

April 13, 2021

To: Mayor and Members of City Council 202101436

From: Paula Boggs Muething, City Manager

Subject: **EMERGENCY ORDINANCE AUTHORIZING ADMINISTRATIVE ACTIONS TO SECURE AND ESTABLISH HUD SECTION 108 FUNDING UP TO \$34,000,000 FOR AFFORDABLE HOUSING LOAN POOL, DESIGNATE CINCINNATI DEVELOPMENT FUND, INC. TO ADMINISTER THE AFFORDABLE HOUSING LOAN POOL, AND REINSTATE THE BUILD CINCINNATI DEVELOPMENT FUND LOAN PROGRAM**

Attached is an Emergency Ordinance captioned as follows:

AUTHORIZING the submission of a Substantial Amendment to the City of Cincinnati's 2020-2024 Consolidated Plan/Annual Action Plan to the United States Department of Housing and Urban Development for Section 108 Loan funded activities; and further **AUTHORIZING** the City Manager to apply for Section 108 Loan funding from the United States Department of Housing and Urban Development as provided for under the provisions of Section 108 of the Housing and Community Development Act of 1974, as amended, in an amount up to \$34,000,000 for the purpose of funding a loan pool for financing the acquisition, rehabilitation, and construction costs related to affordable housing; and further **AUTHORIZING** the City Manager to (i) execute a *Funding Agreement* and any related agreements with Cincinnati Development Fund, Inc. and its affiliates to oversee the loan pool for financing the acquisition, rehabilitation, and construction costs related to affordable housing, and (ii) reinstate the Build Cincinnati Development Fund loan program and execute any related agreements with Build Cincinnati Development Fund LLC and Cincinnati Housing Development Fund LLC.

BACKGROUND

On March 16, 2021 the City Manager delivered a report to City Council entitled Affordable Housing: Recommendations (Reference Document #202101105). This report detailed the role and functions the City performs within the spaces of housing production and finance. In addition, the report presented actionable

recommendations, both legislative and administrative, designed to substantially increase and encourage affordable housing development and preservation in the City.

IMPLEMENTATION

The report and recommendations were formally presented by the City Manager's Office at the Economic Growth and Zoning (EGZ) Affordable Housing Subcommittee. At that time, a series of legislative proposals was indicated as forthcoming.

This Emergency Ordinance is one such legislative action, which realizes multiple goals discussed in the Affordable Housing Subcommittee, including:

- Developing new financing tools and programming, including an affordable housing loan pool, to be funded by Section 108 dollars
- Partnering with a CDFI third-party administrator to provide low-cost financing and direct subsidy for affordable housing acquisition, construction, and rehabilitation
- Reinstating the Build Cincinnati Development Fund loan program to leverage private investment, increase job growth and the development of housing in the City
- Maximizing impacts of Affordable Housing Trust Fund contributions by consolidating, subsidizing, and leveraging other funding sources

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.