

City of Cincinnati



Interdepartment
Correspondence Sheet

201701376

Date: September 25, 2017

To: Vice Mayor Mann, Councilmember Flynn, and Councilmember Sittenfeld
From: Paula Boggs Muething, City Solicitor *PBM*
Subject: Emergency Ordinance – Community Reinvestment Area Reauthorization

Transmitted herewith is an emergency ordinance captioned as follows:

DECLARING the boundaries of the City of Cincinnati Community Reinvestment Area as coterminous with the corporate boundaries of the City of Cincinnati; **ESTABLISHING** certain procedures and general rules for Community Reinvestment Area real property tax exemptions pursuant to Ohio Revised Code Sections 3735.65 through 3735.70; and **AUTHORIZING** the City Manager to file a petition with the Director of the Ohio Development Services Agency to confirm the findings made herein.

PBM/JBW/(skj)
Attachment
237804-2

{00239948-1}

City of Cincinnati

JBW *PBM*

An Ordinance No. 274

- 2017

DECLARING the boundaries of the City of Cincinnati Community Reinvestment Area as coterminous with the corporate boundaries of the City of Cincinnati; **ESTABLISHING** certain procedures and general rules for Community Reinvestment Area real property tax exemptions pursuant to Ohio Revised Code Sections 3735.65 through 3735.70; and **AUTHORIZING** the City Manager to file a petition with the Director of the Ohio Development Services Agency to confirm the findings made herein.

WHEREAS, the City of Cincinnati, through the Department of Community and Economic Development, has surveyed the housing within its jurisdiction, which survey is attached to this ordinance as Exhibit A hereto (the "Housing Survey"); and

WHEREAS, as described in the Housing Survey, consistent with the definition of "community reinvestment area" in Ohio Revised Code Section 3735.65(B), housing facilities and structures of historical significance are located throughout the City's corporate boundaries, and new housing construction and repair of existing facilities or structures are discouraged throughout the City's corporate boundaries; and

WHEREAS, this ordinance is intended to constitute the "resolution" described in Ohio Revised Code Section 3735.66; and

WHEREAS, the entire City therefore meets the definition of "community reinvestment area" as described in Ohio Revised Code Section 3735.65(B), and this Council therefore desires to designate an area coterminous with the City's corporate boundaries as a community reinvestment area; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the findings in the survey attached to this ordinance as Exhibit A hereto are hereby incorporated by reference, and that this Council expressly finds that (a) housing facilities and structures of historical significance are located throughout the City's corporate boundaries, and (b) new housing construction and repair of existing facilities or structures are discouraged throughout the City's corporate boundaries.

Section 2. That Council hereby designates the entirety of the City's corporate boundaries the City of Cincinnati Community Reinvestment Area, a community reinvestment area within the meaning of Ohio Revised Code Section 3735.65.

Section 3. That all new structures and remodeling satisfying the requirements of Ohio Revised Code Section 3735.65 through 3735.70 (the "Statute") and which are within the City of Cincinnati Community Reinvestment Area are eligible for exemption from taxation of up to the maximum percentage and term of years permitted by law; provided, however, that this Council expressly reserves the right to (a) establish policies which would operate to adjust the maximum exemption terms and percentages available to certain types of projects so long as they are within allowable state law limits, (b) set forth procedures governing the City's Community Reinvestment Area exemption program generally, including the processing and evaluation of exemption applications, the administration of exemptions, and so forth, and (c) approve or disapprove, on a discretionary and case-by-case basis, exemptions for Commercial Improvements (as defined below), which are to be subject to written agreements pursuant to Ohio Revised Code Section 3735.671 (each a "CRA Agreement").

Section 4. That the Director of the City's Department of Community and Economic Development is hereby designated as the housing officer (as such term is defined in Ohio Revised Code Section 3735.65(A)) for the City of Cincinnati Community Reinvestment Area.

Section 5. That except as may be otherwise provided by this Council, exemptions for remodeling or new construction of commercial (including residential apartment structures containing four or more dwelling units, but excluding owner-occupied residential condominium structures), industrial and mixed-use structures (collectively, "Commercial Improvements") are conditioned upon the execution of a CRA Agreement in a form required by the City (following

separate approval by ordinance of Council) prior to commencement of construction or remodeling, as provided in Ohio Revised Code Section 3735.671, specifying the term and percentage of the exemption and any additional conditions applicable to the exemption as may be required by law or agreed upon by the City and any parties thereto.

Section 6. That except as may be otherwise provided by this Council, exemptions for remodeling or new construction of one-, two- and three- dwelling unit residential structures are not conditioned upon the execution of a CRA Agreement. For the purposes of this ordinance, each owner-occupied residential condominium unit is considered a separate structure containing one dwelling unit.

Section 7. That Council (a) acknowledges that written agreements with respect to Commercial Improvements involve an application fee payable by the applicant to the Ohio Development Services Agency in the amount of \$750.00, (b) establishes an application fee for exemptions for remodeling or new construction of one-, two- and three- dwelling unit residential structures in the amount of \$75.00, and (c) establishes an annual fee to be included as a condition of each CRA Agreement in an amount equal to one percent of the annual real property tax exemption, but which shall in no event be less than \$500 per year or more than \$2,500 per year per CRA Agreement.

Section 8. That this Council acknowledges the City's obligations under that certain Agreement by and between the City and the City School District of the City of Cincinnati dated July 2, 1999, as amended.

Section 9. That except as may be otherwise provided by this Council, each exemption pursuant to this ordinance is conditioned upon (a) any remodeling or new construction being completed in compliance with applicable building code and zoning regulations, and (b) proper

application being made by the owner (or the owner's authorized representative) in accordance with state law and any procedures that may be set forth by the City from time to time.

Section 10. That the City Manager is authorized to file with the Director of the Ohio Development Services Agency a copy of this ordinance, including the Housing Survey attached hereto, together with such other supplemental information and documentation as he may deem to be reasonably necessary or desirable. As described in Ohio Revised Code Section 3735.66, such petition must be sent within fifteen days following the adoption of this ordinance.

Section 11. That all exemptions granted by the City in connection with this ordinance shall be subject to the requirements of the Statute, which is hereby incorporated by reference.

Section 12. That Council hereby constitutes and establishes a community reinvestment area housing council for the City of Cincinnati Community Reinvestment Area as described in Ohio Revised Code Section 3735.69 (the "Housing Council"). The purpose of the Housing Council is to discharge the duties of a community reinvestment area housing council provided under the Statute, in all cases in compliance with the provisions thereof. As required by the Statute, (a) the Housing Council shall have seven members, two of whom will be appointed by the Mayor, two of whom will be appointed by this Council, and one of whom will be appointed by City Planning Commission, (b) the majority of the foregoing members shall then appoint two additional members who are residents of the City, (c) terms of the members of the Housing Council shall be for three years, and (d) unexpired terms resulting from a vacancy in the Housing Council shall be filled in the same manner as the initial appointment was made.

Section 13. That the proper City officials are hereby authorized to do all things necessary to carry out the provisions of this ordinance.

Section 14. That it is hereby found and determined that (a) Ordinance No. 119-2007, passed March 28, 2007, as amended (the “Existing Resolution”), will expire by its terms on October 23, 2017, and therefore does not need to be repealed, and (b) any exemptions granted pursuant to or under the legal authority of the Existing Resolution shall not be in any way modified or impacted by the passage of this ordinance. Any applications made, authorizations of CRA Agreements made by Council or executed by the City and the other parties thereto, and exemptions granted pursuant to the Existing Resolution shall continue in full force and effect in accordance with the provisions of the Existing Resolution as it applied to that application, CRA Agreement or exemption, subject to any legal or contractual rights the City may have to revoke, terminate or modify the exemptions or otherwise exercise remedies. Any applications made, CRA Agreements authorized by Council, and exemptions granted on or following the Confirmation Date (as defined in Section 17 below) shall be subject to this ordinance. Any applications made prior to the Confirmation Date (as defined in Section 17 below) with respect to which the City Administration has not yet approved for exemption and forwarded to the County Auditor may, in the discretion of the applicant, be resubmitted for consideration pursuant to this ordinance.

Section 15. That the Clerk of Council is directed to publish this ordinance in the City Bulletin as soon as possible following its adoption.

Section 16. That the Clerk of Council is directed to send a certified copy of this ordinance to the Hamilton County Auditor for informational purposes.

Section 17. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety and general welfare, and shall, subject to the terms of Article II, Section 6 of the Charter, be effective immediately; provided, however, that

exemptions may be granted pursuant to the Existing Resolution until the Director of the Ohio Development Services Agency has confirmed the findings described in this ordinance (such date being the "Confirmation Date"), at which time exemptions under the Statute shall be subject to this ordinance and not the Existing Resolution. The reason for the emergency is to provide adequate time for the Director of the Ohio Development Services Agency to review and confirm the findings described in this ordinance prior to the expiration of the Existing Resolution or as soon as possible thereafter.

Passed: September 27, 2017

Attest: Brenda Williams
Acting Clerk

John Cranley
John Cranley, Mayor

I HEREBY CERTIFY THAT ORDINANCE No. 274-2017
WAS PUBLISHED IN THE CITY BULLETIN
IN ACCORDANCE WITH THE CHARTER ON 10-10-2017
Melissa Arter
CLERK OF COUNCIL

Exhibit A

Housing Survey

(See Attached)

2017 CRA Housing Survey

This housing survey will provide information confirming that the City of Cincinnati is 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,” as described in the definition of “community reinvestment area” in Ohio Revised Code Section 3735.65(B).

Historical Significance

Cincinnati has a considerable inventory of historically significant architecture, including 28 National Register Historic Districts. These districts are located throughout the City, with many situated in Downtown, Over-the-Rhine, and adjacent neighborhoods. A list and map of districts can be found in Appendix I.

Cincinnati City Council passed Historic Conservation Legislation in 1980. The purpose of this legislation was and is to promote the conservation, protection, restoration, rehabilitation, use, and overall enhancement of structures and districts in the City that possess special historic or architectural value. The Historic Conservation Board consists of seven members who are appointed by the City Manager. The Board must include at least one professional historic preservationist, one historian, two architects, one attorney, one person engaged in the real estate or development business, and one economist.

Housing Facilities

According to the 2011-2015 American Community Survey 5-Year Estimates, the City of Cincinnati contained approximately 162,398 housing units. This accounts for roughly 43% of the 377,126 housing units located within Hamilton County and roughly 18% of units located within the Cincinnati Metropolitan Statistical Area (MSA). These three geographies are compared throughout the survey using the various tables from the US Census Bureau’s American Community Survey (ACS), primarily between 2005 and 2015.

Housing units in the City of Cincinnati are generally older than those located in Hamilton County or the Cincinnati MSA. Over half of all housing units in the City were constructed before 1950, compared to roughly one third in Hamilton County and one fifth in the Cincinnati MSA.

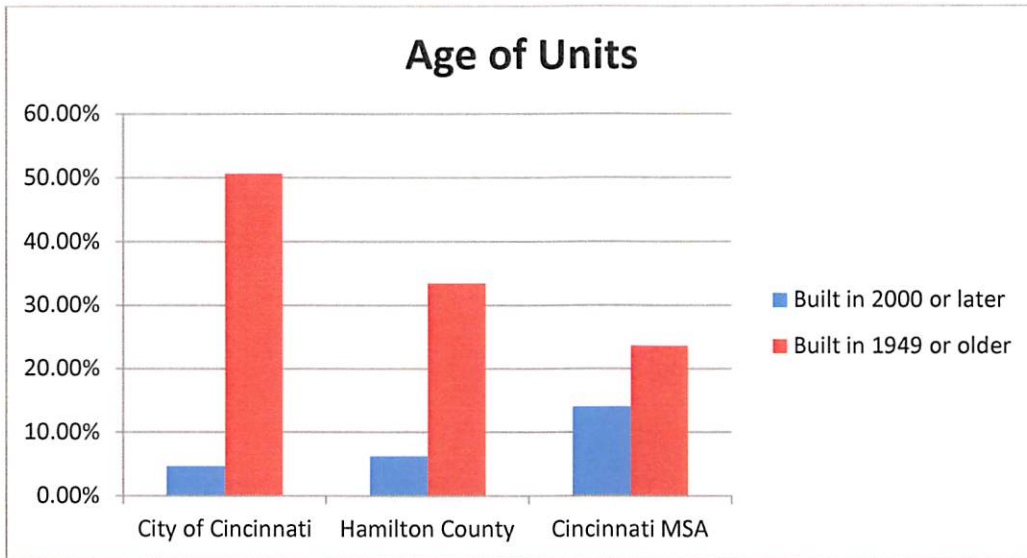


Figure 1: Year Structure Built/Age of Housing Units (ACS 2011-2015 5Y Est.)

This discrepancy is continuing to grow with comparatively more new housing units being constructed outside the City. Less than 5% of units in the City were built after 2000.

A greater percentage of housing units in the City of Cincinnati are vacant. In 2015 it was estimated that approximately 18% of units were vacant, which again compares unfavorably to Hamilton County and the Cincinnati MSA.

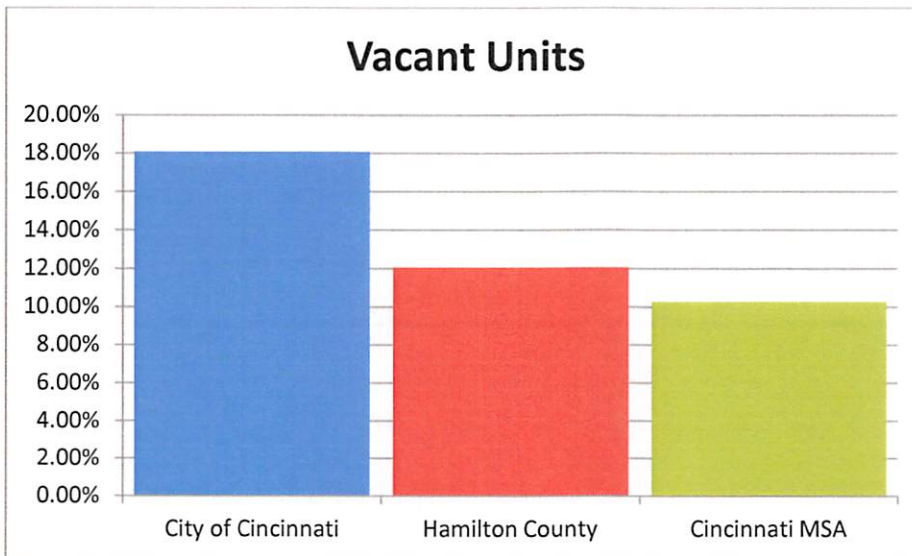


Figure 2: Vacant Housing Units (ACS 2011-2015 5Y Est.)

The City of Cincinnati also has a lower percentage of owner-occupied homes than the surrounding region. Only one third of housing units in the City are owner-occupied. Hamilton County and the Cincinnati MSA both have over 50% of units occupied by owners.

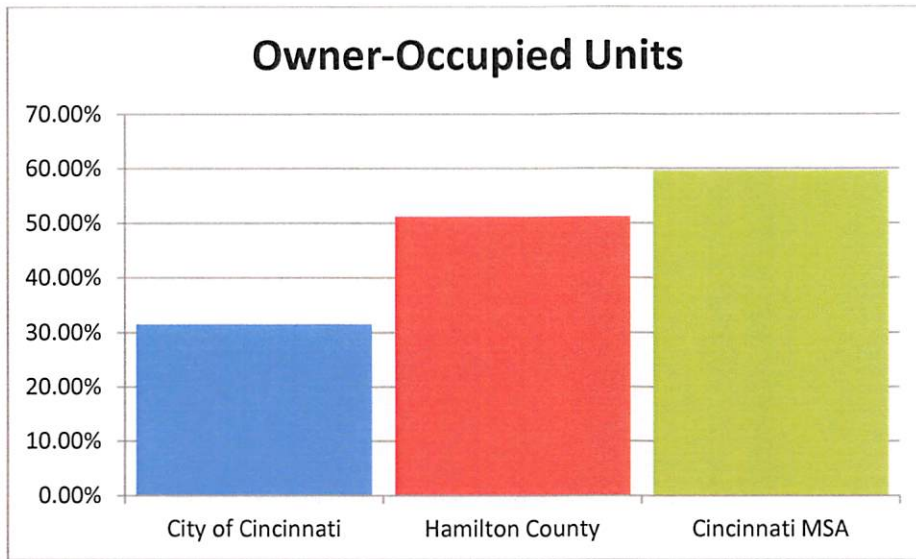


Figure 3: Owner-Occupied Housing Units (ACS 2011-2015 5Y Est.)

In addition to having a lower percentage, the total number of owner-occupied housing units in the City of Cincinnati decreased roughly 6% from 2010 and 11% from 2005.

The median value of housing units in Cincinnati is lower than that of the surrounding area. In 2015, the median value for units in Cincinnati was \$119,700, compared to \$142,000 and \$153,400 for Hamilton County and the Cincinnati MSA, respectively.

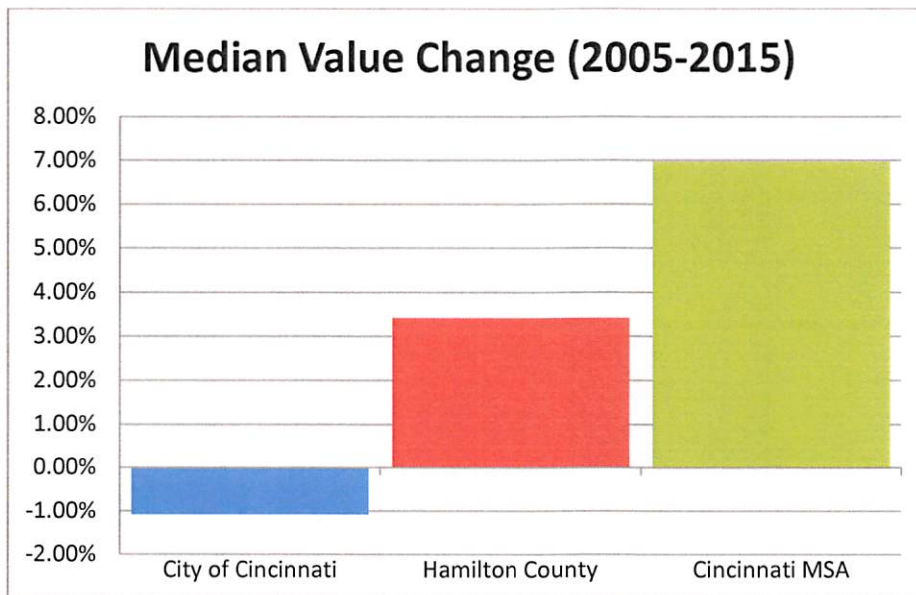


Figure 4: Median Value Change for Housing Units (2005 - 2015) (ACS 2011-2015 & 2005 5Y Est.)

In addition to having a lower median value, housing units in Cincinnati on average have decreased in value by roughly 1% since 2005. Median values in Hamilton County and the Cincinnati MSA have gone up by roughly 3% and 7% over the same time period, respectively.

Demographic Trends

Although the City of Cincinnati has experienced a decrease in owner-occupied homes and median housing value over the past decade, total population is now trending upwards and has grown more than Hamilton County.

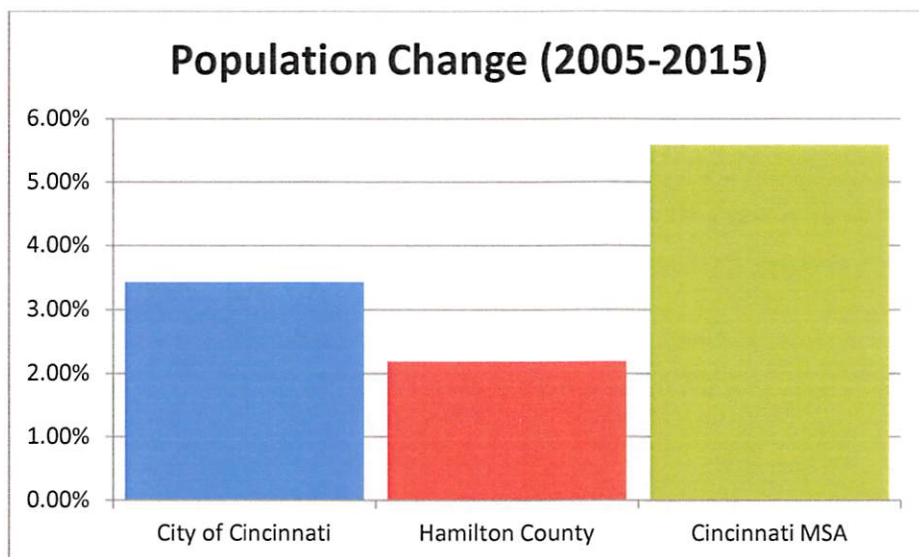


Figure 5: Population Change (2005-2015) (ACS 2011-2015 & 2005 5Y Est.)

However, the City's 2015 population is still roughly 10% lower than what was recorded in 2000, and the population of the Cincinnati MSA has grown nearly twice as much since 2005.

Cincinnati also has a higher percentage of residents living below the poverty level than surrounding areas. As of 2015, it was estimated that over 30% of City of Cincinnati residents were living below the poverty level. That percentage is twice that of the Cincinnati MSA.

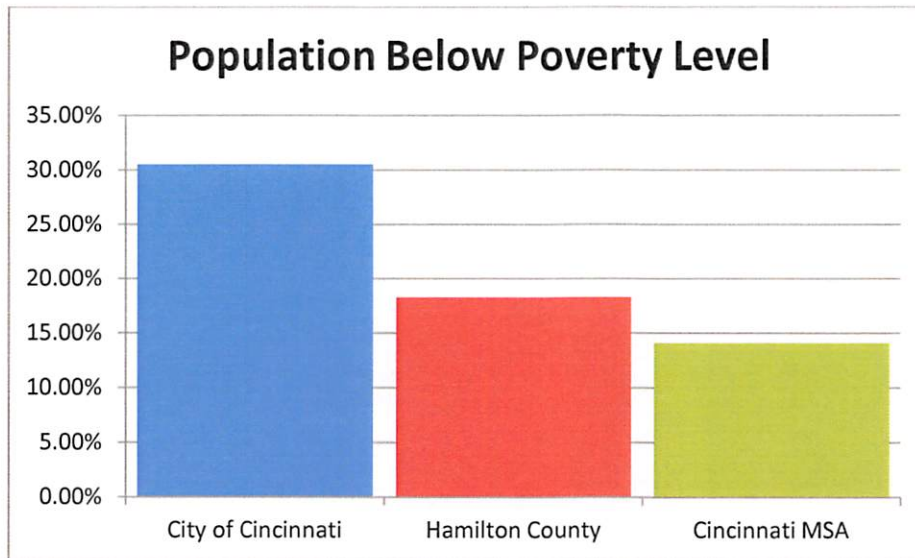


Figure 6: Population Below Poverty Level (ACS 2011-2015 5Y Est.)

According to the US Census Bureau, the percentage of people living below the poverty level in Cincinnati has been increasing steadily over the past ten years. Reported shares were 27% and 25% in 2010 and 2005, respectively.

Conclusions

This housing survey has outlined reasons why the City of Cincinnati meets the criteria of a “community reinvestment area” described in Ohio Revised Code 3735.65(B), namely, that it is 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”:

- The City of Cincinnati includes a considerable inventory of historically significant structures, including 28 registered Historical Districts.
- Housing units in the City of Cincinnati are, on average, measurably older than those in the surrounding areas.
- The share of housing units lying vacant is larger in the City of Cincinnati compared to surrounding areas.
- There is a smaller percentage of owner-occupied homes, and there has been a decrease in the number of these units over the past 10 years.
- The median value for housing units has decreased over the past ten years while increasing in Hamilton County and the Cincinnati MSA over the same time period.
- Cincinnati has a significantly higher percentage of people living below the poverty level compared to surrounding areas, and the percentage has increased over the past ten years.

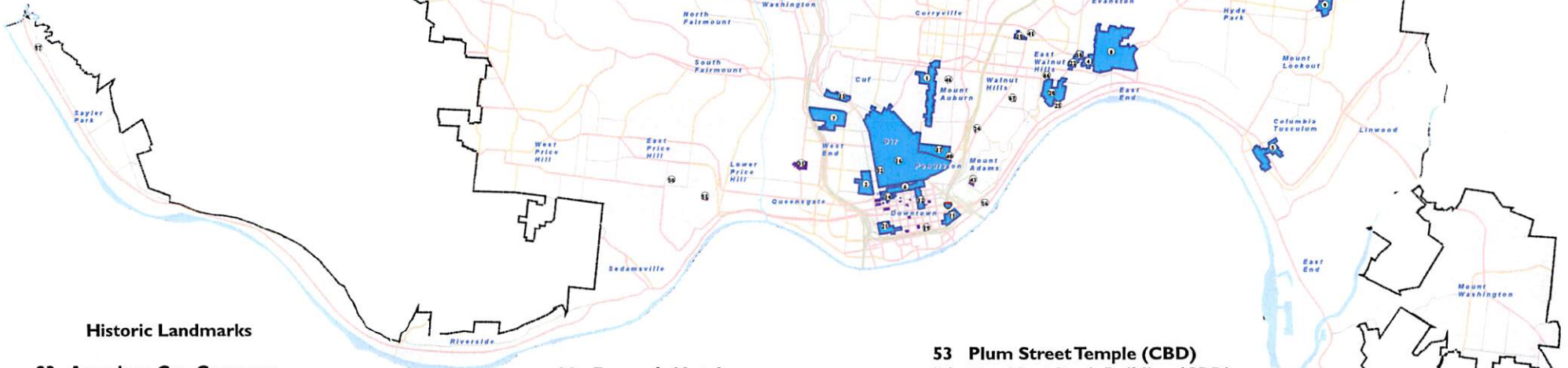
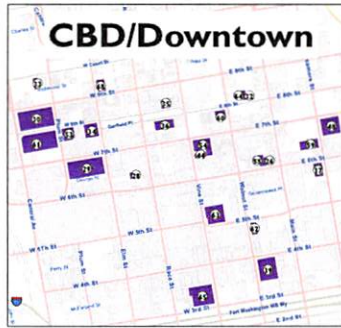
By maintaining the ability to offer real property tax incentives to residents, businesses, and developers, the City of Cincinnati will continue progress towards the programmatic goals of attracting and retaining residents, promoting homeownership, and spurring neighborhood revitalization.

Appendix I: Cincinnati Local Historic Districts and Landmarks

Historic Districts

- 1 Auburn Avenue
- 2 Betts-Longworth
- 3 Bond Hill
- 4 Cleinview-Hackberry
- 5 Columbia Tusculum
- 6 Court Street
- 7 Dayton Street
- 8 East Walnut Hills
- 9 Hyde Park Observatory
- 10 Lincoln-Melrose
- 11 Lytle Park
- 12 Main Street
- 13 Mohawk-Bellevue NBD
- 14 Ninth Street
- 15 Northside NBD
- 16 Over-the-Rhine
- 17 Prospect Hill
- 18 Sacred Heart Academy/Mt.Storm
- 19 Third-Main Street
- 20 Uplands
- 21 West Fourth Street
- 22 Woodburn Ave NBD

Cincinnati Local Historic Districts and Landmarks



Historic Landmarks

- | | | |
|---|---------------------------------------|--|
| 23 American Can Company | 38 Farmer's Hotel | 53 Plum Street Temple (CBD) |
| 24 Baldwin Piano Building | 39 First National Bank Building (CBD) | 54 Provident Bank Building (CBD) |
| 25 Benn Pitman House | 40 George Pendleton House | 55 Reakirt Building (CBD) |
| 26 Brunswick-Balke-Collender Building (CBD) | 41 Harriet Beecher Stowe House | 56 Riverview Playground Entrance |
| 27 Carthage Flagpole | 42 Henry Probasco House | 57 Saylor Park-Indian Statue |
| 28 Cincinnati Athletic Club (CBD) | 43 Holy Cross Monastery | 58 St. Louis Church (CBD) |
| 29 Cincinnati Bell (CBD) | 44 House of Adam | 59 St. Peter-in-Chains Cathedral (CBD) |
| 30 Cincinnati City Hall (CBD) | 45 King Records | 60 St. Frances Desales Church |
| 31 Cincinnati Union Terminal | 46 Kinsey Apartment Building | 61 St. Frances Xavier Church (CBD) |
| 32 Citadel (CBD) | 47 Kirby Road School | 62 Traction Building |
| 33 Court Street Fire Station (CBD) | 48 Krippendorf-Dittman Building (CBD) | 63 Tyler-Davidson Fountain (CBD) |
| 34 Covenant-First Presbyterian Church (CBD) | 49 Laurel Court | 64 Underwriters Salvage Corps (CBD) |
| 35 Cuvier Press Club (CBD) | 50 Masonic Temple Price Hill Lodge | 65 Union Central Life Annex (CBD) |
| 36 Doctor's Building (CBD) | 51 Moore-Knight House | 66 W.J. Williams YMCA |
| 37 Duttonhofer (CBD) | 52 Music Hall | 67 Windsor School |
| | | 68 WLWT (CBD) |

Legend

Cincinnati Historic Districts

TYPE

Local Landmark

District

0 0.25 0.5 1 1.5 2 Miles