



City of Cincinnati

801 Plum Street
Cincinnati, OH 45202

Agenda - Final-revised

Equitable Growth & Housing

Chairperson, Reggie Harris
Vice Chairperson, Meeka Owens
Councilmember, Jeff Cramerding
Councilmember, Mark Jeffreys
Councilmember, Liz Keating
Vice Mayor, Jan-Michele Kearney
Councilmember, Victoria Parks
Councilmember, Scotty Johnson

Tuesday, October 25, 2022

1:00 PM

Council Chambers, Room 300

ROLL CALL

PRESENTATIONS

Overview of the Affordable Housing Leverage Fund

Luke Blocher, Cincinnati Development Fund

Robie Suggs, Cincinnati Development Fund

Joe Huber, Cincinnati Development Fund

Leveraging City Dollars for Impact

William Weber, Assistant City Manager

AGENDA

1. [202201894](#) **ORDINANCE (EMERGENCY)** submitted by Councilmember Landsman, from Emily Smart Woerner, City Solicitor, **DECLARING** that Vine Street between Fifth Street and Sixth Street shall hereby receive the honorary, secondary name of "Jeff Ruby Way" in honor of Jeff Ruby and in recognition of his contributions and dedication to the City of Cincinnati through decades of influence on Greater Cincinnati's restaurant scene and his philanthropic efforts.

Sponsors: Landsman

Attachments: [Transmittal](#)
[Ordinance](#)

2. [202202003](#) **MOTION**, submitted by Councilmember Harris, on Housing Fund Priorities, **WE MOVE** that the City Administration utilized the following priorities to guide funding decisions made in collaboration with the Cincinnati Development Fund (CDF) regarding deployment of all City contributions to the "Fund of Funds": **WE MOVE** that the Department of Community & Economic Development (DCED) shall establish as a priority in its annual Notice of Funding Availability (NOFA) projects targeted at 0-60% AMI. (BALANCE ON FILE IN CLERK'S OFFICE) (STATEMENT ATTACHED)
- Sponsors:** Harris
- Attachments:** [MOTION](#)
3. [202201993](#) **MOTION**, submitted by Councilmember Parks, Vice Mayor Kearney and Councilmember Johnson, **WE MOVE** that City Council require that the \$5 million allocation from the FY'22 carryover budget allocated to the Affordable Housing Trust Fund will be deposited into Fund 439 and used solely for capital expenses. (BALANCE ON FILE IN THE CLERK'S OFFICE) (STATEMENT ATTACHED)
- Sponsors:** Johnson, Kearney and Parks
- Attachments:** [MOTION](#)
4. [202202005](#) **PRESENTATION** submitted by Sheryl M. M. Long, City Manager, dated 10/25/2022, regarding the Affordable Housing Trust Fund recommendation.
- Sponsors:** City Manager
- Attachments:** [Transmittal](#)
[Presentation](#)
5. [202202007](#) **PRESENTATION** submitted by Councilmember Harris titled, "Overview of the Affordable Housing Leverage Fund."
- Sponsors:** Harris
- Attachments:** [Presentation](#)

ADJOURNMENT

Date: October 6, 2022

To: Councilmember Greg Landsman
From: Emily Smart Woerner, City Solicitor *EESW*
Subject: **Emergency Ordinance – Jeff Ruby Way Honorary Street Naming**

Transmitted herewith is an emergency ordinance captioned as follows:

DECLARING that Vine Street between Fifth Street and Sixth Street shall hereby receive the honorary, secondary name of “Jeff Ruby Way” in honor of Jeff Ruby and in recognition of his contributions and dedication to the City of Cincinnati through decades of influence on Greater Cincinnati’s restaurant scene and his philanthropic efforts.

EESW/JRS(lb)
Attachment
370771

EMERGENCY

City of Cincinnati

JRS

EESW

An Ordinance No. _____ - 2022

DECLARING that Vine Street between Fifth Street and Sixth Street shall hereby receive the honorary, secondary name of “Jeff Ruby Way” in honor of Jeff Ruby and in recognition of his contributions and dedication to the City of Cincinnati through decades of influence on Greater Cincinnati’s restaurant scene and his philanthropic efforts.

WHEREAS, in the early 1970s, Jeff Ruby, a recent Cornell graduate, arrived in Cincinnati and began creating popular concepts for event and dining establishments, such as Den of Little Foxes and Lucy’s in the Sky; and

WHEREAS, in 1981, Jeff Ruby opened his first luxury steakhouse, The Precinct, in the old Cincinnati Police Patrol House #6, in the Columbia Tusculum neighborhood; and

WHEREAS, Jeff Ruby’s success led him to opening his eponymous steakhouse in downtown Cincinnati, at the corner of Seventh Street and Walnut Street, anchoring and invigorating the Backstage District; and

WHEREAS, Jeff Ruby’s restaurants are recognized as among the top steakhouses in the United States by Travel + Leisure, USA Today, Food Network, Business Insider, and many more; and

WHEREAS, in 2022, Jeff Ruby sought to reinvigorate the Central Business District by relocating Jeff Ruby’s Steakhouse to the new Foundry development across from Fountain Square; and

WHEREAS, in his over forty-one years in Cincinnati, Jeff Ruby has sought to not only provide Cincinnati with world-class fine dining, but also have a transformational cultural impact through philanthropy and community involvement; and

WHEREAS, Jeff Ruby established the Jeff Ruby Foundation, which seeks to eradicate childhood poverty and eliminate obstacles that orphans and children in foster care face towards breaking the cycle of poverty and achieving positive life outcomes; and

WHEREAS, Jeff Ruby has spent a lifetime in the pursuit of excellence and deeply impacted the culture of Cincinnati and had a profound impact on its citizens; and

WHEREAS, Jeff Ruby’s exceptional business talent and success has enriched Cincinnati’s restaurant scene and made Cincinnati a destination for world-class dining; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Vine Street between Fifth Street and Sixth Street shall hereby receive the honorary, secondary name of “Jeff Ruby Way” in honor of Jeff Ruby and in recognition of his contributions and dedication to the City of Cincinnati through decades of influence on Greater Cincinnati’s restaurant scene and his philanthropic efforts.

Section 2. That the appropriate City officials are hereby authorized to do all things necessary and proper to implement the provisions of Section 1 herein, including the generation and installation of appropriate secondary street signage, which shall designate Vine Street between Fifth Street and Sixth Street as “Jeff Ruby Way” in accordance with the Department of Transportation and Engineering’s procedures relating to street designation and related signage.

Section 3. That a copy of this ordinance be sent to Jeff Ruby via the office of Councilmember Landsman.

Section 4. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to allow the Department of Transportation and Engineering to move forward with the administrative requirements related to the honorary naming of streets to provide for the ceremony and dedication of the honorary street name at the earliest possible time.

Passed: _____, 2022

Aftab Pureval, Mayor

Attest: _____
Clerk



Reggie Harris
Councilmember

October 25, 2022

MOTION

Councilmember Reggie Harris Motion on Housing Funding Priorities

WE MOVE that the City Administration utilizes the following priorities to guide funding decisions made in collaboration with the Cincinnati Development Fund (CDF) regarding deployment of all City contributions to the “Fund of Funds”:

1. Ensure that City dollars are highly leveraged with other public and private resources.
2. Create projects that are mixed-income whenever possible.
3. Develop affordable housing in high opportunity neighborhoods and in neighborhoods with quickly changing markets and avoid over concentrations of affordable housing projects.
4. Prioritize projects that serve the lowest AMI ranges (0-60%), where there is the greatest need.

WE MOVE that the Department of Community & Economic Development (DCED) shall establish as a priority in its annual Notice of Funding Availability (NOFA) projects targeted at 0-60% AMI.

Reggie Harris, Councilmember

STATEMENT

Since this council and administration took office in January of 2022, tangible progress has been made on creating effective systems to address the affordable housing shortage in Cincinnati. A significant step in this direction was the partnership with Cincinnati Development Fund (CDF). This body authorized the administration to execute a contract with CDF via Ordinance Nos. 53-2022 and 191-2022, passed by City Council on March 2, 2022, and June 23, 2022, respectively. Since then, CDF has successfully leveraged \$15M on top of the approval of Hamilton County’s \$15M commitment, the \$34M HUD Section 108 loan and the over \$10M the city has contributed through the new stabilization policy and ARP allocation, bringing the “Fund of Funds” to just over \$76 million.



Reggie Harris

Councilmember

Today, through the Mayor and Council's leadership the Housing Advisory Board is finally active, and the Trust Fund is dispersing much-needed funding to Affordable Housing Projects for the first time. It is the role of this council to clearly articulate to CDF and the Housing Advisory Board what its values and priorities are: vibrant, mixed-income communities. This motion affirmatively states an alignment on what projects we would like to see our NOFA and Trust Fund Dollars go towards, specifically addressing the communities with the greatest need.

We recognize we will only solve these problems with a comprehensive approach, which includes serious land use reform and an intentional realignment of our tax incentives to promote the construction of affordable housing. We will only achieve meaningful, effective policy through collaboration with those who have already been doing the work for years, like the Cincinnati Development Fund.

City of Cincinnati

Council



Melissa Autry, CMC
Clerk of Council

202201993

Office of the Clerk

801 Plum Street, Suite 308
Cincinnati, Ohio 45202
Phone (513) 352-3246
Fax (513) 352-2578

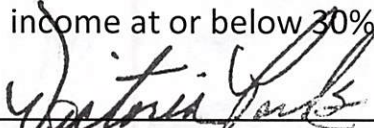
October 20, 2022

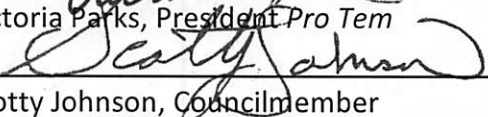
MOTION

WE MOVE that City Council require that the \$5 million allocation from the FY '22 carryover budget allocated to the Affordable Housing Trust Fund will be deposited into Fund 439 and used solely for capital expenses.

WE FURTHER MOVE that if City administration determines that Fund 439 is not the appropriate fund for the \$5 million allocation referenced above, then the \$5 million allocation will be deposited into the fund deemed appropriate by City administration and the \$5 million allocation will be subject to all of the following restrictions:

1. The \$5 million allocation shall be used solely for capital expenses; and
2. One hundred percent (100%) the \$5 million allocation must be used to benefit households with a household income below 61% of the Area Median Income, and
3. Half of the \$5 million allocation must benefit households with a household income at or below 30% of the Area Median Income.


Victoria Parks, President Pro Tem


Scotty Johnson, Councilmember


Jan-Michele Lemon Kearney, Vice Mayor

STATEMENT

Research by affordable housing advocates shows that the greatest need in affordable housing is below 61% of the Area Median Income (AMI). There are 33,000 household in the Cincinnati area with annual incomes of \$36,000 or less that cannot afford their rent. City Council's objective is to serve households with the greatest need.

October 25, 2022

202202005

To: Members of the Equitable Growth and Housing Committee
From: Sheryl M. M. Long, City Manager
Subject: **Presentation – Affordable Housing Trust Fund Recommendation**

Attached is a presentation regarding the Affordable Housing Trust Fund recommendation.

cc: William Weber, Assistant City Manager
Virginia Tallent, Assistant City Manager

Leveraging City Dollars for Impact

Affordable Housing Trust Fund Recommendation

Topics:

- **Overview of City's Affordable Housing Tools**
- **Summary of DCED's Notice of Funding Availability (NOFA) Program**
- **History of City's Affordable Housing Trust Fund**
- **Strategy For Impact**
- **Summary of Recommended AHTF Structure**

Cincinnati Development Fund (CDF) will present after and will go into more detail about their organization and their work to leverage City funds.

City's Affordable Housing Tools

Housing affordability issues took a long time to develop.

Resulting from a complex mix of market and macroeconomic forces intertwined with historical public policy (at times driven by racism):

- Wage stagnation and inflation
- Supply and demand
- Construction cost increases
- Zoning Policy
- History of racism in our country and City has created racial disparities in housing, which contributes significantly to racial disparities in wealth.



Need urgency but it is going to take a long time to address...

No single policy tool or program will be enough to address our housing affordability challenges and the solutions will have to be regional. Must think about Big "A" subsidized affordable housing and also creating or maintaining affordability in the market (aka naturally occurring affordable housing).

City's Affordable Housing Tools

Policy Toolkit:

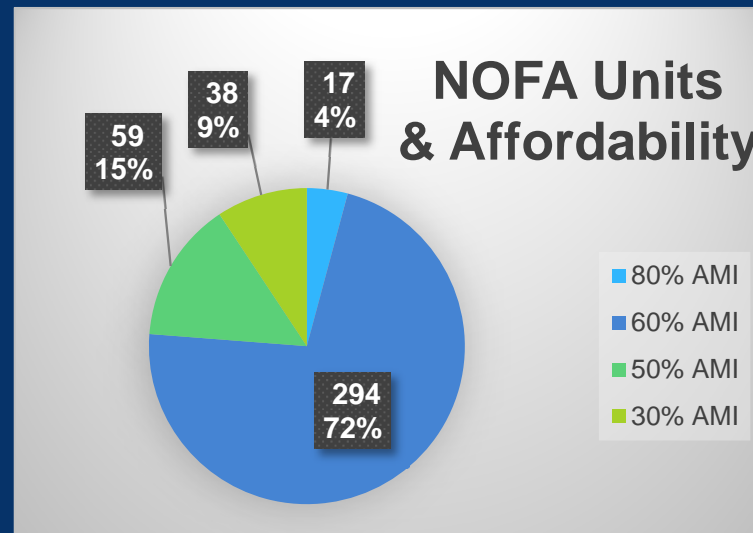
- Finance Tools
 - NOFA
 - AHTF
- Tax Incentives Tools
- Zoning Reform
- Anti-poverty and workforce programs focused on income growth (Career Pathways, Hand Up, and Project Lift)

Notice of Funding Availability (NOFA) Program

FY23 (CY22) Awards*:

- Total Awards: **\$7,141,500**
- Total Affordable Units: **407**
- Total Development Cost: **\$104,210,500**
- Avg. Per Unit Development Cost: **\$256,045**
- Avg. Per Unit Subsidy: **\$17,547**
- % of Projects Leveraging LIHTC: **78%**

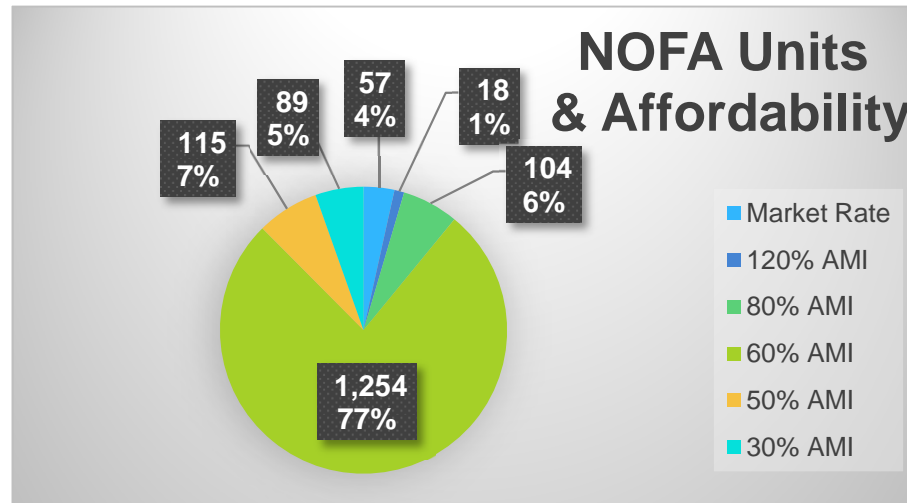
Total Dev Cost and Per Units Subsidies are estimates until final costs are established



Notice of Funding Availability (NOFA) Program (Last 5 Years)

FY19-23 (CY18-22) Awards*:

- Total Awards: **\$30,959,190**
- Total Affordable Units: **1,580**
- Total Development Cost: **\$396,467,562**
- Avg. Per Unit Development Cost: **\$250,929**
- Avg. Per Unit Subsidy: **\$18,912**
- % of Projects Leveraging LIHTC: **58%**



Total Dev Cost and Per Unit Subsidies are estimates until all NOFA projects have established final costs

AMI	2022 Income Limits (as published by HUD)							
	1	2	3	4	5	6	7	8
30%	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$49,910	\$46,360
50%	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$49,250	\$63,050
60%	\$40,140	\$45,840	\$51,600	\$57,300	\$61,920	\$66,480	\$59,100	\$75,660
80%	\$53,500	\$61,150	\$68,800	\$76,400	\$82,550	\$88,650	\$94,750	\$100,850
120%	\$80,200	\$91,700	\$103,150	\$114,600	\$123,750	\$132,950	\$142,100	\$151,250

History of AHTF

The strategy and funding available for the City's Affordable Housing Trust Fund has evolved over several years with layered Council action.

- **June 2017** - FY2018-2019 Budget Motion includes reference to establishing an affordable housing trust fund.
- **December 2017** – Council motion requesting City Administration to work with affordable housing stakeholders to establishing parameters of Affordable Housing Trust Fund.
- **December 2018** – Council passes Ordinance No. 364-2018
 - Establishes special revenue fund Fund 439, “Affordable Housing Trust Fund” that includes restrictions for funds within Fund 439 to be utilized to benefit households with income below 61% AMI and requires half of such funds to be utilized for benefiting households with income at or below 30% AMI.
 - States Council's intent to pass subsequent ordinances to establish a revenue source for Fund 439, eligibility requirements, and an oversight board.
- **February 2019** – Council passes Ordinance No. 66-2019, authorizing the Finance Director to accept donations from private individuals into Fund 439 and a \$1,300 donation is later received.

History of AHTF

- **March 2019** – Council passes Ordinance No. 76-2019 establishing capital improvement program project account no. 980x162x191624, “Affordable Housing,” and transferring \$700,000 into the account with funds to be utilized for the preservation and development of affordable housing and to prevent homelessness and to be utilized in coordination with Fund 439.
- **April 2019** – Council passes Ordinance No. 125-2019 levying a short-term rental tax and in CMC 315-67 identifying that revenues from the tax be deposited in Fund 439 to be used for the preservation and development of affordable housing in the City.
- **June 2019** – Council passes Ordinance 206-2019, as part of the FY2020 budget process, amending the CMC 315-67 language to indicate that the revenues raised from the short-term rental tax be depositing in the General Fund but that the revenue amount collected set a minimum amount to be appropriated in the annual budget to capital improvement projects for the preservation and development of affordable housing.

History of AHTF

- **June 2019** – Council passes the FY2020 Capital Budget with \$611,000 into capital account capital improvement program project account no. 980x162x201644, “Affordable Housing” for the preservation and development of affordable housing.
- **June 2020** – Council passes the FY2021 Capital Budget with \$305,000 into capital account capital improvement program project account no. 980x162x201644, “Affordable Housing”.
- **April 2021**– Council passes Ordinance Nos. 121-2021 and 122-2021
 - Designating the Housing Advisory Board to establish the City’s affordable housing policy priorities, including with respect to the Affordable Housing Trust Fund.
 - Amending the CMC 209-7 to include in the duties and responsibilities of the Housing Advisory Board as establishing the affordable housing policy priorities of the City and advising the City Manager on allocation of federal, state, and local resources for affordable housing development, including the Affordable Housing Trust Fund.
 - Designating the Cincinnati Development Fund, Inc. (CDF) to oversee the Affordable Housing Trust Fund and related proposed Section 108 loan.
- **June 2021** – Council passes the FY2022 Capital Budget with \$500,000 into capital account capital improvement program project account no. 980x162x201644, “Affordable Housing Trust Funding – General Capital”.
- **September 2021** – Council approves appointment of 10 mayoral appointments to the Housing Advisory Board.

History of AHTF

- **January 2022** – New Mayor and Council are sworn in.
- **February/March 2022** – Council passes Ordinance Nos. 53-2022, 55-2022, and 56-2022.
 - Appropriating \$5 million dollars to Local Fiscal Recovery Fund 469 American Rescue Plan grant project account no. 469x101xARP200, "Affordable Housing Trust Fund," to enhance the availability of affordable housing within the City.
 - Expanding the Housing Advisory Board and approving appointment of additional members.
 - Amends the City's Stabilization Funds Policy to identify the City's Affordable Housing Trust Fund to receive up to \$5 million.
- **May 2022** – City Administration, in coordination with CDF, present a proposed structure for deployment of the City's Affordable Housing Trust Fund to the Housing Advisory Board to solicit feedback.
- **June 2022** – Council passes the FY2023 Capital Budget with \$611,000 into capital account capital improvement program project account no. 980x162x201644, "Affordable Housing Trust Funding – General Capital". An additional \$489,000 was appropriated in general capital to the Strategic Housing Initiatives Program to support development of affordable housing through DCED's NOFA program.

History of AHTF

- **August 2022**

- City executes agreement with CDF for administration of the City's Affordable Housing Trust Fund and deploy all previously appropriated dollars.
- HUD announces approval of \$34 million Section 108 Loan to the City of Cincinnati to support the development of affordable housing.

- **Present Day**

- Administration recommends \$5 million in FY 2022 carryover be appropriated to be deployed in line with structure established in CDF's agreement.
- First project funded from the Affordable Housing Trust Fund: Slater Hall.
 - Permanent Supportive Housing project located in the West End of Cincinnati and creating 62 units
 - Being developed by Over-the-Rhine Community Housing (OTRCH) and Tender Mercies
 - Closed in September and received a \$1.88 million loan from the AHTF through CDF.
 - All units target income at or below 50% AMI.

Current Sources of City AHTF

Sources	Amount	Legislative or Program Restrictions
Donation to Fund 439	\$1,300	60% AMI or below. Half of funds to 30% AMI or below.
Ord. 76-2019 – CSR Tax Credit	\$700,000	Section 2 – Ord. 76-2019 - Providing resources for the preservation and development of affordable housing and to prevent homelessness in the City of Cincinnati. To be used in coordination with Fund 439.
City Capital Budget (FY20-FY23)	\$2,027,000	CMC 315-27 – For capital improvement projects for the preservation and development of affordable housing in the City of Cincinnati.
Ord. 53-2022 - ARP	\$5,000,000	Section 4 – Ord. 53-2022 - Providing funds to enhance the availability of affordable housing within the City which is necessary because of the impacts of the COVID-19 pandemic.
Ord. 323-2022 - FY2022 Carryover	\$5,000,000	Section 5 – Ord. 323-2022 – Providing resources for a one-time contribution to the City’s Affordable Housing Trust Fund.
Section 108 Loan (Low-Cost Debt)	\$34,000,000	CDBG Program Restrictions apply - At least 51% of the units will be occupied by low (50% AMI) to moderate income (80% AMI) households at affordable rents.
Total	\$46,728,300	

Direct City subsidy of units is not a realistic strategy to alone addressing housing affordability in our City.

- Assume we need to create 25,000 units
- Average project cost for an affordable housing unit: \$250,000.
- Average City subsidy of highly leveraged NOFA projects is apx. \$19,000 (8% of total project cost)
 - 25,000 units x \$19,000 (8% subsidy) = \$475 million
 - 25,000 units x \$25,000 (10% subsidy) = \$625 million
 - 25,000 units x \$50,000 (20% subsidy) = \$1.25 billion
- For context:
 - City's unfunded pension obligation is over \$700 million.
 - City's typical general capital budget averages apx. \$60 million per year—with the vast majority utilized to maintain existing infrastructure. Combined housing and ED uses average about 12% @ apx. \$10 million a year.
 - City's federal entitlement funds averages apx. \$16 million a year—with \$9 million (56%) already committed to housing development or housing support services.

Developing Housing For The Lowest AMIs Is the Most Difficult

**Lower AMIs => Lower Rent => Lower Revenue to Support Project
Lower Revenue => Less Debt is Financially Feasible => Need for More Subsidy**

- Requires sophistication to build, finance, and operate = Limited developers and generally extended project time frames.
- Most housing targeting the lowest AMI levels require ongoing rental assistance/subsidy to operate since an affordable rent alone will not generate enough revenue to support operation.
- Other anti-poverty and workforce development programs must be a part of assisting these residents to increase income so that more housing is affordable to them.

Developing Housing For The Lowest AMIs Is the Most Difficult

Trade off between volume of units created and local subsidy level/leverage.

Assuming \$250,000 development cost per unit:

- \$5 million @ \$10,000 per unit (4% subsidy) = 500 units
- \$5 million @ \$20,000 per unit (8% subsidy) = 250 units
- \$5 million @ \$50,000 per unit (20% subsidy) = 100 units
- \$5 million @ \$125,000 per unit (50% subsidy) = 40 units

No easy or simple solution with limited resources.

How can we make the most impact possible with available City funding?

Generate impact through high volume—creating as many affordable units as possible.

100-200 units a year is not moving the needle enough to impact affordability within the larger housing market.

Better outcome to have more affordable units for households at a slightly higher AMI than to have much fewer units for the lowest AMI with less leverage.

Ex. 50% AMI household occupying an 80% AMI unit or 30% AMI household in a 40% AMI unit



Strategies for Impact

Strategy #1: Leverage City funds to the greatest extent possible to attract other public and private dollars.

- Facilitate use of LIHTC and other available tax credit structures to maximum extent.
 - LIHTC permits income averaging with units up to 80% AMI and lower AMI units to equal 60% or below. NMTC program utilizes 80% AMI.
- Leverage the City's dollars to raise other public and private funds that can be invested in affordable housing projects.
- Maintain sufficient flexibility to allow multiple subsidy (public and private) sources to work together in a single project.

Strategy #2: Align program parameters with how existing affordable housing developers develop affordable housing and create a pipeline for lesser sophisticated and smaller developers to begin to develop affordable housing.

- Provide flexibility to match LIHTC and other tax credit program parameters commonly utilized in the industry.
- Allow for flexibility to accommodate developers creating affordable units across a spectrum of affordability options.
- Create room for less sophisticated and smaller developers (ex. CDCs) to do simple affordable housing projects, leveraging the experience to grow in capacity to handle more complex affordable housing finance.

Strategies for Impact

Strategy #3: Promote mixed-income projects to cross subsidize lower AMI units.

- For example, additional revenue generated from a 100% AMI unit or market-rate unit can be utilized to support a lower AMI unit.
- Opens up possibility to do lower AMI units without as sophisticated financing structures and less upfront subsidy due to more revenue.
- Encourage flexibility for mixed-income projects to avoid concentration of low AMI units within single projects.

Strategy #4: Utilize AHTF dollars to work in tandem with City's NOFA Program and federal entitlement funding.

- NOFA Program deploys on average apx. \$5.75 million per year—mostly federal funds.
- Federal funding has many strings attached and requires a sophisticated developer, making it a good source for financing the lowest AMI range projects, since these projects generally require complex financing.

Strategies for Impact

Strategy #5: Work in partnership with a mission-aligned external partner to create efficiencies and depoliticize funding decisions.

- External partner can expedite service delivery, lower barriers to utilization of the funds, and minimize administration costs.
- Allow for professional judgment of affordable housing finance practitioners to complete a thorough underwriting and vetting of projects and to navigate nuance of pairing multiple subsidy sources.
- Utilize an existing organization to minimize administration costs—maximizing available City resources for subsidizing projects.
- City's strength is not private fundraising—tap external expertise.
- Avoid lengthy approval and contracting processes.

Summary of Recommended AHTF Deployment Structure

Loan Products:

- Forgivable Loans – Function as a grant.
- Repayable Loans – Low or no-interest loans to be repaid. Repaid amounts recycled.

Eligible Projects and Uses:

- Multi-family projects – will likely be primarily residential rental projects.
- Eligible uses include acquisition costs, hard construction costs, and reasonable soft construction costs.
 - In limited circumstances, refinance debt or other uses to leverage tax credit financing structures.

Affordability Terms:

- Rent maximums set based on process utilized by OHFA and HUD.
- Affordability term to generally be 15 years.
- Right of First Refusal – Promote long-term affordability through mission-oriented ownership.

Summary of Recommended AHTF Deployment Structure

Maximum Subsidy for Forgivable Loans:

Forgivable Loan Maximums:

Area Median Income ("AMI") Level for Unit	Maximum Forgivable Loan per 1-2 Bedroom Unit	Maximum Forgivable Loan per 3+ Bedrooms
Up to 60% AMI	\$50,000 per unit	\$60,000 per unit
Up to 80% AMI	\$25,000 per unit	\$30,000 per unit
Up to 100% AMI	\$10,000 per unit	\$20,000 per unit

- Higher AMI units are intended to be part of mixed-income projects.
- 100% AMI units are intended to be rare.
- These amounts are intended as a ceiling. Each project will be underwritten and only offered the subsidy necessary to make the project financially feasible.
- City must approve any forgivable loan.
- Amounts to be revisited after two years to see if adjustments are needed.

Thank you

CINCINNATI
DEVELOPMENT
FUND

Cincinnati City Council
Equitable Growth & Housing Committee
October 25, 2022

CINCINNATI
DEVELOPMENT
FUND

Creating Vibrant,
Inclusive Neighborhoods
Since 1988

2022

CDF's Mission

Mission: CDF's mission is to provide innovative real estate financing for projects that strengthen low-income neighborhoods and improve lives.



CDF's Vision

- Vision: is to be at the forefront of redevelopment plans in Greater Cincinnati, helping low-income communities preserve their historic buildings and create vibrant, inclusive neighborhoods.



About CDF

- Created in 1988 as an independent, non-profit community development lender, focused on affordable housing.
- In 1999, expanded beyond its traditional role as a conduit for local banks, and began attracting diverse sources of capital to make direct loans for mixed-use, mixed-income neighborhood revitalization projects.
- Expanded into commercial real estate financing in 2005 with its first allocation of federal New Markets Tax Credits (NMTC).
- As of 6/30/2022, CDF has financed projects totaling more than \$444 million (plus \$382 million in NMTC investments), resulting in the creation of 7,046 housing units and more than 22,410 jobs, and leveraging investments totaling more than \$940 million (plus \$580 million in NMTC leverage investment).



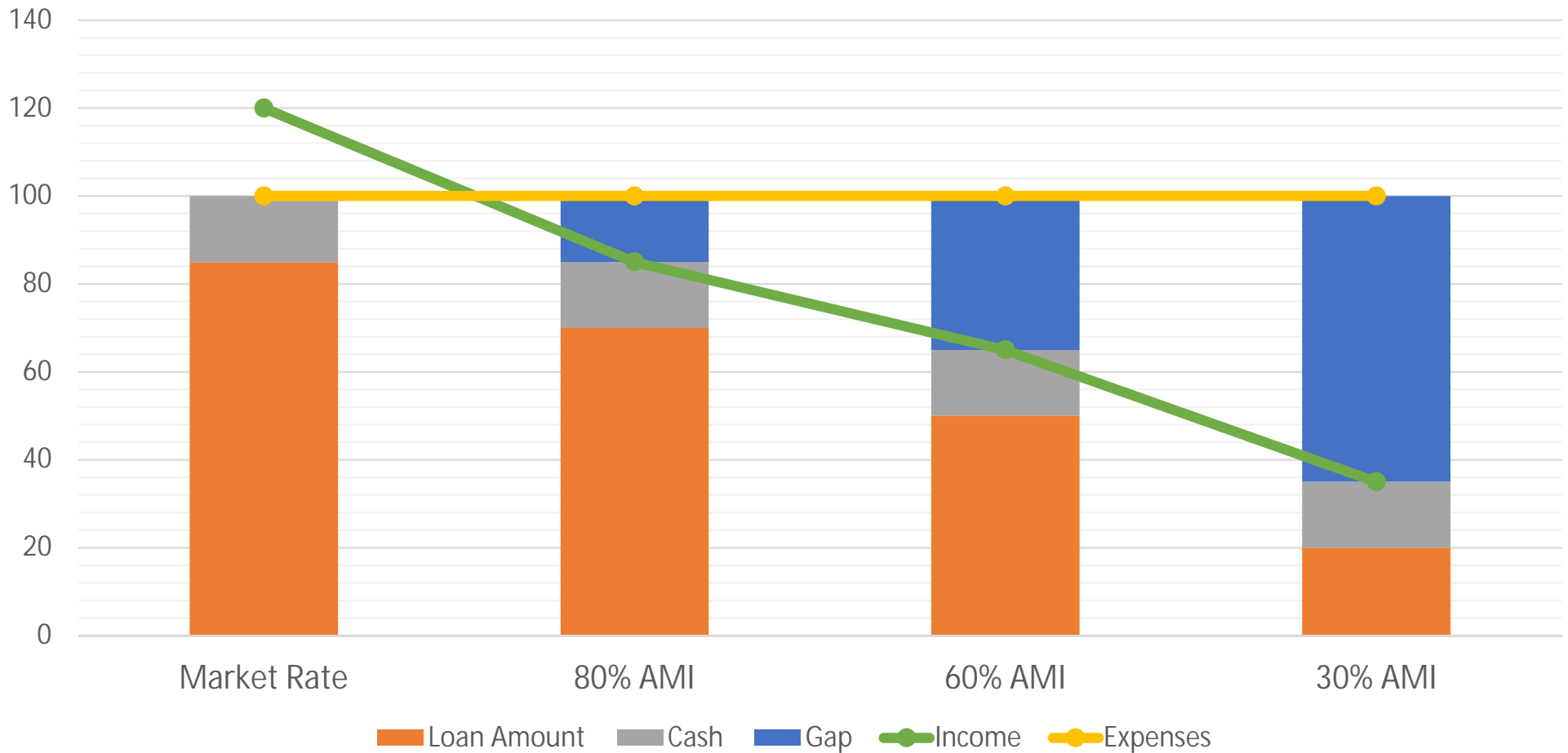
CDF's Office- 1224 Race St (OTR)

What is the need?

- Financial gaps are a function of the “math” of building affordable housing
- Developers can access certain programs now, but moving beyond status quo requires new sources
- Affordable Housing Leverage Fund (AHLF) is a response to this reality

Gaps Increase as Affordability Deepens

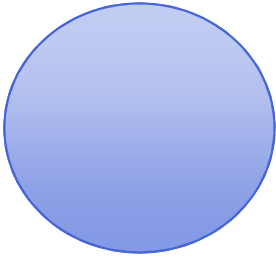
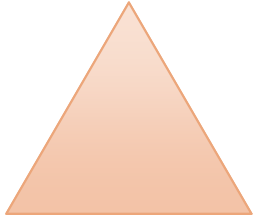
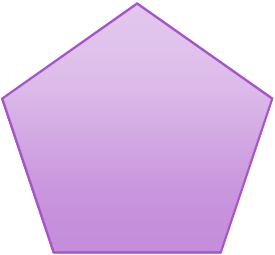
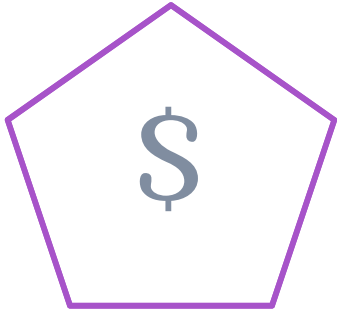
Affordable Housing Capital Stack And Financing



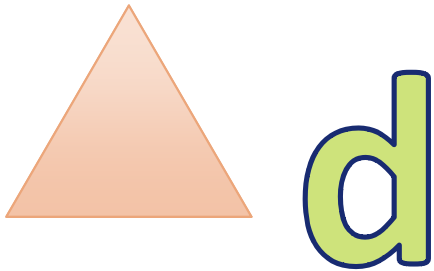
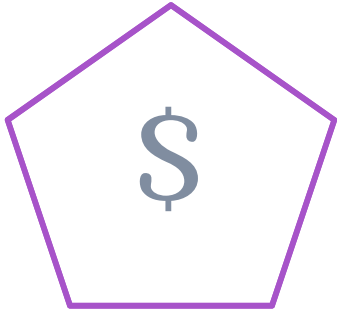
Affordable Housing Leverage Fund

- “fund of funds” managed by CDF
- Aggregate funding from multiple sources so:
 - Each dollar can go further in combination with others;
 - Developers can plan for a more predictable and streamlined, and singular, place to go to fill those gaps;
 - new and different developers can engage with a process that is otherwise effectively limited to established groups with the expertise and capital to work through a very difficult and highly specialized process; and
 - establishing one place (with established credibility managing and deploying third party funds) for those who want to contribute funding to address this community priority.

Developer with Resources



Small Developer



One Fund of Funds



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Initial Commitments:

- City of Cincinnati: \$12.75MM AHTF
- CDFI Capital Magnet Fund: \$5.4MM
- GCF: \$5MM
- Bon Secours Mercy Health: \$3.2MM
- CDFI Rapid Response: \$1.8MM
- Health Path: \$500K
- Eagle/Western Southern: \$5MM
- City of Cincinnati: \$34MM HUD 108 loan
- CDF Enterprise Capital (CDF's balance sheet)

Pending Commitments:

- Advanced negotiations with multiple public and private sources

Why Sources Matter

- The AHLF has and will manage multiple funding sources.
- Grants to CDF can be loaned or granted by CDF without the expectation of repayment.
- Loans to CDF must be repaid by CDF, so loans from CDF must be structured as true debt.
- Net: range of products that requires matching source(s) to project need.

- The expertise CDF brings to this effort:
 - pooling resources
 - matching them to projects at critical junctures
 - knowledge of the market, people , and communities
 - speed
- Example: Slater Hall

About CDF

Lending as a core discipline:

- 34 years of lending to underserved communities
- Practices and procedures geared to vetting borrowers and structuring debt to ensure success
- Embedded in community development
- Full-service: loan underwriting, origination, construction oversight, servicing, revolving into new projects
- Organizational focus on affordable housing

What We Do:

- Identify needs for access to capital
- Raise funds
- Create products
- Seek positive impacts

Affordable Housing Leverage Fund

- A gap-filling fund that will leverage CDF's lending expertise, knowledge of the market, and relationships to accelerate the production and preservation of affordable housing by aggregating funding to provide a new and flexible source of financing to developers that aims to:
 - Expand production/preservation by existing developers
 - Entice new developers into the market, and
 - Attract new sources of private and public funding

- First, by focusing on immediate production:
 - Filling gaps caused by rising construction costs
 - 9% LIHTC
 - NOFA
 - Other
 - Growing the 4% LIHTC market
 - Equity Bridge Loans

- Second, by intentionally targeting and encouraging:
 - Smaller and minority developers
 - Smaller projects
 - Geographic diversity
 - Mixed-income
 - New structures and products
- Through engagement with and learning from these priority communities

BL1

Production from 2020-2022:

- CDF financed 16 real estate projects that included affordable housing.
- These projects created 527 affordable units across the housing spectrum: homeless shelter, permanent supportive housing, LIHTC, and workforce housing.
- Total loans of \$12.5 million leveraged \$73 million of additional capital.

Pipeline:

- Engaged with multiple projects at a range of sizes and AMI levels

BL1

CDF: what are the numbers if we add Slater and anything else from 2022. including August Flats - anything with a deed-restricted unit.
Blocher, Luke, 10/24/2022

Lower Price Hill Thrives



Lower Price Hill Neighborhood

Predevelopment financing (\$380,000) to support:

47 units of affordable housing in 10 buildings and one new construction building

Developers: Community Matters and Over-the-Rhine Community Housing

Total Project Cost: \$12.6 million

Melrose Place



Walnut Hills Neighborhood

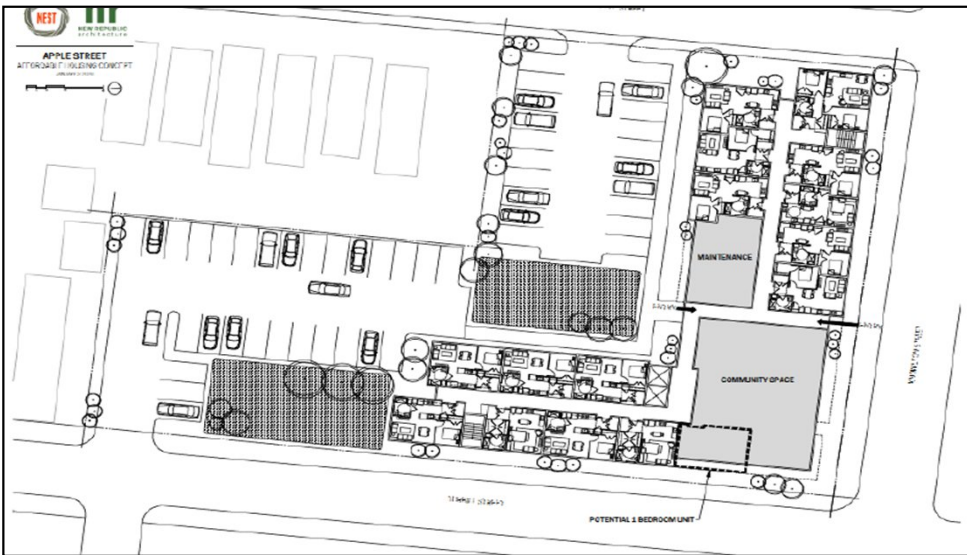
Predevelopment financing (\$500,000) for the creation of:

26 new units of permanent supportive housing with wraparound support services

Developers: Model Property Development and Interfaith Hospitality Network of Greater Cincinnati (IHNGC)

Total Project Cost: \$6.35 million

John Arthur Flats



Northside Neighborhood

Predevelopment financing for the creation of:

57 units of new affordable senior housing

Developers: Penrose LLC and Northsiders for Sustainable Transformation (NEST)

Total Project Cost: \$11.1 million



1714 Vine Street



Over-the-Rhine Neighborhood

10 units of new rental housing

6 of 10 units are affordable to 80% or below
AMI; all 1 bedroom, 1 bath units

Developer: 8K Development Company

Total Project Cost: \$1.2 million



728 Chalfonte Place



Avondale Neighborhood

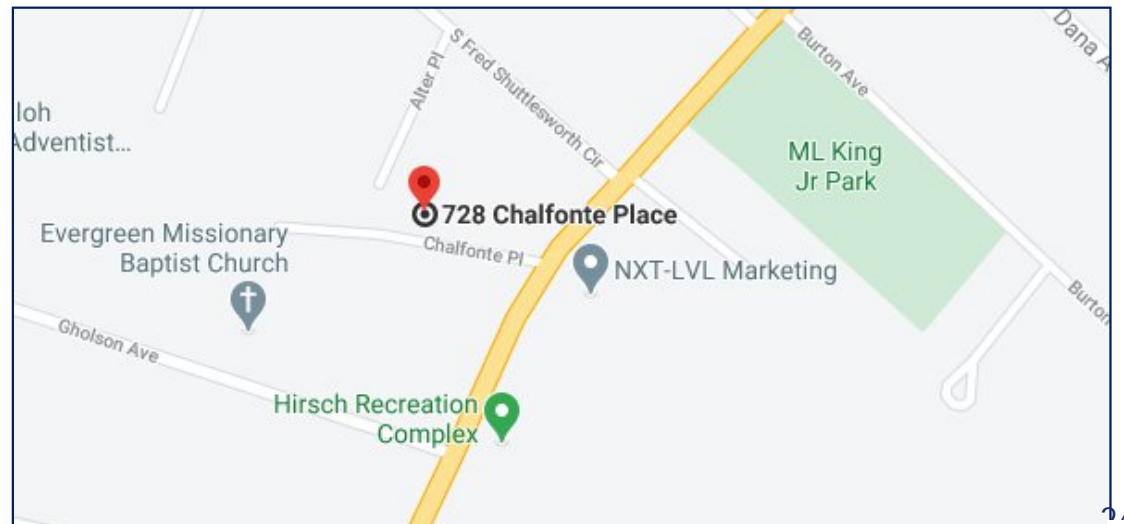
Assistance provided (\$182,000) to small nonprofit developer to acquire one 2-family and gut rehab an adjacent 2-family on Chalfonte Place

All units will be affordable to households below 80% AMI

Project is completed and leased up.

Developer: Renting Partnerships

Total Project Cost: \$386,951



AHLF Strategy – Summary

- First, out of the gate, by prioritizing “shovel-ready” projects that can have immediate impact on our overall volume and which might be at risk of dying on the vine without this new source of funding.
- Second, by holding back some of the initial round of funds for projects in that second grouping that may need to tailor their projects to work with this new product; while also intentionally reaching out to the communities and places that may not be as plugged into the development pipeline as the established developers.
- Three, to continue aggressively pursuing the kind of funds necessary for each type of product.

Looking Forward

- Borrowers can apply through current application process at www.cindevfund.org
- Future RFP once additional funds are secured
- Rolling applications and continued engagement to develop new products

Thank You

We deeply appreciate this partnership and look forward to the work of meaningfully addressing housing affordability in our City together.

Thank you!

Contact Information

Joe Huber, President and CEO

jhuber@cindenvfund.org

Robie Suggs, Chief Lending Officer

rsuggs@cindenvfund.org

Cincinnati Development Fund

1224 Race Street

Cincinnati, Ohio 45202

www.cindenvfund.org