



## Legislation Text

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**File #:** 2171-2020, **Version:** 1

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### **Background:**

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

This Ordinance will create the Northeast 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 Northeast 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, 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) 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.** 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 Northeast Community Reinvestment Area boundary is hereby established in the following described area:

**North:** McCutcheon Road

**East:** The City of Columbus boundary

**South:** Airport Drive from Alum Creek (stream) to Demonye Drive. Then Demonye Drive from Airport Drive to Cassady Avenue. Then following Cassady Avenue south from Demonye Drive to the I-670 to Johnstown Road ramp. Then the I-670 to Johnstown Road ramp from Cassady Avenue to 17th Avenue and then 17th Avenue to Stelzer Road.

**West:** Alum Creek/North Central CRA

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. In the event that an owner of a parcel within the Community Reinvestment Area combines the parcel within the Community Reinvestment Area with adjoining parcel(s) outside the Community Reinvestment Area, the resultant combined parcel shall be deemed to be within the Community Reinvestment Area only if (1) the parcel that was within the Community Reinvestment Area prior to the parcel combination constitutes at least fifty percent of the total parcel area of the combined parcel; (2) the parcels were combined into the parcel number listed in Exhibit C to be included in the Community Reinvestment Area ; and (3) the parcel(s) that were combined with the parcel inside of the Community Reinvestment Area are all contiguous with and adjacent to the parcel within the Community Reinvestment Area.

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 assessed valuation of new structure(s) or in the increased assessed valuation of existing structure(s) after remodeling, 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:

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- (a) For a development project that consists of remodeling structures containing not more than three (3) family units:

One hundred percent (100%) for fifteen (15) years if the area is designated Ready for Opportunity, Ready for Revitalization, or Market Ready.

(b) For construction of a new development project 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.
- If the area is designated Market Ready, one hundred percent (100%) for fifteen years only if all units within the development project are Affordable Housing Units (as the term Affordable Housing Unit is defined in Section 4565.02(A)), with the exemption revocable upon transfer of title to the structure or any of the units if not in conformity with deed restrictions for affordability. For development projects 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 development projects 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.

(c) For remodeling of a development project or construction of a new development project containing four (4) or more family units:

- 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 Northeast 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, as well as the requirements contained in Sections 3735.65 to 3735.70 of the Ohio Revised Code, including the minimum investment requirements set forth therein. For a remodeling development project, including one with multiple structures, the cost of remodeling of any structure containing not more than two (2) family units must be at least two thousand five hundred dollars (\$2500) or twenty percent (20%) of the assessed value of the structure, whichever is more. For a remodeling development project, including one with multiple structures, the cost of remodeling any structure containing more than two (2) family units must be at least five thousand dollars (\$5000) or twenty percent (20%) of the assessed value of the structure, whichever is more.

**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 executed and 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 ensure 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 Northeast 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.