

October 16, 2024

To: Mayor and Members of City Council

From: Sheryl M.M. Long, City Manager 

202402188

Subject: Emergency Ordinance – Approving and Authorizing CRA Tax Exemption Agreement with 2901 Glendora, LLC

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement 2901 Glendora LLC, an affiliate of Uptown Rental Properties, LLC, thereby authorizing a fifteen-year tax exemption for 100 percent of the value of improvements made to real property located at 2901 Glendora Avenue in the Corryville neighborhood of Cincinnati, in connection with the construction of approximately 14,386 square feet of residential space consisting of eleven residential units, which construction shall be completed in compliance with Leadership in Energy and Environmental Design Silver, Gold or Platinum standards or Living Building Challenge standards, at a total construction cost of approximately \$3,148,356.

STATEMENT

HOUSING: The additional housing units this project will provide will go toward helping to alleviate Cincinnati's strained housing market, which is currently experiencing increasing affordability issues due to lack of supply. This project will also help to meet the demand of housing supply around the University.

BACKGROUND/CURRENT CONDITIONS

This project is located at the corner of University Avenue and Glendora Avenues. University Avenue is a main east-west connector street between the University of Cincinnati's main campus and the 1819 Building at the Innovation Hub on Reading Road. This site currently has a two-story wood-frame building with a small commercial storefront that has been vacant for over five years. The building will be demolished to make way for the new construction of a building that will have eleven residential units ranging from studios to four bedrooms. The developer is seeking a Commercial Tax Abatement (CRA) for this project.

DEVELOPER INFORMATION

2901 Glendora LLC, an affiliate of Uptown Rental Properties LLC is the developer for this project. Uptown Rental Properties LLC started in Coryville over 35 years ago with the renovation of a single-family home, built on the premise that students needed better housing. The developer now owns and manages almost 4,000 apartments in Cincinnati

and Northern Kentucky with the majority still in Corryville on the east side of the University of Cincinnati. Uptown Rental Property has experience in renovation, rehabilitation, new construction, and property management. In addition, Uptown Rental Properties is a local investor committed to owning their properties for a long time.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. This is an emergency ordinance so construction pricing can stay locked in.

Attachment: Project Outline and Proposed Incentive

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



Project Outline

Project Name	2901 Glendora Avenue
Street Address	2901 Glendora Avenue
Neighborhood	Corryville
Property Condition	Vacant Property
Project Type	New Construction
Project Cost	Hard Construction Costs: \$3,148,365 Acquisition Costs: \$279,214 Soft Costs: \$762,667 Total Project Cost: \$4,190,246
Private Investment	Private Financing: \$206,240 Developer Equity: \$1,670,855
Sq. Footage by Use	Residential: 14,386 SF
Number of Units and Rent Ranges	1 Studio Unit; Rent \$1,300 1 2-BR Unit; Rent \$2,100 3 3-BR Units; Rent \$2,875 6 4-BR Units; Rent Range \$3,200 - \$3,500 11 Total Units
Median 2-BD Rent Affordable To	Salary: \$84,000 City Job Classification: Management-level Department positions (Assistant Directors, Managers)
Jobs and Payroll	Created FTE Positions: 1 Total Payroll for Created FTE Positions: \$60,000 Average Salary for Created FTE Positions: \$60,000 Construction FTE Positions: 29 Total Payroll for Construction FTE Positions: \$1,775,434
Location and Transit	Located within the Corryville Transit Score: 55
Community Engagement	Presented at Community Council (CC) on June 11, 2024, and the CC has provided letter of support on June 19, 2024
Plan Cincinnati Goals	Live Initiative Area Goal 3 (p. 164-176)

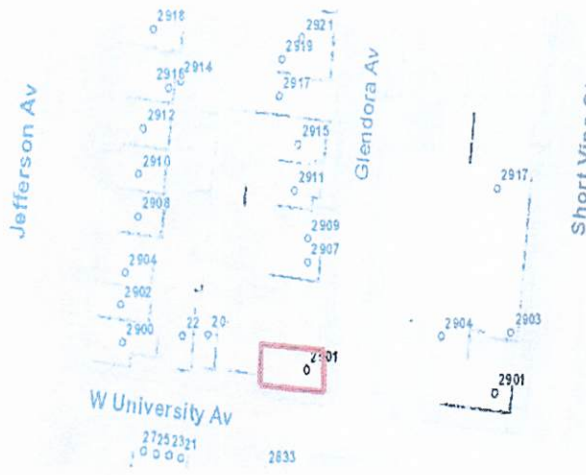
Project Image and Site Map



Existing Building



New Building



Site Map

Proposed Incentive

Incentive Terms	15-year, net 52%
Incentive Application Process	Commercial CRA – Neighborhood
“But For” (0-3 points)	Without Abatement the project has a very low rate of return With Abatement: The rate of return increases slightly making the project feasible (stabilized) Project would not proceed without an abatement. (3 points)
Environmental Building Certification (0-5 points)	LEED Gold (3 points)
VTICA (0-8 points)	Neighborhood VTICA – 15% (8 points)
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	N/A
Other Incentives & Approvals	N/A

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$13,450
Total Term Incentive to Developer	\$201,753
City's Portion of Property Taxes Forgone (Term)	-
City's TIF District Revenue Forgone (Term)	\$283,230

Public Benefit	Value	
CPS PILOT	Annual	\$8,536
	Total Term	\$128,036
VTICA	Annual	\$3,880
	Total Term	\$58,198

Income Tax Total Term (Maximum)	\$40,168
Total Public Benefit (CPS PILOT, VTICA, Income Tax)	\$226,402

Total Public Benefit ROI*	\$1.12
City's ROI**	\$.14

* 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: 2024 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$22,050	\$25,200	\$28,350	\$31,450	\$34,000	\$36,500	\$39,000	\$41,550
50%	\$36,700	\$41,950	\$47,200	\$52,400	\$56,600	\$60,800	\$65,000	\$69,200
60%	\$44,040	\$50,340	\$56,640	\$62,880	\$67,920	\$72,960	\$78,000	\$83,040
80%	\$58,700	\$67,100	\$75,500	\$83,850	\$90,600	\$97,300	\$104,00	\$110,700

Hamilton County, Cincinnati-Middleton OH-KY-IN HUD Metro FMR Area