



# City of Cincinnati

801 Plum Street  
Cincinnati, OH 45202

## Agenda - Final-revised

### Equitable Growth & Housing

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

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Tuesday, October 10, 2023

1:00 PM

Council Chambers, Room 300

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ROLL CALL

### PRESENTATIONS

#### Pathway to Success

**Dr. Holly McGee, University of Cincinnati**

#### Update on the Affordable Housing Trust Fund

**Luke Blocher, Cincinnati Development Fund**

**Joe Huber, Cincinnati Development Fund**

### AGENDA

1. [202302075](#) **MOTION**, submitted by Vice Mayor Kearney, **WE MOVE** that the Administration provide a Report within thirty (30) days on the status of the City's partnership with the Step Up Housing First program. Step Up acquires hotels and motels, renovates them to create apartments, and uses the properties to provide affordable housing for those experiencing chronic homelessness. The report should include the City's proposed funding responsibility, status of acquisitions, and other pertinent matters. (STATEMENT ATTACHED)

**Sponsors:** Kearney

**Attachments:** [Motion](#)

2. [202301951](#) **ORDINANCE (EMERGENCY)**, submitted by Councilmember Owens, from Emily Smart Woerner, City Solicitor, **MODIFYING** a provision of Chapter 209 of the Cincinnati Municipal Code, "Housing Advisory Board," by AMENDING Section 209-5, "Composition of Board," for the purpose of increasing the membership of the Housing Advisory Board to consist of up to sixteen members for the purpose of broadening community engagement by ensuring deeper representation of residential tenant stakeholders.
- Sponsors:** Owens
- Attachments:** [Transmittal](#)  
[Ordinance](#)
3. [202302113](#) **PRESENTATION** dated 10/10/2023, submitted by Councilmember Cramerding titled, "Pathway to Success."
- Sponsors:** Cramerding
- Attachments:** [Presentation](#)
4. [202302135](#) **PRESENTATION** dated 10/10/2023, submitted by Councilmember Cramerding titled, "Update on the Affordable Housing Trust Fund."
- Sponsors:** Cramerding
- Attachments:** [Presentation](#)

ADJOURNMENT



**Jan-Michele Lemon Kearney**  
*Vice Mayor*

## MOTION

WE MOVE that the Administration provide a Report within thirty (30) days on the status of the City's partnership with the Step Up Housing First program. Step Up acquires hotels and motels, renovates them to create apartments, and uses the properties to provide affordable housing for those experiencing chronic homelessness. The report should include the City's proposed funding responsibility, status of acquisitions, and other pertinent matters.

**Jan-Michele Lemon Kearney**

_____	_____
_____	_____
_____	_____
_____	_____

## STATEMENT

Step Up is a "housing first" model with a focus on individuals and families experiencing chronic homelessness. The vision of the Step Up program is to renovate hotels and motels, particularly those in urban areas near transit corridors, to provide affordable housing for individuals and families. Each location should have 24/7 support services for the residents so that they will have the opportunity to experience recovery and a sense of belonging while living in stable, permanent supportive housing. Step Up's goals include helping individuals experiencing chronic homelessness to stabilize and integrate into the community. Services include vocational training, permanent supportive housing opportunities, and recovery services to empower individuals to cultivate lives of hope and dignity.

Generally, Step Up incurs the costs of acquiring and renovating appropriate properties, while the City is responsible for funding the ongoing 24/7 wraparound services (approximately \$7,000/person/year), as well as securing rent vouchers to make the apartments affordable.

CAL - Healthy Neighborhoods

J-MLK



### STEP UP'S CORE VALUES

Hope • Wellness • Voice & Choice • Respect • Collaborative Relationships

- **HOPE** – We believe all people have the capacity for positive growth and change. We use hope to inspire and motivate ourselves, our members, our colleagues, and our community.
- **WELLNESS** – We believe in promoting a culture that supports healthy and fulfilling lives. We use a supportive environment to foster wellbeing for ourselves, our members, our colleagues, and our community.
- **VOICE AND CHOICE** – We believe in the right to choose and be heard. We use voice and choice to create meaningful outcomes and empowerment for ourselves, our members, our colleagues, and our community.
- **RESPECT** – We believe in promoting interactions that are non-judgmental, transparent, and authentic. We use respect to guide all of our words and actions with ourselves, our members, our colleagues, and our community.
- **COLLABORATIVE RELATIONSHIPS** – We believe in forming partnerships to share resources, knowledge, and experiences. We use collaborative relationships to strengthen accomplishments for ourselves, our members, our colleagues, and our community.

202301951

**Date:** September 7, 2023

**To:** Councilmember Meeka Owens  
**From:** Emily Smart Woerner, City Solicitor *EESW*  
**Subject:** **Emergency Ordinance – Housing Advisory Board Expansion**

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Transmitted herewith is an emergency ordinance captioned as follows:

**MODIFYING** a provision of Chapter 209 of the Cincinnati Municipal Code, “Housing Advisory Board,” by **AMENDING** Section 209-5, “Composition of Board,” for the purpose of increasing the membership of the Housing Advisory Board to consist of up to sixteen members for the purpose of broadening community engagement by ensuring deeper representation of residential tenant stakeholders.

EESW/EEF(dmm)  
Attachment  
387237

EMERGENCY

City of Cincinnati

EEF

JTSW

An Ordinance No. \_\_\_\_\_

-2023

**MODIFYING** a provision of Chapter 209 of the Cincinnati Municipal Code, "Housing Advisory Board," by **AMENDING** Section 209-5, "Composition of Board," for the purpose of increasing the membership of the Housing Advisory Board to consist of up to sixteen members for the purpose of broadening community engagement by ensuring deeper representation of residential tenant stakeholders.

WHEREAS, Ordinance No. 15-2007, passed February 18, 2007, enacted Chapter 209 of the Cincinnati Municipal Code, "Housing Advisory Board," ("Board"), establishing the initial number of members of the Board at eleven members; and

WHEREAS, Ordinance No. 55-2022, passed March 2, 2022, expanded the composition of the Board from eleven to fourteen members to broaden community engagement and ensure deeper representation of community, business, and neighborhood stakeholders; and

WHEREAS, pursuant to state and local law, the Board consists of representatives from specified groups including (1) institutions that lend money for housing, (2) for-profit and non-profit builders and developers of housing (including rental housing), (3) real estate brokers, (4) persons with professional knowledge regarding local housing needs and fair housing issues within the City, (5) residents of the City who could receive housing assistance from the City, (6) the Cincinnati Metropolitan Housing Authority, (7) elected officials of the City, and (8) additional groups and individuals who are necessary to provide balanced advice on housing plans and programs, each of whom have unique expertise in developing affordable housing strategies; and

WHEREAS, tenants living in residential rental properties have a unique perspective regarding the local housing market and successful review of housing-related policies by the Board requires the participation of these tenants to provide more complete and balanced advice on matters coming before the Board; and

WHEREAS, the Mayor and City Council intend to adopt a Tenants Bill of Rights to affirm and protect the rights of residential tenants in the city of Cincinnati; and

WHEREAS, Council desires to increase the number of members on the Board to broaden community engagement and ensure deeper representation of residential rental stakeholders; now, therefore,

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

Section 1. That Section 209-5 of the Cincinnati Municipal Code is hereby amended as follows:

**Section 209-5. – Composition of Board.**

The Cincinnati Housing Advisory Board shall consist of at least eleven and up to ~~fourteen~~ sixteen voting members, which shall be of diverse community leadership/representation.

The board shall include a balanced representation from each of the following groups located within the city as specified below and in accordance with Ohio Revised Code Section 176.01:

- (a) Institutions that lend money for housing;
- (b) Nonprofit builders and developers of housing;
- (c) For-profit builders and developers of housing;
- (d) For-profit builders and developers of rental housing;
- (e) Real estate brokers licensed under Ohio Revised Code Chapter 4735;
- (f) Other persons with professional knowledge regarding local housing needs and fair housing issues within the city;
- (g) Residents of areas of the city served by the board that could receive housing assistance from the city;
- (h) Any metropolitan housing authority operating within the city;
- (i) The elected officials of the city;
- (j) Such other groups or individuals that the appointing authority determines are necessary to provide balanced advice on housing plans and programs.

Section 2. That existing Section 209-5, “Composition of Board” of the Cincinnati Municipal Code is hereby repealed.

Section 3. 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 enable the appointment of additional members to the Housing Advisory Board so the Housing Advisory Board can meet and conduct business as soon as possible.

Passed: \_\_\_\_\_, 2023

\_\_\_\_\_  
Aftab Pureval, Mayor

Attest: \_\_\_\_\_  
Clerk

\_\_\_\_\_  
New language underscored. Deleted language indicated by strikethrough.

# Pathway to Success: Homeless Student Housing Initiative

SUSTAINABLE. COLLABORATIVE. AFFORDABLE.

## HOUSING INSECURITY IN THE QUEEN CITY

### University of Cincinnati



11%  
Homeless  
(4,840 @ 44K)

### Xavier University



12%  
Homeless  
(840 @ 7K)

### Cincinnati State



25-30%  
Homeless  
(2,100 @ 8K)

Sources: *Journal of College Student Development*, *Journal of Social Service Research*,  
*Community College Journal of Research & Practice*, Teacher's College Press.

“Students will [pay] only part of their rent, [skimp] on utility bills, or [sleep] on friends’ couches...and sometimes in their cars.”

- “In College and Homeless,” New York Times, 2020

## REAL PEOPLE REAL REPURCUSSIONS

*Mardy Gilyard (UC)*



*Urban Homeless Challenge (XU)*



### Immediate Consequences

- Food Insecurity
- Sexual Assault
- Victim of random crime
- Incarceration
- Death (hypothermia)

### Long-Term Consequences

- Stunted Employment
- Mental Health Issues
- Physical Health Issues
- Drug Use

Vehicular homelessness is on the rise across the nation, and since 2016 39% of 187 cities surveyed by the NLCHP had adopted ordinances that criminalized homeless people in cars.

- National Law Center on Homelessness and Poverty

## THE “LUCKY” ONES

*7 days a week...*



*Rain, sleet, or snow...*



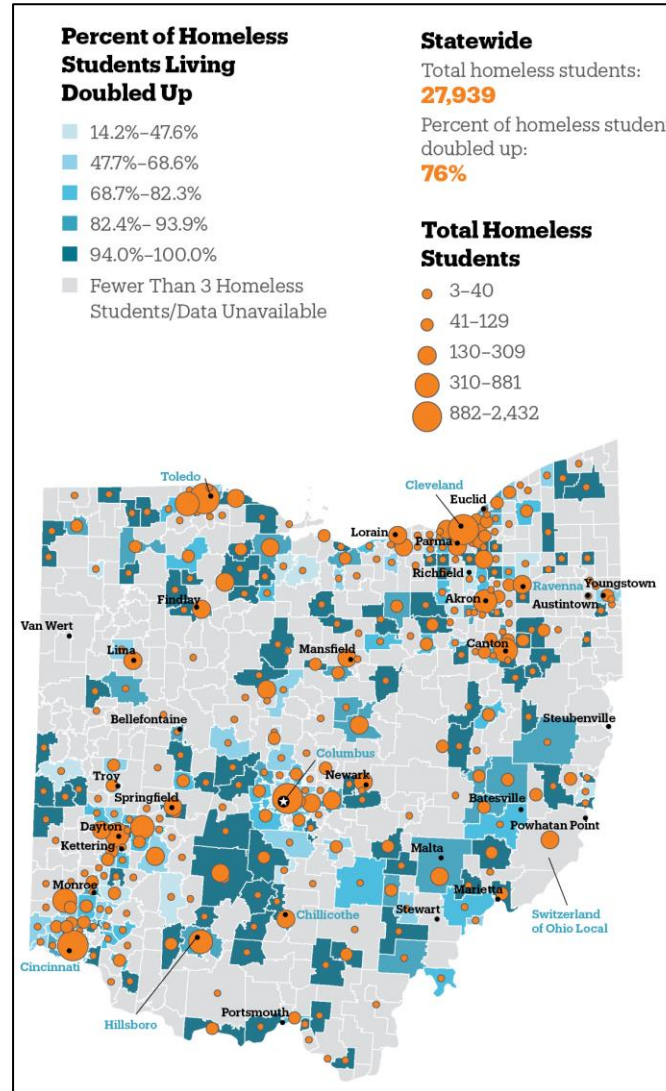
*Freezing weather or blistering heat...*



“It costs \$1,250 to keep someone from becoming homeless compared to \$3,900 to assist them after they become homeless.”

- Strategies to End Homelessness, Cincinnati (OH) 2019

# LIVING ROUGH IN OHIO



- Ohio has 27,000+ students facing housing (and food) insecurities.
- Ohio has the 11th highest number of homeless students and the 41st highest rate of student homelessness in the nation.

# Pathway to Success: Homeless Student Housing Initiative

SUSTAINABLE. COLLABORATIVE. AFFORDABLE.

## THE CINCINNATI MODEL



To work together and more effectively, Pathway to Success needs YOU!

- Assess homeless student need(s) and services.
- Establish a “*Community of Colleges*” with representatives from all three institutions.
- Create an Advisory Committee of both corporate and social service providers.
- Secure dedicated/perpetual institutional and city/county financial support.

**CINCINNATI  
DEVELOPMENT  
FUND**

**Cincinnati City Council  
Equitable Growth & Housing Committee  
October 10, 2023**

# Who is CDF?

- CDF's mission is to provide innovative real estate financing for projects that strengthen low-income neighborhoods and improve lives.
- Created in 1988 as an independent, non-profit community development lender, focused on affordable housing.
- We provide financing for real estate development, as well as for nonprofit facilities, energy efficiency projects, and storefront repopulation; and to under-resourced contractors
- 35-year history of responsible, high impact fund management
- Governed by a 15-person Board and managed by a staff of 15 with professional expertise in banking, asset management, compliance, accounting, and community development.





## What is the Affordable Housing Leverage Fund?

- The **Affordable Housing Leverage Fund (AHLF)** raises and pools public, philanthropic, and private funds to help finance projects with affordable housing.
- **Aggregating sources** stretches funds and allows CDF to make grants and/or loans, as appropriate for project and source, and as guided by professional underwriting.
- \$112MM raised to-date, \$31MM committed in the past year to create or preserve 857 income-restricted units.
- **The CDF way** is to establish long-term, multi-project, supportive relationships with borrowers, offering technical assistance to ensure vision becomes reality.

# Today's Agenda

- Timeline & Background
- Impact Summary
- Process Summary
- Results Against Strategy
- Strategy Going Forward
- Data and Insights

# Background – AHLF Commitments

Public Loan	Private Loan	Public Grant
(3) CDFI Capital Magnet Fund: \$8.6MM	GCF: \$5MM	Hamilton County ARPA: \$33.5MM
CDFI Equitable Response Program: \$3.7MM	Eagle/Western Southern: \$5MM	City of Cincinnati AHTF: \$9.25MM
CDFI Financial Assistance Program: \$640M	Fifth Third Bank:\$5MM	City of Cincinnati ARPA: \$5MM
City of Cincinnati: \$34MM HUD 108 loan*	Bon Secours Mercy Health: \$3.2MM	VTICA: \$200M
	First Financial Bank: \$500M	
	Health Path: \$500M	
	CDF Capital (CDF's retained earnings)	

# Background – AHLF Commitments



# Timeline & Background

- **2020:** first CDFI Capital Magnets Fund award
- **6/21:** Initial \$2.7MM AHTF commitment and Section 108 authorized
- **9/22:** City AHTF contract signed
- **11/22:** City carryover budget \$5MM transferred
- **Q4/22:** First AHTF awards
- **12/22:** County ARPA ( \$33.5MM) contract executed
- **2/23:** \$640M CDFI Financial Assistance award
- **4/23:** County ARPA RFP issued
- **6/23:** Initial round of County ARPA awards
- **6/23:** City \$1.5MM AHTF appropriation
- **7/23:** \$3.7MM CDFI Equitable Recovery Program award
- **7/23:** First VTICA contribution received from Homebase
- **8/23:** City ARPA (\$5MM) contract executed
- **10/23:** \$3.2MM CDFI Capital Magnets Fund Award
- City ARPA RFP issued (imminent)

# Background – AHTF Eligible Uses

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

October 25, 2022

## MOTION

Councilmember Reggie Harris Motion on Housing Funding Priorities

**WE MOVE** that the City Administration, through amending its contract with the Cincinnati Development Fund (CDF) establish the following priorities regarding all City contributions to the “Fund of Funds”:

1. City dollars are highly leveraged by CDF
2. Funding projects that are mixed income when possible
3. Funding projects in high opportunity neighborhoods that do not concentrate subsidized housing
4. Funding projects in the lower AMI range where there is the greatest need (0-60%)
5. FY’ 23 Carryover dollars being directed to CDF would only be used for projects up to 80% AMI

**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.

## Background – ARPA Eligible Uses

- 65% AMI *or* eligible through LIHTC or HOME federal housing programs
- Generally, minimum 20-year affordability term
- Funds must be committed by end of 2024 and expended by end of 2026
- County ARPA emphasis on county projects and special populations

## Background – Full Program Eligible Uses

- **Use:**
  - acquisition, hard and soft construction costs, debt refinancing, bridge loans
  - New and rehab, multi- and single family
- **Geography:**
  - City AHTF in City
  - Range tied to source; regional
- **Affordability Term:**
  - 15-20 years; source dependent



# Impact Summary – AHTF

CDF has recommended AHTF funds for the following projects:

- Slater Hall, West End--\$1,880,000
- Paramount Launch, Walnut Hills--\$900,000
- Peebles Apts., Walnut Hills--\$2,100,000
- 1007 Dayton St., West End--\$200,000
- 2151 Colerain Ave., West End--\$300,000
- 56 E McMicken, Over-the-Rhine--\$200,000
- 1634 Hewitt Ave., Evanston--\$210,000

These investments resulted in 164 income-restricted units:

Affordability Level	30% AMI and below	31-50% AMI	51-60% AMI	61-80% AMI	Total Units
# of Affordable Units	23	48	46	47	164

## Impact Summary - AHTF

- **Range of Projects Funded**
  - Paramount Launch - \$30MM total development costs
  - 2151 Colerain - \$1MM total development costs
- **Range of AHLF Participation**
  - *AHLF as Primary Financier*: 1634 Hewitt, 1007 Dayton Street, 56 E McMicken, and 2151 Colerain
  - *Leveraged Awards*: Peebles Apartments, Slater Hall, 56 E McMicken, and Paramount Launch

# Impact Summary - AHLF



## Affordable Housing Leverage Fund

Impact Snapshot: September 2022 – August 2023

The Affordable Housing Leverage Fund (AHLF) is a combination of public, private, and charitable funds raised and managed by the Cincinnati Development Fund to finance the production and preservation of affordable housing in Greater Cincinnati.

### AHLF Funds Raised \$112 MM



VTICA=Voluntary Tax Incentive Contribution Agreement  
ARPA=American Rescue Plan Act  
AHTF=Affordable Housing Trust Fund

### AHLF

#### Funds Deployed (Sep. '22–Aug. '23) 857 INCOME-RESTRICTED UNITS

In the first year managing City and County funds, the AHLF directed **\$31 Million** in grants and loans to **29 projects** committed to creating or preserving **948 housing units**.



\*AMI=Area median income  
\*\*When possible, CDF combines grants and loans to deepen affordability and preserve grant funds.

For further information regarding AHLF or the Cincinnati Development Fund visit [cindenvfund.org](http://cindenvfund.org) or call 513.721.7211

# Impact Summary - AHLF

AHLF funded-projects committed to production or preservation of 857 income-restricted units between Sep 2022 and Aug 2023

Affordability Levels	30% AMI and below	31-50% AMI	51-60% AMI	61-80% AMI	Total Units
# of Created Affordable Units	125	188	255	145	713
# of Preserved Affordable Units	13	79	52	0	144

# Process Summary

- **CDF Way:** balance relationship lending with transparent, formal process
  - General AHLF Funding Inquiry Form
  - County ARPA RFP Initial Round: April – June 2023
    - 30 applications requesting \$35MM
    - 14 awards of \$17MM, with 12-1 leverage
  - Rolling City AHTF awards
    - 7 awards of \$5.6MM
  - Leverage Programs
    - OHFA Bond Gap Financing Match, state LIHTC, QAP/9%
  - Rolling County ARPA, with focus on non-City projects
  - Impending City ARPA RFP
- **Total Annual Pipeline: 49** funding requests

- **CDF Capacity Growth**
  - New hires:
    - Chief Strategy Officer & General Counsel
      - Construction Manager
      - Compliance Specialist
  - Re-organization:
    - Lending Team expands with focus on affordable housing
    - Director of Strategic Initiatives responsible for fundraising and communications

# Results Against Strategy

As presented to City Council October 2022:

- **First**, by focusing on immediate production:
  - *Filling gaps caused by rising construction costs*
    - 9% LIHTC, e.g., Vandalia Point (OTRCH & Urban Sites), Logan Commons (CMHA)
    - NOFA, e.g., West End Affordable (Port) and Alexandra Apartments (POAH & Model)
  - *Growing the 4% LIHTC market*
    - Cost impact
    - OHFA Bond Gap Financing Match
  - *Equity Bridge Loans*
    - Rate impact
    - August Flats, 14th & Main

# Results Against Strategy

- *Second, by intentionally targeting and encouraging:*
  - *Smaller and minority developers*
    - Kaiker, B.O.C., 2151 Colerain
  - *Smaller projects*
    - 8 units or less: 1634 Hewitt Avenue (South Block Properties), 1865 Chase (Grey Rock Properties), 1007 Dayton Street (8K Development)
  - *Geographic diversity*
    - 13 City neighborhoods, 9 County jurisdictions
  - *Mixed-income*
    - CH KeyMark (CHURC & 8K)
    - The Annie (3CDC)
  - *New structures and products*
    - Logan Commons (CMHA) low-interest, long-term debt
    - August Flats, 14th & Main (3CDC) low-interest, mid-term debt



## Evolving Strategy – Market-Driven

- **Phase I:** focus on immediate production:
  - Clearing pipeline by filling gaps caused by 20-30% rising construction costs (supply chain, interest rate, inflation)
- **Phase II:** using AHLF \$ to leverage new \$:
  - Use CDF flexibility/speed to make early leveraging commitments to unlock other capital sources
- **Phase III:** pursue loan and equity capital
  - expand lending capacity (amount and term), including specifically for mixed-income, non-LIHTC, projects
  - Explore patient equity models to introduce new capital structuring options to local market

## Data/Insights: What We've Learned

- Extreme difficulty in current environment
  - elements of cost escalation: inflation, interest rates, supply chain/materials costs, labor availability, insurance
  - State/Federal sources have not adjusted to cost escalation – leaving burden on local sources
  - More interest in CDF lending products than ever
  - Questions about long-term pipeline - need to offset headwinds
- Difference between affordable and market rate industries – need different products
- Leverage is benefitted by certainty and dependability
  - OHFA relationship expanding with ability to forward commit
- Flexibility and quickness is key

Year	2023 year to Date	2022	2021
Per Unit Construction Cost for CDF financed Affordable Housing Projects	\$325,870.80	\$275,461.29	\$216,399.01

THANK YOU!