

PROPERTY TAX WORKING GROUP

Protecting homeowners, strengthening neighborhoods.

Public Meeting Notes

Taft Elementary School
270 Southern Avenue, Cincinnati, OH 45219
April 2, 2019 | 6:00 – 8:00 p.m.

AGENDA

- Welcome from Property Tax Working Group co-chairs, Vice Mayor Smitherman and Carol Gibbs
- Property Tax 101 from Dusty Rhodes, Hamilton County Auditor. Please visit <https://hamiltoncountyauditor.org/> for more information.
- Purpose of the Working Group
 - Established by motion from Vice Mayor Smitherman to study trends related to property taxes, especially the issue of rising property taxes in areas experiencing significant levels of development; to make recommendations to City Council aimed at helping to keep senior citizens in their homes and communities; and to report on best practices in other cities and states facing similar challenges. To learn more about the Property Tax Working Group, visit Cincinnati-oh.gov/propertytaxproject
- Purpose of the Public Meeting
 - To gather information, experiences, and ideas from community members to help inform and guide the working group. Community members can continue to provide ideas/thoughts by filling out this survey: <https://www.surveymonkey.com/r/PropertyTaxProject>

DISCUSSION NOTES

After the brief presentation from the co-chairs, meeting attendees broke into small groups for a facilitated conversation with working group members. At the end, each group presented their top themes/ideas to the larger group. Here are the notes from each group:

Group 1

- Property taxes rising at an unsustainable level

- Inequitable tax abatements – out of control
- Retired – can't keep having taxes go up
- Desire to age in place
- Concerns of gentrification

Proposed Solutions

- Need transparent tax abatement criteria and accountability, secure council member voting records
- Determine how Hamilton County Auditor sets base values of non-abatement
- Can you create a rebate locally?
- Are tax abatements still necessary to get people to move into city? (probably not)
- Explore legacy tax payer – property owner – Philadelphia
- Legacy owners get some relief

Group 2

- 40k value – spent 60k to rehab – now valued at 20k
- Worried about being taxed out of favorite neighborhood
- Tax abatement issues – schools being overcrowded in certain neighborhood schools
- Lived in home in '87 and worried about trend of rising taxes – would like “common Joe” to be able to live in working class neighborhood/house without being
- Been in house for 10+ years and worried about being taxed out
- Lack of equity in the process – 12% higher taxes this year and 10% higher last year – worry about trend retirees want to be able to stay in home (fixed income)
- Like neighborhood and wants to be able to age-in-place
- Families (young) move to suburbs for schools often times
- Family in Northside raised family and stayed and want to stay
- One person (slumlord) owned many houses in South Fairmount and created a lot of vacancy – hoping Lick Run project helps
- Aging population in Walnut Hills and property maintenance

Proposed Solutions

- In addition to aging in place and issues about rent rising reverse tax abatement at later age
- Urban homesteading program in 90s – if home value rises, won't be able to afford monthly
- Should we raise other taxes other than property?

- Tax abatement can have good intentions but being used in neighborhoods that don't need them as much
- Homestead program – braid in based on income (fixed)
- In CA they froze taxes at the value of prop when bought – TIF; different abatements for different neighborhoods
- Phase out tax abatements
- How do we address the increase in home value based on surrounding properties to not get taxed out?
- Building code violations coming from complaints
- Housing court based on Cleveland model - Columbus/Toledo
- Code enforcement can be inequitable
- Seniors/aging in place/fixed income solutions
- Same sentiment as above
- Effective/objective study of tax abatements and limiting t.a. to shorter periods of time possibly
- Need more equity in tax abatements; use for neighborhoods that need them and first time homebuyers
- Freeze property taxes – graduate/braid
- Need to see data and economic impact of incentives – more than just City data – county, state, etc.

Group 3

- Mt. Auburn taxes rising
- Mt. Lookout – tear downs – others pay taxes – tax abatement
- Some property owners may have to move
- City and County together – building code violations
- Low income areas – tear down single families to build rental properties
- Constant re-evaluate values of houses
- Tax abatement good if building to environmental standards
- People not being taxed at the same rate – unfair
- Everyone wants to sell their house at the highest price
- Increase values in Evanston – has help owners get bank loans
- Individual property rights vs. community (good for community?)
- Development follows the wealth
- Protect elderly, legacy owners, disabled
- Change state law on 3 year valuation
- Need more transparency – with Dusty's shop
- Need more affordable housing financing
- Approach the issue city wide not by community

- Moratorium on foreclosures
- Zoning huge asset
- Financing for people about to lose their home

Proposed Solutions

- City wide housing strategy
- State legislation to protect seniors/legacy home owners
- Weatherization funds – TCO
- Transparency of funds for incentives
- Sunset on abatements
- Where does the tax money go?
- Graduated homestead
- Moratorium on foreclosures
- Build modular homes

Group 4

Themes

- Freeze abatements
- Freeze property taxes for affordable housing landlords
- Freeze taxes for seniors
- Taxes should be equitable and fair
- Abatements create socio-economic inequality
- Abatements hurt schools and kids – pay incremental value to schools
- Losing historic housing stock

Ideas

- How schools are funded (state-level)
 - Funding method unconstitutional
- How properties are evaluated after renovations nearby (offsets)
 - By age (65+)
 - By income
- Freeze property taxes when value goes up for existing homes
- Narrow window for reevaluation of value
- Homestead – age based ONLY
- Property tax roll back
- Local government fund
- Property code enforcement too excessive
- Property taxes hurt housing affordability

Group 5

- Pressure to move out – wondering where I can afford
- People think of Hyde Park/Mount Lookout as wealthy but some are no longer working and taxes keep going up
- Why do we have tax abatements? Don't understand big picture
- We don't have enough money as a city which may be because of tax abatements
- Keep abatements in neighborhoods that need them
- Dusty Rhodes answered that top neighborhood for tax abatements are Hyde Park and Mount Lookout
- Does city need to have blanket tax abatement policy? Is that a state/law or can the city change that?
- What policies can we change?
- Cincyinsights is a good source of info (send out link)
- Tax burden shifted to poor people
- Greenspace is lost by teardowns
- Water run-off is getting out of control by teardowns/new construction
- Pendleton – in 80s no one wanted to be there – may be like North Fairmount now
- Individual communities should be able to vote – people who live there know best
- “Every tree left standing is a dollar wasted”
- If the city needs money, are tax abatements in Hyde Park/Mount Lookout helping that?
- Are there kickbacks? Follow the money
- LEED houses on Herschel are flooding neighbors but have tax abatements
- LEED – what is green about demolishing and hauling off to a dump to replace with new products
- If you can apply for an abatement for renovation, why can't there be an abatement for legacy residents
- Solutions: stop new const tax abatements in Hyde Park/Mount Lookout/Pendleton – keep tax abatements for rehab
- People okay with paying more for a house because they know they will have tax savings over the years – developers are making out
- What is the makeup of the Working group?
- Homestead ceiling raised because many can't qualify (what is the ceiling? Is it per household?)
- Solution: if you live in a neighborhood for x number of years (20) you get credits or abatements

- People who bought in neighborhood during recession because they could afford now can't – part of neighborhood
- Solution: Cap on transferability of abatement (goes away or drastically replaced)
- Tax abatements are welfare/tax benefits for the rich
- How to disincentivize the developers?
- Tax abatements thrive where people can make the most money

Group 6

Why are we here?

- Taxes going up
- Abatements
- Property values increase
- Lot splits or tax abatements destroy character
- Ex: 350,000 house appraised \$1 million
 - More money you spend you receive higher value
- LEED silver
- Pay \$600,000 in taxes, but not the \$400,000
- Same thing is going on in other communities, using lesser quality materials
- Housing market in Hyde Park is high, these abatements put gasoline on fire
 - Lose, lose situation
 - Possibility of criteria for need in a neighborhood
 - Save houses vs. starting new
 - Utilize where needed
- Grovedale – cut down 20 trees and tear houses down to put three in
- Overdevelopment and add more homes on small lots in Hyde Park
 - Traffic
- Hamilton County low-income homes
- Northside senior citizens concern
 - Value rises
 - Pay more property taxes
- Mom forced to see home since taxes have gone up
- Developers don't have enough skin in the game
- Positives and negatives to development
- Problem: tear down one house to build four
- Invested in city and neighborhood
 - On the IDC group
 - City as a whole was blighted
 - Ex: OTR, used abatements to revitalize
- What do you think about abatements in Hyde Park?

- It enables utilization of better materials
- I do not believe that that is a great way to utilize abatements
 - Should be up to the people who live in the area
- Who determines this process?
- Get rid of abatements since it causes all of these problems
- People move every 7 years
 - Abatements will enable buying 3 more houses
- if you can afford to develop in this area, you don't need an abatement
- Need to scramble due to new problems
- Causing a lot of issues on tax abatements, people are taxed out of areas
 - Catch-22
- Rising cost has displaced many people
- Some exceptions need to be made for seniors
 - Another issue on taxes in general
- Raise other people's taxes and lower others
- How do we all utilize the benefit of these tax structures
- We need to change the tax structure
- As the economy changes from 15 years ago has changed, and what people want is changed
- Pressure from people coming into the city may push development into areas that need it
 - Redirecting the population flow
 - Win-win, assuming no one is taxed out
- A lot of people who don't want other people
 - Ex: the east end
- There has been a lot of people coming
- Shortage of housing, land is scarce, density is higher
- Affordability issues in regulatory costs
 - Permit, inspection time
- Tore trees down that created a large swath of water
 - Lowered taxes – know your audience

Trends

- Are there programs that help people not be taxed out
- Utilize 10% of property tax to pay part of cost from income
- These groups exist, but that is determined by the state
- Do not like lot splitting and new houses that aren't taxed while everyone else pays all of the property
 - Make renovations only a possibility

- OTR tax abatements have helped
- Community council in Avondale to study how these can be affected
 - Don't understand how people who are able to pay taxes want to get out of it
 - First meeting tearing down taxes for abatements and it doesn't make sense
 - I am going to do everything to make sure seniors do not lose their houses
- Come up with new ideas
 - Seniors and those with disabilities
- Talking about all of our concerns
- Not what this meeting is about, you are all talking about something else
- It's important to us too
- Talk about different topics
- Says for this meeting, property tax group, to make recommendations to prevent them being kicked out from their homes
- Mom has an in-home daycare center
- I am assisting seniors, but a lot of people do not think about it
 - They need a place for them
 - Haven't talked about this
- No one told us what this is about
- Taxed a percentage of income
- Work on sewers and a housing quart in lieu of being fines, should have some intervention
- Stop abating other properties
- Code infractions
- Certain group can access funds (abatements) to bring up to code
- 1 million dollar citation for lead paint
 - EPA
 - Inspectors
 - Target to ensure revenue in Mt. Auburn for 13 years
 - Parking is better
- South Cumminsville 25 LEED certified homes for low-income people
 - Geo-thermal
- Once they finish South Fairmount MSD project
- Incentivize some of those things, must be some way to do it

Large Group Debrief

- How schools are funded
- Freeze prop taxes for existing homes, affordable units

- Taxing should be fair and take into account socio-economic inequality
- How “base value” is determined
- What are other cities doing?
 - Philly – “legacy owners”
- How city council approves abatements
- Take equity into account – keep people in their homes
- Better information about TIFs, abatements, property value, etc.
- How abatements are used in areas that may not need them
- Property tax relief for elderly
- Transparency (where money is going)
- City should develop a strategy
- New state policies & codes
- Legacy homeowner protection
- Stop new construction tax abate. In thriving neighborhoods
- Localize decision-making by neighborhood