

PROPERTY TAX WORKING GROUP

Protecting homeowners, strengthening neighborhoods.

September Meeting Notes

Thursday, September 19, 2019 | 9:00 – 10:30 a.m.

7th Floor Conference Room

Two Centennial Plaza, 805 Central Avenue

1. August Recap

Residential Tax Abatements Part 1: Residential CRA 101

- Dan Bower, Deputy Director of the Dept. of Community and Economic Development, gave a recap of the August meeting
- August meeting notes can be found [here](#).
- Director Denning's presentation on CRAs can be found [here](#).

2. Guest Speaker Panel with Q & A

Residential Tax Abatements Part 2: Community Perspectives

- Panelists included:
 - Sister Barbara Busch | Executive Director, Working in Neighborhoods
 - Michael T. Cappel | Board Chair, College Hill Urban Redevelopment Corporation and Partner, KMK Law
 - Deborah Robb | Director of the HURC and Residential Sales, The Port
 - Dan Schimberg | President, Uptown Rental Properties
 - Robie K. Suggs | Director of Economic Development and Community Outreach First Financial Bank and Board Chair, Homebase
- Each panelist gave a brief introduction about themselves and their experiences in community development and with tax abatements
 - Robie Suggs, First Financial Bank
 - She supports community development needs
 - Volunteerism
 - Financial support
 - Lending
 - Believes that property taxes need to be set equitably
 - Dan Schimberg, Uptown Rental Properties
 - Developer in Cincinnati for 35 years
 - Sees development as a tool to compete with other cities for businesses and residents
 - Tax abatements allow projects that wouldn't happen otherwise
 - Life cycle of an abatement is short in relation to that of a city and allows for high quality development that has a long life
 - Deborah Robb, The Port
 - Director of the HURC. HURC has two programs:
 - Market rate
 - Affordable
 - They acquire properties that are not paying taxes or going through tax foreclosure and put them back into productive use
 - Since more people are moving back into Cincinnati, neighborhoods are now able to secure more private investment

- Lives in an abated house – moved to the house in 2005
 - Neighbors are wondering what will happen when abatements run out?
 - Must bring financing to help with this
 - Mike Cappel, College Hill Urban Redevelopment Corp.
 - The CHURC has worked to address a business district that faced disinvestment
 - Business district had businesses owned by families and the next generation was not interested so this led to many vacancies and disinvestment
 - He sees CRAs important tools in some neighborhoods
 - Sister Barbara, Working in Neighborhoods (WIN)
 - Community building through homeownership and financial literacy
 - WIN has rehabbed/built over 100 homes in Northside, College Hill, South Cumminsville, etc.
 - Abatements have allowed for homeownership for working poor (60-100% AMI)
 - WIN also has a contract with Duke for energy conservation – homes built by WIN are LEED or energy star to help with utility bill
 - Gave examples of first time homeowners who live in abated homes
- Following the brief introductions by each panelist, there was a question and answer period:

Q: How can people acquire financing to do home improvements that would allow them to qualify for a tax abatement?

A: Many banks support low-income people with low-rate loans. Banks will help with refinancing once abatement is about to expire. The big issue is the lack of awareness of these resources. (Suggs)

Q: Should abatements apply only to certain communities?

A: Abatements should be a “but for” tool for projects that wouldn’t occur otherwise or where development risk is higher. This could be measured by a bi-annual neighborhood ranking that takes into consideration income, vacancies, blight, etc. (Schimberg)

Tax abatements were originally envisioned as a way for communities to attract more investment. Even if a community is doing well, there are still people in those areas they may need help. Maybe Census tracts could be used? (Busch)

Q: Could we use measurements such as if housing prices in a neighborhood jump a certain percentage or if the number of low-income individuals in a neighborhood decrease a certain percentage in order to determine where tax abatements are needed or not needed?

A: It shouldn’t be based off of income, but vacancy. For example, Bond Hill’s average income might not be high, but there is not a lot of vacancy whereas

there is more than 20% vacancy in Mt. Auburn. Developers need a tool that will make the case for investing in these riskier investment areas (Schimberg).

The group needs to understand the reality of appraisals (for properties with abatements) and the negative impact for existing/surrounding residents.(Williams – Working Group member)

Increased appraisal value could be good for some homeowners, but negative for those on a fixed income (Wagner – Working Group member)

Don't single out specific neighborhoods to receive or to not receive abatements. Consider other criteria and maybe there are different thresholds in certain Census tracts.

Q: What happens when abatements expire?

A: Renters don't see prices increase. We refinance. The tax abatement helped as gap financing, but the project grows out of this need. (Schimberg)

Tenant demographics can shift and this reflects property values over time. Certain populations get excluded. What we really need to consider is how abatements link to income overtime. (Williams – Working Group Member)

Longer term abatements help people in abated homes realize gains on their property which will help people grow intergenerational wealth (Yankie – Working Group Member)

Q: Is the cost of land reset when a building is torn down?

A: Uptown does not reset taxes based on land if we tear down structures so taxes should be based on land and structure. (Schimberg)

The auditor sets the value and this is something we should look into (Smitherman – Co-Chair)

3. Announcements

- Review of webpage and resources
 - The Property Tax Working Group has a webpage: cincinnati-oh.gov/propertytaxproject.
 - Can be found by access City of Cincinnati's Department of City Planning's webpage and clicking on "Planning Projects and Studies"
 - [Resources sub-page](#) is organized thematically. This page includes any documents submitted by working group members and guest speakers.
 - [Survey responses sub-page](#) has responses documents from two surveys. The most recent survey garnered over 450 responses.
- Next meeting – Public Meeting on Tuesday, September 24th from 6:00 – 8:00 p.m. at the United Way of Greater Cincinnati (2400 Reading Road, Cincinnati, OH 45202)

- Working group members will have the chance to hear from the public directly. Members of the public will be given two minutes to speak.
- Next regularly scheduled working group meeting – Thursday, October 17th from 9:00 – 10:30 a.m.