



Legislation Text

File #: 1292-2012, **Version:** 2

Background: The goal of a Community Reinvestment Area (CRA) is neighborhood revitalization and stabilization.

This ordinance creates the Short North Community Reinvestment Area and provides for real property tax exemptions for residentially and commercially zoned and used parcels within the area. In order to further the goal of neighborhood revitalization and stabilization, this ordinance recommends absorbing the existing Second and High Community Reinvestment Area passed by Ordinance 1685-2009 and the Hubbard and High Community Reinvestment Area amended by Ordinance 1153-2009 into the Short North Community Reinvestment Area.

The ordinance provides for exemption from an increase in real property tax for construction of new, owner-occupied, single family homes built on vacant lots, construction of new owner-occupied multi-family housing, construction of new rental housing, construction of new commercial structures, on the increase in valuation of building conversions from commercial use to residential use; and on the increase in property taxes due to the renovation of existing single and multi-family housing units, within the established boundaries.

The ordinance is presented as an emergency to allow for multiple renovation and construction projects to be included in the CRA while under construction. Allowing projects to participate in the tax incentive program will facilitate completion and promote sales.

Fiscal Impact: No funding is required for this ordinance.

To create the Short North Community Reinvestment Area and to authorize real property tax exemptions as established in the Ohio Revised Code; and to declare an emergency.

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 benefit of reinvestment from remodeling or new construction; and

WHEREAS, Ordinance 1698-78, approved August 3, 1978, as amended by Ordinance 1345-02, approved July 29, 2002, 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) and a list of parcels as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared and included in this proposed Community Reinvestment Area; and

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

WHEREAS, the remodeling of existing buildings for residential use and the construction of new residential and commercial structures in this Community Reinvestment Area constitutes a public purpose for which real property

exemptions may be granted; and

WHEREAS, the proposal is a public/private partnership intended to promote and expand conforming uses in the designated area, and

WHEREAS, an emergency exists in the usual daily operations of the Development Department in that it is immediately necessary to create the Short North Community Reinvestment Area and to authorize real property tax exemptions as established in the Ohio Revised Code, to allow for multiple renovation and construction projects to be included in the CRA while under construction, thereby preserving the public health, property, peace, safety, and welfare, **NOW, THEREFORE**,

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

Section 1. The area depicted in Exhibit B constitutes an area in which housing facilities or structures of historical significance are located.

Section 2. Pursuant to ORC Section 3735.66, The Short North Community Reinvestment Area boundary is hereby established in the following described area:

North: Bounded by Fifth Avenue (between Neil and Summit Avenues, excluding properties on the north side of Fifth Avenue)

West: Bounded by Neil Avenue (excluding properties on the west side of Neil Avenue)

South: Bounded by Buttles Avenue, (excluding rear property lines south of Buttles), **continuing south along Park Street, east along Brickle Street (excluding the rear property lines on the south side of Brickle Street)**, continuing east along E. Lincoln Street (including property lines south of E. Lincoln St.)

East: Bounded by Summit Street (excluding property lines east of Summit)

The Community Reinvestment Area is approximately depicted as the area on the map marked B, attached to this Ordinance; on the list of parcel numbers marked Exhibit C, and by this reference incorporated herein.

Only properties consistent with the applicable zoning regulations and variances thereto within the designated Community Reinvestment Area 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 3. 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 approval by the designated Housing Officer.

Abatement terms and percentages are as follows:

(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 and upon which the cost of remodeling is at least \$2500.00, as described in ORC Section 3735. 67;

- existing 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 and upon which the cost of remodeling is at least \$2500.00, as described in ORC Section 3735.67;

- 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

- conversion of existing commercial property containing not more than two units, to owner-occupied 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.

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 and upon which the cost of remodeling is at least \$5000.00 as described in ORC Section 3735.67;

existing 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 and upon which the cost of remodeling is at least \$5000.00 as described in ORC Section 3735.67;

- 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.

- conversion of existing commercial property containing more than two units, to owner-occupied 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.

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

- construction of new owner-occupied dwelling.

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

- construction of new rental housing.

- construction of new commercial structures (including, without limitation, retail structures and parking garages).

The foregoing dwellings, housing and structures may be included in part of a larger structure containing other uses. Abatements may be claimed for, and will apply to, any portion of a structure meeting the required criteria; the entire structure does not need to be abated or qualify for abatement in order for the abatement to apply to the qualifying portions of the structure.

The abatements provided for in this ordinance take precedence over the tax increment financing exemptions provided for in Ordinance 2172-2005, passed December 12, 2005.

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

A CRA Agreement meeting the requirements of Section 3735.671 of the Ohio Revised Code is required for any abatement of new commercial structures. City Council approval is required for any such agreement. That approval is in the sole discretion of City Council.

Section 4. That City Council reserves the right to re-evaluate the designation of the Short North Community Reinvestment Area after December 31, 2016, at which time Council may direct the Housing Officer not to accept any applications for exemptions as directed in Section 3735.67 of the Ohio Revised Code.

Section 5. That eligibility for abatement of property requires that the owner of the abated property record a covenant against the abated property requiring the property owner to make (i) payments in lieu of taxes to the City in an amount equal to 100% of the abated taxes beginning in the 11th year and continuing through the 15th year of the abatement, or (ii) such other payments in lieu of taxes to which the City and the property owner agree in writing. That covenant must be a covenant running with the land, be prior to any mortgage on the property and be in a form acceptable to the City in its sole discretion. The City may revoke the abatement of property if the property owner fails to (i) record the covenant for that property or (ii) make payments in lieu of taxes for that property, each as required by this Section

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 those 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 un-expired 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.

Section 7. 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 8. That this Council further hereby authorizes and directs the Mayor, the Clerk of Council, the Director of Development, or other appropriate officers of the City to prepare and sign all agreements and instruments and to take any other actions as may be appropriate to implement this Ordinance.

Section 9. To administer and implement the provisions of this Ordinance, the Administrator of the Department of Development's Housing Division is designated as the Housing Officer as described in Sections 3735.65 through 3735.70 of the Ohio Revised Code.

Section 10. That in the reasons stated in the preamble hereto, which is hereby made a part thereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.