



Legislation Text

File #: 2953-2013, **Version:** 1

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

On September 28, 1992, City Council adopted Resolution 171X-92, which created the Neilston Community Reinvestment Area, as later amended by Ordinance 1531-02, passed October 21, 2002, to create the Jeffrey Residential CRA. In 2003, City Council passed Ordinances 1715-2003 and 1773-2003 which created the Jeffrey Square Community Reinvestment Area. In order to further the goal of neighborhood revitalization and stabilization, this ordinance absorbs the existing Jeffrey Square Community Reinvestment Area into the Jeffrey Residential Community Reinvestment Area and this ordinance makes four additional changes to the Jeffrey Residential CRA: (1) eliminating the requirement to make payments in lieu of taxes (PILOTs) on parcels receiving property-tax exemptions under the CRA, (2) eliminating the requirement that property owners enter into an agreement with the City Housing Officer prior to seeking a real-property-tax exemption, (3) classifying improvements to apartments and multi-family housing as “residential” for the purposes of the CRA Program, and (4) authorizing the City Housing Officer to accept applications for real-property-tax exemptions through December 31, 2022.

This Ordinance will amend Resolution 171X-92 and Ordinance 1531-02 which created the Jeffrey Residential Community Reinvestment Area (see Exhibit B) in order to continue to provide for real property tax exemptions for parcels within the area. In order to further the goal of neighborhood revitalization and stabilization, this ordinance absorbs the existing Jeffrey Square Community Reinvestment Area passed by Ordinances 1715-2003 and 1773-2003 into the Jeffrey Residential Community Reinvestment Area.

The Ordinance will provide exemption from real property tax on the increased valuation due to remodeling of owner-occupied, rental and conversion housing and construction of new, owner-occupied, single family homes (attached and detached) built on vacant lots, construction of new multifamily housing units and construction of certain new commercial improvements within the established boundaries.

Fiscal Impact: None. No funding is required for this legislation.

To renew and expand the Jeffrey Residential Community Reinvestment Area; to authorize real property tax exemptions as established in Section 3735.65 to 3735.70 of the Ohio Revised Code; and to declare an emergency.

WHEREAS, Resolution 1698-78, adopted 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, by Resolution 171X-92, adopted September 28, 1992, this Council designated the Neilston Community Reinvestment Area as a community reinvestment area as established by Sections 3735.65 to 3735.70 of the Ohio Revised Code; and

WHEREAS, by Ordinance 1531-02, passed October 21, 2002 (the “Jeffrey CRA Ordinance”), this Council adjusted the boundaries of the Neilston Community Reinvestment Area, modified the classes of residential improvements eligible for

tax exemptions therein and the periods and amounts of exemptions applicable to those improvements, and renamed that community reinvestment area the Jeffrey Residential Community Reinvestment Area (also referred to herein as the “Community Reinvestment Area”); and

WHEREAS, the Jeffrey Square Community Reinvestment Area was created by Ordinance 1715-2003 and amended by Ordinance 1773-2003 (together, the “Jeffrey Square CRA Ordinances”); and

WHEREAS, the Jeffrey Square Community Reinvestment Area by its enabling legislation is set to expire on December 31, 2013 and incentives for continued residential development are necessary; and

WHEREAS, this 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, the construction of new structures in the Jeffrey Residential Community Reinvestment Area will serve to encourage economic stability, maintain real property values and generate new employment opportunities; and

WHEREAS, the State’s Development Services Agency has requested the inclusion of language within Section 3735.67 of the Ohio Revised Code be added to relevant sections of all Community Reinvestment Area ordinances in order to establish minimum threshold investments for abated properties located within the boundaries of each designated Community Reinvestment Area; and

WHEREAS, it is necessary to modify certain terms of the existing Jeffrey Residential Community Reinvestment Area in order to facilitate the redevelopment of that area; and

WHEREAS, it is desirable to expand the area of the Community Reinvestment Area to allow for additional properties in the area to benefit from the tax exemption offered by this Ordinance; and

WHEREAS, an updated survey of housing (see Exhibit A) and list of parcels (Exhibit D) as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared and included in this ordinance; and

WHEREAS, the continued remodeling of existing buildings for residential use and construction of new 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 housing units for residential use and the construction of new 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; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is necessary to pass this ordinance as an emergency measure in order to allow for the timely financing of public infrastructure improvements and commencement of redevelopment of the Jeffrey Residential CRA, all for the preservation of the public health, peace, property, safety and welfare; and **NOW, THEREFORE**,

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

Section 1. To amend Resolution 171X-92 and Ordinance 1531-02 in order to continue to provide for real property tax exemptions for residentially-zoned parcels within the areas. Based on the updated survey of housing attached as

Exhibit A and on Council's own knowledge of the facts and conditions, the areas identified in the Original CRA Ordinances and this Ordinance are the areas depicted on Exhibit C and constitute areas 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, The Jeffrey Residential Community Reinvestment Area is hereby reaffirmed and expanded in the following described area (Section 4 of the Jeffrey CRA Ordinance is amended and restated in its entirety):

The following real estate situated in the City of Columbus, County of Franklin and State of Ohio.

All properties within the following boundaries:

North: Fifth Avenue

South: Connecting Ramps and Highway Associated with Interstate 670

East: Rail Road east of Fourth Street and west of Cleveland Avenue

West: Fourth Street

The Community Reinvestment Area is approximately depicted as the area on the map attached to this Ordinance, marked Exhibit C; by parcel number, marked Exhibit D; 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.

Section 3. Section 6 of the Jeffrey CRA Ordinance is amended by adding the following as a new Section 6(b):

“(b) 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.

All of the following properties identified in this ordinance as being within the designated Jeffrey Residential Community Reinvestment Area are eligible for this abatement if they meet the criteria stated in this Section: vacant residentially-zoned parcels; owner occupied residential properties; commercial properties being converted to housing units; new or existing residential rental properties; or new commercial properties.

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:

(i) 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;
- 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.

(ii) 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;
- 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.

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

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

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.”

Section 4. That Section 5 of the Jeffrey CRA Ordinance is amended to read in its entirety as follows in order to extend the date through which the Housing Officer is authorized to accept applications for tax exemptions:

“Section 5. That the Housing Officer is authorized to accept applications for tax exemptions. The City Council reserves the right to re-evaluate the designation of the Jeffrey Residential Community Reinvestment Area after December 31, 2022, at which time Council may direct the Housing Officer not to accept any applications for exemptions as described in Section 3735.67 of the Ohio Revised Code, provided, however, that no such revocation of authorization applies to an Improvement (as defined herein) for which an application has previously been accepted by the Housing Officer and which is completed within 36 months of such revocation.”

Section 5. That Section 6 of the Jeffrey CRA Ordinance is amended to restate existing Section 6(a) to read in its entirety as follows and to delete existing Sections 6(b) and 6(c) in order to (a) eliminate the requirement that Applications must be submitted within 12 months after completion of an Improvement, (b) eliminate the requirement that property owners must pay payments in lieu of taxes, and (c) classify residential apartment structures as residential improvements for purposes of Ohio Revised Code Section 3735.65 to 3735.70:

“Section 6. (a) That within the Jeffrey Residential Community Reinvestment Area, tax exemptions on the increase in the assessed valuation resulting from improvements of or to real property as described in Ohio Revised Code Section 3735.67 (the "Improvements" or "Improvement") will be granted upon proper application by the property owner and certification

thereof by the designated Housing Officer. The term and percentage of the exemptions in the Jeffrey Residential Community Reinvestment Area will be as set forth in Section 6(b). Structures consisting of multiple residential apartment units are considered residential improvements for purposes of Ohio Revised Code Sections 3735.65 to 3735.70. Except as specified in this Section 6, no exemption will be granted under Revised Code Sections 3735.66 through 3735.70 in the Jeffrey Residential Community Reinvestment Area. The tax exemption provided hereunder is senior to any tax exemption provided pursuant to Ohio Revised Code Sections 5709.40 or 5709.41.”

Section 6. That Section 9 of the Jeffrey CRA Ordinance is amended to read in its entirety as follows in order to make conforming changes required by other amendments to that ordinance:

“Section 9. That the Housing Officer and appropriate City officials are hereby authorized and directed:

(a) to coordinate the claiming of exemptions under this ordinance and under ordinances adopted pursuant to Sections 5709.40 or 5709.41 of the Ohio Revised Code; and

(b) to cooperate with owners of Improvements in causing, where appropriate, a split listing under Section 5713.04 of the Ohio Revised Code and in claiming and benefiting from the property tax exemptions provided for herein; and

(c) to take such other actions as may be necessary or appropriate to otherwise implement any part of this ordinance.”

Section 7. That Sections 7 and 8 of the Jeffrey CRA Ordinance are deleted in their entirety to eliminate the requirement for agreements in connection with applications for tax exemptions.

Section 8. 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 Development Commission of the City of Columbus. The majority of those members shall then appoint two additional members who shall be residents within the Jeffrey Residential Community Reinvestment 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 9. 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 Section 3735.70 of the ORC.

Section 10. 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 11. That the Jeffrey Square CRA Ordinances are hereby repealed.

Section 12. 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 13. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.