



## Legislation Text

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**File #:** 1771-2022, **Version:** 1

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**BACKGROUND:** This ordinance authorizes the appropriation and expenditure of up to \$800,000.00 of the 2021 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 McDowell Place Homes LLC to construct a 50-unit urban, multi-family project.

McDowell Place is a 50-unit urban, multi-family project developed by Homeport. It consists of seventeen 1-bedroom, twenty-nine 2-bedroom, and four 3-bedroom apartments in a four-story elevator building. This attractive, high-quality, energy-efficient development brings affordable housing to those earning  $\leq 70\%$  AMI with 75% of units targeted for  $\leq 60\%$  AMI. McDowell Place is situated in Columbus' East Franklinton community, a QCT with 44% single parent households, with 100% of those parents living in poverty. 30% of this tract is severely housing cost-burdened and 87% are renters.

East Franklinton is becoming a focal point for market rate development activity in large part due to its downtown proximity and burgeoning art scene that drives tourist interest and economic growth. The site is across the street from the new Gravity II project developed by Kaufman Development, with whom Homeport has collaborated in the predevelopment stage. The McDowell Place site only accommodates three accessible parking spaces and a fourth staff space, so Homeport and Kaufman have negotiated use of up to 60 spaces in the Gravity II parking garage.

The one-bedroom units range from 609 to 666 square feet, while two-bedroom apartments range from 808 to 864 square feet and the three-bedroom units are 1,087 square feet. Unit amenities include fully equipped kitchen and laundry hook-ups. Three apartments meet full accessibility standards. Common space includes a lobby, community room with kitchenette, fitness room and bike storage. The site includes a patio area with benches and extensive plantings. At the 4th floor, there is a 500 square foot exterior terrace, which is an uncommon amenity in affordable housing. McDowell Place will qualify for LEED Silver certification. Compliance with the City of Columbus AWARE standards and OHFA's design standards assures that the property will be energy efficient and sustainable. The exterior of fiber cement panels, corrugated metal and masonry will not only be attractive and consistent with architectural standards in East Franklinton, but also durable.

McDowell Place is on the site of the former West Side Spiritualistic Church, which was deemed Historic, and after work between the City, Developer and the State Historic Preservation Office, a Memorandum of Agreement was put in place. Historic pictures of the church will be taken and made available. The large stained glass windows and bell from the church will be preserved and moved to Greenlawn Cemetery and will be accompanied by a permanent plaque noting the historic significance that resided in the West Side Spiritualistic Church.

McDowell Place was approved under OHFA's FHAct 50 initiative, which awarded 9% tax credits to Ohio's three biggest cities. Due to cost increases, Homeport secured an additional \$100,000 of credits. Construction financing of \$11 million from Huntington National Bank will be augmented by \$800,000 of City of Columbus HOME funds and \$1 million of equity through RBC Capital Markets.

McDowell Place is owned and developed by Columbus Housing Partnership, Inc dba Homeport. Homeport is a non-profit housing developer based in Columbus, Ohio. Since its inception in 1987, Homeport has given greater security, opportunity and dignity to thousands of low income people by building quality, affordable homes, primarily financed with private investment leveraged by Federal tax credits. Homeport has established itself as the largest locally focused nonprofit producer of affordable housing and related services in the region. For more than 30 years Homeport has participated in the development, sale or preservation of more than 4,000 units of housing in Central Ohio.

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

Emergency action is requested to allow for the developer to maintain the project schedule.

**Contract Compliance:** the vendor number is 034102 and expires 6/9/2024.

**Fiscal Impact:** \$800,000.00 is available from the 2021 HOME grant (G452000).

To authorize the appropriation and expenditure of up to \$800,000.00 of the 2021 HOME Investment Partnerships Program (HOME) entitlement grant from the U.S. Department of Housing and Urban Development; to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with McDowell Place Homes LLC to construct a 50-unit urban, multi-family project in an amount up to \$800,000.00; and to declare an emergency. (\$800,000.00).

**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**, the Columbus City Council has approved the 2021 Action Plan, per Ordinance 2345-2020, as required by HUD; and

**WHEREAS**, the Department of Development desires to support McDowell Place Homes LLC to construct a 50-unit urban, multi-family project; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to appropriate and expend said funds to allow for the developer to maintain the project schedule, 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 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 \$800,000.00 is appropriated in Fund 2201 (2021 HOME), from Dept-Div 44-10 (Housing), G452000, object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

**SECTION 2.** That the expenditure of \$800,000.00, or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G452000 (2021 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

**SECTION 3.** That the Director of the Department of Development is hereby authorized to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with McDowell Place Homes LLC to construct a 50-unit urban, multi-family project in an amount up to \$800,000.00.

**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.

