

September 20, 2022

FOR YOUR INFORMATION

To: Mayor and Members of City Council
 From: Sheryl M.M. Long, City Manager *SM*
 Subject: 2022 Notice of Funding Availability Awards

Summary

The FY23 Department of Community & Economic Development (DCED) Notice of Funding Availability (NOFA) program will award \$7.1 million to 9 affordable housing projects containing 408 units—creating 266 new affordable housing units and preserving 142 existing affordable units through renovation. 70% of the new units created (186) target households at 30% to 60% AMI.

Background

DCED’s NOFA program provides residential developers with loans for up to 40% of total project costs not to exceed \$1 million. The goal of the program is to support projects that provide a full spectrum of healthy housing options and to improve housing quality, affordability, and availability. The program achieves Plan Cincinnati’s Live Goal 3 by providing a full spectrum of housing options and improving housing quality and affordability. Funding for the NOFA is appropriated through the City of Cincinnati’s (the City) capital budget as well as the City’s Annual Action Plan for use of Federal Entitlement Funds, including the Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME).

On April 8, 2022, DCED released its NOFA with an anticipated \$4.2 million budget. In the FY23 budget process, City Council increased the funding for NOFA by 30%. With this increase, the reconciliation of older project accounts, and funding from TIF Districts set aside for affordable housing by City Council, the budget for NOFA project financing is \$7.1 million as broken down in the table below. This year, DCED received applications for twenty-two projects requesting approximately \$18 million. Projects are evaluated based on the project’s financial strength, a project’s characteristics, and project type, as more particularly described below and in the NOFA guidelines. Other project considerations include an applicant’s property ownership history, prior NOFA project history, and how the project aligns with the various funding sources that are made available.

Funding	Source
\$ 3,567,744	HOME
\$ 641,500	CDBG
\$ 2,532,256	Capital TIF Districts
\$ 400,000	(Affordable Set Aside)
\$ 7,141,500	

Financial Strength

NOFA applications are evaluated to determine the project's overall financial feasibility, how well the City's funds are leveraged, and the commitment of other sources. As noted in the NOFA guidelines, there is a priority placed on LIHTC projects since their funding is often highly competitive, highly leveraged, and creates more opportunities to create or preserve more affordability, at a deeper income target, and at a higher leverage for the City.

Project Characteristics

NOFA applications are also reviewed for the project’s blight removal, visitable, proximity to activity centers and public transit, as well opportunities for mixed-use development.

Project Type

Finally, NOFA applications are considered for the Area Median Income (AMI) that is targeted, the project’s amenities and accessibility, family units, energy efficiency, and historic status.

In the 2022 NOFA round (FY23), the DCED has conditionally awarded nine projects spanning the neighborhoods of East Price Hill, Paddock Hills, West End, Walnut Hills, Lower Price Hill, Evanston, Northside, Avondale, Over-the-Rhine, and Pendleton. These projects are anticipated to leverage \$97 million in private investment to support 408 units of rental housing affordable to households between 30%-80% of AMI. Of this amount, 142 are preservation units for households at 50% and 60% of the AMI, and 266 are new units ranging from 30% - 80% of AMI. Of the 266 new units, 186 are designated for households from 30% - 60% of AMI, equating to 70 percent of the total new units. For context, below is a 2022 AMI table published by HUD and a few occupations that align with the income levels for a single person, according to the Bureau of Labor Statistics for the Cincinnati metropolitan area.

AMI	1	2	3	4	5	6	7	8
30%	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$49,910	\$46,360
50%	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$49,250	\$63,050
60%	\$40,140	\$45,840	\$51,600	\$57,300	\$61,920	\$66,480	\$59,100	\$75,660
80%	\$53,520	\$61,120	\$68,800	\$76,400	\$82,560	\$88,640	\$78,800	\$100,880

30% AMI: The income for a single person at this AMI is as close as compared to the average income of an individual that works in the food preparation and service field. Note that a person in this industry is above 30% AMI for a single person household but below for a four-person household and above.

50% AMI: The income for a single person at this AMI is comparable to the average income of an individual that works in the community in buildings, grounds, cleaning, and maintenance field.

60% AMI: The income for a single person at this AMI is comparable to the average income of an individual that works in the office and administrative support field.

80% AMI: The income for a single person at this AMI is comparable to the average income of an individual that works in the social services field.

There are still some projects with pending awards from OHFA, but it is the hope that with the City’s support and financial commitment the projects will be successfully awarded and, in turn, will attract private investment that will not only help to improve and enhance existing affordable units, but will also create more affordable units while activating blighted, vacant, and underutilized land in the City. Below are descriptions of awarded projects:

3104 Warsaw Avenue

Developer: Price Hill Will | **Neighborhood:** East Price Hill | **Est. Total Project Cost:** \$3.5 Million | **Number of Units (Affordable):** 9 (All) | **Income Target:** 60% & 80% AMI | **NOFA Award:** Up to \$350,000 | **Per Unit NOFA Subsidy:** \$39,000 | **Total Cost Per Unit:** \$389,000

- The project involves the complete historic renovation of a mixed-used historic building.

Victory Vistas (LIHTC) – 4106 Victory Parkway

Developer: Kingsley & Company | **Neighborhood:** Paddock Hills | **Est. Total Project Cost:** \$13.8 Million | **Number of Units (Affordable):** 50 (All) | **Income Target:** 30% & 60% AMI | **NOFA Award:** Up to \$1,000,000 | **Per Unit NOFA Subsidy:** \$20,000 | **Total Cost Per Unit:** \$276,000

- The project involves the LIHTC construction of a four-story apartment building for seniors equipped with a laundry, fitness center, and business center. Supportive services will be provided for residents by the Servicing Older Adults Through Challenging Times nonprofit group.

1007 Dayton Street

Developer: 8k Development Company | **Neighborhood:** West End | **Est. Total Project Cost:** \$1.5 Million | **Number of Units (Affordable):** 9 (All) | **Income Target:** 80% AMI | **NOFA Award:** Up to \$291,500 | **Per Unit NOFA Subsidy:** \$32,000 | **Total Cost Per Unit:** \$167,000

- The project involves the complete historic renovation of a mixed-used historic building.

Lincoln & Gilbert II (LIHTC) – 935-955 Foraker Avenue

Developer: Pennrose & WHRF | **Neighborhood:** Walnut Hills | **Est. Total Project Cost:** \$9.9 Million | **Number of Units (Affordable):** 36 (All) | **Income Target:** 60% AMI | **NOFA Award:** Up to \$500,000 | **Per Unit NOFA Subsidy:** \$14,000 | **Total Cost Per Unit:** \$275,000

- The project involves the LIHTC construction of a three-story building for families with amenities like on-site laundry and a community room.

Terri Manor (LIHTC) – Multiple addresses along the 600 Block of Church and Burns Streets, 600 Block of Neave Street, 700 Block of State Street, Storrs, and Hatmaker

Developer: Preservation of Affordable Housing | **Neighborhood:** Lower Price Hill **Est. Total Project Cost:** \$13.7 Million | **Number of Units (Affordable):** 81 (All) | **Income Target:** 50% and 60% AMI | **NOFA Award:** Up to \$1,000,000 | **Per Unit NOFA Subsidy:** \$12,000 | **Total Cost Per Unit:** \$169,000

- The project involves the LIHTC Rehabilitation of 19 buildings that house families, seniors, and individuals with disabilities; buildings were last renovated 20 years ago.

The Bridge – 1740 Brewster Avenue; 3570 & 3604 Montgomery Road

Developer: 8k Development Company | **Neighborhood:** Evanston | **Est. Total Project Cost:** \$8.6 Million | **Number of Units (Affordable):** 26 (All) | **Income Target:** 50% - 80% AMI | **NOFA Award:** Up to \$1,000,000 | **Per Unit NOFA Subsidy:** \$38,000 | **Total Cost Per Unit:** \$331,000

- The project involves the complete historic renovation of three mixed-use buildings for families.

Vandalia Point (LIHTC) – 1601 Bluerock Street

Developer: Over-the-Rhine Community Housing & Urban Sites | **Neighborhood:** Northside | **Est. Total Project Cost:** \$14.6 Million | **Number of Units (Affordable):** 52 (All) | **Income Targets:** 30% - 60% AMI | **NOFA Award:** Up to \$1,000,000 | Per Unit NOFA Subsidy: \$19,000 | Total Cost Per Unit: \$281,000

- The project involves the LIHTC construction of two buildings on one site, as well as a renovation of an existing building for families; the site will include laundry facilities, a community room, and onsite parking.

Blair Lofts II & Lindsay Lofts (LIHTC) – 3550 Van Antwerp Place; 548 & 588 Blair Avenue

Developer: MVAH Partners/Kingsley & Company **Neighborhood:** Avondale | **Est. Total Project Cost:** \$24.2 Million | **Number of Units (Affordable):** 84 (All) | **Income Targets:** 30% & 60% AMI | **NOFA Award:** Up to \$1,000,000 (includes a proposed allocation of TIF District funding set aside for affordable housing) | Per Unit NOFA Subsidy: \$12,000 | Total Cost Per Unit: \$288,000

- The project involves the LIHTC construction of two buildings, one on Blair which will house 48 units and the other on Van Antwerp which will house 36 units.
- Both buildings will offer community space and on-site parking as well as visitability, accessibility, and aging-in-place features.

Community Manor & Pendleton (LIHTC) – Multiple addresses along the 1300 block of Vine and Republic Street; 500 block of Dandridge Street; 1221 Jackson Street, 2155 Loth Street, 1609 Pleasant Street, and 15 Back Street

Developer: Preservation of Affordable Housing **Neighborhood:** OTR/Pendleton | **Est. Total Project Cost:** \$13.8 Million | **Number of Units (Affordable):** 61 (All) | **Income Targets:** 50% & 60% AMI | **NOFA Award:** Up to \$1,000,000 | Per Unit NOFA Subsidy: \$16,000 | Total Cost Per Unit: \$226,000

- The project involves the LIHTC renovation of 10 buildings spanning the neighborhoods of Pendleton and OTR.

Next Steps

As each project finalizes its financing and permit approvals, DCED will work with each project developer on due diligence items before contract execution, loan closing, and commencement of construction.

This memo is for informational purposes only and no action is requested.

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