

EXCERPT



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HISTORIC TAX CREDIT TOOL BOX

Double the Impact: Twinning Federal HTC and LIHTC Across Three Distinct CMHA Properties



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If it were possible to pick up the San Marco, the Riverview and Winton Terrace buildings in Cincinnati and drop them side by side, the collection would create a near-perfect architectural timeline of the city's development in the first half of the 20th century.

Erected in 1894, the San Marco Apartments (in northeastern Cincinnati) were the first built of the three, using the Richardsonian Romanesque style for the seven-story red-brick design. Three decades later, in 1929, the Riverview Apartments were also built in northeastern Cincy; styles had changed by this point and the 10-story tower deployed Art Deco details to keep up with the times. The Winton Terrace complex in the northern

section of the city was the last of the three completed, in 1941. This Colonial Revival campus of buildings hugged the ground, reaching no higher than two stories.

As distinct as their designs and origins are, these three sites share a different side-by-side arrangement: All three properties have been or are being rehabilitated by Gorman & Company in partnership with the Cincinnati Metropolitan Housing Authority (CMHA) thanks to financing that paired federal historic tax credits (HTCs) with low-income housing tax credits (LIHTCs). Together, these projects demonstrate that twinned

Image courtesy of Heritage Consulting Group

Riverview Apartments in Cincinnati was built in 1929 as a high-rise luxury apartment building and later underwent a \$27 million rehabilitation into 101 apartments for families, seniors and people with disabilities, using federal historic tax credit and low-income housing tax credit financing.

federal HTC/LIHTC financing can be a major boost to a capital stack, offering flexibility while preserving historic character and long-term affordability.



Image courtesy of Heritage Consulting Group
Winton Terrace was built as 93 public housing buildings in 1940-1941 and is currently undergoing a \$160 million rehabilitation of its 608 units in three phases.

Double the Incentives, Double the Reward

CMHA capitalized on the twinned tax credits under the auspices of the U.S. Department of Housing and Urban Development's (HUD's) Rental Assistance Demonstration (RAD) program. Created in 2012, the RAD program allows public housing agencies like CMHA to raise private funds for capital improvements by leveraging their Section 8 rental assistance contracts. Although this form of RAD conversion (as it is known) does not provide any new HUD funds, it unlocks access to a wider range of non-HUD financial resources to address deferred maintenance and capital improvements.

In the case of the San Marco Apartments, the Riverview Apartments and Winton Terrace, the RAD conversions allowed CMHA to partner with Gorman & Co. and seek both federal HTCs and LIHTCs to complete the complex capital stacks. Without the RAD conversion, this partnership would not be feasible and these forms of private investment would be largely off-limits for the CMHA. But with the RAD conversion in place, the CMHA and Gorman earned approvals for both forms of tax credit, doubling the impact of each credit and securing essential equity for the preservation and modernization of each property.

Initially, the CMHA and Gorman hoped to not just twin, but triple credits within the capital stack by using state HTCs in addition to the federal HTCs and LIHTCs. However, Ohio implemented regulatory changes that barred the use of state HTCs and LIHTCs on the same project, forcing the developer to pivot. Gorman & Co.'s decades of experience proved critical, as they were able to rescue the financing and preserve the projects' viability.

Once the projects were underway, with complicated development milestones to achieve, Gorman's experience proved valuable to the CMHA in other areas, too. The HTC and LIHTC incentives have different standards for eligibility, so twinning the credits required clearing two separate sets of hurdles. In the case of federal HTCs, that meant ensuring that each property was designated on the National Register of Historic Places, either as an individual site or as a contributing resource within a historic district. For the LIHTCs, the developers had to commit to rent and income targets for tenants throughout the extended-use period.

San Marco Apartments (1601 Madison Road)

Of the three sites, the San Marco building was the only one immediately eligible for HTCs. Designated as a contributing resource within the Madison and Woodburn National Register Historic District, it cleared the initial eligibility threshold for federal HTCs. The building originally comprised 21 market-rate apartments. Between 1977 and 1982, the CMHA renovated the San Marco to create 30 units of affordable housing. Those alterations did not disrupt the historic structure's architectural integrity; by consistently preserving the structure's distinctive features, the CMHA retained the ability to pursue federal HTCs, as it did in the recent RAD conversion.

The \$12 million rehabilitation further modernized the property, but still retained the features that define its historic character. This balance meant that the developers

could introduce site and system upgrades, new kitchen and bathroom finishes, and updated lighting, but the building continues to express its late-19th century origins. When the CMHA hosted a grand reopening in January 2025, the agency celebrated alongside its development partners and tenants as the twinned credits allowed them to breathe new life into this historic building.



Image courtesy of Heritage Consulting Group

San Marco Apartments in northeastern Cincinnati was built in 1894 as market-rate apartments and later underwent a \$12 million rehabilitation using federal historic tax credit and low-income housing tax credit financing.

Riverview Apartments (2538 Hackberry Street)

A mere half-mile away, the CMHA and Gorman partnered on the rehabilitation of the Riverview Apartments tower. Located on a tight urban site in the Walnut Hills neighborhood, the buff-colored brick building is three stories taller than the San Marco Apartments—a reflection of the growing popularity of midrise elevator buildings in the early 20th century, when the Riverview was built. As with the San Marco, the Riverview was not originally built as public housing. Instead, it was Cincinnati’s first suburban high-rise luxury apartment building, complete with servants’ quarters and advertised as “modern in every detail.” On the higher floors—where

the elevators ensured comfortable living—residents could enjoy picturesque views of the Ohio River and Kentucky’s Bluegrass region on the other side.

After changing hands in the mid-20th century, the building was acquired by the CMHA in the 1960s. By the first decades of the 21st century, it needed a refresh. Unlike the San Marco Apartments, the Riverview was not included in any National Register historic districts. Thus, the development team had to pursue individual designation for the site to access federal HTC’s; they cleared that step in June 2023. With the federal HTC’s and LIHTC’s both in place, the developers proceeded with a \$27 million rehabilitation that created 101 units to serve families, seniors and other residents with disabilities.

Winton Terrace (4848 Winneste Avenue)

The youngest of the three sites, Winton Terrace is also distinct from the San Marco and the Riverview in that it comprises 93 buildings, not just one, and was purpose-built as public housing. Located in the Winton Hills neighborhood north of downtown, the complex was built in 1940-41 as a partnership between the CMHA and the Public Works Administration. It was the housing authority’s second completed housing development and its first fully designed complex—historic circumstances that easily recommended it for designation on the National Register. The nomination was certified in January 2023, clearing the way for federal HTC’s that could be paired with the LIHTC’s.

Winton Terrace’s \$160 million rehabilitation is underway and will address 608 units in three phases. The Colonial Revival building envelopes will remain intact, preserving the brick quoins, gabled and hipped roofs, and cast stone detailing that offered simple ornamentation for the wartime development. The garden-style arrangement of the buildings will be preserved in the rehabilitation, even as new connecting roads will improve circulation efficiency for residents and staff.

Conclusion: Complicated, but Worthwhile Twinning

Relying on the paired incentives of federal HTC and LIHTC is not without complications; indeed, it requires careful monitoring of development timelines, approvals and equity delivery schedules. HTCs are tied to qualified rehabilitation expenditures and adherence to preservation standards, while LIHTCs depend on allocation cycles and the income and rent restrictions. Aligning these frameworks depends on careful sequencing, deep familiarity with both incentives and—in the case of Gorman and the CMHA—a strong and trusted partnership.

Even with these complications, the Cincinnati case studies prove that twinning the credits can actually

be a flexible endeavor. The San Marco, the Riverview and Winton Terrace span nearly a half-century of architectural history and represent three fundamentally different housing models: a dense mixed-use masonry landmark, a vertical urban tower and a sprawling garden apartment-style campus. The fact that all three could successfully take advantage of RAD conversions and twinned incentives demonstrates that the pairing of federal HTCs and LIHTCs is not confined to a single building type, era or scale. As Cincinnati proves, preservation incentives and affordable housing tools can work in tandem across diverse building types and neighborhoods to deliver meaningful and lasting reinvestment in public housing.

Cindy Hamilton is president of Heritage Consulting Group.

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