franklinton Development Association as affordable rental property. All units will be affordable to households at or below 50% of the area median income.

The estimated project cost has increased by \$90,000.00 due to increases in lumber and other construction material prices, to \$2,225,000.00, and the City is contributing a total of \$1,390,000.00 of HOME funds to this project. Other major project funding is also coming from OHFA's Housing Development Gap Financing program in an amount of \$500,000.00 and the developer will receive a loan from the Affordable Housing Trust of Columbus and Franklin County for \$280,000.00.

This legislation represents appropriation for a part of the HOME portion of the 2021 Action Plan, per Ordinance 2345-2020.

Emergency legislation is requested in order to meet the developer's project schedule.

**FISCAL IMPACT:** Funding for this agreement will come from three different years of HOME grants, but appropriation is needed only for the increase in funding:

·	2018	\$ 99,487.95	funded from ACPO005097, Ord. 2014-2018
·	2019	\$ 605,286.60	funded from ACPO006362, Ord. 1787-2020
·	2020	\$ 595,225.45	funded from ACPO006362, Ord. 1787-2020
·	2020	<u>\$ 90,000.00</u>	to be appropriated from this ordinance
		<u>\$1,390,000.00</u>	total contribution

**CONTRACT COMPLIANCE:** The vendor's number is 005222 and expires 4/3/2023.

To authorize the appropriation and expenditure of \$90,000.00 of the 2020 HOME Investment Partnerships Program (HOME) entitlement 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 Franklinton Development Association for the Town Square Station project in an amount up to \$1,390,000.00, including \$1,300,000.00 from existing Auditor's Certificates; and to declare an emergency. (\$90,000.00)

**WHEREAS,** the City of Columbus is and expects to continue as a participating jurisdiction of the U.S. Department of Housing and Urban Development for 2021; and

**WHEREAS,** the City is the recipient of HOME Investment Partnerships Program Grant funds from HUD; and

**WHEREAS**, it is necessary to appropriate and expend funds from the unappropriated balance of the 2020 HOME grant; and

**WHEREAS**, this ordinance authorizes the Director of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Franklinton Development Association for the Town Square Station project in an amount up to \$1,390,000.00; and

**WHEREAS**, these programs have effectively and efficiently enabled our community to fund projects designed to increase and preserve the local supply of decent, safe, sanitary, and affordable housing for low and moderate income families; 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 contract with Franklinton Development Association in order to allow meet the developer's project schedule, 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 ended December 31, 2021, the sum of \$90,000.00 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 \$90,000.00 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 Franklinton Development Association for the Town Square Station project in an amount up to \$1,390,000.00.

**SECTION 4.** That the 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.** That, 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.