

COMMITTEE
HEALTH, HOUSING & HUMAN SERVICES

INTRODUCED BY
CHARLETA B. TAVARES
DATE OF FIRST READING

JUL 15 2002

COLUMBUS CITY COUNCIL

ORIGINAL

Ordinance No. 1140 02

Resolution Name

60 Day ☒ Emergency

I Certify Compliance With Title 39

As Of (Date)

Authorized Signature

CITY ATTORNEY: This ordinance has been reviewed by the City Attorney's Office as to its form and legality only.

By: *[Signature]* Date: 7-1-02

FLOOR ACTION
(Clerks Office Only)

JUL 22 2002

P 7-0

(AMENDED BY ORD. 1101-2004 PASSED 6/21/2004)

AUDITOR'S CERTIFICATE

I hereby certify that there is in the treasury, or anticipated to come into the treasury, and not appropriated for any other purpose, the amount of money specified hereon, to pay the within ordinance.

Date: No.:

Fd No.: Div. No.: Ch.:

By: Amt:

City Auditor or Deputy Auditor

Housing Division

EXPLANATION OF LEGISLATION

163-02

BACKGROUND: This Ordinance will create the Linden/Area A Community Reinvestment Area (see Exhibit A) and provide for real property tax exemptions for residentially zoned parcels within the area.

The goal of designating Community Reinvestment Areas, known as Neighborhood Investment Districts, is neighborhood revitalization and stabilization. The designation will help to stabilize and increase school enrollment and increase homeownership in the City. Linden/Area A Neighborhood Investment District has been selected for property tax exemption because it has experienced a decline in population and school enrollment and has a high percentage of poverty. The target area has approximately 6,108 parcels and 5,300 units of housing. The vast majority of the single-family housing in the target area was built before 1960 and more than 30% of the surveyed single family housing showed signs of needing repairs beyond the normal maintenance level. Nearly 6% of the surveyed single-family units were dilapidated and beyond repair.

However, this area has some elements of potential success for complementing and boosting other investment. This area has a designated Neighborhood Commercial Revitalization (NCR) district, which is designed to encourage physical renovation through the availability of low interest loans and storefront grants.

(Background continued on page 2)

Linda Donnelly 5-6115

Contact: For Questions - Phone
on this Legislation

Approved (Division Head)

Approved (Department Head)

TITLE (BRIEF DESCRIPTION)

To create the Linden/Area A Community Reinvestment Area, and to authorize real property tax exemptions as established in Section 3735.65 to 3735.70 of the Ohio Revised Code.

Mayor's Action

COUNCIL ACTION

JUL 22 2002

DATE PASSED/ADOPTED

PRESIDENT OF COUNCIL

CITY CLERK

VETO

DATE

BACKGROUND (cont.)

The area has experienced significant reinvestment to date with the Four Corners development, Cleveland Avenue has been improved, and a new fire station is planned. In addition, The Greater Linden Development Corporation and Community Homes Revitalization Corporation are bringing private investment and homeownership opportunities to the area.

This legislation will provide an exemption from real property tax on the increased valuation for new single family homes built on vacant lots and on owner occupied rental property, on investment totaling at least twenty percent (20%) of the current assessed value in improvements on owner occupied property; and fifty percent (50%) of the current assessed value in improvements to rental property; and on the conversion of rental units to homes for sale.

Tax incentives percentages and terms are:

(a) One hundred percent (100%) for ten (10) years for the remodeling of:

- owner-occupied dwellings containing not more than two housing units and upon which the remodeling cost is at least twenty percent (20%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- rental housing, containing not more than two housing units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- conversion of rental housing to owner-occupied housing, containing not more than two units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement.

(b) One hundred percent (100%) for twelve (12) years for the remodeling of:

- owner-occupied dwellings containing more than two housing units and upon which the remodeling cost is at least twenty percent (20%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- rental housing, containing more than two housing units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- conversion of rental housing to owner-occupied housing, containing more than two units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement.

(c) One hundred percent (100%) for fifteen (15) years for newly built:

- construction of new owner-occupied dwelling.
- construction of new owner-occupied dwellings containing more than two housing units.

(Background continued on page 3)

BACKGROUND (cont.)

Subsequent to the effective date of this legislation, all residential investment delineated within this legislation, and completed in the years 2002 through December 31, 2006, will be eligible to apply for this property tax abatement. Participation in this program shall be by formal application, submitted to the Development Department, Housing Division.

A pre-application will be required to insure the compatibility of the new construction with neighborhood plans and to insure the maintenance of existing streetscape lines, style, scale setbacks and landscaping features compatible with neighborhood.

FISCAL IMPACT: No funding is required for this legislation.

WHEREAS, the council of the City of Columbus (hereinafter "Council") desires to pursue reasonable and legitimate incentive measures to assist and encourage development in specific areas of the City of Columbus that have not enjoyed reinvestment from remodeling or new construction; and

WHEREAS, Resolution No. 1698-78, approved August 3, 1978, authorized the Department of Development to carry out a Community Reinvestment Program, pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, and approved certain administrative procedures for the program; and

WHEREAS, a survey of housing (see Exhibit A) as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared and included in this proposed Community Reinvestment Area; and

WHEREAS, the remodeling of existing and construction of new residential structures in this Community Reinvestment Area would serve to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS, the remodeling of existing and the construction of new residential structures in this Community Reinvestment Area constitutes a public purpose for which real property exemptions may be granted; and

WHEREAS, This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area, the City of Columbus intends to undertake supporting public improvements in the designated area; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. The area designated as Community Reinvestment Area Linden/Area A constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged.

Section 2. Pursuant to ORC Section 3735.66, Community Reinvestment Area Linden/Area A is hereby established in the following described area:

West: bounded by I-71;

North: Bounded by the rear property lines on the north side of Hudson Avenue; and the rear property lines on the north side of Mock Road;

East: Bounded by the rear property lines on the east side of Rankin; the rear property lines on the east side of Woodland Avenue; and the railroad (from Seventeenth Avenue south to 5th Avenue);

South: Bounded by the rear property lines on the south side of Seventeenth Avenue; and the rear property lines on the south side of Fifth Avenue.

The Community Reinvestment Area is approximately depicted as the area on the map attached to this Ordinance, marked Exhibit B; by parcel number, marked Exhibit B (1); and by this reference incorporated herein.

Only residential properties consistent with the applicable zoning regulations within the designated Community Reinvestment Area will be eligible for exemptions under this Program.

Section 3. All properties identified in Exhibit A as being within the designated Community Reinvestment Area Linden/Area A are eligible for this abatement if they meet the criteria outlined in Sections 3 and 4 of this Ordinance: including vacant residentially-zoned parcels; owner occupied residential properties; or existing rental properties.

Section 4. A tax exemption on the increase in the assessed valuation resulting from improvements as described herein shall be granted upon proper application by the property owner and certification thereof by the designated Housing Officer for the following periods:

(a) One hundred percent (100%) for ten (10) years for the remodeling of:

- owner-occupied dwellings containing not more than two housing units and upon which the remodeling cost is at least twenty percent (20%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- rental housing, containing not more than two housing units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- conversion of rental housing to owner-occupied housing, containing not more than two units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement.

(b) One hundred percent (100%) for twelve (12) years for the remodeling of:

- owner-occupied dwellings containing more than two housing units and upon which the remodeling cost is at least twenty percent (20%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- rental housing, containing more than two housing units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement;
- conversion of rental housing to owner-occupied housing, containing more than two units, upon which the remodeling cost is at least fifty percent (50%) of the current assessed value of the existing structure (excluding land) as determined by the County Auditor for the tax year prior to the improvement.

(c) One hundred percent (100%) for fifteen (15) years for newly built:

- construction of new owner-occupied dwelling.
- construction of new-owner-occupied dwellings containing more than two housing units.

Applications must be filed with the Housing Officer no later than six months after construction completion.

Section 5. To administer and implement the provisions of this Ordinance, the Department of Development Housing Administrator, is designated as the Housing Officer as described in Sections 3735.65 through 3735.70.

- Section 6.** That a Community Reinvestment Area Housing Council shall be created, consisting of two members appointed by the Mayor of the City of Columbus, two members appointed by the Council of the City of Columbus and one member appointed by the Planning Commission of Columbus. The majority of the members shall then appoint two additional members who shall be residents within the area. Terms of the members of the Council shall be for three years. An unexpired term resulting from a vacancy in the Council shall be filled in the same manner as the initial appointment was made.
- Section 7.** Eligibility for abatement under this Ordinance shall terminate on the 5th anniversary of the effective date of this Ordinance and the Housing Officer is hereby directed not to accept any applications after that date.
- Section 8.** The Community Reinvestment Area Housing Council shall make an annual inspection of the properties within the district for which an exemption has been granted under Section 3735.66 of the ORC. The council shall also hear appeals under 3735.70, of the ORC.
- Section 9.** The Mayor of the City of Columbus is hereby authorized to submit such documentation to the Ohio Director of Development as is necessary to confirm the findings herein.
- Section 10.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

Housing conditions study: Exhibit A

Linden/Area A

West: bounded by I-71;
North: Bounded by the rear property lines on the north side of Hudson Avenue; and the rear property lines on the north side of Mock Road;
East: Bounded by the rear property lines on the east side of Rankin; the rear property lines on the east side of Woodland Avenue; and the railroad (from Seventeenth Avenue south to 5th Avenue);
South: Bounded by the rear property lines on the south side of Seventeenth Avenue; and the rear property lines on the south side of Fifth Avenue.

During the Month of February, 2002, surveys were conducted in the area known as Linden/Area A. The proposed CRA area covers slightly more than 1.5 square miles. The purpose of the survey was to determine through surveillance of the area, the number and location of housing units within the proposed CRA that appeared to be in need of repair or upgrading and the severity of dilapidated structures that were beyond repair, and needing to be removed. While the bulk of the housing in the area was built before 1960, a substantial number of houses (approximately 1,226) were built before 1939.

| <u>Year</u> | <u>Units</u> | <u>Percentage</u> |
|-------------------------|--------------|-------------------|
| 1985 or later | 21 | 0.4% |
| 1980-84 | 23 | 0.4% |
| 1970-79 | 245 | 4.7% |
| 1960-69 | 573 | 10.9% |
| 1950-59 | 1,459 | 27.9% |
| 1940-49 | 1,688 | 32.2% |
| <u>1939 and earlier</u> | <u>1,226</u> | 23.4% |
| Total | 5,235 | |




The results of the survey are as follows:

The Linden/Area A CRA contains approximately 6,108 parcels and 5,300 housing units. All are within the Columbus Public School District.

A total of 561 properties were surveyed. Approximately 97% of the units surveyed were single-family.

Thirty two percent (32%) of the single-family units surveyed showed some degree of disrepair, which was considered beyond normal maintenance levels. At least 10% either needed substantial repair of deficiencies such as holes or cracks in foundation, leaning structures, sagging roofs or rotted porches or were dilapidated.

Residential Tax Incentive Area A

-  City Owned Property
-  Land Bank Property
-  Vacant Property



**Prepared by:
Planning Division
January 2002**

City of Columbus
Michael B. Coleman, Mayor
Department of Development
Mark Barbash, Director

