

October 30, 2024

To: Mayor and Members of City Council

From: Sheryl M.M. Long, City Manager

202402277

Subject: Ordinance – Approving and Authorizing CRA Tax Exemption Agreement with 607 Main Holdings, LLC

Attached is an Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement 607 Main Holdings, LLC, thereby authorizing a fifteen-year tax exemption for 100 percent of the value of improvements made to real property located at 607 Main Street in the Central Business District of Cincinnati, in connection with the remodeling of an existing building into approximately 3,060 square feet of commercial space on the first floor and approximately 10,750 square feet of residential space on the upper floors, consisting of thirteen residential units, at a total construction cost of approximately \$3,098,578.

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 preserve our existing historic housing stock.

BACKGROUND/CURRENT CONDITIONS

This project is located at 607 Main Street in Downtown Cincinnati. This site is a six-story building with a first-floor commercial storefront. The building will be renovated to make thirteen residential units ranging from one to three bedrooms. The developer is seeking a Commercial Tax Abatement (CRA) for this project.

DEVELOPER INFORMATION

607 Main Street, LLC is the developer for this project which is a partnership between Yolo Investments LLC and Haneen Shetiwi with Yolo Investments LLC as the managing partner. Yolo Investments, LLC has over 10 years of experience in real estate and historic renovations. Yolo Investments, LLC has experience in renovation and rehabilitation of single-family homes and multi-family apartment buildings in neighborhoods such as Madisonville, Evanston, West End, and Downtown. 312 W 4th Street is a similar project that has been undertaken by Yolo Investments LLC.

Nadav Livne is the managing member for Yolo Investments LLC.

RECOMMENDATION

The Administration recommends approval of this Ordinance.

Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	607 Main Street
Street Address	607 Main Street
Neighborhood	Downtown
Property Condition	Vacant Property
Project Type	Rehabilitation
Project Cost	Hard Construction Costs: \$2,508,900 Acquisition Costs: \$845,905 Soft Costs: \$527,687 Developer Fee: \$62,000 Total Project Cost: \$3,944,492
Private Investment	Private Financing: \$3,000,000 Developer Equity: \$944,492
Sq. Footage by Use	Residential: 10,750 SF Commercial: 3,060
Number of Units and Rent Ranges	3 1-BR Unit; Rent \$1,650 8 2-BR Units; Rent \$2,170 2 4-BR Units; Rent Range \$2,515 13 Total Units
Median 1-BD, 2 BD, 3BD Rent Affordable To	Salary: \$66,000 (1BD) City Job Classification: Wastewater Collection Inspector, Water Security Supervisor, Clinical Medical Lab Tech 3 \$86,800 (2BD) : Public Health Nurse 3, Info Tech Asst Manager, Senior Real Estate Specialist \$100,600 (3BD): Fire Lieutenant, City Architect, Water Distribution Supt
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: 16 Total Payroll for Construction FTE Positions: \$960,000
Location and Transit	Located within Downtown Cincinnati Transit Score: 44
Community Engagement	There was no engagement.
Plan Cincinnati Goals	Live Initiative Area Goal 3 (p. 148) and Sustain Initiative Area Goal 2 (p. 180)

Project Image and Site Map



Existing Building



Site Map

Proposed Incentive

Incentive Terms	15-year, net 52%
Incentive Application Process	Commercial CRA – Streetcar
“But For” (0-3 points)	Without Abatement the project has a very low rate of return With Abatement: The rate of return increases slightly, but still low, making the project more feasible (stabilized). (N/A Points)
Environmental Building Certification (0-5 points)	Project is not LEED (N/A points)
VTICA (0-8 points)	Streetcar VTICA – 15% (N/A 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	\$30,391
Total Term Incentive to Developer	\$455,872
City's Portion of Property Taxes Forgone (Term)	-
City's TIF District Revenue Forgone (Term)	\$639,974

Public Benefit	Value	
CPS PILOT	Annual	\$19,286.90
	Total Term	\$289,308.54
VTICA	Annual	\$8,766.77
	Total Term	\$131,501.61
Income Tax Total Term (Maximum)	\$64,260	

Total Public Benefit (CPS PILOT, VTICA, Income Tax)	\$485,065.15
---	--------------

Total Public Benefit ROI*	\$1.06
City's ROI**	\$.76

* 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