

August 2, 2021

To: Members of the Budget and Finance Committee

From: Paula Boggs Muething, City Manager *WJ
for TWH*

202102540

Subject: Emergency Ordinance – OTR Affordable Housing FHAct50 – TIF Project

Attached is an Emergency Ordinance captioned:

AUTHORIZING the establishment of new capital improvement program project account no. 980x162x221645, “OTR Affordable Housing FHAct50 - TIF,” for the purpose of providing resources for Logan Commons and Willkommen II, two affordable Low-Income Housing Tax Credit housing developments located in Over-the-Rhine; **AUTHORIZING** the transfer and appropriation of \$2,350,000 from the unappropriated surplus of Downtown/OTR West Equivalent Fund 482 to newly established capital improvement program project account no. 980x162x221645, “OTR Affordable Housing FHAct50 - TIF,” to provide resources for construction and development costs associated with the Logan Commons and Willkommen II housing developments; and further **DECLARING** that expenditures from capital improvement program project account no. 980x162x221645, “OTR Affordable Housing FHAct50 - TIF,” will serve a public purpose because the project will create additional affordable housing in the Over-the-Rhine neighborhood.

Approval of this Emergency Ordinance authorizes the establishment of new capital improvement program project account no. 980x162x221645, “OTR Affordable Housing FHAct50 - TIF” for the purpose of providing resources for Logan Commons and Willkommen II, two affordable Low-Income Housing Tax Credit housing developments located in Over-the-Rhine. Approval of this Emergency Ordinance also authorizes the transfer and appropriation of \$2,350,000 from the unappropriated surplus of Downtown/OTR West Equivalent Fund 482 to newly established capital improvement program project account no. 980x162x221645, “OTR Affordable Housing FHAct50 - TIF” to provide resources for construction and development costs associated with the Logan Commons and Willkommen II housing developments. Finally, the Emergency Ordinance will declare that expenditures from capital improvement program project account no. 980x162x221645, “OTR Affordable Housing FHAct50 - TIF” will serve a public purpose because the project will create additional affordable housing in the Over-the-Rhine neighborhood.

The Over-the-Rhine (“OTR”) neighborhood is currently experiencing substantial development activity, creating a significant need for quality affordable housing. The

Logan Commons housing development will result in the new construction of a four-story mixed-use building containing forty-two (42) one-bedroom units of low-income senior housing, ground floor community and retail spaces, and a senior center. The Willkommen II housing development will result in the rehabilitation of two vacant, historic buildings and the new construction of two buildings containing a total of forty-eight (48) studio to three-bedroom units of low-income housing.

All units in the housing developments will provide a total of ninety (90) new units of quality affordable housing for the OTR neighborhood and will serve households earning no more than sixty percent (60%) of the area median income, as established by the U.S. Department of Housing and Urban Development (HUD).

The City's creation and funding of capital improvement program project account no. 980x162x221645, "OTR Affordable Housing FHAct50 - TIF" is in response to the developers' request for additional gap financing, and is in accordance with Ordinance No. 0206-2020, which designates 25% of payments in lieu of taxes in the Tax Increment Financing (TIF) districts to affordable housing.

The sum of \$2,250,000 will be allocated for housing construction costs, and \$100,000 will be allocated for project delivery costs.

The developers, Urban Sites/CMHA (Logan Commons) and 3CDC/Model Group (Willkommen II), wish to include this gap financing in their applications for Ohio Housing Finance Agency FHAct50 low-income housing tax credits, the deadline for which is in August 2021.

The Logan Commons and Willkommen II housing developments are in accordance with the "Live" goal to "provide a full spectrum of housing options and improve housing quality and affordability" as described on pages 164-177 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to allow the developers to include gap financing in their August 2021 applications for Ohio Housing Finance Agency FHAct50 low-income housing tax credits.

The Administration recommends passage of this Emergency Ordinance.

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

Attachment

