

## **HOPE VI OR CHOICE NEIGHBORHOODS:**

### **HOPE VI:**

CMHA is partnering with a developer to facilitate the sale of vacant parcels within the HOPE VI development known as City West. This initiative aims to expand access to homeownership opportunities in the West End neighborhood while fostering community stability and long-term investment. Under this plan, the lots will be sold to the developer, who will manage the construction and development of high-quality homes. The project emphasizes community engagement and aligns with CMHA's mission to create sustainable and thriving neighborhoods.

CMHA remains dedicated to leveraging its assets to support homeownership and neighborhood revitalization. This partnership reflects CMHA's ongoing efforts to promote homeownership, expand housing options, and encourage investment in the West End.

### **City West Ownership Transfer, Asset Disposition, and Redevelopment Activities**

During FY2025–2026, the Cincinnati Metropolitan Housing Authority (CMHA) is advancing a coordinated restructuring and redevelopment strategy for the City West portfolio. This effort includes the HUD-approved transfer of ownership interests from The Community Builders (TCB), targeted asset dispositions to address legacy debt obligations, and the initiation of new redevelopment phases designed to preserve affordability, modernize the housing stock, and support long-term financial sustainability.

### **HUD Approval of the General Partner Transfer (Effective October 1, 2024)**

On September 24, 2024, HUD formally approved CMHA's acquisition of 100% of the general partner interests in the Laurel Homes and Lincoln Court mixed-finance developments within City West. This approval authorized CMHA to execute and record all evidentiary documents necessary to complete the transition and confirmed CMHA's control of the Owner Entities moving forward. HUD required CMHA to submit all executed documents, counsel certifications, and updated title information within 30 days of closing. This transition consolidates site control under CMHA, ensuring alignment with redevelopment goals, compliance with RAD and public housing requirements, and protection of resident rights.

### **Sale of Laurel Homes Phases II and IV for CDF Debt Resolution**

City West historically carried significant encumbrances, including Cincinnati Development Fund (CDF) debt that remained in default. CMHA will now need to sell Laurel Homes Phases II and IV for the purpose of retiring approximately \$3.9 million in CDF debt across the Laurel phases. Remaining funds will be used to supplement the rehabilitation of other properties in the CMHA affordable housing portfolio.

#### **The sale:**

- Occurs at or above appraised fair market value, per HUD disposition regulations.
- Enables CMHA to unencumber the remaining phases for reinvestment.
- Is required to ensure the long-term financial viability of subsequent City West LIHTC phases.
- Will include HUD SAC (Special Applications Center) approval, environmental review, and full compliance with public housing disposition rules.

CMHA has procured a broker and is in the process of completing the SAC disposition process and will report regularly to the residents to maintain transparency on this effort.

### **Linn Street Exchange Redevelopment (62-Unit Carve-Out)**

CMHA is forming a new ownership entity, Linn Street Exchange, LLC, to redevelop 62 residential units and approximately 10,000 sq. ft. of commercial space located along Linn Street. As described in the Background Narrative, these units will be carved out from the existing City West partnership following HUD's October 1, 2024, ownership transfer approval.

#### **Key elements include:**

- CMHA will serve as the Managing Member/General Partner.
- The project will pursue federal Low-Income Housing Tax Credits (LIHTCs).
- Public housing units will convert through RAD, ensuring resident protection and the right to return.
- Any rehabilitation of commercial space will utilize non-federal financing or a first mortgage.

This carve-out positions CMHA to directly redevelop this portion of the site while coordinating broader redevelopment with Gorman.

### **Comprehensive Redevelopment of the Remainder of City West (Gorman & Company)**

CMHA and Gorman previously executed terms for a multi-phase redevelopment strategy, with the Gorman & Company leading the detailed implementation planning and financial modeling. The long-term plan covers all remaining residential units and addresses all major building systems, infrastructure, and modernization needs.

#### **Gorman's redevelopment framework includes:**

- Three to four LIHTC rehabilitation phases following the Laurel II and IV disposition.
- Full replacement of aging systems, including roofs, siding, HVAC, windows, flooring, kitchens, bathrooms, building security, and accessibility upgrades.
- Extensive resident engagement and relocation support.
- A RAD/Section 18 blend to maximize project-based subsidy and ensure long-term affordability.
- Soft funding sources such as HOME, NHTF, AHP, and ARPA to fill remaining gaps.
- Phased LIHTC applications beginning in 2026, with closing and construction through 2030.

The plan preserves all existing affordable units and includes long-term decision-making authority for CMHA through newly established leasehold structures.

### **Alignment with CMHA's Annual and Five-Year Goals**

These actions:

- Protect long-term affordability and resident rights under RAD.
- Stabilize the financial structure of City West by eliminating distressed legacy debt.
- Launch CMHA's direct redevelopment of the 62-unit Linn Street Exchange.
- Advance the phased redevelopment of the full 686-unit City West portfolio in partnership with Gorman.
- Modernize properties to meet current building, accessibility, and energy-efficiency standards.

Together, these efforts position CMHA to deliver high-quality, sustainable housing in one of Cincinnati's most critical urban neighborhoods.