



# Cincinnati Property Tax Task Force

Overview, Findings, and  
Recommendations

# Task Force Members

- City Councilman Mark Jeffreys (Chair)
- Housing Opportunities Made Equal (HOME)
- Legal Aid
- Community Action Agency (CAA)
- Local Initiatives Support Corporation (LISC)
- Habitat for Humanity
- The Council on Aging
- Greater Cincinnati Realtist Association
- National Appraiser Bias Task Force
- Greater Cincinnati Real Estate Association
- eruka
- Greater Cincinnati
- NKY Apartment Association
- Neighborhood Allies
- Urban Coalition of Appraisal Professionals
- Warsaw Federal
- Realtors Alliance of Greater Cincinnati
- Donovan Energy
- The Urban League
- Representatives of homeowners
- Special guests include State Representative Dani Isaacsohn and State Senator Louis Blessing.

# Background

- First formed on March 21<sup>st</sup>, 2024, with an objective to develop short and long-term recommendations for providing relief to property owners who have been adversely impacted by the significant rise of property taxes in Cincinnati.
- With the new assessment, property taxes increased on average 23% in Hamilton County, but for 5% of homeowners they more than doubled. At the same time, energy costs for homeowners across the country increased 13% in 2022 & 5.69% in 2023 - putting additional pressure on costs for homeowners.
- The work of the Task Force was focused what Cincinnati can control to support struggling property owners, and what Cincinnati can advocate for at other levels of government to directly impact individuals' property tax bills.
- Meetings were publicly noticed for every two weeks, including Town Halls in Evanston and Price Hill
- In May 2024, the Property Tax Task Force provided input to the City of Cincinnati's Department of Community & Economic Development as it crafted the \$1M HomeSafe Property Tax Relief Program.

# Townhalls – What We Heard

- Property tax increases are threatening owners' abilities to stay in their home, maintain their home, build generational wealth.
- There is a lack of transparency the way that property taxes are assessed.
- Property tax increases were quick and unexpected – in some cases, there was only 20 days' notice, which is not a lot of time to make the increased payment.
- Homestead Exemptions have not been as helpful as their value has declined, having not been indexed for inflation until recently.
- The Board of Revisions' appeal process can be unclear and intimidating- e.g. how appeals work, when to appeal, how to get a reappraisal.

# What Really Happened?:

## *Evaluating The Common Misperceptions about Hamilton County's Property Tax Increases*

June 2024



- In Hamilton County, 50% of property tax bills either decreased or remained relatively stable, while 45% of bills saw significant increases, and 5% more than doubled.
- The average property tax bill in communities of color increased 2x more than property tax bills in white communities.
- Property tax changes do not reflect changes in the real estate market. Neighborhoods that saw the highest increases in property taxes were not necessarily the same neighborhoods with increases in sale prices.
- The poorest residents pay higher proportions of their income on property tax. Households making less than \$25,000 annually pay, on average, 36% of their income on property taxes, whereas households making more than \$150,000 annually pay, on average, only 2% of their income on property taxes.

# HomeSafe Tax Relief Program

- Created from a \$1,000,000 allocation from City Council
- Went live in July of 2024 to provide up to \$10,000 worth of property tax relief for homeowners who make  $\leq 80\%$  AMI and have delinquent property taxes.
- By the end of August, over 160 applications had been submitted
  - The average amount of relief provided per applicant was \$3000
  - The average annual income per applicant was \$30,000
  - The neighborhoods with the most applications have been Bond Hill, College Hill, Lower Price Hill, East Price Hill, West Price Hill, and Westwood
- Pending applications in review, there is over \$600,000 left in available relief **although there is still >\$7,000,000 in delinquent taxes, not including those who pay through escrow accounts.**

# State Legislators



- The Property Tax Task Force hosted meetings with State Representative Dani Isaacsohn and State Senator Louis W. Blessing to discuss pending state legislation related to property taxes, some of which they had either sponsored or introduced.



# Recommendations

Relevant to the Ohio State Legislature and the Ohio Department of Taxation



# Circuit Breaker – Proposed Legislation



- Issue: The property tax increase has most impacted lower income homeowners and those on fixed incomes.
- Solution: SB 271, and its companion HB 645, propose a refundable income tax credit or rebate for homeowners and renters whose property taxes or a portion of their rent exceed five percent of their income. Circuit Breaker practices are known to have the most impact on low-moderate- and fixed-income homeowners' tax bills.

# Homestead Exemption – Background



- The Homestead Exemption is an opt-in program that has historically allowed qualified individuals to “exempt” \$25,000 off of the total value of their home – effectively reducing the amount that they are taxed.
- Qualified individuals include:
  - Persons over 65 meeting certain income requirements
  - Persons who are permanently disabled and disabled veterans
  - Spouses of first responders killed in the line of duty

# Homestead Exemption



- Issue: The exempt amount has not changed nor been indexed for inflation until recently (now \$26,200), meaning the value of that exemption has decreased over time.
- Solution: Increase the income threshold for eligibility AND increase the exempted amount (ideally \$50,000) indexed for inflation.
- Additional solution: Match demographic and income data to identify eligible homeowners and automatically enroll them in the program, offering an “op-out” like system.
- State Legislature – Proposed Legislation
  - HB 187 proposes an increase of the eligible income threshold to \$75,000, however exemption values run on a sliding scale dependent on income.
  - HB 60 proposes increasing the eligible income threshold to \$45,000 and increases the exemption value to \$40,000.

# Homeowner Protections – Proposed Legislation



- Issue: Homeowners who are late on their taxes are often harassed by aggressive investors to sell their homes below market value.
- Solution: SB 192 proposes certain licensures and disclosures for wholesale homebuyers or institutional investors who prey on delinquent homeowners by getting them to sell their homes.

# Transparency – New Action



- Issue: The mass assessment process used to estimate property values is unclear as each county across the state typically hires a private firm to conduct a mass assessment on properties based on a proprietary algorithm of unknown variables.
- Solution: Request that the Department of Taxation or new State Legislation allow for more approaches to assessment estimations and make public the exact variables that go into assessment algorithms.

# Late Fees – New Action



- Issue: Fees for homeowners who are delinquent on their property taxes add up quickly and can be substantial, especially for those who were not expecting an increase.
- Solution: Request that the Department of Taxation or new State Legislation give local counties the ability to suspend the assessment and accumulation of late fees on unpaid property taxes.



# Recommendations

City of Cincinnati



# Immediate Cost Relief

- Issue: There thousands of households in Hamilton County that may be eligible for, but are not taking advantage of, the owner occupancy credit (~\$78) and/or Homestead Exemption (~\$600).
- Solution: Create an education campaign to notify eligible homeowners of available opportunities.





# Provide Additional Delinquent Tax Relief

- The issue: With >\$7,000,000 in delinquent taxes (and rising), without some relief, homeowners – especially those on fixed income and lower income – will face foreclosure and/or eviction. The \$1M provided thus far has helped but more is needed.
- The Solution: Provide another \$1,000,000 allocation to continue to provide relief to the thousands of households with delinquent property taxes and explore ways to leverage that investment with other funding to provide further tax relief.



# Reduce Energy Costs for Thousands of Cincinnatians:

- The issue: In addition to property taxes raising 23%, homeowner energy costs have risen 13%. With historic funding from the Inflation Reduction Act (IRA), the State of Ohio will deploy \$500M in next six months to subsidize energy efficiency improvements, which could save households an average of \$800-1,200/year in energy costs. We need to be ready to capture those dollars.
- The solution: Pursue a multi-prong funding strategy to unlock federal and private foundation investments.
  - Allocate \$500K to create a Green Bank to facilitate energy audits & braiding together of programs as the “quarterback”.
  - Invest \$275K in workforce development – training folks to do energy audits
  - Invest up to \$9.225M in home repair & subsidy for <80% AMI households. Note: this investment is variable – a lower investment means fewer households impacted vs a higher impact increases those that can capture these savings.

# Green Savings: The Opportunity



- The Inflation Reduction Act (IRA) passed Congress in August 2022 – the largest investment in climate mitigation and energy initiatives in history. This includes \$400 billion in energy incentives.
- Ohio expects **>\$500M from the IRA to reduce energy costs** for homeowners, which will be start to be deployed in early 2025. It will be first come, first serve to homeowners.



Solar



Weatherization



Heat Pumps



Efficient Appliances



**\$800-1,200/year**  
**energy savings** on  
average

# Green Savings: The Opportunity



Cities that are ready with pipeline of projects will get a disproportionate share of that investment.

**But a few things need to be true:**

1. Single point of contact for both back-end work to braid together different funding and front-end for homeowners so they can go to one credible source to tap into these resources.
  2. Homeowners need to be “shovel ready”, which means (1) completing an energy audit and (2) having their home be ‘upgrade ready’ e.g. repaired roof ready for solar, no lead paint for weatherization, etc.
  3. Workforce development – we need more Cincinnatians to be trained/certified to do energy audits and upgrades.
- Over the past year, a coalition of organizations including the Port, CDF, CBC, etc. have been working to pull together a structure and strategy to stitch together all these different programs and the needs into a Green Bank.

Local City investments can unlock a **>3:1 Return on Investment** against federal and other \$.

# Green Savings Detail: Strategy



- **Fund establishment of Green Bank** as back-end Single Point of Contact quarterback to braid together different programs and financing.
- **Fund workforce development** to train Cincinnatians on energy audits, where significant gap exists.
- **Harness resources of other partners** who:
  - Have housing stock to **build pipelines of projects quickly** – the Port via the Land Bank, Habitat for Humanity, Working in Neighborhoods, etc.
  - **Can identify households with significant need** e.g. Legal Aid, LISC, CAA, etc
  - Can serve as a **trusted front-end single point of contact** for homeowners e.g. United Way/211.
- **Leverage City investment to attract additional national investment** from foundations for home repair and “get to the front of the line” with deployment of IRA \$.

# Green Savings: Funding Proposal



## Investment

## Amount

## Details

Low Income



Gap Financing

\$9.225M

\$2K per household <80% AMI  
\$1K per household 80-150% AMI  
\$500 per LMI multifamily  
Reaches 4,000+ single family homes <150% AMI & 3,000 affordable multifamily



Home Repair

Supplement additional county, city foundation and other home repair programs



Workforce Development

\$275K

Train/Certify for Energy Audits



Green Bank

\$500K

Core infrastructure

**Total**

**\$10M**

Unlocks

**\$28.8M in federal \$**

# Green Savings Detail: Impact



Up to 7,000+ low  
to moderate



Income households  
supported

\$800-1,200/year  
Homeowner



Savings on average

Reduce Carbon  
Footprint



Supporting Green  
Cincinnati Plan

50K+ Middle Income  
Household Savings



Enabled by Access to  
Federal Subsidy

Support Green Job



Workforce  
Development

**\$8 million + energy savings per year across 7,000+ households over next 5 years**

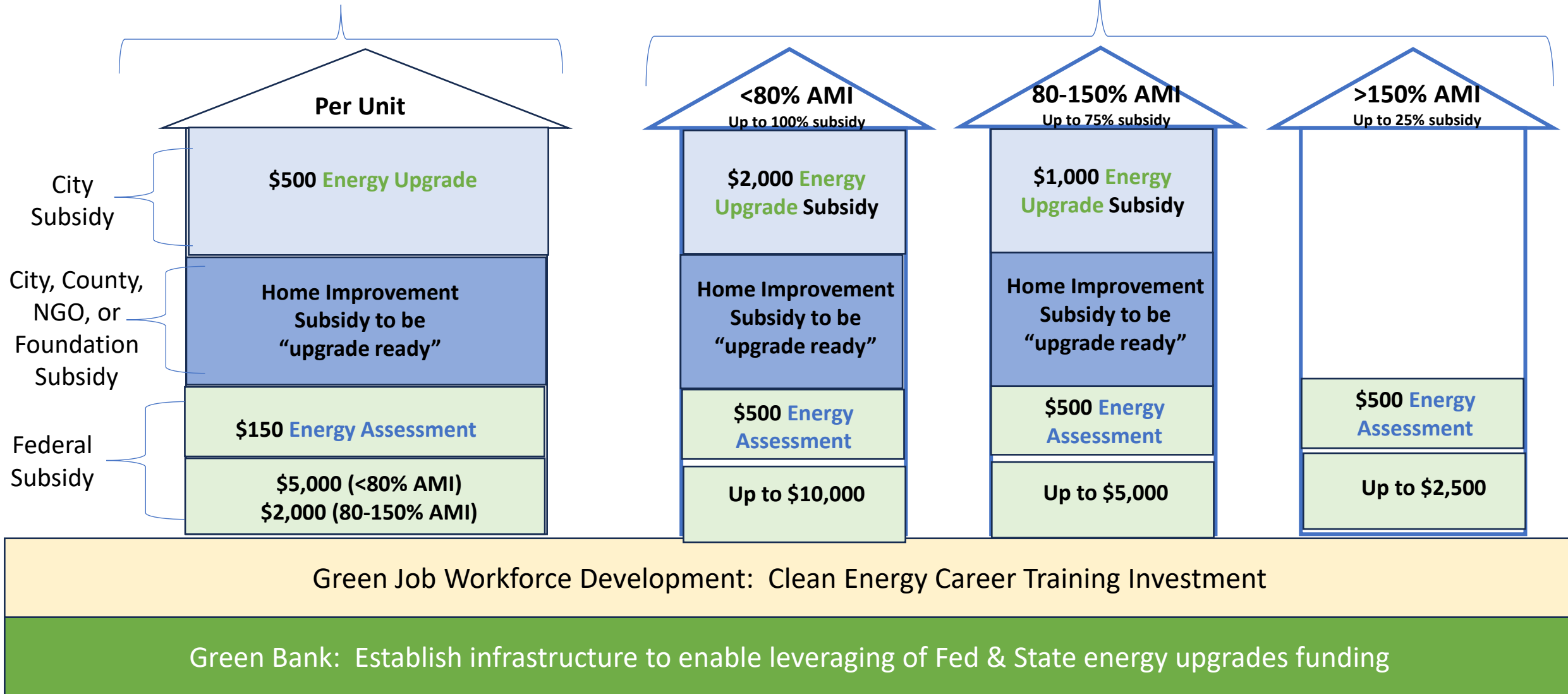
# Green Savings How It Works: Reducing Energy Costs for Homeowners

Implement over the next 5 years



LMI Multifamily units: ~\$1,000/year savings

Single Family Homeowners: ~\$800-1,200/year avg savings





# Green Savings Detail: The Urgency of Now



- We need to train our workforce now & the prep work of the Green Bank **now to have a pipeline of projects** by early 2025 when the federal \$ is deployed.
- **Coalition for Green Capital** – that has received \$5B from the IRA is seeking local partners – shared that cities that invest will be **“ahead of the line”**. They are doing pilots in Oct/Nov 2024. With a City of Cincinnati investment we’ll be **more competitive for more investment**.
- **Federal investments are ‘first come, first serve’** – the cities and local governments that are organized will yield >3:1 ROI from federal investments + additional investments from foundations and other NGOs.

# Further Evaluation



# Further evaluation

- HomeSafe:
  - Issue: The vast majority of residents who are delinquent on their taxes pay them in escrow via a mortgage. To date, DCED has been only able to help those who pay directly to the county so the impact is limited.
  - Potential Solution: Explore the ability of HomeSafe to provide relief to those making payments through escrow accounts
- Homeowner Protections:
  - Issue: Homeowners who are delinquent are often hounded by investor calls.
  - Potential Solution: Other jurisdictions (e.g. Philadelphia) have instituted a “do not call” list to make that illegal. There are administrative challenges with this solution e.g. cost to administer, how to update the list, and questions of whether the city/county should pursue it together.

# Further Evaluation

- Issue: The appeal process is often challenging and intimidating for homeowners to navigate, especially those who are unable to be represented by an attorney.
- Solution: Support the County Auditor's attempts to improve the Board of Revisions appeal process to make it easier for homeowners to navigate.

Questions?