

PROPERTY TAX WORKING GROUP

Protecting homeowners, strengthening neighborhoods.

Public Meeting Notes

Thursday, January 30, 2020
United Way of Greater Cincinnati
2400 Reading Road, Cincinnati, OH 45202
6:00 – 8:00 p.m.

Purpose of meeting: To present draft recommendations and hear feedback from community members.

Overview of Property Tax Working Group's Progress

- 11 regular meetings (with guest speakers and discussion of the draft recommendations)
- 3 public evening meetings (including tonight)
- 1 special meeting to complete draft recommendations
- All meeting notes can be found [here](#).

Draft Recommendations

- The Property Tax Working Group split into three “Focused Recommendation Groups” to formulate draft recommendations in the following areas:
 - Desired property tax relief for seniors and people living with disabilities/special needs
 - Resources for low/limited income residents
 - Residential tax abatement policy review
- The draft recommendations can be found [here](#).

Public Comment

- Community members could provide spoken comment or submit written feedback. Written feedback can be found [here](#). Below are notes from the spoken comment:
 - League of Women Voters
 - Supports taxation that is fair and equitable, is understandable, ensures compliance, is easy to administer
 - Support elimination of city-wide blanket abatements
 - Eliminates wealthy homeowners not paying fair share
 - Affordable development
 - Concern tiered system is complex and not easy to understand or administer
 - Measure of distress not great/fully accurate for quickly transitioning neighborhoods
 - Something for everyone approach
 - Hides tax expenditures for programs
 - Need transparency to know amount of tax money forgone during abatement period
 - Community Member
 - Abatements and contractors
 - Some people don't have to pay taxes for 10-15 years while others do
 - Port Authority does not pay taxes or violations
 - Already have housing charges handled in County and City

- Where were inspectors when construction accidents occurred? Writing people up for code violations
- Community Member
 - Suggestion to rank priority of recommendations
 - What will have the greatest impact?
 - What is easiest to tackle first?
 - Equity
 - Serious questions about abatements and TIF
 - Who is going to pay for this and how?
 - Assign potential costs/financial impacts to the recommendations
 - Community engagement
 - Disappointed with progress on strengthening community engagement, specifically surrounding abatements and TIF
- Community Member
 - Representing mom who is homeowner in Bond Hill
 - Still early enough in the neighborhood to help with these recommendations before lots of change in the area
 - Concern about retirees who are not 65
 - Concern about the effect of changes in property tax if City and County don't change in same way
- Community Member
 - Concern about prioritization and cost to execute
 - Most important recommendations
 - Eliminate blanket city-wide abatement policy
 - Owner or dependent resident
 - Process of getting formally designated as disabled can takes years
 - There are may be abuse of disabled designation though
 - Adhere to what is required by City, State, and Fed Gov for disability rather than just dr. designation
 - Dockets in courts are already full, what would be manageable if one judge is shifted to only housing issues
 - What about neighborhood without lots of development, but still needs a social worker to help with code violations?
- Community Member
 - Supports getting rid of city-wide blanket abatement policy
 - Need to hash out how to execute
 - Don't think Council will pass it because it's not realistic
 - City should hire outside company to evaluate abatement policy
 - Will inherently incur a cost to do so
 - Supports the initiative to ensure abatements do not lead to decreased property tax (via tear downs, lot splits, etc.)
 - Eliminate no-cap abatements for LEED platinum projects
- Community Member
 - \$1M+ houses being built in neighborhood
 - \$25,500 of taxes abated a year (x15 years) =\$380,000+ of taxpayer subsidy to these houses

- PWC does home repairs for free for those in need
- Community Member
 - Grave difference between residential and commercial abatements
 - Typical building in OTR will be commercial
 - Want 4-19 unit residential and mixed-use buildings to be under the residential policy
 - Typical development (of hers at least?) available to working class people
 - Her buildings from 1995 are still at affordable rents
 - \$300-\$650/month
 - Need incentive for small developers
 - Should be able to come in the door after the fact (like in residential program...commercial is more difficult to work through application)
- Community Member
 - Concerns about transportation
 - Tax abatements are a moral issue
 - HOMEARAMA project
 - Min. 22 LEED Gold
 - \$137,000 per home lost to CPS
 - What we get from city property tax is capped
 - City has incentive to do these to bring in more earnings tax
 - Developers benefit, financially, from abatements because list prices higher and advertise the abatements
- Community Member
 - Old house he bought for \$80,000 in 1980s, sold in 2006 for a good profit
 - In 2018 a developer bought it for \$525,000
 - Now 2 \$1M LEED platinum houses
 - Neighbors still live in area, their taxes are going up
 - Ensure the property tax values do not diminish
 - Cap LEED platinum abatements
- Community Member
 - Questions about tiered system
 - Top tier means 1st or last to receive the abatements?
 - What do the tiers mean?
 - Dan Bower, Dept. of Community and Economic Development, responded
 - 3 tiers
 - Top tiers still eligible but for less length of time or lower cap
 - Criteria (from FFACT50 program)
 - Pop change
 - Permit activity
 - Median HH Income
 - Median gross rent
 - Code violations
 - Renter %

- Poverty %
- Human Services Chamber
 - Concern about the amount of rent paid by low-income households
 - 44,000 unit shortage in Ham Co. for families making >\$25K/year
 - Do not have a shortage of affordable housing for those making <\$25K/year
 - Workforce \$40-70k
 - How to use abatements to leverage and encourage the development of housing affordable to those making >\$25K/year
- Property Tax Working Group Member
 - Accessibility data
 - Anecdotal evidence, but very little formal data
 - Want OPDA to track permits related to accessibility
 - Ensure accessible units are actually built accessible in multi-family units
 - Changes to MLS to ensure people can find accessible units
 - Housing Board for Czar
 - Made up of people similar to those in PTWG
 - Abatement policy goal should include promoting long-term accessibility
- Community Member
 - Accessibility & tracking complaints
 - Track complaints on same property multiple times
- Community Member
 - Her taxes have gone up thousands of dollars in the past few years
 - Has lived in the same house for decades, in their family and want to keep it in the family
 - Upset that new subdivision is abated
 - She doesn't use public services but the people moving in do
 - They are ruining the neighborhood
 - City is overly fixated on density...density ruins neighborhoods
 - Ambiance and historic nature of neighborhood ruined by developers tearing down houses
 - Construction and development is having negative environmental impacts felt all the way in the Gulf of Mexico
- Community Member
 - Likes change zoning to allow ADUs
 - Not reducing overall quantity of housing is important too
 - Some multi-family homes being converted to single family
 - Like rating/tiered system for abatements
 - Change to neighborhood should be equitable
- Community Member
 - Cincinnati is considered top in nation in terms of amount of LEED certifications
 - Changes in building styles means most new development will be LEED eligible
 - Need to rethink the whole concept of abatements for LEED certification
- Vice Mayor Smitherman
 - Will get into details (of caps, how to adjust program, etc.) in the coming weeks
 - Motion can include prioritization
 - Need to ensure Legal team approves it all

- More radical recommendations means more time needed to explain the justify the legislation, but that's okay
- Property Tax Working Group Member
 - Property taxes increasing
 - Current resident is paying for non-taxes and for an increased amount of their own taxes
 - NYT articles about San Fran
 - Want to keep families and children in neighborhoods & can't do that by making it more expensive to live their or by not giving enough \$ to the schools
- Community Member
 - Teacher in Hyde Park hurt by abatements triply
 - If CPS does not have \$, cannot afford to keep teacher employed
- Community Member
 - Need to recognize that abatements we are giving affect schools and residents
 - Schools need \$
 - Wealthy need to pay fair share and then other can afford their taxes, won't need to pass levies every few years, can afford quality education
- Community Member
 - Echoing statement on LEED abatement caps
 - We don't use AC, don't put out much recycling or trash
 - Those receiving abatements in LEED houses might be big consumers & waste lots of resources
- Community Member
 - In 20 years since buying house his taxes have more than doubled
 - Doesn't qualify to claim property taxes
 - Living on S.S.
 - Lives in an old neighborhood and there is more construction here than in the suburbs
 - Pays his taxes even though he doesn't have kids in school, why do families using the school not have to pay taxes
 - Direct abatements towards affordable housing development instead, not just anybody
 - Abatement is worth \$100,000 of mortgage payments
 - Inflates value of houses and value of house will plummet at conclusion of abatement
- Community Member
 - Concerned about development in Madisonville
 - So many tear downs
 - Building large apartment complexes
 - Developer bought house for \$48K, tore it down, now selling for \$275K (on her street)
 - Also building condos at the end of her street
 - Moving people out and eliminating affordable housing
- Community Member

- Pays more taxes on her small house than her neighbors living in large, expensive homes
- Property Tax Working Group Member
 - Problem is not unique to Cincinnati with abatements and gentrification
 - Columbus actually seeing a bigger problem even though they don't have city-wide blanket problem
 - We don't have a lock on tear down of house and then reassessed property taxes
 - That's a goal of the recommendations
 - When \$ goes into abatement, City needs a ROI when it comes back on the roll for long-term
 - We need data
 - Abatement doesn't drop taxes (once close loophole)
 - Abatements enables development that otherwise couldn't occur
 - E.g., redevelopment of brownfield site
- Community Member
 - Cleveland hired experts to re-evaluate tax abatement problem, and Cincinnati should too
 - Columbus tied abatement program to affordable housing in certain neighborhoods
- Community Member
 - It no longer costs significantly more to build LEED
 - Why subsidize any new building for any more than \$5,000-\$10,000/year to make a building LEED certified?