



## Legislation Text

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**File #: 3447-2023, Version: 1**

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### BACKGROUND

In 2016 and 2017, the City of Columbus commissioned a study from HR&A on the effectiveness of the City's economic development incentives, including real property tax abatements in Community Reinvestment Areas ("CRAs"). Based on the results of the study, the City revised its policies concerning CRA abatements, and decided to encourage the development of affordable housing by conditioning the provision of CRA abatements, in certain circumstances, on the inclusion of affordable housing.

In July 2018, City Council passed Ordinance No. 2184-2018, adopting Chapter 4565 of the Columbus City Codes to require certain entities seeking CRA abatements in Post-1994 CRAs to meet certain affordable housing requirements.

Pursuant to Chapter 4565, the affordable housing requirements applicable to any particular development project depends on whether the CRA in which the project will be constructed is designated as Market Ready, Ready for Revitalization, or Ready for Opportunity (the "Area Designations"). Generally speaking, the Area Designations reflect the extent to which housing within the CRA is blighted. Development projects located in areas with less blight must satisfy higher affordable housing requirements in order to receive the abatement.

Pursuant to Chapter 4565, the Area Designation assigned to each CRA must be reassessed every three years.

This code change will adopt certain administrative modifications to Chapter 4565, and enact new Section 4565.10 to provide for a process whereby the affordable housing requirements for owner-occupied housing may be waived, first through an application to the Director of the Department of Development, with a right of appeal to the CRA Housing Council pursuant to Ohio Revised Code Sections 3735.69 through 3735.70.

To repeal and replace existing Chapter 4565 of the Columbus City Codes to incorporate certain administrative modifications; and to enact Section 4565.10 of the Columbus City Codes to provide a waiver process related to affordability requirements for owner-occupied housing units.

**WHEREAS**, in 2016 and 2017 the City of Columbus commissioned and received a study from HR&A on the effectiveness of its economic development incentives, including real property tax abatements in Community Reinvestment Areas; and

**WHEREAS**, in response to the study, the City developed a revised incentive policy to encourage the development of affordable housing in CRAs in stronger market areas within the City by requiring developers to construct affordable housing in consideration of the City granting the developer a tax abatement; and

**WHEREAS**, in July 2018, City Council passed Ordinance No. 2184-2018, amending Title 45 of the Columbus City Codes to add Chapter 4565 embodying the City's new residential CRA incentive policy for Post-1994 CRAs; and

**WHEREAS**, Chapter 4565 of the Columbus City Codes empowers the Director of the Department of Development to assign each residential CRA within the City one of three housing Area Designations: Market Ready, Ready for

Revitalization, or Ready for Opportunity; and

**WHEREAS**, in accordance with the foregoing, Chapter 4565 requires certain property owners in Market Ready, Ready for Revitalization, and Ready for Opportunity areas to satisfy certain affordable housing requirements to receive a CRA abatement; and

**WHEREAS**, Chapter 4565 requires the Director to reassess the Area Designations assigned to each post-1994 CRA every three years to evaluate current market conditions based on the criteria outlined in Chapter 4565; and

**WHEREAS**, Chapter 4565 was updated in 2022 with the passage of 1843-2022; and

**WHEREAS**, it is now necessary to amend Chapter 4565 in order to make certain administrative modifications and to enact new Section 4565.10 to provide a waiver process related to the affordability requirements of owner-occupied housing developments; **NOW, THEREFORE**,

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

**SECTION 1.** That Sections 4565.01, 4565.02, 4565.03, 4565.04, 4565.05, 4565.06, 4565.07, 4565.08, and 4565.09 of the Columbus City Codes are hereby repealed and replaced as identified and included in Exhibit A, attached hereto and incorporated as if fully rewritten herein, with deletions stricken, and new language underlined.

**SECTION 2.** That new Section 4565.10 of the Columbus City Codes is hereby enacted as identified in Exhibit A, attached hereto and incorporated as if fully rewritten herein, with new language underlined.

**SECTION 3.** That all sections of Chapter 4565 not repealed and amended herein remain in full force and effect.

**SECTION 4.** That this Ordinance shall take effect and be in force from and after the earliest date allowed by law.