

From the Business Courier:

<http://www.bizjournals.com/cincinnati/print-edition/2011/03/04/dennison-hotel-ymca-get-housing.html>

Dennison Hotel, YMCA get housing renovation funds

\$6M investment from CMHA to boost low-income plans

Premium content from Business Courier - by Dan Monk, Courier Senior Staff Reporter

Date: Friday, March 4, 2011, 6:00am EST

Related:

[Commercial Real Estate](#), [Residential Real Estate](#)

The Cincinnati Metropolitan Housing Authority has agreed to invest \$6 million in two downtown low-income housing developments.

The money is expected to trigger \$18 million in additional investments to the Dennison Hotel on Main Street and the downtown YMCA at Elm Street and Central Parkway. Both projects are led by the Model Group and Cincinnati Center City Development Corp.

"This approval by CMHA is a really exciting and important step," said **Sandy Berlin Walker**, president of the YMCA of Greater Cincinnati. "We want to be part of the renaissance in Over-the-Rhine."

Under a plan approved recently by CMHA's board, the low-income housing agency will invest \$2.8 million in a \$10 million renovation of the top six floors of the Central Parkway YMCA. The project will create about 60 affordable housing units for seniors, Walker said. Up to \$5 million more would be invested in the downtown Y's fitness center and offices for its regional headquarters.

CMHA also pledged \$3.3 million toward a \$9.6 million renovation of the Dennison, an aging apartment building that 3CDC has been working to renovate for more than year. Under a plan previously disclosed by developers, the Dennison would be converted from its single-room occupancy format to permanent supported housing in 63 units, each with one bedroom and one bath.

The property would be managed by Talbert House, a social service agency that offers drug treatment and mental health programs. Construction on the Dennison project could begin by late summer.

"It's something we want to do more in the future," said **Ted Bergh**, CMHA's interim director. "We get to leverage public housing dollars, establish new affordable housing and help downtown redevelop some historic buildings. It's a win all the way around."

YMCA construction could start next year

The YMCA renovation has not been disclosed publicly until now. Financing details have yet to be resolved. But construction could begin in 2012, said **Bobby Maly**, senior vice president and principal for the Model Group.

Maly said the \$43 million renovation of Washington Park and the YMCA's proximity to Music Hall make it an ideal spot for people over 55 years old, while the availability of a fitness center and the YMCA's robust programming for healthy lifestyles should make the project attractive for seniors.

"There's a need for high-quality affordable senior housing downtown," Maly said. "Empty-nesters are moving into urban areas just like the young talent is. It's just not an area we've served very well."

Model Group will seek tax credits to cover \$7.8 million in renovations to the YMCA building's upper floors. It would purchase or lease those floors from the YMCA and manage the property. Federal New Markets Tax Credits are among the financing tools that could fund the renovation of the 80,000 square feet of "commercial" space that will remain under the YMCA's control, he said.

3CDC, the nonprofit development group working to revitalize Over-the-Rhine, recently won \$18 million in New Markets allocations, which allow investors to claim federal tax credits in exchange for financing involvement in urban projects.

The CMHA funding would come from a federal capital pool that allows housing agencies to replace units lost by the sale or demolition of existing properties. The CMHA contribution will pay for the renovation of 20 units in the YMCA property and 24 at the Dennison, said Bergh, who expects the YMCA units to be in high demand.

"It's in a walkable community," he said. "As that part of Over-the-Rhine continues to redevelop, it should be a good place for seniors to be able to age in the downtown area."

Walker said the YMCA has been working for two years on a renovation of its eight-story headquarters building at 1105 Elm St. The residential tower has been vacant for five years.



Dan Monk is senior reporter, covering downtown economic development, Hamilton County commercial real estate, government and politics for the [Business Courier](#). Contact him at dmonk@bizjournals.com or (513) 337-9438. Read his blog postings at [Cincy Biz Blog](#).