

May 30, 2024

To: Mayor and Members of City Council

202401489

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing a CRA Tax Exemption Agreement with 604-608 Crown Street, LLC

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with Indybear, LLC, thereby authorizing a 15-year tax exemption for 100% of the value of improvements made to real property located at 604-608 Crown Street in the Walnut Hills neighborhood of Cincinnati, in connection with the remodeling of an existing building to include approximately 3,304 square feet of residential space, consisting of five residential units, which remodeling shall be completed in compliance with Leadership Energy and Environmental Design Silver standards, at a total construction cost of approximately \$926,954.

STATEMENT

HOUSING: The additional housing units this project will provide could help in alleviating Cincinnati's strained housing market and will activate a vacant and blighted building in the Walnut Hills neighborhood.

BACKGROUND/CURRENT CONDITIONS

The project is located at 604-608 Crown Street in the Walnut Hills neighborhood. The property is a vacant- three story building. Once completed, the building will consist of 7 market rate residential units. The units will consist of 1, 2 and 4 bedrooms. The project will be fully financed with the Developer's equity.

DEVELOPER INFORMATION

Indybear, LLC is an Ohio based company, owned by Jennifer L Holcomb and Peter Jones. The principals of the Developer have completed similar projects in both Cincinnati and Washington DC. Their prior Cincinnati rehabilitation is a multifamily apartment renovation in Columbia Tusculum that is completed and fully leased.

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	604-608 Crown Street CRA
Street Address	604-608 Crown Street
Neighborhood	Walnut Hills
Property Condition	Vacant Building
Project Type	Rehabilitation
Project Cost	Hard Construction Costs: \$1,547,937 Acquisition Costs: \$320,000 Soft Costs: \$129,687 Total Project Cost: \$1,997,624
Private Investment	Developer Equity: \$1,997,624
Sq. Footage by Use	Residential: 7,516
Number of Units and Rent Ranges	4 1-BR Units, 2 2-BR Units, 1 4-BR Units; Rent Range \$1,200-3,500 7 Total Units
Median 1-BD Rent Affordable To	Salary: \$48,000-140,000 City Job Classification: Fire Recruit, Real Estate Manager, Assistant Finance Director, & City Solicitor
Jobs and Payroll	Created FTE Positions: 0 Total Payroll for Created FTE Positions: 0 Average Salary for Created FTE Positions: 0 Construction FTE Positions: 48 Total Payroll for Construction FTE Positions: \$736,000
Location and Transit	Located within Walnut Hills Transit Score: 55
Community Engagement	Not applicable.
Plan Cincinnati Goals	Compete Initiative Area Goal 2 (p. 114-120), Sustain Initiative Area Goal 1 (p.180-191)

Project Image and Site Map



Proposed Incentive

Incentive Terms	15-year, net 52%
Incentive Application Process	Commercial CRA – Neighborhood
“But For” (0-3 points)	Without Abatement: 5% rate of return (stabilized) With Abatement: 6% rate of return (stabilized) Project would not proceed without an abatement. (3 points)
Environmental Building Certification (0-5 points)	LEED- Sliver (3 points)
VTICA (0-8 points)	Streetcar VTICA – 15% (8 points)
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	Not Applicable
Other Incentives & Approvals	Not Applicable

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$7,442
Total Term Incentive to Developer	\$111,625
City's Portion of Property Taxes Forgone (Term)	\$30,167
City's TIF District Revenue Forgone (Term)	\$0

Public Benefit	Value	
CPS PILOT	Annual	\$4,723
	Total Term	\$70,839
VTICA	Annual	\$2,147
	Total Term	\$32,199
Income Tax Total Term (Maximum)	\$18,923	
Total Public Benefit (CPS PILOT, VTICA, Income Tax)	\$97,614	

Total Public Benefit ROI*	\$2.13
City's ROI**	\$7.89

* 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	\$104,000	\$110,700