

ORDINANCE NO. 16-33

BY: Anne Williams

Amending and renumbering Chapter 173, "Community Reinvestment Areas; Housing Council and Housing Officer," of the Administrative Code of the Codified Ordinances of the City of Shaker Heights, to reflect existing residential Community Reinvestment Area programs, and to create the Southern Moreland Community Reinvestment Area pursuant to State law, where real property tax exemption shall be granted for significant investment in new construction on vacant land made by property owners.

WHEREAS, Chapter 173 of the Codified Ordinances was enacted by Ordinance 04-11, on February 9, 2004, and amended in Ordinance 06-92 on October 23, 2006, Ordinance 06-113 on November 13, 2006, Ordinance 10-68 on May 24, 2010, and Ordinance 14-97 on February 23, 2015; and

WHEREAS, Ohio Revised Code (ORC) Section 3735.65 *et seq.* authorizes municipalities to designate Community Reinvestment Areas (CRAs) in which certain real property tax exemptions may be permitted when certain criteria have been met in order to promote significant investment in such areas by property owners; and

WHEREAS, this Council has reviewed and hereby approves the Southern Moreland CRA Housing Survey conducted and presented by the Director of Neighborhood Revitalization pursuant to ORC Section 3735.66, which Survey is attached to this ordinance and incorporated herein; and

WHEREAS, as a result of the Southern Moreland CRA Housing Survey, this Council has determined that the area of the City encompassing the parcels on the streets specified in the Housing Survey and this Ordinance contain housing facilities or structures of historical significance, and new housing construction and repair of existing facilities or structures are discouraged by market conditions and, therefore, under ORC Sections 3735.65 and 3735.66, said area is appropriate for designation as a CRA; and

WHEREAS, the City finds that the construction of new single family homes in the Southern Moreland CRA would serve to encourage neighborhood stability, investment in housing, and maintain real property values, and constitutes a public purpose for which real property exemptions may be granted; and

WHEREAS, the original CRAs codified at Sections 173.02-173.06, expired in 2008 and are no longer in effect.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Shaker Heights, State of Ohio:

Section 1. Chapter 173 of the Administrative Code of the Codified Ordinances as presently in effect, is hereby repealed.

Section 2. Chapter 173 of the Administrative Code of the Codified Ordinances is hereby amended by reenacting and enacting, renumbering and repealing its sections as follows:

173.01 FINDINGS.

Council finds that the areas designated as Community Reinvestment Areas ("CRAs") ~~in this Chapter A, B, C, D, and E within the boundaries described in Sections 173.02-.06, which are illustrated in the "Map of Proposed CRAs" and include the parcels listed in the "Statement of Findings" on file with the Housing Officer,~~ constitute areas within which housing facilities or structures of historical significance are located and within which new housing construction or repair of existing facilities or structures has been discouraged by market conditions. ~~A Housing Survey exists in the office of the Housing Officer for each CRA designated in this Chapter.~~

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~~173.02 COMMUNITY REINVESTMENT AREA A.~~

~~Community Reinvestment Area A shall be defined as the area in the City bounded on the West by the City Line, on the North by Van Aken Boulevard (including only parcels on the south side of Van Aken Boulevard); on the East by the parcels fronting on the west side of Farnsleigh Road, the parcels fronting on the east side of Lomond Boulevard, and the parcels fronting on the east side of Lytle Road, and on the South by the City Line, except that the following areas within such boundaries are not included in CRA A: the Tax Increment Finance (TIF) District on Chagrin Boulevard west of Farnsleigh Road which is that portion of the area defined as the "Sussex Area Revitalization District" in the Sussex Area Revitalization Study, dated May, 2001, approved by Council in Ordinance No. 01-57, enacted June 11, 2001, that fronts on Chagrin Boulevard; the portion of the Tax Increment Finance (TIF) District on Chagrin Boulevard, extending north to Van Aken Boulevard, between Lee Road and Avalon Road, which is a portion of the area defined as the "Shaker Towne Centre Area" in the Shaker Towne Centre Community Development Plan, dated April 29, 1988, as revised on May 2, 1988 and approved by Council in Ordinance No. 88-25, enacted May 23, 1988, and in Amendment No. 1 to said Plan dated November 2001, which was approved by Council in Ordinance No. 01-134, enacted November 26, 2001; and CRAs B, C, and D.~~

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~~173.03 COMMUNITY REINVESTMENT AREA B.~~

~~Community Reinvestment Area B shall be defined as the area in the City bounded on the West by the western most parcels fronting only on Kenyon Road; on the North by the parcels fronting on the north side of Kenyon Road; on the East by the parcels fronting on the east side of Avalon Road; and on the South by Lomond Boulevard, but not including any parcels fronting on Lomond Boulevard.~~

~~173.04 COMMUNITY REINVESTMENT AREA C.~~

~~Community Reinvestment Area C shall be defined as the area in the City bounded by the parcels fronting on both sides of Winslow Road between Daleford Road and Farnsleigh Road, plus four parcels fronting on Lynnfield Road adjacent to parcels fronting on Winslow Road.~~

~~173.05 COMMUNITY REINVESTMENT AREA D.~~

~~Community Reinvestment Area D shall be defined as the area in the City bounded on the West by Avalon Road, including only the parcels on the east side of Avalon Road, and extending along Chagrin Boulevard, including parcels fronting on both sides of Chagrin Boulevard, to Farnsleigh Road, excluding the Tax Increment Finance (TIF) District on Chagrin Boulevard west of Farnsleigh Road, as described in Section 173.02, and excluding the~~

~~parcels at the south east corner of Chagrin Boulevard and Lynnfield Road, and on the south west corner of Chagrin Boulevard and Steer Road.~~

~~173.06 COMMUNITY REINVESTMENT AREA E.~~

~~Community Reinvestment Area E shall be defined as the area in the City that includes the parcels fronting on both sides of Kendall Road and Cheshire Road, and the two parcels located in the City fronting only on East 127 Street.~~

173.0702 HOUSING COUNCIL.

(a) Purpose and Duties. In order to fulfill the requirements of Section 3735.69 Ohio Revised Code (ORC), or any successor section of the ORC including such requirement, and to enhance and promote the preservation and development of the City, there is hereby created a Housing Council for the purpose of making an annual inspection of properties within any designated ~~CRACommunity Reinvestment Area~~ in the City, as defined by Section 3735.65 ORC, for which a tax exemption has been granted under Section 3735.67 ORC, and to report to the State of Ohio summarizing the activities and projects for which an exemption has been granted. The inspections of properties are for the purpose of ensuring that the properties are properly maintained. The designation of any ~~CRACommunity Reinvestment Area~~ shall be reviewed biennially by the Housing Council to determine whether housing conditions justify the maintenance of the ~~CRACommunity Reinvestment Area~~. The Housing Council shall make a recommendation to City Council as to whether the designated area should remain the same, be amended, or be eliminated. The Housing Council shall hear appeals from the denial of certification or the revocation of tax exemptions made by the Housing Officer

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(b) Membership. The Housing Council shall consist of seven members. Two members shall be appointed by City Council; two members shall be appointed by the Mayor; one member shall be appointed by the City's Planning Commission; and these five members shall appoint two residents of the City of Shaker Heights as members. Terms for each member shall be three years. ~~An unexpired term resulting from a vacancy shall be filled in the same manner as the initial appointment is made.~~

(c) Meetings. The Housing Council shall meet at least annually, or as needed, as determined by City Council or the Chairperson of the Housing Council. The annual inspection of properties granted tax exemption by the Council shall constitute a meeting for the purpose of the annual meeting requirement. The Housing Council shall choose from among its members a Chairperson, and such other officers as it determines are needed. At least four members present at a meeting shall comprise a quorum of the Housing Council.

173.0803 HOUSING OFFICER.

There is hereby created the position of Housing Officer, as defined by ~~ORCOhio R.C. Section~~ 3735.65, to fulfill the duties as set forth in ~~ORCOhio R.C. Sections~~ 3735.67 and 3735.68, or any successor sections of the ~~ORCOhio Revised Code~~ that include such definition and duties. The Commissioner of Building (or his/her designee), or in his/her absence or unavailability, the Director of Housing Inspection (or his/her designee) shall be the Housing Officer for the City. The Housing Officer shall establish rules and regulations for the implementation of this Chapter,

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including an application and certification process and forms, consistent with the purposes of this Chapter.

~~173.09 ESTABLISHMENT OF COMMUNITY REINVESTMENT AREAS; ELIGIBILITY;
TAX EXEMPTION.~~

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~~(a) Pursuant to Ohio Revised Code Section 3735.66, Community Reinvestment Areas A, B, C, D, and E, as defined in this Chapter, are hereby established.~~

~~(b) Residential properties containing one, two or three units within Community Reinvestment Areas A, B, C, D, and E are eligible for tax exemption.~~

~~(c) A tax exemption not to exceed 75% of the increase in the assessed valuation of the structure resulting from improvements or new construction, as defined in Ohio Revised Code Section 3735.67 and in this Chapter, shall be granted upon proper application by the property owner and certification of such application thereof by the Housing Officer. Applications must be filed with the Housing Officer no later than six months after completion of the improvements or new construction. The Housing Officer shall determine whether an application meets the requirements of this Chapter, State law and the rules and regulations for the implementation of this Chapter.~~

~~(d) Newly constructed single family, owner-occupied residential dwellings, with a minimum investment of \$200,000, are eligible for exemption if they are constructed on parcels which have been vacant land, with no structure on the parcel, for at least two years immediately prior to the construction of the residential structure for which tax exemption is requested. Such dwellings are exempt from property taxes, as described in this section, for a period of five years.~~

~~(e) In Community Reinvestment Areas A, B, D and E only, newly constructed single family, owner-occupied residential dwellings, with a minimum investment of \$200,000, are eligible for tax exemption if they are constructed on parcels on which one to three unit dwellings had existed and were demolished, if the demolition was certified by the Housing Officer prior to the demolition. Such dwellings are exempt from property taxes, as described in this section, for a period of five years. The Housing Officer shall certify the demolition of a dwelling:~~

~~(i) if the property is part of a City-sponsored purchase-rehabilitation program;~~

~~(ii) if the structure is no longer habitable due to at least one or more of the following conditions: mold, fire damage, or structural defects;~~

~~(iii) if the rehabilitation of the structure is financially infeasible; or~~

~~(iv) if the structure has two or three dwelling units and does not meet the requirements of sub-parts (i), (ii) and (iii).~~

~~The demolition of a structure must be conducted in compliance with all applicable laws and ordinances, in addition to receiving Certification by the Housing Officer.~~

~~(f) All existing residential dwellings containing one to three units are eligible for exemption for improvements for a period of eight years with a minimum investment of \$80,000.~~

~~173.104 ZONING AND LANDMARK STATUS NOT AFFECTED.~~

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The designation of a CRA by this Chapter does not alter in any manner the zoning or landmark status of any parcels included in the CRA. All existing provisions of the City's Zoning Code shall apply to the parcels in any designated CRA.

173.1105 TRANSIT VILLAGE COMMUNITY REINVESTMENT AREA

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(a) Council finds that the area designated as the Transit Village ~~CRA Community Reinvestment Area ("CRA")~~ within the boundaries described in this Section, which area is illustrated in the "Map of Transit Village CRA" and includes the parcels listed in the "Statement of Findings" on file with the Housing Officer and in the Transit Village ~~CRA Community Reinvestment Area~~ Housing Survey, constitutes an area within which housing facilities or structures of historical significance are located and within which new housing construction or repair of existing facilities or structures has been discouraged by market conditions.

(b) The Transit Village CRA shall be defined as the area in the City that includes: all parcels on Sutton Road; all parcels on Sutton Place, not including those properties that front onto Westbury and Colwyn Roads; the properties on the south side of Milverton Road from the southeast corner of Milverton and Sutton Roads, at Parcel No. 735-14-012, north and west to the City border with Cleveland, at Parcel No. 731-14-016; the properties on the north side of Milverton Road from Parcel No. 735-14-018 on the south east to the City border, at Parcel No. 731-18-028; and the parcels at the corner of Onaway Road, Van Aken Boulevard and Sutton Road from Parcel No. 731-18-021 on the west to 731-18-028 on the east.

(c) Pursuant to ~~ORC Ohio Revised Code~~ Section 3735.66, the Transit Village ~~CRA Community Reinvestment Area~~, as defined in this Section, is hereby established.

(d) Properties within the Transit Village ~~CRA Community Reinvestment Area~~ on which new construction of residential-only, for-sale, single family homes occurs, with a minimum investment of \$125,000, are eligible for tax exemption. A tax exemption of 100% of the increase in the assessed valuation of the property resulting from new construction, as defined in ~~ORC Ohio Revised Code~~ Section 3735.67 and in this Chapter, shall be granted for a period of ten years, upon proper application by the property owner and certification of such application thereof by the Housing Officer. The initial sale of any new single family home must be to an owner occupant. Applications must be filed with the Housing Officer no later than six months after completion of the new construction. The Housing Officer shall determine whether an application meets the requirements of this Chapter, State law and the rules and regulations for the implementation of this Chapter.

173.06 -SOUTHERN MORELAND COMMUNITY REINVESTMENT AREA

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(a) Council finds that the area designated as the Southern Moreland CRA within the boundaries described in this Section, which area is illustrated in the "Map of Southern Moreland CRA" and includes the parcels listed in the "Statement of Findings" on file with the Housing Officer and in the Southern Moreland CRA Housing Survey, constitutes an area within which housing facilities or structures of historical significance are located and within which new housing construction or repair of existing facilities or structures has been discouraged by market conditions.

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(b) The Southern Moreland CRA shall be defined as the area in the City that includes: 594 residential parcels on Chelton Road, Hampstead Road,

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Hildana Road, Ludgate Road, Menlo Road between Scottsdale Boulevard and Chagrin Boulevard, Nicholas Road, Pennington Road, Rife Court, Sudbury Road, and Scottsdale Boulevard between the City corporate line on the west to Lee Road on the east.

(c) Pursuant to ORC Section 3735.66, the Southern Moreland CRA, as defined in this Section, is hereby established.

(d) Properties within the Southern Moreland CRA on which new construction of residential, for-sale, single family homes occurs, with a minimum investment of \$125,000, are eligible for tax exemption. A tax exemption of 100% of the increase in the assessed valuation of the property resulting from new construction, as defined in ORC Section 3735.67 and in this Chapter, shall be granted for a period of ten years, upon proper application by the property owner and certification of such application thereof by the Housing Officer. The sale and occupancy of any home granted tax exemption under this Section shall be to and by, respectively, an owner occupant for the duration of the tax exemption period. Applications must be filed with the Housing Officer no later than six months after completion of the new construction. The Housing Officer shall determine whether an application meets the requirements of this Chapter, State law and the rules and regulations for the implementation of this Chapter.

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Section 3. This Council hereby finds and determines that all formal actions relative to the passage of this Ordinance were taken in an open meeting of this Council, that all deliberations of this Council and of its committees, which resulted in formal action were taken in meetings open to the public, in full compliance with the applicable legal requirements, including the City's Charter and Chapter 115 of the City's Codified Ordinances.

Section 4. A summary of this Ordinance shall be published by the Department of Neighborhood Revitalization in a newspaper of general circulation in the City for two consecutive weeks as soon as practicable following its adoption.

Section 5. Upon passage by this Council, a copy of this ordinance shall be transmitted to the Director of the Ohio Department of Development for his or her determination in accordance with the provisions set forth at ORC Section 3735.66.

Section 6. This Ordinance shall take effect from and after the earliest time allowed by law.

Enacted March 28, 2016.

Approved this ____ day of _____, 2016.

EARL M. LEIKEN, Mayor

Attest:

JERI E. CHAIKIN
Clerk of Council

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