

# PROPERTY TAX WORKING GROUP

*Protecting homeowners, strengthening neighborhoods.*

## Draft Recommendations with Feedback Summaries

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### DESIRED PROPERTY TAX POLICY FOR SENIORS/PEOPLE LIVING WITH DISABILITIES/SPECIAL NEEDS

#### *Goals*

Opening Discussion Statement: An increased demand for housing in general, and an increased desire for more urban community living has led to gentrification and significant upward pressure on property taxes, and other measures that have put pressure on existing residents to relocate against their desire.

1. Propose measures that can be taken to keep people in their homes.
2. Propose a list of legislative and policy recommendations to give to City Council.
3. Propose a list of any other legislative and policy recommendations that might be under the purview of other entities.

#### *Recommendations*

##### 1. Tax relief – Discount and deferral

*[All underlined recommendations under “Discount and Deferral” require changes at the state level, which are not likely without approval of the Area Agencies on Aging, locally known as Council on Aging]*

##### a. Qualifications

- i. Own and Occupy Property
- ii. 65+,
- iii. Owner or dependent (resident) certified by a licensed physician or psychologist, or a state or federal agency as permanently disabled as of January 1 of the year for which applying
- iv. 59+ years old surviving spouse of a person who was receiving the previous homestead exemption at the time of death
- v. Low-income surviving house member ... qualification requirement being that the house member must have designated that property as primary residence for at least 10 years (or 10 year equivalent if a re-entering citizen – calculated by adding primary residence with time incarcerated totally the previous 10 years).

##### 1. % of discount reassessed after senior/person with a disability no longer identifies property as primary residence

- 11 respondents agreed, 3 respondents disagreed
- Keep it simple - maybe just a cap on annual increase in property assessment as long as property continues to be owned and occupied by the same individual(s)

- The homestead exemption, if you're "lucky" enough to have it is a pittance. Mine is a couple of hundred dollars and I'm still paying over \$8000 in taxes at age 75.
- Agree with all but incarcerated person proposal - not sure about that. Would need more information.
- Need another category for us middle class old people.
- If the person is retired or on a fixed income, there should be no age minimum and the person should not have to be officially counted as a person with a disability or be a surviving widow
- I would be cautious about people owning and "occupying" for a short time while they spend the bulk of their time in another state or house. This would create a tax shelter for people with multiple homes. I think this can be avoided by adding "full time occupant"
- This stupid relief plan will have to be paid for some how. Don't raise my taxes and it make it unaffordable for me to stay in my home just to help other stay. We need ALL the tax money.
- Change "reassessed" to "reconsidered"?
- Senior citizens, 65 and older, should be granted a PROPERTY TAX FREEZE, regardless of income level if the home in which they reside is their primary residence. Home ownership is the linchpin of property values, and seniors should not have to come to me, as two elderly women did after a recent HPNC meeting, and say they are within one tax hike of having to sell their homes as they can no longer afford the taxes. This would cure several ills including the "taxation without representation" issue of our illegally funded schools (hey, it's only been declared illegal four times) and would eliminate the unnecessary embarrassment faced by seniors in this situation when applied across the board.

**b. Discount (*% based on income*)**

**i. Applies to home + 1 acre of property**

**ii. % of the assessed increase of value after purchase date**

**iii. % changes based on income (deducting medical expenses) (using HUD guidelines)**

**1. No Discount if income is above 120% AMI**

**2. [25]% discount if income is 80% - 120% AMI**

**3. [50]% discount if low income (50% - 80% AMI)**

**4. [75]% discount if very low income (30% - 50% AMI)**

**5. [100]% discount extremely low income/poverty (up to 30% of the area median income, or the federal poverty line, whichever is greater)**

***[The % of discount listed above is a starting point for negotiation/discussion.]***

- 11 respondents agreed, 4 respondents disagreed
- How will you fund this?
- I am a little above your highest income but my 8,000 a year tax bill may force me to move. I bought my house in 1980 for \$60,000. It is not my fault you pretend it is worth \$300,000 now. (Obviously you haven't seen the deferred maintenance I cannot afford to do while I am paying exorbitant taxes) Do something for the truly middle class who aren't rich enough to support your goddamned abatement nut not

poor enough to qualify for discounts. For the love of god, DO something for the middle class for once!

- Should be same for everyone
- While this sounds good, at the accelerated rate of some neighborhoods' gentrification and rapidly rising AML - original residents would still be priced out by the dramatic change in property taxes. I.e. A person who Bought into a neighborhood years ago Because it Was affordable - \$40-100000. Now the new gentrification on the block are \$590,00 for each Townhouse. This is 6 or more x more than the original resident's home and budget. Where does our society expect these Originals to go? In a neighborhood like Oakley, not only is it a Great neighborhood for the young, but it is one of the Few Excellent neighborhoods Nationwide to Age in. It is a walk around community, with all of the essentials nearby. The only thing it needs to be Perfect is a Great transit system to visit/shop/etc. Other neighborhoods.

**c. Deferral**

**i. Applies to portion of property tax increases that were not discounted.**

**ii. Lasts until**

**1. Death of original recipient, or dependent with a disability**

**2. When the original recipient, or dependent with a disability moves, or and there**

**isn't a**

**a. Spouse**

**b. Surviving income and time qualified householder**

**3. Property is sold**

**iii. Due upon deferral's end: All back unpaid deferral plus 3% interest**

- 10 respondents agreed, 5 respondents disagreed
- In the case of the death of the homeowner, it should be on a case-by-case basis, specifically whether other people were, and plan to continue, living in the house.
- Rather than 3% interest, perhaps the rate should be indexed to a pegged value to account for times of higher inflation.
- Item iii. is ridiculous. No one should have to pay back unpaid deferral plus 3% interest.
- Horrible idea. Kicking the can down the road, leaving someone with an unplayable bill. I don't want my kids bankrupted by this.
- Can't reasonably expect persons to have or be able to afford to pay the deferral.
- Absolutely not. Communities should include old and young, and work toward keeping original residents in their homes. Their estate/heirs should Not be penalized for allowing their parents to Remain in their own home - the one Before Big - High end - Development moved in.

**d. Avoiding unintended consequences**

**i. How to count unearned income & other resources?**

**ii. We need to know what the impact would be on tax revenues (schools, etc.). We need to start with calculating the tax revenue impact of the existing Homestead Exemption, then figure the difference.**

- 11 respondents agreed, 4 respondents disagreed

- The resources of other individuals living in the property should be included.
- I can hardly believe that the homestead exemption impacts schools, etc. at all compared with the huge tax abatements being given on both residential and commercial development.
- Need to consider FIRST the appalling tax abatement that only benefit already rich people.
- If the original resident needs to Supplement a low pension/social security, implement a reasonable increase to their Homestead Exemption, While they are working?. Also - the Homestead Exemption for Elders should safeguard provisions for those who begin to work again after retirement, so that they don't lose their standing when they "retire fully" again. Many cannot make it on their retirement, so they need to find supplemental income. But - as an older resident, this income/job will be temporary, due to aging and illness. The Homestead Exemption should be commensurate with the one's income And the purchase price of the house - Not the inflated prices of the changed neighborhood. Same for the property taxes of those who aren't on Homestead Exemption but are residents Prior to the escalated gentrification prices. How is it that a new homeowner buying at \$500,000 to a million plus is getting a tax abatement, When the resident who bought in at working-class, low middle-class home pricing is now to be taxed at such rapidly inflating property taxes? A lot of these residents work for city or non-profit companies and do not make those high ended salaries that are bringing in the owners of Hi-priced housing - thereby Changing their neighborhoods.
- This needs to be way more specific. Itemize what those sources of income are.

## 2. Tax fairness

### a. **If property receives any of these tax benefits/assistance measures (abatements/deferrals/etc.), it is not permitted to register the same property on City's Short-term Rental Registry as anything other than "hosted".**

- 14 respondents agreed, 2 respondents disagreed
- I'm not sure what "hosted" means but definitely do not think multiple incentives or benefits should ever apply to a single home. If you can afford to improve or build, you can afford to pay taxes.
- You'll be taking more of my money and making it so I can't live in my house to keep others in theirs. Tax all properties equally
- Many seniors owner occupy multi family bldgs. in inner city. Why make them chose between rental income and abatements? Expect the number of affordable housing Units to drop.
- Need more detailed information.

### 3. **Other measures** - 14 respondents agreed, 4 respondents disagreed

#### a. **Change the Zoning Code to permit accessory dwellings/granny flats, if either the larger or smaller residence is occupied as the primary residence by the owner more than 50% of year AND require landlord training (training to include fair housing info, sample rental contract, landlord best practices, etc.)**

- Huge fan of permitting Accessory Dwelling Unit. This is consistent with DCED's recent report on housing affordability. My only concern is the 50% requirement. ADUs by design are flexible living situations. It is reasonable for someone to be

in/out within a year to get back on their feet - would that mean that the ADU is no longer legal if it is not occupied? What is the fear if they are <50% occupied, is there a downside? Is there anything wrong with using an ADU for additional STR income? People used to have 'boarders' during tough times, an ADU is a great way to do so.

- The primary residence should be at least 90% of the year. A 50% of the year residence requirement will allow people with second residences to go elsewhere.
  - Require landlord AND owner training
- b. Streamline approvals and waive fees for building permits related to accessibility.**
- Yes, but it's not always easy to define what is being done for accessibility in any given project.
  - What does this mean?
- c. Increase funding:**
- i. **For programs that assist the elderly, people with disabilities and families with dependents that have a disability to maintenance their residences and modify their residences for accessibility (use a sliding scale for eligibility)**
  - ii. **Grants**
  - iii. **Loans**
- d. Education/information:**
- i. **Compile all these tax reliefs, resources, and assistance sources.**
    1. **Put this information on-line (Portal?)**
    2. **Use this information to create fliers that can be included in tax bill mailings and set out at the permit offices, etc.**
  - ii. **Expand the pool and build the capacity of small contractors. Use the compiled info on all these tax reliefs, resources, and assistance sources to educate them on abatements and other programs so they can use the info as a marketing tools to help get customers. The contractors share the info with clients...presumably seniors & clients with a disability (or clients with dependent with a disability). Have fliers about these educational/marketing opportunities at stores serving contractors (hardware, plumbing supply, electrical supply, etc.)**
    - City and county should publicize/education. This is pretty complicated for contractors to explain to homeowners.
- e. Avoiding “harassment”:**
- i. **Entities having more than 1 unsolicited contact with a property owner could be subject to a fine that increases if unsolicited contacts continue. [Would need to define what the fine would be]**
  - ii. **Find out if it is possible to track on-line property complaints if a complainant is submitting complaints on multiple properties (track ip – phone numbers?). If so, these complainants need to have a warning sent that if they continue, they could be fined. If they continue, it should be considered harassment, and these entities should be fined.**
    - How would tracking work with the organizations such as Keep Cincinnati Beautiful who report on blight on certain days (during neighborhood clean ups).

- What are the entities? Sales people? Contractors?
  - Report/track complaints on same property multiple times.
  - I am not sure who the complainant is? Who does this refer to?
- f. **Allow tenants that are seniors or persons with a disability to modify properties without requiring these individuals to return the property to its original condition upon move out.**
- Unintended consequence will be the lose of available affordable housing. A landlord will not rent to someone who will alter the property and not return it to its original condition.

## **SUPPORT FOR LOW/LIMITED INCOME RESIDENTS**

***Goal:*** Help low and limited-income individuals stay in their homes.

***Three areas of concern***

1. Property values are going up so residents can't afford to stay.

2. Repairs are needed but residents don't have the funds.
3. Lack of consistent and equitable communication about resources available to residents (sources and current status of funding).

***Recommendations***

1. **Create an online portal similar to the Office of Performance and Data Analytics (OPDA) portal so that residents (homeowners and renters) know what programs and resources are available to them. The portal should work simply for users but include deep connections in its logic. For example, users would enter age, veteran status, etc. and the portal would respond with the programs that are available to them.**
  - 16 respondents agreed, 1 respondent disagreed
  - Understand that the senior population under consideration is likely to have a much lower rate of internet access. Moreover, internet access might require disposable income that these residents do not have.
  - Look at the special events portal that the City already has.
  - Create other ways to receive this information in case the residents don't have internet access.
  - many low income residents do not have access though -so these programs need to be routinely communicated to homeowners and available at places like the public library
  - I still fear the needs of the lower "middle class" will once again be overlooked
  - Permits related to accessibility should be tracked (properties with specific accessible features)
2. **Create a housing court with a dedicated support staff who are expert in housing who can connect residents to resources. (Reference: Cleveland). Convert a Common Pleas seat into a Housing Court seat. Community members should advocate for this by lobbying the Common Pleas judges directly and by lobbying their City representatives and asking them to support the creation of a housing court.**
  - 14 respondents agreed, 3 respondents disagreed
  - Dockets in courts are already full, what would be manageable if one judge is shifted to only housing issues
  - Logistics need to be worked out.
  - I agree but think abatement review staff is JUST as important. (ref, Columbus and Cleveland)
3. **Make housing a priority by creating a position similar to the Chief Advocacy Officer role, that would lead housing for the city as a Connector/Czar. This position connects with the City Manager, City Council, Mayor, other departments, and residents, and is guided by an advisory board. This position has responsibility for the portal.**
  - 12 respondents agreed, 4 respondents disagreed
  - The advisory board needs to be similar to existing PTWG (fair housing org, homeless advocacy, CMHA advisory council, schools, Council on Aging, School of Planning, LISC, Builders Association)
  - I would be careful about creating additional bureaucracy unless it is clear that the advantages of one point person outweigh the inevitable fights for control of "turf" and power.

- Perhaps, but needs more thought. Sounds like administrative bureaucracy without portfolio. I do not trust city and county to make such soft monies invested widely. Look at the wasted “internships” spent at water works.
4. **In geographic areas with high development activity, when a code violation is filed, require a social worker to accompany the building inspector to provide information on funds to help with repairs, and direction to the portal.**
    - 9 respondents agreed, 5 respondents disagreed
    - This is great! The number of individuals that come to use with City violations and no knowledge of next steps is too many!
    - Like the principle, but it seems expensive to hire/contract social workers. I think a better option would be training building inspectors on the materials and empathetic delivery of the information.
    - You might want to actually determine need before getting social services involved.
    - Do not need an additional position. Consolidate into role in City Manager's Office
  5. **Create a lending program with a revolving line of credit with favorable rates for contractors who work fairly with seniors and low-income households. This lending program could help restore the small contractors who lost their businesses in the recession of 2008, and could be a vehicle to grow minority-owned businesses in Cincinnati. Information on these licensed contractors will be on the portal.**
    - 13 respondents agreed, 3 respondents disagreed
    - Great idea in general to incentivize small-scale contractors.
    - There is a program just like this currently in Avondale. Needs to be city-wide and fully funded.
    - This could lead to significant loss to city and cost to taxpayers.
    - could lead to significant loss to city and cost to taxpayers
    - Who insures the program? How much money will be required to ensure compliance? Would this money be better used elsewhere?
  6. **Proactively identify homeowners who need help with repairs so it's not so dependent on the homeowner reaching out.**
    - 9 respondents agreed, 4 respondents disagreed
    - This seems like a recipe for discrimination.
    - Need more information
    - This toes a harassment line in my opinion
    - How does number 6 fit with number 9?
  7. **Provide funding for those organizations that work with homeowners to help them stay in their homes, so those organizations can help more households. Information on this organizations will be on the portal.**
    - 12 respondents agreed, 3 respondents disagreed
    - Make sure these organizations meet specified criteria. Too many corrupt orgs out there.
    - Will help non-profits survive
    - And where would that funding come from?
    - Agree but only if the city commits making this money up by reconciling the free-for-all tax abatement program. Over-taxing current residents or creating a new levy to



fund these organizations is further stressing those of us already over-extended by taxes.

**8. Look at other cities to see what they are doing for direction addressing recommendations 1-7.**

- 17 respondents agreed, 1 respondent disagreed

**9. Work in a way that honors the residents' perspective: "Don't hire people to fix me—I don't need people to fix me, I need money to fix my house."**

- 9 respondents agreed, 4 respondents disagreed
- What about people who keep their properties pristine while a neighbor with a distressed property lowers values on the whole block? That individual needs to be compelled to clean up his mess and currently B&I is hopelessly ineffective.
- This would be ok if there was a way to ensure the money is spent on HOME REPAIRS and is not able to be spent on anything else.
- What does this mean?

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

- 16 respondents agreed, 2 respondents disagreed
- How are you paying for all this? This will raise my taxes and I won't be able to afford to stay in my home.
- Unless it's specifically for home owners
- Always think it's valuable to try, but frankly I would focus funding/efforts locally as much as possible.

## **RESIDENTIAL TAX ABATEMENT POLICY REVIEW**

### ***Goal***

**To re-design the residential tax abatement policy to reflect a fair and reasonable policy that benefits the neighborhoods within the City of Cincinnati.**

### ***Recommendations***

**The policy should...**

- 1. Ensure that property tax values do not diminish from pre-abatement values, including lot splits and tear downs**
  - a. Application information should help the auditor track land sales (splits from master parcel)**
  - b. Abatements should be reviewed on every 3-5 years to ensure they are not overly inflating neighboring property values through comps. The review should include community input.**
    - 18 respondents agreed, 2 respondents disagreed
    - This is extremely important because it finally closes the 'tear down' loophole. It ensures all existing property taxes will continue to be paid even if the structure is torn down. It also ensures schools, libraries, children services, etc. will continue

to receive existing property taxes prior to the abatement. However, fixing the 'tear down' loophole alone will not have any effect on properties with no existing structure. We need to fix BOTH the 'tear down' loophole and the 'unlimited cap' loophole.

- These reviews need to happen at a MINIMUM every 3 years. 5 is too long.
- The reduction to land only with tear down to set tax base is unacceptable.
- What does "b" mean?
- Point 1 is HUGE - tear downs and lot splits should not be incentivized in any way.
- Services such as schools, libraries, and the zoo should continue to receive the same property taxes prior to the abatement.
- Increase the # of permanently accessible units. This will help decrease Medicare/medicaid costs and help stabilize communities keeping people in their homes longer.
- The goals of the review should be far more extensive including the financial impact on city and county operations/schools/social and public services voted by the electorate/affordable housing AND the fairness to non abated property owners
- Need more information

## **2. Use a tiered system**

**a. Look at Mt. Lookout, Hyde Park, and Mt. Adams for top tier consideration**

**b. Distressed criteria should be evaluated every 3-5 years**

**c. Market ready, ready for revitalization, ready for restoration**

- 15 respondents agreed, 3 respondents disagreed
- Concern tiered system is complex and not easy to understand or administer; Measure of distress not great/fully accurate for quickly transitioning neighborhoods
- This is a fair proposal but I am concerned the time to implement could become an excuse to do nothing. It also creates an administrative burden which the city appears ill equipped to handle. As an interim or substitute policy, I suggest limiting new construction abatement to low income census tracts - a standard used by the U. S. Treasury for awarding New Market Tax Credits.
- We need a new tiered system that protects our prosperous neighborhoods from over-aggressive development while promoting growth in the parts of the city that need it most. The tiered system must balance the strength and momentum of neighborhoods that are doing well, while also making it more attractive to do projects in other neighborhoods.
- There may be better names for these tiers - they are too similar and confusing right now.
- Cap on abatement is a better approach.
- ADD: d. When using a tiered neighborhood system, and thus amending the single set of Citywide rules, ensure that all neighborhoods can seek a minimum level of abatement for both new construction and renovations.  
ADD: e. When creating the different attributes of the tiers, City Administration should take into account:

- 1) Lower complexity of the program will usually lower administration cost and increase resident engagement at all levels of sophistication and resources.
- 2) Lessening of any development standards that seek to promote construction quality/durability/resiliency AND/OR resident comfort/indoor air quality/utility costs (Ex. LEED, LBC, HERS) will inevitably increase the Total Cost of Ownership/Tenancy of those we are trying to aid the most.”

**3. Eliminate blanket, city-wide policy, but every neighborhood should be able to seek abatements for both new construction and renovations**

- 11 respondents agreed, 4 respondents disagreed
- Application for exemption may be valuable in obtaining buy-in. Even high-income/tier neighborhoods have blighted properties.
- However, I believe abatements for new construction should be very limited in non-low income census tracts.
- Top Tiers do NOT need abatements. Eliminate the city-wide policy and base the policy of each neighborhood on % of income over the poverty line. Get rid of abatements in rich neighborhoods. We need that money for our city's health.
- I think top tier neighborhoods should not offer new build incentives, especially Platinum. Those should be reserved for Tier 2,3 and I still think there should be a cap to Platinum. I do think abatements for renovation or enhancing energy efficiency still makes sense in Tier 1 though. Established homes in coveted neighborhoods can simply not compete with new builds right now and we NEED to encourage renovation.
- Strongly agree with eliminating blanket, but 'every neighborhood' is too broad and needs better definition along with definitely maintaining tiered approach [Columbus model is excellent starting point]
- Need more information
- Recommendation #2 assumes this. This is redundant and can be eliminated.

**4. Not reduce overall quantity of affordable housing.**

- 19 respondents agreed, 1 respondent disagreed
- “Not reduce overall quantity of current or the present growth rate of new affordable housing units.”
- The current system subsidizes the destruction of moderate priced housing in certain neighborhoods and sacrifices revenues which could be directly invested in affordable housing.
- This means new and existing smaller homes for young families and singles who do not work for P&G.
- need much more affordable housing in all areas of the city
- Also: quality of affordable housing - and needs to be near good mass transportation, essential needs - groceries, libraries, community centers, recreation, etc.
- This is too subjective. Affordable to whom? What income?

**5. Encourage reinvestment in existing affordable housing.**

- 19 respondents agreed, 1 respondent disagreed
- ADD: “especially any investment into the lowering of the Total Cost of Ownership/Tenancy of the residents.”

- Preserve small homes.
  - Our abatement policy should demand an increased investment in affordable housing by fostering private sector investment to build mixed-income neighborhoods and affordable housing.
  - Yes, but the devil is in the details.
  - Unclear: subsidized affordable housing (truly affordable) or Low rent market rate?
- 6. Not reduce the overall unit growth needed to meet the growing population.**
- 12 respondents agreed, 4 respondents disagreed
  - “Not reduce the City’s total housing unit growth rate needed to meet the growing population and its demand.”
  - There are individual neighborhoods that are growing and others that are not. HP and Mt Lookout don’t need more density, but if there is no housing available there, people will spread to Norwood \*much in need of the funding\* and places like Madisonville. Spread the investments, don’t concentrate them by ruining historic housing.
  - Our roadways, schools and parks do not allow for an unlimited population growth to all move to the same neighborhoods like Hyde Park and Mt. Lookout. There are other neighbors in Cincinnati receiving no revitalization. Population in the city can still grow without a free-for-all in Mt. Lookout and Hyde Park. Unit growth in North Avondale or St. Bernard makes sense to me. Unit growth in ML/HP is out of control.
  - If this is an intention to add more subsidized affordable housing. This city is POOR. BLDG more sub housing will not increase the coffers.
- 7. Encourage units appropriate for a family (2 or more bedrooms)**
- 15 respondents agreed, 1 respondent disagreed
  - Another consideration here, in addition to bedrooms, is things like end suite bathrooms or size differential of bedrooms, which may not be appropriate for a young family.
  - Why families only? Kilgour is already reporting overcrowding (A PTA member spoke at a Mt. Lookout Council meeting about this.) This 2+ BR policy may make sense in other neighborhoods but it seems we’re struggling to support the number of school aged kids already living here.
- 8. Encourage low-cost of long-term homeownership through environmental design (LEED, etc.) - Reduced utility costs**
- 11 respondents agreed, 7 respondents disagreed
  - “Encourage low-cost of long-term homeownership and tenancy through environmental design (LEED, etc.) - Reduced utility costs, reduced maintenance costs, reduced medical costs (better indoor air quality), reduced cost effects from extreme weather events.”
  - As long as this doesn’t only benefit high-income residents who can afford LEED.
  - Revise/limit abatements for the most expensive projects; Keep some of these incentives, but scale back considerably the current overly generous incentives (e.g. LEED platinum and gold)
  - LEED construction should be encouraged. However, we should do away with ‘unlimited caps’ for LEED Platinum New Construction. All levels of LEED abatements, except the Platinum level, have caps. Placing a cap on platinum would

help protect prosperous neighborhoods and make a big difference in the amount of property taxes paid to the city. New million dollar houses should not receive unlimited tax incentives. It's time our city officials stop offering endless 'give away' incentives to these properties. There is no reason to justify giving unlimited incentives for the construction of million dollar homes. The city cannot guarantee income taxes will increase. Many times new homeowners simply move from one side of a neighborhood to another. It is very important to fix the 'tear down' loophole and it is just as important to fix the 'unlimited cap' loophole. Fixing the 'tear down' loophole will have no effect on properties in prosperous neighborhood with no existing house. New LEED Platinum multi-million dollar homes built on land without an existing house pay taxes only on their land value for 15 years. It's time city officials stop offering endless 'give away' incentives to these properties. It's unfair when a new three-million dollar home pays \$8,5000 in property taxes annually while their neighbor across the street, in a 1950's ranch valued at \$950,000, pays \$24,500 annually. We need to fix the 'tear down' loophole AND the 'unlimited cap' loophole.

- Value of LEED provides enough incentive; The LEED unlimited tax abatement needs to be stopped.
- Caps -
  - Establish a city-wide cap of \$662,000 for LEED Platinum.
  - Need a cap on abatement amount for LEED Platinum (currently a \$1M house saves \$25,760 per year over 15 years = \$368,400). Maybe cap at \$5,000 a year for all LEED levels (\$75,000 total - DO THIS ONE THING QUICKLY)
- Not for properties that are demolished for new housing. I do not believe LEED recognizes the full environment impact of demolition and its removal, elimination of greenspace and the mining/manufacture of new materials to replace those which are being discarded; Maybe LEED abatements only for retrofit (not for new building unless on brownfield and affordable and fully accessible)
- A home owner already receiving a LEED abatement should NOT also receive a reduced utility costs! If you want to encourage long-term home ownership make the abatements non-transferrable.
- According to the US Green Building Council, <https://www.usgbc.org/articles/green-building-costs-and-savings> "A landmark study by the firm Davis Langdon found no significant difference between the average cost of a LEED-certified building and other new construction in the same category: there are expensive green buildings, and there are expensive conventional buildings. Certification as a green building was not a significant indicator of construction cost." Tax elimination leads to extravagant building.

**9. Encourage transparency on residential abatements (where does the money go after roll off)**

- 19 respondents agreed
- Encourage transparency on all abatement cash flows during and after abatement period (When is the money coming and where did it go).
- Create a Public Transparency Portal That Tracks the Current, Projected Future and Known Future Cash Flows Generated from Development Incentives such as Tax Abatement, TIFs, etc.

- Creates transparency of revenue collection for City and County budgets for the residents of both municipalities.
- The data can be used to justify current incentive deals and to inform the future analysis of the administrations when editing and/or creating development incentives.
- Increasing transparency promotes a better understanding and appreciation for the tax abatement policy.

**10. Consider investment incentives of our local competitors**

- 10 respondents agreed, 3 respondents disagreed
- “Consider economic development incentives of our local competitors”
- Assuming this means "Cleveland" and "Columbus" YES. Both cities have hired outside resources to review their abatement policies and make informed recommendations. We should absolutely be modeling after cities who have instated educated investment incentives.
- I don't want to be in a race to the bottom. Make the city a livable place and people will want to live here. Focus on that.

**11. Consider overall tax rates and how abatements may impact opinions of new tax levies**

- 18 respondents agreed, 1 respondent disagreed
- This proposal and item 12 just complicates the entire abatement issue. It's complicated enough without adding a number of other social objectives to the issue. I believe these areas would be more effectively addressed if the city/county/social services weren't starved of the revenues the current program loses. And, if new construction abatements were limited to low income census tracts, there would be lower excess profits for developers, discouraging some of the larger ones thereby creating a more level playing field for smaller developers.
- Need more information
- It's not clear what this means.

**12. Encourage small, minority-owned, and women-owned businesses and small scale developments**

- 10 respondents agreed, 6 respondents disagreed
- ADD: “Examples of ways to Create a Reduced Cost Framework for Small Developers/Developments are: Prorated development / application fees to the size of the development. Reduced parking requirements or increased density bonuses”
- Black owned businesses to do work in black neighborhoods, and current residents hired for any jobs created.
- yes, but within reason, i.e. not overly generous incentives
- Focus on SMALL scale developments that meet the needs of individual neighborhoods, not investors trying to cram as much as they can into a desirable neighborhood.
- Small scale developments: Encourage (incentivize) historic rehabilitation of multi-unit buildings, incentivize 4-10 unit residential buildings that are affordable to the working class.
- 4-10 unit multi-family residential (small scale) can be incentivized if they are considered residential CRAs (should also include 3 units over storefronts like the

types of buildings in old business districts, historic districts and old streetcar communities).

### **13. Encourage historic conservation**

- 19 respondents agreed, 1 respondent disagreed
- And conservation of beautifully kept old homes/ambience of Neighborhoods - i.e. Hyde Park, North Avondale (Revitalizing Reading Road!) - Not Ruining the ambience of these beautiful large older homes by replacing them with modern, multiple structures.
- Reduce tear downs in historic neighborhoods or in high income zones
- And neighborhood architectural/density standards.
- Our abatement system in HP/ML should give the highest incentives to those committing to renovating existing homes. Otherwise teardown/new build will always be more financially appealing than preservation and all historic homes will be lost eventually. It does not currently make financial sense to renovate an established home. It's very hard to justify the investment.
- History defines our city's character. Our nineteenth century housing stock is what helps to separate Cincinnati from our suburbs that are lacking in personality and charm. We should always encourage historic conservation to preserve our city's character.
- Need more information on the relevance.

### **14. Current staff should be increased due to long-term monitoring as needed**

- 15 respondents agreed, 4 respondents disagreed
- I have 40+ years of public service experience. While not a construction expert, I have worked on building projects and am expert in connecting people. You should hire me, or people like me, as community liaisons.
- Only if the staff is going to implement a tiered system by neighborhood that would necessitate additional work.
- Please look to Columbus and Cleveland who have utilized independent experts to evaluate our entire abatement program and recommend informed changes to the system. This can not happen fast enough.
- Simplify processes
- How? The city doesn't have the funds to monitor far simpler programs today. Unless the city abatements and subsidies are reduced the burden of paying for the additional staff will likely fall on the already over-burdened non abated property owners.
- Could monitor affordability as part of CRA (similar to how HOME funds are monitored)

### **15. Provide adequate notice about policy change to developers, homeowners, etc.**

**Consider triggers for grandfathering applicants under current policy: permits, zoning approvals etc.**

- 10 respondents agreed, 6 respondents disagreed
- Grandfathering regulations should be clearly defined and include those with permits pulled, zoning approved, etc. Determining how much time developers receive for this change will take much consideration. An adequate amount of time needs to be given to developers without creating a sudden tear down boom in neighborhoods.

- New rules should not stop projects in progress.
- Giving warning, grandfathering, etc. will only spur a huge rush of poorly conceived development projects.
- Grandfathering certain developers? NO WAY. Grandfathering "new build" abatement request currently unapproved, also no. Grandfathering renovation requests already submitted but not yet approved, yes.
- Notice of any policy change should be communicated to impacted parties. However, grandfathering should be time limited.
- Notice OK; no or very minimal "grandfathering"

### **Additional Residential Tax Abatement Policy Review Feedback:**

- I strongly encourage the Property Tax Working Group to include the following components from their draft recommendations in their final recommendations for the Residential Tax Abatement Policy Review group: - Ensure that property tax values do not diminish from pre-abatement values for lot splits and tear downs - Replace the single uniform residential tax abatement policy with a tiered system based on objective criteria that are re-evaluated every 3 years - Encourage historic conservation I live on Richwood Ave in Mt. Lookout, and witnessed the demolition of neighboring homes on either side of ours within 2 months in late 2015 and early 2016. One of these homes (1053 Richwood) was the companion house to ours, built in the 1890's for the two daughters of the original owners of 1048 Richwood, which was built in the 1870's. These homes, which each sold for \$290,000 prior to demolition, have been replaced by homes valued at \$890,490 and \$985,000. Cincinnati's 52 vibrant neighborhoods define our city. Redevelopment within these neighborhoods will continue to maintain their strength. However, we must provide additional safeguards to ensure developers are prevented from damaging the character of our communities for their profit.
- The City of Cincinnati's current policies for unlimited tax abatements for platinum LEED homes is encouraging poor development. Fifteen (15) years without taxes is a significant selling point for developers and allows buyers to spend more than they would otherwise. Unlimited tax abatements are encouraging developers to tear town and build larger homes or build infill in former green space. The response is simple: establish a city-wide cap of \$662,000 for LEED Platinum. The City also needs to close the loophole to ensure that property taxes do not decrease from pre-abatement values, including lot splits and tear downs. It is vital that services such as schools, libraries, and the zoo continue to receive the same property taxes prior to the abatement. The City of Cincinnati needs to end the unlimited "give away". Additionally, the city should hire independent experts to evaluate our entire abatement program and recommend possible changes to the system. The PTWG members are volunteers with a wide range of backgrounds, they are not experts in the field of abatements. Cleveland recently selected three consulting experts to evaluate their abatement and incentive policy. It is time Cincinnati does the same.
- We must fix the two biggest loopholes concerning tax abatements, the 'tear down' loophole and the 'unlimited cap' loophole on LEED Platinum. This is probably all we can get changed at this time. The city must hire experts in the field of abatements to thoroughly study our outdated abatement policy and recommend changes like Columbus and Cleveland have done. Although I am pleased with the creation of the Property Tax Working Group. Its members are volunteers from varying backgrounds. It's our city's responsibility to ensure our city's public resources (abatements) are being used for the public good. Public resources should not be used to help finance the construction of new million dollar homes.
- I want to know how much money elected officials, including the mayor and council members, are taking from developers and realtors. That info should be publicly available but I can't find it.



think major overhaul needs to happen on our abatement program. We are giving FAR too much money away for neighborhoods already coveted by developers and buyers. Until an informed assessment can be agreed upon (which is urgent), I think these common sense adjustments would make a big difference and can be implemented easily. -Cap LEED Platinum new construction abatements at \$500k. -If Tiered system is approved, do not grand Platinum new build abatements in Tier 1. -Close the tear-down loophole that reduces the property to land value only. The pre-teardown value of the original property should stand.

- The chart that shows where the abatements went is all you need to know about Group 3. Cut the abatements for rich neighborhoods - they're over saturating those neighborhoods, driving up tear-downs and costing our city valuable tax dollars.
- Please stop tax abatements in Mt. Lookout and HP. They ARE NOT needed and changing our unique tree lined, mature home neighborhoods.

## **Overarching Feedback**

- The unintended consequences, meant to help the very people these policies are created to support, will be a reduction in naturally occurring affordable housing units. If Cincinnati wants to grow and prosper so it can help all citizens, then it needs to stop building subsidize affordable housing and primarily in its segregated communities. And encourage people with more income to live within the city limits. More barriers will not encourage that. Comparably, Cincinnati is desperately poor with a very low homeownership rate. You cannot build a future on the backs of tenants, especially tenants who are desperately poor.
- I am really, really impressed by these recommendations as a whole. Major credit to VM Smitherman, Carol Gibbs, and all those involved on the city level as well as the residents. I don't think I'll be able to make the roll-out presentation but hope that it is publicized somehow - could it be on CitiCable?
- In general, need to find the simplest criteria and means on implementing those policies
- Priority rankings
- Find out how county evaluates/re-evaluates after rehabs