



Community Meeting Aragon-Oak Park Neighborhood

November 29, 2023, 6 to 7:30 pm
Charles I Lathrem Senior Center



What is a CRA?

- CRA stands for **Community Reinvestment Area**.
- CRAs are designated neighborhoods where property owners can receive property tax incentives for investing in real property improvements.
- CRA programs are designed to spur reinvestment of existing housing stock and encourage new residential development to revitalize neighborhoods.
- Eligible property owners who renovate existing properties or construct new buildings can receive a direct incentive tax exemption on real property. In some cases this can be significant savings over the 10 year life of the abatement.
- While this is Kettering's first CRA, this is a common tool in Ohio. (Columbus has 31 citywide; Dayton has 18; other cities with CRAs include Springfield, Vandalia, Miamisburg, Akron, Canton, Wooster, Troy Fairview Park, Cincinnati, Plain City, Mount Vernon, Blue Ash, among others.)

How does a CRA work?

When you build a new home or invest in renovation of your property you may notice your real property taxes increase. The reason is because improvements to a property make the property's value, and real property taxes increase. The property value and real property taxes are calculated as a percentage of the taxable real property value. A real property tax abatement in a CRA makes it possible for property owners to avoid a portion of the tax increase caused by the improvements over a 10-year period.

-- North College Hill website

Kettering's CRA

- Under Kettering's legislation the tax abatement is a 75% exemption for 10 years. This abatement is available for remodeling, renovation, and new construction (including demolition for new construction) if:
 - The single-family residence or one unit of a duplex is occupied by the owner, and
 - The cost of the remodeling or demolition and new construction is \$20,000 or more.

Again, the abatement only applies to the increase in value of the property. The taxes on the underlying value will remain.

Map of Kettering's CRA



What qualifies?

Not all home improvements qualify for abatement.
Improvements must increase the residential property's value
by at least \$20,000.

Improvements that MAY qualify for Tax Abatement

- Building a new porch
- Adding a garage
- Remodeling an attic into living space
- Installing a sun room
- New additions to the structure
- New construction
- Structural improvements
- Complete rehabs

What doesn't qualify?

Improvements that likely WILL NOT qualify for Tax Abatement:

- Interior or exterior paint
- Landscaping or outdoor lighting
- General repair of steps, railing, siding or gutters
- New roof or windows
- Remodeling kitchen or bathrooms
- Install, repair or replace a driveway or sidewalk
- Interior work (electrical, plumbing, mechanicals, flooring)

General maintenance is not considered eligible for CRA tax abatement.

Example of Property Tax Abatement

City of Kettering Community Reinvestment Area Savings Analysis		
New Construction		
Components	UNABATED	CRA ABATED
Appraised Land Value	\$ 50,000.00	\$ 50,000.00
New Construction Improvement Value	\$ 300,000.00	\$ 300,000.00
Total Appraised Home Value	\$ 350,000.00	\$ 350,000.00
Abated Value	0	(\$225,000)
Total Taxable Value	\$122,500.00	\$43,750.00
Total Effective Residential Millage	76.0	76.0
TOTAL Tax Before Rollback/Credits	\$9,310.00	\$3,325.00
Annual Savings		\$5,985.00
10 Year NPV Savings @ 6%		\$44,050.12

City of Kettering Community Reinvestment Area Savings Analysis		
Renovation		
Components	UNABATED	CRA ABATED
Appraised Land Value	\$ 50,000.00	\$ 50,000.00
Appraised Improvement Value	\$ 250,000.00	\$ 250,000.00
New Renovation Value	\$ 50,000.00	\$ 50,000.00
Total Appraised Home Value	\$ 350,000.00	\$ 350,000.00
Abated Value	0	(\$37,500)
Total Taxable Value	\$122,500.00	\$109,375.00
Total Effective Residential Millage	76.0	76.0
TOTAL Tax Before Rollback/Credits	\$9,310.00	\$8,312.50
Annual Savings		\$997.50
10 Year NPV Savings @ 6%		\$7,341.69

Application Process

- 1.) Homeowners will complete the CRA application and return all documents to the City's Housing Officer.
- 2.) City will review the application and documents to ensure completeness and eligibility.
- 3.) Once the City is satisfied that the work has been completed, the City will contact the Montgomery County Auditor's office. The Auditor's Office will determine your new tax valuation with the CRA abatement.
- 4.) Property owner will enjoy tax savings for 10 years.

Application



CITY OF KETTERING

APPLICATION FOR RESIDENTIAL TAX ABATEMENT

CITY OF KETTERING COMMUNITY REINVESTMENT AREA
RENOVATION AND NEW CONSTRUCTION

Instructions: Please complete the information on pages 1-2 of this document and submit to the Housing Officer along with the required supporting documentation. Please read and retain the information on page 3 for your records. Please make and retain a copy of this application and all supporting documents prior to submitting these materials.

Address of subject property: _____ Zip: 454 _____

Montgomery County Auditor Parcel ID#: _____ - _____ - _____ Year Residence Built _____

The subject property must be located within the City of Kettering's Community Reinvestment Area.

Name of real property owner(s): _____ Phone: _____

Address of real property owner(s): _____

Applicant e-mail address: _____

Other Housing Programs for Residents

- Housing Rehabilitation Loan Program – Comprehensive & Minor Repairs
- Emergency Home Repair Grant
- Handicapped Accessibility Grant
- Lead Based Paint Abatement Grant
- Air Quality Improvement Forgivable Loan
- Homebuyer Assistance up to \$10,000 Forgivable Loan
- Housing Counseling for homebuyers & foreclosure prevention
- Fair Housing training for Landlords
- Utility Assistance for residents (pandemic related needs and current on housing payments)
- Most housing programs are limited to residents under 80% AMI:

Household Size	1	2	3	4	5	6	7	8
Household Income	\$49,850	\$57,000	\$64,100	\$71,200	\$76,900	\$82,600	\$88,300	\$94,000

Questions?

City of Kettering's Planning & Development
Department / Housing Officer

**Angela Rahman, Community Development
Manager**

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City of Kettering – City Manager's Office

Amy Schrimpf, Economic Development Manager

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