



# City of Cincinnati

801 Plum Street  
Cincinnati, OH 45202

## Agenda - Final

### Economic Growth & Zoning Committee

*Vice Mayor Christopher Smitherman, Chairperson*  
*Councilmember Steven Goodin, Vice-Chair*  
*Councilmember Betsy Sundermann, Member*  
*Councilmember Liz Keating, Member*  
*Councilmember Jan Michele Lemon Kearney, Member*

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Tuesday, September 14, 2021

11:00 AM

Council Chambers, Room 300

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#### AGENDA

1. [202102393](#) REPORT, dated 6/22/2021, submitted by Paula Boggs Muething, City Manager, regarding Property Tax Working Group Recommendations. (REFERENCE DOCUMENTS #202000954, #202000951, #202000945)  
  
**Sponsors:** City Manager  
**Attachments:** [Report](#)  
[Attachment 1](#)  
[Attachment 2](#)  
[Appendix 1](#)
  
2. [202102614](#) **MOTION**, submitted by Councilmember Sundermann, **WE MOVE** the Administration prepare a report detailing the current policies and practices for inspecting high rise buildings. **WE FURTHER MOVE** that the report include requirements for buildings in hillside overlay zoning and flood zones. On June 24, 2021, a twelve-story condominium partially collapsed in Surfside, Florida. Ninety-eight people were confirmed to have died in this tragedy. Citizens of Cincinnati must be ensured that building standards are adequate and regularly enforced to prevent these types of massive collapses. It is especially important for high-risk buildings and high-risk terrain areas to receive proper attention in inspection practices. The report should outline any current susceptibilities in inspection standards that could put City of Cincinnati buildings at risk to catastrophic collapses like the Champlain Towers South condominium in Surfside, Florida or hillside slippage resulting in damage to housing foundations. The report should also include recommendations from the Department of Buildings and Inspections to improve building safety from massive collapse.  
  
**Sponsors:** Sundermann  
**Attachments:** [Motion - Sundermann](#)

#### SMALL BUSINESS SUBCOMMITTEE

**Michael Beck, President of Code for Kids**

ADJOURNMENT



June 22, 2021

To: Mayor and Members of City Council 202102393  
From: Paula Boggs Muething, City Manager  
Subject: Property Tax Working Group Recommendations

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**REFERENCE DOCUMENTS #202000954, #202000951, #202000945**

On September 1, 2020, the Economic Growth and Zoning Committee referred the following for a report:

MOTION, dated July 28, 2020 submitted by Vice Mayor Smitherman and Councilmember Mann, The Property Tax Working Group (PTWG) was created by motion on September 5, 2018 to study trends related to property taxes. Especially important were rising property taxes in areas experiencing significant levels of development, helping senior citizens remain in their homes and communities and reporting on best practices of other cities and states. (Please see the attach motion and vote by Cincinnati City Council). The Property Tax Working Group had its final meeting on Thursday, July 23, 2020. This group was Chaired by Carol Gibbs, President/CEO Mt. Auburn Community Development Corporation (MACDC) and Vice Mayor Christopher Smitherman. The idea for the PTWG was the brainchild of Mrs. Carol Gibbs. (Balance of motion on file in the Clerk's Office)

The Property Tax Working Group (PTWG), officially established by Council in September 2018, Document #201801401, gathered feedback from community members through two online surveys and a series of public meetings. From feedback and discussions, two major thematic areas emerged: (i) property taxes and seniors, legacy residents, and individuals living with disabilities; and (ii) residential tax abatement review. The PTWG then spilt into three focus areas: (i) Limited Income Individuals, (ii) Seniors/Persons Living with Disabilities, and (iii) Residential Tax Abatement Review. These three subgroups discussed problems, root causes, potential solutions, information needed, and generated a list of recommendations for City Council's consideration. The following report contains responses by the Administration to these recommendations at the request of the Economic Growth and Zoning Committee.

**I. LIMITED INCOME INDIVIDUALS (Doc. #202000954)**

**Recommendation 1**

Create an online portal with programs and resources for residents - both homeowners and renters. (This portal would be like the open data portal managed by the Office of Performance and Data Analytics (OPDA). The portal should be user friendly but include deep connections in its logic. For example, users would input age, veteran's status, etc. and the portal would respond with the programs that are available to them. This helps with the goal to proactively identify homeowners who need help with repairs, so the burden does not only fall to the homeowner.)

**Response:** From an operational perspective, the City is not a direct service provider of these programs and services and instead funds partner organizations to deliver these types of services to limited income residents. These individual partner organizations conduct outreach to their various target beneficiaries as part of the scope of services with the City and are well positioned to understand how best to reach these individuals and respond to their needs. Therefore, the Administration does not recommend a direct-to-resident portal approach for this function, however, Council could provide additional funding to expand the scope of work with a partner organization in order to include this as a component of their work.

### **Recommendation 2**

Create a housing court with a dedicated support staff who are housing experts and can connect residents to resources. (Convert a Common Pleas seat into a housing court seat. Community members can advocate for this by lobbying the Common Pleas judges directly, as well ask their City representatives to support creation of a housing court. Cleveland is a good reference for this recommendation.

**Response:** The Administration, working with the Mayor's office, continues its efforts at the County and State levels to create a Housing Court at the Hamilton County Court of Common Pleas and is actively engaged with the judiciary and state legislature. Over the last six years, the Administration has prepared draft legislation to amend the Ohio Revised Code and has been engaged in discussions with state legislators, judges, the Ohio Supreme Court administrative staff, and interested community organizations and members. A majority of the Hamilton Court Common Pleas Court judges must vote to proceed with the establishment of a housing court in order for the Ohio Supreme Court and state legislature to take the next steps in furtherance of this initiative. Members of the Property Tax Working Group and the public can assist in this effort by directly contacting their local state representatives and judicial officers at the Court to express their support for a Housing Court.

### **Recommendation 3**

Make housing a priority by creating a position like the Chief Advocacy Officer Role that would lead housing efforts for the City. This position would act as a Connector/Czar. This position would connect with the City Manager, City Council, Mayor, City Departments, and residents, and is guided by an advisory board. This position has the responsibility to manage the portal.

**Response:** This Administration has made housing efforts a priority and in furtherance of those efforts has created the new Office of Human Services. The Office of Human Services will provide additional attention and staffing capacity to focus on housing needs, address the issue of homelessness in our City, and act as the central repository and connection for service agencies to share their concerns regarding emerging issues related to housing, among other things. Additionally, recent restructuring in the City Manager's Office and in the Department of Community and Economic Development has increased staff capacity to focus more resources on housing needs, service delivery, and advocacy.

### **Recommendation 4**

When a code complaint is filed in a geographic area with high development activity, require a social worker to accompany the building inspector to provide information on funds to help with repairs and directions to the portal. (Helps with goal to proactively identify homeowners who need help with repairs, so the burden does not only fall to the homeowner.)

**Response:** On March 17, 2021, Council passed Ordinance No. 75-2021, which established the position of Housing Services Coordinator in the City’s Department of Buildings and Inspections. This position will assist in the issues identified in the recommendation, and the Department of Buildings and Inspections intends to advertise and fill this position in the fall of 2021.

**Recommendation 5**

Create a lending program for minority and women-owned contractors who work fairly with seniors and low-income households. (This lending program would have a revolving line of credit with favorable rates aimed to restore the small contractors who lost their businesses in Cincinnati. Information on these licensed contractors would be housed on the portal.)

**Response:** The City has two existing small business loan programs for which City-based construction businesses are eligible. These programs are housed in the Department of Community and Economic Development (DCED), which can provide technical assistance to any interested organizations. Additionally, Council has recently appropriated significant American Rescue Plan funding to specifically support women-owned and minority-owned businesses, including the Cincy\*Ascend Program and a partnership with Main Street Ventures. Interested companies can contact DCED for additional information.

**Recommendation 6**

Provide funding for organizations that work with homeowners to help them stay in their homes. (Information on these organizations would be on the portal)

**Response:** The City currently funds People Working Cooperatively and Legal Aid for Housing Repair Services, CARE, and Emergency Mortgage Assistance programs. These programs collectively represent 19% of the approximately \$12 million annual community development block grant budget. Please refer to “Attachment 1” for additional information on these existing programs. Increasing funding to these organizations or creating new programs without reducing funding to existing programs will require Council appropriation of additional resources to this type of programming.

**Recommendation 7**

Look to other cities on how they are addressing recommendations 1-6.

**Response:** During Council recess in the summer of 2021 the City Administration will conduct additional research of activities by other cities and will issue those findings in a supplemental report.

**Recommendation 8**

Lobby the state to make changes that benefit home retention for individuals with low or limited income, disabilities, seniors, etc.

**Response:** With additional funding, the City Administration could expand the scope of its state lobbying contract to include these and related initiatives. The chief impediment is the identification of policy initiatives that would have the desired impact; these initiatives can be presented by Councilmembers, or by citizens to elected officials, or through partner organizations. The Administration does not have a full-time position or policy team working specifically on these issues, but the Administration will provide and support legislative initiatives as they come to our attention during our daily operations.

## II. SENIORS/PEOPLE LIVING WITH DISABILITIES (Doc. #202000951)

### Section 1. Tax Relief Qualifications

#### Recommendation 1

Discount and Deferrals for seniors and people living with disabilities.

**Response:** This recommendation will require modification to state law, likely Ohio's Homestead Exemption. With additional funding, the City Administration could expand the scope of its state lobbying contract to include these and related initiatives.

### Section 2. Tax Fairness

#### Recommendation 1

If a property receives any of these tax benefits/assistance measures, it is not permitted to be registered on the City's Short-Term Rental Registry as anything other than "hosted."

**Response:** In order to provide a response on this recommendation, the City Administration will undertake further analysis of possible financial impacts of this proposal, including potential reduction in revenue from the City's short-term rental excise tax. The City Administration will complete this analysis during Council's summer recess and will issue a supplemental report with a response on this recommendation.

### Section 3. Other Measures

#### Recommendation 1

Change Zoning Code to permit accessory dwellings/granny flats with stipulations that:

- a. Either the larger of smaller residence must be occupied as the primary residence
- b. Require landlord training on fair housing, sample rental contracts, landlord best practice and more

**Response 1(A):** The Administration will develop and propose legislation for the inclusion of Accessory Dwelling Units (ADU) in the Zoning Code. ADUs have the potential to provide housing for different family sizes and configurations, and people with varying incomes and needs. Additionally, an ADU policy is consistent with multiple strategies within *Plan Cincinnati* (2012). It supports the City's commitment to increasing its AARP Livability Index score and being a community for people of all ages. Please refer to "Attachment 2," and "Appendix 1," for additional information.

**Response 1(B):** The City's existing landlord training, hosted by the Solicitor's Office, has been updated to include this recommendation.

#### Recommendation 2

Streamline approvals and waive fees for building permits related to accessibility, such as widening doorways and hallways, curb less showers, step free entries, cabinetry modifications for wheel-in space. Extra sound insulation can be considered as well.

**Response:** Building Permit approval processes relating to accessibility are currently streamlined through the existing Tier 1 same day walk through B&I permit service. The waiver of permit fees requires legislative action and can have legal implications. Without an identified offsetting revenue source or appropriation, the Administration does not recommend fee waivers of this nature, as fee revenue is utilized to directly support the operations and services provided for that fee.

### **Recommendation 3**

Increase funding, including grants and loans, for programs that assist the elderly and people with disabilities and families with dependents that have a disability in maintaining and modifying their residences for accessibility. A sliding scale for eligibility.

**Response:** The City currently funds People Working Cooperatively and Legal Aid for programs like Housing Repair Services, CARE, and Emergency Mortgage Assistance. These programs collectively represent 19% of the approximately \$12 million annual community development block grant budget. Please refer to “Attachment 1” for additional information on these existing programs. Increased funding would require an additional appropriation from Council to expand these types of services.

### **Recommendation 4**

Education and information for homeowners and small contractors.

- a. Create an online portal with programs and resources for residents, both homeowners and renters, and contractors
- b. Use this information to create fliers that can be included in tax bill mailings and set out at the permit officers and other points of contact.
- c. Expand the pool and build the capacity of small contractors. Use the compiled info on all programs and resources to educate them so they can use the info as a marketing tool to find new customers. (Have fliers about these educations/marketing opportunities at stores serving contractors e.g. hardware, plumbing supply, electrical supply, etc)

**Response 4:** As described above, the City is not a direct service provider of these types of services but relies on partner organizations for service delivery. These partners are in the best position to complete outreach to target beneficiaries and are the organizations contracting with vendors to deliver those services. Council could provide additional funding to expand the scope of work with partner organizations in order to include or expand their work. Through the contract with each partner organization the City also enforces the requirements under Chapter 323 of the Cincinnati Municipal Code regarding the City’s small business enterprise and local business enterprise programs and under Chapter 324 regarding the minority and women owned business enterprise programs.

### **Recommendation 5**

Avoid Housing harassment by fining entities having more than one unsolicited contact with a property owner. (Find out if it is possible to track on-line property maintenance complaints if a complainant is submitting complaints on multiple properties. If possible, these complainants will receive a warning. If they continue, it should be considered harassment and they would receive a fine.

**Response 5:** Based on feedback from the Law Department, this recommendation presents constitutional concerns and is therefore not recommended to be implemented as drafted.

### **Recommendation 6**

Provide education to landlords about the importance of allowing tenants who are seniors or persons with a disability to modify properties to its original condition upon move out. Educate landlords on the importance of this.

**Response:** The City’s existing landlord training, hosted by the Solicitor’s Office, incorporates information regarding legal obligations of Landlords. This training will be updated to include additional information based on this recommendation.

### III. RESIDENTIAL TAX ABATEMENT POLICY (Doc. #202000945)

#### Section 1. Immediate Recommendations

##### Recommendation 1

Residential buildings with up to and including four units should be eligible for residential tax abatements

**Response:** This recommendation was incorporated in Ordinance No. 370-2020, which was passed on November 12, 2020.

#### Section 2. Long Term Recommendations

##### Recommendation 1

Explore a tiered approach to residential tax abatements based on extensive study. (If a tiered approach is implemented, then increase staff to meet need for long-term monitoring)

**Response:** This recommendation was incorporated in Ordinance No. 333-2020, which was passed on September 30, 2020, to fund a third-party study of the program and provide recommendations on program modifications, including a potential tiered approach. DCED released an RFP to identify a qualified consultancy firm to conduct the study and responses are now under review.

##### Recommendation 2

Consider a stipulation that would prohibit properties that receive residential tax abatements from being able to register on the City's Short-term Rental Registry as anything other than "hosted."

**Response:** A response to this recommendation requires additional analysis and will be included in the supplemental report, referenced above relating to this issue.

##### Recommendation 3

Explore possible incentives for local renter co-ops.

**Response:** All property tax incentives (residential CRA, commercial CRA, project TIF, district TIF funding, etc.) currently available to the broader development community would be available to a developer of a renter co-op project, contingent upon project need and underwriting. To add additional incentives, Council could explore possible changes to the commercial CRA program to expressly address renter co-ops or could appropriate additional specific funding to facilitate these types of development.

Attachments



## Attachment I

### LIMITED INCOME INDIVIDUALS

#### Recommendation 6

The Administration and City Council has a long history of supporting multiple homeownership activities and programs throughout the City. Some of these programs have a general eligibility of participation while other of these programs have restrictions based on income or income and age. Programs like the Lead Hazard Reduction Demonstration Grant Program and American Dream Down-payment Initiative are managed by City Staff in Departments like Community and Economic Development, Health, and Buildings and Inspections. Other programs like the Home Improvement Program and Housing Repair Services are administered by third party stakeholders. Below is a more exhaustive list of programs with descriptions that helps to promote and sustain homeownership.

#### **Housing Repair Services (HRS)**

Housing Repair Services (HRS), formally called Housing Maintenance Services is administered by People Working Cooperatively (PWC) and the Max Construction Group (MCG). PWC is a non-profit organization that serves low-income, elderly, and disabled homeowners by providing professional, critical home repairs, weatherization, modification, and maintenance services to help residents stay safely in their homes. MCG is a construction management company specializing commercial and residential construction projects as well as historic renovations. The types of homeowner repairs under HRS are broken into three main categories that include: Emergency Repairs, Immediate Repairs, and Critical Repairs as described below.

**Emergency Repairs.** Homeowners may receive one uncertified Emergency Repair per year provided in the form of a grant to the homeowner. Emergency Repairs are, often by necessity, performed prior to client qualification of income. Following the Emergency Repair, the client will be evaluated and, if income eligible, scheduled for other programs and services offered. The allowable maximum estimated cost without City for an emergency repair is approval of \$2,500. Services will be limited to two emergencies per household per year. Emergency Repairs are those that are considered to pose an immediate threat to the client's well-being and require immediate attention.

**Immediate Repairs.** This program addresses repairs of an emergency nature that exceed the \$2,500 limit. Generally, Immediate Repairs are expensive emergency repairs with the same need for immediate attention and same time frame as stated in the Emergency Repairs section. The average cost of an Immediate Repair is anticipated to be \$3,300 and services are be limited to one Immediate Repair per year, unless otherwise approved provided by the Department of Community and Economic Development program manager. Immediate Repairs may include modifications and accessibility improvements for physically disabled individuals to improve accessibility to house and the homeowner's personal safety. Examples are wheelchair ramps, electric lifts, grab bars/handrails. All Immediate Repairs are provided in the form of grants to the homeowners.

**Critical Repairs.** This program addresses the critical home repair needs of eligible homeowners. It is not the purpose of the program to respond to all home repair needs of the homeowner, but only repairs critical to the safety of the client and the integrity of the home. The allowable maximum expense in this category without City approval is \$10,000. All Critical Repairs are made in the form of a grant to the homeowner. Only one Critical Repair project (which may include more than one Critical Repair) will be provided every other year unless written approval is provided by the Department of Community and Economic Development program manager.

Eligibility for Critical Repairs are determined by PWC and MCG and the service limitations outlined in this paragraph shall include only those services provided to the eligible client by PWC and MCG,

and shall specifically not include services provided by any other service provider. Critical Repairs will be classified as defects affecting the integrity of the structure or shell of the house.

Eligible homeowners are homeowner occupants of property, not exceeding 3 dwelling units per building, of which one unit is occupied by the owner, within the boundaries of the City of Cincinnati for the neighborhoods referred to in the Area of Service. Homeowners meeting these criteria must qualify by income, which shall not exceed a maximum of 50 percent of the area median income (AMI) for the City, and by family size, as defined by HUD. In cases in which a Critical Repair exceeds \$10,000 AND City approval occurs, then the homeowner's income cannot exceed a maximum of 35 percent of the AMI and the homeowner must be 60 years old or older or be disabled. As evidenced below, over the last four years the City has invested approximately \$8MM in the HRS program assisting approximately 5,500 homeowners. City Council most recently appropriated \$1.8 million for this program from federal Community Development Block Grant entitlement funds.

In addition to Housing Repair Services, PWC also provides a Modifications for Mobility program. This is a critical program for PWC that targets complicated home modification projects that are typically too expensive for its low-income, disabled clients. Modifications made under this program assist some of PWC's most vulnerable clients, improving their daily mobility and independence. Below are some of the mobility services provided:

### **Compliance Assistance Repairs for the Elderly (CARE)**

Compliance Assistance Repairs for the Elderly (CARE) program is administered by the Cincinnati-Hamilton County Community Action Agency (CAA). CAA is a private, nonprofit organization that offers various services to low-income individuals and families in a holistic approach to help lift them out of poverty. Among the services they provide are homeowner repairs. The CARE program provides home repairs for low-income elderly and/or disabled homeowners. The services allow owner-occupants to comply with notices of violations by assisting with the required repairs, and in cases of significant building issues affecting the health or safety of the occupants, enabling owners to stay in their homes.

The CARE program primarily focuses within the current and former Neighborhood Enhancement Program (NEP) areas. NEP is a City community partnership that focuses on the improvement of certain areas of designated neighborhoods to help improve the quality of life. Low-income elderly and disabled owners situated in NEP areas receiving notice of building code violations may find it difficult to make the required repairs. CARE provides relief to the homeowners and neighbors as exterior repairs are corrected. If no qualified candidates in need of assistance are identified in the NEP areas, funding can be spent outside of NEP areas with written consent from the City. City Council most recently appropriated \$100,000 for this program from federal Community Development Block Grant entitlement funds.

### **Emergency Mortgage Assistance**

The Legal Aid Society of Greater Cincinnati administers Emergency Mortgage Assistance funds to help low- and moderate-income City of Cincinnati homeowners who face foreclosure due to job loss, illness, death of the primary wage earner, or other circumstances beyond their control. These homeowners can receive special assistance through the Emergency Mortgage Assistance (EMA) program, to bring their loan current if they have re-established an income stream to continue future mortgage payments.

Eligibility for one-time EMA grant of up to \$3,000 is based on the household's percentage of HUD Area Median Income, immediate risk of homelessness documented by a letter from their lender threatening foreclosure or court papers evidencing a foreclosure already filed, and the circumstances causing the mortgage default. Residency in the City of Cincinnati is required for the use of City funds. The guidelines require historic income at or below 80% of median income as established by copies of the previous year's W-2 tax returns or pay stubs, and re-establishment of an income stream sufficient to continue future mortgage payments. This program does not delay an inevitable foreclosure. If loss of the home is unavoidable, EMA funds will not be approved, and the

counselor/legal representative will outline all other options available. EMA will be provided as a grant for households at or below 80% of median income.

All clients in mortgage trouble receive in-depth Emergency Mortgage Assistance counseling. Legal Aid also negotiates a loan reinstatement or loan modification with the lender/loan servicer and represents homeowners in court to coordinate legal foreclosure prevention strategies with EMA assistance. In some cases, Legal Aid's counseling will result in loan reinstatement or loan modification, which does not require an EMA grant. City Council most recently appropriated \$190,000 for this program from federal Community Development Block Grant entitlement funds.

### **Housing Opportunities for People with AIDS (HOPWA)**

HOPWA funds nonprofit organizations to assist with meeting the housing and supportive service needs of low- and moderate-income persons with AIDS or HIV-related diseases. The program provides tenant-based rental assistance as well as short-term rent, mortgage, and utility assistance to HIV-positive individuals and families to ensure stability in safe, decent, affordable, and sanitary housing. These funds are administered by four nonprofit service providers: Caracole, Center for Respite Care, Northern Kentucky Health Independent District, and the Shelterhouse Volunteer Group. City Council most recently appropriated \$1.2 million for this program from federal HOPWA entitlement funds.

### **Living Arrangements for the Developmentally Disabled (LADD)**

LADD is a local nonprofit that has been seeking to empower adults with developmental disabilities to work, live, and connect for the past 45 years. In terms of assisting those with disabilities with housing, LADD offers subsidized, accessible housing with onsite management and supportive services. LADD also offers a Services for the Ownership and Acquisition of Residences (SOAR) program that empowers those with disabilities to obtain affordable housing and/or become homeowners. For renters, SOAR can help people obtain affordable housing through rental assistance programs funded by the Department of Housing and Urban Development. For homeownership, services include the coordination of services to help prepare someone for homeownership by accessing sources for down payment assistance, home modifications, and pre/post homeowner counseling. The City's down payment assistance program can supplement this program.

### **Single Family Homeownership (SFH)**

Habitat for Humanity of Greater Cincinnati builds and renovates single family homes for low-to moderate-income homebuyers. The program provides construction subsidy and homebuyer assistance. This program is only possible through philanthropic support, in-kind donated services, and donation of supplies. City Council most recently appropriated \$200,000 for this program from federal Home Investment Partnership (HOME) entitlement funds.

## Attachment II

### SENIORS/PEOPLE LIVING WITH DISABILITIES, No. 202000951

#### Section 3. Recommendation 1(A)

Motion 202000951 includes the following recommendation from the Property Tax Working Group (Section III, Recommendation 1):

*Change the Zoning Code to permit accessory dwellings/granny flats with stipulations that:*

- a. Either the larger or smaller residence must be occupied as the primary residence by the owner more than 75% of the year.*
- b. Require landlord training on fair housing, sample rental contracts, landlord best practices, and more.*

This report responds to the recommendation in the following sections. The information included in this report is based on a survey of case studies and review of existing ADU ordinances and manuals.

Section I	Definition of Accessory Dwelling Unit (ADU)
Section II	Benefits of ADUs
Section III	Challenges of ADUs
Section IV	Implementation Components
Section V	Economic Impact of ADU Policy
Section VI	Recommendation and Considerations
Appendix	Case Studies

#### **SECTION I: Definition of Accessory Dwelling Unit (ADU)**

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According to the U.S. Department of Housing and Urban Development (HUD), accessory dwelling units (ADUs) are “additional living quarters on single-family lots that are independent of the primary dwelling unit” (HUD 2008). ADUs are referred to by different names, including granny flats, as referenced in the Property Tax Working Group, accessory apartments, mother-in-law flats, and second units.

They are independent, self-contained units with their own kitchens or kitchenettes, bathrooms, and sleeping areas that are either attached to or detached from the primary residence, as seen in Figure A.

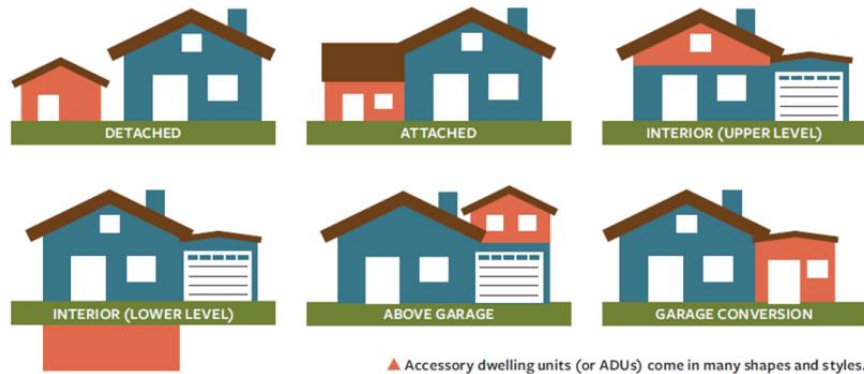


Figure A: Examples of accessory dwelling units (AARP 2019)

ADUs can be found in rural, urban, and suburban environments. Currently, the Cincinnati Zoning Code does not permit accessory dwelling units. Peer cities in Ohio, Columbus and Cleveland, do not have ADU regulations.

## SECTION II: Benefits of ADUs

Accessory dwelling units have the potential to offer many benefits for residents, both homeowners and renters, and neighborhoods.

Accessory dwellings units can:

- Facilitate multi-generational living, aging in place, and flexibility for families
- Increase the housing supply, providing another housing choice within the City of Cincinnati
- Efficiently make use of existing infrastructure by connecting to utilities of primary structure
- Provide an income stream to homeowners, making homeownership more affordable
- Provide affordable rental housing choice in single-family neighborhoods
- Increase property value
- Increase the socio-economic, racial, and age diversity within neighborhood populations
- Increase population density in residential areas without substantive change to neighborhood character
- Be environmentally friendly with smaller carbon footprints and by making efficient use of land
- Support neighborhood business districts through increased population density

## SECTION III: Challenges of ADUs

If permitted in residential zoning districts, ADUs could present the following challenges:

- Parking: If off-street or on-street parking is inadequate to accommodate an additional dwelling unit, neighbors could be adversely impacted.

- Short-Term Rental Use: If used as short-term rental units, there could be potential noise and nuisance impacts.
- Quality of Life: The Cincinnati Zoning Code currently permits up to four unrelated individuals to live in a dwelling unit in a Single-family zoning district. If four unrelated individuals are permitted to live in an ADU, then eight unrelated individuals could live on one property. This could facilitate more single-family residential use for student housing, presenting concerns from neighbors. Additionally, neighbors may feel as though their privacy is diminished.
- Increased property taxes: While increased property values may be seen as a benefit to some, an increase in property taxes may cause some to struggle to stay in their homes.
- Effect on the built environment and neighborhood character: Community members may feel as though the allowance of ADUs could change the existing character of their neighborhoods.

#### **SECTION IV: Implementation Components**

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This section outlines components that must be included and/or considered if ADUs were to be added to the Zoning Code, and if the two situations as outlined in the recommendation were to be required.

##### **Adding ADUs to the Zoning Code**

Zoning Code text amendments are necessary to permit detached and attached ADUs in the following residential zoning districts: SF-2, SF-4, SF-6, SF-10, SF-20. Zoning Code text amendments would be necessary to permit attached ADUs in the following residential zoning districts: RMX, RM-2.0, RM-1.2, and RM-0.7.

The text amendment will need to address the following points:

##### **1. ADU Definition**

This section should define an accessory dwelling unit, specifically mentioning that an ADU has a separate entrance from the principal structure, kitchen/kitchenette, bedroom, and sanitation (bathroom) facility.

##### **2. Review and Approval Procedures**

If ADUs are to be permitted in residential districts by right, the approval process could involve an administrative review prior to permitting. Any other allowance of ADUs, such as through a conditional use permit, or a public hearing requirement may prove to be too burdensome for homeowners/developers. Some communities require notification to property owners within a certain proximity either before or after permits are issued. If notice is sent following the permit approval, the notice lets neighbors know what to expect and what their enforcement options are if there are any issues.

This section should also outline whether applicants seek variances or relief from the Zoning Code following the traditional process which is review by the Zoning Hearing Examiner or if there is a different process.

Some communities include automatic or periodic ADU ordinance reviews, such as reviews after a certain number of ADU permits have been issued citywide or within a Census tract. A review provision may reassure neighborhood groups that any problems related to ADUs will be reviewed and addressed.

### **3. Height**

### **4. Setbacks**

Many ADU ordinances state that ADUs should not encroach into the setbacks for the property required by the existing zoning regulations.

### **5. Location and Type - Detached, attached, or both**

Some communities only permit attached ADUs or only permit detached ADUs on larger lots. Others permit both attached and detached ADUs.

### **6. Number of ADUs**

Most ADU ordinances state that only one ADU is permitted per lot.

Some ADU ordinances limit the number of ADUs that may be located within a certain distance of one another or place a cap on the total number of ADUs that may be installed on a particular block. Some community members may find density controls to be reassuring if they are concerned about an abundance of ADUs occurring in their neighborhood. Communities without density limits find that the ADU installation and conversion rates are low and therefore a limit is not needed. A density requirement could be assessed after a few years and a review of installation and conversion rates.

### **7. Lot Size**

ADU ordinances offer a minimum lot size required for ADUs. It is recommended that this lot size is determined based on a study of single-family lot sizes in the City and the consideration of public input.

### **8. Square Footage or Lot Coverage**

A review of existing ADU ordinances illustrates a variety of mechanisms used to determine maximum square footage. These include square footage defined by a maximum allowable square footage of ADU, as variable maximum allowable square footage based on the lot size, as a percentage of the total square footage of the rear yard, as a percentage of the living area of the primary residence, or as a percentage of lot coverage of the primary residence or total area of the site. Maximum square footage allowable based on percentage of lot size or primary dwelling unit square footage ensures that the ADU is secondary in character but can limit their ability to be developed on smaller lots. To address this, the Zoning Code text could have a maximum

permitted square footage for ADUs and allowances for increased maximum square footage based on larger lot sizes.

Some ADU ordinances use Floor Area Ratios (FAR) to guide the square footage of the ADU. Some provide specific FAR requirements for the ADU, whereas others have requirements for the combined FAR of the ADUs and primary structure. For example, the square footage of the primary structure and the ADU combined cannot exceed a specified maximum floor area ratio for the lot.

In addition to maximum allowable square footage, other limiting requirements like a maximum number of bedrooms can be used to control size (and limit occupancy).

### **9. Density**

Most ADU ordinances exempt ADUs from residential density calculations.

### **10. Parking**

Parking and traffic impacts are anticipated concerns from existing residents of single-family neighborhoods. Additional parking space requirements can be incorporated into the ADU regulations, but this may be cost prohibitive for property owners to accommodate. Other communities have addressed this through requiring parking only for ADUs greater than 500 square feet or requiring an analysis of on-street parking available with the application if dedicated off street parking is not available.

### **11. Utilities**

Will the Code require a connection with the primary dwelling's utilities or permit new and separate utilities? Some ADU ordinance prohibit the principal and accessory dwelling units from having separate utilities in order to reinforce the owner-occupancy requirements. ADU ordinances also state the need to have applicants prove adequacy of existing water and sewer service capacity. If separate utilities are not required for ADUs, then the ADU ordinance needs to address that an ADU cannot be split from the primary structure through a lot split in the future.

### **12. Design**

Do the regulations require a compatible design to the primary residence or not? Does this regulation change whether the ADU is attached or detached? ADU ordinances can include requirements regarding the location of entrances or exterior stairs or a stipulation that any modifications to the exterior of the home, for attached ADUs, should confirm to the original design characteristics and style of the principal structure. Maintaining the character of the neighborhood can also be addressed by the height, location, and setback requirements.

### **13. Number or Occupants**

Does the definition of family in single-family zoning districts apply to ADUs or is a revision needed? Note: Sec. 1401-01-F2 defines family as up to four unrelated to each other to live



together in a single dwelling unit. Some ADU ordinances place limits on occupants based on the size of the unit. For example: No more than two persons in a unit of 300-400 square feet, no more than three persons in a unit ranging from 401-600 square feet, and no more than four persons in a unit ranging from 601-800 square feet. In order to monitor this, ADU licensing and periodic inspections may be needed. A potential licensing program would require a legal review before its consideration.

**14. Occupancy** (see “Occupancy Stipulation Considerations” below)

**15. Home Occupation**

Some ADU ordinances address whether home occupations in ADUs are regulated in the same manner as in principal unit. Options include applying the existing home occupation regulations to ADUs, permitting a home occupation in either the ADU or the principal unit but not both, or prohibiting home occupations in ADUs.

**16. Other Components**

Such as short-term rental stipulations and deed restrictions stipulating that ADU cannot be conveyed separately from primary dwelling unit. Since the Property Tax Working Group aimed to write recommendation to keep seniors and people living with disabilities in their homes, it should be considered that short-term rentals only be permitted if the primary structure is owner occupied.

The regulations in the text amendment would need to supersede the existing requirements for residential accessory structures in Section 1421-01, Accessory Residential Structures which state the following requirements for residential accessory structures:

- (a) *Location.* Accessory structures are not permitted in a front yard or a side yard except for fences and walls, flagpoles, lamp posts, arbors, trellis, birdbaths, decorative fountains, or other similar structures as determined by the Zoning Administrator.
- (b) *Minimum Distance from Principal Structure:* One foot. Accessory structures, other than fences and walls, within one foot of the principal structure are considered part of the principal structure.
- (c) *Maximum Size:* 800 square feet for all structures other than fences and walls.
- (d) *Maximum Number of Accessory Buildings:* Two.
- (e) *Maximum Height:* 15 feet.
- (f) *Setbacks.* A minimum three-foot rear yard setback and three-foot side yard setback is required. Agricultural structures and animal keeping shelter structures shall conform to the provisions set forth in Chapter 1422.

**Occupancy Stipulation Considerations**

The recommendation includes two stipulations, along with the inclusion of ADUs in the Zoning Code. The first stipulation is: “Either the larger or smaller residence must be occupied as the primary residence by the owner more than 75% of the year.”

Requiring owner-occupancy has the potential to dis-incentivize ADU development because it may impact the homeowner’s ability to rent and sell their property. Additionally, there may be some cases in which a relative owns the property and a senior or person living with a disability lives in the primary structure and a caretaker lives in the ADU, or a nonprofit owns the property and operates as an independent living quarter. However, some communities with ADUs require owner-occupancy in either the ADU or the primary dwelling and implement this through requiring the recording of deed restrictions to permit construction of an ADU. Enforcement of this stipulation could be difficult to monitor particularly as properties are sold or ownership changes. Some communities have ADU registers and terminate an ADU permit upon sale of the property. At that point, the new owners must re-register. An owner-occupancy requirement would require a legal review before its consideration.

**Landlord Training Stipulation**

The second stipulation in the recommendation is, “Require landlord training on fair housing, sample rental contracts, landlord best practices, and more.”

This could be implemented by requiring landlord training prior to permitting the construction of the ADU, issuing an ADU license, or obtaining a Certificate of Occupancy. A certificate of attendance, or affidavit certifying landlord training attendance could be a Zoning Code requirement. If the ADU is not to be rented, a waiver would be given to the property owner.

However, this requirement could also be difficult to enforce if it is an ongoing requirement as property ownership changes. Monitoring both the landlord training and owner occupancy requirements long-term as ownership changes could be achieved easier if there is a requirement that rental ADUs register with the City.

**Incentives and Education**

Many communities introduced ADU policy through regulatory amendments (changes to the zoning code) and by providing incentives for the construction of ADUs. Additionally, some communities focused on educational outreach both to potential owners of ADUs and to neighborhood groups regarding the process, regulations, and benefits of ADUs.

If there is a desire to promote ADU construction, the financial incentives and waived fees can be considered. Traditional financing is a barrier to the construction of ADUs. Many banks will only finance an ADU if an owner has sufficient equity in their property.

Some communities publish ADU manuals for homeowners in order to help applicants navigate the development, design, and operation of ADUs.

**SECTION VI: Economic Impact of ADU Policy**

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The Department of Community and Economic Development provided insight on the potential economic impact of an ADU policy.

When governments restrict housing supply beyond where it naturally would be absent of those policies, housing prices increase at a faster rate than they should. This maxim has been empirically studied extensively by economists (Gyourko & Molloy, 2015; Gyourko, Saiz & Summers, 2008; Schuetz, 2009). In fact, housing regulation “appears to be the single most important influence on the supply of homes,” resulting in larger housing price increases, and slower growth in the quality of housing as demand increases.<sup>1</sup> To put it simply, housing is like a city-wide game of musical chairs. “If there aren’t enough chairs when the music stops, someone is left out. When there aren’t enough homes for people who live and work in a city, everybody has to compete for what’s available, and rents go up until people get priced out. **In the housing market, instead of being fast, you just need to be rich to stay in the game.**”<sup>2</sup> A real-life example of this was recently documented by the *Wall Street Journal* who look abroad for an example of what happens when we “add more chairs” to the housing market. Around the turn of the century “the Japanese government began relaxing regulations that had restricted [housing] supply, allowing taller and denser buildings in Japan’s capital.”<sup>3</sup> Housing prices in Tokyo have flatlined while housing prices in American cities have skyrocketed. In this vein, allowing for ADUs in highly demanded areas will result in downward pressures on housing price, contributing to increased neighborhood affordability.

It is possible that adding a new ADU to a property can result in increased property taxes if it increases the livable square footage of a property; however, the new property taxes will be significantly less than the additional potential income received by the ADU.<sup>4</sup> In the case of adding an ADU to the existing basement of a house, an ADU would not be increasing the livable square footage; therefore, it should not be expected that the property taxes of the property owner would increase by much, if at all. In this instance, the property owner would receive the income benefits of an ADU with little to no property tax increase. Additionally, the neighborhood receives the benefit of increased housing supply, reducing rent throughout the neighborhood. For property owners that choose to not add an ADU, it is unlikely that the ability to add an ADU alone would increase their property value, so they would not see an increase in their taxes. Ultimately, it should not be expected that allowing for ADUs alone will increase the price/square foot of a house, and any gross increase in property value from the addition of an ADU will be more than offset by the rental income from the ADU.

It is likely that most ADUs would be alterations from existing structures, but it is possible to imagine that there will be some new-build ADUs constructed. In either instance, in highly demanded areas, the cost of construction would be recovered in the long run via rental income like any other housing development. If demand to live in a neighborhood as reflected in rental rates is high enough to offset

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<sup>1</sup> Joseph Gyourko, Raven Molloy, “Regulation and Housing Supply,” *National Bureau of Economic Research*, (2015): 1 <https://www.nber.org/papers/w20536.pdf>

<sup>2</sup> Dan Bertolet, “Infographic: The Mean Musical Chairs of Rising Rent and Home Prices,” Sightline Institute, March 14, 2018, <https://www.sightline.org/2018/03/14/infographic-the-mean-musical-chairs-of-rising-rent-and-home-prices/>

<sup>3</sup> River Davis, “What Housing Crisis? In Japan, Home Prices Stay Flat,” *The Wall Street Journal*, April 2, 2019, <https://www.wsj.com/articles/what-housing-crisis-in-japan-home-prices-stay-flat-11554210002>

<sup>4</sup> In DCED’s experience, property taxes are approximately 30% of NOI.

the cost of construction, the ADU would be built; however, if demand to live in that neighborhood is not high enough, then the upward pricing pressures that ADUs seek to relieve would not exist.

Cities that are serious about relieving upward pricing pressures in their heavily demanded neighborhoods ought to seriously consider removing zoning restrictions that limit housing supply. Typically known as “up-zoning,” initiatives that remove these barriers to housing can be controversial because there is a concern that the fundamental “character” of a neighborhood may be altered. ADUs are a great way to increasing housing supply in neighborhoods that are traditionally characterized by single family homes without altering that fundamental character. This change to the zoning code is a good compromise between preserving neighborhood character while addressing neighborhood affordability.

## **SECTION VI: Recommendation and Considerations**

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It is staff’s recommendation that the City of Cincinnati pursue the inclusion of ADUs in the Zoning Code. It addresses the intentions of the Property Tax Working Group and addresses additional housing needs.

The intent of the Property Tax Working Group recommendation was to help seniors and people living with disabilities remain in their homes. As outlined in Sections II and V, permitting Accessory Dwelling Units in the Zoning Code would address the Working Group’s primary intention, while preserving the built character of neighborhoods, a strategy within the Sustain Initiative Area of *Plan Cincinnati* (2012). It is also consistent with the Live Initiative Area of *Plan Cincinnati* (2012), specifically the goal to “Provide a full spectrum of housing options, and improve housing quality and affordability” and the strategies to “Provide quality healthy housing for all income levels” and “Offer housing options at varied sizes and types for residents at all stages of life.” ADUs have the potential to provide housing for different family sizes and configurations and people with varying income and needs. ADUs would also introduce additional housing stock, relieving upward pricing pressure in high-demand neighborhoods, as noted in Section V by the Department of Community and Economic Development.

In addition, the City of Cincinnati is committed to being a livable community for people of all ages. The City is actively working to improve its AARP Livability Index score. The City’s current score can be found here: <https://livabilityindex.aarp.org/search#Cincinnati+OH+45202+USA>. ADUs would specifically increase the City’s score in the Housing Category by improving housing options and affordability. The Age Friendly Cincinnati Advisory Group, consisting of stakeholders and community members working on aging in place issues, has also identified the need for more senior-friendly housing options in Cincinnati.

Staff’s recommendation is to pursue an ADU policy. However, there are specific considerations that should inform the ordinance. As referenced in Section IV, clear guidelines and consistent enforcement of rules governing ADUs is critical to ensure they blend seamlessly into the fabric of the City’s neighborhoods.

In addition, the following should be considered:

### 1. Purpose of Recommendation

The Property Tax Working Group created recommendations to help seniors and people living with disabilities remain in their homes. The potential outcomes of the ADU ordinance must be analyzed to see if the purpose behind the recommendation is being met. This can also be addressed by a review of ADU permits on an annual basis.

### 2. Community Engagement

A text amendment to the Zoning Code will require a public staff conference, and review by City Planning Commission and City Council. In addition to these opportunities for public input, it is recommended that further community engagement occurs during the development of an ADU ordinance, such as night meetings and a survey. Based on feedback, a notification policy should be crafted to include in the ADU ordinance.

### 3. Further Legal Review

A legal review of components of an ADU ordinance would be required, especially regarding owner-occupancy stipulations and licensing requirements.

## APPENDIX: Case Studies

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Please see attached chart of ADU ordinances from various cities.

## REFERENCES

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**Appendix of ADU Ordinance Summary**

<b>Components</b>	<b>Austin, TX</b>	<b>Minneapolis, MN</b>	<b>Boulder, CO</b>	<b>Grand Rapids, MI</b>
<b>Review/Notice</b>	Administrative review	Administrative review	Administrative review	Notice within 300 ft. If opposition, Planning Department requires public hearing. If no opposition, Director review.
<b>Height</b>	30 ft. maximum	Detached: 21 ft.; Attached: Not to exceed height of primary dwelling	Detached: not greater than 20 ft.	Attached: Not exceed the permissible main building height of the applicable zoning district  Detached: Maximum permitted hieght is 25 feet where zoning district setback requirements are met; if setback requirements cannot be met the ADU height can be no hiegher than 20 feet
<b>Setbacks</b>	10 ft. side, rear, and distance between rear of existing house	3-5 ft. depending on location of doors; 20 ft. from rear of primary dwelling unit	Should comply with accessory structure setbacks in zoning district	
<b>Location/Type</b>	Detached - must stand at least 10 ft. away from the primary dwelling unit or above detached garage	Detached and Attached	Attached and detached	Attached and Detached  If not attached, ADU shall not be located in front yard
<b># of ADUs per lot</b>	1	1	1	1
<b>Limitations on # of ADUs in area?</b>		<i>No information found</i>	<i>No information found</i>	<i>No information found</i>
<b>Lot Size</b>	Minimum of 5,750 sq. ft.	None - permitted on all single-family and two-family zoned lots	Minimum of 5,000 sq. ft.	Minimum lot size for applicable zoning code
<b>Square Footage/Lot Coverage</b>	1,100 sq. ft. maximum; if on second floor 600 sq. ft.  Maximum lot coverage - 40% (including ADU + primary dwelling unit)	Minimum of 300 sq. ft. Maximum of 800 sq. ft. for attached and 1,300 sq. ft. for detached	Can build larger if rent is limited to 75% of AMI	Not to exceed 40% of gross floor area of primary dwelling unit; at least 400 sq. ft. but not larger than 850 sq. ft.
<b>Density</b>	<i>No information found</i>	<i>No information found</i>	<i>No information found</i>	ADUs excluded from maximum residential density requirements
<b>Parking</b>	Depends on zoning and distance from mass transit; in many cases one additional off-street parking per ADU is required	1 space per unit	1 space per unit; No parking requirement if rent is limited to 75% AMI	
<b>Utilities</b>	<i>No information found</i>	<i>No information found</i>	<i>No information found</i>	<i>No information found</i>
<b>Design</b>	<i>No information found</i>	Regulations on location of entrances, windows, materials, stairways	No architectural consistency required for detached ADUs	ADU shall be designed to maintain the architectural design, style, appearance, and acharacter of the main building
<b># of Occupants</b>	<i>No information found</i>	<i>No information found</i>	Primary dwelling and ADU considered one dwelling unit for purposes of determining occupancy requirements	
<b>Owner-Occupancy</b>	<i>No information found</i>	At least one of the dwelling units on the property needs to be owner-occupied	At least one of the dwelling units on the property needs to be owner-occupied	At least one of the units shall be owner-occupied; if leased, ADU needs to be registered with the City
<b>Home Occupation</b>	<i>No information found</i>	<i>No information found</i>	<i>No information found</i>	<i>No information found</i>
<b>Other</b>	Ability to subdivide and sell ADU separately from primary dwelling unit; Limits use as short-term rental to maximum of 30 days per year for ADUs constructed after October 1, 2015; impervious cover for site may not exceed 45%		Prohibits independent sale of ADUs separate from primary dwelling unit; short-term rentals not permitted	No more than 2 bedrooms; no short-term rental; deed restriction stipulating that ADU will not be conveyed separately from the primary dwelling unit
<b>Link</b>	<a href="http://www.austintexas.gov/edims/document.cfm?id=243658">http://www.austintexas.gov/edims/document.cfm?id=243658</a>	<a href="http://www2.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcms1p-136454.pdf">http://www2.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcms1p-136454.pdf</a>	<a href="https://bouldercolorado.gov/housing/adu">https://bouldercolorado.gov/housing/adu</a>	<a href="https://www.grandrapidsmi.gov/Government/Programs-and-Initiatives/Zoning-Ordinance">https://www.grandrapidsmi.gov/Government/Programs-and-Initiatives/Zoning-Ordinance</a>



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**Betsy Sundermann**  
*Cincinnati City Councilmember*

**August 20, 2021**

## MOTION

**WE MOVE** the Administration prepare a report detailing the current policies and practices for inspecting high rise buildings.

**WE FURTHER MOVE** that the report include requirements for buildings in hillside overlay zoning and flood zones.

On June 24, 2021, a twelve-story condominium partially collapsed in Surfside, Florida. Ninety-eight people were confirmed to have died in this tragedy. Citizens of Cincinnati must be ensured that building standards are adequate and regularly enforced to prevent these types of massive collapses. It is especially important for high-risk buildings and high-risk terrain areas to receive proper attention in inspection practices.

The report should outline any current susceptibilities in inspection standards that could put City of Cincinnati buildings at risk to catastrophic collapses like the Champlain Towers South condominium in Surfside, Florida or hillside slippage resulting in damage to housing foundations. The report should also include recommendations from the Department of Buildings and Inspections to improve building safety from massive collapse.

*Betsy Sundermann*  
Betsy Sundermann

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