Legislative Roundup Part III: Examining Cincinnati's Connected Communities Zoning Ordinance and Its Effects on Affordable Housing

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Recent posts on our Multifamily Matters Blog examined several states' responses to address the unprecedented affordable housing crisis, including in California and Colorado. This post shifts the focus to a municipality's response to this challenging problem: the City of Cincinnati's Connected Communities zoning and land use program.

Connected Communities: An Overview

On June 5, 2024, by a vote of 6 to 3, the City of Cincinnati's City Council passed an ordinance, commonly referred to as "Connected Communities." Connected Communities amends and modifies multiple chapters of the Cincinnati Zoning Code and the Land Development Code and aims to create increased affordable housing options throughout the City of Cincinnati (the "City"), including in and around neighborhood business districts ("NBDs") and major transportation corridors. It further seeks to reduce regulatory barriers that may slow or impede the development and construction of affordable housing. Below is a summary of key land use changes contained in Connected Communities:

- **Middle Housing**: Connected Communities permits the development and construction of small-scale multifamily developments of up to four units in areas surrounding NBDs that were previously restricted to the development of single-family housing. Additionally, Connected Communities permits the construction of rowhouses in Cincinnati's densest single-family zoning district (SF-2) and introduces more permissive regulations for the development of this housing style in certain multifamily districts. The housing options promoted through these reforms are commonly referred to as "missing middle housing" or "middle housing," and they are generally intended to provide homebuyers and renters with more affordable housing options.

- **Density and Height Restrictions**: To promote "transit-oriented-development," Connected Communities removes density restrictions for designated areas located within NBDs and permits an additional story height bonus from the underlying zoning code for properties situated along major transportation corridors. This additional permitted building height ultimately provides developers with a larger building envelope to incorporate more housing units into an individual project.
- **Minimum Parking Requirements**: To reduce the development costs associated with the creation of new off-street parking to satisfy minimum parking requirements, Connected Communities eliminates off-street parking minimums in several circumstances, including (1) new construction residential buildings with 10 units or less located in an NBD, (2) new construction commercial and mixed-use buildings under 5,000 sq ft located in an NBD, and (3) areas located within designated transportation corridors. Connected Communities also reduces off-street parking minimums to one space per unit city-wide and offers additional flexibility for commercial spaces to satisfy minimum off-street parking requirements.

Impacts on Affordable Housing Developments

Although Connected Communities does not extend direct financial incentives to affordable housing developments, it does incorporate provisions to facilitate the development and financing of developments receiving the Low-Income Housing Tax Credit ("LIHTC"). Specifically, any building construction or renovation funded through the LIHTC program will automatically receive zoning relief or zoning bonuses to offset development costs. These relief and bonus provisions are codified under Sections 1421-47 of the Cincinnati Zoning Code and Sections 1703-5.50 of the Land Development Code and can be summarized as follows:

- Relief from minimum lot-area-per-dwelling-unit requirements for LIHTC developments to promote higher density development;

- Relief from minimum off-street parking requirements for LIHTC developments to reduce development costs; and
- Height bonuses for LIHTC developments resulting in an additional twelve feet of building height than what is otherwise permitted under the Cincinnati Zoning Code.

To be eligible for the relief and bonuses above, the property owner must establish and maintain compliance with the affordability restrictions pursuant to the LIHTC programs. Any person who fails to maintain compliance with LIHTC programs may be liable for a Class F civil offense for each dwelling unit that is not in compliance, as applicable, in a given year.

Independent of Connected Communities, Cincinnati's City Council has recently adopted legislation directly benefitting affordable housing developments. This legislation has included reforming the City's Community Reinvestment Area tax abatement program to benefit LIHTC developments as well as establishing an affordable housing trust fund to provide direct financial assistance to eligible projects.

Connected Communities and other recently adopted legislation have the potential to impact Cincinnati's housing affordability landscape over the long term; however, supplemental legislation from the State of Ohio or City may be needed to further increase the supply of affordable housing. Make sure to subscribe to our blog to receive updates on any future legislation as it passes.

Frost Brown Todd counsels investors, developers, local governments, nonprofits and other key stakeholders on affordable housing transactions in states across the country. We stay at the forefront of all legislative efforts affecting the industry, and we are ready to assist clients with navigating the changing legislative environment. For more information, please contact the authors or any attorney on Frost Brown Todd's Multifamily Housing industry team.

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