

JOBS & ECONOMIC DEVELOPMENT COMMITTEE

Date of Meeting: March 1, 2021
Place of Meeting: Marion City Hall

Chairman Ratliff called the meeting to order at 7:20 PM.

ROLL CALL:

Present -- Ratliff, Neff, Meade

MINUTES:

Meade made a motion to approve; Neff 2nd. Roll Call: Ayes – Ratliff, Neff, Meade; Nays -- none

MINUTES OF 04/08/2019, 03/09/2020, AND 12/21/2020 APPROVED (3-0)

OLD BUSINESS: NONE

NEW BUSINESS:

Item1. DISCUSSION ITEM: Proposed apartment complex on E. Fairground Street (Mayor/Russell)

The Clerk read an email from Law Director Russell regarding past precedence for this type of issue to come to this committee. “The entity looking to develop the acreage is making application with the state of Ohio for tax credits and subsidized financing key to this type of subsidized development is whether or not there is a need within the community associated with the proposed development for example subsidies associated with senior housing development take into account current needs versus saturation of the local market in this case the reviewing committee's focus should include whether or not the intended development is a necessary housing need or will provide additional saturation to an existing environment.”

Jimmy McCune, vice president of development at Wallick Community, was in attendance to represent the developer behind the project. They applied for housing tax credits through the state of Ohio to construct 56 apartment units. Those would be one, two, and three-bedroom units and these would be financed through the sale of tax credits. The project would receive credits and then they would sell them to an investor. It is not federally subsidized in any way. It's all privately financed. The rents on the units would essentially be capped but tenants would pay their full rent and utilities. It will function essentially like any other apartment complex, but it is designed for families that make 80% of the area median income or below. It will have a clubhouse, a playground, exercise facility, a computer center, and supportive services that they will provide to the residents.

The piece of land that they are in contract for was already zoned for multi-family residential. The next part of the process is that they apply for tax credits to the state

housing agency and they did that in February. The applications are competitively scored. The State of Ohio releases data every year that shows where their housing needs are. In Marion County and specifically the census tract for this development, there was a huge need for housing. There are about 100 applications for projects every year and 30-40 are awarded through a competitive process. They will know awards on 05/15.

If they are successful, they go through a site plan review, typical due diligence and closing process securing our financing partners. We do our own marketing and then it functions like a normal development.

The tax credit piece is what finances 70-80% of the project and that is a federal stipulation in the IRS code. It is essentially a credit that investors purchase and in exchange they give the company equity to build the project. Their general timeline if the project is awarded is that they would close likely close and begin construction in Spring of 2022.

They are not requesting anything from Council at this time. They have received a zoning letter from the city of Marion. He has been in touch with Gus Comstock of Marion CanDo and he seemed supportive. Once the project is awarded its financing and tax credits then they will go through the process of whatever they have to do to get started.

Mr. Ratliff stated that, as a city council and as a city, they are always excited about good possibilities positive activity and housing that meets needs that we have. On behalf of the committee and the council, he wished the best of luck moving forward.

Mrs. Warr-Cummings (Regional Planning) offered a letter of support stating as a clearing house that the need for housing in that income bracket is necessary. She spoke at council meetings recently stating that the OHFA statistics show that our community is short by about 1,000 and affordable units. It is encouraging that this project goes up to 80% of median income because that about 75% of our community would fit in that income bracket.

McCune stated that they got a market study as part of our application for tax credits. It shows an enormous demand on top of what the state was already saying. He agrees that there is a huge need. He thinks that the project would lease up just fine. They have a similar project in London, OH that leased up in about two months.

He said that a support letter would be great and may be needed at some point, but he does not need it now. The letter attached to the meeting invite is part of our due diligence process. It is to let local stakeholders know that the project is being proposed.

Ratliff stated that if they need a resolution of support from this committee to pass on the council, he does not anticipate any problem with that. He expressed his thanks to McCune for keeping council informed. McCune said that when project is awarded, they may need a variance. He does not know that they will need that or if that is necessary. The current proposal does not require any variances.

Mr. Neff thanked McCune for bringing this forward. Housing is a huge need in the community. It is his understanding that this is a commercial project that will be designed by professional engineers, and have stamp drawings, and will be reviewed by the state, and all of the mechanical installations in these buildings will be done by licensed contractors by the state. There is a really good benefit to this project. He looks forward to having this come to fruition soon.

Mr. Meade reiterated his appreciation, especially the location in the 1st Ward.

OTHER BUSINESS:

With no further business to come before this Committee, Ratliff adjourned the meeting at 7:33 PM.

Chairman Ratliff

Clerk of Council