



Frank G. Jackson, Mayor

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

**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. Amended by Ordinance No.76-12 effective May 16, 2012

**IMPORTANT NOTE: CURRENT TAX ABATEMENT ORDINANCE  
AUTHORITY EXPIRES JUNE 4, 2017. UNLESS A NEW  
ORDINANCE IS PASSED, ANY MULTI FAMILY PROJECT  
COMPLETED AFTER 6/4/17 WILL REQUIRE A DEVELOPMENT  
AGREEMENT WITH THE CITY OF CLEVELAND IN ORDER TO BE  
ELIGIBLE FOR TAX ABATEMENT UNDER SEPARATE ORDINANCE  
AUTHORITY.**

**NEW CONSTRUCTION**

Residential tax abatement is offered at a rate of **100%** for **15 years** on all new construction residential property in the City of Cleveland. **New Construction must meet the Cleveland Green Building Standard** in order to be eligible for tax abatement. Taxes on a newly constructed residential building (or residential portion of a mixed use building) are abated. The owner is liable 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 **12 years** on the **improved value of the residential property**. Example: The initial market value of a vacant building home is \$60,000.00 and the improvements made reflect a \$300,000 increase in the market value which is now assessed at \$360,000.00. The tax abatement will be placed on \$300,000.00 of the improved value of the property. The owner will only owe taxes on the initial \$60,000.00 during the 12 year abatement period.

**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 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 to build new or improvements.
- Real property must be within the City of Cleveland
- New Construction and Rehabilitation must meet the Cleveland Green Building Standard

**PROCESS**

\* **IF YOUR PROJECT WILL NOT BE COMPLETED BEFORE JUNE 4, 2017 AND A NEW ORDINANCE IS NOT PASSED YOU MUST CONTACT COMMUNITY DEVELOPMENT ABOUT ENTERING A TAX ABATEMENT DEVELOPMENT AGREEMENT. COMMUNITY DEVELOPEMNT WILL ITEMIZE ANY ADDITIONAL REQUIREMENTS AND CONDITIONS TO BE REQUIRED.**

- Applicant completes the tax abatement Application Part 1 with required attachments , and delivers hard copy it to Department of Community Development
- Community Development Department staff reviews application, notifies of applicant of additional information needed, if any . City council and school board are notified of complete applications. In most cases City issues a pre-approval letter confirming eligibility and required conditions.
- Applicant submits Application Part 2 after completing the project with certification that project meets the path selected for the Green Buidling Standard.

***RATE SCHEDULE EFFECTIVE MAY 30, 2007***

Single/Two Family	New Construction	100%, 15 Years
Multi-Family (3+)	New Construction	100%, 15 Years
Single/Two Family	Rehabilitation	100%, 10 Years
Multi-Family (3+)	Rehabilitation	100%, 12 Years

Submit to:  
Department of Community Development  
Attn: Cecilia Rodriguez  
601 Lakeside Avenue Room 320  
Cleveland, Ohio 44114  
(216) 664-3442 Office  
216-420-7965 Fax  
[Crodriguez2@city.cleveland.oh.us](mailto:Crodriguez2@city.cleveland.oh.us)

7/21/2011

Revised

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 <input type="checkbox"/>		Rehabilitation <input type="checkbox"/>		No of units; _____	
Mixed Use: <input type="checkbox"/>		School District		Ward:	Councilperson:

**City Funds in project :**  CDBG  HOME  HTF  AAH  NSP  OTHER \_\_\_\_\_

Projected Timeline							
Activity	Project Beginning	Acquisition	Site Preparation	Demolition / Clean-Up:	Infrastructure	Building Permit Issuance:	Project Completion:
Date							

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

Predevelopment Values	Value	Taxes
Land Value		
Bldg. Value		
Total Property Value		

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

Post Development Values	Total Cost	Taxes
Acquisition		
Investment		
<b>TOTAL</b>		

**Additional Required Documentation and Information:**

Provide itemized Sources and uses statement.

Provide projected rents (if applicable) with and without tax abatement

Provide copy of residential per unit construction proforma. For mixed use projects provide both the residential and the commercial proforma.

**Project Description**

Provide a detailed description of the project, including essential elements of the development (limit to one page)

Green Building Consultants/Verifier/Rater: \_\_\_\_\_

Attach a preliminary copy of a green building development plan, including any preliminary checklists associated with the selected path.

**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 box in second column below for the selected path for meeting the Green Building Standard.**

Third-Party Certification required for each path of the Cleveland Green Building Standard	Application Part 1 Check option	Application Part 2 Unique Project Identifier	Required Attachment(s) with Application Part 2
OPTION A: Enterprise Green Communities Certification – Affordable Housing			EGC Criteria Checklist; Energy model, HERS certification or ENERGY STAR certification as applicable
OPTION B: Enterprise Green Communities Compliance – Market Rate		N/A	EGC Certification Form (spreadsheet from City of Cleveland); Energy model, HERS certification or ENERGY STAR certification as applicable
OPTION C: LEED Silver Certification			LEED Checklist
OPTION D: National Green Building Standard (NGBS) Certification			NGBS Scoring Tool
OPTION E: Advanced Building Certification Programs			Applicable Scoring Checklist

Part 2 Submittal check list:

Green Building Standard third party certifications and required attachments (see table above)

Building Permit

Certificate of Occupancy (or finalized golden rod inspector sign off sheet)

**Signature of Applicant:** \_\_\_\_\_ **Date:** \_\_\_\_\_