



# CITY OF FREMONT, OHIO

COMMUNITY REINVESTMENT AREAS (CRA)  
INFORMATION SHEET  
(Revised June 2016)



## 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  | Pre-July 1, 1994 CRA  | Post-July 1, 1994 CRA   |
| Real Property   | Must be 100%  | Up to 100%**  |
| Personal Property   | None  | None  |
| Inventory   | None  | None  |
| <p>** The exemption percentage and term for commercial and industrial projects are to be negotiated on a project specific basis. If the proposed exemption exceeds 50%, local school district consent is required unless the legislative authority determines, for each year of the proposed exemption, that at least 50% of the amount of the taxes estimated that would have been charged on the improvements if the exemption had not taken place will be made up by other taxes or payments available to the school district. Upon notice of a project that does not meet this standard, the board of education may approve the project even though the new revenues do not equal at least 50% of the projected taxes prior to the exemption.</p> |   |   |
| Exemption Terms   | Pre-July 1, 1994 CRA  | Post-July 1, 1994 CRA   |
| Residential Remodeling (2 units or less; minimum cost of improvements of \$2,500)   | Up to 10 years as specified in the legislation that creates the CRA | Up to 10 years as specified in the legislation that creates the CRA |
| Residential Remodeling (more than 2 units; minimum cost of improvements of \$5,000)   | Up to 12 years as specified in the legislation that creates the CRA | Up to 12 years as specified in the legislation that creates the CRA |
| Residential New Construction  | Up to 15 years as specified in the legislation that creates the CRA | Up to 15 years as specified in the legislation that creates the CRA |
| Commercial and Industrial Remodeling (minimum cost of improvements of \$5,000)  | Up to 12 years as specified in the legislation that creates the CRA | Up to 12 years as negotiated and approved in the CRA agreement      |
| Commercial and Industrial New Construction  | Up to 15 years as specified in the legislation that creates the CRA | Up to 15 years as negotiated and approved in the CRA agreement      |

## 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
  - New construction



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- Remodel an attic into living area
- New additions to existing structure
- Install sun room
- Structural improvements to existing interior/ 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

- Scrape and paint
- Landscaping (lawns, shrubs, plants)
- Repair or replace porches and steps
- Repair siding
- Add or replace gutters or downspouts
- Install storm doors / replacement windows
- Install outdoor lighting
- Insulate and weatherstrip
- Install a new roof
- Repoint, repair, replace existing masonry
- Install, repair, replace driveway / sidewalk

### Interior Work

- Add electrical circuits or outlets
- Complete rewiring
- Replace plumbing
- Install or replace light fixtures
- Resurface floors
- Replace furnace
- Replace hot water heater
- Paint, wallpaper or other redecorating
- Closets, built-in bookcases or cabinets
- Remodel kitchen or bathroom
- Replace or refinish woodwork

## Where can applications be obtained?

- Applications for the CRA program may be obtained from the City's Housing Officer, Bob Gross, on the 3<sup>rd</sup> Floor of the Municipal Building located at 323 S. Front St. or by e-mailing Mr. Gross at [bgross@fremontohio.org](mailto:bgross@fremontohio.org).
- Residential applicants (1, 2, 3 family units) are strongly advised to submit completed applications prior to beginning improvements so as to determine project eligibility.
- Applications for multi-family (4+ family units) and commercial/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.

## What is the CRA application process?

- Residential applicants (1, 2, 3 family units, including condominiums) – submission of a completed application (in case of condominiums, 1 for each unit) to the Department of Development for project eligibility determination.
- Multi-family (3+ family units) and commercial/industrial projects – submission of a completed application along with a supplemental application that certifies payroll and compliance with employee Living Wage requirements (REF ORDINANCE??) to the Department of Development for project eligibility determination. Projects generating \$1,000,000 or more in payroll will require additional individualized documents.



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- 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 potential?? tax 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. A property owner may appeal any decision of the Housing Officer to the CRA Housing Council.