



## Legislation Text

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**File #:** 1079-2024, **Version:** 1

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**BACKGROUND:** This legislation seeks to authorize the appropriation and expenditure of up to \$1,250,000.00 of HOME Investment Partnerships Program (HOME) entitlement grants (\$756,459.62 from the 2022 grant and \$9,057.62 from the entitlement portion of the 2023 grant) and \$484,482.76 of program income from the 2023 grant from the U.S. Department of Housing and Urban Development and authorizes the Director of the Department of Development to execute a commitment letter and loan agreement and authorizes the city to act as a lender and have a promissory note, mortgage, and restrictive covenant executed for this project with Elevate 340 LLC., to construct Elevate 340 project. The term of the agreement is 30 years with 1% interest.

Elevate 340 is the newest high-quality, sustainable, and inclusive residential housing solution in Columbus' downtown Discovery District. The development adjacent to Nationwide Children's Hospital is an attainable housing apartment community. This community will have a mix of 74 three, two, and one-bedroom family units. Fifty-five units are to be set aside for families at or below 60% of the AMI. Of the 55 low-income housing tax credit units, four are set aside at 30% AMI to serve the formerly homeless through Community Shelter Board referrals and rental assistance. Nineteen units are set aside as market-rate to bring together and create opportunity for the economically diverse Downtown workforce.

The Elevate 340 site is in a desirable neighborhood, rich in amenities and employment opportunities. Elevate 340 is uniquely positioned on the corner of Fulton and Grant between major employers including Nationwide Children's Hospital, OhioHealth Grant Hospital, and Franklin University. The location provides close access to grocery stores, restaurants, childcare facilities, parks, schools, employment opportunities, health care services, and entertainment venues.

The building will feature five-stories with thirty-three secure on-site parking spaces and bike storage, onsite property management, a fitness room, and a large community room for residents. Elevate 340 will obtain LEED Silver green certification from the U.S. Green Building council rating system.

Elevate 340 received confirmation of its CRA eligibility for a 15-year 100% (building) tax abatement. Financing partnerships with the Ohio Housing Finance Agency, the City of Columbus, the Affordable Housing Trust for Columbus and Franklin County, the Franklin County Treasurer, the Columbus-Franklin Finance Authority, and Fifth Third Bank are instrumental to Elevate 340 and the creation of much needed affordable housing in downtown Columbus.

Funding of the project will not close until the HUD required environmental review is completed.

This legislation represents appropriation for a part of the HOME portion of the 2022 Action Plan per ordinance 2800-2021, the 2023 Action Plan per ordinance 3353-2022, and the 2024 Action Plan per ordinance 2993-2023.

**Contract Compliance:** the vendor number is 048374 and expires 3/12/2026.

**Fiscal Impact:** \$756,459.62 is available from the 2022 HOME grant (G442102) and \$493,540.38 is available from the 2023 HOME grant (G442202) comprised of entitlement funds and program income. 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.

To authorize the appropriation and expenditure of up to \$1,250,000.00 of HOME Investment Partnerships Program (HOME) entitlement grants (\$756,459.62 from the 2022 grant and \$9,057.62 from the entitlement portion of the 2023 grant and \$484,482.76 of program income from the 2023 grant) from the U.S. Department of Housing and Urban Development and to authorize the Director of the Department of Development to execute a commitment letter and loan agreement that authorizes the city to act as a lender and have a promissory note, mortgage, and restrictive covenant executed for this project with Elevate 340 LLC., for the Elevate 340

project. (\$1,250,000.00).

**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 has approved the 2022 Action Plan per ordinance 2800-2021, the 2023 Action Plan per ordinance 3353-2022, and the 2024 Action Plan per ordinance 2993-2023; and

**WHEREAS**, the Department of Development desires to support Elevate 340 LLC., with financial support for the construction of this 74 unit residential housing solution; 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, 2024, the sum of \$756,459.62 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442102 (2022 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

**SECTION 2.** That the expenditure of \$756,459.62 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442102 (2022 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

**SECTION 3.** 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, 2024, the sum of \$493,540.38 is appropriated in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442202 (2023 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

**SECTION 4.** That the expenditure of \$493,540.38 or so much thereof as may be needed, is hereby authorized in Fund 2201 (HOME), from Dept-Div 44-10 (Housing), G442202 (2023 HOME grant), object class 05 (Other Expenses) per the account codes in the attachment to this ordinance.

**SECTION 5.** That the commitment of funds through this legislation is conditioned on compliance with HUD's environmental review requirements. That 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 6.** That the Director of Development is hereby authorized to execute a commitment letter and loan agreement and that the city is hereby authorized to act as a lender and have a promissory note, mortgage, and restrictive covenant executed for this project with Elevate 340 LLC., to construct a 74 unit residential housing solution.

**SECTION 7.** 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 8.** 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 9.** 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 10.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

