

ORDINANCE NO. 476-2019

Department of Community Development Executive Summary

Legislative Request:

Authorizing the Director of Community Development to apply for, accept and expend miscellaneous grant funds, including grant funds to be awarded through The Cleveland Foundation, for purposes of engaging a consultant, subject to Board of Control approval, to complete certain tax policy and tax abatement program research; Authorizing the Director of Community Development to enter into agreement(s) as necessary to carry out the acceptance and expenditure of these miscellaneous grant funds.

Purpose:

In 2018, leaders from City Council and the Mayor's Administration began convening community experts to discuss housing and commercial market demand in all neighborhoods, access to housing and jobs, and issues around displacement. Over the course of 2018 and early 2019, these discussions evolved into the Equitable Community Development Working Group (the "Working Group").

The Working Group is dedicated to developing an Equitable Community Development Strategy that is both community driven and based on research. Building on Mayor Jackson's Neighborhood Transformation Initiative, the Equitable Community Development Strategy will continue the work of moving the community towards greater opportunity for all residents and away from the nation's legacy of housing segregation. Phase I of the Equitable Community Development Strategy is focused on a comprehensive property tax policy and tax abatement program research study that will contemplate: 1) What will continue to promote development and housing options for all across the City at multiple price points and products; 2) How to protect current, long-term residents from displacement; and 3) What kind of tools should be in a strategic toolkit that is responsive to different neighborhoods and/or leverage various assets like transit and jobs.

As such, the Department of Community Development seeks funding assistance from The Cleveland Foundation and other miscellaneous grants in order to commission a study by an independent consultant on the City's current property tax policies and tax abatement program, and to help determine if there is an

approach to property tax policy and the tax abatement program that is more strategic, equitable, and responsive to current market conditions across the City.

An objective yet expert consultant will guide this process through comprehensive research that includes:

- An analysis of the existing residential property tax policy in Cleveland, including the historical and current deployment of projects receiving Residential Tax Abatement, at the Citywide, neighborhood, and parcel level.
- A cursory literature and research review of best practices.
- Policy recommendations that consider tiers and/or structures in the residential tax abatement policy based on the successes of best practices nation-wide.

The Department of Community Development is planning to issue a Request for Proposals to prospective research firms in mid-April, with a proposed Vendor selection date in June, and contracting with the selected Vendor to follow. The contract will be funded entirely from the grant funds to be received from The Cleveland Foundation and other miscellaneous grants.