

Walnut Hills Revitalization

2013 Low Income Housing Tax Credit Proposal



Project Narrative

This project began with the foreclosure of a troubled, 618-unit portfolio of PBS8 housing across the city. TCB was requested by the City and community leaders to acquire the portfolio and to work with local stakeholders to integrate its redevelopment into larger neighborhood transformation.

The proposed project is the first phase of a mixed-use new development housing people of a variety of incomes. It will combine four scattered site assisted properties and leverage additional new unassisted units, community, and commercial space. Phase I is planned for two blocks near the Harriet Beecher Stowe Historic Site.

The design will re-knit the traditional urban fabric in the northeastern quadrant, with a mix of multifamily buildings, townhouses, and public improvements. Buildings will complement the existing architectural character in massing and materials, incorporating brick, stone and siding, along with selected elements of more modern steel and glass to punctuate different uses. Sustainability will be incorporated in all elements of the plan, with Enterprise Green Communities standards as the baseline.

Phase I will include 60 residential units, including (1) efficiency, (25) one bedroom units, (27) two bedroom units and (7) three bedroom units. These will include 49 replacement PBS8 units. The 11 new unassisted units will be targeted between up to 60% AML, bringing a healthier mix of incomes to the neighborhood.

As part of Phase I, 8,000 square feet of public space is planned to provide neighborhood-serving retail, community space, and management offices and to help activate the street along Gilbert Ave.

Project Information

Pool: Urban New Units
Construction Type: Wood frame
Population: Family
Building Type: Multifamily & Townhouse

Ownership Information

Ownership Entity: Walnut Hills Housing Limited Partnership
Majority Member: The Community Builders, Inc.
Minority Member: TCB Walnut Hills INC
Syndicator or Investor: Key Community Development Corporation
Non-Profit: The Community Builders, Inc.

Development Team

Developer: The Community Builders, Inc.
Phone: 614-429-5918
Street Address: 1202 Linn St.
City, State, Zip: Cincinnati, OH 45203-1300
General Contractor: TBD
Management: The Community Builders, Inc.
Syndicator: New Hope Housing, Inc.
Architect: City Architecture

The Community Builders, Inc. (TCB), working with neighborhood partners and stakeholders, will implement a multi-phased revitalization to transform the northeastern quadrant of the Walnut Hills community in Cincinnati, Ohio. The plan will build on the positive momentum in the community generated by City's Form Based Code and Comprehensive Planning efforts of recent years, especially supported by neighborhood leadership in Walnut Hills. The project seeks to achieve three primary goals:

- 1) To replace dilapidated and unsafe affordable housing units that made up the so-called "New York Group portfolio" and provide quality replacement housing;
- 2) To leverage that redevelopment to create new unassisted housing that achieves a broader mix of incomes;
- 3) To physically transform the northeast quadrant of Walnut Hills in order to reset the housing market and encourage new private investment in the area.

Background. The origins of this strategy lie in the opportunity created when Federal National Mortgage Association (FNMA) foreclosed on a large, troubled, 618-unit portfolio of Project Based Section 8 housing, scattered through several Cincinnati neighborhoods, known as the "New York Group Portfolio." At a public meeting in December 2011, local stakeholders met and agreed to work together as the Cincinnati Multi-Family Consortium to preserve and redevelop these properties, with TCB as the lead entity. TCB was requested by the City, LISC, and community leaders to acquire the portfolio utilizing its NSP2 grant resources from HUD, and to work with local stakeholders to integrate its redevelopment into larger neighborhood transformation. A significant portion – 133 units – of this deteriorating but essential housing resource is located in Walnut Hills.

The Walnut Hills portion of the portfolio faces distress from a number of factors:

- First, from the *physical assets*, which consist of century-old buildings that have been structurally and aesthetically compromised and allowed to deteriorate. The buildings' conditions and small sizes (four units and up) prohibit a feasible rehabilitation approach.
- Second, from the *building locations*, which are scattered throughout the northeastern and northwestern quadrants of Walnut Hills (north of McMillan St, east and west of Gilbert Ave). The buildings are too disbursed to effectively bring necessary services to residents who greatly need them. Additionally, several buildings are in locations that will be impacted by increased traffic on MLK and the future I-71 interchange.
- Third, from *resident distress*, where many at-risk building occupants have lived through inadequate maintenance and support services, leading to an even more stressful living environment.

A comprehensive and sustainable revitalization will address each of these aspects.

Project Description. The proposed project is the first phase of a mixed-use new development housing people of a variety of incomes. It will combine several of the scattered site assisted housing projects into a physically contiguous site, and that redevelopment will leverage additional new unassisted units, as well as community and commercial space. A consolidated development will have greater transformative impact and reverse negative trends in the local housing market. Phase I is planned for the majority of the blocks bounded by Gilbert, Lincoln, and Park Avenues and MLK Drive, near the Harriet Beecher Stowe Historic Site in Walnut Hills.

The design of the Walnut Hills revitalization will re-knit the traditional urban fabric in the northeastern quadrant, with a mix of multifamily buildings, townhouses, and public improvements. Buildings will complement the existing architectural character in massing and materials, incorporating brick, stone and siding, along with selected elements of more modern steel and glass to punctuate different uses. Sustainability will be incorporated in all elements of the plan, with LEED for Neighborhood Development (Silver level) and Energy Star Homes (tier II) will be the design baseline.

In total, the redevelopment will include 215 units, nearly half of which will be unassisted. **Phase I will include 60 residential units, including (1) efficiency, (25) one bedroom units, (27) two bedroom units and (7) three bedroom units.** These will include 49 replacement housing for residents currently in buildings 869 Buena Vista Pl and 926 & 1004 Chapel St., which will target incomes below 50% AMI. The 11 new unassisted units will be targeted between 50% and 60% AMI, bringing a healthier mix of incomes to the neighborhood.

As part of Phase I, **8,000 square feet of public space** is planned to provide neighborhood-serving retail, community space, and management offices and to help activate the street along Gilbert Ave. Project financing sources are projected to include 9% LIHTC, OHFA Housing Development Assistance Program Funds, City of Cincinnati soft loans, and permanent debt.

Fact Sheet for the Walnut Hills Revitalization, Phase I

- Program
 - 60 total apartment units (49 assisted, 11 unassisted)
 - New community and program space
 - 2500 sf of new street-level retail
- Total Development Cost: \$11.8 million
- Sources of financing:
 - 9% Low Income Housing Tax Credits
 - OHFA Housing Development Assistance Program funds
 - City of Cincinnati Soft Loans
 - Conventional Debt
- The affordable units preserved from foreclosure in Phase I are in severe physical distress. The buildings were acquired using funds awarded to TCB through the Neighborhood Stabilization Program (NSP2).
- **This application is the first phase of a revitalization plan that leverages the preservation of 110 subsidized affordable units to create additional units incorporating a healthy mix of incomes. The full plan envisions over 220 preserved or created housing units in Walnut Hills.**