

January 18, 2024

To: Mayor and Members of City Council

202400220

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Warsaw Creative Campus II

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Price Hill Will, thereby authorizing a fifteen-year tax exemption for 100% of the value of improvements made to real property located at 3104 Warsaw Avenue in the East Price Hill neighborhood of Cincinnati, in connection with the remodeling of an existing building into approximately 5,005 square feet of residential space, consisting of nine residential units, and approximately 1,774 square feet of commercial space, at a total construction cost of approximately \$2,536,765.

STATEMENT

The project reactivates a blighted and vacant mixed-use building that will provide 9 residential units of affordable housing to households not to exceed 60% AMI and will ultimately reactive \$1,700 feet of commercial space that will create jobs and be and be an amenity to the community.

BACKGROUND/CURRENT CONDITIONS

The property, located at 3104 Warsaw Avenue has been vacant for 3 years and was previously owned by the Land Bank. It is located in the East Price Hill Historic District.

DEVELOPER INFORMATION

Price Hill Will/Rachel Hastings, Executive Director. Recent projects completed by Price Hill Will Include Warsaw Creative Campus, Phase I, which includes the historic renovation of several mixed-use buildings on the 3100 block of Warsaw Avenue for households not to exceed to exceed 60% of the Area Median Income.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

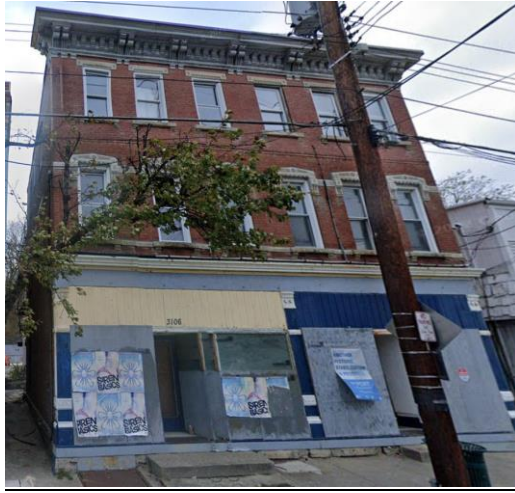
Attachment: Project Outline and Proposed Incentive

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Project Outline

Project Name	Warsaw Creative Campus II
Street Address	3104 Warsaw Street
Neighborhood	East Price Hill
Property Condition	Vacant Building
Project Type	Renovation
Project Cost	Hard Construction Costs: \$2,536,765 Acquisition Costs: \$1 Soft Costs: \$565,079 Developer Fee \$394,131 Total Project Cost: \$3,495,975
Private Investment	Private Financing: \$575,000 Combined Tax Credit and Sponsor Equity: \$1,532,476 Anticipated County ARPA: \$242,231 Anticipated City AHTF: \$450,000 Port Stabilization Funds: \$113,134
Sq. Footage by Use	5,005 square feet of residential space, 1,774 square feet of commercial space
Number of Units and Rent Ranges	9 1-BR Units; Rent Range \$875 9 Total Units
Median 1-BD Rent Affordable To	Salary: \$35,000 City Job Classification: Police Criminalist, Sewer Maintenance Crew Leader, Greenspace Manager
Jobs and Payroll	Created FTE Positions: 2 Total Payroll for Created FTE Positions: \$110,000 Average Salary for Created FTE Positions: \$55,000 Construction FTE Positions: 103 Total Payroll for Construction FTE Positions: \$2,000,000
Location and Transit	Located within East Price Hill Incline District and Cincinnati Historic District on the National Registry Transit Score: 42
Community Engagement	Presented at Community Council (CC) on 6/7/2022. The East Price Hill Improvement Association has provided letter of support.
Plan Cincinnati Goals	Live Initiative Area Goal 3 (p. 148), Sustain Initiative Area Goal 2 (p.180)

Project Image and Site Map



Proposed Incentive

Incentive Terms	15-year, net 67%
Incentive Application Process	Commercial CRA – Neighborhood
“But For” (0-3 points)	Without Abatement: 0% rate of return (stabilized) With Abatement: 1% rate of return (stabilized) Project is undercapitalized and will not proceed without an abatement and various funding subsidies. Note that the only reason the developer would proceed with this rate of return is they are a non-profit developer. (3 points)
Environmental Building Certification (0-5 points)	Non-LEED (0 points)
VTICA (0-8 points)	Neighborhood VTICA – 0% (0 points)
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	N/a
Other Incentives & Approvals	\$350,000 CDBG NOFA Award, \$450,000 AHTF (pending)

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$29,149
Total Term Incentive to Developer	\$437,228
City's Portion of Property Taxes Forgone (Term)	\$91,708
City's TIF District Revenue Forgone (Term)	\$0

Public Benefit	Value	
CPS PILOT	Annual	\$14,357
	Total Term	215,351
VTICA	Annual	\$0

Total Term	\$0
Income Tax Total Term (Maximum)	\$65,700
Total Public Benefit (CPS PILOT, VTICA, Income Tax)	\$281,051

Total Public Benefit ROI*	\$\$.64
City's ROI**	\$3.06

* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.

**This figure represents the total dollars returned for City/ over the City's property taxes forgone.

For Reference: 2023 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$21,250	\$24,300	\$27,350	\$30,350	\$32,800	\$35,250	\$37,650	\$40,100
50%	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650	\$62,700	\$66,750
60%	\$42,480	\$48,540	\$54,600	\$60,760	\$65,520	\$70,380	\$75,240	\$80,100
80%	\$56,650	\$64,750	\$72,850	\$80,900	\$87,400	\$93,850	\$100,350	\$106,800