



Legislation Text

File #: 0406-2022, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$81,619.59 of Neighborhood Stabilization Program 1 (NSP 1) and \$256,380.41 of Neighborhood Stabilization Program 3 (NSP 3) grants from the U.S. Department of Housing and Urban Development (HUD) and to enter into two commitment letters, loan agreements, promissory notes, and mortgages with HNHF Realty Collaborative, Inc. for the construction of two single family homes in the South Linden Neighborhood, at 1089 E 16th and 1124 E. 16th Avenue.

With the construction of two new, single-family homes at 1089 and 1124 E 16th Avenue, HNHF Realty Collaborative, Inc. is bringing investment to the South Linden neighborhood in the central city of Columbus. Each home will have three bedrooms and two and a half baths and will be built to City AWARE standards. Each home will be sold to a buyer at or below 120% of the Area Median Income as defined by HUD. The funding will be divided as follows:

- 1089 E 16th \$81,619.59 NSP 1, \$87,380.41 NSP 3
- 1124 E 16th \$169,000.00 NSP 3

South Linden is a designated area for use of NSP 1 and NSP 3 funding. HNHF is already doing work in this neighborhood and has already completed 28 home repair projects in the South Linden neighborhood.

This legislation represents appropriation for a part of the remaining NSP 1 grant and the entirety of the remainder of the NSP 3 grant (both the line of credit balance and program income).

Emergency action is requested to allow for the developer to begin construction as soon as possible.

Contract Compliance: the vendor number is 001183 and expires 10/9/2022

Fiscal Impact: \$81,619.59 is available from the NSP 1 (G440500) grant and \$256,380.41 is available from the NSP 3 (G441103) grant.

To authorize the appropriation and expenditure of up to \$81,619.59 of the NSP 1 grant and \$256,380.41 of the NSP 3 grant from the U.S. Department of Housing and Urban Development; to authorize the Director of Development to enter into two commitment letters, loan agreements, promissory notes, and mortgages with HNHF Realty Collaborative, Inc. for the construction of two single family homes in the South Linden neighborhood, at 1089 and 1124 E 16th Avenue; and to declare an emergency. (\$338,000.00)

WHEREAS, the City of Columbus has received Neighborhood Stabilization 1 (NSP 1) and Neighborhood Stabilization 3 (NSP 3) grants from the U.S. Department of Housing and Urban Development; and

WHEREAS, the implementation of NSP 1 and NSP 3 was delegated to the Department of Development; and

WHEREAS, the Department of Development desires to support HNHF Realty Collaborative for the construction of two single family homes in the South Linden neighborhood, at 1089 and 1124 E 16th Avenue with NSP 1 and NSP 3 funds; 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 agreements with HNHF Realty Collaborative and appropriate and expend said funds to allow for the developer to begin construction as soon as possible, 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, 2022, the sum of \$81,619.59 is appropriated in Fund 2220 (General Government Grants) from Dept-Div 44-10 (Housing), G440500 (NSP 1), object class 05 (Other Expenses) and the sum of \$256,380.41 is appropriated in Fund 2220 (General Government Grants) from Dept-Div 44-10 (Housing), G441103 (NSP3), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$81,619.59 or so much thereof as may be needed, is hereby authorized in Fund 2220 (General Government Grants), Dept-Div 4410 (Housing), G440500 (NSP 1), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 3. That the expenditure of \$256,380.41 or so much thereof as may be needed, is hereby authorized in Fund 2220 (General Government Grants), Dept-Div 4410 (Housing), G441103 (NSP 3), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 4. That the Director of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, and mortgage with HNHF Realty Collaborative, Inc. for the construction of the single family home at 1089 E 16th Avenue in an amount up to \$81,619.59 with NSP 1 funds and \$87,619.59 with NSP 3 funds for a total amount of \$169,000.00.

SECTION 5. That the Director of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, and mortgage with HNHF Realty Collaborative, Inc. for the construction of the single family home at 1124 E 16th Avenue in an amount up to \$169,000.00 with NSP 3 funds.

SECTION 6. 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 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 ordinance.

SECTION 8. 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 9. 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.