The Economic Revitalization of the Over-the-Rhine Community: A Balanced Perspective

October 19, 2020
The Economic Revitalization of the Over-the-Rhine Community: A Balanced Perspective
October 19, 2020

Rodney Crim
CEO and President
St. Louis Economic Development Partnership
St. Louis, MO
Mary Burke Rivers

Executive Director
Over-the-Rhine Community Housing
Cincinnati, OH
The Economic Revitalization of the Over-the-Rhine Community: A Balanced Perspective
October 19, 2020

Joe Rudemiller
Vice President, Marketing & Communications
3CDC
Cincinnati, OH
The Economic Revitalization of the Over-the-Rhine Community: A Balanced Perspective

October 19, 2020

Darrin M. Redus, Sr.
Vice President
Cincinnati USA Regional Chamber
Cincinnati, OH
Amber David

Economic Development Manager
The Kroger Co.
Cincinnati, OH
Over-the-Rhine Community Housing (OTRCH) was born out of the merger of ReSTOC and Over-the-Rhine Housing Network in 2006. Two long standing CDCs.

OTRCH has developed more than 725 units of affordable housing and currently manages approximately 472 units. We have saved 45 historical buildings from the wrecking ball.
About OTRCH

• Mission: To develop and manage resident-centered affordable housing to build inclusive community and benefit low-income residents.

• Vision: Quality stable housing for all in a socially, racially and economically inclusive community.
Mainstream Narrative

• Population 7,000 v.s. peak 45,000 (early 1900s)

• 96% renters

• 80% below poverty level

• Over-the-Rhine viewed as dangerous
How Cincinnati Salvaged the Nation’s Most Dangerous Neighborhood
Politico June 2016
Over-the-Rhine We Know and Love
The Over-the-Rhine That We Know
Washington Park Pool
1225 Vine St. – Recovery Hotel

Over the Rhine interests oppose drug treatment site

City asked not to fund addict home
Site on Vine said unsuitable

Over the limit 9/21/94
One more social service agency, one too many for Over-the-Rhine
Cincinnati's 'unpolished jewel' is Over-the-Rhine. The downtown time capsule of historic housing escaped the wrecking ball of urban renewal and survived decades of neglect and poverty. But now, on the horizon, it's about to change.

'Interviewer':

'What are they doing to Over-the-Rhine?'

'Interviewee':

'Supporting low-income housing, they are interfacing with the homeless.'

It's true that Over-the-Rhine is a place where people come to recover from addictions, but the city is planning to build a new treatment center in the area.

Over-the-Rhine interests oppose drug treatment site

A plan to renovate a vacant building into a residential treatment center for addicts is opposed by some residents and development interests.

The Over-the-Rhine Chamber of Commerce is supporting the project, but some neighbors are opposed to the idea.

City asked not to fund addict home
Site on Vine said unsuitable

City Council is asked to remove a proposed building at 1225 Vine Street from a list of eligible sites for a new treatment center.

The city is considering several sites for the new center, including one on Vine Street that is already in use.

Clifford said the U.S. Department of Housing and Urban Development (HUD) has recommended the site.

The city is also considering sites in West End and Madisonville.

The city is evaluating the sites based on criteria including the number of available rooms, proximity to public transportation, and the availability of support services.

City Council will consider the recommendation in the coming weeks.
Before and After Photos

1300 Vine St. Before

1300 Vine St. After
April 2001- A Turning Point in OTR

- Timothy Thomas is shot and killed by Cincinnati Police on April 7, 2001.

- The community erupts demanding police reform and equitable investment in communities.
April 2001- A Turning Point in OTR

• “When anything goes wrong in a city, policy makers all too often just want to move black people around.” Mindy Fullilove, clinical psychiatrist at the New School
• The impaction ordinance was passed to make affordable housing development more difficult.
• ReSTOC, OTRCH’s predecessor organization, was forced to sell this building so that it could be developed for market housing. The building had already been approved for inclusion in a LIHTC project.
April 2001 - A Turning Point in OTR
OTR at the Millennium

- Cincinnati Public Schools initiates the Facilities Master Plan. CPS schools in OTR are in flux.

- A single owner of Project Based Section 8 Housing in OTR opts out of the program.
OTR at the Millennium

• ReSTOC and Over-the-Rhine Housing Network have Community Views and Vine Street People’s Co-op projects in development.

• The community is engaged in a comprehensive planning process and invites Policy Link to help shape the plan including equitable development tools.
2004 – Dedicated CDC Formed

Support for the Cincinnati Central City Development Corporation (3CDC) comes from Cincinnati’s largest corporations led by Proctor & Gamble. Since 2004, $1.3 billion invested in Downtown & OTR.
1.4 Billion in Public and Private Investment

Source of $1.4 Billion in Investments (2004-2018)

- Conventional Debt/Equity ($839,752,965)
  (Bank loans, New Markets and Historic Tax Credit Equity)
- 3CDC ($277,557,433)
  (Capital Funds created by Cincinnati corporate community and managed by 3CDC)
- Public Investment ($205,542,222)
  (State and local government grants, loans and land donations)
- Philanthropy ($103,554,840)
- Total Investments: $1,426,407,460

Source: Drexel University: A Private Led Model for Revitalizing Urban Neighborhoods by Bruce Katz, Karen Black, Luise Noring
OTR – Changing Demographics
## 1990, 2000, 2010 Census

<table>
<thead>
<tr>
<th>Race</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>6835</td>
<td>5876</td>
<td>5040</td>
</tr>
<tr>
<td>White</td>
<td>2645</td>
<td>1482</td>
<td>1711</td>
</tr>
<tr>
<td>Total Population</td>
<td>9573</td>
<td>7638</td>
<td>6964</td>
</tr>
</tbody>
</table>
• **Tract 9**

  • **Household income:** Since 2000, the percentage of households earning $50,000 or more has increased from 4.9 percent to 28.6 percent, according to 2000 and 2010 U.S. Census Bureau data and estimates.

  • **Racial composition:** The number of African-Americans has decreased from 1,469 (71 percent) to 1,059 (64.1 percent). Whites now make up a third of the tract’s population, though the number of white residents in Tract 9 increased from 505 to 539.

Source: Mark Curnutte
Cincinnati Enquirer  November 7, 2012
• **Tract 10**

  **Household income:** The number of households earning $50,000 or more increased from 14.8 percent to 29.7 percent, while the number of owner-occupied housing units jumped from 24 (3.3 percent) to 123 (15.8 percent).

  **Racial composition:** The number of African-Americans decreased from 921 to 791 (67.9 percent to 55 percent), and the white population increased from 384 to 578 (28.3 percent to 40.2 percent).

Source: Mark Curnutte
Cincinnati Enquirer November 7, 2012
OTR Housing Inventory
2002 – 2015

source: CBI Xavier University 2015 Housing Inventory Study

- **Housing Units**: 5,261 (2000 Census) → 5,229 (2015 Inventory)
- **Occupied**: 3,594 (2000 Census) → 4,040 (2015 Inventory)
- **Vacant**: 1,667 (2000 Census) → 1,189 (2015 Inventory; excludes units available to be occupied)

- **Units Affordable to People in 0%-30% of AMI category**: 3,235 → 869 (2015 Inventory)
Market Rate next to PSH

Recovery Hotel

Bakersfield otr
buddy’s place & Mercer Commons

1300 Vine Street
Elm and Liberty
Resources

• Next City
• National Low Income Housing Coalition
  – https://nlihc.org/
• Policy Link – Lifting Up What Works
  – Equitable Development Toolkit
  – www.policylink.org
Housing First. Community Always.

114 W. 14th St.
Cincinnati, Ohio 45202
513-381-1171
www.otrch.org

• Housing First. Community Always.
3CDC is a non-profit, real estate development and finance organization focused on strategically revitalizing Cincinnati's downtown urban core in partnership with the City of Cincinnati and the Cincinnati corporate community. Our work is specifically focused on the Central Business District and in Over-the-Rhine.
OUR PRIORITIES

CREATE / MANAGE GREAT CIVIC SPACES

CREATE HIGH-DENSITY MIXED-USE DEVELOPMENT

PRESERVE HISTORIC STRUCTURES AND IMPROVE STREETSCAPES

CREATE DIVERSE, MIXED-INCOME NEIGHBORHOODS SUPPORTED BY LOCAL BUSINESSES
INVESTMENTS TO DATE
SINCE 2004

3CDC Investment: $316,594,712
Conventional*: $861,907,330
Public Funding: $208,886,332
Philanthropy: $103,554,840
Total Development: $1,490,943,214

*Debt and Equity
$1.49 billion investment has resulted in:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings Restored</td>
<td>166</td>
</tr>
<tr>
<td>Civic Buildings</td>
<td>2</td>
</tr>
<tr>
<td>Apartments</td>
<td>1,332</td>
</tr>
<tr>
<td>Condos</td>
<td>534</td>
</tr>
<tr>
<td>Hotel Rooms</td>
<td>156</td>
</tr>
<tr>
<td>Shelter Beds</td>
<td>320</td>
</tr>
<tr>
<td>Commercial SF</td>
<td>1,087,519</td>
</tr>
<tr>
<td>Parking Spaces</td>
<td>4,925</td>
</tr>
</tbody>
</table>
OUR FOCUS AREA

PAST/CURRENT DEVELOPMENT
OVER-THE-RHINE
HOW FAR WE’VE COME

500
VACANT BUILDINGS

700
VACANT LOTS

1,667
VACANT HOUSING UNITS
• 3CDC has invested over $32.8 million in private funding to land bank properties OTR

• 3CDC owns:
  ✓ 200 buildings
  ✓ 169 vacant parcels

• Over $700,000 in annual carrying costs
EQUITABLE DEVELOPMENT EFFORTS
• 3CDC is committed to creating high-quality affordable housing in OTR

• Current affordable housing projects:
  - Perseverance (partnering with OTRCH)
    ➢ Will create 32 apartments (100% affordable)—OTRCH
  - Willkommen (partnering with Model Group)
    ➢ Will create 163 apartments (69 affordable units; 94 market-rate)

• 279 of 446 (63%) apartments developed in OTR are affordable units

• 3CDC has provided support on another 203 affordable units
• $42 million project that created three comprehensive residential homeless facilities
• New men’s shelter, women’s shelter, faith-based shelter
• 320 total beds
• Initiative created to help homeless individuals and panhandlers
• Jobs Van gives panhandlers a day’s pay for a day’s work
• Outreach workers connect individuals on the street with social service agencies
• Stats through January 2020:
  ▪ 102 connected to permanent housing
  ▪ 29 connected with permanent employment
  ▪ 289 connected to other social services
  ▪ 7,497 bags of trash filled
  ▪ 858 miles of road cleaned by Jobs Van workers
3CDC produces over 750 free family-friendly events each year between Fountain Square, Washington Park, Ziegler Park, and Memorial Hall.

3CDC has placed a focus on serving low-income neighborhood youth and their families at Ziegler Park, in particular. In 2019 alone:

- 237 children attended free swim lessons or participated on our free swim team
- 35 adults attended free swim lessons
- 80 neighborhood youth attended free summer camp
- 80% of pool passes were sold to families making less than $35,000 per year
• Four of seven most recent construction projects led by minority-owned firms:
  ▪ Meiners/Behlen (TriVersity)
    ➢ 45% of subcontractors are true MBEs
  ▪ Elm Industries (Megen)
    ➢ 31% of subcontractors are true MBEs
  ▪ Court Street Condos (TriVersity)
    ➢ 30% of subcontractors are true MBEs
  ▪ Perseverance (TriVersity)
    ➢ 20% of subcontractors are true MBEs
• 3CDC has 74 restaurant/retail tenants
• 19% (14/74) of 3CDC’s first-floor retail tenants are minority-owned businesses
• 39% (28/74) of 3CDC’s first-floor retail tenants are women-owned businesses
• Represent initiative introduced in late 2018
  ▪ Goal is to significantly increase the number and percentage of minority-owned businesses, specifically Black-owned businesses, in OTR
  ▪ Partnership with MORTAR, African American Chamber of Commerce, 3CDC and several others
  ▪ In process of hiring full-time Program Director to oversee these efforts
THANK YOU
The Minority Business Accelerator Overview Presentation

October 19, 2020
Accelerator Mission

To **accelerate** the development of **sizable** minority businesses and **strengthen** and **expand** the regional minority **entrepreneurial** community.
Brief Historical Profile

- Founded in 2003
- Product of Cincinnati Action Now (CAN) Commission
- Emphasis on African American- & Hispanic-owned businesses
- Address well-documented economic disparities by stimulating high growth entrepreneurship and job creation
- 2004 Portfolio consisted of 20 firms with average revenues of $6.7 million
- Early “Spending” from area corporations with local minority firms of ~ $100 million at inception
Current State

42
high performing minority businesses

$1B
aggregate annual sales

3,500+
jobs created

$1B
regional minority spending
Increase Aggregate Annual Revenues of Portfolio by: $1 Billion

Create: 3,500 additional jobs

***essentially doubling current state of portfolio***
Key Strategies & Initiatives

4 Primary Efforts...

1. Grow Existing Portfolio (Core work with Portfolio Firms/Goal Setters)
   *Includes new partnership with The Health Collaborative to create a regional healthcare supplier diversity initiative*

2. Build the Pipeline (CMBC Cincinnati Minority Business Collaborative)

3. Attract Larger Scales MBEs (REDI Collaboration)

4. Create New MBEs via acquisition (Business Succession/Acquisition Strategy)
Grow Existing Portfolio

Core work with Portfolio Firms & Goal Setters

Accelerator Portfolio Companies
✓ Business Assessments
✓ S.W.O.T Analysis
✓ Capital Readiness
✓ Capacity Building/Client Readiness
✓ Strategic Introductions

Goal Setters
✓ Identifying Spend Goals/Opportunities
✓ Leveraging “Business Case” for Inclusion
✓ Strategic Sourcing/Partnering Needs
✓ Optimization of new/existing MBE vendors
✓ Industry Verticals with little/no MBE Spend

***Leading Regional Healthcare Supplier Diversity Strategy***
Build The Pipeline via CMBC

- Identify 10 high potential firms annually – 50 over 5 years which demonstrate:
  - $5Million minimum upside sales potential in 3-5 years
  - Create a minimum of 15 new jobs in 5 years
Attract Larger MBEs via REDI Collaboration

- Unique business attraction strategy focused on larger-scale minority-owned firms
- Leveraging the proven business attraction efforts of REDI Cincinnati with the national networks and relationships of the Accelerator
- Complimentary strategy to specifically target underrepresented sectors for minority entrepreneurs
- Leveraging and optimizing the unique minority spending commitments of the region’s corporate community (The Accelerator’s “Goal Setter” partners)
- Nationally significant and competitive opportunity for the Greater Cincinnati Region
Create Larger MBEs via Acquisition

- Partnering with area Banks, Accounting Firms, Law Firms, etc. to engage “deal flow”
- Targeting existing mainstream businesses (i.e. manufacturing firms) with no identified succession plan
- Identifying credible minority buyers via Portfolio Firms & Business Professionals
- Unique “sell side” opportunity to leverage growing demand for larger scale MBEs
The Economic Revitalization of the Over-the-Rhine Community: A Balanced Approach

IEDC Webinar

October 19, 2020
The Kroger Co.

- Headquartered in Cincinnati, OH
- Operates 2,782 supermarkets under a variety of banner names, 37 food production plants, and 2,268 pharmacies
- Nearly half a million associates serving more than 11 million customers per day
- Among the top 3 largest Cincinnati employers
Lessons Learned

- Listen Twice
- Maintain and Cultivate Trust
- Bolster Small Business Ecosystem
- Encourage Innovation
THANK YOU
UPCOMING WEBINARS

The Equitable Allocation of Incentive Dollars: Closing the Equity Capital Gap for Businesses of Color

- Monday, November 9 | 3:00 p.m. – 4:30 p.m. EST

View our complete listing of webinars at www.IEDCOnline.org/Webinars.
Questions? Please contact webinar@iedconline.org.
THANK YOU

View our complete listing of webinars at www.IEDCOnline.org/Webinars.

Questions? Please contact webinar@iedconline.org.