



## Legislation Text

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**File #:** 2185-2018, **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. This ordinance will modify the AC Humko Community Reinvestment Area by further modifying its geographic boundaries and authorizing the real property tax exemptions set forth by Chapter 4565 of the Columbus City Codes.

To amend the AC Humko Community Reinvestment Area; to modify its geographic boundaries; 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 1841-2005 created the AC Humko Community Reinvestment Area and authorized real property tax exemptions within it, as provided per Ohio Revised Code; and

**WHEREAS**, amendments have been made to the AC Humko Community Reinvestment Area boundaries, as well as other provisions, since its creation by Ordinance 1913-2008 and Ordinance 3098-2015; 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**, this Council desires to encourage new housing construction and the repair of existing facilities or structures by further modifying the geographic boundaries of the AC Humko Community Reinvestment Area; and

**WHEREAS**, an updated housing survey (Exhibit A), list of parcels in the proposed Community Reinvestment Area (Exhibit B), and a map (Exhibit C) as required by Ohio Revised Code (ORC) Section 3735.66 have been prepared and attached to this Ordinance; 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 2 of Ordinance 1841-2005, as amended by Ordinance 3098-2015, is hereby amended to state in its entirety as follows:

Pursuant to ORC Section 3735.66, the AC Humko Community Reinvestment Area is hereby established in the following described area:

**North:** Bounded by the property lines on the north side of West Fifth Avenue from the Olentangy River to alley west of Michigan Avenue.

**South:** Bounded by the property lines on the north side of Quality Place from the west side property lines of Ingleside Avenue to the Olentangy River

**West:** Bounded by the east side of the Olentangy River.

**East:** Beginning at the corner of Fifth Avenue and the alley west of Michigan Avenue including only parcels on the west side of the alley, continuing south to the alley north of Vermont Place including only parcels on the north side of the alley, following the alley north of Vermont Place west until it intersects with Perry Street, South on Perry Street but inclusive of parcel 010-286141 on Oregon Avenue to First Avenue, going east on First Avenue to Ingleside Avenue.

The updated housing survey for the area described herein is attached to this Ordinance and marked as Exhibit A. The parcels within the Community Reinvestment Area are listed in Exhibit B. The area of the Community Reinvestment Area is approximately depicted on the map attached to this Ordinance, marked Exhibit C. Each of these Exhibits by this reference is incorporated herein.

**Section 2.** That Section 3 of Ordinance 1841-2005, as amended by Ordinance 1913-2008 and Ordinance 3098-2015, 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 AC Humko 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 3.** 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 4.** That Section 2 of Ordinance 1841-2005, as amended by Ordinance 3098-2015, 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 6 of this Ordinance.

**Section 5.** That Section 3 of Ordinance 1841-2005, as amended by Ordinance 1913-2008 and Ordinance 3098-2015, 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 6 of this Ordinance.

**Section 6.** That transition to the amendments provided in Section 2 of this Ordinance shall occur on the following schedule:

The Provisions of Section 3 of Ordinance 1841-2005, as amended by Ordinance 1913-2008 and Ordinance 3098-2015, 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 7.** The Mayor of the City of Columbus is hereby authorized to submit such documentation to the Director of the Ohio Development Services Agency as is necessary to confirm the findings herein.

**Section 8.** The City Director of Development is hereby authorized and directed to submit such documentation to the Franklin County Auditor, the Franklin County Treasurer, and any other officer necessary to implement the findings and provisions of this Ordinance.

**Section 9.** That this ordinance shall take effect and be in force from and after the earliest date allowed by law.

