



Legislation Text

File #: 2400-2023, **Version:** 1

BACKGROUND: This legislation authorizes the appropriation and expenditure of up to \$250,000.00 of 2023 HOME Investment Partnerships Program (HOME) grant funds from the U.S. Department of Housing and Urban Development (HUD) and authorizes the Director of the Department of Development execute a commitment letter and loan agreement with Poplar Fen Place LLC for the Poplar Fen Place project in an amount up to \$1,500,000.00 (\$1,250,000.00 from Ordinance 0951-2023 and \$250,000.00 from this ordinance) and authorizes the city, through the Department of Development, to act as a lender and have a promissory note, mortgage, and restrictive covenant executed by Poplar Fen Place LLC for the project.

Ordinance 0951-2023, approved by City Council on April 03, 2023, authorized the Director of the Department of Development to support the Poplar Fen Place project in an amount up to \$1,250,000.00. This legislation represents an additional amount up to \$250,000.00, for a total amount up to \$1,500,000.00. The commitment letter and loan agreement have not yet been executed, therefore funding from Ordinance 0951-2023 and this ordinance will fund the to-be-executed documents.

Poplar Fen Place will be placed on a 6.4-acre site on Chatterton Road in southeast Columbus. The proposed three-story, elevator-served building is "L" shaped with an entrance off Chatterton Road and green space in the rear. Poplar Fen Place will share a driveway with Marsh Brook Place, a 40-unit PSH development for Transition Aged Youth, but the buildings will not be connected. Poplar Fen Place will provide forty-four (44) one-bedroom units of permanent supportive housing prioritized for individuals over the age of 55 who meet the State of Ohio's Permanent Supportive Housing Policy Framework. Of the forty-four units, thirty-five (35) will prioritize individuals who meet the HUD definition of homelessness and the remaining nine (9) units will be targeted for use by individuals who have a severe mental health diagnosis.

This legislation represents appropriation for a part of the HOME portion of the 2023 Action Plan, per Ordinance 3353-2022.

Emergency action is requested to allow the Director of Development to immediately execute a commitment letter and loan agreement with the developer in preparation for the project's schedule closing on September 15, 2023. A delay in execution of the city's financial support documents may result in increased project costs.

Contract Compliance: the vendor number is 044448 and expires 2/22/2025.

Fiscal Impact: \$250,000.00 is available from the 2023 HOME grant (G442202). The commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The funding from HOME Fund (2201) is only authorized if all HOME 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 execution of documents for this project.

This ordinance authorizes the appropriation and expenditure of up to \$250,000.00 of 2023 HOME Investment Partnerships Program (HOME) entitlement funds from the U.S. Department of Housing and Urban Development (HUD) and authorizes the Director of the Department of Development to execute a commitment letter and loan agreement with Poplar Fen Place LLC for the Poplar Fen Place project in an amount up to \$1,500,000.00 (\$1,250,000.00 from Ordinance

0951-2023 and \$250,000.00 from this ordinance) and authorizes the city, through the Department of Development, to act as a lender and have a promissory note, mortgage, and restrictive covenant executed by Poplar Fen Place LLC for the project; and to declare an emergency. (\$250,000.00).

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 authorized the appropriation and expenditure of up to \$1,250,000.00 of 2021 and 2022 HOME Investment Partnerships Program (HOME) grant funds from the U.S. Department of Housing and Urban Development and to authorize the Director of the Department of Development to enter into a commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant with Poplar Fen Place LLC for the Poplar Fen Place project by passage of Ordinance 1951-2023, adopted by City Council on April 3, 2023; and

WHEREAS, the commitment letter, loan agreement, promissory note, mortgage, and restrictive covenant authorized by Ordinance 1951-2023 have not yet been executed; and

WHEREAS, the Columbus City Council has approved the 2023 Action Plans, per Ordinance 3353-2022, respectively, as required by HUD; and

WHEREAS, the Director of the Department desires to support the Poplar Fen Place project with additional HOME funds, for a total contribution to the Poplar Fen Place project of \$1,500,000.00; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is necessary to allow the Director of Development to immediately execute a commitment letter and loan agreement with the developer in preparation for the project's schedule closing on September 15, 2023 as a delay in execution of the city's financial support documents may result in increased project costs, 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, 2023, the sum of \$250,000.00 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442202 (2023 HOME), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

SECTION 2. That the expenditure of \$250,000.00 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), Dept-Div 4410 (Housing), G442202 (2023 HOME), 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 execute a commitment letter and loan agreement with Poplar Fen Place LLC for the Poplar Fen Place project in an amount up to \$1,500,000.00 (\$1,250,000.00 from Ordinance 0951-2023 and \$250,000.00 from this ordinance) and authorizes the city, through the Department of Development, to act as a lender and have a promissory note, mortgage, and restrictive covenant executed by Poplar Fen Place LLC for the project.

SECTION 4. That 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. 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 7. That the commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. The funding from HOME Fund (2201) is only authorized if all HOME 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 execution of documents for this 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.