

# PROPERTY TAX WORKING GROUP

*Protecting homeowners, strengthening neighborhoods.*

## Draft Recommendations

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

#### **Goals**

Opening Discussion Statement: 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.

1. Propose measures that can be taken to keep people in their homes?
2. Propose a list of legislative and policy recommendations to give to City Council.
3. Propose a list of any other legislative and policy recommendations that might be under the purview of other entities.

#### **Recommendations**

##### **1. Tax relief – Discount and deferral**

*[All underlined recommendations under “Discount and Deferral” require changes at the state level, which are not likely without approval of the Area Agencies on Aging, locally known as Council 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 (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

###### b. Discount (*% based on income*)

- 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)
  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)

*[The % of discount listed above is a starting point for negotiation/discussion.]*

- 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 original recipient, or dependent with a disability moves, or and there isn't a
      - a. Spouse
      - b. Surviving income and time qualified householder
    3. Property is sold
  - iii. Due upon deferral's end: All back unpaid deferral plus 3% interest
- d. Avoiding unintended consequences
  - i. How to count unearned income & other resources?
  - ii. We need to know what the impact would be on tax revenues (schools, etc.). We need to start with calculating the tax revenue impact of the existing Homestead Exemption, then figure the difference.

## **2. Tax fairness**

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

## **3. Other measures**

- a. Change the Zoning Code to permit accessory dwellings/granny flats, if either the larger or smaller residence is occupied as the primary residence by the owner more than 50% of year AND require landlord training (training to include fair housing info, sample rental contract, landlord best practices, etc.)
- b. Streamline approvals and waive fees for building permits related to accessibility.
- c. Increase funding:
  - i. For programs that assist the elderly. people with disabilities and families with dependents that have a disability to maintenance their residences and modify their residences for accessibility (use a sliding scale for eligibility)
  - ii. Grants
  - iii. Loans
- d. Education/information:
  - i. Compile all these tax reliefs, resources, and assistance sources.
    1. Put this information on-line (Portal?)
    2. Use this information to create fliers that can be included in tax bill mailings and set out at the permit offices, etc.
  - ii. Expand the pool and build the capacity of small contractors. Use the compiled info on all these tax reliefs, resources, and assistance sources to educate them on abatements and other programs so they can use the info as a marketing tools to

help get customers. The contractors share the info with clients...presumably seniors & clients with a disability (or clients with 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. Entities having more than 1 unsolicited contact with a property owner could be subject to a fine that increases if unsolicited contacts continue. *[Would need to define what the time would be]*
  - ii. Find out if it is possible to track on-line property complaints if a complainant is submitting complaints on multiple properties (track ip – phone numbers?). If so, these complainants need to have a warning sent that if they continue, they could be fined. If they continue, it should be considered harassment, and these entities should be fined.
- f. Allow tenants that are seniors or persons with a disability to modify properties without requiring these individuals to return the property to its original condition 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.
2. **Create a housing court** with a dedicated support staff who are expert in housing who can connect residents to resources. (Reference: Cleveland). Convert a Common Pleas seat into a Housing Court seat. Community members should advocate for this by lobbying the Common Pleas judges directly and by lobbying their City representatives and asking them to support the creation of a housing court.
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.
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.
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.

## RESIDENTIAL TAX ABATEMENT POLICY REVIEW

### **Goal**

To re-design the residential tax abatement policy to reflect a fair and reasonable policy that benefits the neighborhoods within the City of Cincinnati.

### **Recommendations**

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 on every 3-5 years to ensure they are not overly inflating neighboring property values through comps. The review should include community input.
2. Use a tiered system
  - a. Look at Mt. Lookout, Hyde Park, and Mt. Adams for top tier consideration
  - b. Distressed criteria should be evaluated every 3-5 years
  - c. Market ready, ready for revitalization, ready for restoration
3. Eliminate blanket, city-wide policy, but every neighborhood should be able to seek abatements for both new construction and renovations
4. Not reduce overall quantity of affordable housing.
5. Encourage reinvestment in existing affordable housing.
6. Not reduce the overall unit growth needed to meet the growing population.
7. Encourage units appropriate for a family (2 or more bedrooms)
8. Encourage low-cost of long-term homeownership through environmental design (LEED, etc.) - Reduced utility costs
9. Encourage transparency on residential abatements (where does the money go after roll off)
10. Consider investment incentives of our local competitors
11. Consider overall tax rates and how abatements may impact opinions of new tax levies
12. Encourage small, minority-owned, and women-owned businesses and small scale developments
13. Encourage historic conservation
14. Current staff should be increased due to long-term monitoring as needed
15. Provide adequate notice about policy change to developers, homeowners, etc. Consider triggers for grandfathering applicants under current policy: permits, zoning approvals etc.