

**City of Cleveland's  
Community Reinvestment Area Program  
Residential Tax Abatement  
Single and Two Family Structures**

**The City of Cleveland's Residential Tax Abatement Policy is  
designed to stimulate private investment through job creation,  
neighborhood stabilization and residential development**



**CITY OF CLEVELAND  
Mayor, Frank G. Jackson**

**Tania Menesse, Director  
James Greene, Commissioner & Housing Officer  
(216) 664-3442  
(216) 664-4000**

**Department of Community Development  
601 Lakeside Avenue – Room 320  
Cleveland, Ohio 44114**

**Revised 6/28/2019**

## 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. 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, and has since been amended by: Ordinance No. 76-12, effective May 16, 2012, and Ordinance 244-17, passed May 22, 2017 and effective May 24, 2017.

### CRITERIA 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 home are abated. The owner is liable for all taxes associated with the after improved value of the land only. During the term of the abatement, the land taxes may change due to changes in the tax rate and/or changes in assessed value of the land.

### CRITERIA REHABILITATION

Residential property owners/developers rehabilitating single and two-family homes where the remodeling costs, as evidenced by true and accurate permits as further described in these instructions, are greater than \$2,500.00 can receive tax abatement at a rate of **100%** for **15 years** on the value of the remodeling improvements to the home. In order to be eligible to participate in the tax abatement program, all improvements must be evidenced by true and accurate building permits issued by the City of Cleveland Department of Building and Housing. Substantial and Moderate Rehabilitation of an entire house **must meet the Cleveland Green Building Standard** in order to be eligible for tax abatement. Example: The initial market value of a home is \$60,000.00 and the improvements made to the home reflect a \$30,000.00 increase in the market which is now established at \$90,000.00. The tax abatement will be placed on \$30,000.00 of the improved value of the home. The owner will owe taxes on the initial \$60,000.00.

*\* Real property must be within the City of Cleveland*

### **ONLY IMPROVEMENTS THAT INCREASE THE ASSESSED VALUE OF RESIDENTIAL PROPERTY TAXES ARE ELIGIBLE:**

Green Building Standard Required:

- \* Substantial Rehabilitation of entire house
- \* Moderate Rehabilitation of majority of house *See Cleveland Green Building Standard Handbook guidance regarding distinction between Moderate and Substantial Rehabilitations.*

Green Building Standard NOT Required:

- \* Build new or enlarge garage
- \* Room addition
- \* Install additional bathroom
- \* Add new porch
- \* Install stall shower
- \* Install indoor fireplace
- \* Finish attic, second floor or bedroom with paneling, plaster or plasterboard

**CRITERIA**  
**REHABILITATION**

**IMPROVEMENTS THAT DO NOT INCREASE THE ASSESSED VALUE OF RESIDENTIAL PROPERTY TAXES ARE NOT ELIBLE UNLESS INCIDENTAL TO A WHOLE HOUSE REHABILITATION:**

- \* Install new roof
- \* Install aluminum siding; repair siding
- \* Install storm windows and doors
- \* Add windows and doors
- \* Repair, replace, add window shutters
- \* Install awnings
- \* Add/replace gutters and downspouts
- \* Repoint, repair, replace masonry
- \* Add window boxes
- \* Repair, replace porches and steps
- \* Install lawn sprinkling system
- \* Plant lawns, shrubs, grass, plants
- \* Scrape and paint house
- \* Install, repair, replace sidewalks/driveway
  
- \* *Normal repairs and maintenance will not increase the real estate tax assessment of your home.*

**NOTE:** The above items do not increase your property value unless a complete remodel is done to the entire property that includes mechanicals.

**Removal of dilapidated sheds or garages will result in those items being removed from the tax duplicate. For clarification on all matters dealing with real estate taxes, contact the Office of the Cuyahoga County Auditor at (216) 443-7010.**

**COMMUNITY REINVESTMENT AREA PROGRAM  
RESIDENTIAL TAX ABATEMENT  
SINGLE AND TWO FAMILY STRUCTURES  
HOW TO APPLY**

**STEP I – GREEN DEVELOPMENT PLAN & BUILDING PERMIT**

Every project that requires meeting the Cleveland Green Building Standard must begin by hiring a third-party consultant qualified to certify compliance for the selected Cleveland Green Building Standard option (“Green Verifier”). Then, begin with a Green Development Plan developed by the owner, Green Verifier, design professional, and the builder/contractor.

The Applicant must obtain a true and accurate Building Permit from the Department of Building and Housing, 5<sup>th</sup> Floor of Cleveland City Hall for *all* improvements for which a tax abatement application is to be submitted. The permit must state the true value of costs to build new or remodel. The permit must require the applicant to obtain a Certificate of Occupancy upon completion of the construction or remodeling. Improvements not evidenced by true and accurate permit(s) properly obtained at the time of the construction or remodeling’s commencement will not be eligible for participation in the tax abatement program.

**STEP II – CONSTRUCTION/REMODEL**

Begin construction or remodel. **IMPORTANT:** The Applicant is responsible for scheduling construction inspections and providing documentation to the Green Verifier. The inspections are required at certain points during the construction process and will vary depending on type of project and green building program.

**STEP III – COMPLETION**

After the work is completed and the Golden Rod/Sign-Off Sheet has been finalized by all required Inspectors, the Golden Rod/Sign-Off Sheet must be taken to the Record Room of the Department of Building and Housing to generate the Certificate of Occupancy. The Certificate of Occupancy will be mailed to the applicant.

**STEP IV**

The Applicant completes the Residential Tax Abatement Application and mails or emails it to the Department of Community Development with copies of the Building Permit and Certificate of Occupancy (or finalized Golden Rod/Sign-Off Sheet), all necessary third party verification of compliance with Cleveland Green Building Standards attached (*see checklist attached to this Application for full list of necessary documents*), and all applicable supplemental documentation described in the checklist below. If the property is being sold and a purchase agreement is available after receipt of the Certificate of Occupancy or Golden Rod/Sign-Off Sheet, a copy of this document must be attached to the application. If this sale has already been completed, a copy of the final settlement statement or Closing Disclosure must be attached as well.

**STEP V**

The Housing Officer for the Residential Tax Abatement Program reviews the application along with the required documents for completeness. If the application and supporting documentation meets the requirements of the program, the Housing Officer processes the application for tax abatement. The Housing Officer sends an original confirmation letter to the applicant and a copy to the Auditor’s Office. If the property is being sold, it is the responsibility of the Applicant to send a copy of the confirmation letter to the new homebuyer.

**STEP VI**

The Cuyahoga County Auditor’s Office has a dual role in the process of the Residential Tax Abatement Program:

- 1) The appraisers review each remodel and new construction permit issued in the City of Cleveland. Upon the appraiser’s field inspection and verification that the property is at least 35% complete (new construction); value will be added to that property. Value is placed on the tax duplicate in January of each year. Example: A permit issued to construct a new home on March 22, 2007 will be field inspected by the County Appraiser in 2008. If the house is 35% complete (exterior walls and roof), value will be placed on the tax duplicate for the January 1, 2008 tax year with the tax payment due January, 2009.
- 2) Second, once the tax abatement application has been submitted to the Cuyahoga County Auditor’s Office, they will adjust the tax duplicate accordingly.

**COMMUNITY REINVESTMENT AREA  
RESIDENTIAL TAX ABATEMENT PROGRAM  
ONE AND TWO FAMILY STRUCTURES**

**GUIDELINES**

The Tax Abatement Application must be completed in its entirety with all required documents attached to be eligible. The application is forwarded to:

**City of Cleveland, Department of Community Development  
Attn: Division of Neighborhood Development  
601 Lakeside Avenue – Room 320  
Cleveland, Ohio 44114  
(216) 664-3442  
(216) 664-4000  
[CD-tax@clevelandohio.gov](mailto:CD-tax@clevelandohio.gov)**

Applications for single and two family homes are filed at the time the building construction or remodel of the residential property is completed and a Certificate of Occupancy (or finalized Golden Rod/Sign-Off Sheet) has been issued from the Department of Building and Housing.

Applications are processed in the order they are received. If the application is missing any information, the application will be returned as incomplete and processing time will restart upon submission of the missing documentation.

**All applications must be filed and processed with the City of Cleveland by November 1<sup>st</sup> of the following year in which the Building Permit was issued to ensure the abatement is in place before the next tax year. Failure to adhere to this guideline will result in the owner losing years on the abatement and owing taxes the first year in the home.**

**TERMINATION:**

The City of Cleveland may terminate the tax exemption after the first year if the Housing Officer finds that the property is not being properly maintained or repaired due to the neglect of the owner, the taxes have become delinquent, or the Green Building Standard documentation is incomplete or inaccurate; and once terminated, the City shall not reinstate the tax exemption.

**COMMUNITY REINVESTMENT AREA PROGRAM  
RESIDENTIAL TAX ABATEMENT  
SINGLE AND TWO FAMILY STRUCTURE APPLICATION**

*Prior to submitting application please confirm that all items listed on the Submission Checklist have been attached to the application.*

Applicant Name (Print)	Address/City/State/Zip	Phone/fax	E-mail
Seller (If not applicant)	Address/City/State/Zip	Phone/fax	E-mail

**Property Profile**

Address	Permanent Parcel Number	Ward	No. of units (circle one) 1    2	New Construction Rehabilitation
Current Market Value Before Sale *	Current property Tax	Price paid for property before Improvement	Date of purchase	Cost of Construction / Improvements

**Is this project receiving City funds? Circle one:** CDBG   HOME   HTF   AAH   NSP   N/A

\*Market value and tax as shown on County Fiscal Officer's website @ [myplace.cuyahogacounty.us](http://myplace.cuyahogacounty.us)

**Buyer information (if improved property is sold/to be sold)**

Buyer (If applicable)	Address/City/State/Zip	Purchase agreement (copy attached) Yes    No
Current sale price or Estimated sale price	Date sold	Estimated property tax on sale price

**Permit Profile**

BLDG. Permit No. (attach copy)	Date of permit	Estimated cost shown on permit	Date of certificate of occupancy or sign off (attach copy)	Neighborhood

Please include a unique project identifier (provided by the third-party rating system) and the required attachments for one of the following options:

Options for Complying With the Cleveland Green Building Standard	Required Certifications and Attachment(s)
OPTION A: Enterprise Green Communities Certification – Affordable Housing	Certification through the on-line Enterprise Green Communities Certification Portal; EGC Certification Form by Green Verifier, HERS certification, ENERGY STAR certification and reports as applicable
OPTION B: Enterprise Green Communities Compliance – Market Rate	EGC Certification Form by Green Verifier (spreadsheet from City of Cleveland); Energy model, HERS certification, ENERGY STAR certification and reports as applicable
OPTION C: LEED Silver Certification	LEED Checklist and Certification Document
OPTION D: National Green Building Standard (NGBS) Certification	NGBS Scoring Tool and Certification Document
OPTION E: Advanced Building Certification Programs	Applicable Scoring Checklist and Certification Document

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

The Tax Abatement Application must be completed in its entirety and all required documents attached to be eligible. Mail or email as one PDF file the completed application to:

City of Cleveland, Department of Community Development  
Division of Neighborhood Development  
601 Lakeside Avenue – Room 320  
Cleveland, Ohio 44114 (216) 664-3442  
[CD-tax@clevelandohio.gov](mailto:CD-tax@clevelandohio.gov)

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**COMMUNITY REINVESTMENT AREA PROGRAM  
RESIDENTIAL TAX ABATEMENT  
SINGLE AND TWO FAMILY STRUCTURE APPLICATION – SUBMISSION CHECKLIST**

	<b>Application Form:</b> Completed Community Reinvestment Area Program Residential Tax Abatement Single and Two Family Structure Application, signed by Applicant.
	<b>Permit Documentation:</b>
	a. Building Permit(s) showing the true and accurate description and cost of all work completed.
	b. Final Certificate of Occupancy or Goldenrod Sign-off signed by all Inspectors and stamped as “Received” by the Department of Building and Housing.
	<b>Evidence of Improvements and Resulting Value:</b>
	a. For rehabilitation projects, chose one of the two options below: <ul style="list-style-type: none"> <li>i. Submit an itemized scope of work with all estimated costs, and submit before and after photos of all rehabilitation work; or</li> <li>ii. Submit the final contractor’s invoice(s) for all rehabilitation work.</li> </ul> <p><i>Contact the Department of Community Development with questions on this documentation.</i></p>
	b. For for-sale projects (new and rehabilitation), provide a copy of the Purchase Agreement and final settlement statement or Closing Disclosure evidencing sale to final homebuyer.
	<b>Green Building Documentation:</b>
	<i>For projects selecting a compliance path other than Enterprise Green Communities, contact the Department of Community Development in advance of your submission.</i>
	a. City of Cleveland Green Communities Certification Form and Checklist completed in full and signed by Green Verifier. Forms missing verification of any Mandatory Criteria or evidencing less than the minimum Optional Points for the project will not be accepted.
	b. HERS Certificate.
	c. RESNET Disclosure signed by the Green Verifier or other disclosure form(s) completed by Green Verifier as part of Green Communities Certification process.
	d. For new construction projects only, an Energy Star certificate and associated Energy Star reports.
	<b>Additional Documentation:</b> Other documentation as may be requested or required by the Housing Officer.