

Housing Advisory Board
Meeting Minutes from May 13, 2022

Location: City Hall, 801 Plum Street, Room 115

Attendance:

Board of Trustees

Roxanne Qualls (Chair) Kristen Baker, Brendon Cull, Sister Sally Duffy, Reggie Gregory Johnson, Steve Leeper, Arlene Nolan, Cinnamon Pelly, Susan Thomas, Bobby Maly, James Watkins (via teleconference.)

Members not in attendance:

Pastor Nelson Pierce, Jr.,

Call to Order: A quorum being present, the third meeting of the Housing Advisory Board convened at 10:05 a.m.

Approval of Minutes: The minutes from the meeting on 4/29 were approved.

New Business:

The purpose of this meeting was to focus on the framework and the CDF fund agreement between the City and CDF. The City would like to prioritize the use of funds based upon City policies.

CDF/ City of Cincinnati Partnership Priority Principles

The meeting began with a detailed explanation of the partnership between the City and CDF, and the history of how the partnership began. The Build Cincinnati Development Fund originated from a settlement from a development deal. As a nonprofit lender, CDF was given City funds to help implement a lending program to aid downtown development. CDF, as a mission-driven lender, was able to utilize those funds without additional City money because payments are recycled back into the program. When the City began exploring ways to use the Affordable Housing Trust Fund, CDF was a logical choice for helping the City distribute those funds equitably.

Chairperson Qualls asked two questions: what money sources does the fund use, and whether the funds have income restrictions. Director Carter explained that the funds

will come from appropriations from the City towards the housing fund, as well as Section 108 HUD Loans. These funds do have income restrictions.

The discussion began for the board to review and comment on the proposed CDF/City of Cincinnati Partnership Priority Principles:

- Support mixed-income neighborhoods by increasing housing affordability within Cincinnati by increasing the range of housing options available at varying income levels within Cincinnati neighborhoods, thereby reducing the concentration of poverty and not displacing lower income residents from their communities.
- Increase the number and quality of affordable and workforce housing units throughout Cincinnati.
- Coordinate with the City Administration to establish a balance of both new and renovated housing units while also making available investment in resource-intensive projects such as Permanent Supportive Housing.
- Prioritize developments that enhance the walkable character of Cincinnati's historic neighborhoods, minimize auto-oriented suburban type development, and prioritize walkable access to transit.
- Prioritize projects that encourage energy efficiency in design in order to reduce monthly utility costs to improve overall housing affordability, reduce greenhouse gas emissions and be consistent with city policies supporting sustainable and resilient communities.
- Encourage projects that create opportunities for increased participation of WBE and MBE companies throughout the development process.

There were objections to the phrase "reducing concentration of poverty." Some thought that the emphasis should be on mixed-use projects. Other members suggested simply adding a period after the word "neighborhoods." There was agreement that the wording of the criteria would be edited. It was noted that the Funds can also be used for the renovation of existing housing. With regards to economic inclusion, it was asked if CDF is going to ask applicants for their construction budget, every trade contractor that they will employ, and the number of minority and women-owned businesses. CDF responded affirmatively. Assistant City Manager Billy Weber explained that more specific guiding principles can be incorporated into the funding agreement that the City enters with CDF.

A board member asked how to best help minority businesses access funds. It was suggested that CDF could finance projects by less experienced minority developers

that a regular bank may not fund. It was confirmed that this priority is consistent with current CDF policies and practices.

There was an objection to the language about reducing auto-oriented urban/suburban transit, but Chairperson Qualls stressed that walkability is what people want, and she cited Northside, Westwood, and College Hill as examples of Cincinnati neighborhoods that are walkable and thriving.

CDF/City of Cincinnati Framework Discussion

Billy Weber gave a detailed presentation on the current framework and priorities of the City's partnership and CDF.

CDF will manage two loan products on behalf of the City: forgivable loans and low-interest repayable loans. The forgivable loans will essentially become grants if they're not in default. The repaid amounts will be recycled back into the funding program.

A board member said that he would like to see an effort to prioritize Black developers. For example, he said that the NOFA program does not prioritize smaller developers. It was explained that NOFA has more restrictions, which is the reason there are not as many minority developers receiving funding. Unlike NOFA, it is the goal of the City's program to make the process as simple as possible.

A board member noted that though this seems good today, costs are increasing, and he would like applicants to show that they have done everything possible to get costs down. Ultimately, the amount of funding may need to be increased due to the increased costs of construction materials. Billy Weber said that amendments can always be made. It was also stated that if the goal is mixed-income neighborhoods, it will be necessary to provide some flexibility for projects in areas of the city that are more expensive. Chairperson Qualls explained that flexibility is in place and the program can always be reassessed.

Questions were asked about what happens to projects that are not selected. Does CDF help developers whose projects aren't financed? Are they mentored for future applications? CDF explained that they do provide guidance that regular banks do not.

Billy Weber continued his presentation and provided information about affordability terms, as well as forgivable loan maximums. He explained the assignable right of first refusal granted to the city. If a property receives a forgivable loan, then an assignable right of first refusal will be granted to the City. The board agreed that this is a great financial safeguard for the City.

A question was asked about why CDF's operating costs are so low. This led to a conversation about CDF operating costs, fees, and the recycling of the money back into the fund. Chairperson Qualls said that if the program turns out to be more expensive than anticipated, then CDF can come back to the city and ask for changes. Another board member offered the suggestion said that the City might consider a percentage of the cost per unit rather than a fixed cost.

Ohio Housing Council- Ohio State LIHTC White Paper Discussion

Bobby Maly spoke about the state low-income housing tax credit that has been in the works for the past two years. The state investment will be \$50 million in annual credits, issued over a ten-year period. Combined with the Federal LIHTC, the new state tax credit would drive the creation of more affordable housing. Bipartisan support is important for getting this bill passed. The Chair recommended passing a motion to affirm the board's support of this bill. The Board supported the motion, and a letter will be written and sent by the administration to affirm support.

Adjournment

The meeting was adjourned at 11:24am by Chairperson Qualls. The next meeting date will be June 17th and will take place in City Hall Room 115.