CITY OF CLEVELAND
COMMUNITY REINVESTMENT AREA (CRA) PROGRAM
RESIDENTIAL TAX ABATEMENT
MULTI-FAMILY STRUCTURES (3+)
APPLICATION

PROGRAM DESCRIPTION

The State of Ohio’s Department of Development authorized the City of Cleveland through the Department of Community Development to create Community Reinvestment Areas (CRA) in which property owners and developers can apply for tax exemptions on residential real property. Tax abatement is offered as an incentive to developers and homeowners to build or rehabilitate in the City of Cleveland. The City of Cleveland’s tax abatement policy is designed to stimulate private investment through job creation, neighborhood stabilization and residential development. The City of Cleveland through Cleveland City Council passed Ordinance No. 856-07 May 21, 2007 creating a Community Reinvestment Area for the municipal boundaries of the City of Cleveland. Ordinance No. 856-07 became effective May 30, 2007, and has been amended by Ordinance No. 76-12, effective May 16, 2012, and Ordinance 244-17, passed May 22, 2017 and effective May 24, 2017.

NEW CONSTRUCTION

Residential tax abatement is offered at a rate of 100% of new residential building value for 15 years on new construction residential property in the City of Cleveland, if the eligibility requirements below have been met. Taxes on a newly constructed residential building (or residential portion of a mixed use building) are abated. The owner is responsible for all taxes associated with the after-improvement value of the land only. During the term of the abatement, the taxes will be due on assessed value of the land, which may fluctuate due to changes in the tax rate and/or changes in assessed value.

REHABILITATION

Residential property owners/developers rehabilitating buildings with 3 or more residential units can receive tax abatement at a rate of 100% for 15 years on the value of improvements to the residential property, if the eligibility requirements below have been met. Example: The initial market value of a vacant building and associated land is $60,000.00, and the improvements made reflect a $300,000 increase in the market value. After these improvements, the total residential land and building value is now $360,000.00. The tax abatement will be placed on $300,000.00 of the improved value of the property. During the term of the abatement, taxes will be due on the initial unimproved building value and after-improvement land value, which may fluctuate due to changes in the tax rate and/or changes in assessed value.

ELIGIBILITY REQUIREMENTS

Projects must meet the following conditions, per ordinance authority from Cleveland City Council, to be eligible for tax abatement:

- Costs must be greater than $15,000.00 per unit or greater than $500,000.00 for the total residential portion of the project.
- The Applicant must obtain a Building Permit from the Department of Building and Housing, 5th Floor of Cleveland City Hall. The permit must have the true value of cost of the new construction or rehabilitation work. The permit must require the project to obtain a Certificate of Occupancy upon completion, and the Final Certificate of Occupancy must be obtained prior to final processing of the tax abatement application.
- Real property must be within the City of Cleveland.
New construction and rehabilitation projects must meet the applicable Cleveland Green Building Standard. and final application materials must include all necessary certification documents for the selected compliance path, verified and certified by a City of Cleveland Green Verifier.

For rehabilitation projects involving a structure of historical or architectural significance, the tax abatement application may not be finally processed until submission of the required written certification of the appropriateness of the rehabilitation work. Applicants should discuss this requirement with the Housing Officer in advance of submitting an application for tax abatement.

**PROCESS**

- Applicant must complete the tax abatement Application Part 1 with required attachments, and deliver by email or hard copy to Department of Community Development prior to the project’s commencement.
- Community Development Department staff reviews the application and notifies Applicant of additional information needed, if any. City Council and the School District are notified of complete Part 1 Applications. In most cases, the City issues a letter confirming a project’s eligibility for tax abatement and setting forth the application requirements needed for approval.
- Applicant submits Application Part 2 after completing the project, with final close-out materials and certification that project meets the path selected for Green Building Standard compliance.

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**RATE SCHEDULE EFFECTIVE MAY 24, 2017**

<table>
<thead>
<tr>
<th></th>
<th>New Construction</th>
<th>100%, 15 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single/Two Family</td>
<td>New Construction</td>
<td>100%, 15 Years</td>
</tr>
<tr>
<td>Multi-Family (3+)</td>
<td>New Construction</td>
<td>100%, 15 Years</td>
</tr>
<tr>
<td>Single/Two Family</td>
<td>Rehabilitation</td>
<td>100%, 15 Years</td>
</tr>
<tr>
<td>Multi-Family (3+)</td>
<td>Rehabilitation</td>
<td>100%, 15 Years</td>
</tr>
</tbody>
</table>

Submit to:
Department of Community Development
Attn: Ellen Kirtner-LaFleur
601 Lakeside Avenue Room 320
Cleveland, Ohio 44114
(216) 664-3442 Office
216-420-7965 Fax
ekirtner-lafleur@city.cleveland.oh.us

Revised 5/21/2018
COMMUNITY REINVESTMENT AREA PROGRAM
RESIDENTIAL TAX ABATEMENT
MULTIFAMILY STRUCTURE APPLICATION

Project Name: __________________________  Address/Location: __________________________  Permanent Parcel No(s): __________________________

Applicant: __________________________  Organization/Co. Name: __________________________

Mailing Address: __________________________  Executive Director/CEO __________________________

Contact Person: __________________________  Telephone: __________________________
Fax: __________________________  E-mail: __________________________

New Construction □ Rehabilitation □  No of units: ________  Mixed Use: □

School District: __________________________  Ward: __________________________  Councilperson: __________________________

City Funds in project: □ CDBG □ HOME □ HTF □ NSP □ N/A □ OTHER__________

Historic Designation: Yes / No (circle)
If property is designated as being of historical or architectural significance (local, state, or federal), please attach applicable documentation in support of designation. As part of the Part 2 Application, submit documentation of the appropriateness of the rehabilitation work.

Projected Timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>Project Beginning</th>
<th>Acquisition</th>
<th>Site Preparation</th>
<th>Demolition / Clean-Up:</th>
<th>Infrastructure</th>
<th>Building Permit Issuance:</th>
<th>Project Completion:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provide current tax information with supporting documentation prior to construction (i.e. copies of current tax duplicate).

<table>
<thead>
<tr>
<th>Predevelopment Values</th>
<th>Value</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bldg. Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Property Value</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provide estimated property values after investment has been made in the project without tax abatement.

<table>
<thead>
<tr>
<th>Post Development Values</th>
<th>Total Cost</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Application materials continue on following page]
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Part 1 – Additional Required Documentation and Information:
The following items must be attached to this application:

- **Itemized Sources and Uses statement.**
- **Projected rents (if rental project) with and without tax abatement,** including a statement of owner’s debt and utility coverage for the project as applies in each scenario.
- **Residential per unit construction pro forma:** For mixed use projects provide both the residential and the commercial pro forma. Be certain all construction expenses are shown per residential unit.
- **Project Description:** Provide a detailed description of the project, including essential elements of the development (limit to one page). For rehabilitation projects, provide an itemized scope of work or other documentation describing the rehabilitation work to be completed.
- **Green Building Plan:** Attach a preliminary copy of a green building development plan, including any preliminary checklists associated with the selected path.
  - Green Building Consultants/Verifier/Rater:

- **Applicant Description:** Describe the history and mission of the applicant/organization. Describe the experience and expertise of the organization, list any consultant or partner organizations that will be involved in the implementation of the project. (limit to one page)

Check the applicable box below for the selected path for meeting the Green Building Standard.

<table>
<thead>
<tr>
<th>Third-Party Certification required for each path of the Cleveland Green Building Standard</th>
<th>Application Part 1: Check Option</th>
<th>Application Part 2 Unique Project Identifier</th>
<th>Required Attachment(s) with Application Part 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPTION A: Enterprise Green Communities Certification – Affordable Housing</td>
<td></td>
<td></td>
<td>Certification through the on-line Enterprise Green Communities Certification Portal; EGC Certification Form by Green Verifier; as applicable: energy model, HERS certification, ENERGY STAR certification and reports</td>
</tr>
<tr>
<td>OPTION B: Enterprise Green Communities Compliance – Market Rate</td>
<td>N/A</td>
<td></td>
<td>EGC Certification Form by Green Verifier (spreadsheet from City of Cleveland); as applicable: energy model, report from qualified professional, HERS certification, and ENERGY STAR certification and reports</td>
</tr>
<tr>
<td>OPTION C: LEED Silver Certification</td>
<td></td>
<td></td>
<td>LEED Checklist and Certification Document</td>
</tr>
<tr>
<td>OPTION E: Advanced Building Certification Programs</td>
<td></td>
<td></td>
<td>Applicable Scoring Checklist and Certification Document</td>
</tr>
</tbody>
</table>

By signing below, the Applicant certifies that all information provided as part of this application is true and accurate, and confirms understanding that this application may not be fully processed until complete submission of all Part 2 Application materials.

Signature of Applicant: By: __________________________ Date: _____________
Name: __________________________
Its: __________________________

Revised 5/21/2018
Part 2 Application Submission:
The following items must be attached to this application:

- **Green Building Standard third-party certifications and required attachments** (see table above).
  - This includes all Disclosures and other materials delivered by the third-party Green Verifier. Please contact the Housing Development Office with any questions regarding the required Green Building Standard submissions.

- **All applicable Building Permits.**

- **Certificate of Occupancy** evidencing completion of all residential units in the project.

- **Documentation of any changes from the project’s original Part 1 Application submission:** Confirm that all project information previously submitted remains accurate (such as number of units, residential project costs, project timeline, etc.). For any changes, please provide updated materials.

- **If your project involves the rehabilitation of a structure of historical or architectural significance, applicable documentation of the appropriateness of the rehabilitation work:** Please contact the Housing Development Office in advance of your submission to confirm the required documentation for your particular project.

**Signature of Applicant:**
By: ___________________________ Date: ______________
Name: ___________________________
Its: ____________________________

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