



City of Columbus

Legislation Report

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

File Number: 2186-2018

30-Day

File ID: 2186-2018

Type: Ordinance

Status: Passed

Version: 2

***Committee:** Economic Development & Small Business Committee

File Name: Fifth by Northwest

File Created: 07/18/2018

Final Action: 08/02/2018

Auditor Cert #:

Auditor: When assigned an Auditor Certificate Number I , the City Auditor, hereby certify that there is in the treasury, or anticipate to come into the treasury, and not appropriated for any other purpose, the amount of money specified hereon, to pay the within Ordinance.

Contact Name/No.: Hannah Reed 645-8577

Floor Action (Clerk's Office Only)

Mayor's Action

Council Action

Mayor

Date

Date Passed/ Adopted

President of Council

Veto

Date

City Clerk

Title: To amend the Fifth by Northwest Community Reinvestment Area to authorize the real property tax exemptions as established in Chapter 4565 of the Columbus City Codes.

Sponsors: Jaiza Page and Elizabeth Brown

Attachments:

History of Legislative File

Ver.	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Columbus City Council	07/23/2018	Read for the First Time				
1	Columbus City Council	07/30/2018	Amended as submitted to the Clerk				Pass
1	Columbus City Council	07/30/2018	Approved as Amended				Pass
2	COUNCIL PRESIDENT	07/30/2018	Signed				
2	MAYOR	08/02/2018	Signed				

ODI: Following the review and approval, when required, the Office of Diversity and Inclusion certifies compliance with Title 39 as of date listed.

City Attorney: Following review and approval, when required, this ordinance has been reviewed by the City Attorney's Office as to its form and legality only.

Explanation

BACKGROUND:

In 2016 and 2017, the City commissioned and received a study from HR&A on the effectiveness of its economic development incentives, including real property tax abatements in community reinvestment areas. The study concluded that the City's economic development incentive programs could be improved to better target economic development incentives to areas where the market was not yet encouraging investment. The City has developed an incentive policy to encourage development of affordable housing through targeted economic development incentives, including real property tax abatements, throughout the City. This ordinance will modify the Fifth by Northwest CRA by authorizing the real property tax exemptions set forth by Chapter 4565 of the Columbus City Codes.

Title

To amend the Fifth by Northwest Community Reinvestment Area to authorize the real property tax exemptions as established in Chapter 4565 of the Columbus City Codes.

Body

WHEREAS, the City of Columbus has established a goal of fostering private sector investment to build mixed income neighborhoods dispersed throughout the City; and

WHEREAS, Resolution No. 1698-78, approved August 3, 1978, authorized the Department of Development to carry out a Community Reinvestment Program, pursuant to Sections 3735.65 to 3735.70 of the Ohio Revised Code, and approved certain administrative procedures for the program; and

WHEREAS, Ordinance 0479-2011 created the Fifth by Northwest Community Reinvestment Area and authorized real property tax exemptions within it, as provided per Ohio Revised Code; and

WHEREAS, the boundaries of the Fifth by Northwest Community Reinvestment Area have been

amended (and/or other amendments of Ordinance 0479-2011 have been made) since its creation by Ordinance 1723-2012; Ordinance 1835-2013; Ordinance 1209-2015; and Ordinance 1543-2016; and

WHEREAS, in 2016 and 2017, the City commissioned and received a study of the effectiveness of its economic development incentives, including real property tax abatements in community reinvestment areas; and

WHEREAS, the study concluded that the City's economic development incentive programs could be improved to better target economic development incentives to areas where the market was not yet encouraging investment; and

WHEREAS, the City has developed an incentive policy to encourage development of affordable housing through targeted economic development incentives, including real property tax abatements, throughout the City;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That Section 3 of Ordinance 0479-2011 is hereby amended to read as follows:

A tax exemption on the increase in the assessed valuation resulting from improvements as described herein shall be granted upon proper application by the property owner, filed with the Housing Officer no later than two years after construction completion, and certification thereof by the designated Housing Officer for the following periods:

- (a) For remodeling of a dwelling (i) containing not more than two (2) family units, upon which the cost of remodeling is at least two thousand five hundred dollars (\$2500) or twenty percent (20%) of the assessed value of the structure, whichever is more; or (ii) containing three (3) family units, upon which the cost of remodeling is at least five thousand dollars (\$5000) or twenty percent (20%) of the assessed value of the structure, whichever is more:
 - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity Areas, Ready for Revitalization Areas, and Market Ready Areas.
- (b) For construction of a new dwelling containing not more than three (3) family units:
 - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity Areas and Ready for Revitalization Areas.
 - One hundred percent (100%) for fifteen years for Affordable Housing Units (as defined in Section 4565.02(A)) in areas designated Market Ready Areas, revocable upon transfer of title to the dwelling by the owner.
- (c) For remodeling of a dwelling or construction of a new dwelling containing four (4) or more family units:
 - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Opportunity Areas.
 - One hundred percent (100%) for fifteen (15) years in areas designated Ready for Revitalization Areas and Market Ready Areas, subject to and contingent upon the owner of the dwelling and the City entering into a written agreement as described in Section 4565.07 or 4565.08, prior to the commencement of construction.

Designation of the Fifth by Northwest Community Reinvestment Area as a Ready for Opportunity Area, a Ready for Revitalization Area, or a Market Ready Area shall be made by the Development Director pursuant to Section 4565.03.

The tax exemptions provided for herein shall further be governed by the terms and conditions contained in Chapter 4565 of the Columbus City Codes, including any amendments thereto.

Section 2. For purposes of this Ordinance and Sections 3735.65 through 3735.70, inclusive, of the Revised Code, a multiple unit structure or remodeling is hereby deemed to be a "residential" structure or remodeling. The term "multiple unit" shall mean a structure or remodeling incorporating both residential

and commercial uses. The entire structure does not need to be abated or qualify for abatement in order for the abatement to apply to the qualifying portions of the structure. Abatements may be claimed for, and will only apply to, portions of a structure meeting the required criteria.

Section 3. That Section 3 of Ordinance 0479-2011 as it existed prior to the effective date of this Ordinance, is hereby repealed; provided, however, that its provisions, as they existed prior to the effective date of this Ordinance, shall continue to apply under the terms provided in Section 4 of this Ordinance.

Section 4. That transition to the amendments to Section 3 of Ordinance 0479-2011 as provided in Section 1 of this Ordinance shall occur on the following schedule:

The Provisions of Section 3 of Ordinance 0479-2011, as they existed prior to the effective date of this Ordinance, shall apply to all projects that have an executed agreement or memorandum approved by City Council prior to the effective date of this ordinance, or that adhere to the following timeline:

- A. All applicable approvals from the following list have been obtained on or before ~~July 31, 2018~~
September 30, 2018:
 - historic, architectural, or design-review body approvals for all project elements; and
 - any required approvals from City Council or the Board of Zoning Adjustment.
- B. ~~Obtains all necessary building permits~~ **Have final site compliance submitted and reviewed, and foundation permit approval** on or before December 31, 2018. **No extension will be given for an expiring foundation permit.**
- C. Obtains a final Certificate of Occupancy on or before December 31, 2020, or within a reasonable period of time thereafter as determined by the Development Director.

Section 5. That this ordinance shall take effect and be in force from and after the earliest date allowed by law.