



Legislation Details (With Text)

File #: O-579-23 **Version:** 1 **Name:**
Type: Ordinance **Status:** Approved
File created: 10/10/2023 **In control:** Economic Development Department
On agenda: 10/24/2023 **Final action:** 10/24/2023

Title: Amending Ordinance No. 57-96; designating an expanded South West Community Reinvestment Area as a Community Reinvestment Area; authorizing tax exemptions for remodeling and new construction; authorizing the Department of Economic Development to carry out a Community Reinvestment Program within the South West Community Reinvestment Area, designating the Director of the Department of Economic Development as Housing Officer; approving certain Administrative Procedures for the Community Reinvestment Area Program, Ohio Revised Code §§ 3735.65 through 3735.70 as amended; making certain findings with respect thereto; and declaring an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A -- Map of CRAs, 2. B -- CRA Boundary, South West Expansion, 3. C -- Legal Description, 4. D -- Housing Survey, 5. Video: Agenda Review 10/17/2023, 6. Video: City Council 10/24/2023

Date	Ver.	Action By	Action	Result
10/24/2023	1	City Council	Suspension	Pass
10/24/2023	1	City Council	Emergency	Pass
10/24/2023	1	City Council	Passage	Pass

South West CRA Expansion
 Department of Economic Development
 B. Sehlhorst (x1692)

Amending Ordinance No. 57-96; designating an expanded South West Community Reinvestment Area as a Community Reinvestment Area; authorizing tax exemptions for remodeling and new construction; authorizing the Department of Economic Development to carry out a Community Reinvestment Program within the South West Community Reinvestment Area, designating the Director of the Department of Economic Development as Housing Officer; approving certain Administrative Procedures for the Community Reinvestment Area Program, Ohio Revised Code §§ 3735.65 through 3735.70 as amended; making certain findings with respect thereto; and declaring an emergency.

SUMMARY & BACKGROUND:

The Ohio Community Reinvestment Area program is an economic development tool administered by municipal and county government that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas (“CRA”) are areas of land in which property owners can receive tax incentives for investing in real property improvements. As depicted in Exhibit A, the City has designated 10 individual CRAs in certain parts of Toledo.

In 2021, the City adopted “Toledo Together,” a comprehensive 10-year housing strategy. One of the key

initiatives recommended by the plan was to expand the City's CRAs to include all portions of Toledo in order to encourage renovation of the City's aging housing stock and new construction of housing.

In order to implement a key initiative of the Toledo Together plan, the Department of Economic Development is requesting to expand the existing South West Community Reinvestment Area to include the remaining portions of South Toledo that are not in a designed CRA, as depicted in Exhibit B and described in Exhibit C.

This expansion will enable the City to provide real property tax incentives for housing and economic development purposes. As provided in Exhibit D, a housing survey has been completed by the City which indicates that reinvestment has been discouraged, and that there are structures located within the proposed designated area in need of remodeling and areas in need of new construction to encourage economic stability, the maintenance of real property values, and generating new employment opportunities.

Sections 3735.65 through 3735.70 of the Ohio Revised Code as amended, commonly known as the Community Reinvestment Area Tax Exemption Law, permit municipalities to grant real property tax exemptions to encourage the construction and remodeling of such facilities and structures. Preservation in the proposed designated neighborhoods, rehabilitation, and stability of the neighborhood and commercial areas can be further encouraged and advanced by the Community Reinvestment Area Tax Exemption Law. In order to obtain the tax exemption benefit of the Community Reinvestment Tax Exemption Law, the requirements of Sections 3735.65 through 3735.70 of the Ohio Revised Code as amended must be followed in all particulars.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That Ordinance No.57-96 is hereby amended. That the following amendments are made in accordance with Section 3 (A) of Amended Substitute Senate Bill passed March 31, 1994 and effective July 22, 1994.

SECTION 2. That the following described area is hereby added to the South West Community Reinvestment Area, such area having the conditions described under division (B) of Section 3735.65 of the Ohio Revised Code as amended, and being described as follows:

The Legal Description for this parcel labeled as Exhibit "C", is attached hereto and made a part hereof.

SECTION 3. That the Director of Economic Development is hereby designated as the "Housing Officer" for the Reinvestment Area established by this Ordinance. The Department of Economic Development is hereby authorized and directed to administer and implement Sections 3735.65 through 3735.69 of the Ohio Revised Code as amended; that the Department is hereby authorized to enter into Tax Exemption Revenue Sharing Agreements with the local school districts within the CRA area requiring property owners applying for tax abatement on any non-housing remodeling or new construction to make direct payment to the effected school district; and that the Department is also authorized to enter into agreements with the project owners for the direct revenue tax sharing payment to the affected school district. The Housing Officer shall verify the construction of a new structure and shall determine whether the costs of remodeling meet the requirements for an exemption under Section 3735.67 of the Ohio Revised Code as amended.

SECTION 4. With the exception of Section 5 below, the owner of any real property located in the Community Reinvestment Area may file an application for an exemption from real property taxation for a new structure or remodeling completed after the effective date of this Ordinance with the Housing Officer.

SECTION 5. Any real property within the South West Community Reinvestment Area that is receiving

Tax Increment Financing shall not be eligible for any exemption for real property taxes pursuant to the Community Reinvestment Area, unless waived by the City. Conversely, any real property within the South West Community Reinvestment Area that is receiving Community Reinvestment Area tax abatement shall not be eligible for Tax Increment Financing, unless waived by the City.

SECTION 6. That the Housing Officer shall verify the construction of the new structure or the cost of remodeling and the facts asserted in the application. The Housing Officer shall determine whether the construction or the cost of remodeling meet the requirements for an exemption under Section 8 below.

SECTION 7. That the Housing Officer shall forward applications which meet the requirements for the exemption to the Lucas County Auditor with a certification as to the division of Section 3735.67 of the Ohio Revised Code as amended under which the exemption is granted and the period of the exemption as determined by this Council and set forth in Section 8 below.

SECTION 8. The tax exemption shall first apply in the year following the calendar year in which the certification is made to the Lucas County Auditor by the Housing Officer pursuant to Section 6 above. If the remodeling qualifies for an exemption under division (A) or (B) of Section 8 below, the dollar amount by which the remodeling increased the market value of the structure shall be exempt from real property taxation. If the construction of the structure qualifies for an exemption under division (C) of Section 8 below, the structure shall not be considered an improvement on the land on which it is located for the purpose of real property taxation.

SECTION 9. That the construction of new structures and the remodeling of existing structures within the Reinvestment Area are hereby declared to be a public purpose for which exemptions from real property taxation are granted for the following periods:

- A. For remodeling of every dwelling containing not more than four family units and upon which the cost of remodeling is at least Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00), a period of twelve (12) years;
- B. For remodeling of every dwelling containing more than four units, and for remodeling of existing commercial and industrial structures, and upon which the cost of remodeling is at least Five Thousand and 00/100 Dollars (\$5,000.00), a period of twelve years;
- C. For new construction of every dwelling, and commercial and industrial structure, a period of fifteen years.

SECTION 10. That the Housing Officer shall make annual inspections of the properties within the Reinvestment Area upon which are located new structures or remodeling for which an exemption has been granted under Section 3735.67 of the Ohio Revised Code as amended. If the Housing Officer finds that the property has not been properly maintained or repaired due to the neglect of the owner, he may revoke the tax exemption at any time after the first year of exemption. The Housing Officer shall notify the Lucas County Auditor and the owner of the property that the tax exemption no longer applies. If the Housing Officer revokes a tax exemption, he shall send a report of the revocation to the Reinvestment Area Housing Council established pursuant to Section 11 below containing a statement of his findings as to the maintenance and repair of the property and his reason for revoking the exemption.

SECTION 11. That a South West Community Reinvestment Area Housing Council shall be appointed pursuant to Section 3735.69 of the Ohio Revised Code as amended. Said Council shall be composed of two

members appointed by the Mayor, two members appointed by the Toledo City Council, and one member appointed by the Toledo City Plan Commission. The majority of the foregoing members shall then appoint two additional members who shall be residents of the City. Terms of the members of the Council shall be for three years. Terms resulting from a vacancy in the Council shall be filled in the same manner as the initial appointment was made. The Council shall adopt rules and regulations consistent with this Ordinance governing its procedure and transactions.

SECTION 12. That the South West Community Reinvestment Area Housing Council shall make an annual inspection of the properties within the Reinvestment Area for which an exemption has been granted. The Council shall also hear appeals under Section 13 below.

SECTION 13. That any person aggrieved under Sections 3 through 9 of this Ordinance may appeal to the South West Community Reinvestment Area Housing Council, which shall have the authority to overrule any decision of the Housing Officer by a majority vote. Appeals may be taken from a decision of the Council to the Lucas County Court of Common Pleas.

SECTION 14. That a copy of this Ordinance shall be forwarded to the Lucas County Auditor by the Clerk of Council for information and reference, and a copy of this Ordinance shall be published in a newspaper of general circulation once a week for two consecutive weeks immediately following its passage.

SECTION 15. That it is found and determined that all formal actions of Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council, and that all deliberations of this Council and of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 16. That this Ordinance hereby is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that same is necessary for the immediate preservation of the public peace, health, safety, and property, and for the further reason that the Ordinance must be immediately effective as same is necessary for the economic development and revitalization of the South West Community Reinvestment Area.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____

Clerk of Council