



CITY OF CLYDE, OHIO

COMMUNITY REINVESTMENT AREAS (CRA)
INFORMATION SHEET



What is a Community Reinvestment Area (CRA)?

- The Community Reinvestment Area program is an economic development tool administered by the City that provides real property tax exemptions for property owners who renovate existing or construct new buildings.
- CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements.
- Approved projects receive tax abatement on the increase in their property's tax valuation for a specified time period. The tax abatement period begins the calendar year after:
 1. Certification is forwarded to the County Auditor's Office, and
 2. A change in the property's tax valuation has occurred due to the new improvements.

What must the improvements cost to be eligible, what are the exemption levels and what are the terms of the exemptions?

CRA PROGRAM BENEFITS		
Exemption Levels	Post July 1, 1994	
Real Property	Up to 50% (refer to chart below)	
Personal Property	None	
Inventory	None	
Exemption Terms	Abatement Terms	Transfer
<u>Residential/Retail - new construction or remodel:</u> (minimum cost of improvements of \$25,000) (minimum cost of improvements of \$50,000) (minimum cost of improvements of \$100,000) (minimum cost of improvements of \$1,000,000)	50% abatement up to 5 years 50% abatement up to 7 years 50% abatement up to 10 years 50% abatement up to 15 years	Yes
<u>Commercial/Industrial - new construction or remodel:</u> (minimum cost of improvements of \$25,000) (minimum cost of improvements of \$50,000) (minimum cost of improvements of \$100,000) (minimum cost of improvements of \$1,000,000)	50% abatement up to 5 years 50% abatement up to 7 years 50% abatement up to 10 years 50% abatement up to 15 years	Yes

What is the CRA application process?

- Upon certification and/or approval, appropriate documentation will be forwarded to the County Auditor's Office, and when applicable to the State of Ohio Department of Development, for processing of the abatement.
- Approved projects receive tax abatement on the increase in their property's tax valuation for a specified time period. The tax abatement period begins the calendar year after:
 1. Certification is forwarded to the County Auditor's Office, and
 2. A change in the property's tax valuation has occurred due to the new improvements.
- Annual inspections of properties receiving CRA tax abatement are conducted by the Housing Officer and reported to the CRA Housing Council. The Housing Officer may revoke the tax abatement if the property has not been well maintained (or completed to the specifications of the application). A property owner may appeal any decision of the Housing Officer to the CRA Housing Council.

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What improvements are eligible for tax abatement?

- Major improvements or a combination of minor improvements and general maintenance items may increase the taxable value of the property and result in CRA eligibility. Below are examples of major improvements that may qualify for tax abatement:
 - > Build a new porch
 - > Remodel an attic into living area
 - > New additions to existing structure
 - > Install sun room
 - > New construction
 - > Structural improvements to existing interior and/or exterior
 - > Several minor maintenance items in conjunction with each other (complete rehabilitation)

What improvements are not likely to increase the taxable value of a property?

- Minor improvements and maintenance items required to preserve a structure do not generally increase the taxable value of a property. Below are examples of work that individually will not increase a property's tax valuation. However, a combination of several items listed below may increase a property's tax valuation and result in CRA eligibility.

Exterior Work

Interior Work

- | | |
|--|---|
| > Scrape and paint | > Add electrical circuits or outlets |
| > Landscaping (lawns, shrubs, plants) | > Complete rewiring |
| > Repair or replace porches and steps | > Replace plumbing |
| > Repair siding | > Install or replace light fixtures |
| > Add or replace gutters or downspouts | > Resurface floors |
| > Install storm doors/replacement windows | > Replace furnace |
| > Install outdoor lighting | > Replace hot water heater |
| > Insulate and weather-strip | > Paint, wallpaper or other redecorating |
| > Install a new roof | > Closets, built-in bookcases or cabinets |
| > Repoint, repair, replace existing masonry | > Remodel kitchen or bathroom |
| > Install, repair, replace driveway/sidewalk | > Replace or refinish woodwork |

Where can applications be obtained?

- Applications for the CRA program may be obtained from the Housing Officer on the 2nd Floor of the Municipal Building located at 222 N. Main St.
- All applicants are strongly advised to submit completed applications prior to beginning improvements so as to determine project eligibility.
- All applications for residential, commercial and industrial projects **MUST BE RECEIVED AND APPROVED PRIOR TO START OF CONSTRUCTION.**
- It is also recommended that property owners review and determine the accuracy of the property's current valuation with the County Auditor's Office prior to beginning any construction projects.