



**Hamilton
County**



The Honorable Rob Portman
448 Russell Senate Office Building
Washington, DC 20510

April 21, 2017

Dear Senator Portman,

On behalf of the City of Cincinnati, Hamilton County, and the Cincinnati USA Regional Chamber, we write to respectfully urge you to support a federal budget that funds the Community Development Block Grant (CDBG) program and the HOME Investment Partnership Program (HOME). Additionally, we urge you to maintain support for New Markets Tax Credits (NMTC) and Historic Tax Credits (HTC) as you deliberate on tax reform. Cincinnati and Hamilton County, Ohio are home to more than 800,000 residents; the Cincinnati USA Regional Chamber represents nearly 4,000 businesses and 300,000 employees regionally. Greater Cincinnati has nine fortune 500 businesses headquartered locally— more than any other region per capita in the country.

CDBG funds have helped to catalyze the rejuvenation of Greater Cincinnati and will be instrumental in city and county economic development programs that facilitate transformational projects creating jobs, enhancing business district improvements, and improving site readiness through blight removal and environmental remediation. CDBG funds also support neighborhood business development, job readiness and training programs, small business technical assistance, and housing development programs.

Below are examples of the impact of these funds; please see the attached document for further examples of how CDBG and HOME funds and NMTC allocations have recently been used to redevelop the City of Cincinnati and Hamilton County.

Last year, the City of Cincinnati received \$10.5 million in CDBG funds, which were used on a variety of capital projects and services such as investments in Community Development Corporations and small business services, job readiness and skills training for people living in poverty, and lead abatement. In 2016, the City of Cincinnati received \$1,870,000 in HOME funding, which was used to leverage private investments. Additionally, in 2015 alone the City of Cincinnati was able to utilize federal CDBG and HOME dollars combined with City capital dollars to strategically leverage \$57 million in public and private investment in neighborhoods.

Hamilton County receives just under \$3 million annually in CDBG funds from HUD. The County manages these funds for 38 of 47 cities, villages, and townships in the County, not including the City of Cincinnati, and leverages these funds for public infrastructure and public facility construction projects, demolition of slum and blighted properties, and other community development projects.

In the past two years, Hamilton County expended \$375,000 in CDBG funds to assist three communities with demolition of commercial properties to bring economic development projects with \$80 million in investment in the County.

- The City of Springdale received \$300,000 in CDBG funds to help fund the demolition of the former Sheraton Hotel and Conference Center, which has been vacant since 2008. The City anticipates a \$20 million investment on this 8 acre site with prime I-275 frontage to include a smaller hotel and other commercial space such as office buildings and restaurants.
- The City of Deer Park received \$35,000 in CDBG funds for \$50,000 in costs to demolish three buildings in Deer Park on Galbraith Road, just one mile away from the Jewish Hospital; Deer Park anticipates the development of a \$10 million medical office building with 60 full time medical profession jobs.
- \$40,000 in CDBG funds of a total \$100,000 in demolition costs were provided to the Village of Silverton to prepare a 15 acre site for redevelopment. The \$50 million development project with Jeffrey Anderson and Associates and the Miller Valentine Group is underway at Euclid and Montgomery Roads and will include 200 luxury apartments and 60,000 square feet of commercial space. Developers estimate an annual earnings tax of \$300,000 for the Village.

As Congress considers tax reform, we request that you support the preservation of Historic and New Markets Tax Credits. Over \$111 million of Ohio Historic Preservation Tax Credits have been awarded in Hamilton County from 2011-2015. Ohio awards tax credits independently, but these are often smaller awards. The federal Historic Tax Credit is essential both for maintaining and revitalizing business districts. The primary recipient of NMTC in Cincinnati has been the Cincinnati Development Fund (CDF) which has received and utilized \$156.7 million in NMTC allocations over the past several years, along with \$65 million allocated in 2016. A full pipeline of projects is currently underway and through NMTC allocations, CDF has provided \$156.7 million in loans and leveraged \$478 million in investment. Recent outcomes of NMTC lending include:

- Jobs: more than 2,900 construction and 2,500 permanent jobs
- Commercial/Community Good and Services:
 - 173,000 sf of restaurant/grocery/food space
 - 298,700 sf of retail space
 - 403,400 sq of office space
 - 290,300 of health care services space
 - 54,500 sf of educational space

These investments do not include the millions of NMTC allocations received by Cincinnati Center City Development Corporation (3CDC), which has led to incredible investment in the Over-the-Rhine neighborhood and downtown, nor does it include the allocations to the Uptown Consortium, which has led to burgeoning development in and around the new Martin Luther King interchange and University of Cincinnati medical corridor. New Markets Tax Credits have been instrumental in local projects, including Washington Park located in Over-the-Rhine. More than 50 buildings around the boundary of the Park were deteriorating and most were abandoned and vacant. Washington Park's renovation, made possible by New Markets Tax Credits, served as the catalyst for the renovation of the neighborhood which includes Music Hall, the School for Creative and Performing Arts and significant residential and commercial development, including Broadway Square in the Pendleton Neighborhood near Jack Casino.

In Ohio, state awards for New Market Tax Credits are contingent upon receiving a federal award. Removing these tax credits at the federal level could jeopardize state programs critical to redevelopment in Greater Cincinnati.

The lack of certainty resulting from stopgap budget measures threatens the vitality and development of the City of Cincinnati and Hamilton County. As you consider the federal budget and tax reform, we respectfully ask that you fund a full year budget supportive of Community Development Block Grants and HOME funds; and as you consider tax reform, we ask that any reform maintain support for New Markets and Historic Tax Credits which are critical to the region.

Sincerely,



John Cranley
Mayor
City of Cincinnati



Todd Portune
President
Hamilton County Board of Commissioners



Jill Meyer
Cincinnati USA Regional Chamber
President/CEO

Attachment: Examples of Economic Impact from CDBG and HOME funds and NMTC allocations in the City of Cincinnati and Hamilton County, OH

Impact of CDBG funds in Hamilton County

Last year, \$430,000 in CDBG funds were used as matching funds bringing \$3.8 million in State of Ohio Capital Improvement Program funds through these projects:

- Reconstruction of Frances Avenue in Cheviot
- Reconstruction of Vine Street manhole in Elmwood Place
- Reconstruction of Dixie Court in Lincoln Heights
- Reconstruction of Anna Street and Hillside Street in Lockland
- Streetscape improvements to Montgomery Road in Norwood
- Streetscape improvements to Vine Street in St. Bernard

Hamilton County also used \$850,000 in CDBG funds to complete these public facilities and infrastructure improvements in FY2016:

- New salt shed in Addyston
- Parking lot improvements at Delhi Township Senior Center
- Kanter Park improvements in Forest Park
- Volunteer Park improvements in Golf Manor
- New roof to Harrison and Harrison Township Senior Center
- Parking lot and lighting upgrades to Miami Township Senior Center
- Installation of an ADA accessible restroom at Gower Park in Sharonville
- Doors, lighting and flooring upgrades to Whitewater Township Senior Center
- Removal and replacement of Pedestrian Bridge in Woodlawn

Last year, almost \$800,000, or 27% of the County's CDBG funds are used for repairs and improvements to homeowners in the County.

- The County contracted with People Working Cooperatively to provide emergency and critical repairs to low and very low income homeowners. Repairs can include fixing furnaces and roofs, replacing hot water heaters, providing exterior ramps for persons with disabilities, as well as minor plumbing issues. In FY2016, over 6,000 households received these services to be able to stay in their homes.
- Several local governments, including Springdale, Greenhills, Forest Park and Golf Manor, manage grant programs for external repairs to low to moderate income homeowners. Over 85 households have received assistance through these programs in the past year.
- The County provided grants to 12 low to moderate income households for water, sewer and septic system improvements and repairs which prevents financial problems that could lead to foreclosure.

Impact of NMTC in the City of Cincinnati

- 2009: \$14.1 million in NMTC spurred \$30 million of development in the low-income Corryville neighborhood which led to 180 construction jobs and provided a catalyst for nearby development

- 2010: \$8.91 million in NMTC resulted in the relocation of the Good Samaritan Hospital office building in the Clifton neighborhood, 85 construction jobs, 169 permanent jobs and improved access to medical care
- 2010: \$8.25 million in NMTC allowed for the rehabilitation of the Vernon Manor Hotel in the Avondale Neighborhood which has a 53% poverty rate. The building is occupied by Cincinnati Children's Hospital Medical Center and there are 600+ permanent jobs in the area
- 2011: \$6.05 million in NMTC allowed for the redevelopment of the 21C Museum Hotel (formerly the Metropole Hotel) which was the first full-service hotel to open downtown in more than 25 years. This renovation created 150 permanent jobs and was a catalyst for hotel renovation and building projects downtown
- 2011: \$20 million in NMTC in the Clifton Heights neighborhood, adjacent to the University of Cincinnati's main campus, created 480 permanent jobs, 130 construction jobs, 120,000 sf of retail/office space, and 161 apartment units (40 affordable)
- 2012: \$2.56 million in NMTC for Phase 23 of renovation to Mercer Commons in the Over-the-Rhine neighborhood resulted in 60 permanent jobs, 80 construction jobs, 13,725 sf of retail/office space and 67 housing units (30 affordable)
- \$12 million of NMTC in the Evanston/Norwood neighborhoods adjacent to Xavier University led to 194 permanent jobs, 200 construction jobs, 76,000 sf of retail/office space and 176 apartments (36 affordable)
- 2014: \$8.25 million in NMTC allocations in the historic and low-income Pendleton neighborhood provided market-rate and affordable workforce housing in Broadway Square including 34 apartments (17 affordable), 30 permanent jobs, 220 construction jobs, 10,000 sf of retail/office space
- 2014: \$8.75 million in NMTC transformed three vacant, historic buildings into Cintrifuse/Union Hall in Over-the-Rhine resulting in 275 new, full-time jobs, and space for up to 75 start-up companies
- 2014: \$6 million in NMTC provided a catalyst for development in the low-income Price Hill neighborhood, resulting in development of the Price Hill Entertainment District, 32 permanent and 75 construction jobs
- 2014: \$1.3 million in NMTC created 8 owner-occupied market rate units in the Avondale neighborhood which is the first new housing in the neighborhood since the 1990s
- 2015: \$2.5 million in NMTC dramatically improved the 85,000 sf YMCA in Over-the-Rhine ((the neighborhood's only full-service fitness facility) and created 60 permanent jobs with 10% for low-income persons
- 2015: \$4.3 million in NMTC provided 197 construction jobs accessible to low-income persons and created 111 permanent, quality jobs accessible to low-income persons
- 2016: \$7 million in NMTC will renovate and expand Ziegler Park in the Pendleton neighborhood, an area fraught with illegal activity, and will improve safety, recreation options for children, parking for local businesses and 11 permanent jobs
- 2016: \$9 million in NMTC is redeveloping a 40,000 facility for the Cincinnati Shakespeare Company in Over-the-Rhine and will maintain 30 permanent jobs, create 5 permanent and 50 construction jobs and will serve 65,000 people through its programs

- 2016: \$9.49 million in NMTC will allow for Phase 23 of redevelopment in Broadway Square in the Pendleton neighborhood and will create 60 permanent jobs, 192 construction jobs, 17,000 sf of retail/office space and 34 apartments (26 affordable)

Summary: Between 2005 and 2016, the Cincinnati Development Fund has provided \$156.7 million in loans and leveraged \$478 million in investment through NMTC allocations. Total outcomes include more than 2,900 construction 2,500 permanent jobs, 596 housing units, of which 34% are affordable (many others are naturally affordable due to the location), 173,000 sf of restaurant/grocery/food space, 298,000 sf of retail space, 403,400 sf of office space, 290,300 sf of health care services space and 54,500 sf of educational space.

Impact of City of Cincinnati NOFA (Notice of Funding Availability) funding due to HUD funding

- Camp Washington – Camp Washington Works: rehab of four single family affordable units
- College Hill – WIN Cedar Corridor: new construction of three affordable single family homeownership units and one market rate homeownership unit
- Madisonville – Madisonville New Homes: development of four new market rate single family homes
- Northside – 1865 Chase Ave. renovation: renovation of seven rental units of market rate housing
- Over-the-Rhine - Abington, Pleasant and Race Apartments: historic renovation of 50 rental units of affordable housing
- Over-the-Rhine – Morgan Apartments: renovation of 47 affordable rental housing units
- Roselawn – Roselawn Senior Apartments: new construction of 50 affordable rental units for seniors
- South Cumminsville – S. Cumminsville Permanent Supportive Housing (PSH): new construction of 80 units of PSH
- Walnut Hills – E. 771 and 772 McMillan St.: renovation of seven rental units of market rate housing
- Walnuts Hills – Gateway at McMillan: renovation of 12 rental units of marketing rate housing, including three storefronts

Impact of HOME funds in Hamilton County

In FY2016, Hamilton County leveraged \$1.25 million in HOME funds to provide \$19.6 million in housing investment throughout the County. The four projects below will rehabilitate 149 rental units, add 70 new rental units and add 8 new single family homes to four communities:

<u>Project</u>	<u>HOME Funds</u>	<u>Total Investment</u>	<u>LIHTC</u>	<u># Units</u>
Maple Knoll Village	\$ 350,000	\$ 17,711,000	\$ 9,799,000	149
West Union Square	\$ 500,000	\$ 15,560,880	\$ 9,751,484	70
Lockland Homes	\$ 250,000	\$ 625,000	\$ -	3
West College Hill Homes	<u>\$ 150,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	5

TOTAL	\$ 1,250,000	\$ 34,196,880	\$ 19,550,484	227
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Maple Knoll Meadows- Episcopal Retirement Services Affordable Living LLC is rehabilitating 149 units of affordable senior housing in the City of Springdale. \$350,000 funded a gap in this \$18 million project in the Maple Knoll Village senior housing complex. This project includes \$9.8 million in Ohio low income housing tax credit (LITHC) revenues.

West Union Square- Cincinnati Metropolitan Housing Authority is constructing 70 new units of low income senior housing in Colerain Township. The County's \$500,000 funded a gap in this \$16 million project which includes \$9.8 million in Ohio low income housing tax credit (LIHTC) revenues.

Lockland Homes- Habitat for Humanity will build five new construction single family homes low to moderate income families in the Village of Lockland. \$250,000 will leverage funds for this project estimated at \$625,000.

West College Hill Homes- Habitat for Humanity is using \$150,000 to build seven new construction single family homes for low to moderate income families in the West College Hill neighborhood of Springfield Township. The total project cost is estimated at \$300,000.