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[Multi-family](#), [Residential Real Estate](#)

## [Can differences be settled at City West?](#)

Posted by [lbernard](#) 01/24/11, 11:19 am

The future of City West is in jeopardy unless the property's management and Cincinnati Metropolitan Housing Authority find a way to settle their differences, according to a report issued to the Ohio Housing Finance Agency by an independent consultant.

The 35-page report by Boston-based Tax Credit Asset Management details financial challenges at the \$200 million community and highlights some recent progress by management to correct lingering problems.

The report urges CMHA and City West's management, Boston-based The Community Builder's Inc.(TCB) – both partners in City West — to settle their differences by crafting a six to 12 month agreement with key benchmarks for TCB to accomplish and specific consequences if they are not achieved.

“The strained and sometimes contentious relationship between TCB and the CMHA is in itself an obstacle to successful operations at the property,” the report states. “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. Solving the property's financial problems will therefore require capital restructuring as well as improved management.”

The report lands amid CMHA's efforts to oust TCB as manager which. TCB is in default on four of seven outstanding loans for City West. PNC Bank, trustee for local lender Cincinnati Development Fund, has filed foreclosure on three of those loans valued in excess of \$5.7 million.

CMHA has argued that the community's financial struggles are an extension of TCB's long history of mismanagement of City West. Conversely, TCB has argued that City West is plagued by tough economic times and hasn't been able to achieve the rent levels originally set out for the property. TCB also argues that CMHA is not passing through all the federal housing subsidy to City West that should. TCB has said CMHA has access to nearly \$1 million that could be used at City West to help pay for deferred maintenance projects and help offset a projected operating deficit.

TCB has requested an informal meeting with CMHA and officials from the U.S. Department of Housing and Urban Development to discuss the issues.

Funded in the late 1990's by a federal Hope VI, City West was built in eight phases and today includes 365 apartments that are federally subsidized and 319 market rate apartments, including units that were developed using with low-income housing tax credits.