



## Legislation Text

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**File #: 1869-2022, Version: 2**

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In 2018, the City adopted a new residential Community Reinvestment Area policy based on the 2016 study from HR&A that evaluated the effectiveness of real property tax abatements. Chapter 4565 of the City Code was established by Ordinance 2184-2018 that outlines the eligibility requirements to apply for and receive a tax abatement on property used for residential purposes. Chapter 4565 of the City Code also requires the City to evaluate the policy and CRA categorization every 3 years. The Cleveland Avenue CRA needs to be updated to reflect the recent changes made to Chapter 4565 of the City's Code. This ordinance will modify the Cleveland Avenue Community Reinvestment Area by adjusting its boundaries; modifying the percentage and term of abatements to correspond with certain housing designations; include a provision to address lot combinations; and will modify the start date for certain area designations. These changes also align with the updates approved by Council to Chapter 4565 of the Columbus City Code.

To amend the Cleveland Avenue Community Reinvestment Area to align with the updates located in Chapter 4565 of the Columbus City Code; **to amend the boundaries of this CRA.**

**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**, Ordinance 1505-2021 created the Cleveland Avenue Community Reinvestment Area and authorized real property tax exemptions within it, as provided per the Ohio Revised Code; and

**WHEREAS**, the City of Columbus has established a goal of fostering private sector investment to build mixed income neighborhoods dispersed throughout the City; and

**WHEREAS**, in 2018 the City developed an incentive policy to encourage development of affordable housing through targeted economic development incentives, including real property tax abatements, throughout the City; and

**WHEREAS**, the Cleveland Avenue CRA, created in 2021, must be updated to reflect the 2022 changes made by Council to Chapter 4565 of the City's Code per Ordinance 1843-2022;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**Section 1.** Council finds and determines that the area within the Cleveland Avenue CRA is one in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged. Council also finds and determines that amending the Cleveland Avenue CRA is in the City's best interest and will

incentivize the construction or remodeling of affordable housing within this area designation. Per Sections 2-4 below, the addition of new language to prior legislation is underlined, and deletions are marked as stricken.

**Section 2.** That Section 2 of Ordinance 1505-2021 is hereby amended with additional language underlined and deletions marked as stricken, which shall hereafter read as follows:

That, pursuant to ORC Section 3735.66, the Cleveland Avenue Community Reinvestment Area boundary is hereby established in the following described area:

All parcels that are (1) located in the area bound by Cleveland Avenue to the west, Dublin- Granville Road to the north, **rear parcels to the east of** Westerville Road to the east, and Morse Road to the south, as reflected on the map attached hereto, and (2) that are part of the City of Columbus as of the date of the passage of this Ordinance. A full list of the parcels that are part of the Cleveland Avenue Community Reinvestment Area is also attached hereto.

In addition to this description of the boundaries, the Community Reinvestment Area is also approximately depicted as the area on the map marked Exhibit B, attached to this Ordinance, and on the list of parcel numbers marked Exhibit C, both of which are incorporated herein. In the event that an owner of a parcel within the Community Reinvestment Area combines a parcel within the Community Reinvestment Area with an adjoining parcel(s) outside the Community Reinvestment Area, the resultant combined parcel shall be deemed to be within the Community Reinvestment Area only if (1) the parcel that was within the Community Reinvestment Area prior to the parcel combination constitutes at least fifty percent of the total parcel area of the combined parcel; (2) the parcels were combined into the parcel number listed in Exhibit C to be included in the Community Reinvestment Area ; and (3) the parcel(s) that were combined with the parcel inside of the Community Reinvestment Area are all contiguous with and adjacent to the parcel within the Community Reinvestment Area.

Only properties that are residentially zoned pursuant to the Columbus City Codes or are located on a parcel for which a variance permitting residential use has been granted will be eligible for exemptions under this program. For purposes of ORC Sections 3735.65 to 3735.70, rental housing, including without limitation rental housing located in a structure containing multiple residential housing units, is classified as residential.

**Section 23.** That Section 3 of Ordinance 1505-2021 is hereby amended with additional language underlined and deletions marked as stricken, which shall hereafter read as follows:

A tax exemption on the increase in the assessed valuation of the Property resulting from improvements as described herein, shall be granted upon proper application by the property owner, which application must be filed with the Housing Officer no later than two years after construction completion, and certification thereof by the designated Housing Officer for the following periods:

: (a) For a Development Project ~~that consists of~~ involving the remodeling of a structures containing not more than three (3) family units:

: One hundred percent (100%) for fifteen (15) years for Affordable Housing Units (as defined in Columbus City Code (“CCC”) Section 4565.02) ~~if the in areas is designated Ready for Opportunity, Ready for Revitalization Areas or Market Ready Areas,~~ subject to and contingent upon the owner of the structure and the City entering into a written agreement as described in CCC Section 4565.07, or 4565.08, prior to the commencement of construction or within an extended time-frame thereafter subject to the approval of the Development Director. The abatement is revocable upon the first owner transferring title to the structure to a third party following the first owner’s initial occupancy.

: One hundred percent (100%) for fifteen years in areas designated Ready for Opportunity Areas.

(b) For ~~construction of a new~~ Development Project involving the construction of a new structure containing not more than three (3) family units:

: One hundred percent (100%) for fifteen (15) years for Affordable Housing Units (as defined in CCC Section 4565.02) ~~if the area is designated Ready for Opportunity or Ready for Revitalization Areas or Market Ready Areas,~~ subject to and contingent upon the owner of the structure and the City entering into a written agreement as

described in CCC Section 4565.07, or 4565.08, prior to the commencement of construction or within an extended time-frame thereafter subject to the approval of the Development Director. The abatement is revocable upon the first owner transferring title to the structure to a third party following the first owner's initial occupancy.

· One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity.

If the area is designated Market Ready, one hundred percent (100%) for fifteen years only if all units within the development project are Affordable Housing Units (as the term Affordable Housing Unit is defined in Section

4565.02(A)), with the exemption revocable upon transfer of title to the structure or any of the units if not in conformity with deed restrictions for affordability. For development projects containing three (3) family units, one (1) Affordable Housing Unit must be affordable to occupants whose annual household income is up to eighty percent (80%) AMI, and two (2) Affordable Housing Units must be affordable to occupants whose annual household income is up to one hundred percent (100%) AMI. For development projects containing two (2) family units, one (1) Affordable Housing Unit must be affordable to occupants whose annual household income is up to eighty percent (80%) AMI, and one (1) Affordable Housing Unit must be affordable to occupants whose annual household income is up to one hundred percent (100%) AMI. For structures that constitute one affordable housing unit, the Affordable Housing Unit must be affordable to occupants whose annual household income is up to eighty percent (80%) AMI.

(c) For a Development Project involving the remodeling of a development project structure or construction of a new development project structure containing four (4) or more family units:

· One hundred percent (100%) for fifteen (15) years if the area is designated Ready for Opportunity.

· One hundred percent (100%) for fifteen (15) years if in the area is designated Ready for Opportunity Areas, Ready for Revitalization Areas or Market Ready Areas, subject to and contingent upon the owner of the structure and the City entering into a written agreement as described in CCC Section 4565.07, or 4565.08, or 4565.09 prior to the commencement of construction or within an extended time-frame thereafter subject to the approval of the Development Director.

Designation of the Cleveland Avenue Community Reinvestment Area as a Ready for Opportunity Area, a Ready for Revitalization Area, or a Market Ready Area shall be made by the Development Director pursuant to CCC Section 4565.03.

The tax exemptions provided for herein shall further be governed by the terms and conditions contained in Chapter 4565 of the Columbus City Codes, including any amendments thereto, as well as the requirements contained in Sections 3735.65 to 3735.70 of the Ohio Revised Code, including the minimum investment requirements set forth therein. For a remodeling development project, including one with multiple structures, the cost of remodeling of any structure containing not more than two (2) family units must be at least two thousand five hundred dollars (\$2500) or twenty percent (20%) of the assessed value of the structure, whichever is more. For a remodeling development project, including one with multiple structures, the cost of remodeling any structure containing more than two (2) family units must be at least five thousand dollars (\$5000) or twenty percent (20%) of the assessed value of the structure, whichever is more.

The tax exemption provided hereunder is senior to any tax exemption provided pursuant to ORC Sections 5709.40 or 5709.41.

**Section 34.** That transition to the amendments to Section 3 of Ordinance 1505-2021, as provided in Section 2 of this Ordinance shall occur on the following schedule:

The Provisions of Section 3 of Ordinance 1505-2021 as it existed prior to the effective date of this Ordinance, shall apply to all

projects that have an executed agreement or memorandum approved by City Council prior to the effective date of this ordinance, or that adhere to the following timeline:

- a. Obtains all necessary building permits on or before August 31, 2023; or has closed on all project construction financing and obtained at least 50% of the project's building permits by August 31, 2023.

**Section 45.** Section 5 of Ordinance 1505-2021 is repealed and replaced with the following provision, which shall hereafter read as follows:~~That a pre-application may be required to ensure the compatibility with neighborhood plans and to insure the maintenance of existing streetscape lines, style, scale setbacks and landscaping features compatible with neighborhood.~~

To receive an abatement as provided herein, the applicant for the Development Project must provide documentation that it has received a Certificate of Appropriateness, or other similar approval from the City, ensuring the residential project meets the City subdivision standards for the type of residential project being constructed or remodeled.

The tax exemption provided hereunder is senior to any tax exemption provided pursuant to ORC Sections 5709.40 or 5709.41.

**Section 56.** All other provisions of Ordinance Number 1505-2021 regarding the Cleveland Avenue Community Reinvestment Area remain effective as adopted prior to this ordinance.

**Section 7.** 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 those members shall then appoint an additional member who resides within the CRA. 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 for the remainder of the term of the vacated seat. Pursuant to R.C. 3735.66, Council designates the City's Development Director as the Housing Officer as defined in R.C. 3735.65 (A).

**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 R.C. Section 3735.66. This Council shall also hear appeals under R.C. 3735.70.

**Section 69.** The Clerk of this Council is directed to forward a copy of this Ordinance as passed by Council to the Franklin County Auditor for information and reference. The Clerk also is directed to cause notice of the passage of this Ordinance to be published in a newspaper of general circulation in the City once a week for two consecutive weeks immediately following its passage, as required by Section 3735.66 of the Ohio Revised Code.

**Section 710.** The Mayor and the Development Director of the City of Columbus is hereby authorized to submit such documentation, and to sign any and all documents required, to the Director of the Ohio Department of Development as is necessary to confirm the findings herein.

**Section 811.** That this ordinance shall take effect and be in force from and after the earliest date allowed by law.