RESOLUTION N0. 2018-03

A RESOLUTION TO BORROW FROM A HOUSING REVOLVING LOAN FUND ESTABLISHED BY THE GREATER CINCINNATI FOUNDATION

WHEREAS, the Greater Cincinnati Redevelopment Authority ("GCRA") has applied for a Housing Revolving Loan Fund ("HRLF") from the Greater Cincinnati Foundation ("GCF") to finance the acquisition, construction, renovation, and rehabilitation of housing in Greater Cincinnati in order to support neighborhood revitalization and renewal; and

WHEREAS, the HRLF will be administered by the GCRA, and the acquisition, construction, renovation, and rehabilitation of housing will be performed by the Hamilton County Land Reutilization Corporation ("HCLRC") and the Homesteading and Urban Redevelopment Corporation ("HURC") using funds from the HRLF; and

WHEREAS, GCF has awarded the GCRA a loan of $1 Million to establish the HRLF, with a seven-year term and an interest rate of 2% over the life of the loan; and

WHEREAS, Section 1.4 of the HCLRC Code of Regulations authorizes the HCLRC to borrow money for any of its purposes by means of loans, lines of credit, or other financial instruments of securities in accordance with Ohio law; and

WHEREAS, in accordance with Section 9.4 of the HCLRC Code of Regulations, no loans shall be contracted on behalf of the HCLRC and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors with such authorization being either general or confined to a specific instance; and

WHEREAS, this Board finds it reasonable and desirable to borrow as necessary from the HRLF in order to finance acquisition, construction, renovation, and rehabilitation activities as generally described in the loan proposal attached to this Resolution as Attachment A.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Hamilton County Land Reutilization Corporation:

Section 1. This Board hereby approves the HCLRC borrowing as necessary from the Housing Revolving Loan Fund established by GCF in order to finance acquisition, construction, renovation, and rehabilitation activities as generally described in the loan proposal attached to this Resolution as Attachment A, and pursuant to such terms as may be reasonably negotiated between the HCLRC and the GCRA.

Section 2. This Board hereby finds and determines that the approvals set forth in Section 1 are necessary to ensure the successful execution of facilitating the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-delinquent, or other real properties within Hamilton County. Upon successfully obtaining the financing authorized in Section 1, the HCLRC is hereby authorized to expend all such funds in furtherance of the HCLRC's mission, to the extent the Board has approved the expenditure in an appropriation resolution.

Section 3. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board that resulted in such formal actions were held, in meetings open to the public, in compliance with the law.

Section 4. This resolution shall be in full force and effect upon its adoption.

Adopted: January 23, 2018

Yeas: 7

Nays: 0

Chairperson

Attest:

Secretary

Attachment A

PROPOSAL:

Port of Greater Cincinnati Development Authority
Housing Revolving Loan Fund

"In Hamilton County, the availability and affordability of housing has not kept pace with the rise in poverty. Across Hamilton County, over one-third of households are burdened by the cost of their housing and pay more than 30% of their income to pay rent or a mortgage."

– Housing Affordability in Hamilton County, February 2017

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Submitted to:

The Greater Cincinnati Foundation
200 West Fourth Street
Cincinnati, OH 45202

July 14, 2017

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INTRODUCTION

A Proposal: Accelerating the Availability of Affordable, Quality Housing in Hamilton County

The Greater Cincinnati Foundation is a change-making community foundation committed to inspiring philanthropy to build a community where everyone can thrive. GCF is an important advocate and support mechanism for the Port of Greater Cincinnati Development Authority and to our vision of expanded regional prosperity. We are among many mission-driven organizations guided by GCF's strong voice for change. Because of the generosity of GCF, we have been able to lead community leadership building in the Bond Hill and Roselawn neighborhoods – helping the neighborhoods achieve self-determination -- and accelerate our work repurposing important urban industrial land at scale to create competitive sites for advanced manufacturing.

We believe there is an important role for GCF to play in our neighborhood revitalization initiative through a new, breakthrough funding vehicle the Port Authority will create to accelerate our housing redevelopment work in under-resourced neighborhoods. We propose that GCF seed a new-to-market Housing Revolving Loan Fund with a $2 million impact investment loan to the Port Authority. We have the tools to purchase and renovate stagnant residential properties through our management of both the Hamilton County Land Reutilization Corporation (HCLRC or Landbank) and the Homesteading and Urban Redevelopment Corporation (HURC), the regional designee for the National Community Stabilization Trust. A Housing Revolving Loan Fund program (Housing RLF) is needed now to increase access to high-quality, affordable homes and prevent displacement. Housing is a lynchpin for opportunity – but in Cincinnati and Hamilton County, it is increasingly difficult for families to find quality affordable homes, especially for those near the bottom of the income spectrum. A Housing RLF will enable the Port to purchase, rehabilitate and then resell a greater number of properties than we are able to do with current funding.

The Port Authority has used a dedicated funding source for residential rehab through Hamilton County's delinquent tax and assessment collection fund (DTAC). The Landbank's 2017 budget includes $2.0 million in DTAC funds. As we accelerate the number of neighborhoods we impact, we are seeking funding from other sources for the subsidy required. As part of the Landbank's mission to return unproductive property to a productive status, we actively pursue vacant and abandoned properties in Hamilton County, primarily in distressed neighborhoods, and hold title to more than 630 properties, including vacant land. We carry the costs of holding and maintaining these properties, but can only afford to rehabilitate a small fraction of them for resale, despite consistent demand. Even so, we have achieved success with our home rehabilitation / sale programs by creating stable, quality housing. We have rehabbed and sold 20 homes in Evanston, a community that had not had a private home sale in 9 years. Our efforts earned recognition last year by Federal Reserve Bank citing Evanston as a remarkable example of neighborhood revitalization. We expanded home rehab within a targeted area of Walnut Hills and have "sold out" of our inventory of nine single-family homes, two of which were rehabbed "shot gun" properties built in the early 1900s.

These programs have achieved proof of concept, and there are two more neighborhoods currently awaiting our residential programs. We do not have adequate capital for strategic acquisition and renovation. The Housing RLF, seeded with $2 million, is the sole solution to move forward at scale. It is worth noting that we are on the cutting edge of public Development Finance Agencies using impact investment to drive urban revitalization. We have raised $8.8 million from impact investments to fund the acquisition of underutilized urban industrial sites to be repositioned for advanced manufacturing – the first time that an impact investment has been used to facilitate manufacturing. In 2017, The Kresge Foundation invested $5 million in the Port Authority to establish a commercial development loan program, which is geared toward neighborhood revitalization and transformation through mixed-use, mixed-income projects. This is one of the first-ever examples of philanthropy and development finance collaborating in a true investment-driven strategy. Now, we look forward to creating an innovative housing fund program with GCF to help solve another urgent community need. An impact investment from the Greater Cincinnati Foundation will serve as a strong signal for other funders to invest. GCF has been a local leader in impact investment and is uniquely positioned to inspire philanthropy among foundations, corporations and individuals alike to continue driving this initiative forward. Looking ahead 7 years, the Housing RLF will spur the redevelopment of 200 homes.

BOARD-DRIVEN PLAN CALLS FOR PORT TO PUT REAL ESTATE BACK TO WORK FOR EVERYONE

In 2015, the Port Authority and its Board of Directors unveiled a bold plan to transform the Cincinnati region by repositioning marginal or undervalued properties and rebuilding neighborhoods. The plan, (Strategic Vision 2022), leverages a three-pronged approach focusing on large-scale **industrial revitalization**; lasting **neighborhood revitalization**, and innovative **public finance programs** to support economic and community development efforts.

As broadly envisioned in *Strategic Vision 2022*, the Port Authority has made a 10-year commitment to each of its target neighborhoods focused on residential redevelopment (through REACH: Rehab Across Cincinnati & Hamilton County); and revitalizing economically distressed neighborhood business districts that are severely limited in diversity of retail and employment opportunities for neighborhood residents. The Port Authority is also focused on creating affordable home ownership opportunities throughout County and the region through it management of the Homesteading and Urban Redevelopment Corporation (HURC).

The Port Authority deploys its award-winning **public finance practice** and expertise to develop innovative financing programs tailored to the needs of a project, from all perspectives, thus helping to foster a unique collaborative environment across the developer, community and municipality. The Port's holistic and long-term vision is a unique competitive advantage for our communities, and a key strength we bring to potential partners for future development. With a demonstrated ability to finance and manage large projects and programs, the Port Authority's public finance practice has issued more than $640 million in revenue bonds and developed a national reputation for innovation, performance and certainty.

Through its leadership of the Hamilton County Land Reutilization Corporation (HCLRC or Landbank) and the Homesteading and Urban Redevelopment Corporation (HURC), Port has teamed with community development corporations (CDCs), municipal leaders, community lenders, a high-impact CDFI, philanthropic organizations, private developers, and anchor institutions to create a program-led service delivery model. The delivery model directs: strategic acquisition of properties for mixed-use redevelopment; residential rehabilitation and new construction; blight removal; demolition grant administration; historic structure stabilization; and greening strategies.

PROPOSAL

The Port Authority would serve as the borrower of a $2 million impact investment loan from The Greater Cincinnati Foundation. The Port Authority would lend these funds out as Project Loans on a project-by-project basis to the HCLRC and the HURC to finance the acquisition, construction, and rehabilitation of residential properties. The HCLRC and HURC are two separate entities with two different business models – so the underlying terms will be very different, but as set forth below, there are benefits and synergies through a single funding strategy with both business lines under common management and oversight by the Port Authority.

CAPITAL BARRIERS

Currently the HCLRC and HURC finance and fund 100% of the cost of acquisition, rehabilitation and construction and maintenance from available cash. When homes sell, the proceeds are then re-deployed into new houses. The average time from acquisition to sale in the HURC is 9 months. The average time from acquisition to sale in the HCLRC can be in excess of two years. This means that the ability to acquire and complete new houses is constrained by the significant amount of capital tied up in the existing housing inventory.

This proposed Housing Revolving Loan Fund would allow the HCLRC and the HURC to:

1. Free up funds for the subsidy component of the redevelopment;
2. Add predictability to the acquisition and construction schedule as these would no longer be based upon the sale of other properties;
3. Continue to work throughout an economic cycle including providing a source of funds to purchase housing when the market is the lowest; acquire properties strategically before there is market awareness of Port Authority interest to thwart speculators;
4. Provide a predictable and consistent stream of work to the minority, and small business MBE / SBE contractors performing the work;
5. Strengthen immunity to changes in Federal / State / Local policy and funding availability;
6. Significantly increase the number of houses that could be completed in a year;
7. Accelerate the impact.

The Port Authority would serve as the borrower under the loan from GCF and would then loan the money to the HCLRC and HURC as Project Loans. Payment of principal, in full, plus outstanding interest on the Project Loans would be due upon sale of the properties. Mortgages on the properties would be pledged as collateral to the Port Authority. This financing is not available in the traditional commercial banking market due to the current condition of the properties, streets and/or neighborhood.

LEVERAGING SUCCESS

The Port Authority's *Strategic Vision 2022* is an innovative approach to community development and sustainable housing markets that will rely upon multiple sources of capital to reach its goals. Philanthropy and Impact Investment will need to play a significant role.

The Kresge Foundation has already made a $5 million impact investment loan to the Port Authority to finance the work in the neighborhood business districts of the targeted neighborhoods. The Port Authority is currently seeking investors to help finance the residential component of the strategy.

We believe an anchor investment in the dual housing strategy would be pivotal for this initiative. The support and influence of The Greater Cincinnati Foundation could be leveraged in support of the private fundraising campaign for the entire *Strategic Vision 2022* and gain additional support for the Port Authority's neighborhood revitalization strategy from other key local and national foundations.

HAMILTON COUNTY LAND REUTILIZATION CORPORATION (HCLRC, LANDBANK) PROPOSAL FOR BORROWING UNDER THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY'S HOUSING REVOLVING LOAN FUND FOR REACH (REHAB ACROSS CINCINNATI AND HAMILTON COUNTY)

Mission Statement:

The mission of the HCLRC is to return vacant properties to productive use through the tools statutorily provided to the HCLRC and by leveraging the resources of the HCLRC's executive arm, the Port Authority. In cooperation with our governmental and non-governmental partners and as a result of our relationships with private developers, the HCLRC will focus on providing diverse commercial and residential opportunities through catalytic investment in neighborhoods. These investments will lead to improved community quality of life, blight and nuisance abatement, stabilization, revitalization, increased property values and will return unproductive properties to contributing, tax-paying status.

History of the Hamilton County Land Reutilization Corporation

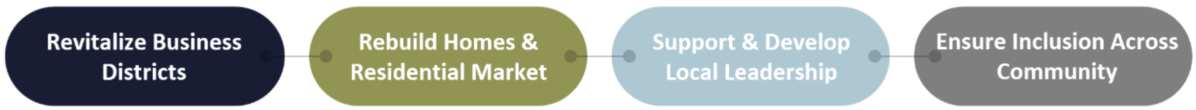
The Hamilton County Land Reutilization Corporation (HCLRC), also known as the Landbank, was incorporated by the Hamilton County Treasurer in October 2011 and the HCLRC Board was appointed in January 2012. In February 2012, the Port Authority was contracted to serve as the management company for the HCLRC. Under this agreement, the Port Authority staff provides all executive and administrative services for the HCLRC. This relationship allows the HCLRC to use the tools, expertise, and resources of the Port Authority to efficiently carry out the HCLRC's purpose and goals. It also facilitates the HCLRC and the Port Authority working together on a common target neighborhood strategy using the tools and resources of both organizations to achieve a common purpose. The Landbank is more than just a holder of abandoned properties—it is a force for community redevelopment. It has successfully managed a residential demolition program, stabilized historic structures, and launched a place-based residential rehab program at scale called REACH.

Port Authority and HCLRC Targeted Neighborhood Strategy

High-opportunity neighborhoods require multifaceted strategies—including both business and residential approaches—that work in tandem to form a successful ecosystem for healthy, vibrant neighborhoods. As part of *Strategic Vision 2022*, the Port Authority's Neighborhood Revitalization Strategy leverages this comprehensive model for community revitalization throughout the Greater Cincinnati region.

The goal of the Neighborhood Revitalization Strategy is to transform 10 neighborhoods over 10 years, creating lasting impact through residential properties and commercial business districts. Together with the Port Authority's work to convene partners and develop local community leadership, this creates a collaborative, holistic approach to drive change in disinvested neighborhoods.

Working in targeted neighborhoods, the Port Authority will return vacant, blighted properties to productive use for neighborhood transformation and attraction of residents through four key strategies:



Combined, this approach creates a flexible, scalable model that allows the Port Authority to respond to each community's varying needs and create a successful ecosystem for prospering neighborhoods. REACH (Rehab Across Cincinnati and Hamilton County) is the housing rehab and development component of the Neighborhood Revitalization Strategy.

REACH Program

In 2014, the Port Authority formalized REACH (Rehab Across Cincinnati and Hamilton County), beginning in the Evanston neighborhood. The program rehabilitates and/or redevelops vacant and abandoned residential properties in a target area. To date, REACH Evanston is responsible for the redevelopment and sale of 20 historic homes -- restarting the housing market in the Evanston neighborhood. The completely renovated REACH homes have sold quickly at prices ranging from $79,900 to $264,000, to people who want to live in Evanston for a variety of reasons, including to be a part of the story of the neighborhood's renewal. REACH was developed for Evanston to re-establish sales "comps" and reset home values in a location where only speculators had been purchasing the vacant properties. In fact, prior to REACH, there had not been a market sale in Evanston in nearly a decade. The impact of REACH in Evanston was reported on in June 2016 by the Business Courier: "The revival of Cincinnati's Evanston neighborhood has caught the eye of the Federal Reserve Bank as a shining example of revitalizing a downtrodden neighborhood."

In 2016, the Port Authority expanded REACH to Walnut Hills, targeting the redevelopment of vacant properties and lots located in the neighborhood's Peebles Corner district.

Impact of the Housing RLF on REACH

<u>Acquisition of Property:</u> The success of REACH is driven by the commitment to bring a significant number of homes to market over several years to stabilize or "jump start" the private home ownership market. It is important to acquire all or almost all of the intended inventory (approximately 30 houses or lots) prior to starting construction on the first house. This keeps the acquisition prices from escalating due to speculation and also ensures that the most troubled properties are in public hands so that they can be demolished, stabilized, and maintained during the transition.

In the first REACH neighborhood, Evanston, most of the properties were already vacant, abandoned, and forfeited, so the HCLRC was able to acquire the majority of the properties for free or at extremely low cost. In other neighborhoods, the real estate market dynamic might require the purchase of some or nearly all of the future REACH inventory. The need to acquire houses at market will drive up the overall costs of the REACH program and tie up limited capital for a longer period of time.

The Housing RLF will mitigate challenges by providing an affordable way for the HCLRC to acquire property and hold it for several years. This is key to the long-term success and scalability of the REACH program.

Increases Funds Available for Subsidy: The HCLRC is funded by a consistent revenue stream from Hamilton County. The source of this funding is 5% of the delinquent tax and assessment collections (DTAC). This funding mechanism has historically produced approximately $2.2 million annually for the HCLRC. The HCLRC uses a portion of these dollars to fund the programs of the HCLRC including 100% cash funding REACH, often tying up $250,000 in a house.

The Housing RLF will allow the HCLRC to finance a significant portion of the REACH acquisition and rehab costs. This will allow the HCLRC to invest its funds in the required subsidy and in the other programs of the HCLRC thus accelerating the impact of the work and allowing the HCLRC to enter new neighborhoods.

ProForma

REACH - Low Cost Acquisition	1st House	20th House
Acquisition	5,000	5,500
Rehab Cost	150,000	210,000
Developer Fee (9% of rehab / construction cost)	13,500	19,400
Selling Costs (4.5%)	5,400	11,250
HRLF Interest on Acquisition (2 years)	0	0
HRLF Interest on Rehab or Construction (4% for 6 months)	3,000	4,200
Total Cost	**176,900**	**250,350**
Sale Price	120,000	250,000
Subsidy (Profit) Required	**56,900**	**350**

REACH – Acquisition via Purchase	1st House	20th House
Acquisition	38,000	38,000
Rehab Cost	130,000	190,000
Developer Fee (9% of rehab /construction cost)	11,700	17,100
Selling Costs (4.5%)	5,400	11,250
HRLF Interest on Acquisition (4% for 1 and 2.5 years)	1,520	3,800
HRLF Interest on Rehab or Construction (4% for 6 months)	2,600	3,800
Total Cost	**189,220**	**263,950**
Sale Price	120,000	250,000
Subsidy (Profit) Required	**71,020**	**13,950**

Pipeline

Currently, the REACH housing strategy is deployed in Evanston (20 homes) and Walnut Hills (9 homes). The Port Authority has received funding from the City of Cincinnati to subsidize REACH Price Hill in 2017, and is engaged in active discussions regarding the subsidy necessary to enter one additional neighborhood.

HOMESTEADING AND URBAN REDEVELOPMENT CORPORATION (HURC) PROPOSAL FOR BORROWING UNDER THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY'S HOUSING REVOLVING LOAN FUND

Mission Statement:

To develop and implement a homeownership initiative that will draw on private and public investment to revitalize neighborhoods and increase market stability by creating economically sustainable operations and financing of a scalable housing program.

History of the Housing and Urban Redevelopment Corporation

The HURC was originally organized and established by the City of Cincinnati in 1976. For the first 25 years of operations, the HURC used a popular Dollar Lottery Program to acquire and assist in the rehab of properties in partnership with developers, neighborhood based Community development corporations, and the City of Cincinnati's community development block grant and HOME programs.

Approximately 10 years ago HURC changed into operations to directly acquire, rehab and resell properties to first time, low and moderate income home buyers. HURC obtained these properties from a variety of sources. HURC was awarded grant funds through the Neighborhood Stabilization Program and the City of Cincinnati's Neighborhood Homes Initiative to rehab these vacant and foreclosed homes.

In 2015 the HURC entered into a management agreement with the Port Authority in order to expand their collective strength and ability to attract private investment for economic and community development projects throughout the Greater Cincinnati Region.

Affordable Housing Crisis in Cincinnati

The *"Housing Affordability in Hamilton County"* study was issued in February 2017 to provide context to the worsening problem of the lack of housing considered to be affordable by the growing number of people living below Hamilton County's median income. The report was produced by the Community Building Institute (CBI) at Xavier University, and funded by Local Initiatives Support Corporation (LISC) of Greater Cincinnati & Northern Kentucky.

The report finds that approximately 40,000 more housing units suitable for people of very low incomes are needed immediately to alleviate current demand. Moreover, as the overall poverty rate in Hamilton County has increased from 12% to 18% since 2000, the need to address affordable housing is imperative.

The full study can be found on Xavier's website.

National Communities Stabilization Trust

The National Community Stabilization Trust (NCST) was created by a collaborative of LISC, the Housing Partnership Network, Neighborworks and the Enterprise Foundation in order to provide access to national lenders for the distribution of their foreclosed REO properties.

Only one organization per population area is permitted in order to limit the number of entities with whom the lenders must deal.

The HURC has been named the Regional Contact for the NCST to facilitate the acquisition of vacant and/or foreclosed properties. HURC is the sole representative with the NCST in Hamilton County, the City of Cincinnati, and the City of Covington, Kentucky.

The HURC receives a list of available properties from the NCST several times a week. The HURC then has 48 hours to review the properties and respond to the NCST with interest. If interested, the HURC then has 4-7 days to inspect the house and indicate its continued interest in the property. The NCST responds with an offer price which the HURC can then accept or reject within 24 hours. Assuming the HURC intends to acquire the property, a closing is then scheduled. The NCST process requires that the HURC be able to move quickly and have significant financial resources on hand to be able to acquire property. Accessing the private residential real estate market in this timetable is not realistic.

Frequently, the HURC views NCST properties that would be excellent candidates for acquisition, rehab and sale to a future homeowner, but it is unable to express interest or acquire the properties because all of the HURC's financial resources are tied up in or committed to other properties.

HURC's Housing Rehabilitation Program

The HURC runs two major home rehabilitation programs.

Scattered Site Street Preservation Program: Under this program, the HURC acquires vacant, abandoned, and foreclosed properties on otherwise stable streets typically in low and moderate income areas. By purchasing and rehabbing what is often the worst house on the street, the HURC is keeping the street from reaching a tipping point and preserving the investments of other homeowners in the neighborhood. The HURC acquires most of the properties for this program through the NCST and the HCLRC. The properties are then rehabbed and sold at market, frequently to low and moderate income buyers. Typically, the cost of acquisition and rehabilitation is less than the fair market value of the property, so no subsidy is required.

The HURC anticipates acquiring and rehabbing 10 homes under this program in 2017. The inventory of houses that would be good candidates for this program exceeds the HURC's working capital available to rehab them. When the HURC is not able to purchase and rehab a house, the house frequently is sold by the bank to an investor as rental housing or continues to deteriorate until demolition of the house (frequently by a public entity) is the only viable alternative.

The Housing Revolving Loan Fund would free up working capital to enable to HURC to acquire more properties from the NCST, hold these properties for a longer period of time before starting rehab, and rehab more properties at the same time.

Targeted Neighborhood Program: This is a new business line for the HURC. In this model, HURC follows the HCLRC's REACH program into a neighborhood. The HURC then rehabs a number of properties in the REACH target area and the surrounding areas. These homes are typically not good REACH candidates because of their smaller size or location outside of the target area, but are viable homeownership opportunities for low and moderate income homeowners. The houses in the HURC Targeted Neighborhood Program frequently require subsidy, so the HURC must fundraise the subsidy portion of the rehabilitation costs. The HURC currently has two subsidy requests pending with public and philanthropic entities.

The Housing Revolving Loan Fund would enable the HURC to rehab more of these properties at the same time. Given its current financial position, the HURC could likely only rehab one property at a time and would have to wait until that property sold to start construction on the next house. The Housing RLF would enable the HURC to respond to acquisition opportunities and market demand and by rehabbing multiple properties simultaneously.

Focus on Minority Business Enterprise (MBE) capacity building

Under the Port Authority's management, the HURC has focused on using MBE contractors for the vast majority of its work. Because these contactors are small businesses, consistency of work is extremely important to the success of the business.

Impact of the Housing RLF on the HURC

Improved Inventory: The HURC often views NCST properties that would be excellent candidates for acquisition, rehab and sale to a future homeowner, but it is unable to express interest or acquire the properties because all of the HURC's financial resources are tied up in or committed to other properties. The Housing RLF would allow the HURC to acquire ideal houses as they become available, not just when it has available funds from a recent property sale. This will lead to more houses being rehabbed and a higher quality inventory of houses. It would also allow the HURC to continue to purchase houses throughout an economic cycle and therefore be in a position to actively acquire when prices are the lowest.

Consistency of Production: Currently, the HURC can only have two houses in the rehab or listing stage at a time as this ties up all of its available capital. It must then wait for one of those houses to sell before buying or starting to rehab another house. The Housing RLF would allow the HURC to maintain a more consistent production schedule with the contractors moving on to another house immediately instead of waiting for a sale. The consistency of work would be helpful to the SBE and MBE contractors of the HURC, ensuring consistent work to support the growth of minority owned and small enterprises. The Housing RLF would also ensure that construction work could continue throughout a recession where sales /listing times are longer.

Accelerated and Expanded Impact: The result of more and improved inventory combined with consistent production of rehabbed houses is an acceleration and expansion of the impact of the HURC. A more productive HURC is a key piece of the solution to the housing affordability crisis facing Hamilton County.

ProForma

Scattered Site, NCST Acquired, No Subsidy	
Acquisition	35,000
Rehab Cost	60,000
Developer Fee ($10,000/house)	10,000
Selling Costs	7,000
HRLF Interest (at 4% of drawn amount for 8 months)	1,700
Total Cost	**113,700**
Sale Price	115,000
HURC Proceeds from Sale	1,300

Targeted Neighborhood Program, HCLRC Acquired, Subsidy Required	
Acquisition	1,000
Rehab Cost	130,000
Developer Fee ($10,000/house)	10,000
Selling Costs	6,000
HRLF Interest (at 4% of drawn amount for 8 months)	2,600
Total Cost	**149,600**
Sale Price	100,000
Subsidy Required	**49,600**

Pipeline

Currently, HURC has 10 houses in Evanston, 2 houses in Walnut Hills and another 7 houses throughout the County that fall into the various rehab categories. The pipeline changes often as more properties become available through our connection to NCST.