

January 29, 2025

To: Mayor and Members of City Council

202500162

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Approving and Authorizing a CRA Tax Exemption Agreement with 510 W Liberty, LLC

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the City Manager to execute a Community Reinvestment Area Tax Exemption Agreement with 510 W Liberty, LLC, thereby authorizing a twelve-year tax exemption for 100 percent of the value of improvements made to real property located at 510 W. Liberty Street in the West End neighborhood of Cincinnati, in connection with the remodeling of two existing buildings into approximately 5,875 square feet of residential space consisting of approximately 13 residential rental units, at a total remodeling cost of approximately \$766,717.

STATEMENT

HOUSING: The additional housing units this project will help alleviate Cincinnati's strained housing market and will activate a vacant and blighted building in the West End neighborhood.

BACKGROUND/CURRENT CONDITIONS

The project is located at 510 and 512 W Liberty Street in the West End neighborhood. The project consists of two vacant three-story buildings. Once completed, the buildings will consist of 13 market-rate residential units that will be naturally affordable to households not exceeding 50% AMI. The unit will consist of studio apartments and one-bedroom apartments.

DEVELOPER INFORMATION

510 W Liberty LLC is an Ohio-based company, owned by Stuart Naeny, Michael Basch, and Allison Naeny. The parties will serve as the general contractor and developer of the project. Their prior development experience includes the substantial renovation of 1405 Walnut Street into three units and 18 Mulberry Street which was a 13 units renovation that was completed in July of 2024.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance. This is an emergency ordinance because the CRA is needed as a condition to close on financing.

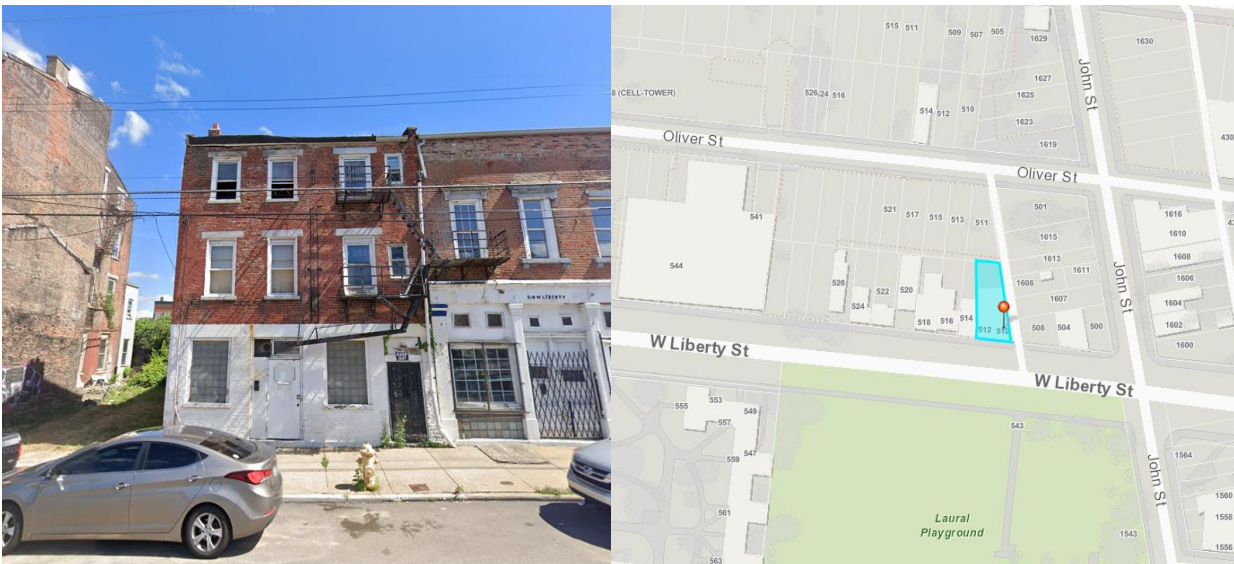
Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	510 W Liberty Street CRA
Street Address	510 W Liberty Street
Neighborhood	West End
Property Condition	Vacant Buildings
Project Type	Rehabilitation
Project Cost	Hard Construction Costs: \$766,717 Acquisition Costs: \$4,500 Soft Costs: \$73,100 Total Project Cost: \$844,317
Private Investment	Developer Equity: \$168,864
Sq. Footage by Use	Residential: 5,875 Office: 0 SF
Number of Units and Rent Ranges	6 studio units at \$830 each, 7 one-bedroom units at \$875 each
Median 1-BD Rent Affordable To	Salary: \$33,200 - 35,000 City Job Classification: Health Caseworker, Card Punch Operator, Wastewater Collect Pipelayer
Jobs and Payroll	Created FTE Positions: 0 Total Payroll for Created FTE Positions: 0 Average Salary for Created FTE Positions: 0 Construction FTE Positions: 37 Total Payroll for Construction FTE Positions: \$327,000
Location and Transit	Located within West End Transit Score: 66
Community Engagement	Yes and a letter of support was secured specifically for any zone changes or variances needed .
Plan Cincinnati Goals	Live Initiative Area Goal 3 (p. 164) Sustain Initiative Area Goal 2 (p.193)

Project Image and Site Map



Proposed Incentive

Incentive Terms	12-year, net 52%
Incentive Application Process	Commercial CRA – Neighborhood
“But For” (0-3 points)	Without Abatement: 4% rate of return (stabilized) With Abatement: 8% rate of return (stabilized) Project would not proceed without an abatement and the CRA is needed to secure the private financing. (3 points)
Environmental Building Certification (0-5 points)	Not Applicable
VTICA (0-8 points)	Streetcar VTICA – 15% (8 points)
SBE/MBE/WBE Goals	SBE Goal of 30%
Planning Commission Approval	Not Applicable
Other Incentives & Approvals	Not Applicable

Potential Taxes Forgone & Public Benefit

Taxes Forgone	Value
Annual Net Incentive to Developer	\$6,299
Total Term Incentive to Developer	\$75,588
City's Portion of Property Taxes Forgone (Term)	\$0
City's TIF District Revenue Forgone (Term)	\$106,115

Public Benefit		Value
CPS PILOT	Annual	\$3,997
	Total Term	\$47,970
VTICA	Annual	\$1,817
	Total Term	\$21,804
Income Tax Total Term (Maximum)		\$114,332
Total Public Benefit (CPS PILOT, VTICA, Income Tax)		\$184,106

Total Public Benefit ROI*	\$2.44
City's ROI**	\$1.08

* This figure represents the total dollars returned for public purposes (City/Schools/Other) over the benefit received.

**This figure represents the total dollars returned for City/ over the City's property taxes forgone.

For Reference: 2024 Cincinnati MSA Area Median Income Limits

AMI	1	2	3	4	5	6	7	8
30%	\$22,050	\$25,200	\$28,350	\$31,450	\$34,000	\$36,500	\$39,000	\$41,550
50%	\$36,700	\$41,950	\$47,200	\$52,400	\$56,600	\$60,800	\$65,000	\$69,200
60%	\$44,040	\$50,340	\$56,640	\$62,880	\$67,920	\$72,960	\$78,000	\$83,040
80%	\$58,700	\$67,100	\$75,500	\$83,850	\$90,600	\$97,300	\$104,000	\$110,700