

February 20, 2024

To: Members of the Budget and Finance Committee

From: Sheryl M.M. Long, City Manager *WV*

202400556

Subject: EMERGENCY ORDINANCE – AUTHORIZING THE SALE AND VACATION OF CITY PROPERTY FOR THE NORTHSIDE GATEWAY DEVELOPMENT

Attached is an Emergency Ordinance captioned:

AUTHORIZING the City Manager to execute any and all agreements and take such other steps as may be necessary in order to sell City-owned real property at 3919 Old Ludlow Avenue, and to vacate and convey approximately 0.0637 acres of the public right-of-way known as Archibald Street, and approximately 0.0349 acres of unnamed public right-of-way, in the Northside neighborhood of Cincinnati to Cincinnati Northside Community Urban Redevelopment Corporation, doing business as Northsiders Engaged in Sustainable Transformation, or other affiliated organization acceptable to the City Manager, to facilitate an affordable housing development.

STATEMENT

An ordinance to authorize the sale and vacation of City parcels and right-of-way to NEST is necessary to facilitate an application to the Ohio Housing Finance Agency for 9% Low-Income Housing Tax Credits (LIHTCs) for new affordable apartments in Northside. This development would help to alleviate Cincinnati's strained housing market, which is currently experiencing increasing affordability issues due to lack of supply.

BACKGROUND/CURRENT CONDITIONS

The subject development, Northside Gateway, is proposed by Cincinnati Northside Community Urban Redevelopment Corporation d/b/a Northsiders Engaged in Sustainable Transformation ("Developer"). The Developer will apply for LIHTC tax credits in February 2024 to support the construction of approximately 58 new affordable family apartments, comprised of both new construction and adaptive reuse of the former Stagecraft building, including a first-floor commercial storefront on Knowlton's Corner, at a total development cost of approximately \$21,650,000. The apartments would be made available to households earning less than 60% of area median income (AMI).

The project site is located at Knowlton's Corner in Northside and is bounded by Hamilton Avenue, Old Ludlow Avenue, and William P. Dooley Bypass. The proposed site is comprised of 3 properties, going from north to south: (1) an historic, 4-story vacant commercial building previously used as the offices of the Stagecraft company, which was recently acquired and stabilized by the Developer using City CDBG funds, (2) a vacant

land site that was recently acquired by the Developer, which used the Developer's own funds to acquire the site and demolish a garage, and (3) the subject of this ordinance, a City-owned storage yard used by the Department of Public Services (DPS) to store materials and equipment related to street maintenance and construction.

A recent coordinated report resulted in several conditions that must be met prior to the sale of the City site. Most noteworthy, DPS would require a new location and funding to relocate its storage yard, which is undergoing an internal planning process to identify the final costs and funding sources and may be brought before City Council in the near future to request capital funding.

Similar to the re-zoning ordinance that Council has recently passed in connection with this project, the vacation and sale ordinance is required at the time of the Developer's tax credit application in order to meet OHFA's requirement that the applicant demonstrate site control of all properties needed to develop the project. Should the application for tax credits prove successful, then the administration will work with the Developer to negotiate a final property sale and development agreement and to address all of the conditions of the coordinated report. The Developer has also sought financial assistance from the Administration and Cincinnati Development Fund (CDF) for the construction of the project contingent upon the award of the LIHTC by OHFA.

DEVELOPER INFORMATION

The development team is led by Cincinnati Northside Community Urban Redevelopment Corporation, which does business as NEST, or Northsiders Engaged in Sustainable Transformation. NEST is Northside's dedicated nonprofit community development corporation. Under the leadership of its executive director, Sarah Thomas, NEST has implemented numerous commercial and residential projects in Northside. The recently completed John Arthur Flats was the first LGBTQ+ friendly affordable senior housing development in Cincinnati and was co-developed with Pennrose. NEST also recently began renovating an historic building at 4024 Hamilton Avenue, which will serve as the home of a new restaurant operated by the owners of Dean's Mediterranean Imports.

NEST's two co-developers on Northside Gateway include Urban Sites, a commercial and residential developer based in Cincinnati, and Over-the-Rhine Community Housing (OTRCH), a local nonprofit developer of affordable housing. Urban Sites and OTRCH are both accomplished in the development of affordable housing in Cincinnati and have also partnered on a similar nearby affordable infill development in Northside called Vandalia Point. NEST and OTRCH would serve as the long-term owners and operators of the Northside Gateway project upon its completion.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. The emergency clause is required so that the Developer can meet the requirement of the LIHTC application that is due February 29, 2024.

Attachment: Project Outline and Proposed Incentive

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Project Outline

Project Name	Northside Gateway
Street Address	3919-27 Old Ludlow Avenue
Neighborhood	Northside
Property Condition	Vacant building and land currently occupied by DPS storage yard
Project Type	New Construction and Renovation
Project Cost	Total Project Cost: Approx. \$21,653,210
Private Investment	TBD; Developer still finalizing details for submission to OHFA
Sq. Footage by Use	Approx. 57,400 SF residential and 4,300 SF of commercial
Number of Units and Rent Ranges	TBD; Developer still finalizing details for submission to OHFA. Units will meet LIHTC affordability requirements for 60% AMI.
Median 1-BD Rent Affordable To	TBD; Developer still finalizing details for submission to OHFA
Jobs and Payroll	TBD; Developer still finalizing details for submission to OHFA
Location and Transit	Located (in part) within the Northside NBD and the Northside NBD Historic District. Transit Score: 52
Community Engagement	Presented at Northside Community Council (NCC) on 11/20/2023. Community Engagement Meeting held on 1/3/2024. NCC has provided letter of support.
Plan Cincinnati Goals	Compete initiative area Goal 2 (p. 114-120), Sustain initiative area Goal 2 (p.193-198), Live initiative area Goal 3 (p. 164-177).

Project Image and Site Map



Proposed Incentive

Property Transaction Types	Property Sale – Non-competitive
Fair Market Value	\$101,000
Purchase Price/Annual Rent	\$1.00
“But For”	Project would not proceed without a below FMV sale.
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	Land sale approved on 1/19/2024. Future CPC approval will be required for PD final development plan.
Other Incentives & Approvals	City provided previous CDBG loan in 2020 to acquire the Stagecraft building. Project recently secured City Council approval of PD re-zoning in Feb 2024. Developer will also be requesting NOFA funds and commercial CRA abatement if LIHTCs are secured.

For Reference: 2023 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$21,250	\$24,300	\$27,350	\$30,350	\$32,800	\$35,250	\$37,650	\$40,100
50%	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650	\$62,700	\$66,750
60%	\$42,480	\$48,540	\$54,600	\$60,760	\$65,520	\$70,380	\$75,240	\$80,100
80%	\$56,650	\$64,750	\$72,850	\$80,900	\$87,400	\$93,850	\$100,350	\$106,800