



Legislation Text

File #: O-128-19, **Version:** 1

Amended \$300,000 Contract
Torrey Hill Apartments, LLC
Department of Neighborhood & Business Development
Amy Sackman Odum (3647)

Authorizing the Mayor to enter into a Real Estate Purchase Agreement with Torrey Hill Apartments, LLC and to execute and deliver needed instruments for the sale and conveyance of certain city-owned real property at 336 14th Street in the City of Toledo, Lucas County, Ohio; waiving the competitive bidding and advertising provisions of TMC 187.19; authorizing the deposit of \$300,000; authorizing the Mayor to execute and deliver the needed instruments to release the mortgage in whole, on the Low Income Housing Tax Credit Project for the 52-unit multi-family rental housing complex called Torrey Hill Apartments, LLC; making certain findings with respect thereto; and declaring an emergency.

SUMMARY & BACKGROUND:

The City of Toledo is the fee simple owner of certain real property located at 336 14th Street in the City of Toledo, Lucas County, Ohio. The property consists of one parcel (TD 15-50317) and is approximately 0.8982 acres of land. The improvement on the real property is currently owned by Adams Street Limited Partnership, LLC. It is known as Uptown Arts Apartments, LLC, which is a 52-unit affordable multi-family complex consisting of one-two-and three-bedroom garden and townhouse style apartments.

In order to facilitate the development of the complex in the early 2000s, the City entered into a 90 year ground lease agreement with Adams Street Limited Partnership, LLC and provided a HOME Investment Partnerships Program loan to assist in the financing of the project. In exchange for the HOME loan a certain number of units are required to be affordable for a period of time.

In addition to the City's assistance, the project was awarded Low-Income Housing Tax Credits. The Low-Income Housing Tax Credit program (LIHTC) is a public policy tool used to provide funding for the development of affordable housing. The federal government allows developers of particular affordable-housing projects to sell tax credits to investors to provide the capital necessary to build the project. In exchange for the LIHTC a certain number of units are required to be affordable for a certain period of time.

Adams Street Limited Partnership, LLC, the current owner of the improved property, intends to sell its interest to Torrey Hill Apartments, LLC. The prospective buyer wishes to acquire the City's fee simple interest in order to obtain primary financing for the acquisition and redevelopment of the structure. The purchase price for the City's fee simple interest is \$300,000 (THREE HUNDRED THOUSAND DOLLARS).

The purchaser, Torrey Hill Apartments, LLC intends to modernize the complex while keeping existing residents in place and adhering to the affordability requirements stipulated by the Ohio Housing Finance Agency and City of Toledo.

As part of the agreement to release the mortgage, the City of Toledo, Department of Neighborhood and Business Development is requiring that five (5) of the units remain affordable to tenants earning less than or equal to 60% of the Area Median Income (AMI). Rent restrictions will remain on the five units until December 31, 2022. The City's restrictions are in addition to those stipulated by OHFA, which are outlined in the attached Fourth Amendment.

Torrey Hills Apartments, LLC's development proposal benefits the community by improving the quality of the neighborhood through comprehensive capital investments and protecting the existing residents either at or above the standards set by relevant housing authorities.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Mayor is authorized to enter into a Real Estate Purchase Agreement ("Agreement") with Torrey Hills Apartments, LLC for the sale and conveyance of 0.8982 acres of land consisting 336 14th Street, in the City of Toledo, Lucas County, Ohio as described and shown on attached Exhibit A (the "Real Property") under additional terms and conditions approved by the Mayor, the Director of Law and the Director of Neighborhood and Business Development as being in the best interest of this City, and in keeping with the findings, determinations and purposes of this Ordinance, with the execution by the Mayor of the Agreement being conclusive evidence of such approvals, and no further action relating thereto shall be required by Council.

SECTION 2. That this Council finds and determines that the Real Property to be sold or otherwise disposed of pursuant to the terms of the Agreement is Real Property which is not needed by the City for any municipal purpose; that the disposition thereof to Torrey Hills Apartments, LLC, in accordance with the Agreement is necessary to facilitate the redevelopment of the structure, to improve the economic welfare of the people of the City of Toledo and it is in the best interest of the City; that disposition of the said Real Property by negotiation pursuant to the Agreement is the appropriate method of making it available for redevelopment; that the negotiated sales price is a fair and reasonable value for said Real Property in accordance with the terms of the Agreement.

SECTION 3. That this Council approves the Agreement, including the sale of said real estate provided for therein, notwithstanding and as an exception to the notice, publication and bidding provisions of Chapter 187 of the Toledo Municipal Code and the same are waived. The reason for the waiver and exception is that the property is not needed for any municipal purpose, that the property has sat underutilized for many years and the proposed rehabilitation of this property is found to be the highest and best use to return the property to a tax producing status.

SECTION 4. That the Mayor is authorized to execute and deliver such deeds, certifications and instruments necessary to carry out the terms of the Agreement; that the Director of Law, the Director of Finance, the Clerk of Council and other appropriate officials of this City are authorized to enter into, execute and deliver such other agreements, instruments, documents and certificates to take such other lawful action as may be necessary or appropriate in order to further implement the Agreement and to further evidence the various matters approved and authorized by this Ordinance. That any and all cost, fees, taxes and recoupment charges, and expenses to be paid by the City pursuant to the Agreement and/or incidental to the closing are authorized to be paid from the proceeds being received by the City from the sale of said Real Property.

SECTION 5. That the Finance Director is authorized to accept and deposit \$300,000 (THREE HUNDRED THOUSAND DOLLARS) into the General Fund Account Code 1001-16500-5000436STDSTD.

SECTION 6. That the Mayor is authorized to execute and deliver a Release of the Torrey Hill Apartments, LLC mortgage.

SECTION 7. That the original agreement, which stipulated that five of the multi-family units maintained a period of affordability for 20 years, will continue to meet the restrictive use until 2022.

SECTION 8. That pursuant to the authority of HOME, the project has, and will continue to serve the interest of the agreement and maintain five (5) units for income-eligible tenants.

SECTION 9. That it is found and determined that all formal actions of Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council and that all deliberations of Council and any of its committees that result in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 Ohio Revised Code.

SECTION 10. That this Ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for the further reason that this Ordinance must be immediately effective to facilitate the execution and delivery of the Agreement and conveyance of the above described real property for rehabilitation.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council