



Legislation Text

File #: 2522-2022, Version: 1

1. BACKGROUND

This legislation authorizes the Director of the Department of Development to enter into a Housing Development Agreement (HDA) and a funding agreement with Central Ohio Community Land Trust, an Ohio Non-profit Corporation (hereinafter the "COCLT"). The COCLT is a subsidiary of the Central Ohio Community Improvement Corporation, the Franklin County Land Reutilization Corporation.

COCLT is proposing to develop multiple houses in Columbus neighborhoods using land bank lots. The HDA will memorialize the City's desired commitment to the COCLT, pending City Council approval and current and future availability of funds. The Department of Development wishes to support COCLT projects by contributing a total of \$12,000,000 over three years. This legislation would authorize the Director of Development to first execute the HDA and then a funding agreement in the amount of \$4,000,000.00. The projects will continue the successful development of Trust homes that started in 2019 when City Council authorized an initial \$4 million dollar investment (Council Ordinances 0227-2019 and 0872-2020) and an additional \$3.06 million dollars in 2021 (Council Ordinance 1059-2021). As of July, 2022, a total of 54 houses have been sold to income qualified buyers in Franklin County. This agreement will allow the continued expansion of the COCLT and continue ongoing projects.

Emergency action is requested in order to facilitate uninterrupted construction on another phase in the HNHF/Linden Healthy Homes project, which would be delayed by six months or more without emergency designation.

2. FISCAL IMPACTS

This ordinance authorizes an expenditure of \$4,000,000.00 in the Affordable Housing Bond Fund. It is necessary to certify the requisite funds in the amount of \$4,000,000.00 against the Special Income Tax Fund. Funds will be reimbursed with a future bond sale. An amendment to the 2022 Capital Improvement Budget is required to establish sufficient budget authority within the proper project.

CONTRACT COMPLIANCE: the vendor number is 039810 and expires 10/1/23

To amend the 2022 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax to the Affordable Housing Taxable Bond Fund; to authorize the Director of the Department of Development to enter into a Housing Development Agreement and a funding agreement in an amount up to \$4,000,000.00 with the Central Ohio Community Land Trust to outline the plans and certain commitments of the parties relating to the proposed redevelopment of land bank lots located in various Columbus neighborhoods; to authorize the expenditure of \$4,000,000.00 from the Affordable Housing Taxable Bond Fund and to declare an emergency. (\$4,000,000.00)

WHEREAS, by Ordinances 0227-2019 and 0872-2020, Columbus City Council authorized the Director of the Department of Development to enter into an agreement with the Central Ohio Community Improvement Corporation to establish a Community Land Trust and authorized the expenditure of \$4,000,000; and

WHEREAS, by Ordinances 1237-2020 and 2751-2020, Columbus City Council authorized the Director of Development to enter into Housing Development Agreements for up to \$5,000,000 to construct COCLT houses in various Columbus

neighborhoods; and

WHEREAS, by Ordinance 1059-2021, Columbus City Council authorized the expenditure of an additional \$3,060,000 to fund additional trust projects; and

WHEREAS, COCLT is proposing to develop affordable housing under the land trust model that will include retaining ownership of the underlying land to ensure the site remain permanently affordable; and

WHEREAS, the COCLT has undertaken successful projects in the South Side, Near East, Franklinton, and Linden in partnership with various co-developers and will expand into additional Columbus neighborhoods and with additional partners; and

WHEREAS, the Parties desire to memorialize their understanding and agreements with respect to such cooperation; and

WHEREAS, the City's obligation to provide financial assistance as set forth herein is contingent upon the subsequent adoption of appropriate legislation by Columbus City Council authorizing such assistance; and

WHEREAS, it is necessary to amend the 2022 Capital Improvement Budget to establish authority within the correct project; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

WHEREAS, the City will reimburse the Special Income Tax Fund; and

WHEREAS, this transfer should be considered as a temporary funding method; and

WHEREAS, the aggregated principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$4,000,000; and

WHEREAS, the City anticipates incurring Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended with respect to the project described in this ordinance (the "Project"); and

WHEREAS, the City's agreement to provide financial assistance as set forth herein is contingent upon authorization pursuant to subsequent passage of appropriate legislation by Columbus City Council;

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 Housing Development Agreement and a funding agreement with the Central Ohio Community Land Trust to facilitate uninterrupted construction on another phase in the HNHF/Linden Healthy Homes project, all for the preservation of public health, peace, property and safety; now therefore; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the 2022 Capital Improvements Budget authorized by ordinance 1896-2022 be amended as follows to establish sufficient authority for this project:

Fund / Project / Project Name / Current / Change /C.I.B. as Amended

7779 / P782012-100000 / Affordable Housing Funds (Voted 2019 SIT Supported) / \$19,500,000 / (\$4,000,000.00) / \$15,500,000.00

7779 / P782025-100000 / Community Land Trust (Voted 2019 SIT Supported)/ \$0.00 / \$4,000,000.00 / \$4,000,000.00

SECTION 2. 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 \$4,000,000.00 is appropriated in Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) in Object Class 10 (Transfer Out Operating) and in Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 4411 (Land Redevelopment), Project P782025-100000 (Community Land Trust), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$4,000,000.00, or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax Fund), Dept-Div 2201 (City Auditor) to Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 4411 (Land Redevelopment) per the account codes in the attachment to this ordinance.

SECTION 4. That the Director of the Department of Development be and is hereby authorized to enter into a Housing Development Agreement (HDA) for up to \$12,000,000, (contingent upon availability of future appropriation), then a funding agreement, in an amount up to \$4,000,000 on behalf of the City with the Central Ohio Community Land Trust, an Ohio Non-profit Corporation to construct affordable housing under a community land trust. Costs associated with the HDA may be reimbursed with future legislation appropriating the necessary funding.

SECTION 5. That the expenditure of \$4,000,000.00 to the Central Ohio Community Land Trust, or so much thereof as may be needed, is hereby authorized in Fund 7779 (Affordable Housing Taxable Bond Fund), Dept-Div 4411 (Land Redevelopment), in object class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

SECTION 6. That upon obtaining other funds for this project for the Department of Development, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3.

SECTION 7. That the City intends that this ordinance constitute an “official intent” for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$4,000,000.00 (the “Obligations”).

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is “placed in service” within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

SECTION 8. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 9. 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 10. 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.