

June 23, 2022

To: Mayor and Members of City Council 202201464
From: John P. Curp, Interim City Manager
Subject: **Emergency Ordinance – DCED: OTR Mixed Income Housing - TIF**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the establishment of new capital improvement program project account no. 980x162x221601, “OTR Mixed Income Housing - TIF,” for the purpose of providing resources for a mixed-income housing project that will result in the renovation of five vacant, historic buildings into a mixed-use development, containing street-level commercial space and mixed-income residential units in the Over-the-Rhine (“OTR”) neighborhood; **AUTHORIZING** the transfer and appropriation of \$1,227,259.95 from the unappropriated surplus of Downtown/OTR East Equivalent Fund 483 to newly established capital improvement program project account no. 980x162x221601, “OTR Mixed Income Housing - TIF”; **AUTHORIZING** the transfer and appropriation of \$347,740.05 from the unappropriated surplus of Downtown/OTR West Equivalent Fund 482 to newly established capital improvement program project account no. 980x162x221601, “OTR Mixed Income Housing - TIF”; and further **DECLARING** that expenditures from capital improvement program project account no. 980x162x221601, “OTR Mixed Income Housing – TIF,” will serve a public purpose because the project will provide new housing availability in the OTR neighborhood, foster local improvements and investment, and increase neighborhood vitality.

Approval of this Emergency Ordinance will authorize the transfer and appropriation of \$1,227,259.95 from the unappropriated surplus of Downtown/OTR East Equivalent Fund 483 and \$347,740.05 from the unappropriated surplus of Downtown/OTR West Equivalent Fund 482 to newly established capital improvement program project account no. 980x162x221601, “OTR Mixed Income Housing – TIF” for the purpose of providing resources for a mixed-use development, containing street-level commercial space and mixed-income residential units in the Over-the-Rhine neighborhood. This Emergency Ordinance will also declare that expenditures from the “OTR Mixed Income Housing - TIF” capital project account will serve a public purpose.

The Over-the-Rhine neighborhood is experiencing substantial development activity, creating a significant need for quality housing. This mixed income housing project will result in the renovation of vacant, historic buildings located at 1701 Race Street, 1703 Race Street, 1705 Race Street, 1338 Main Street, and 1401 Main Street in the OTR neighborhood. This project will also create approximately 6,853 square feet of street-level commercial space and a total of thirty-eight mixed-income residential units.

The sum of \$1,500,000 will be allocated for housing construction costs and \$75,000 will be allocated for Project delivery costs.

The Developer, Cincinnati City Center Development Corporation (“3CDC”) wishes to include this gap financing in their application for New Market Tax Credits in July 2022. 3CDC is also returning the sum of \$620,000 left over from the Court Street Public Infrastructure project to the City’s Downtown/OTR East Equivalent Fund 483, which will be used as a part of this project. These funds were left over due to additional funding received by the project from the State of Ohio.

The Developer presented to and engaged with the Over-The-Rhine Community Council at their Economic Development & Housing committee on June 7, their Board of Directors on June 13, and will ask for a vote of support by the full Community Council at its meeting on June 27, 2022. The Developer also presented at the Community Engagement Meeting hosted by the Department of City Planning and Engagement on June 16, 2022. A summary of the Community Engagement Meeting can be found on the City Planning and Engagement website: <https://www.cincinnati-oh.gov/planning/community-engagement-meetings1/past-community-engagement-meetings/>.

The OTR Mixed Income Housing Project is 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 - 171 of Plan Cincinnati (2012).

The reason for the emergency is the immediate need to allow the developer to include gap financing in their application for New Market Tax Credits.

The Administration recommends passage of this Emergency Ordinance.

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

Attachment

