



Legislation Text

File #: 1822-2022, **Version:** 1

BACKGROUND: This ordinance authorizes the appropriation and expenditure of up to \$360,297.00 of Neighborhood Stabilization Program 1 (NSP 1) program income from the U.S. Department of Housing and Urban Development (HUD) and to enter into a commitment letter, loan agreement, promissory note, mortgage, restrictive covenant, and bond grant agreement with CHP Homeport Homes LLC for the construction of a single family home in American Addition located at 1315 Key West Avenue and 1306 Key West Avenue.

With the construction of two new, single-family homes at 1306 and 1315 Key West Avenue, CHP Homeport Homes, LLC continues their redevelopment of the American Addition neighborhood in the central city of Columbus. It is a 60 acre site consisting of approximately 260 parcels. The boundaries of the neighborhood are defined by Twelfth Avenue to the north, Dewey Avenue to the south, Joyce Avenue to the west, and Puritan Avenue to the east. The scope of this project includes all new infrastructure, storm water system, and new roads and sidewalks. The redevelopment of this residential community consists of mixed home designed, including 2-story and ranch style homes.

The project at 1306 Key West Avenue is a 1,300 sq. ft. two-story, single-family dwelling and will feature three bedrooms, one and a half bathrooms, a front porch, and a two-car garage. A first-time homebuyer earning below 120% of the Area Median Income will be identified for the project. This project will receive \$173,153.00 in NSP 1 funds and \$4,496.00 in Bond funds. The Bond funds are being provided to cover the difference between the appraised value of the land and the land purchase and carrying costs incurred by Homeport.

The project at 1315 Key West Avenue is a 1,300 sq. ft. two-story, single-family dwelling and will feature three bedrooms, one and a half bathrooms, a front porch, and a two-car garage. A first-time homebuyer earning below 120% of the Area Median Income will be identified for the project. This project will receive \$187,144.00 in NSP 1 funds.

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

Contract Compliance: the vendor number is 001183 and expires 1/13/2021.

Fiscal Impact: \$360,297.00 is available from the NSP 1 (G440500) program income and \$4,496.00 of bond funds is available on ACPO006458. The commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The contract execution committing \$360,297.00 from NSP Fund (2220) for 1306 and 1315 Key West Avenue is only authorized if all NSP review and comment requirements have been met prior to any commitment of funds, as approved by the Responsible Entity Agency Official. An Authorization to Utilize Grant Funds will be received by the City from HUD in advance of the contract execution for this project.

This ordinance authorizes the appropriation and expenditure of up to \$360,297.00 of the NSP 1 program from the U.S. Department of Housing and Urban Development; authorizes the Director of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant in an amount up to \$173,153.00 and bond grant agreement in an amount up to \$4,496.00 for the construction of a single family home in American Addition located at 1306 Key West Avenue and enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant in an amount up to \$187,144.00 for the construction of a single family home in American Addition located at 1315 Key West Avenue with CHP Homeport Homes LLC; and to declare an emergency. (\$360,297.00).

WHEREAS, the City of Columbus has received a Neighborhood Stabilization 1 (NSP1) grant from the U.S. Department of Housing and Urban Development and the grant produces program income; and

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

WHEREAS, the Department of Development desires to support CHP Homeport Homes LLC for the construction of two single family home in American Addition located at 1306 and 1315 Key West Avenue; 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 in an amount up to \$173,153.00 and bond grant agreement in an amount up to \$4,496.00 for the construction of a single family home in American Addition located at 1306 Key West Avenue and enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant in an amount up to \$187,144.00 for the construction of a single family home in American Addition located at 1315 Key West Avenue with CHP Homeport Homes LLC; to 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 \$360,297.00 is appropriated in Fund 2220 (General Government Grants) from Dept-Div 44-10 (Housing), G440500 (NSP 1 program income), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$360,297.00 or so much thereof as may be needed, is hereby authorized in Fund 2220 (General Government Grants), Dept-Div 4410 (Housing), G440500 (NSP 1 program income), 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 in an amount up to \$173,153.00 and bond grant agreement in an amount up to \$4,496.00 for the construction of a single family home in American Addition located at 1306 Key West Avenue and enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant in an amount up to \$187,144.00 for the construction of a single family home in American Addition located at 1315 Key West Avenue with CHP Homeport Homes LLC.

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 the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 8. 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.