Impact Investment Opportunity – Closed
“Rent Today, Buy Tomorrow”/“Our House, Your Home”
Home Ownership Center of Greater Cincinnati (HOC)

The Issue
The housing market collapse and subsequent foreclosure crisis that peaked in 2008 has caused more than 7,000 Hamilton County families to experience foreclosure of their homes. Hundreds of these homes are now vacant and are at-risk of being vandalized. Many of these vacant properties are not being maintained and are a negative influence on their respective neighborhoods and communities. At the same time, there is a shortage of affordable rental housing available to large families who need more than three or four bedrooms. Cincinnati Metropolitan Housing Authority (CMHA) reports that there are currently more than 40 families in Hamilton County alone in need of housing with four or more bedrooms. There are also hundreds of new buyers completing homebuyer training, ready to become homeowners.

Social Return
Home Ownership Center of Greater Cincinnati (HOC) has received at no cost 12 vacant homes that were foreclosed by national and local banks. HOC is in the process of fully rehabilitating these previously foreclosed homes. Those homes with four or more bedrooms will be rented to large families identified by CMHA as a part of HOC’s “Rent Today, Buy Tomorrow” program. This program will provide short-term rentals to families that plan to purchase a home within 24 months. HOC is rehabilitating for sale, a select number of these vacant donated properties as a part of its “Our House, Your Home” program to qualified low to moderate-income families. The families will be able to buy the homes at a 10% discount on their appraised value. This project has dual goals of revitalizing communities and providing high quality rental and home ownership opportunities for qualified low to moderate income families.

Nonprofit Organization/Borrower
Since 1973, as part of a neighborhood revitalization and stabilization strategy, HOC has been originating and servicing mortgages to homeowners living in low-income neighborhoods who would otherwise not be eligible for Fannie Mae or Freddie Mac conforming mortgages. HOC is an affiliate of NeighborWorks™, a national nonprofit organization created by Congress to provide financial support, technical assistance, and training for community-based revitalization efforts. HOC provides homebuyer training, home maintenance classes and financial educations to hundreds of individuals annually. Since the foreclosure crisis began in 2008, HOC has provided counseling to more than 8,571 homeowners locally and across the country. It has helped 2,186 homeowners in Greater Cincinnati save their homes from foreclosure.

Investment Opportunity
The Greater Cincinnati Foundation will invest up to $625,000 in HOC’s “Rent Today/Buy Tomorrow” and “Our House/Your Home” projects. HOC will use these funds to renovate a minimum of 10 homes across these two programs. Donors are invited to participate with a minimum investment of $10,000 for 7 years.

Financial Return
The return on this investment will be 2%, paid quarterly. Repayment of interest only will take place in years 1 – 3. Repayment of principal and interest will take place during years 4 – 7.