



City of Cincinnati

801 Plum Street
Cincinnati, OH 45202

Agenda - Final-revised

Equitable Growth & Housing

Chairperson, Reggie Harris
Vice Chairperson, Meeka Owens
Councilmember, Jeff Cramerding
Councilmember, Mark Jeffreys
Councilmember, Liz Keating
Vice Mayor, Jan-Michele Kearney
Councilmember, Victoria Parks
Councilmember, Scotty Johnson

Wednesday, January 19, 2022

11:00 AM

Council Chambers, Room 300

ROLL CALL

PRESENTATIONS

Overview on the State of Affordable Housing and the Goals and Vision of the Committee

Councilmember Harris

Councilmember Owens

Councilmember Keating

Maximizing Tax Credits: How the City can support Low Income Housing Tax Credit awarded projects and speed the process to build new affordable housing

Pete Metz, Director, The Connected Region, Cincinnati USA Regional Chamber

Amber Seely-Marks, Senior Developer, Penrose, LLC

CMHA, CHOICE Grant Project and Beyond

Gregory D. Johnson, CEO, Cincinnati Metropolitan Housing Authority

3CDC and the Convention Center District

3CDC

AGENDA

1. [202200083](#) **RESOLUTION** submitted by Paula Boggs Muething, City Manager, on 1/12/2022, **EXPRESSING** the support of the Mayor and City Council for the City to collaborate with Hamilton County and other regional stakeholders to generate a comprehensive strategy for redevelopment of the Duke Energy Convention Center and surrounding properties into a true convention center district, including through the engagement of 3CDC for planning and management services related to such district.

Sponsors: City Manager
Attachments: [Transmittal](#)
[Resolution](#)
[Attachment](#)

2. [202200121](#) **PRESENTATION** dated 1/18/2022, submitted by Councilmember Harris, titled "CMHA, CHOICE Grant Project and Beyond."

Sponsors: Harris
Attachments: [Presentation](#)

3. [202200123](#) **PRESENTATION** dated 1/18/2022, submitted by Councilmember Harris, titled "Maximizing Tax Credits: How the City can support Low Income Housing Tax Credit awarded projects and speed the process to build new affordable housing."

Sponsors: Harris
Attachments: [Presentation](#)

ADJOURNMENT

January 12, 2022

To: Mayor and Members of City Council

From: Paula Boggs Muething, City Manager

202200083

Subject: Resolution: Convention Center District Development Plan Support

Attached herewith is a Resolution captioned:

EXPRESSING the support of the Mayor and City Council for the City to collaborate with Hamilton County and other regional stakeholders to generate a comprehensive strategy for redevelopment of the Duke Energy Convention Center and surrounding properties into a true convention center district, including through the engagement of 3CDC for planning and management services related to such district.

Attachment

cc: William Weber, Assistant City Manager

AWB

RESOLUTION NO. _____ - 2022

EXPRESSING the support of the Mayor and City Council for the City to collaborate with Hamilton County and other regional stakeholders to generate a comprehensive strategy for redevelopment of the Duke Energy Convention Center and surrounding properties into a true convention center district, including through the engagement of 3CDC for planning and management services related to such district.

WHEREAS, the City owns the Duke Energy Convention Center (“DECC”), located in downtown Cincinnati, which was developed in collaboration with other public and private stakeholders to drive economic activity in the region by attracting and hosting conventions and other large events; and

WHEREAS, the current configuration of the DECC, the lack of proximate amenities, and the underutilization of surrounding properties is hampering the DECC’s ability to compete against other regional and national convention center destinations, resulting in a loss of convention and event business to our region; and

WHEREAS, the DECC and the surrounding buildings and properties (collectively, the “Convention Center District”) are in need of a comprehensive redevelopment strategy in order to coordinate development efforts by public and private parties to ensure that Cincinnati can become not just a regional but a national destination for conventions and large events; and

WHEREAS, the City, Hamilton County, the Port of Greater Cincinnati Development Authority, and other regional stakeholders, both public and private, have recently taken constructive steps to get much of the Convention Center District under public control; and

WHEREAS, 3CDC is a locally based non-profit organization focused on the redevelopment of the City’s urban core and has a proven track record of success in establishing and executing on comprehensive redevelopment strategies in our city center; and

WHEREAS, the City desires to have those stakeholders engage 3CDC for its expert planning, development, and management services to assist in revitalizing the Convention Center District, including completion of the convention center hotel by fall of 2025, as more particularly described on Attachment A hereto; and

WHEREAS, the Mayor and Council expect thorough community engagement of City residents, neighboring small businesses, and intentionally diverse stakeholders to ensure an equitable and inclusive approach to revitalization within the Convention Center District; and

WHEREAS, the Mayor and Council desire to support and encourage further collaboration with and engagement of Hamilton County, the Port of Greater Cincinnati Development Authority,

City residents, and other area stakeholders to create a comprehensive strategy for redevelopment of the Convention Center District, which strategy will result in the creation of a true convention center district through engagement of 3CDC's development services, thus promoting urban redevelopment and stimulating economic growth in the City and the region; now, therefore,

BE IT RESOLVED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the Mayor and this Council hereby express their support for the City to collaborate with Hamilton County and other regional stakeholders to generate a comprehensive strategy for redevelopment of the Duke Energy Convention Center and surrounding area into a true convention center district, including through the engagement of 3CDC for planning and management services related to such district, as described on Attachment A hereto.

Section 2. That this resolution be spread upon the minutes of Council.

Passed: _____, 2022

Aftab Pureval, Mayor

Attest: _____
Clerk



Convention Center District Lead Development Manager—Proposed Scope of Services

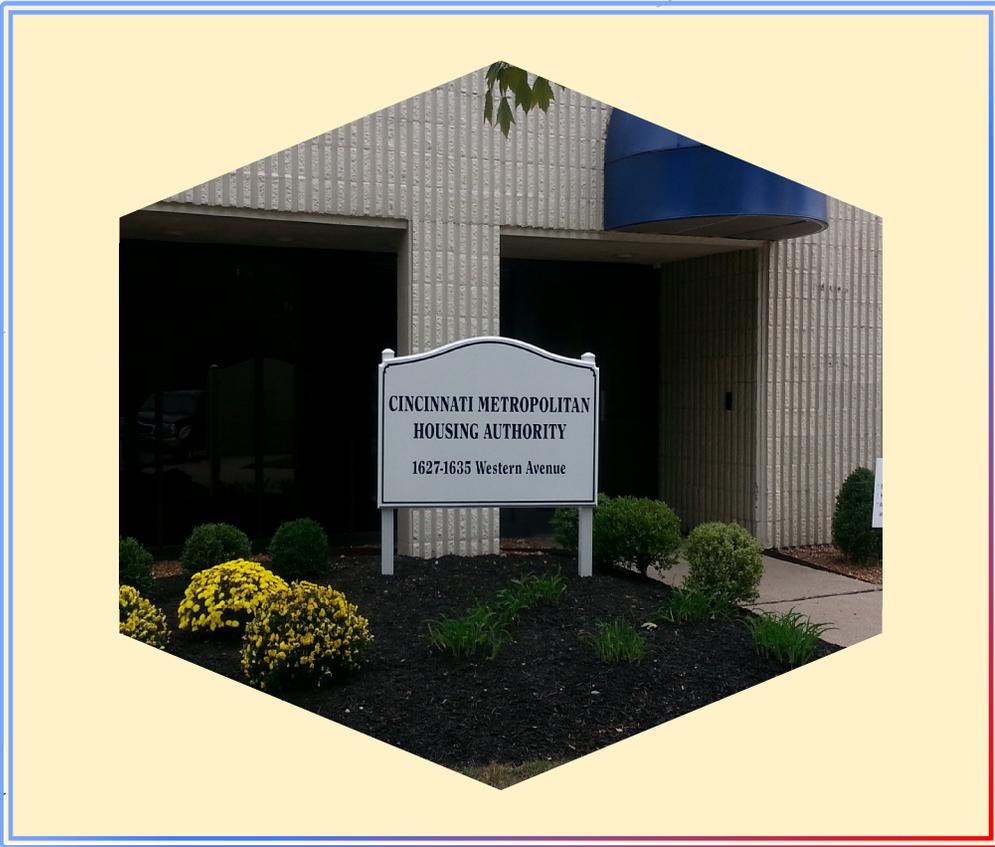
As a result of specific and forward-thinking actions taken by the Port Authority, Hamilton County, and the City of Cincinnati, the region has a unique opportunity to advance the progress, development, and vibrancy of the Convention Center District. This District generally includes the area surrounding the Duke Energy Convention Center, between Race Street and Central Avenue, and between 4th and 6th streets. The District drives the region's vibrant and diverse hotel, tourism, travel, and convention economy, and in the next several years its successful development is critical to Cincinnati's long-term success.

3CDC has experience and a track record of success serving as a Lead Development Manager and offers the following scope of services related to the Convention Center District:

- Review the previously published reports by CSL (Strategic Planning For Cincinnati Event Facility and Destination Development) and HVS and ensure that work plans are consistent with the reports' findings.
- Evaluate the various parcels within the Convention Center District and make recommendations on the highest and best use of each property.
- Identify development priorities within areas of downtown adjacent to the Convention Center District.
- Evaluate existing and future parking demand based on various development scenarios.
- Evaluate the existing infrastructure within the Convention Center District to determine the condition of the public realm and the capacity to meet the needs of future development.
- Consider the potential acquisition of additional properties within or around the Convention Center District.
- Identify and engage design professionals to assess the current physical condition of the existing Duke Convention Center and make recommendations on a potential near-term capital improvement program for the facility.
- Make recommendations for interim uses of the Millennium Hotel sites (assuming future expansion is a longer-term project).
- Analyze existing and projected county hotel tax revenues and existing expenses (as summarized in reports produced by PFM) to determine the capacity of the lodging tax to fund future capital projects.
- For sites not required to support the convention center or hospitality uses, pursue development opportunities that are complimentary (e.g., residential, office, entertainment, or retail).
- As Lead Development Manager, 3CDC will report directly to the County Administrator and City Manager and provide quarterly updates to the elected representatives of both the County and City focused on community engagement, the development process and progress, inclusion and equity, and additional topics as directed by the County and City.

In addition, related to the most critical development priority, the headquarters hotel, 3CDC will initiate the planning and development process for a new Convention Center Hotel with a target completion date of Fall 2025. 3CDC will review and assess the CSL report to determine the appropriate headquarter hotel location and take the following specific proposed actions:

- ✓ Update the market study undertaken by HVS.
- ✓ Identify potential hotel developers and engage in preliminary discussions to gauge interest.
- ✓ Research alternative non-conventional funding options including federal, state and local sources.
- ✓ Finalize the RFP for hotel developers.
- ✓ Send the RFP to qualified developers and respond to questions and requests for additional information prior to submission.
- ✓ Evaluate the submissions by developers, conduct interviews and make a final recommendation on developer selection to the working group and elected officials.
- ✓ Negotiate a development and financing agreement (working in conjunction with financial advisors and legal professionals) with the selected development firm, including a room block commitment consistent with the needs of the CVB.
- ✓ Present the development and financing plan to the advisory committee, public administrators and elected officials.
- ✓ Seek public authorization of the financing and development agreement from local elected officials.
- ✓ Oversee the construction of the convention center hotel to ensure that the project is constructed in accordance with approved plans.



Cincinnati Metropolitan Housing Authority's
City of Cincinnati Housing Committee

January 19, 2022

Agenda

- History of Public Housing
- Historically Under-Funded Capital Needs
- HUD's Repositioning Tools
- Transformation of Public Housing
- CMHA – The Developer
 - New Development
 - Portfolio Preservation
 - Choice Neighborhood Grant
 - Economic Impact
- CMHA/City of Cincinnati - Partners

**COMING TOGETHER
IS A BEGINNING;
KEEPING TOGETHER
IS PROGRESS;
WORKING TOGETHER IS
SUCCESS.** HENRY FORD



History of Public Housing

Public Housing History

The Housing Act of 1937 was a keystone piece of legislation during the New Deal era as the United States government grappled with the economic impact of the Great Depression.

- First intended to be a jobs program and slums-clearing effort
- The key feature of the 1937 act was positioning the federal government as a provider of funds to local authorities.
 - Originally built for World War II Veterans
 - Dislodged Low-Income families living in slums
- An important goal of this subsidy system was making the program self-sustainable through collection of rent, which was paid by tenants, the Federal government, and the local governments.
- Federal funds for housing authorities have declined substantially since the heyday of Lyndon Johnson's Great Society in the 1960s



Historically Under-Funded Capital Needs

Historically Under-Funded Capital Needs

- Public Housing Capital Needs Across the Country as of 2010
 - \$26B backlog of capital needs
 - \$3.5B annual portfolio – wide need
 - \$2B annual congressional funding
 - \$1.5B annual increase in backlog



HUD's Repositioning Tools

Repositioning Public Housing

Repositioning Tools Include:

- RAD (Rental Assistance Demonstration)
- Section 18
- Declaration of Trust Release (DOT)
- Voluntary Conversation (Project Based)

Source of Capital:

- Mixed Finance Deals (LIHTC)
- Capital Fund
- **Choice Neighborhoods**
- CF Finance Program
- Energy Performance Contracts
- Consolidation, Consortium, Transfer

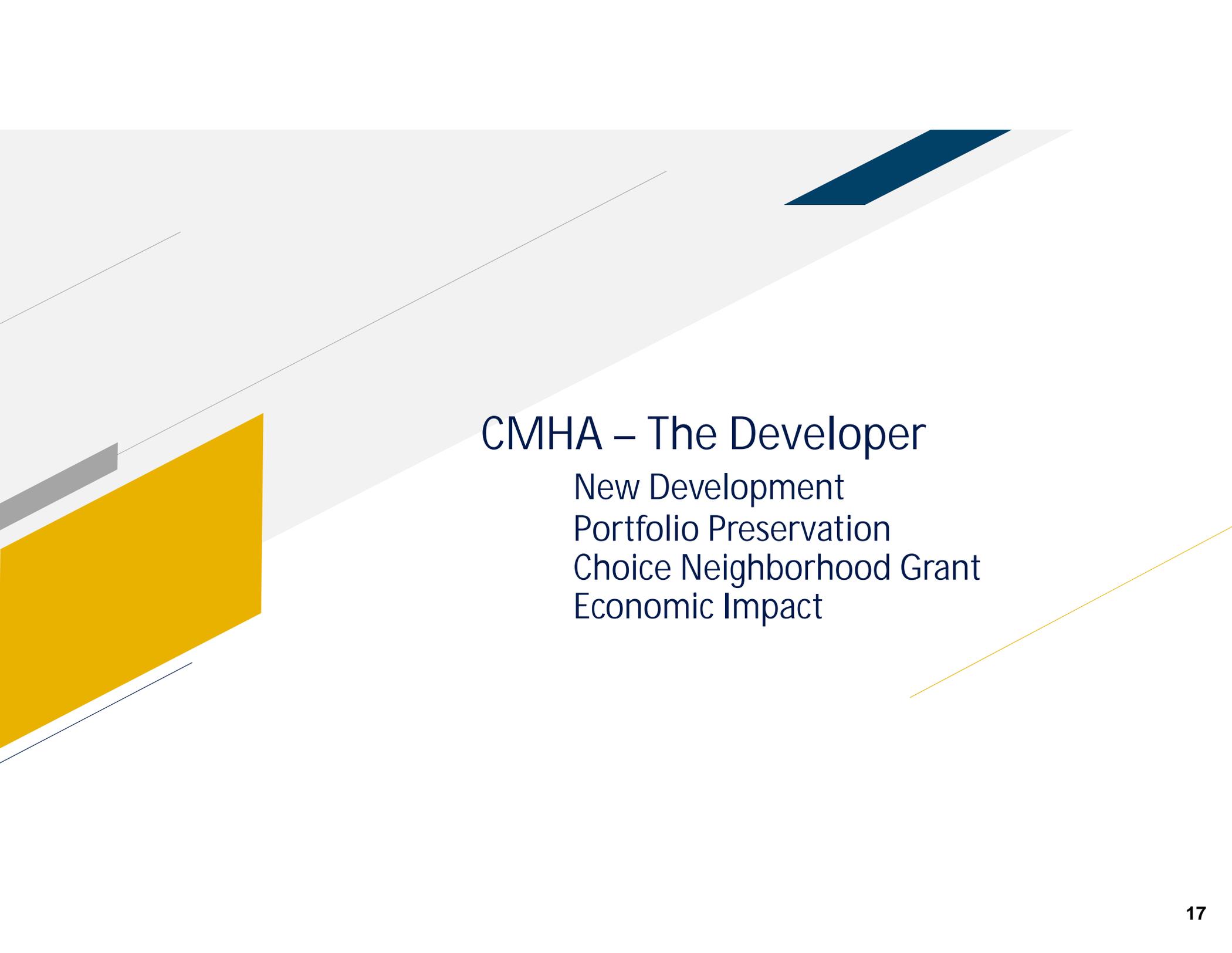


Transformation of Public Housing

Transformation of Public Housing

Rental Assistance Demonstration (RAD)

- A Voluntary program of the Department of Housing and Urban Development (HUD). RAD seeks to preserve public housing by providing public housing agencies with access to more stable funding to make needed improvements to properties.
- RAD was created in order to give public housing authorities a powerful tool to address over \$26B backlog in capital improvements



CMHA – The Developer

New Development

Portfolio Preservation

Choice Neighborhood Grant

Economic Impact



BOLD Transformation

Portfolio Preservation

Baldwin Grove

Baldwin Grove is an oasis within the greater Cincinnati area.

The 100-unit development is located in the City of Springdale, approximately one mile from I-275. It provides residents with easy access to the rest of the region as well as a wide range of on-site amenities aimed at fostering community among residents, their friends and loved ones.

The property is surrounded by scenic landscaping and outdoor amenities, such as communal gathering spaces and grills. Notably, the property is Energy Star Rated for its many energy-efficient installations and design features.

Baldwin Grove features 84 one-bedroom units and 16 two-bedroom units. The development was the Cincinnati Metropolitan Housing Authority's first independent LIHTC project and first Rental Assistance Demonstration (RAD) conversion.



Cincinnati Metropolitan Housing Authority

The Reserve on South Martin

The Reserve on South Martin is located in Mt. Healthy, Ohio.

It features 48 one-bedroom and 12 two-bedroom units for seniors. It is managed by the Cincinnati Metropolitan Housing Authority's wholly owned subsidiary, Touchstone Property Services.

The Reserve's 60 units represent the CMHA's Gold Standard for Affordable Housing.

Each unit features a large bathroom, a front-loading washer and dryer, spacious closets, a private patio or balcony and walk-in showers. Residents enjoy The Reserve's gardening area, walking trails, inviting lobby, fitness center, library, computer stations, picnic areas, day lounges and community room with modern amenities.

In addition to its quality of life features, The Reserve demonstrates CMHA's commitment to energy efficiency. The building is certified LEED Platinum and was named Cincinnati's Greenest Building in 2014 by the Cincinnati Business Courier.



Cincinnati Metropolitan Housing Authority

Cary Crossing

Individuals and families with disabilities in Hamilton County call Cary Crossing home.

The Cincinnati Metropolitan Housing Authority completed the Mt. Healthy property in 2017 with 36 units of affordable one- and two-bedroom units, a community room and plenty of outdoor space. All units meet the Uniform Federal Accessibility Standards for mobility, sight and sound accessibility. They feature private kitchens, bathrooms, bedrooms, storage, laundry hookups and patios. The development addresses a previously unmet need for housing that is accessible to those with disabilities. It was financed primarily with tax credits and required \$3,653,317 in hard construction expenses.

Cary Crossing provides easy access to medical institutions that provide low-cost medical and dental services to local residents. Future development will include a social enterprise to provide training and employment opportunities to the development's residents and their peers.

The development site was selected for its proximity to public transportation and community services as well as its small town feel.



Cincinnati Metropolitan Housing Authority

West Union Square

Completed in 2018, The Cincinnati Metropolitan Housing Authority's 70-unit West Union Square provides amenity-rich housing for Hamilton County seniors.

The property was financed primarily with tax credits and provides 58 one-bedroom units, 12 two-bedroom units, a community room, theater, fitness area and ample outdoor gathering space. Its rear courtyard and spacious lobby will recall a traditional American Main Street, making the building a natural gathering point for residents, their families and friends.

West Union Square will also anchor the ongoing revitalization of Colerain Township's Jonrose Avenue. The property will replace a series of blighted multifamily developments that for years were marked by high vacancy rates, substandard living conditions and rampant crime.

West Union Square's revitalizing effects are already paying dividends, with community leaders having canceled plans to close a nearby school. CMHA is proud to have worked with local school and county officials to reroute through traffic and cultivate a more human-scaled neighborhood to meet the needs of all generations.

West Union Square was completed with a total construction budget of \$13,993,423.



Cincinnati Metropolitan Housing Authority

Bennett Point (upcoming)

- 56 units / 2 buildings
- Pendleton neighborhood
- 9% LIHTC/Debt
- Combination debt/equity new construction/HOME Funds/County CARES/Greater Cincinnati Foundation
- Estimated development cost: \$20.0M
- Property description: New construction mixed income building with commercial laundry space.
- Estimated financial closing: March 2022
- Construction completion: Spring 2023 (projected)



Logan Commons (upcoming)

- 42 units / 1 building
- 1712 Logan Street (Over the Rhine)
- 9% LIHTC (FHAct50)
- Combination debt/equity new construction
- Estimated development cost: \$13.4M
- Preliminary scope of work: New construction senior housing with first floor senior center that will be managed by Meals on Wheels.
- Projected financial closing: Summer 2022
- Construction completion: Early Spring 2024 (Projected)



LOCATION



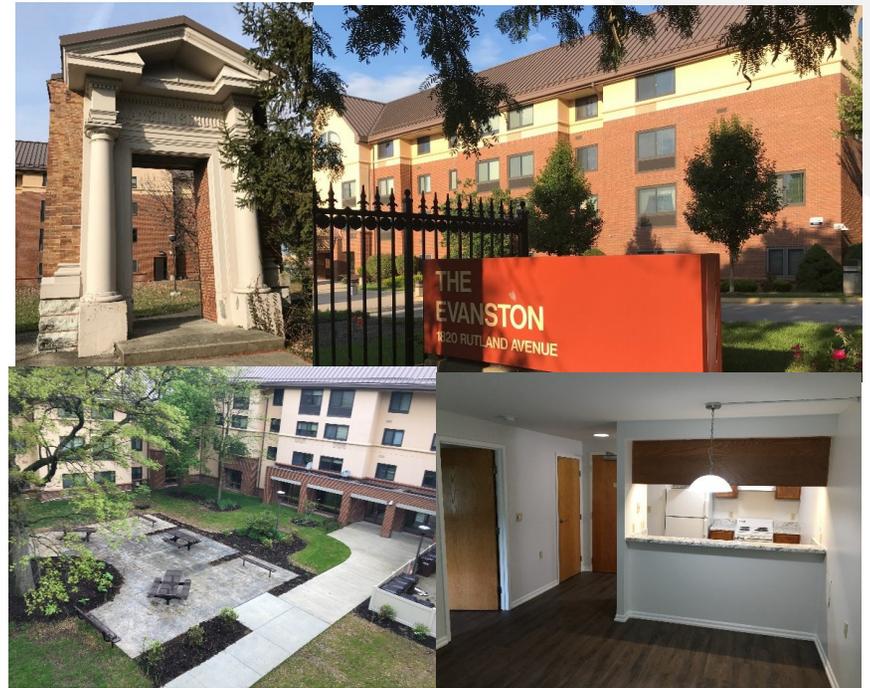
Sutter View (completed)

- 114 units / 22 buildings
- English Woods neighborhood
- Combination debt/equity RAD conversion
- Total development cost: \$33.5M
- Scope of work: Extensive interior and exterior upgrades, including new kitchens, door/window replacement, lighting upgrades, plumbing upgrades, new appliances, installation of new siding/roofs, landscaping and more.
- Construction completed: January 2021



The Evanston (completed)

- 100 units / 1 building
- 1820 Rutland Ave. (Evanston neighborhood)
- Debt-only RAD conversion
- Total development cost: \$3.0M
- Scope of work: New unit bathrooms, new unit flooring, new unit paint, electrical system upgrades, common area upgrades, selective cabinet/countertop replacements
- Construction completed: January 2021



Pinecrest (completed)

- **190 units / 1 building**
- **3951 W. Eighth Street (Price Hill neighborhood)**
- **4% LIHTC**
- **Combination debt/equity RAD conversion**
- **Total development cost: \$38.5M**
- **Scope of work:** New unit kitchen cabinets, doors, lighting, plumbing fixtures, lighting, appliances and flooring. Existing mechanical systems to be replaced with energy efficient systems. Drywall to cover CMU in common corridors. Elevators to be upgraded. Minor exterior upgrades.
- **Construction completion:** November 2021



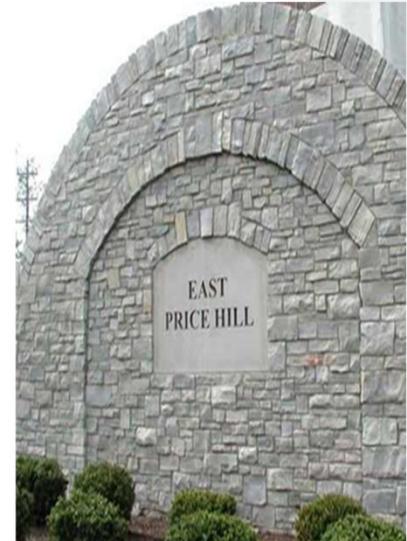
Park Eden (in progress)

- **176 units / 1 building**
- **2610 Park Avenue (Walnut Hills)**
- **4% LIHTC/Debt**
- **Combination debt/equity RAD conversion**
- **Total development cost: \$35.9M**
- **Scope of work:** New unit kitchens, bathrooms, flooring, appliances. Units to be reconfigured. Common and management spaces to be upgraded. Vertical sanitary stack replacement.
- **Estimated construction completion: May 2022**



Horizon Hills (in progress)

- 32 units / 3 buildings
- East Price Hill
- No-debt RAD conversion
- Estimated development cost: \$3.3M
- Preliminary scope of work: Moderate rehab with replacement of HVAC system, potential playground, new unit and common area doors, landscaping
- Construction Completion: October 2022 (projected)



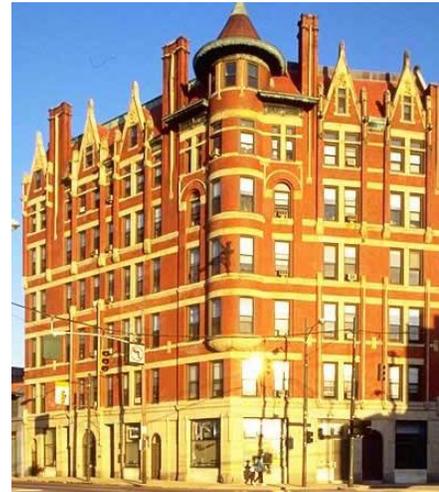
Marianna Terrace (upcoming)

- 74 units / 16 buildings
- Lincoln Heights
- 4% LIHTC/Debt
- Combination debt/equity RAD conversion
- Estimated development cost: \$18.3M
- Preliminary scope of work: Moderate rehab with extensive aesthetic upgrades to all units. The property management office will also be reconfigured to serve as a true community space and common outdoor areas will be outfitted with communal furniture.
- Projected financial closing: February 2022
- Construction Completion: April 2023 (projected)



Riverview San Marco (upcoming)

- 131 units / 2 buildings
- East Walnut Hills neighborhood
- 4% LIHTC/Debt
- Combination debt/equity RAD conversion/Historic Tax Credits
- Estimated development cost: \$38.4M
- Preliminary scope of work: Substantial rehab of all units. Likely to include new kitchens, bathrooms, flooring, paint and upgrades to common areas. Building systems will be replaced and upgraded as needed.
- Projected financial closing: October 2022
- Construction Completion: June 2024 (projected)



Maple Tower (upcoming)

- 120 units / 1 building
- 601 Maple Ave. (Avondale neighborhood)
- 4% LIHTC/Debt
- Combination debt/equity RAD conversion
- Estimated development cost: \$27.1M
- Preliminary scope of work: Partial unit kitchen upgrades, flooring installation, new bathrooms, unit paint, unit electrical upgrades. Laundry room upgrades. Replace heating and domestic boilers. Provide central chillers. Installation of new elevator controls and motors. Misc. additional upgrades.
- Projected financial closing: Summer 2022
- Construction Completion: January 2024 (projected)



The Beechwood (upcoming)

- 146 units / 1 building
- 330 Forest Ave. (Avondale neighborhood)
- 4% LIHTC/Debt
- Combination debt/equity RAD Conversion
- Estimated development cost: \$36.4M
- Preliminary scope of work: Substantial rehab of all units to include new drywall, paint, insulation installation, new unit kitchens, new unit bathrooms new unit flooring and new appliances. Hot water boilers to be replaced. Central chiller to be installed. Additional system upgrades and aesthetic improvements.
- Projected financial closing: Fall 2022
- Construction Completion: December 2023 (projected)



Millvale (upcoming)

- 468 townhouse-style units in two adjacent communities (Millvale North and Millvale South)
- Bordered by English Woods and South Cumminsville, among other neighborhoods
- Anticipate both 4% and 9% LIHTC
- Co-developer: The Michaels Organization
- Community planning process begins: November 2022 (Projected)
- Estimated Total Development Cost \$164,884,000
- Estimated Completion Date - 2028



Winton Terrace / Findlater Gardens (upcoming)

- 653 units at Findlater Gardens and 608 at Winton Terrace
- Winton Hills Neighborhood
- Anticipate both 4% LIHTC and Historic TC
- Co-developer: Gorman & Company
- Estimated Total Development Costs (W) \$214,208,000
- Estimated Completed Date - 2028
- Estimated Total Development Costs (F) \$230,062,000
- Estimated Completed Date - 2029



Redding/President/Marquette Manor

- 327 Units
- Various Neighborhoods
- Anticipate both 4% and 9% LIHTC Historic
- Estimated Total Development Costs
\$117,320,500
- Estimated Completed Date - 2025

City West

- 600 Units
- West End
- Anticipate both 4% and 9% LIHTC (City Debt Relief)
- Co-developer: Penrose
- Estimated Total Development Costs \$212,290,074
- Estimated Completed Date - 2025



WEST END CHOICE NEIGHBORHOODS



Choice Neighborhoods

- **Choice Neighborhoods** is a competitive grant program that provides flexible resources for PHA's/Local Leaders to help transform high poverty and distress neighborhoods. The goal is to transform these neighborhoods into mixed income communities with affordable housing, safe streets, and good schools every family needs.

Social Equity and Economic Mobility



Preservation of Low-Income Housing with a Mix of Incomes: One for one replacement of low-income units, including mixed-income and potentially mixed-use communities providing onsite services, particularly for seniors.



Investment in People: Individualized personal development plans for each household to improve early education, school, out of school performance, job training, employment, income and health . The project has support from over 50 local community-based organizations.



Economic Impact: Choice Neighborhoods stimulates public and private investment an estimated \$550M in economic impact on the local economy in this City targeted revitalization area is anticipated. The site is located in a Community Development Block Grant Neighborhood Revitalization Strategy Area and partially in an Opportunity Zone.



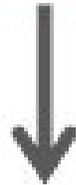
Excellence in Design: Master planned community, connected sidewalks, green open space, high quality building materials, energy efficient systems built in accordance with 2020 Enterprise Green Communities.



Bridging Digital Divide: The West End Transformation Team is planning a 21st century broadband connected neighborhood. Ensure access to services, education, training and job opportunities.

12/16/21 Draft Transformation Plan Framework

Provide preliminary Plan outline and preliminary housing and phasing options



HUD provides input/share with Residents and West End Partners and Neighborhood Stakeholders and incorporate into Draft Transformation Plan

CMHA

04/18/22 Draft Transformation Plan

Defined action items and timeline

1. Impact Statement/Expected Outcomes – quantitative
2. Needs Assessment Baseline
3. Strategy
4. Residents Served
5. Service Providers



HUD provides input/share with Residents and West End Partners and Neighborhood Stakeholders and incorporate into Final Transformation Plan

08/15/22 Final Transformation Plan-For final HUD approval



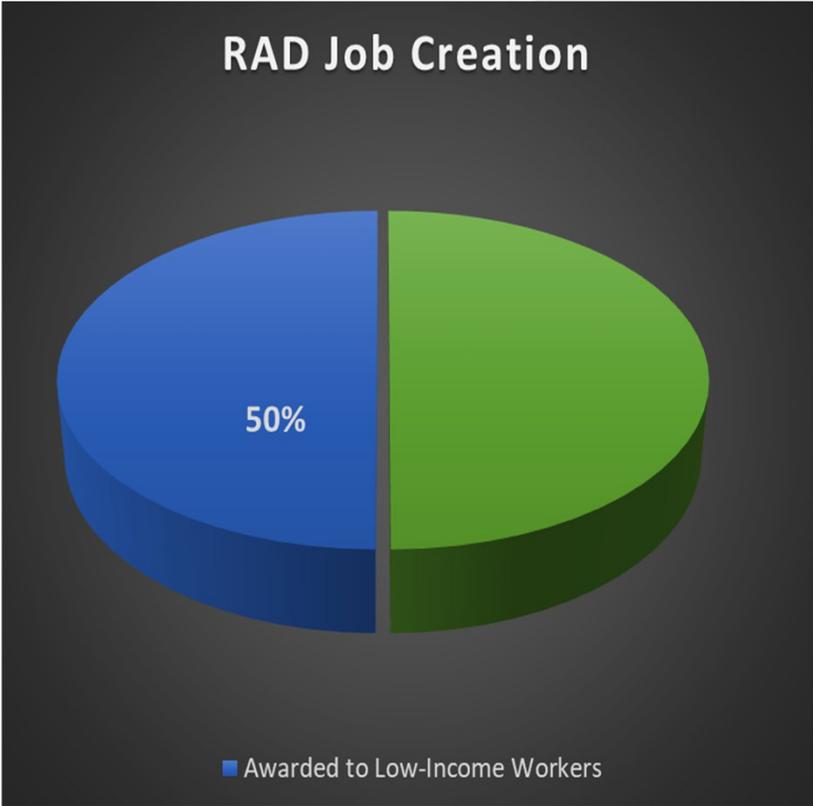
Economic Impact

Job Creation from RAD Projects

Job creation is one of the many direct impact and community benefits of the RAD transformation.

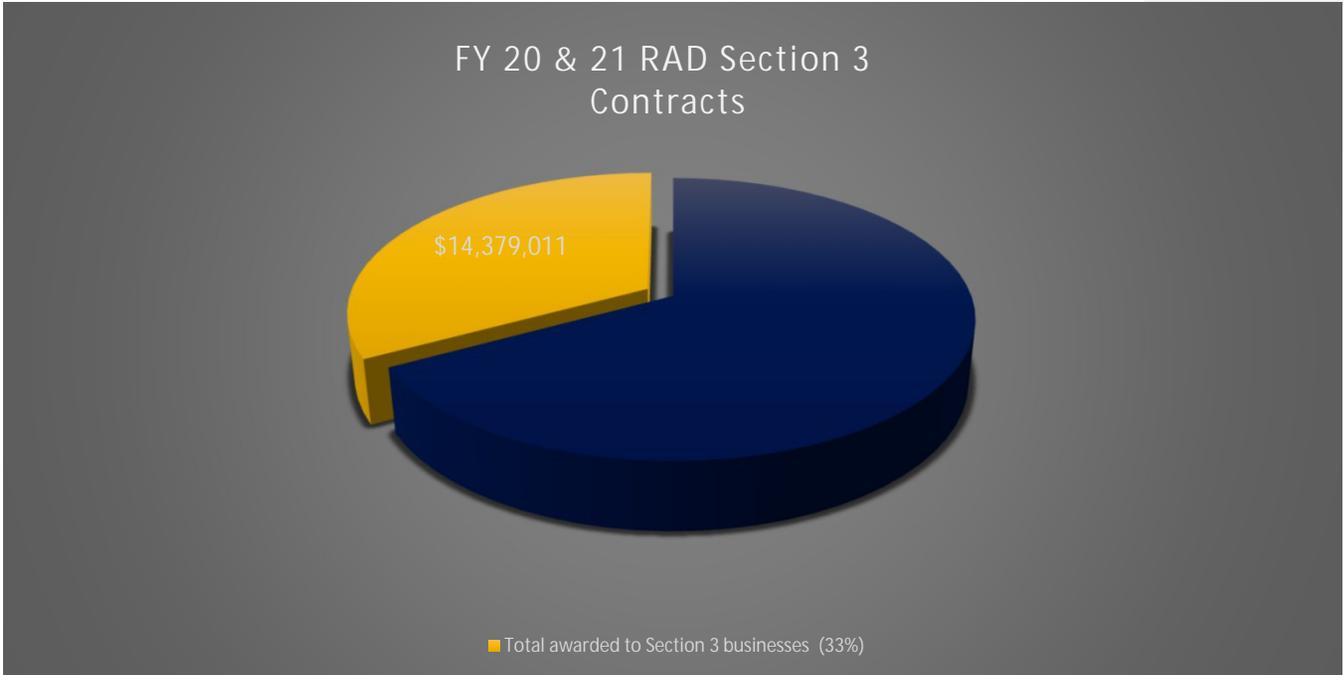
Creating economic opportunities for low-income individuals is paramount to CMHA. These jobs pay a living wage in high demand fields, leading the way to self-sufficiency.

The RAD projects has created 66 new jobs. Of that, 33 of the jobs went to Section 3 individuals.



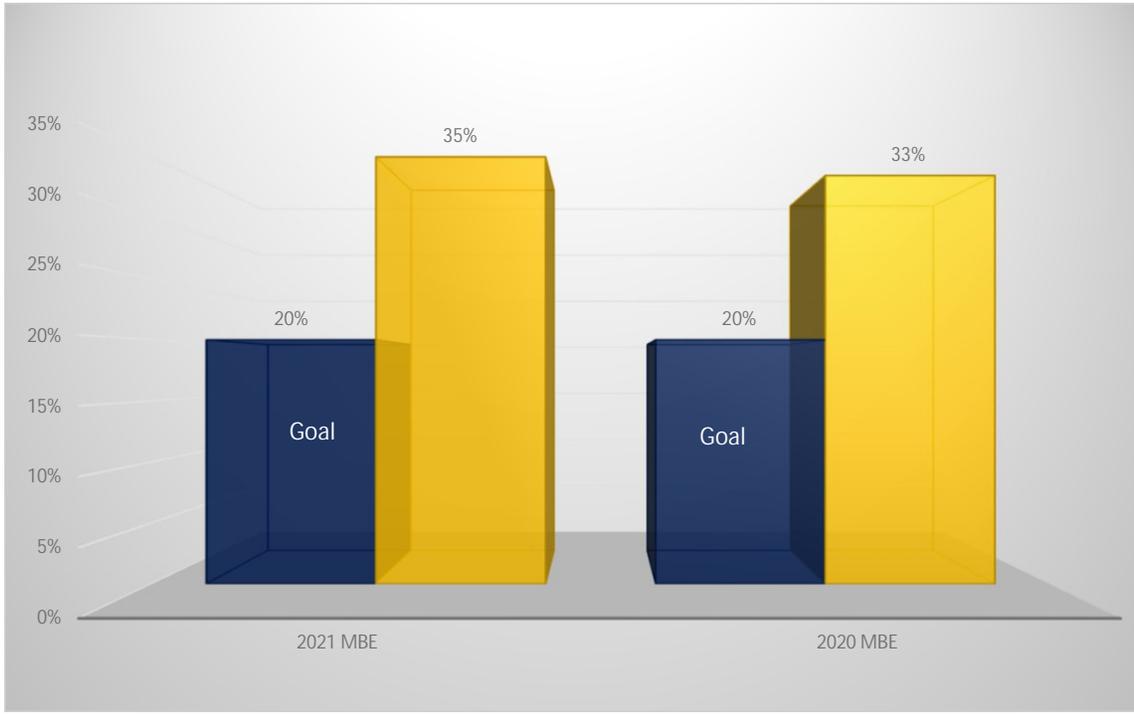
RAD Spending

CMHA has spent over \$43.6 million on construction on the RAD projects. 33% of that spending went to Section 3 businesses for a total of over \$14 million



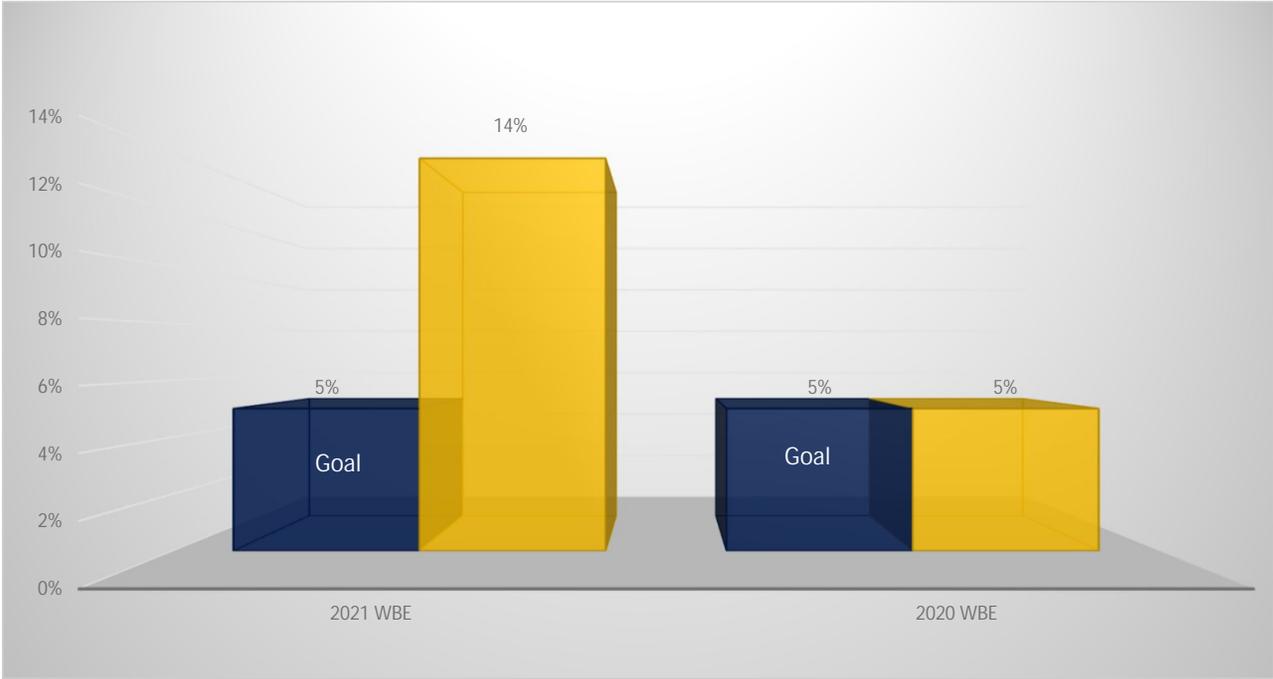
Minority Owned Businesses (MBE)

- CMHA has surpassed the goal of awarding 20% of its contracts to Minority Businesses each year



Women Owned Businesses (WBE)

- CMHA has worked diligently to ensure that contracts are awarded to Women owned businesses.



Community Impact

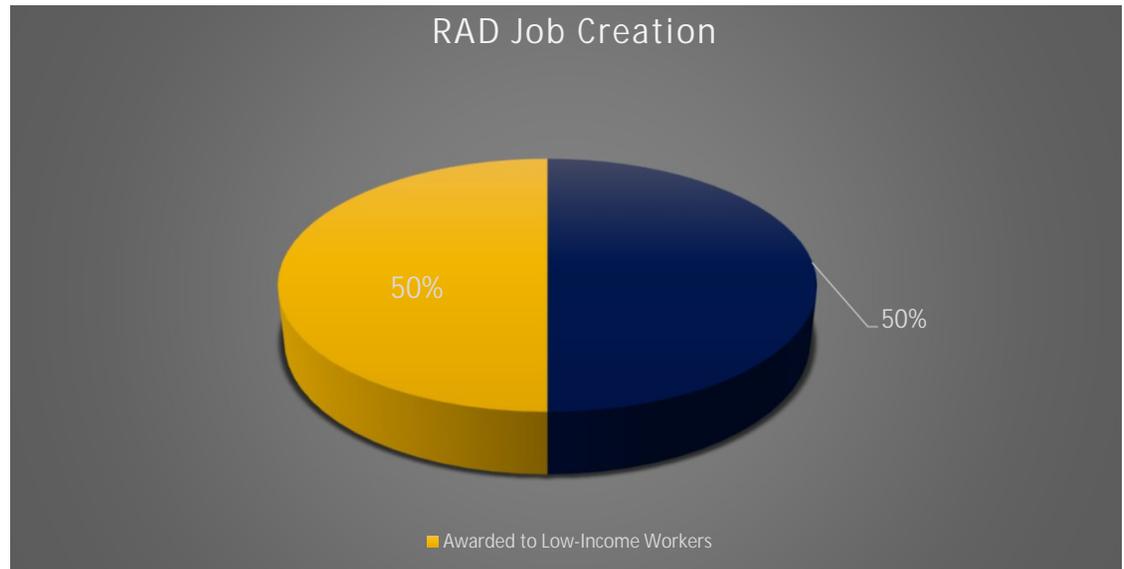
It is paramount that we all strive to move individuals and families toward self-sufficiency as it pertains to their financial well being.



Job Creation

- The RAD jobs created by CMHA pay anywhere from \$24 to \$40 to start out with the potential for training for higher skilled jobs with a greater earning potential.

The RAD projects have created 74 new jobs, 34 (50%) of those jobs went to CMHA residents or other low-income (Section 3) individuals.



Economic Impact

According to the Center for Housing Policy:

- Every dollar of public housing operating expenditures generates an additional \$0.93 of economic activity in the local market.
- For every dollar of direct Federal spending on capital and maintenance, an additional \$1.12 of indirect and induced expenditures is generated by suppliers, vendors and wage-earners.

Economic Impact

Total CMHA Development Impact that does not include 25% of our portfolio preservation and does not include the economic impact of Choice Grant

\$1,286,424,258



CMHA/City of Cincinnati - Partners

CMHA/City of Cincinnati - Partners

- Commit to being a Co-Applicant – Choice Neighborhood Grant
- Commit \$1.5M over six (6) year period (\$1.5M City leverage, \$50M HUD Grant with a potential of \$550M neighborhood impact (estimated))
- Relieve CMHA of City West Debt (to allow for the redevelopment of City West & construction of 66 newly constructed single-family homes)
- Remove Liens on West End Properties to allow for redevelopment (construction of 37 new single-family homes)
- Relieve CMHA of approximately of 300 feet of road responsibility located on Western Northern Blvd (Millvale Redevelopment)
- Allocate \$1M a year for five (5) years to assist with RAD Transformation and new development projects
- City of Cincinnati would leverage \$5M for a total development impact of **\$1,286,424,258**

Questions



Maximizing Tax Credits

HOW THE CITY CAN SUPPORT LOW INCOME HOUSING TAX CREDIT AWARDED PROJECTS AND SPEED THE PROCESS TO BUILD NEW AFFORDABLE HOUSING

What is the Low Income Housing Tax Credit Program?

Competitive 9% Housing Tax Credit Program

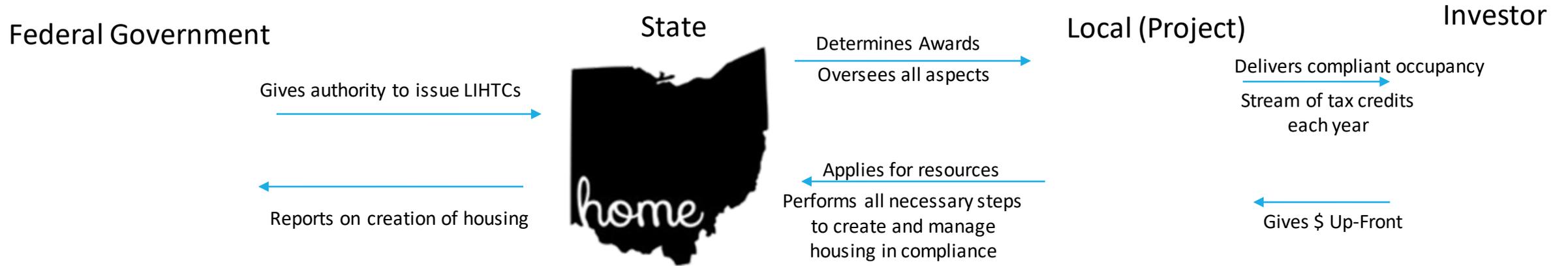
- Developers constructing or rehabilitating affordable housing statewide can apply for an allocation of 9% Housing Tax Credits. Due to the demand for 9% credits, OHFA typically funds only 25 to 30 percent of all applications submitted. In addition, because of the cost of applying for the program and the extensive compliance requirements, the program is best suited for rental housing developments with 25 or more units.

Non-Competitive 4% Housing Tax Credit Program

- Developers constructing or rehabilitating affordable housing statewide can apply for an allocation of 4% Housing Tax Credits. The Internal Revenue Code (IRC) requires that developments awarded 4% Housing Tax Credits must utilize multifamily bonds financing for more than 50 percent of the total project cost.



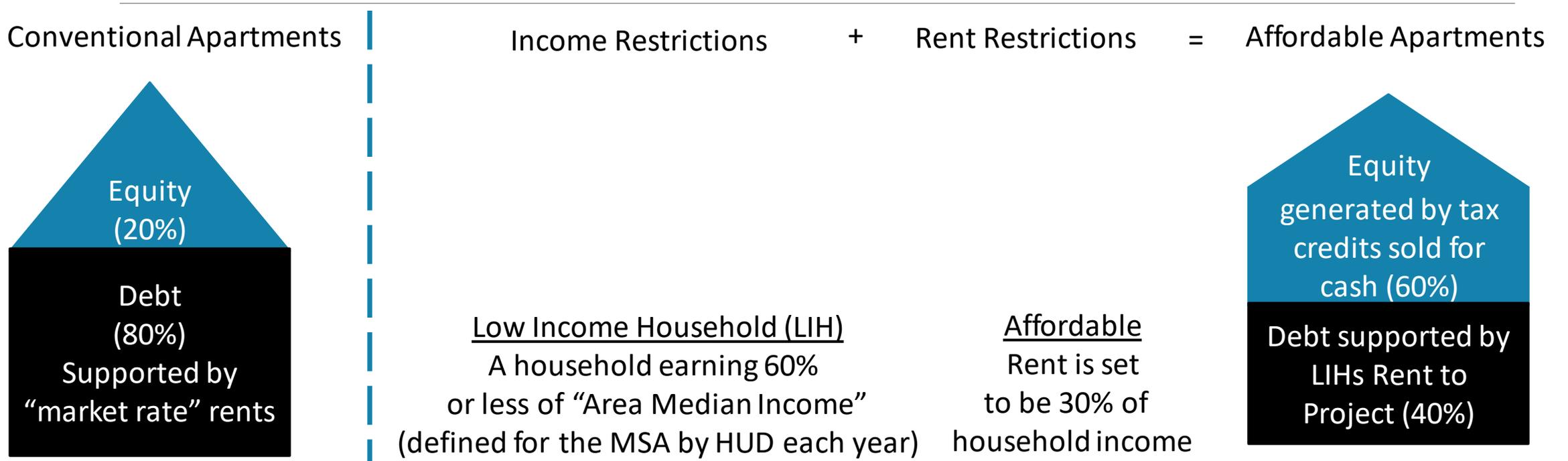
How Tax Credits Are Structured





Why Housing Tax Credits are Needed

The cost to construct / create housing leads to rents too high for “Low Income Households” to “Afford”



Funds generated by housing tax credits are used for construction, but the LIHTCs are earned through compliance with income & rent restrictions during occupancy

Income & Rent Restrictions

2021 Area Median Income By Household Size for Hamilton County
(Established annually by HUD)

Household Size	30% AMI	50% AMI	60% AMI
1 Person	\$17,940	\$29,900	\$35,880
2 Person	20,520	34,200	41,040
3 Person	23,070	38,450	46,140
4 Person	25,062	42,700	51,240
5 Person	27,690	46,150	55,380
6 Person	29,730	49,550	59,460

2021 Rent Limits by Unit Size for Hamilton County
(Established annually by HUD based on income limits)

Units	30% AMI	50% AMI	60% AMI
1 Bedroom	\$448	\$747	\$897
2 BR	576	961	1,153
3 BR	666	1,110	1,332

Current Gap Funding Tools

OHFA HDAP

OHFA EBL

City of Cincinnati funds

State and Federal Historic Tax Credits

Federal Home Loan Bank AHP

County funds (depends on location and type of project)

PSH specific funding

RAD

TIF

LIHTC Timeline

February: LIHTC Application Due

- City provides conditional financial commitment letter

May: OHFA announces Awards

May – September – work toward final application to OHFA

September to April of following year: Finalize finances, schedule and execute closing, begin construction

The Importance of an Abatement to a LIHTC Project

- Most deals today require multiple gap sources above the LIHTC equity in order to work. The tax abatement is one piece but does not alone “close the gap.”
- The abatement decreases the highest operating cost of a project, allowing the project to assume additional debt to complete the project financing.
- A project may monetize that savings into additional debt, for example...
 - a project with a 15-year 67% CRA tax abatement can support \$1,000,000 in debt to meet most lender requirements
 - Without the abatement, that same project can only support \$440,000 in debt, creating an additional gap over an above the one that exists to meet the required rents under LIHTC.
- The completion of the CRA process must be done before closing & construction, so It's timing is critical.

Policy Proposal

City Council Should...

Develop a uniform CRA tax abatement for LIHTC awarded projects.

Grant the Administration authority to approve abatements that fit within this framework without additional legislative approval.

How It Helps?

Streamline the administrative process

Because we know that there are a myriad of touch points with multiple City departments (DCED, Law, B&I, Planning, etc.) between LIHTC award and project closing/construction beginning, streamlining one of those touch points will allow projects to go to closing faster, have more certainty on construction timing, and deliver the new affordable units our community needs. There is also a time savings for the City Administration across multiple departments

Attracting Additional LIHTC applications

By making clear that a successful award will receive a specific abatement, developers who may have previously been on the fence about pursuing a LIHTC award will be more likely to apply, increasing the amount of tax credits awarded in our region.

Alignment with Regional Goals

HOUSING OUR FUTURE



Strategies for Cincinnati and Hamilton County

MAXIMIZE COMPETITIVENESS FOR STATE AND FEDERAL FUNDING. Currently, Cincinnati is less competitive than other Ohio cities for state and federal affordable housing funds. We must collaborate as a region to secure greater allocations of Low-Income Housing Tax Credits (LIHTC), block grants, and other resources.

LOCAL AND STATE POLICIES. The City of Cincinnati and Hamilton County should work together to increase their competitiveness for the federal Low-Income Housing Tax Credit (LIHTC), which is awarded according to the Ohio Housing Finance Agency's Qualified Allocation Plan (QAP). They should support affordable housing developers in pursuing not only 9% tax credit deals, but also more challenging 4% tax credits deals, by implementing a systematic approach to filling the financing gap created by the lower level of LIHTC subsidy. Local actors should also support efforts to create a state-level tax credit for affordable housing development, which are being spear-headed by the Ohio Housing Council.

EMBRACING GROWTH PRINCIPLES FOR REGIONAL HOUSING

OUR REGION'S ZONING AND DEVELOPMENT POLICIES ARE AN OBSTACLE TO HOUSING GROWTH RATHER THAN A TOOL TO ADDRESS IT.

Widespread incentives to increase private investment have helped accelerate new development throughout the region. Incentives remain an integral tool to pursue our broad housing goals. Governments have finite resources and have the right to prioritize the types of developments they want to see in their jurisdictions. Creating incentive guidelines that encourage more dense, affordable and transit-accessible development are wholly appropriate, and we encourage communities to tailor their policy solutions in this way. But those incentive guidelines should also ensure enough flexibility to award other worthy projects too, such as densely constructed single-family housing. Governments at every level, local, state and federal, should consider how they might expand incentive opportunities that are predictable, transparent and based on the merits of the project to develop new housing throughout their jurisdictions.

Thank You!

Conceptual LIHTC Project (Reference)

Conceptual LIHTC Project	40 Residential Units	
Sources of Funds	No CRA	with CRA
1st Mortgage *	\$ 440,000	\$ 1,000,000
Soft Sources (FHLB or other)	\$ -	\$ -
City HOME	\$ -	\$ -
Deferred Developer Fee	\$ -	\$ -
LIHTC Equity	\$ 8,500,000	\$ 8,500,000
GAP	\$ 1,060,000	\$ 500,000
Total Sources of Funds	\$ 10,000,000	\$ 10,000,000
Uses of Funds	No CRA	with CRA
Acquisition	\$ 250,000	\$ 250,000
Hard Costs	\$ 7,200,000	\$ 7,200,000
Soft Costs	\$ 1,350,000	\$ 1,350,000
Developer OH and Fees	\$ 1,200,000	\$ 1,200,000
Total Uses of Funds	\$ 10,000,000	\$ 10,000,000

*Note: Example 1st Mortgage with CRA will lead to negative YR 16 cash flow when CRA benefit expires
 In order to stay cash flow positive, the example project would require extended abatement period