

City West report calls for CMHA, manager to fix relationship

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A management assessment of the financially ailing City West housing development calls for more collaboration between the Cincinnati Metropolitan Housing Authority and The Community Builders, a nonprofit company that manages the West End community.

"As a result of years of challenged operations at City West, the relationship between TCB and CMHA has been strained," said the 35-page report commissioned by the Ohio Housing Finance Agency. "TCB and CMHA have diametrically opposed positions with respect to the issues related to the subsidy funding levels. The absence of direct discussion among the parties, it is not possible to resolve these differences."

OHFA provided tax credits to the \$200 million project that replaced two aging low-income communities with a 686-unit apartment community that was designed to attract renters of all income levels. It was also supposed to stimulate home ownership and retail development. The project failed to achieve its original objectives. Some of its lenders and CMHA, which administers federal subsidies to the project, are trying to replace TCB as the project's manager.

OHFA hired Boston, Mass. -based Tax Credit Asset Management, a real estate advisory firm, to conduct an objective review of City West. The report credits TCB with making recent management changes but criticized

the nonprofit for high operating costs and "numerous problems" identified by CMHA and other regulators. It adds that the project is in need of a financing restructuring.

"Unless market and economic conditions change dramatically, the property is unlikely to achieve the net operating income originally underwritten – even with the best of management," said the TCAM report. "Solving the property's financial problems will, therefore, require capital restructuring as well as improved management."