

**Columbus Consolidated Government
Council Meeting Agenda Item**

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| TO: | Mayor and Councilors |
| AGENDA SUBJECT: | South Columbus River District Tax Allocation District Fund Grant – NeighborWorks as Developer |
| AGENDA SUMMARY: | Approval is requested to authorize the City Manager to enter into an agreement with NeighborWorks Columbus to provide South Columbus River Tax Allocation District (TAD) Funds for infrastructure improvements and financing to develop single/multi-family residential units in a blighted area located at 1104 Leslie Drive. |
| INITIATED BY: | Planning Department |

Recommendation: Authorize the City Manager to enter into an agreement with NeighborWorks Columbus to provide South Columbus River Tax Allocation District (TAD) Funds for infrastructure improvements and financing to develop single/multi-family residential units in a blighted area located at 1104 Leslie Drive.

Background: On January 11, 2022, the Council approved Resolution 004-22 authorizing the City Manager to enter into negotiations with NeighborWorks Columbus as the developer of the proposed project known as Elliot’s Walk. The resolution authorized the use of South Columbus River District TAD Funds to provide for infrastructure and financing for this project. The applicant Columbus Housing Initiative, Inc. dba NeighborWorks Columbus is proposing the development of the property located at 1104 Leslie Drive. In the past portions of this site contained a mobile home park, but are currently vacant. Under this proposal, affordable single-family and multi-family residences would be constructed in phases. Phases I and II would see the development of 43 single-family homes. Phase III would provide for 130 55+ affordable multi-family units, while Phase IV would provide 56 affordable multi-family “big houses.” Under this application, the TAD funds would be used to provide for financial costs and for needed infrastructure including grading, storm drainage, sanitary sewers, water lines, streets, sidewalks, and street lights

Analysis: The adoption of Resolution 004-22 was only the first step in authorizing the use of these funds. The next step required that the City Manager and/or his representatives enter into negotiations with the developer to determine how the funds would be distributed. The staff has concluded those negotiations with an agreement that defines the number of payments, the timing of the payments, and the overall length of time the agreement will be enforced. The agreement also establishes a City Administrative Fee of \$5,000 per year to be paid out of the South Columbus River District Tax Allocation Fund and before any other payments are made.

Financial Considerations: The payout of the funds will not exceed \$10,170,366 paid in increments beginning on December 15, 2023. Funding would come from the South Columbus River District TAD Funds. The payout schedule is for nineteen (19) years. If for some

unknown reason the South Columbus River District TAD Funds are inadequate to make the scheduled payments for this and all South Columbus River District TAD projects approved by the Council, then each project will receive its proportional share based on the amount for its scheduled payment due that year. Should a shortfall of this type occur, the agreement allows for the Developer to recoup the full payment of up to \$577,949.00 per year for six (6) additional years until the shortfall has been completed. Under these conditions, the maximum length of the agreement would be twenty five (25) years, and neither the TAD Fund nor the City would have a further obligation to make payments under the Agreement..

Legal Considerations: The Council approved the establishment of the South Columbus River District TAD in 2020 and in doing so designated itself as the redevelopment agency to exercise the provisions of this district and the use of these funds. An application for the use of these funds was requested by NeighborWorks as Developer, which the Council approved on January 11, 2022, authorizing the City Manager to enter into these negotiations to allocate the requested fund amount. Approval of this resolution will authorize the City Manager to sign the agreement, allowing the South Columbus River District TAD Funds to be paid out over a specified time as established in the proposed agreement.

Recommendation/Action: Authorize the City Manager to enter into an agreement with NeighborWorks Columbus to provide South Columbus River Tax Allocation District (TAD) Funds for infrastructure improvements and financing to develop single/multi-family residential units in a blighted area located at 1104 Leslie Drive..