

PROPERTY TAX WORKING GROUP

Protecting homeowners, strengthening neighborhoods.

Draft Recommendations

Red text = notes added during the January 16th meeting

DESIRED PROPERTY TAX POLICY FOR SENIORS/PEOPLE LIVING WITH DISABILITIES/SPECIAL NEEDS

Goals

1. An increased demand for housing in general, and an increased desire for more urban community living has led to gentrification and significant upward pressure on property taxes, and other measures that have put pressure on existing residents to relocate against their desire. What measures can be taken to keep people in their homes?
2. A list of legislative and policy recommendations to give to City Council.
3. List of any other legislative and policy recommendations that might be under the purview of other entities.

Recommendations

1. Tax relief – Discount and deferral

This would require adoption at the state level and approval of the Area Agencies on Aging

a. Qualifications

- i. Own and Occupy Property
- ii. 65+,
- iii. Owner or dependent (resident) certified by a licensed physician or psychologist, or a state or federal agency as permanently disabled as of January 1 of the year for which applying
- iv. 59+ years old surviving spouse of a person who was receiving the previous homestead exemption at the time of death
- v. Low-income surviving house member ... qualification requirement being that the house member must have designated that property as primary residence for at least 10 years **and qualify based on income** (or 10 year equivalent if a re-entering citizen – calculated by adding primary residence with time incarcerated totally the previous 10 years).
 1. % of discount reassessed after senior/person with a disability no longer identifies property as primary residence

How to ensure that people are not being taken advantage of during transfer of property?

b. Discount (*% based on income*) – **Consider the rate of inflation**

- i. Applies to home + 1 acre of property
- ii. % of the assessed increase of value after purchase date
- iii. % changes based on income (deducting medical expenses) (using HUD guidelines)

How can we define affordability/income beyond AMI?

1. No Discount if income is above 120% AMI
2. 25% discount if income is 80% - 120% AMI
3. 50% discount if low income (50% - 80% AMI)

4. 75% discount if very low income (30% - 50% AMI)
5. 100% discount extremely low income/poverty (up to 30% of the area median income, or the federal poverty line, whichever is greater)

iv. Discount is not to be repaid at any point

c. Deferral

i. Applies to portion of property tax increases that were not discounted

ii. Lasts until

1. Death of original recipient, or dependent with a disability
2. When the dependent with a disability moves, or senior moves and there isn't a
 - a. spouse
 - b. Surviving income and time qualified householder
 - c. Property is sold
3. Due upon deferral's end: all back unpaid deferral plus 3% interest
 - Is new property value based on discount or original value?
 - All value increases during deferral process + new property value (present day – most recent auditor assessment)

d. Avoiding unintended consequences

i. How to count unearned income & other resources?

- What would the impact on tax revenues be (impact on schools)?
- Can we use numbers based on current homestead exemption to calculate potential impact?
- We need numbers!

2. Tax fairness

a. If property receives any of these tax benefits/assistance measures (abatements/deferrals/etc.), is not permitted to register same property on City's Short-term Rental Registry as anything other than "hosted".

3. Other measures

a. Permit accessory dwellings/granny flats if occupied as primary residence more than 50% of year AND requires landlord training (fair housing, sample rental contract, landlord best practices, etc.)

b. Streamline approvals and waive fees for building permits related to accessibility

c. Increase funding:

- i. to maintenance and modification programs that assist the elderly and people with disabilities...(sliding scale eligibility)
- ii. Grants
- iii. Loans

d. Education/information:

- i. Include fliers listing all these tax reliefs, resources assistance sources with tax bills, on-line, fliers at permit offices, etc.
- ii. Expand the pool and build the capacity of small contractors. Educate them on abatements and other programs so they can use as a marketing tools. And, they in turn share info with clients...presumably seniors & clients with a disability (or dependent with a disability). Have fliers about these educational/marketing

- opportunities at stores serving contractors (hardware, plumbing supply, electrical supply, etc.)
- e. Avoiding “harassment”:
 - i. More than 1 unsolicited contact with a property owner would receive fine – **define what the fine would be**
 - ii. Tracking property complaints and issuing a fine if a single complainant (track ip – phone numbers?) is submitting complaints on multiple properties.
 - f. One portal for homeownership resources, information, and data
 - g. Allow seniors or person with a disability tenants to modify properties without requiring return to original upon move out.

SUPPORT FOR LOW/LIMITED INCOME RESIDENTS

Goal: Help low and limited-income individuals stay in their homes.

Three areas of concern

1. **Property values** are going up so residents can’t afford to stay.
2. **Repairs** are needed but residents don’t have the funds.
3. Lack of consistent and equitable **communication** about resources available to residents (sources and current status of funding).

Recommendations

1. **Create an online portal** similar to the [Office of Performance and Data Analytics \(OPDA\)](#) portal so that residents (homeowners and renters) know what programs and resources are available to them. The portal should work simply for users but include deep connections in its logic. For example, users would enter age, veteran status, etc. and the portal would respond with the programs that are available to them.
 - **How can this be communicated in a non-digital way?**
2. **Create a housing court** with a dedicated support staff who are expert in housing who can connect residents to resources. (Reference: Cleveland)
 - \$50-70,000 would need to be given to County from City to fund this
 - Specific staff need to be in place for this role
 - **Convert existing common pleas seat into housing court**
 - **Common pleas court judges need to be on board**
3. **Make housing a priority** by creating a position similar to the Chief Advocacy Officer role, that would lead housing for the city as a Connector/Czar. This position connects with the City Manager, City Council, Mayor, other departments, and residents, and is guided by an advisory board. This position has responsibility for the portal.
 - **Request updates from lobbyist**
 - **Have the Chief Advocacy Office report to a board and define what the board is – who are the members, how are they appointed?**
 - **Similar to this working group with affiliations named rather than individuals (COA, CPS, Law, Coalition for the Homeless, CMHA board, etc.)**

4. **In geographic areas with high development activity**, when a code violation is filed, require a social worker to accompany the building inspector to provide information on funds to help with repairs, and direction to the portal.
5. **Create a lending program** with a revolving line of credit with favorable rates for contractors who work fairly with seniors and low-income households. This lending program could help restore the small contractors who lost their businesses in the recession of 2008, and could be a vehicle to grow minority-owned businesses in Cincinnati. Information on these licensed contractors will be on the portal.
 - **How is there accountability in getting people to pay back loans?**
6. **Proactively identify homeowners** who need help with repairs so it's not so dependent on the homeowner reaching out.
7. **Provide funding for those organizations** that work with homeowners to help them stay in their homes, so those organizations can help more households. Information on this organizations will be on the portal.
8. **Look at other cities** to see what they are doing for direction addressing recommendations 1-7.
9. **Work in a way that honors the residents' perspective:** "Don't hire people to fix me—I don't need people to fix me, I need money to fix my house."
10. **Lobby the state to make changes that benefit home retention** for individuals with low or limited-income, disabilities, seniors.
 - **Lobbyist reports to the board**

RESIDENTIAL TAX ABATEMENT POLICY REVIEW

Guidelines

The policy should...

1. Ensure that property tax values do not diminish from pre-abatement values, including lot splits and tear downs
 - a. Application information should help the auditor track land sales (splits from master parcel)
 - b. Abatements should be reviewed to ensure they are not overly inflating neighboring property values through comps.
2. Use a tiered system
3. Not reduce overall quantity of affordable housing.
4. Encourage reinvestment in existing affordable housing.
5. Not reduce the overall unit growth needed to meet the growing population.
6. Encourage units appropriate for a family (2 or more bedrooms)
7. Encourage low-cost of long-term homeownership through environmental design (LEED, etc.) - Reduced utility costs
8. Encourage transparency on residential abatements (where does the money go after roll off)
9. Consider investment incentives of our local competitors
10. Consider overall tax rates and how abatements may impact opinions of new tax levies
11. Encourage small, minority-owned, and women-owned businesses and small scale developments
12. Encourage historic conservation
13. Increase current staff should be increased due to long-term monitoring

14. Provide adequate notice about policy change to developers, homeowners, etc. Consider triggers for grandfathering applicants under current policy: permits, zoning approvals etc.

Recommendations

1. Three tiers based on distressed criteria
 - a. Look at Mt. Lookout and Hyde Park for top tier consideration
 - b. Distressed criteria should be evaluated every 3-5 years
 - Potential criteria: low-mod census tracts, poverty level
 - If rental property values/house sales have increase certain % then tier can be changed
 - c. Market ready, ready for revitalization, ready for restoration – be more specific
2. Eliminate blanket, city-wide policy, but every neighborhood should be able to seek abatements for both new construction and renovations
 - Cap, term, criteria may be different
 - How are neighborhoods engaged?