



Hilltop Apartments

Location: **Columbus, OH**
Congressional District: **OH-15**
Qualified Opportunity Zone Fund: **Cbus Opportunity Zone Fund III LLC**
Opportunity Fund Manager: **New City Homes LLC**
Investment Date: **Q4 2022**
Project Details: **Rehabbed Apartments for Low-Income Seniors**

Apartment Complex Fully Renovated for Low-Income Seniors

In 2024, [New City Homes](#) celebrated the re-opening of the Hilltop apartment complex in Columbus, OH. New City Homes utilized a \$2 million Opportunity Zone (OZ) investment to renovate the 20-unit apartment building, and repositioned the property as a 55+ senior living property. Renovations on the Hilltop complex included a new roof, HVAC systems, electrical, plumbing, laundry facilities, kitchens, bathrooms and flooring.

Despite the cost of the upgrades, units are still affordably priced with 1-bedroom units at \$989 per month and 2-bedroom units at \$1,215 per month. The newly updated homes are affordable for seniors earning up to 80% of Area Median Income (AMI), including those with [Housing Choice Vouchers](#) which are only available to those earning less than 50% AMI. The City of Columbus provides tax abatements to developers who build and renovate properties in distressed areas. New City Homes secured a tax abatement on the improvements made to the Hilltop project, and the tax savings allowed the project to be financially viable while still being priced at affordable levels.

The Hilltop neighborhood is a priority investment area for the City of Columbus. It is a dense, diverse community just three miles west of Downtown. According to a recent housing study, the Hilltop has continued to struggle with the impacts of the foreclosure crisis and a decades-long history of disruptions to the fabric of the community, even as Downtown and other neighborhoods in Columbus experience renewed investment and growth. The neighborhood has a distress score of 95 out of 100 per the Economic Innovation Group’s [Distressed Communities Index](#).

Projected Impact

20 affordable and workforce apartments for seniors	100% local contractors hired for renovation
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Community Stats	Census Tract 49:	Columbus, Ohio MSA:
Median Family Income:	\$34,006	\$101,925
Poverty Rate:	38.4%	12.2%
Adults Not Working:	34.5%	17.8%
Minority Population:	42.4%	30.8%
Bachelor’s Degree or Higher:	10%	39.4%
Housing Vacancy:	7.6%	5.8%

“Sometimes, all it takes is a small push to take a neighborhood from struggling to thriving. Opportunity Zones are revitalizing communities in Ohio’s Fifteenth District and across the country. We were grateful to see the impact of Opportunity Zones in action this morning and look forward to continuing our work in the Ways and Means Committee to help working Americans prosper.”

– U.S. Representative Mike Carey
Ohio’s Fifteenth District

Opportunity Zone Investment Profile

Capital Stack

In December 2022, New City Homes utilized \$2 million in OZ financing to begin renovations at the Hilltop apartment complex. Project sponsor, New City Homes, made a \$100,000 investment alongside OZ investors.

Total development cost: \$2.1 million

Key sources of financing:



- \$2 million - OZ equity
- \$100,000 - project sponsor equity

About the Investment

The Hilltop apartment complex is illustrative of New City Homes' strategy to leverage OZ investment to bolster revitalization efforts in Columbus' low-income communities.

New City Homes is a place-based development firm headquartered in Columbus, OH. The developer concentrates on revitalizing existing neighborhoods by building new homes on vacant lots or renovating aging properties. Doing so increases the number of affordable homes available for residents, improves housing options, eliminates blight and dangerous structures, and contributes to the overall growth and livability of the neighborhood. New City Homes is committed to working with communities and contributing to the positive development of the neighborhoods they work in.

The Impact of Opportunity Zone Financing

The Hilltop apartment complex renovation would not have been possible without the equity from the OZ investment. Chris Knoppe, partner at New City Homes, shared that traditional banks would have required much more sponsor equity. Banks would have also been hesitant to finance the extensive renovation that was required. According to Knoppe, the OZ investment allowed New City Homes to move quickly to purchase the property. Utilizing OZ equity for the renovation meant that New City Homes could reduce the amount of sponsor equity in the capital stack. Additionally, New City Homes did not need to take out a loan for the renovation, which eliminated approximately \$200,000 in interest expenses.

About Opportunity Zones

Opportunity Zones are a new national investment tool designed to spur economic growth and community development by encouraging long-term private equity investment in distressed urban, suburban, and rural communities across America. In 2018, local leaders in every state, U.S. territory, and Washington, D.C. supported the nomination of more than 8,700 low-income census tracts for Opportunity Zone designation. Individuals and companies can receive a series of graduated tax benefits based on the amount of time invested in a Qualified Opportunity Fund, which must have 90 percent of assets invested in real property or operating businesses located in Opportunity Zones. The Opportunity Zones policy is based on the bipartisan *Investing in Opportunity Act*, which was championed by a regionally and politically diverse coalition of congressional cosponsors.

About The Economic Innovation Group (EIG)

EIG is a bipartisan ideas laboratory and advocacy organization whose mission is to advance solutions that empower entrepreneurs and investors to forge a more dynamic American economy. Headquartered in Washington, D.C., EIG convenes leading experts from the public and private sectors, produces original research, and works to advance creative legislative proposals that will bring new jobs, investment, and economic growth to communities across the nation.

EIG leads a coalition of stakeholders as part of its efforts to support the formation of a robust Opportunity Zones ecosystem. For more information, contact info@eig.org