

# COMMUNITY REINVESTMENT AREA

*known more colloquially as “tax abatements” or “CRAs”*

The Community Reinvestment Area (CRA) Program is a direct incentive tax exemption program created by the State of Ohio to *aid property owners who renovate existing or construct new buildings*. It permits municipalities and counties to designate areas where investment has been discouraged and offer tax incentives to spur revitalization of the existing housing stock and new development.

# **The City of Cincinnati's entire municipal area is one CRA.** *DCED administers two programs, both targeting different goals:*

## → **Commercial Tax Abatements**

- *known as “Commercial CRAs” or “Commercial Tax Abatements”*



catalyze commercial, mixed-use, or multi-family development that might otherwise not occur



lower risk and operating expenses while increasing project viability and developer capacity

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## **Residential Tax Abatements**

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reduce barriers to homeownership by making residential development and renovations more accessible



help Cincinnati families grow within their neighborhoods



# RESIDENTIAL CRAS

## OVERVIEW:

- when you invest in renovations or build a new home, your property taxes go up, which can add an additional financial barrier for those hoping to renovate their homes or prospective homeowners hoping to construct a home (in particular, for low- to middle-income homeowners).
- residential CRAs make it possible for residents seeking renovations, improvements, or new housing construction to reduce their taxes by ***paying taxes on the pre-improvement value of their property for up to 15 years.***
- reduces barriers to residential development and renovations, ultimately ***helping to make homeownership more accessible*** and increasing project viability and project investment beyond what would otherwise be feasible.

## WHO CAN IT HELP?



**Homeowner hoping to make significant renovations**



**Homeowner wanting to invest in improvements**



**Potential homeowner hoping to construct a home**



# RESIDENTIAL CRAS

## HOW IS IT ADMINISTERED/MANAGED:

1

### APPLICATION SUBMISSION

- Once the project is complete and either a Certificate of Occupancy is issued or all permits are closed, the applicant may submit an application to DCED along with all required documentation.

2

### REVIEW AND PROCESSING

- A Development Officer will review the application and begin processing.
- Please allow up to 8 weeks for the application to be fully processed.

3

### APPROVAL AND NOTIFICATION

- Once approved, the applicant will receive an official approval letter.
- The approval is also forwarded to the Hamilton County Auditor's Office, which is responsible for assessing and determining the value of the improvements.

# NEIGHBORHOOD TIERS

## LIFT Neighborhoods

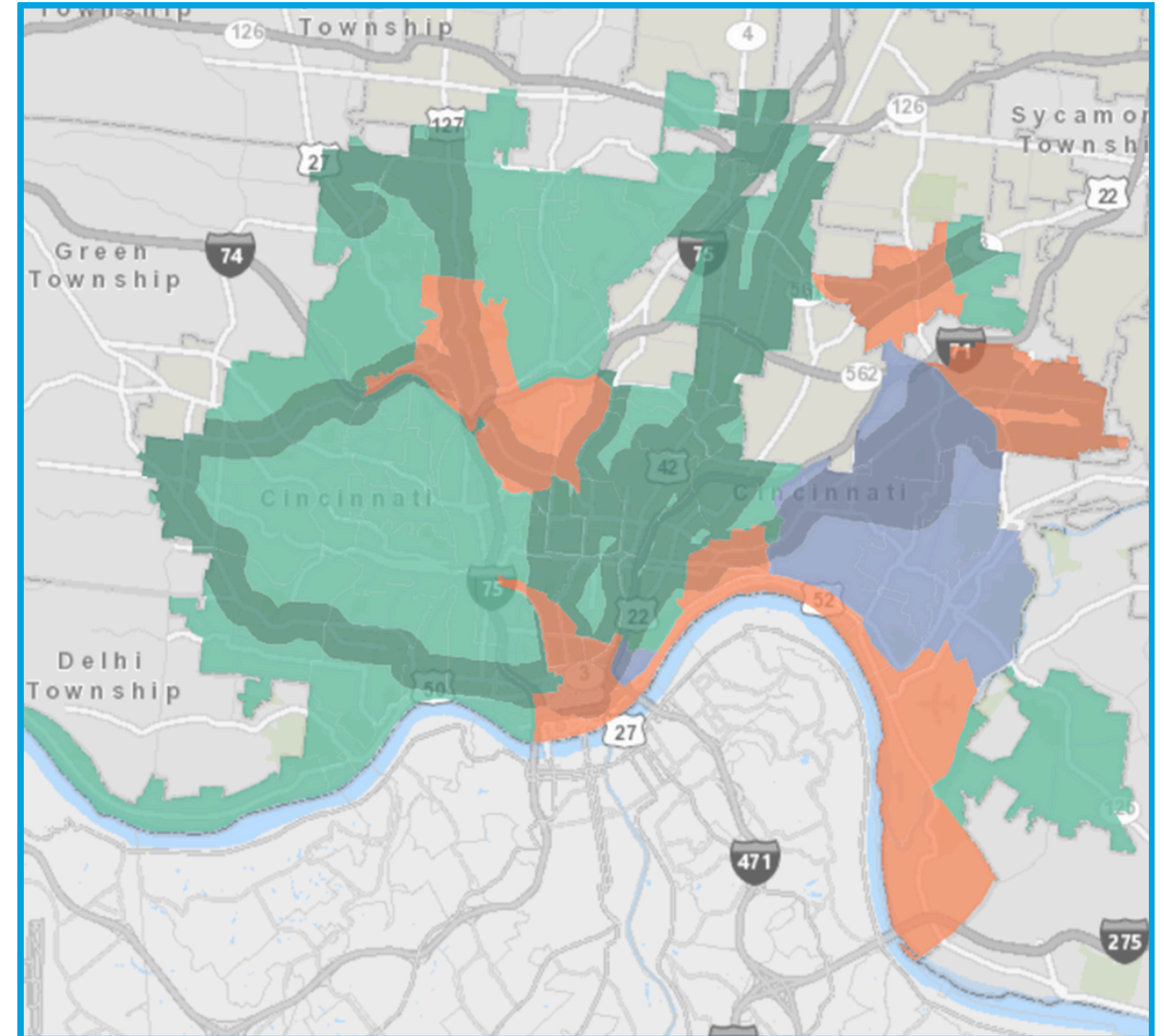
Avondale	Mt. Washington
Bond Hill	North Avondale
Camp Washington	North Fairmount
Carthage	Paddock Hills
College Hill	Queensgate
Corryville	Riverside
CUF	Roselawn
East Price Hill	Sayler Park
East Westwood	Sedamsville
English Woods	South Cumminsville
Evanston	South Fairmount
Hartwell	Spring Grove Village
Heights	Villages at Roll Hill
Kennedy Heights	Walnut Hills
Lower Price Hill	West End
Millvale	West Price Hill
Mt. Airy	Westwood
Mt. Auburn	Winton Hills

## EXPAND Neighborhoods

California	Madisonville
Clifton	Northside
Downtown	Over-the-Rhine
East End	Pendleton
East Walnut Hills	Pleasant Ridge

## SUSTAIN Neighborhoods

Columbia Tusculum	Mt. Adams
Hyde Park	Mt. Lookout
Linwood	Oakley





# INCENTIVES (UNDER 2023 PROGRAM REFORM)

**Baseline Incentive Table:**

LIFT Neighborhood	Abatement Term Length	Maximum Abated Increase in Market Improvement Value
Remodeling	15 years	\$350,000
New Construction	15 years	\$300,000
EXPAND Neighborhood	Abatement Term Length	Maximum Abated Increase in Market Improvement Value
Remodeling	12 years	\$350,000
New Construction	10 years	\$300,000
SUSTAIN Neighborhood	Abatement Term Length	Maximum Abated Increase in Market Improvement Value
Remodeling	8 years	\$250,000
New Construction	5 years	\$200,000

The following Bonus Incentives can be added to the relevant baseline maximum abated increase in market improvement value:

Bonus Incentive	Additional Amount of Maximum Abated Increase in Market Improvement Value
LEED Silver HERS Qualified Certified Environmental Programs	\$200,000
LEED Gold or Platinum LBC Qualified Net Zero, Full, or Petal – must include “Energy Petal”	\$300,000
Meets the Cincinnati Visitability and Universal Design Standards	\$50,000
Meets Visitability+	\$25,000 (in addition to \$50,000 for Visitability)
Missing Middle Bonus (2 to 4 units)	\$75,000 for 2 units \$150,000 for 3 units \$225,000 for 4 units
Public Transit Corridor Bonus (2 to 4 units)	\$75,000 for 2 units \$150,000 for 3 units \$225,000 for 4 units
Historic Restoration (50+ years old; remodeling only)	\$50,000

*Bonuses can be cumulative. For example, an environmental certification (LEED, LBC, or HERS) can be combined with Visitability, Visitability+, Historic Restoration, Missing Middle, and/or Transit Corridor bonuses.*



## HALE AVENUE TOWNHOMES

- 7 new townhomes in Avondale
- 10-year tax abatement
- Completed in 2023
- Avondale Development Corporation
- Land Values ranging from \$4k - \$6K
- Abated values @ \$275K









## KEY TAKEAWAYS:

- Eligible properties: 1–4 family dwellings and owner-occupied condominium units\*
- Minimum owner investment:
  - \$2,500 for 1–2 unit dwellings
  - \$5,000 for 3–4 unit dwellings
- Unpermitted work is **not** eligible
- Applications submitted at project completion or upon Auditor’s notice of new assessed value
- County Auditor (not the City) assesses improvement value
- To preserve abatement:
  - Remain in compliance with building code
  - Stay current on property taxes

*\*Nuances apply for rental condominium units — see official rules & regulations online.*



## AMERICAN DREAM DOWNPAYMENT INITIATIVE

Our American Dream Downpayment Initiative (“ADDI”) is a program that *provides down payment assistance of up to \$14,000 to lower- to middle-income first-time homebuyers* buying a single-family property in Cincinnati, through funding from the United States Department of Housing & Urban Development (“HUD”)

# ADDI

## OVERVIEW:

- Homeownership can be a pathway to housing stability and generational wealth-building for many, but rates of homeownership remain lower among lower- to middle-income populations.
- ADDI addresses ***one of the biggest hurdles to homeownership: the upfront cash*** needed for a downpayment.
- ADDI exists to:
  - ***make homeownership possible*** for families who might not otherwise afford it.
  - help stabilize Cincinnati neighborhoods by encouraging long-term homeowners.
  - invest federal housing funds directly into the community

## WHO CAN IT HELP?



**Prospective  
Homeowners**



# ADDI

## LOAN STRUCTURE:

- Depending on your household income, you may receive \$10,000, \$12,000, or \$14,000.
- This money is given as a forgivable loan. That means you don't make monthly payments, and you don't pay interest.
- Instead, ***each year you live in the home, 20% of the loan is forgiven.***
- After 5 years, the loan is completely forgiven. It's as simple as that!

## EXAMPLE

Say you receive **\$12,000 in ADDI assistance and sell the home after 3 years.** At that point, 60% (\$7,200) will have been forgiven, so **you would owe the City the remaining 40% (\$4,800).**

## WHO CAN IT HELP?



**Prospective  
Homeowners**

# HOW MUCH HELP CAN I GET?

The amount of assistance you receive depends on your household income compared to the Area Median Income (AMI):

- **66% – 80% of AMI** → \$10,000
- **51% – 65% of AMI** → \$12,000
- **50% or below AMI** → \$14,000

## 2025 Income Limits

Applicants must be 80% of Area Median Income (AMI) or Less (see table below):

Household Size:	1	2	3	4	5	6	7	8
80% AMI:	\$62,650	\$71,600	\$80,550	\$89,450	\$96,650	\$103,800	\$110,950	\$118,100
65% AMI:	\$50,900	\$58,200	\$65,450	\$72,750	\$78,500	\$84,300	\$84,300	\$95,950
50% AMI:	\$39,150	\$44,750	\$50,350	\$55,900	\$60,400	\$64,850	\$69,350	\$73,800

**Note:** All figures above are subject to change as published by HUD.



### EXAMPLE

- A single person making \$39,000 per year (about 62% of AMI) could qualify for \$12,000.
- A family of 5 making \$60,000 per year (about 62% of AMI for that household size) could also qualify for \$12,000.



# WHAT TYPES OF HOMES ARE ELIGIBLE?

What Is Allowed:	What Is <i>Not</i> Allowed:
<ul style="list-style-type: none"><li>• A single-family home</li><li>• A condominium</li><li>• A cooperative housing unit</li><li>• A manufactured home, with the land included</li></ul> <p><b>The Home Must:</b></p> <ul style="list-style-type: none"><li>• Be located within Cincinnati city limits.</li><li>• Have a purchase price at or below HUD's limits:</li><li>• \$228,000 for existing homes*</li><li>• \$345,000 for new construction*</li><li>• Pass a City housing code inspection (paid for by the City).</li></ul>	<ul style="list-style-type: none"><li>• Multi-family buildings (more than one unit).</li><li>• Homes outside Cincinnati city limits.</li><li>• Homes that fail the housing code inspection (unless the seller makes repairs).</li></ul>

*\*Effective September 1, 2024*

**Special Notes**

**Flood zone**

If the property is in a flood zone, flood insurance must be purchased and proof provided before closing.

**Eligibility carve-outs**

Displaced homemakers and single parents (with children or pregnant) can qualify even if they owned a home before.

# ADDI

## HOW IS IT ADMINISTERED/MANAGED:

1

### MORTGAGE PRE-APPROVAL

- Applicants work with a bank, credit union, or lender to get approved for a mortgage.
- Loans must be fixed-rate; no ARMs (adjustable-rate mortgages) allowed as they fluctuate based on market.

2

### APPLICATION

- Applicants complete application and documents, including: proof of income, bank statements, mortgage pre-approval, etc.
- Applications may only be submitted by paper (in person or by mail. No email or fax accepted.

2

### APPLICATION REVIEW & PRE-APPROVAL LETTER

- A Development Officer will review the application and begin processing.
- The City sends a pre-approval letter to applicant that identifies how much assistance they qualify for.
- Applicants then have 90 days to sign a purchase contract



4

## CONTRACT & INSPECTION

- Applicant must find a home that meets program rules before submitting the signed purchase contract and property legal description to the City.
- A City inspector is then scheduled to check the home meets safety and housing code standards. If repairs are needed, the seller must fix them before closing.

5

## LOAN DOCUMENTS

- The applicant's lender must provide documents such as:
  - Appraisal
  - TRID Loan Estimate
  - Closing Disclosure to the City.

6

## CLOSING

- Applicants sign a mortgage and promissory note with the City.
- ADDI funds are wired directly to the title company.
- Applicants get the keys to their new home!

# QR CODES

for more information,  
scan the QR codes to  
the right:



**DCED MAIN WEBSITE**



**ALL PROGRAMMING**



**RESIDENTIAL CRA**



**ADDI**





**QUESTIONS?**



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