

Housing Advisory Board

Meeting Minutes from August 4, 2022

Location: City Hall 801 Plum Street Room 115

Attendance:

Board of Trustees

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

Kevin Hughes and Cinnamon Pelly attended remotely.

Call to Order: A quorum being present, the initial meeting of the Housing Advisory Board meeting convened at 10:00 a.m.

Public Comment: Chairperson Qualls opened the meeting to public comments. Attorney Bob Newman spoke for two minutes.

General Overview:

The topics for this meeting were the proposed changes and revisions to the City's current commercial and residential CRA programs. The Chair asked Director Carter to give an overview of the proposed policy updates. Director Carter explained that the department wants a robust discussion about the proposed changes, as well as feedback that they can provide to the city manager. Director Carter presented a PowerPoint presentation about the commercial CRA program .HR&A Advisors, reviewed the program from 2005-2015 and offered suggestions that the City adopted. Carter then presented detailed information about the current council CRA policy, including VTICA, LEED certification, the neighborhood scorecard, and examples of projects that may receive an exception from the scorecard. Examples of the types of projects benefitting from the Commercial CRA from 2012-2021 were provided.

Director Carter provided a list of the revised policy goals set by the new administration and elected officials, including housing and housing affordability, new jobs and economic growth, hospitality, and retail projects that serve a neighborhood need. Eligible projects require a minimum of \$100,000 in hard construction costs. Types of projects that are allowed are multi-family, mixed use, and commercial only business expansion that serves an identified neighborhood need. Ineligible projects include residential projects with 4 or fewer units, gas stations, and self-storage facilities. The scorecards for mixed use/multi-family and

commercial projects were provided, as well as information about the new abatement terms. Following Director Carter's presentation, individual board members provided the following diverse feedback:

- With more people working from home, there will be significant changes coming to the earnings tax. It is important that the City continue to be deliberate about its growth.
- It is a mistake to pit affordable housing against market rate housing, as both are needed. To continue to subsidize affordable housing, the City must be in a strong financial position.
- The scorecard was praised for focusing on actual financing need, and for reducing the importance of LEED certification for future projects.
- Projects that create affordable housing should be given priority for LIHTC; however, given how important continued growth is to the City, any developer that brings new quality housing to the City should receive incentives.
- It is important that the City does not lose affordable housing, as we add housing. The City should consider a system that tracks affordable units.
- Some neighborhoods in the City do not need help. Mixed income housing should be the goal, and the City should make sure that it is incentivizing properly so we do not create a concentration of wealth or a concentration of poverty.

The Chair pointed out that there are 3 LIHTC projects that are currently being developed in an already low-income neighborhood. These projects should not be concentrated this way if the goal is mixed income housing. A board member pointed out that there are only so many neighborhoods where LIHTC would be appropriate, hence some of the concentration. A few board members disagreed with the recent council decision to automatically approve LIHTC projects. The concern is that quality could suffer. (If every LIHTC project receives an abatement, what is the incentive for the developer to build or rehab to a higher standard?) Staff explained that LIHTC projects still require letters of support and a review from the administration, which helps to negate inferior projects.

A member of the board explained that funding for development projects—especially those with an affordable housing component—comes from multiple sources. Concerns were expressed about abatements expiring prior to the end of programs

such as New Market Tax Credit and LIHTC. Taxes suddenly becoming due is a risk for developers. There needs to be flexibility in underwriting.

Concern was expressed that our targeted AMI does not go far enough to help those with extremely low incomes.

A board member stressed that Cincinnati needs to be aggressive with regards to attracting new development. Developers need certainty. Cincinnati can't keep up with places like Nashville because the development of market rate housing is currently very challenging, and developers want the maximum return on their investment. The board member said that Cincinnati needs growth and affordable housing, but developers who do not create affordable housing should not be punished. Rather, bigger incentives should be given to developers that do.

The conversation pivoted to the residential abatement program. Director Carter provided a quick overview of HR & A's recommendations to the current RTA program. Concerns were expressed that HR&A did not dive deep enough into Cincinnati's census tract information.

With only a few minutes of meeting time left, board members agreed that the topic of residential abatements needed more discussion. The Chair recommended meeting again in 2-3 weeks and the board agreed.

The meeting was adjourned at 11:36.

