Legislation Details (With Text)

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Type:	Ordinance	**Status:**	Passed
File created:	6/22/2022	**In control:**	Housing Committee
On agenda:	7/25/2022	**Final action:**	7/27/2022
Title:	To amend the Far South Community Reinvestment Area to make modifications to align with the updates located in Chapter 4565 of the Columbus City Codes.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit A Far South Blight Study, 2. Exhibit B Far South CRA map, 3. Exhibit C Far South_CRA_Parcels		

Date	Ver.	Action By	Action	Result
7/27/2022	1	CITY CLERK	Attest	
7/26/2022	1	ACTING MAYOR	Signed	
7/25/2022	1	COUNCIL PRESIDENT	Signed	
7/25/2022	1	Columbus City Council	Taken from the Table	Pass
7/25/2022	1	Columbus City Council	Approved	Pass
7/11/2022	1	Columbus City Council	Tabled Indefinitely	Pass
6/27/2022	1	Columbus City Council	Read for the First Time	

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 Far South CRA needs to be updated to reflect the recent changes made to Chapter 4565 of the City's Code. This ordinance will modify the Far South 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 Far South Community Reinvestment Area to make modifications to align with the updates located in Chapter 4565 of the Columbus City Codes.

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 2168-2020 created the Far South Community Reinvestment Area and authorized real property tax exemptions within it, as provided per 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 Far South CRA, created in 2020, 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 Far South 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 Far South CRA is in the City's best interest and will incentivize the construction or remodeling of affordable housing within this area designation. Per Sections 2-3 below, the addition of new language to prior legislation is underlined, and deletions are marked as stricken.

Section 2. That Section 3 of Ordinance 2168-2020 is hereby amended with additional language underlined and deletions marked as stricken, which shall hereafter read as follows:

A tax exemption on the assessed valuation of new structure(s) or in the increased assessed valuation of existing structure(s) after remodeling, resulting from improvements as described herein shall be granted upon proper application by the property owner, 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 ~~d~~Development ~~p~~Project involving the ~~that~~ ~~consists~~ ~~of~~ remodeling of a structure~~s~~ containing not more than three (3) family units:

- One hundred percent (100%) for fifteen (15) years ~~if~~ ~~the~~ in area~~s~~ ~~is~~ designated Ready for Opportunity Area~~s~~~~, Ready for Revitalization, or Market Ready~~.
- One hundred percent (100%) for fifteen (15) years for Affordable Housing Units (as defined in Columbus City Code ("CCC") Section 4565.02) in areas designated Ready for Revitalization Areas and 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.

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

- One hundred percent (100%) for fifteen (15) years ~~if the~~ in area~~s~~ ~~is~~ designated Ready For Opportunity Area~~s~~~~ or Ready for Revitalization~~.
- ~~If the area is designated Market Ready, o~~One hundred percent (100%) for fifteen years ~~only~~ ~~if~~ ~~all~~ ~~units~~ ~~within~~ ~~the~~ ~~development~~ ~~project~~ ~~are~~ for Affordable Housing Units (as the term Affordable Housing Unit is defined in CCC Section 4565.02~~(A))~~, in areas designated Ready for Revitalization Areas and Market Ready Areas, subject to and contingent upon the owner of the structure

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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. ~~with the exemption revocable upon transfer of title to the structure 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 who 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 who 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~~ 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 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 Far South 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 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.

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 3. That transition to the amendments in Section 2 above are effective when all necessary building permits have been issued on or prior to August 31, 2023, or when the Development Project has closed on all project construction financing and obtained at least 50% of the project's building permits by August 31, 2023.

Section 4. All other provisions of Ordinance 2168-2020 regarding the Far South Community Reinvestment Area remain

effective as adopted prior to this ordinance.

Section 5. 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 6. 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 7. Upon passage, the Clerk of this Council is directed to forward a copy of this Ordinance to the Franklin County Auditor for information and reference. The Clerk of this Council is further directed to cause notice of the passage of this Ordinance 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 8. Not later than sixty days after passage of this Ordinance, the Director shall petition the State Director of Development Services to confirm the findings described in this Ordinance. The petition shall include all documents and information required by R.C. 3735.66

Section 9. This Council further authorizes and directs the Mayor, the Clerk of Council, the Director of Development and/or other appropriate officers of the City, to prepare and sign all agreements and documents and to take any other actions as may be appropriate or necessary to implement this Ordinance.

Section 10. That this Ordinance shall take effect and be in force from and after the earliest date allowed by law.

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