



Legislation Text

File #: 1864-2022, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into an agreement with Columbus Housing Partnerships to memorialize the release of escrow funds accumulated from prior federal Neighborhood Stabilization Program (NSP) funding received in support of housing projects.

Columbus Housing Partnership, dba Homeport, was a recipient of NSP funds awarded to the City by the U.S. Department of Housing and Urban Development (HUD) in 2008 and 2009. NSP funds had tight spending deadlines and the City provided construction financing of projects rather than just filling funding gaps so that projects could proceed more quickly.

Upon sale of each home, it was agreed that the developer would provide a breakdown to the City of total funds expended on each home including NSP funding and developer funds and what program income was to be returned to the City. Of the 39 homes developed by Homeport with NSP funds, 4 homes still have funds in escrow that have not been fully reconciled. Homeport has provided an estimate of the breakdown on funds that should be distributed to the City and funds that should be distributed to Homeport.

At this time, the title company holding the escrow funds insists that all funds be disbursed. The City and Homeport wish to enter into an agreement that would allow the funds to be disbursed based on the estimates with the understanding that if there are any adjustments made to the fund balances that there will be payment made from one party to the other. If there are any additional funds to be paid by the City, those payments will be brought to City Council for approval. A total of \$367,132.43 remains in escrow with an estimate that \$124,368.70 should go to Homeport and \$242,763.73 should go to the City.

Emergency Action is requested to disburse the funds so they can be used for other projects.

FISCAL IMPACT: No funding is needed

CONTRACT COMPLIANCE: the vendor number is 004842 and expires 3/14/2024.

To authorize the Director of the Department of Development to enter into an agreement with Columbus Housing Partnerships to memorialize the release of escrow funds from prior federal Neighborhood Stabilization Program funding received in support of housing projects; and to declare an emergency. (\$0.00)

WHEREAS, the City was the recipient of NSP funds from the U.S. Department of Housing and Urban Development (HUD) in 2008 and 2009; and

WHEREAS, Columbus Housing Partnership, dba Homeport, received NSP funds for 39 housing projects; and

WHEREAS, some funds remain in escrow and the City and Homeport desire to enter into an agreement to memorialize how the funds shall be disbursed; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development such that it is immediately necessary to memorialize the release of these funds as the title company holding the escrow is insisting that they be disbursed 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 Director of the Department of Development be and is hereby authorized to enter into an agreement with Columbus Housing Partnerships to memorialize the release of escrow funds from prior federal Neighborhood Stabilization Program (NSP) funding received in support of housing projects.

SECTION 2. 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.