

# **ORDINANCE NO. 1253-2019**

## **Department of Community Development**

### **HUD Choice Implementation Grant**

#### **Executive Summary**

#### **Legislative Request:**

To authorize the Director of Community Development to apply to the Department of Housing and Urban Development (HUD) as co-applicant and Neighborhood Implementation Entity for the Choice Neighborhood Implementation Grant (CNI). The lead applicant is the Cuyahoga Metropolitan Housing Authority (CMHA). As part of the grant funding process the Department of Housing and Urban Development requires a local city to be listed on the application as co-applicant and Neighborhood Implementation Entity.

#### **Purpose:**

The Cuyahoga Metropolitan Housing Authority and the City of Cleveland are finishing a two-year HUD-funded Choice Neighborhoods Planning grant resulting in a comprehensive Transformation Plan for the Woodhill Buckeye Neighborhood, centered on the reconstruction of the Woodhill Homes (a public housing site constructed in 1939). The initiative aims to revitalize the neighborhood through a coordinated approach to new housing, the provision of supportive social services and the creation of new spaces that support connectivity, accessibility and increased safety.

Woodhill Homes currently includes 487 units on 28.8 acres. The greater neighborhood planning area boundaries are East 93<sup>rd</sup> Street to the west, Buckeye Road to the south, East 116<sup>th</sup> Street and MLK Jr. Drive to the east and the railroad tracks to the north, which represents an area of 512 acres and 2,333 households.

The neighborhood is eligible for a \$35 million Choice Neighborhoods Implementation (CNI) grant – with applications due November 4<sup>th</sup> – to support implementing the first substantial, catalytic components of the Transformation Plan. These community investments are strategies identified through the planning process.

Included in the planning and application process for the implementation grant are required City commitments. These commitments are meant to demonstrate the City's role as partner and co-applicant, and that it is providing robust support through a range of methods. These include:

## Infrastructure

<b>BUDGET YEAR</b>	<b>INFRASTRUCTURE PROJECT</b>	<b>REQUIRED INFRASTRUCTURE FUNDING</b>	<b>CORRESPONDING HOUSING DEVELOPMENT</b>
2020	--	--	--
2021	--	--	CMSD Site – 100 units
2022	Woodland Avenue Streetscape	\$5.2 million	East End site – 75 units + future development along street
2023	New Street A	\$3.1 million	Senior Housing – 64 units
2024	Morris Black New Street C	\$1.3 million	Upper site - 112 units
2025	Woodhill Road Streetscape Baldwin Road Streetscape New Streets A2, A3	\$5.9 million	Lower site – 194 units
<b>CHOICE COMMITMENT TOTAL</b>		<b>\$15.5 million</b>	
2026 - 2030	Mt. Carmel removal & re-route New Streets B, D, F & I East 110 Streetscape and extension New Street A (South)	\$13.9 million	Single family infill – 120+ units Multi-family mixed-use development – 240+ units Infill townhomes – 80+ units
TRANSFORMATION PLAN TOTAL		\$29.4 million	
PLANNING CONTINGENCY (20%)		\$5.9 million	
NEIGHBORHOD TRANSFORMATION PLAN TOTAL		\$35.3 million	

The Grand Total represents the budget for the completion of all Woodhill Buckeye infrastructure in the Transformation Plan over the coming decade. These funds can be raised by applying for grants to match the City commitment from State and National programs like Transportation Investment Generating Economic Recovery (TIGER).

### Housing Implementation Plan

The Housing Plan, through five separate development phases, replaces 100% of the existing Woodhill Homes public housing units as well as creating approximate 145 new units without a rental subsidy. The first two phases of housing are off of the current Woodhill site, dispersing the CMHA housing into the broader neighborhood and building more of a street presence along Woodland; the housing on Woodland also extends east towards 116<sup>th</sup>.

The developments will be funded through a combination of competitive 9% low income housing tax credits (LIHTC), non-competitive 4% LIHTC, tax exempt bonds, Choice grant funds, and gap financing including City CDBG and other sources.

PHASE	LOCATION	SITE CONTROL NEEDS	ZONING NEEDS
1	CMSD Site – Woodhill & Buckeye	3 City of Cleveland Land Bank parcels 13 CMSD parcels	--
2	East End Site – Woodland Avenue near MLK	10 City of Cleveland Land Bank parcels 5 City of Cleveland parcels	Multi-family zoning Increased height and area allowances
3	Senior Housing – CMHA site	--	Increased height and area allowances
4	Upper Site – CMHA site	--	Increased height and area allowances
5	Lower Site – CMHA site	--	Increased height and area allowances

In order to demonstrate the required site control for the new developments outside the existing Woodhill Homes site, the application must rely on parcels already controlled by the City Land Bank and other friendly parties and will require appropriate zoning to allow the proposed development to already be in place. City Land Bank lots in the development area will be utilized for the offsite housing development. It is anticipated that following an award that the development plans and land assemblage will continue to evolve.

#### Critical Community Improvements (CCIs)

15 percent of the \$35 million grant award, or \$5.25 million, is available to fund non-housing “critical community investments” (CCI), to be directed by the City as the Neighborhood Implementation Partner. Priority projects have economic development and/or placemaking impacts, committed or realistic leverage sources, and implantation partners with demonstrated capacity. (Public infrastructure projects, planning/design, and services/programs are ineligible uses).

#### CDBG Commitments

A CNI grant application rating factor seeks a City CDBG commitment of 10 percent of one year’s federal allocation. The commitment of 10% of the annual CDBG allocation will be spent on programs over the 6 year implementation period. It is likely that this commitment will need to exceed this threshold for competitiveness and for project feasibility. Any additional commitment helps the application in the CDBG, housing leverage, and neighborhood investments rating factors.

#### **Alignment with City of Cleveland Plans**

The CNI builds upon several City of Cleveland and broader community planning, community and economic development initiatives. The revitalization of Woodland Hills is contingent upon deconcentrating poverty at Woodhill Estates and the Estates are a barrier today rather than a connection between Larchmere and St. Luke’s Point and University Circle.