

December 13, 2021

To: Members of the Budget and Finance Committee **202103257**

From: Paula Boggs Muething, City Manager

Subject: **Emergency Ordinance – DCED: Neighborhood Stabilization Program Resources for NEST Housing Project in Northside**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the transfer and return to source Fund 438, “Neighborhood Stabilization,” of the sum of \$152,303.30 from various Neighborhood Stabilization Program project accounts, as listed on the attached Schedule of Transfer; and **AUTHORIZING** the transfer and appropriation of the sum of \$355,552.78 from the unappropriated surplus of Fund 438, “Neighborhood Stabilization,” to various Neighborhood Stabilization Program project accounts, as listed on the attached Schedule of Transfer, for the purpose of appropriating program resources from the Neighborhood Stabilization Program 1 and the Neighborhood Stabilization Program 3 for use in United States Department of Housing and Urban Development-approved Neighborhood Stabilization Program 1 and Neighborhood Stabilization Program 3 target areas in the neighborhood of Northside.

As indicated in Section 1 of the attached Schedule of Transfer, approval of this Emergency Ordinance authorizes the transfer and return to source Fund 438, “Neighborhood Stabilization,” the sum of \$152,303.30 from various Neighborhood Stabilization Program (NSP) project accounts.

As indicated in Section 2 of the attached Schedule of Transfer, this Emergency Ordinance also authorizes the transfer and appropriation of the sum of \$355,552.78 from the unappropriated surplus of Fund 438, “Neighborhood Stabilization,” to various Neighborhood Stabilization Program project accounts for the purpose of appropriating program resources in United States Department of Housing and Urban Development (HUD)-approved Neighborhood Stabilization Program 1 (NSP1) and Neighborhood Stabilization Program 3 (NSP3) target areas in the Northside neighborhood.

The Department of Community and Economic Development’s (DCED) intent is to reprogram \$152,303.30 from existing NSP1 and NSP3 project accounts and use \$203,249.48 in NSP program income available in the unappropriated surplus of Neighborhood Stabilization Fund 438 to provide a total of \$355,552.78 in NSP funding in the Northside neighborhood.

Northsiders Engaged in Sustainable Transformation (NEST) has been working with City Administration to complete a single-family home development on Witler Avenue in the Northside neighborhood. NEST plans to construct three 1,700 square foot homes and target homebuyers not to exceed 120% of AMI (area median income). The NSP grant resources will be used to subsidize construction costs to make homes more affordable to homebuyers under the threshold.

Approval of this Emergency Ordinance is in compliance with HUD guidelines. DCED, in concert with local non-profit developers, has worked to commit and expend NSP funds in a timely and appropriate manner. Some activities generate program income upon the sale of rehabilitated properties and repayment of interim financing loans and program income must be tracked in perpetuity and reinvested in NSP eligible activities in accordance with Community Development Block Grant (ALN 14.228) regulations as governed by 24 CFR 570.500(a). As long as program income is being generated from NSP funded activities it should be tracked, accounted for, and used in accordance with the City's HUD approved NSP1 (grant award B-08-MN-39-0003) and NSP3 (grant award B-11-MN-39-0003) Action Plans.

Continued implementation of NSP activities is in accordance with the "Live" goals to "[c]reate a more livable community" and to "[p]rovide a full spectrum of housing options, and improve housing quality and affordability" as described on pages 156 and 164 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to ensure timely and uninterrupted implementation of the Neighborhood Stabilization Program in accordance with the United States Department of Housing and Urban Development guidelines.

The Administration recommends passage of this Emergency Ordinance.

cc: Andrew M. Dudas, Budget Director
Karen Alder, Finance Director



Attachment