Impact Investment Opportunity

Homeless to Homes Facilities
Cincinnati Center City Development Corporation (3CDC) – Single Men’s Shelter Second Investment – CLOSED

The Issue
The lack of affordable housing is considered to be the main cause of homelessness in the United States today. According to the Greater Cincinnati Coalition for the Homeless, a person working a minimum-wage job must work 72 hours a week to be able to afford a two-bedroom apartment at market rates. Data show that the social and mental challenges faced by chronically homeless people can be stabilized more quickly when homelessness is eliminated. A 2008 City of Cincinnati ordinance called for a transparent approach to serving homeless individuals as well as enhancement of emergency and ongoing care. The 2009 Homeless to Homes Plan outlines recommendations for improving service delivery systems.

Social Return
The Homeless to Homes Plan creates an expanded, coordinated systematic approach to individuals experiencing homelessness. It includes five new shelters in the City of Cincinnati. Two shelters have been completed. Lighthouse Youth Services is running a youth shelter and Talbert House manages a shelter for men with substance abuse problems. An additional two shelters are under development, including a single women’s shelter, operated by the Drop Inn Center. City Gospel Mission will oversee a faith-based shelter for men.

Strategy:
The City of Cincinnati’s 2009 Homeless to Homes Plan calls for an expansion and redesign of inadequate facilities for homeless individuals by increasing the number of permanent supportive housing units and reconfiguring existing emergency shelters for homeless individuals to provide more appropriate gender- and age-specific solutions. The present phase is a single men’s shelter that will accommodate 150 men. In winter, this shelter can expand to 200 beds during winter cold emergencies. Additional services include outpatient substance abuse, behavioral health assessments and treatment services.

Nonprofit Organization/Borrower
Cincinnati Center City Development Corporation (3CDC) was formed as a 501(c)(3) in 2003 to increase the efficiency and effectiveness of development efforts in the core assets of downtown Cincinnati. 3CDC’s focus is on Foundation Square District, the Central Business District and Over-The-Rhine. Since 2004, 3CDC and its partners have invested more than $400 million in these three areas, with plans for an additional future investment. 3CDC was tapped as the development partner for the City of Cincinnati’s Homeless to Homes Plan facilities implementation. The City has contributed $10 million to the $40 million project to renovate or build four permanent housing facilities and emergency shelters.

Investment Opportunity
GCF has approved a second $1 million loan to 3CDC. This is a bridge to allow construction to stay on schedule and be completed while fundraising continues to close the $4 million dollar gap.

Financial Return
This loan will carry a 2% charitable return with a 1-year term. Repayment sources for this loan will be permanent financing and capital grants. Minimum investment in units of $25,000.