

EMERGENCY

City of Cincinnati

EVK

EEB/W

An Ordinance No. _____

- 2024

AMENDING Ordinance No. 275-2017, as previously amended by Ordinance Nos. 339-2018, 370-2020, and 24-2022, regarding the commercial policies of Community Reinvestment Area real property tax exemptions, to set a policy by which Council authorizes the Administration to approve the maximum Community Reinvestment Area real property tax exemption for projects awarded under the Notice of Funding Availability program and/or the Affordable Housing Leverage Fund program, without further approval by Council.

WHEREAS, Ordinance No. 274-2017, passed by Council on September 27, 2017, designated the area within the corporate boundaries of the City of Cincinnati as a “Community Reinvestment Area,” pursuant to Ohio Revised Code Sections 3735.65 through 3735.70 (the “Statute”); and

WHEREAS, effective October 23, 2017, the Director of Development of the State of Ohio determined that the area within the corporate boundaries of the City of Cincinnati contains the characteristics set forth in the Statute and confirmed such area as a Community Reinvestment Area under the Statute; and

WHEREAS, Ordinance No. 275-2017, passed by Council on September 27, 2017, as amended by Ordinance Nos. 339-2018, 370-2020, and 24-2022 passed by Council on October 31, 2018, November 12, 2020, and February 2, 2022, respectively (as amended, the “Commercial Policy Ordinance”), sets forth certain additional policies, conditions, and limitations regarding newly constructed or remodeled commercial structures (including residential structures of five units or more) in the Community Reinvestment Area; and

WHEREAS, pursuant to Ordinance No. 24-2022, Council authorized the Administration to approve the maximum Community Reinvestment Area real property tax exemption for projects awarded Low-Income Housing Tax Credits by the Ohio Housing Finance Agency without further approval by Council; and

WHEREAS, Motion No. 202202016, as adopted by Council on October 26, 2022, attached for reference hereto, established the Administration’s priorities in funding affordable housing projects through the Notice of Funding Availability program and the Affordable Housing Leverage Fund program; and

WHEREAS, Council finds that there is an existing shortage of affordable housing units in the City of Cincinnati and Council desires to remove additional barriers for developers undertaking the construction or renovation of affordable housing units so that they can be constructed at the earliest possible time; and

WHEREAS, documentation regarding proof of financing is required as a part of the application process for certain affordable housing projects to be funded through (1) the City's Notice of Funding Availability program, and (2) the Affordable Housing Leverage Fund program, as overseen by Cincinnati Development Fund, Inc., which program leverages City resources (collectively, "Affordable Housing Awards"); and

WHEREAS, local affordable housing projects could come to market more expeditiously if the City could negotiate terms of commercial real property tax exemptions simultaneously with making Affordable Housing Awards, without an additional contingency of obtaining subsequent authorizations by Council of commercial real property tax exemptions pursuant to the Statute; and

WHEREAS, Council desires to amend the Commercial Policy Ordinance to set a policy by which Council authorizes the Administration to approve the maximum Community Reinvestment Area real property tax exemption for projects receiving Affordable Housing Awards without further approval by Council; now, therefore,

BE IT ORDAINED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That Section 2 of Ordinance No. 275-2017, passed by Council on September 27, 2017, as amended by Ordinance Nos. 339-2018, 370-2020, and 24-2022, passed by Council on October 31, 2018, November 12, 2020, and February 2, 2022, respectively (as amended, the "Commercial Policy Ordinance"), is hereby amended to set a policy by which Council authorizes the Administration to approve the maximum Community Reinvestment Area real property tax exemption ("CRA") for projects awarded funds pursuant to the City's Notice of Funding Availability program and/or the Affordable Housing Leverage Fund program without further approval by Council. The existing Section 2 of the Commercial Policy Ordinance is hereby repealed in its entirety and replaced with the following:

Section 2. That City Council hereby authorizes (i) the City Administration to approve the maximum real property tax exemption pursuant to the Reauthorizing Ordinance (as defined below) for Commercial Improvements (as defined below) for affordable housing projects awarded Low-Income Housing Tax Credits by the Ohio Housing Finance Agency ("LIHTCs"), funds through the City's Notice of Funding Availability program, and/or funds through the Affordable Housing Leverage Fund program (collectively, "Affordable Housing Projects"), subject to any agreements between the City and the Board of Education of the Cincinnati City School District, without any further authorization by City Council; and (ii) the City Manager to execute all related CRA Agreements (as defined below) if such CRA Agreement to be executed

is substantially consistent with the form of CRA Agreement attached to this ordinance as Exhibit C (such form as may be updated, amended, or modified by the City Solicitor or his or her designee, in his or her sole discretion). City Council requests that the City Administration submit monthly reports to City Council with an update on all Affordable Housing Projects receiving the benefits of real property tax exemptions pursuant to sub-section (i) above. City Council further requests that the City Administration include a determination consistent with the point system attached hereto as Exhibit A (the "Points Determination") when transmitting all other Community Reinvestment Area ("CRA") real property tax exemption ordinances to City Council pertaining to the remodeling or new construction of a commercial structure, a mixed-use structure or a residential structure containing five or more units (excluding owner-occupied residential condominium structures) (collectively, "Commercial Improvements") and located outside of the area depicted on Exhibit B (the area depicted on such exhibit being the "Streetcar VTICA Area"). The period and percentage of the real property tax exemption determined by the City Administration shall be in accordance with the Points Determination except as described in Section 3 below.

Section 2. That this ordinance shall only apply to CRA applications for commercial projects (including residential projects containing five or more units) received on and after the date of passage of this ordinance.

Section 3. That all applications made, exemption agreements executed, and exemptions granted pursuant to the Commercial Policy Ordinance shall continue in force in accordance with the provisions of the ordinance applicable to that application, agreement, or exemption in effect at the time of the application, execution of the agreement, or grant of exemption, respectively.

Section 4. That existing Sections 1 and 3-20 of the Commercial Policy Ordinance shall remain in full force and effect.

Section 5. That the proper City officials are hereby authorized to do all things necessary to carry out the provisions of this ordinance.

Section 6. That the Clerk of Council is directed to send a certified copy of this ordinance to the County Auditor of Hamilton County as a matter of information.

Section 7. That this ordinance shall be an emergency measure necessary for the preservation of the public peace, health, safety, and general welfare, and shall, subject to the

terms of Article II, Section 6 of the Charter, be effective immediately. The reason for the emergency is the immediate need to expedite the approvals of CRAs so that developers of affordable housing projects receiving awards of funds pursuant to the City's Notice of Funding Availability program and/or the Affordable Housing Leverage Fund program can secure financing and thereafter commence construction at the earliest possible time, getting housing to market as quickly as possible.

Passed: _____, 2024

Aftab Pureval, Mayor

Attest: _____
Clerk

Deletions are struck through. Additions are underlined.