

Article VIII. – Taxation and Finance.

Section 6c.

If the council shall at any time levy a tax on earned income, such tax may be at a uniform rate or at a graduated rate, with exemptions, and deductions to the extent such may be allowed by the constitution of the state of Ohio and laws enacted pursuant thereto. Such earned income tax shall not be at a rate in excess of one and fifty-five one-hundredths percent (1.55%) for current operating expenses and permanent improvement purposes plus fifteen-hundredths of one percent (.15%) for permanent improvement purposes only, ~~and three-tenths of one percent (.3%) for public transit purposes generally and without limitation and including both capital and current operating expenses for the remainder of the calendar year 1972 and thereafter without having obtained the approval of any tax in excess of that stated herein by the electors voting on the question at a general election or at a special or primary election.~~

~~In the event that at an election on or before November 3, 2020 the Southwest Ohio Regional Transit Authority passes a resolution, pursuant to Ohio Revised Code § 5739.023 or any successor section, to levy a sales and use tax to provide general revenues for the Southwest Ohio Regional Transit Authority and the electors of the county of Hamilton, state of Ohio approve the sales and use tax levy, so long as such levy or successor levies to it remain in effect the three-tenths of one percent (.3%) earned income tax levied for public transit purposes generally shall not be levied. If the sales and use tax levy is approved, the levy of the .3% earnings tax for public transit purposes generally shall be stopped as of the first day following the collection of the sales and use tax to provide general revenues for the Southwest Ohio Regional Transit Authority.~~

In addition to the earned income tax provided above, there shall be an earned income tax at a rate of a one-tenth of one percent (0.1%) per annum to finance affordable housing for low-income households and otherwise to provide for the housing needs of low-income households, referred to as the “Cincinnati Housing Levy,” consistent with the following requirements:

- 1) All tax revenue collected under the Cincinnati Housing Levy shall be allocated to finance housing for low-income households and provide for the housing needs of low-income households as follows: (a) 50% of the Cincinnati Housing Levy annual revenue shall be used for the Rental Housing Preservation and Production Program (the “Rental Program Funds”); (b) 20.5% of the Cincinnati Housing Levy annual revenue shall be used for the Homeownership and Home Repair Program; and (c) 20.5% of the Cincinnati Housing Levy annual revenue shall be used for the Homelessness Prevention and Housing Stability Program.
- 2) The city’s Housing Advisory Board as codified in Chapter 209 of the Cincinnati Municipal Code, or its successor board, shall make funding recommendations in its advisory role for each program, as established in Article VIII, Section 6c(1), to City Council and the City Manager for each fiscal year (“FY”), beginning FY 2023, consistent with the following:
 - a. At least 50% of the Rental Program Funds should be used to support housing and rents affordable to individuals and families with a Household Income at

- 30% of the AMI and no less than 40% of the Rental Program Funds should support housing and rents affordable to individuals and families with household income at 60% of AMI, provided that when funding the construction, rehabilitation, or acquisition of a project that includes affordable rental housing, such project is deemed as satisfying the foregoing when it serves individuals and families with an average Household Income not exceeding 60% AMI.
- b. The Cincinnati Housing Levy annual revenue allocated to the Homeownership and Home Repair Program should be used to provide assistance to homeowners and first-time homebuyers with a Household Income at or below 80% of AMI through forgivable loans, grants, or other similar financial assistance.
 - c. Cincinnati Housing Levy annual revenue allocated to the Homelessness Prevention and Housing Stability Program should be used to provide temporary rental assistance, shelter diversion assistance, and stability services for individuals and families with a Household Income of at or below 60% of AMI.
- 3) All units receiving funding pursuant to this Section (whether it be direct assistance or development assistance) shall be maintained at the applicable level of affordability for a minimum period of (i) 5 years in the context of owner occupied housing and (ii) 30 years in the context of rental housing, provided however, any and all agreements for such assistance may provide for longer or shorter affordability periods in the event of (x) repayment of the funding provided pursuant to this Section and (y) conflicts with state and federal law and related program funding guidelines, including as it pertains to other funding sources for the units receiving assistance pursuant to this Section.
 - 4) By the end of each fiscal year, the city administration, in collaboration with the Housing Advisory Board, shall prepare a report that details the Cincinnati Housing Levy revenue, allocated uses, and programs.
 - 5) Nine percent (9%) of the Cincinnati Housing Levy annual revenue shall be made available for the associated costs of administering affordable housing programs consistent with the purposes of this Article but cannot be used for payment of debt service.
 - 6) The Cincinnati Housing Levy tax shall begin on January 1, 2022, and apply to income earned from January 1, 2022, through December 31, 2030. City Council shall take the action necessary to put a renewal of the 0.1% earned income tax for the Cincinnati Housing Levy to commence on January 1, 2031, on the ballot in 2030 for consideration of the electors.
 - 7) City Council intends to enact a corresponding chapter to the Cincinnati Municipal Code to specify additional parameters on the programs described in this Article and further operationalize this Article.

8) For the purpose of Section 6c of Article VIII, "Taxation and Finance," the words and phrases defined in this section shall have the meanings respectively ascribed to them, unless a different meaning is clearly indicated by the context, as follows:

a. "AMI" means the average median income of the Cincinnati, OH-KY-IN HUD Metro Fair Market Rent Area, as established annually by the U.S. Department of Housing and Urban Development.

b. "Household Income" means the combined gross income (except as noted herein) of all individuals living in the home who are 18 years old or older, regardless of whether they are related or not, including salaries, wages, tips, net income from self-employment, interest income, dividend income, rental income, pension payments, spousal support payments, child support payments, social security payments, and any other welfare payments.