



HOUSING **OUR FUTURE**

Strategies for Cincinnati and Hamilton County

Housing Our Future: The Positive Economic Impact of Affordable Housing

October 2020

Thanks to our webinar series sponsor:





Joy Pierson

Community Development Administrator for Hamilton County



Lydia's House - Virginia Coffey House

West Union Square





Talbert House - Logan Tower

821 Flats





Habitat for Humanity - West College Hill



Joseph Huber

Chief Lending Officer/Chief Operating Officer of Cincinnati Development Fund

CINCINNATI
DEVELOPMENT
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Building a Bridge
Between
Vision and Capital

Housing Our Future Panel

October 22, 2020

About CDF

- **Mission**- To provide innovative real estate financing for projects that strengthen low-income neighborhoods and improve lives.
- **Vision**- To be at the forefront of redevelopment plans in Greater Cincinnati, helping low-income communities preserve their historic buildings and create vibrant, inclusive neighborhoods.



CDF Milestones

- **Created in 1988 as a “Multi-Bank CDE”**
 - **Provided banks a cost-effective, shared-risk method to invest in complex community development lending**
- **In 1999 CDF began expanding**
 - **Certified CDFI, CDE and sought alternative sources of loan capital**
- **In 2005, CDF received its 1st NMTC Allocation**
- **In December 2010, CDF was among the first non-regulated CDFIs to attain membership in the Federal Home Loan Bank system**

CDF's Lending Focus

- **CDF's Culture**
 - **To be nimble, creative and collaborative**
 - **Be responsive to ever-changing community development needs**
- **Create and/or preserve affordable housing**
- **Produce developments in areas experiencing population loss or blight**
- **Provide capital solutions for nonprofit facilities**
- **Improve access to healthy food in “food deserts” and low-access communities**
- **Promote Energy Efficiency**

CDF's Objectives

- **CDF favors projects that are compatible with broader community development efforts that will further the goals of the Neighborhood, Municipality or Economic Development Agency.**
- **Projects must result in substantial redevelopment of property.**
- **Borrowers must demonstrate financial capacity and the development expertise to bring the proposed projects to fruition.**

CDF's role in Affordable Housing

- **Staff and Board engagement**
- **Seek and deploy grants and patient loans to support affordable housing projects**
- **Pass-through FHLB AHP grants to projects**
- **Finance acquisition and predevelopment costs**
- **Make construction loans to non-profit CDC's and small developers for homeownership**
- **Construction/permanent loans for affordable and mixed-income rental developments**

821 FLATS



HISTORIC WEST END

Predevelopment financing for the creation of:

57 units of permanent supportive housing, with wrap around services, for individuals coming out of homelessness, with mental illness.

Developer: Tender Mercies, Inc and Over the Rhine Community Housing

Total Project Cost: 10.5 million

BROADWAY SQUARE



Historic Pendleton Neighborhood

Financing for the creation of:

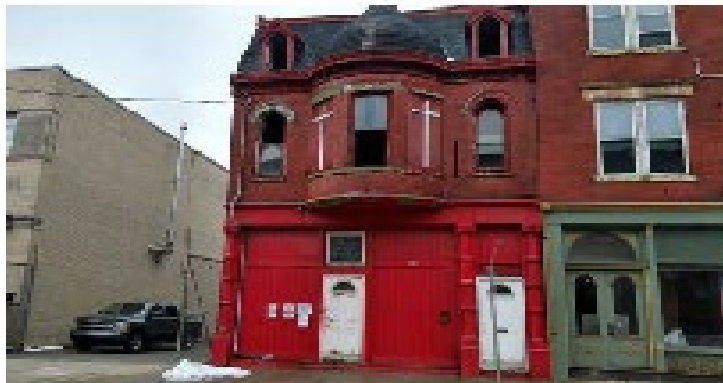
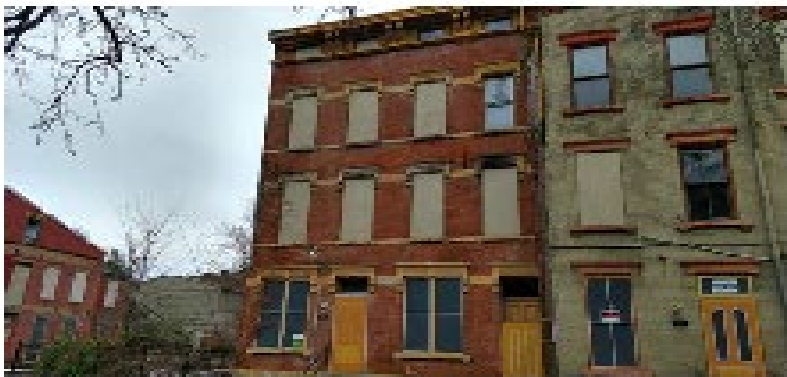
Commercial: 12 commercial units
(11,665 s.f. retail)

Residential: 39 rental units
- 20 affordable
- 19 market rate

Developer: The Model Group

Total Project Cost: \$12.2 million

Lower Price Hill Thrives



Lower Price Hill Neighborhood

Predevelopment financing for the creation of:

47 units of affordable housing in 10 historic rehabilitated buildings and one new construction building.

Developers: Community Matters and Over the Rhine Community Housing.

Total Project Cost: 12.6 million



Robert Sanders

Principal of Sanders Development Group

Liz Blume

Executive Director of the Community Building Institute

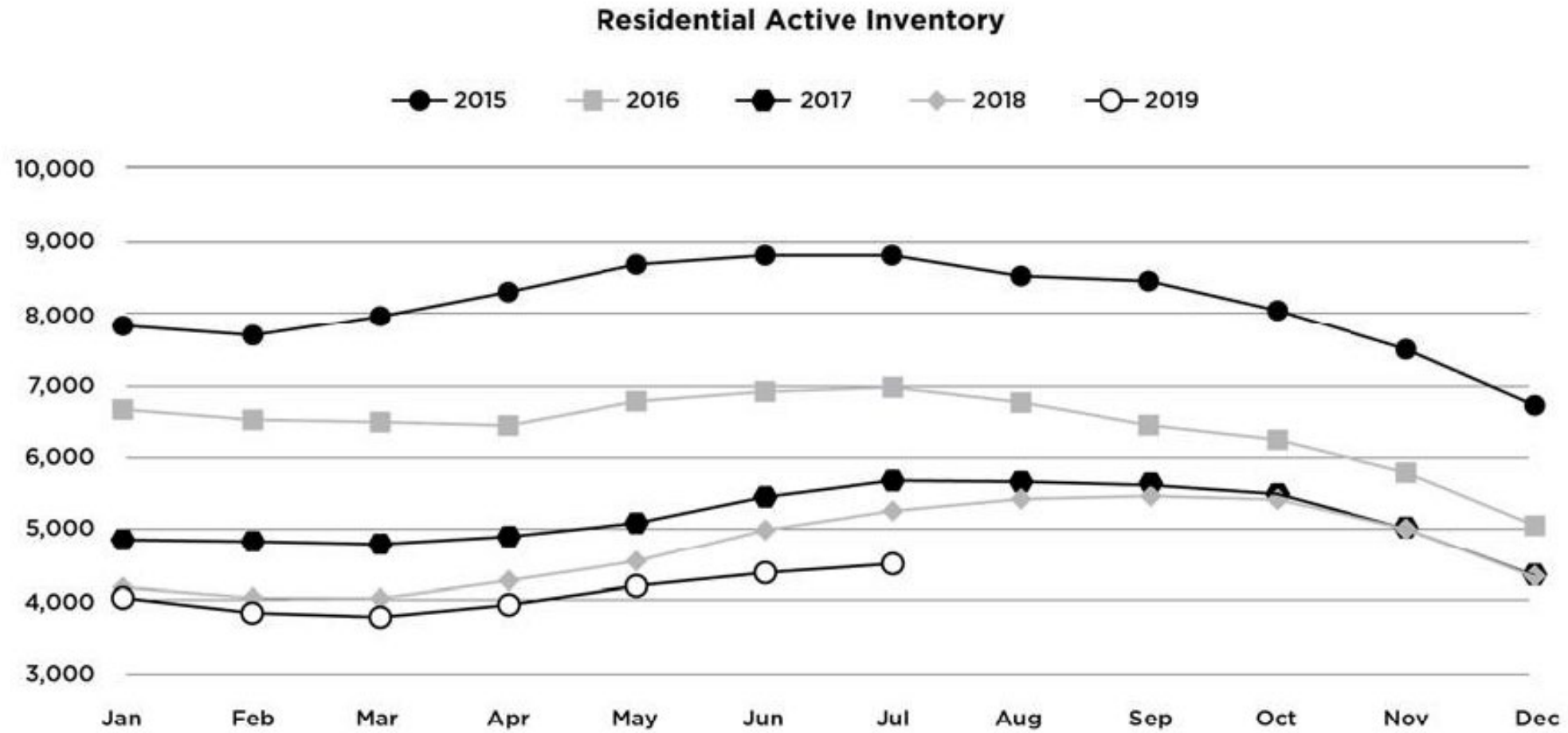
Affordable Housing & Economic Development

“Increasing access to affordable housing has such broader economic benefit. Lack of affordable housing stands in the way of economic productivity and undermines the fundamental premise that full-time workers should be able to achieve a decent standard of living.”

Bruce Katz and Margery Austin

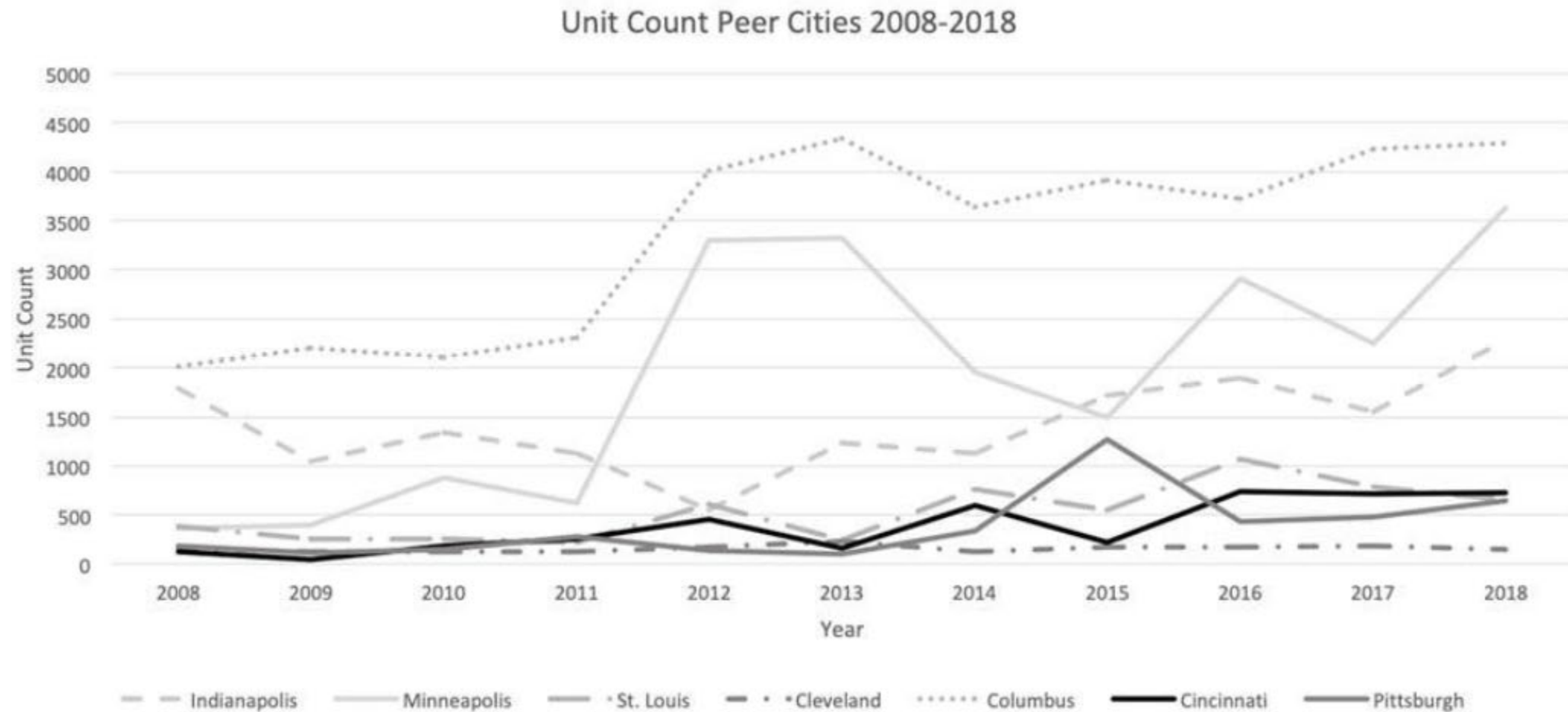
Source: Expanding the Supply of Affordable Housing for Low-Wage Workers, By Michela Zonta;
<https://www.americanprogress.org/issues/economy/reports/2020/08/10/488313/expanding-supply-affordable-housing-low-wage-workers/>

Homes Available for Sale



Source: Multiple Listing Services, Cincinnati; City of Cincinnati DCED Balanced Development Report

Housing Production



Source: 2018 Building permit database <https://socds.huduser.gov/permits>; City of Cincinnati DCED Balanced Development Report

Housing Production

Opportunity to rebuild production pipeline

- Contractors of all sizes
- Building trades training and employment
- Living wage jobs

Housing Production

Employees in Construction and Related Industries

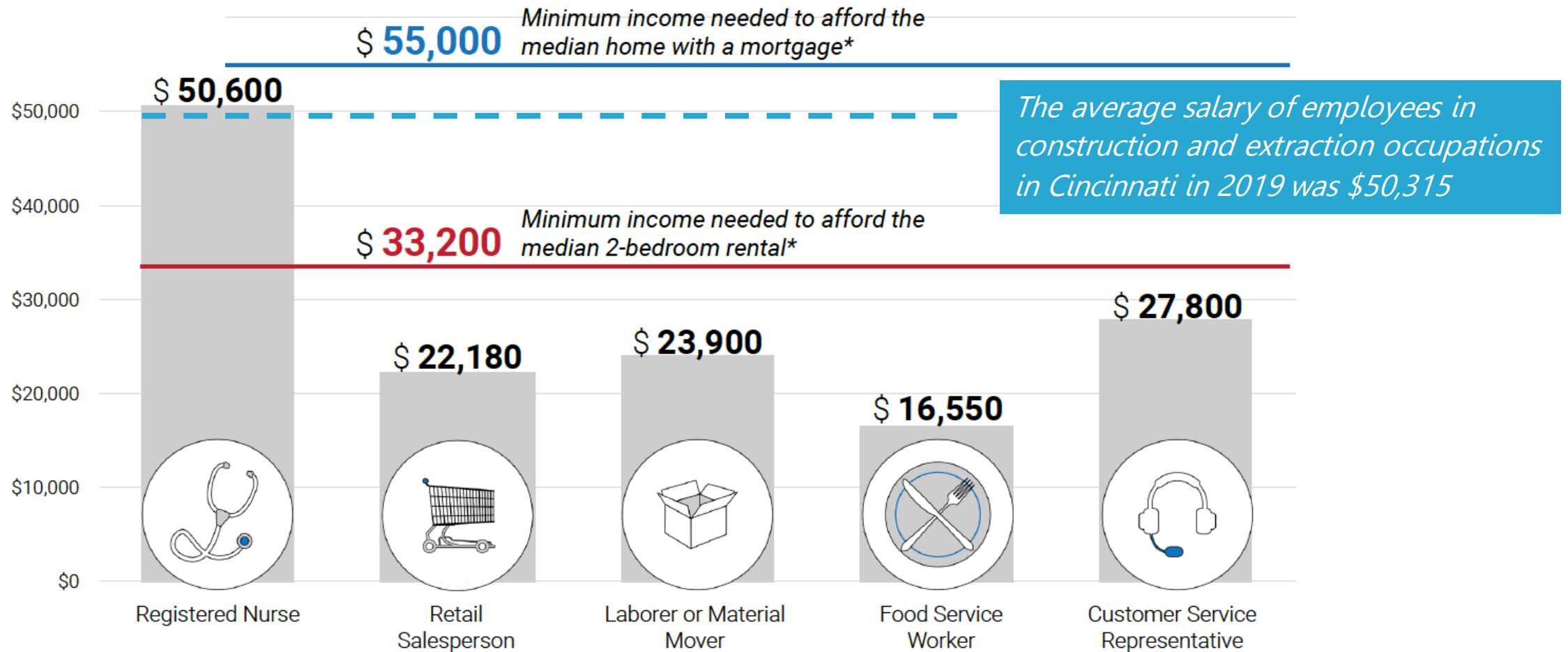
National, seasonally adjusted



Source: US Bureau of Labor Statistics, Oct 2020

Housing Wages

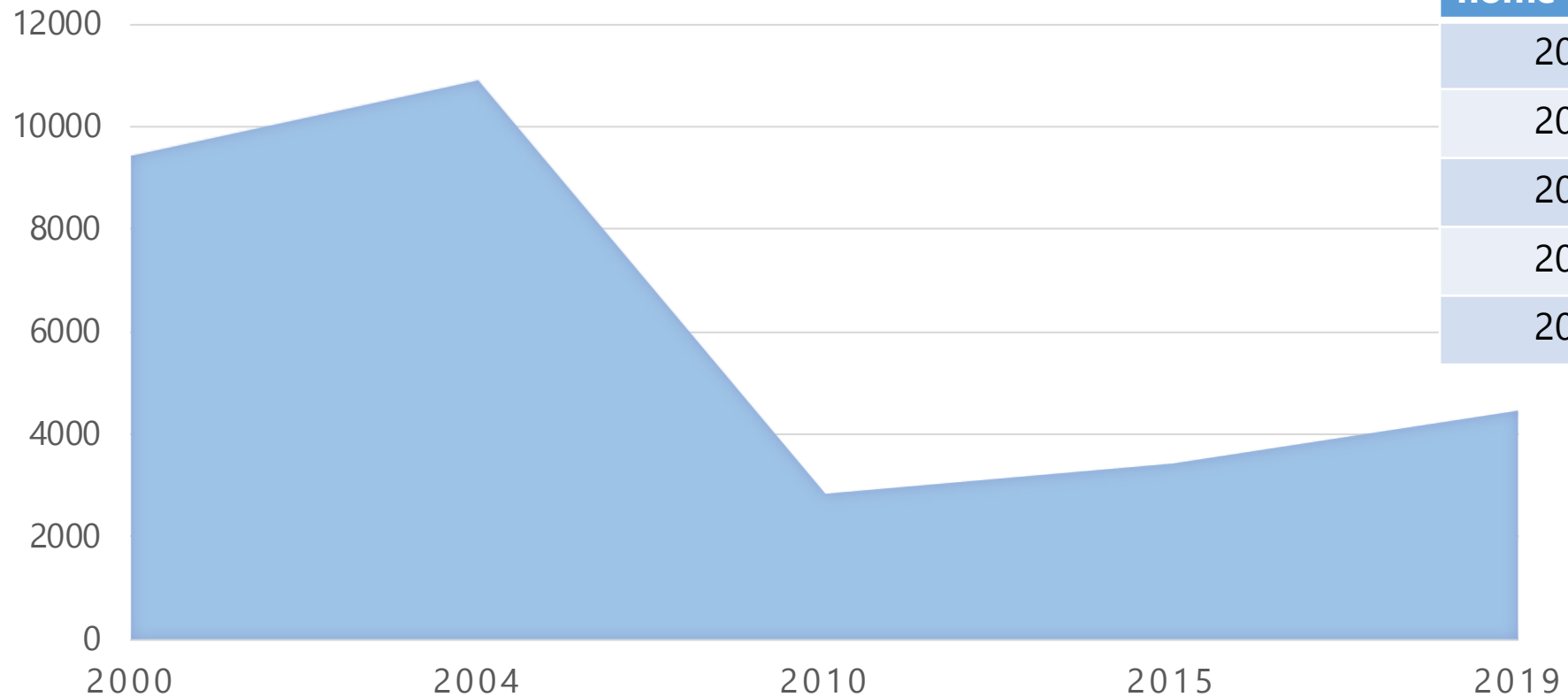
The top 5 jobs in the Cincinnati region do not pay enough to afford housing.



Source: ACS (2018), BLS (2018 & 2019)

Housing Production

ANNUAL HOME STARTS IN THE CINCINNATI METROPOLITAN AREA



Annual single-family home starts	Cincinnati Metro Area
2000	9,426
2004	10,906
2010	2,839
2015	3,426
2019	4,444

Source: Federal Reserve Economic Data (FRED) Economic Division Research, St. Louis Federal Reserve

Housing Production

Affordable housing development is an economic development opportunity.

- Production goal of 2,000 new affordable units each year for ten years
- Support rebuilding of the construction industry by offering employment opportunities
- Relieves price pressure on housing markets

Housing Production

The estimated one-year impact of building 2,000 units of affordable housing in Cincinnati and Hamilton County

- \$234,000,000 in local income
- \$44,000,000 in taxes and revenue for local governments
- 3,220 local jobs

Source: The Economic Impact of Home Building in a Typical Area, National Association of Home Builders, April 2015; <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics/economic-impact/economic-impact-local-area-2015.pdf>; this projection uses the figures demonstrated for the production of 100 rental units in a typical area.