



Community Reinvestment Area Program

Community Reinvestment Area Program

Overview

- The Community Reinvestment Area (“CRA”) incentive program is a community and economic development tool that provides real property tax exemptions on the **increase** in taxable real property value that results from the renovation or new construction of buildings within a designated area.
- Residential, Commercial and Industrial
- 0% - 100% real property tax exemption
- Term:
 - Up to 12 years for renovation
 - Up to 15 years for new construction



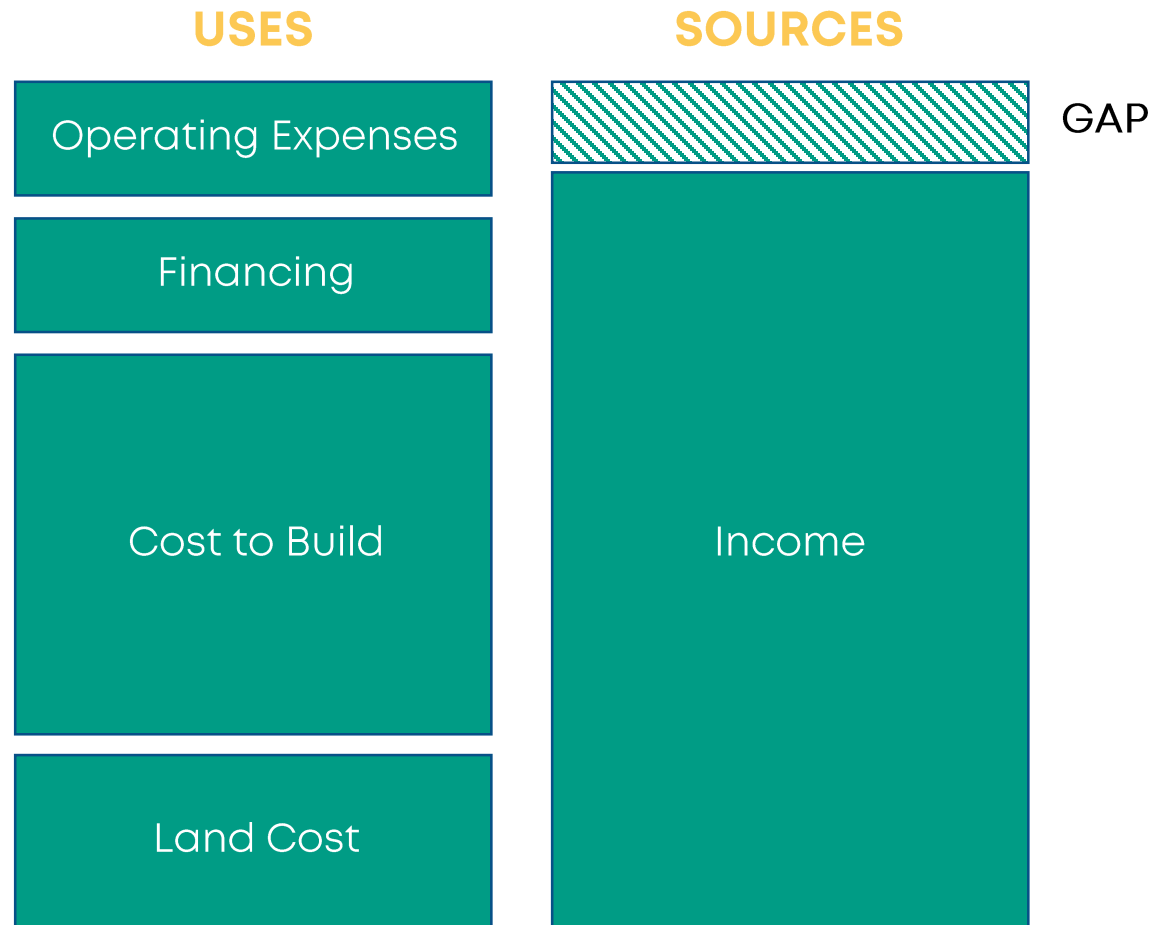
Community Reinvestment Area Program

Overview

- Minimum Cost of Improvements
 - Residential - \$2,500
 - Commercial & Industrial - \$5,000
- Improvements that May Increase Real Property Tax Value:
 - New construction
 - New addition to existing structure
 - Porches
 - Remodel basement or attic into living area
 - Structural improvements to existing interior or exterior
- Minor improvements and maintenance items required to preserve a structure do not generally increase the taxable value of a property.

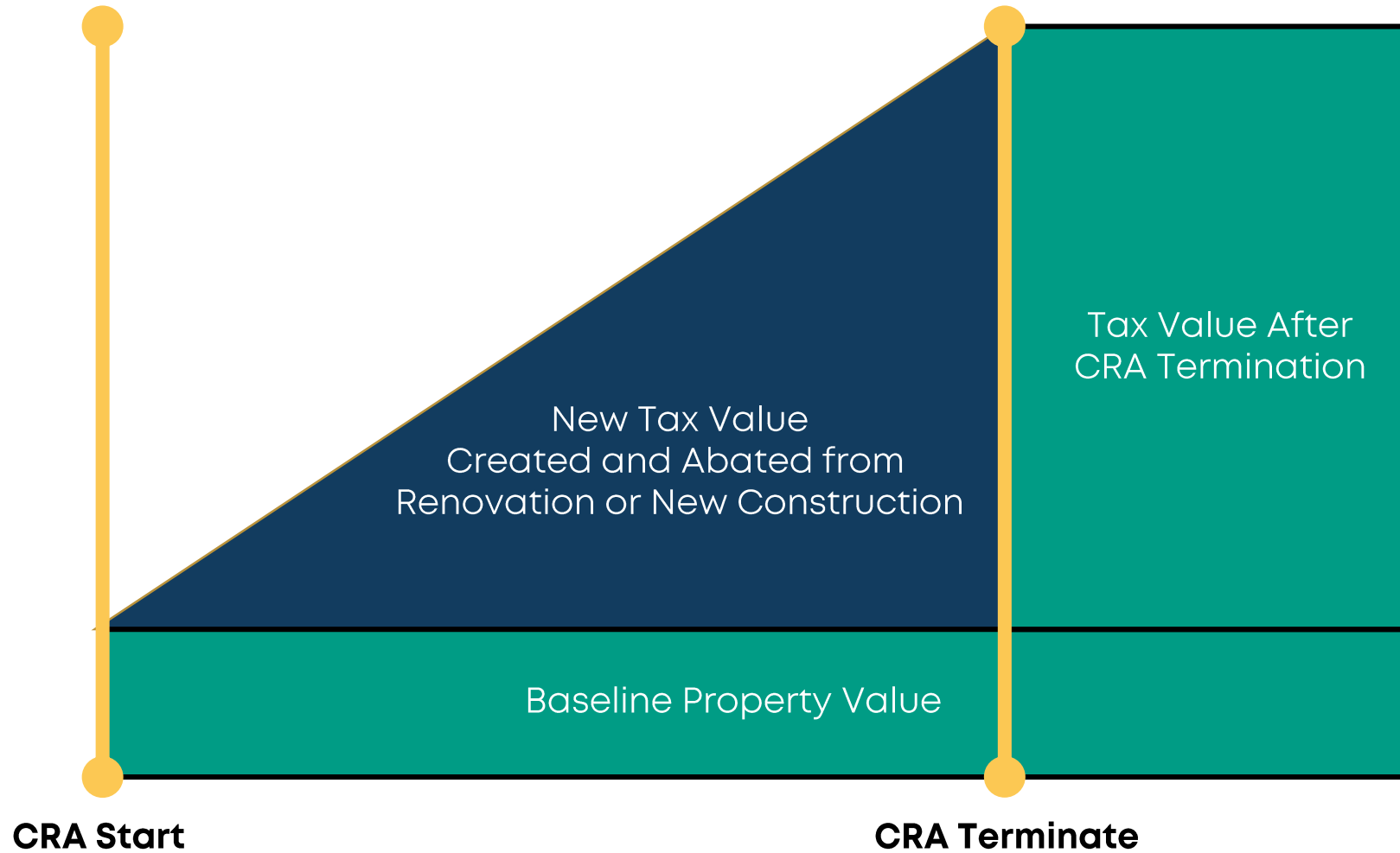
Community Reinvestment Area Program

A Common Problem for Renovation and New Construction Projects



Community Reinvestment Area Program

How it Works



Community Reinvestment Area Program

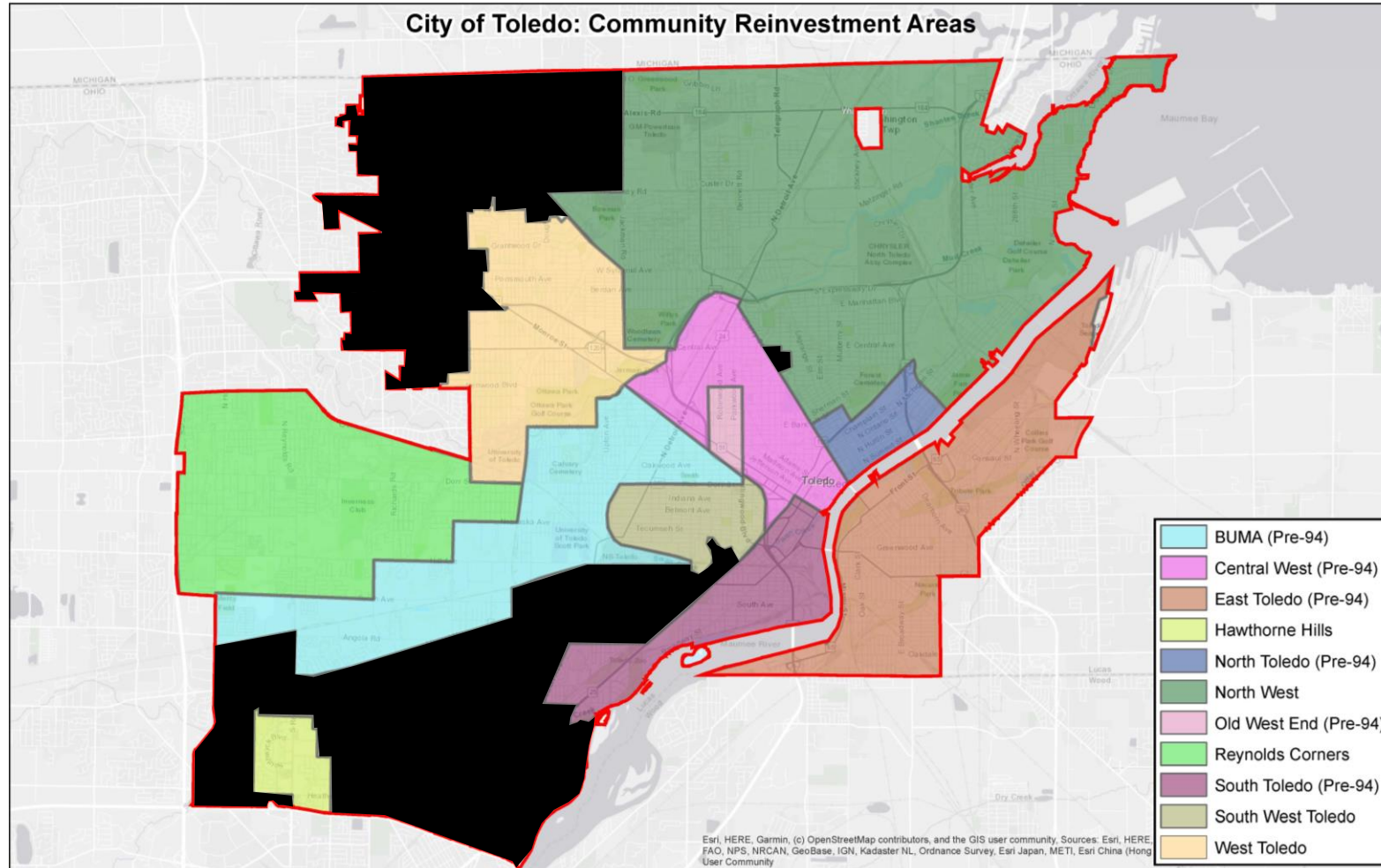
Overview

The CRA Program **DOES NOT:**

- Reduce current taxes being paid on a property
- Result in money being paid by the City to a developer or property owner
- Last forever
- Have any value unless the property owner invests money to rehabilitate and existing structure or construct a new building

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Designated Areas

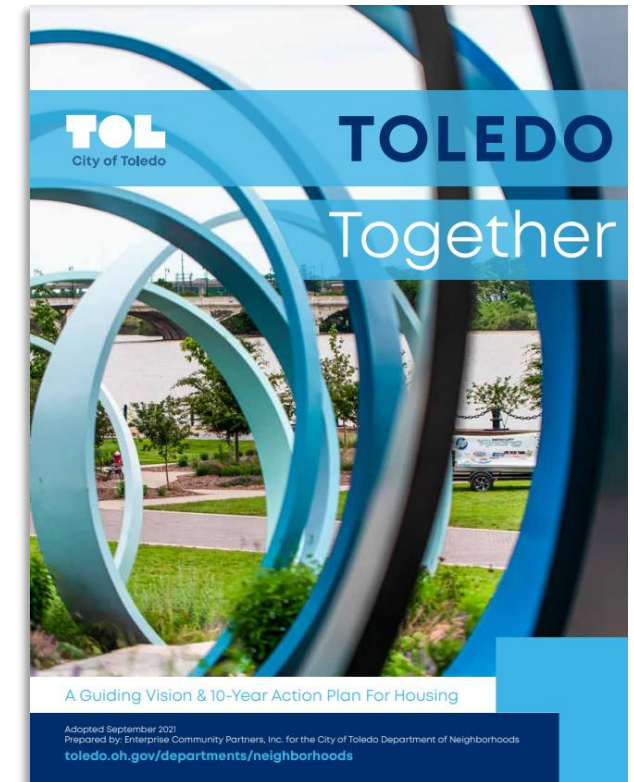


Toledo Together

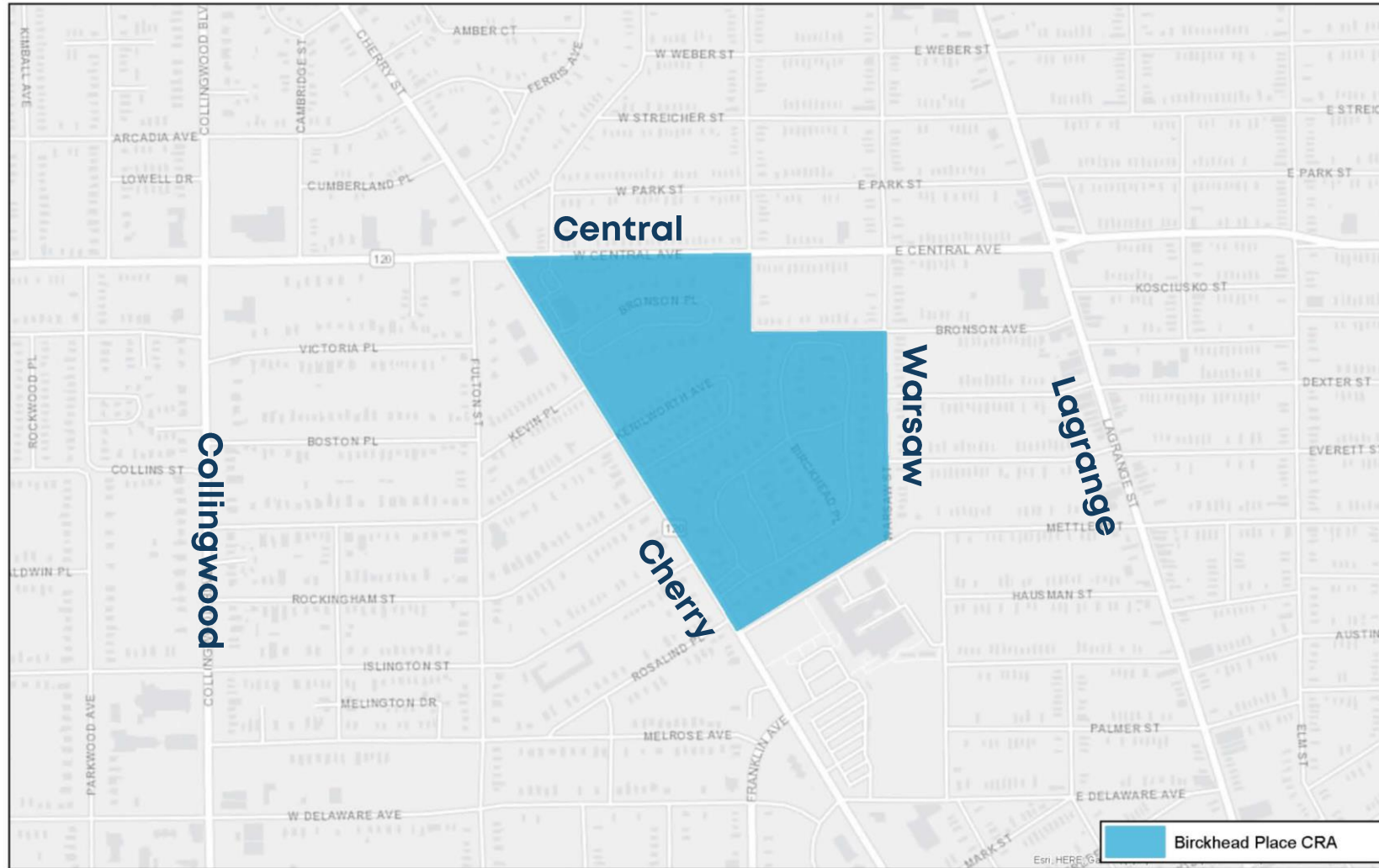
Toledo's 10-Year Comprehensive Housing Strategy

- In the last 20 years, Toledo's population has declined by 43,000
- 82.5% of homes are 50+ years old
- There is a shortage of 12,705 affordable and available rentals for extremely low-income renter households
- In total, Toledo has 20,243 vacant properties, which represent 15 percent of its housing stock, and vacancy increased slightly by 1 percent from 2010 to 2018

Recommendation: Expand Community Reinvestment Areas



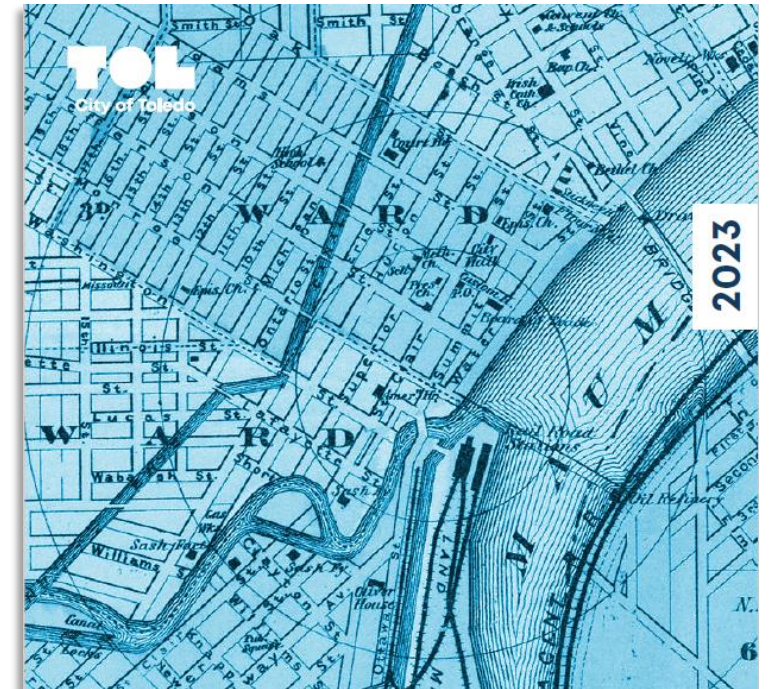
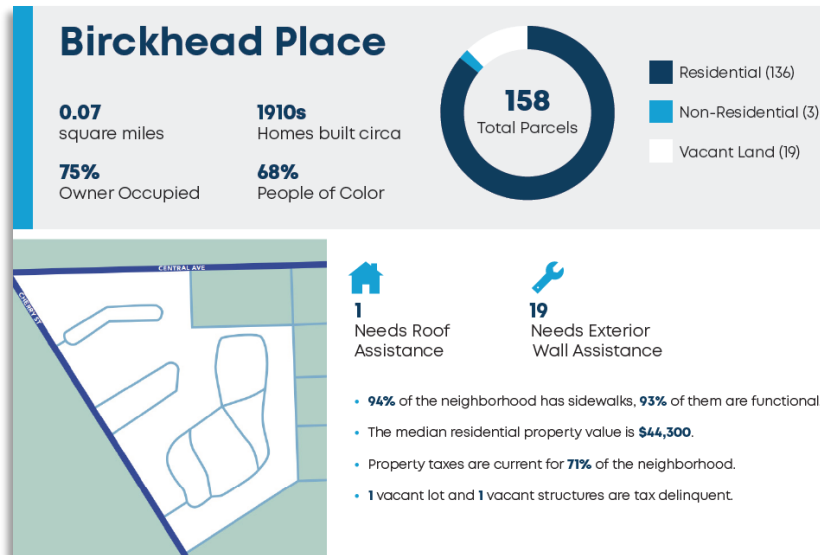
Proposed Birckhead Place CRA



Birckhead Place CRA Housing Survey

Overview

- 136 residential structures
- 1,469 residents
- 86% of housing structures are 83+ years old



BIRCKHEAD PLACE HOUSING STUDY

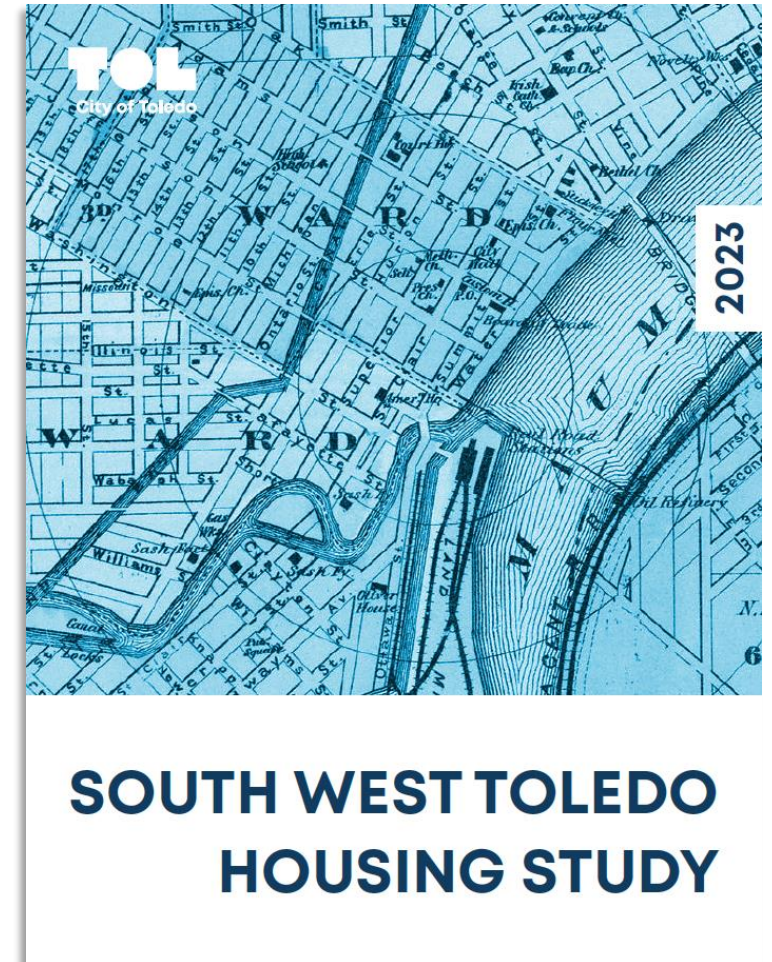
Proposed South West Toledo CRA Expansion



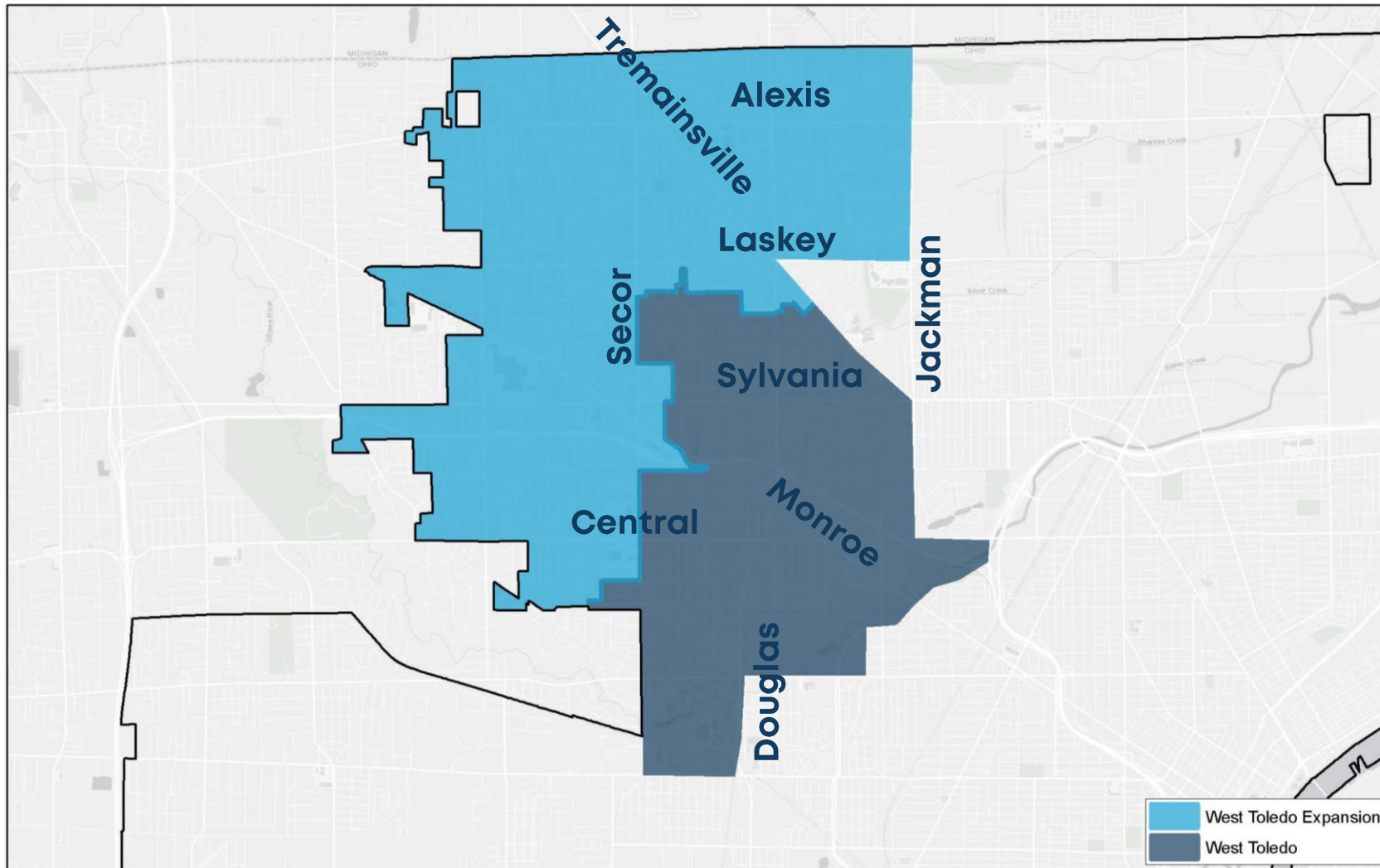
South West CRA Housing Survey

Overview

- 12,844 residential structures
- 46,792 residents
- 80% of housing structures are 43+ years old



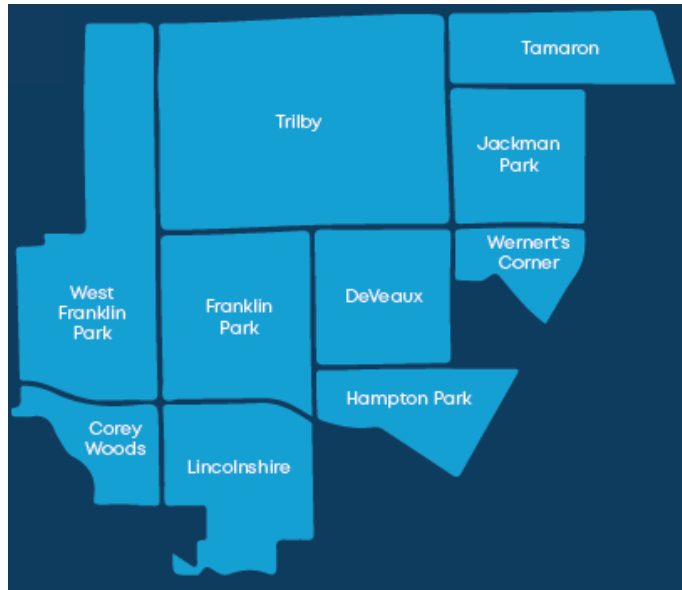
Proposed West Toledo CRA Expansion



South West CRA Housing Survey

Overview

- 12,001 residential structures
- 31,017 residents
- 87% of housing structures are 47+ years old



WEST TOLEDO HOUSING STUDY

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Final Thoughts

- In an effort to address the housing shortage across the State, many cities have designated their entire jurisdictional boundary as a CRA to encourage new construction and rehabilitation of housing units.
- The expansion of the CRA program creates another tool in the toolbox to encourage investment in all parts of the City.
- Council will have final approval to award CRAs by ordinance.
- The City's policy is for the applicant to negotiate directly with the school district before final consideration of approval and ordinance.
 - Toledo, Washington Local, Sylvania, Maumee, Springfield, Ottawa Hills



Thank you.

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