



Legislation Text

File #: 1107-2020, **Version:** 1

Background:

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

This Ordinance will create the Northland Community Reinvestment Area (the "CRA"), and provide for real property tax exemptions within the area in accordance with Sections 3735.65 to 3735.70 of the Ohio Revised Code. The real property tax exemptions provided herein will be available only for parcels that are residentially zoned, or parcels where residential use is permitted by variance, and only for properties that are actually used for residential purposes.

The Ordinance will provide for exemptions from increases in real property taxation resulting from the construction of new housing, the conversion of buildings from commercial use to residential use, and the renovation of existing single and multi-family housing units, within the established boundaries.

Fiscal Impact: No fiscal impact. No funding is required for this legislation.

To create the Northland Community Reinvestment Area and to authorize real property tax exemptions as authorized by Sections 3735.65 to 3735.70 of the Ohio Revised Code.

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 the benefit of reinvestment from remodeling or new construction; and

WHEREAS, Ordinance No. 1698-78, approved by City Council on August 3, 1978, authorized the Columbus Department of Development to implement 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, the Council adopted the revised changes to the City's residential tax incentive policy in July 2018 by adopting Ordinance 2184-2018 and thereby codifying Chapter 4565 of the Columbus City Code; and

WHEREAS, the Director of Development shall designate the CRA as Market Ready, Ready for Revitalization, or Ready for Opportunity (the "Area Designations") as provided in Chapter 4565; and

WHEREAS, specific terms and requirements for the CRA will adhere to the requirements of Chapter 4565, including all requirements specific to the Area Designation assigned to the CRA; and

WHEREAS, a survey of housing (see Exhibit A), a map (see Exhibit B), and a list of parcels (see Exhibit C) as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared for this proposed CRA; and

WHEREAS, the remodeling of existing structures for residential use and construction of new residential 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 structures for residential use and the construction of new residential 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, **NOW, THEREFORE**,

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

Section 1. That the area depicted in Exhibit B constitutes an area in which housing facilities or structures of historical significance are located and new housing construction and repair of existing facilities or structures are discouraged.

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

Bounded generally by Community Park Drive on the north, Cleveland Avenue on the east, E. Dublin-Granville Road on the south, and the Sharon Woods Boulevard on the west and more specifically described using the center line of the streets listed as follows:

- Beginning at the intersection of Maple Canyon Avenue and Community Park Drive;
- Thence easterly along the Community Park Drive to Cleveland Avenue;
- Thence southerly along Cleveland Avenue to E. Dublin Granville Road;
- Thence westerly along E. Dublin Granville Road to Sharon Woods Boulevard;
- Thence northerly along Sharon Woods Boulevard to Hampstead Drive;
- Thence easterly along Hampstead Drive to Beechcroft Road;
- Thence northerly along Beechcroft Road to Sharon Woods Boulevard;
- Thence northerly along Sharon Woods Boulevard to Jewett Drive;
- Thence easterly along Jewett Drive to Maple Canyon Avenue;
- Thence northerly along Maple Canyon Avenue to Community Park Drive, the place of beginning.

In addition to this description of the boundaries, the Community Reinvestment Area is also approximately depicted as the area on the map marked Exhibit B, attached to this Ordinance, and on the list of parcel numbers marked Exhibit C, both of which are incorporated herein.

Only properties that are residentially zoned pursuant to the Columbus City Codes or are located on a parcel for which a variance permitting residential use has been granted 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, 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 structure 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:

- One hundred percent (100%) for fifteen (15) years if the area is designated Ready for Opportunity, Ready for Revitalization, or Market Ready.
- (b) For remodeling of a structure 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 if the area is designated Ready for Opportunity, Ready for Revitalization, or Market Ready.
- (c) For construction of a new structure containing not more than three (3) family units:
- One hundred percent (100%) for fifteen (15) years if the area is designated Ready for Opportunity or Ready for Revitalization.
- One hundred percent (100%) for fifteen years only if all units within the structure are Affordable Housing Units (as the term Affordable Housing Unit is defined in Section 4565.02(A)) if the area is designated Market Ready, revocable upon transfer of title to the structure or units by the owner if not in conformity with deed restrictions for affordability. For structures 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 whose annual household income is up to one hundred percent (100%) AMI. For structures 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 whose 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.
- (d) For remodeling of a structure or construction of a new structure containing four (4) or more 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 if the area is designated Ready for Opportunity.
- One hundred percent (100%) for fifteen (15) years if the area is designated Ready for Revitalization or Market Ready, subject to and contingent upon the owner of the structure 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 Northland 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 4. Any owner of a property within the designated Community Reinvestment Area that entered into an economic development agreement with the City of Columbus that was approved by City Council on or before the effective date of Ordinance 2184-2018 may apply for and will be granted an exemption under

this program pursuant to the terms and conditions specified in the applicable economic development agreement notwithstanding any conflicts between the terms and conditions of the economic development agreement and Section 3 herein or Chapter 4565 of the Columbus City Codes.

Section 5. 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.

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. 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, provided, however, that only those portions of the structure or remodeling that are used for residential purposes will qualify for the abatement under this Ordinance. 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 7. That City Council reserves the right to re-evaluate the designation of the Northland Community Reinvestment Area after December 31, 2028, 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 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 Columbus. The majority of those members shall then appoint two additional members who shall be residents within the City of Columbus. 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 3735.70 of the ORC.

Section 10. The Clerk of this Council of the City of Columbus is directed to cause notice of the passage of this Ordinance to be published 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 11. 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 12. 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 13. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.