

Proposed Affordable Housing Trust Fund Charter Amendment
Why not vote for it?

1. THIS AMENDMENT DOES NOT BELONG IN THE CHARTER, WHICH IS THE CITY'S CONSTITUTION.

- The Cincinnati Charter is a statement of the fundamental principles under which the City is organized and governed. The Affordable Housing Trust Fund was established as a function of the Department of Economic and Development by ordinance under the Charter. The Trust Fund is a policy statement and function assigned to the Department by Council.
- Specific dollar amounts for any purpose should not be in any constitutional document, including Cincinnati's Charter. The Charter is, as it should be, difficult to amend. Over time, community needs, elected officials, oversight boards, and availability of outside funding changes. A specific dollar amount may no longer be appropriate. It is as hard to take something out of the Charter as to put it in.

2. CINCINNATI'S BUDGET HAS NOT BEEN STRUCTURALLY BALANCED FOR YEARS – THERE WILL BE A HIGH COST TO MANDATING \$50M/YEAR FOR THE TRUST FUND

- City income \neq current expenses. The budget is not structurally balanced. Specialized funds are already borrowed to make up the annual deficit between income and expenses each year.
- The City would have to lay off personnel, reduce or eliminate human services funding, delay bringing safety department equipment and other capital needs up to date, and much more.
- This Housing Trust Fund amendment is an unfunded mandate. Currently a portion of TIF Funds go into the Fund, but this source is inadequate. The proposed amendment, however, forbids raising taxes for the Trust Fund.
 - The Southern RR lease income (\$23M), is already used to pay for basic infrastructure and capital expenses.
 - There is at least one proposal to dedicate the .3% reduction in the earnings tax resulting from the County sales tax increase, approximately \$20M/year, to the Trust Fund.
 - The current review panel introduced by David Mann is looking at the

Development Department process, procedures. Their review, due in August, will address abatements and possible associated fees/income to the Trust Fund.

3. FEDERAL AND STATE HOUSING FUNDS MAY NOT BE USED TO FULFILL THE \$50M/YEAR REQUIREMENT

- Housing assistance is the job of HUD; more Federal funds will be dedicated than in previous years. AHA, formerly Cincinnatians for Affordable Housing, made Housing a public purpose in Ohio in 1989. Federal and state funding should count toward the desired \$50M/year income to the Trust Fund.

4. PROPOSED OVERSIGHT OF THE TRUST FUND

- \$50M is 1/6 of the total city budget. As proposed, the City Manager, Mayor and Council are removed from oversight of the Trust Fund except City Council's approval of nominations to the Oversight Board.
- The Board would make final decision on projects and directly authorize the Department and City Manager to write the contracts.
- Instead of the Development Department and City Manager administering the \$50M/year, direction would be from the Oversight Board made up of representatives of social service and community development agencies, low-income homeowners, tenants, and housing and homeless advocacy agencies. How can they be held accountable?
- There is very likely a legal issue whether a civil service employee of any city department can be managed/directed by an outside volunteer board instead of the City Manager.
- There is an inherent conflict of interest for Oversight Board members whose agencies will apply for Housing Trust Fund contracts, loans or grants.
- Agency leadership (the Oversight Board) will change over time. Non-profits do go out of business due to mismanagement, a simple lack of adequate funding, change in their mission or service area. How are Board vacancies to be filled? What if a named agency in the amendment no longer exists? Who fills that position?

5. Changes in the Political Environment

- Affordable housing is becoming identified as a public health issue
- The impact of affordable housing on the health and education of our children is known
- Hamilton County is preparing a multi-year Housing Plan to be released in May, does the City have one?
- Federal funding is likely to increase under new HUD administration.
- The City of Cincinnati Consolidated 2020 Annual Action Plan needs attention and an updating of goals previously established.
- Has anyone heard of the Housing Vision Report? —Could it be a blueprint to achieve at least some of the affordable housing goals?
- Cincinnati needs a 5 and 10 year plan and a tax increase for housing such as the Preschool Promise or the Smale Commission for infrastructure, bringing support from corporations, foundations and non-profits.

SUMMARY

- 1. This amendment, particularly the specific dollar amount and oversight mechanism, does not belong in the Charter.**
- 2. The City cannot afford this mandate without a significant tax increase, which is forbidden by this amendment.**
- 3. State, Federal and local Development funds must be integrated into an overall housing strategy.**
- 4. The Oversight Board cannot operate separately from the City Manager and Council.**
- 5. Ask every candidate their position on affordable housing. Council can effectively address housing if pressured enough to do so.**