

October 22, 2025

To: Mayor and Members of City Council

From: Sheryl M.M. Long, City Manager

Subject: **Vacant Building Registry & Resources**

REFERENCE DOCUMENT #202500567

At its session on April 8, 2025, City Council's Equitable Growth and Housing Committee referred the following item for review and report:

To Utilize Vacant Building Registry (VBR) Data to Connect Local Property Owners with Resources

WE MOVE that the administration consider operationalizing the Vacant Building Registry to be a data input to connect property owners with capital resources.

WE FURTHER MOVE that the administration produces a report within 60 days on existing City programs that are available for the rehabilitation of vacant buildings or have the potential to be expanded for that use.

This report informs Council about existing programs and funding that support, or could be adapted to support, vacant building rehabilitation. It also highlights opportunities for prioritization in future budgets.

BACKGROUND

Rehabilitating vacant buildings is essential to restoring neighborhood vibrancy and is a key strategy for addressing the region's housing shortage. To better address the City's significant stock of vacant buildings, City Council adopted Ordinance #2025-00200 on February 26, 2025. This legislation established Cincinnati's VBR, which shifts the City's approach to vacant buildings from reactive enforcement to proactive revitalization and more effectively utilizing data to identify reinvestment opportunities.

Building on this foundation, on April 8, 2025, Council directed the Administration to explore how the VBR could be operationalized to connect owners of vacant buildings to existing resources for property rehabilitation. Such an approach could support owners who want to invest in their properties but lack the capital to stabilize or preserve them, contributing both to neighborhood revitalization and the creation of much needed housing units.

The first step in leveraging the VBR for this purpose is to evaluate existing City programs—particularly those administered by the Department of Community and Economic Development (DCED) in partnership with the Cincinnati Development Fund (CDF)—that currently supports or could be adapted to support vacant building rehabilitation. DCED has compiled this review, which: i) identifies relevant programs and funding sources; ii) outlines their limitations and opportunities for expansion; and iii) provides a framework for prioritizing resources in future budgets.

These programs, along with their constraints, are outlined in the following sections.

Notice of Funding Availability

The City's Notice of Funding Availability (NOFA) program provides residential developers with favorable financing options to advance transformative housing projects aligned with City priorities. As a public gap-financing tool, NOFA supports hard construction costs for both renovation and new construction, with scoring criteria that incentivize redevelopment of long-vacant buildings (three or more years) and conversion of non-residential properties into housing. NOFA's priorities encourage the preservation of the built environment and promote creative adaptive reuse projects over new development on vacant land.

However, NOFA is limited to projects with four or more units, excluding smaller-scale rehabilitations. The process is highly competitive, and because NOFA is designed as the final funding source, applicants must have most of their financing secured before application. While this ensures fiscal discipline, it has the potential to create a financial barrier for property owners whose property remains vacant due to lack of resources. As a result, vacant buildings in dire need of reinvestment are often ineligible for NOFA awards. These limitations highlight an opportunity to expand the program or create a complementary program to better target smaller projects and properties without substantial pre-secured funding.

Residential and Commercial CRAs

The Community Reinvestment Area (CRA) Program is a direct incentive tax exemption program created by the State of Ohio to aid property owners who renovate existing or construct new buildings. It permits municipalities and counties to designate areas where investment has been discouraged and offer incentives to spur revitalization of both the existing housing stock and new development. The City of Cincinnati's entire municipal area is one CRA, with DCED administering two programs: Commercial Tax Abatements ("Commercial CRAs") and Residential Tax Abatements ("Residential CRAs").

Residential CRAs allow homeowners to reduce property taxes by paying on the pre-improvement value of their property for up to 15 years. This incentive lowers barriers to renovation, improvement, or new housing construction, making homeownership more attainable and affordable. Similarly, Commercial CRAs provide partial property tax abatements for developers or companies investing in residential (5+ units), commercial, industrial, or mixed-use projects that generate job creation. These abatements can reduce

post-construction property taxes for up to 15 years (up to 67% net abatement), lowering operating costs and improving project feasibility.

While both CRA tools support long-term affordability and project viability, they are limited in scope. Because abatements only reduce future property tax obligations, developers and property owners must first secure financing to cover upfront rehabilitation costs. As indirect incentives, CRAs make projects more affordable over time but do not provide the immediate capital needed to address vacant or underutilized properties.

Affordable Housing Leverage Fund

The Affordable Housing Leverage Fund (AHLF), managed by the CDF in partnership with the City of Cincinnati and Hamilton County, pools public, private, corporate, and philanthropic resources to support the construction, rehabilitation, and preservation of affordable housing. Financing is provided through forgivable or low-interest loans for acquisition, hard construction costs, and eligible soft costs in residential and mixed-use projects serving low- to moderate-income tenants.

The AHLF plays a critical role in expanding affordable housing, but eligibility requirements narrow the fund's reach. Funding amounts are tied to unit size and Area Median Income (AMI) targets, and projects must maintain income restrictions for a defined period. AMI-restrictions drastically increase the costs of development projects, making them more infeasible for smaller developers with less resources. Due to its targeted goal of creating more affordable housing, AHLF funding is also limited and primarily reserved for multifamily rental projects, excluding most single-family or small-scale rehabilitation efforts (which are inherently more expensive). These constraints reveal potential opportunities to refine or expand the AHLF's priorities or create a complementary program to better target smaller projects and properties that may not fall within existing City housing priorities of affordability.

Districts and Project TIFs

Tax Increment Financing (TIF) tools redirect the increase in property tax revenue generated by rising property values to support redevelopment.

District TIFs, which may cover up to 300 acres (often centered on neighborhood business districts), collect the incremental value above the base year at establishment. These revenues may fund a range of public improvements, including roads, streetscapes, utilities, environmental remediation, land acquisition, demolition, housing improvements, parking, and stormwater infrastructure.

Project TIFs operate at the parcel level, exempting a portion of real property taxes on a specific development and replacing them with service payments in lieu of taxes (PILOTs). These payments may fund project debt service, be rebated to the developer, or be reserved by the City for related public improvements or critical infrastructure.

The effectiveness of TIFs is shaped by their geographic and economic context. District TIFs are limited in size and only as strong as the development activity within their boundaries, which makes it important to align TIF use strategically with areas of active or emerging development. While TIF incentives can play a role in revitalizing larger vacant properties, they are generally too complex to be a viable option for individual owners of single-family homes, even if eligible. However, there may be potential for entities such as CDC's or the Landbank to leverage district TIF funds to stabilize a cluster of single-family properties.

CONCLUSIONS & NEXT STEPS

Currently, the City of Cincinnati has no additional programs or incentives dedicated to providing resources to owners of vacant buildings to rehabilitate their properties beyond those outlined in this report. To address this gap, DCED recommends that future appropriations for vacant properties be directed either toward expanding existing programs, such as NOFA, or forming a new program specifically designed to prioritize the redevelopment of vacant buildings with the use of TIF funds or the AHLF

DCED further recommends focusing reinvestment on properties at risk of demolition, buildings vacant for five or more years, those located within a half-mile of an activity center or business district, and lots that could be incorporated into future development opportunities where investment would help to maximize community impact and preserve the built environment.

To strengthen the connection between owners of vacant properties and the City's redevelopment resources, DCED has taken steps to make information more accessible and actionable. DCED has updated its website to include comprehensive details on existing programs, financial incentives, and partner resources that support property renovation and reuse.

Provided with additional financial resources, DCED could utilize data gathered through the VBR to proactively identify and engage property owners. If desired, targeted outreach through direct mail, email communication, and in-person engagement might further connect owners with tailored education materials and program information. The City is committed to ensuring that these resources are not only available online but are also easily attainable through community events, partner organizations, and one-on-one assistance, reinforcing our intent to turn vacant properties into active community assets.

cc: Markiea L. Carter, Director, Department of Community & Economic Development