



City Council
City of Mount Vernon
Mount Vernon, OH 43050

REVIEWED

ORDINANCE 2021-39

Meeting: 09/27/21 7:30 PM 1st - 9/27/21
Dept: Planning and Zoning 2nd - 10/11/21
Hillier, Keener 3rd - 10/25/21
Category: Finance
Prepared By: Rob Broeren
Initiator: Jamee Hershberger
DOC ID: 3407

AN ORDINANCE IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF A COMMUNITY REINVESTMENT AREA IN THE CITY OF MOUNT VERNON, DESIGNATING A HOUSING OFFICER TO ADMINISTER THE PROGRAM, AND CREATING A COMMUNITY REINVESTMENT HOUSING COUNCIL

WHEREAS, the Council of the City of Mount Vernon (hereinafter "Council") desires to pursue all reasonable and legitimate incentive measures to assist and encourage residential development in specific areas of the City of Mount Vernon that have not enjoyed reinvestment from remodeling or new construction; and

WHEREAS, a survey of housing, a copy of which is on file in the office of the Mayor as required by Ohio Revised Code (ORC) Section 3735.66 has been prepared for the area to be included in the proposed Community Reinvestment Area (CRA); and

WHEREAS, the maintenance of existing residential and construction of new residential structures in such area would serve to encourage economic stability, maintain real property values, and generate new employment opportunities; and

WHEREAS, the remodeling of existing residential structures or the construction of new residential structures in this Community Reinvestment Area constitutes a public purpose for which real property exemptions may be granted.

Now therefore, be it Ordained by the Council of the City of Mount Vernon, State of Ohio, that:

Section 1: That the area designated as the Mount Vernon Community Reinvestment Area constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged:

Section 2: That pursuant to ORC Section 3735.66, the Mount Vernon Community Reinvestment Area, is hereby established in the following described area:

All parcels currently within the corporation limits of the City of Mount Vernon as shown on the map attached hereto and incorporated herein by reference as
"Exhibit A."

- A. The Community Reinvestment Area is attached to this Ordinance (see **Exhibit A**) and by this reference incorporated herein.
- B. Only residential properties consistent with the applicable zoning regulations within the designated Community Reinvestment Area will be eligible for exemptions under this Program.

Section 3: That all residential properties identified in “**Exhibit A**” as being within the designated Community Reinvestment Area are eligible for this incentive. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. As part of the project, the City of Mount Vernon intends to undertake supporting public improvements in the designated area.

Section 4: That for residential property, a tax exemption on the increase in the assessed valuation resulting from the improvements as described in ORC Section 3735.67 shall be granted upon application by the property owner and certification thereof by the designated Housing Officer for the following periods and percentages:

Percentage determination: The percentage of tax exemption for a given property is determined based on the low-moderate income levels (LMI score) in each census block as scored in **Exhibit B**. The higher the percentage of low-moderate income residents within a census block the higher the percentage between 50%-100%. These scores will be updated as new census data becomes available and instated on the next calendar year.

Exemption period (**Exhibit C**):

- a. Ten (10) years, for the remodeling of every residential dwelling unit, either one (1) housing unit, or containing not more than two (2) housing units and upon which the cost of remodeling is at least \$15,000, as described in ORC Section 3735.67, and with such exemption being 50% or 75% depending on block LMI score, for each of the ten (10) years.
- b. Twelve (12) years, for the remodeling of every residential dwelling unit containing more than three (3) housing units and upon which the cost of remodeling is at least \$15,000, as described in ORC Section 3735.67, and such exemption being 50% or 75% depending on block LMI score for each of the twelve (12) years.
- c. Fifteen (15) years, for the construction of dwellings containing not more than one (1) housing unit, as described in ORC Section 3735.67, on existing lots with existing utility services present, with such exemption being 50% or 75% depending on block LMI score for each of the fifteen (15) years.
- d. Fifteen (15) years, for the construction of dwellings containing more than three (3) housing units, as described in ORC Section 3735.67, on existing lots with existing utility services present, with such exemption being 100%; provided, however, that in order to receive a 100% exemption, the property owner shall agree to make annual payments in lieu of taxes (“PILOTs”) to the Mount Vernon City School District (the School District”) and the Knox County Career Center (the “Career Center”) equal to the amount of taxes that each would have received from the development with respect to any emergency levies in effect for the appropriate tax year had the exemption not been granted. The PILOTs shall be

described in additional detail in a written agreement among the property Owner, the School District and the Career Center. If the property owner does not agree to make the PILOTs, the exemption shall be 50% or 75%, depending on block LMI score for each of the fifteen (15) years.

- e. The period of exemption for a dwelling described in item a or b of this section may be extended by City Council for up to an additional ten (10) years if the dwelling is a structure of historical or architectural significance or is a certified historic structure that has been subject to federal tax treatment under 26 U.S.C. 47 and 170(h).

For the purposes of the above described Community Reinvestment Area, structures exclusively used for residential purposes shall be classified as residential structures.

If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in market value of the structure shall be exempt from real property taxation. If new construction qualifies for an exemption, during the period of the exemption the exempted percentage of the structure shall not be considered to be an improvement on the land on which it is located for the purpose of real property taxation.

Section 5: That to administer and implement the provisions of this Ordinance, the City Safety Service Director is designated as the Housing Officer as described in Sections 3735.65 through 3735.70.

Section 6: The "Community Reinvestment Area Housing Council" (the "Housing Council") established by the City pursuant to Ordinance No. 2002-12 shall be the Housing Council responsible for the CRA. The Housing Council shall make an annual inspection of the properties within the CRA for which an exemption has been granted under R.C. Section 3735.67. The Housing Council shall also hear appeals under R.C. Section 3735.70.

Section 7: That City Council reserves the right to re-evaluate the designation of the Mount Vernon Community Reinvestment Area after an initial three (3) year period and thereafter every five (5) years, at which time City Council may direct the Housing Officer not to accept any new applications for exemptions as described in Section 3735.67 of the ORC.

Section 8: That the Community Reinvestment Area Housing Council shall make an annual inspection of the properties within the district for which an exemption has been granted under Section 3735.67 of the ORC. The CRA Housing Council shall also hear appeals under 3735.70, of the ORC.

Section 9: That City 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, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with the applicable legal requirements, including Section 121.22 of the ORC.

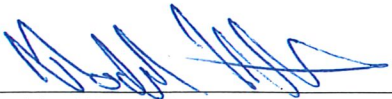
Section 10: That the Mayor of the City of Mount Vernon is hereby directed and authorized to petition the Director of the Ohio Department of Development to confirm the findings contained within this Resolution.

Section 11: That this ordinance shall take effect and be enforce from and after the earliest period allowed by land and upon confirmation by the Director of the Ohio Department of Development of the findings in this Resolution.

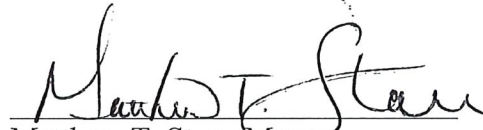


Bruce E. Hawkins, President of Council

PASSED: OCTOBER 25, 2021

ATTEST: 
Todd Hill, Clerk of Council

APPROVED: 25 OCTOBER, 2021


Matthew T. Starr, Mayor