



## Legislation Text

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**File #: 2188-2018, Version: 2**

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### **BACKGROUND:**

In 2016 and 2017, the City 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. The study concluded that the City's economic development incentive programs could be improved to better target economic development incentives to areas where the market was not yet encouraging investment. The City has developed an incentive policy to encourage development of affordable housing through targeted economic development incentives, including real property tax abatements, throughout the City. This ordinance will modify the Hilltop Community Reinvestment Area by authorizing the real property tax exemptions set forth by Chapter 4565 of the Columbus City Codes.

To amend the Hilltop/Area D Community Reinvestment Area to authorize the real property tax exemptions as established in Chapter 4565 of the Columbus City Codes.

**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**, 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** 1141-02 created the Hilltop/Area D Community Reinvestment Area and authorized real property tax exemptions within it, as provided per Ohio Revised Code; and

**WHEREAS**, the boundaries of the Hilltop/Area D Community Reinvestment Area have been amended (and/or other amendments of Ordinance 1141-02 have been made) since its creation by Ordinance 2713-2003; Ordinance 1941-2006; Ordinance 2157-2011; Ordinance 1184-2012; and Ordinance 1375-2015; and

**WHEREAS**, in 2016 and 2017, the City commissioned and received a study of the effectiveness of its economic development incentives, including real property tax abatements in community reinvestment areas; and

**WHEREAS**, the study concluded that the City's economic development incentive programs could be improved to better target economic development incentives to areas where the market was not yet encouraging investment; and

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

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

**Section 1.** That Section 4 of Ordinance 1141-02, as amended by Ordinance 1941-2006, Ordinance 2157-2011 and Ordinance 1375-2015 is hereby amended to read as follows:

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, 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 remodeling of a dwelling (i) containing not more than two (2) family units, upon which the cost of remodeling is at least two thousand five hundred dollars (\$2500) or twenty percent (20%) of the assessed value of the structure, whichever is more; or (ii) containing three (3) family units, upon which the cost of remodeling is at least five thousand dollars (\$5000) or twenty percent (20%) of the assessed value of the structure, whichever is more:
  - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity Areas, Ready for Revitalization Areas, and Market Ready Areas.
- (b) For construction of a new dwelling containing not more than three (3) family units:
  - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity Areas and Ready for Revitalization Areas.
  - One hundred percent (100%) for fifteen years for Affordable Housing Units (as defined in Section 4565.02(A)) in areas designated Market Ready Areas, revocable upon transfer of title to the dwelling by the owner.
- (c) For remodeling of a dwelling or construction of a new dwelling containing four (4) or more family units:
  - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity Areas.
  - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Revitalization Areas and Market Ready Areas, subject to and contingent upon the owner of the dwelling and the City entering into a written agreement as described in Section 4565.07 or 4565.08, prior to the commencement of construction.

Designation of the Hilltop/Area D 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.

**Section 2.** For purposes of this Ordinance and Sections 3735.65 through 3735.70, inclusive, of the Revised Code, a multiple unit structure or remodeling is hereby deemed to be a “residential” structure or remodeling. The term “multiple unit” shall mean a structure or remodeling incorporating both residential and commercial uses. 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. Abatements may be claimed for, and will only apply to, portions of a structure meeting the required criteria.

**Section 3.** That Section 4 of Ordinance 1141-02, as amended by Ordinance 1941-2006, Ordinance 2157-2011 and Ordinance 1375-2015, as it existed prior to the effective date of this Ordinance, is hereby repealed; provided, however, that its provisions, as they existed prior to the effective date of this Ordinance, shall continue to apply under the terms provided in Section 4 of this Ordinance.

**Section 4.** That transition to the amendments to Section 4 of Ordinance 1141-02, as amended by Ordinance 1941-2006, Ordinance 2157-2011 and Ordinance 1375-2015, as provided in Section 1 of this Ordinance shall occur on the following schedule:

The Provisions of Section 4 of Ordinance 1141-02, as amended by Ordinance 1941-2006, Ordinance 2157-2011 and Ordinance 1375-2015, as they 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. All applicable approvals from the following list have been obtained on or before ~~July 31, 2018~~ **September 30, 2018**:
  - historic, architectural, or design-review body approvals for all project elements; and
  - any required approvals from City Council or the Board of Zoning Adjustment.
- B. ~~Obtains all necessary building permits~~ **Have final site compliance submitted and reviewed, and foundation permit approval** on or before December 31, 2018. **No extension will be given for an expiring foundation permit.**
- C. Obtains a final Certificate of Occupancy on or before December 31, 2020, or within a reasonable period of time thereafter as determined by the Development Director.

**Section 5.** That this ordinance shall take effect and be in force from and after the earliest date allowed by law.