

City of Dayton, Ohio Community Reinvestment Areas - Residential Projects

Community Reinvestment Areas (CRAs) are designated areas within Dayton that have been authorized by the City of Dayton and the State of Ohio to offer tax incentives. The purpose of the program is to encourage investment within a targeted area that will improve real property. The property tax that is assessed due to improvements made to real property is reduced (exempted) by a predetermined percentage for a predetermined period. Commercial and industrial exemption percentages and terms are negotiated.

The tax paid by owners of real property is based on the current tax rate and the current appraised property value as determined by the Montgomery County Auditor's Office (<http://www.mcreatestate.org/Main/Home.aspx>). Improvements to real property usually increase the property value and therefore increase your tax liability. If you own property located in a designated CRA and you make improvements that increase the value of your property, the tax may be calculated using the previous lower value of your property that existed prior to the improvements. Depending on the guidelines within the CRA district, your property tax liability resulting from the improvements may be substantially reduced for a specified time and amount.

The existing property tax and property tax value can fluctuate for reasons beyond the authority of a CRA district (i.e. rate increases, appreciation, levies, assessments for sidewalks, street lighting, etc.) The CRA program does not eliminate or reduce the tax or tax values of land or existing structures.

Contact **Cynthia Long** at cynthia.long@daytonohio.gov or 937-333-3624 to determine if your property is located within a CRA, whether the improvements planned for the property qualify for tax exemptions, and to request an application form. Below are the steps required for participation in the Residential CRA program.

- Within six (6) months **after the completion** of the improvements, submit the completed application with supporting documentation to the City of Dayton Division of Development, 101 W. 3rd. Street, Room 430, Dayton, Ohio 45402 or cynthia.long@daytonohio.gov. You must submit copies of the appropriate permits required by the city, state, and other agencies.
- Staff will evaluate the application for completion and accuracy before being signed by the Housing Officer and forwarded to the Montgomery County Auditor's Office.
- The Montgomery County Auditor's office will review the application and make notations to your property tax record to indicate the City has certified your property for residential tax exemptions at the rate and term authorized under the CRA designation.
- Following the completion of the improvements, Montgomery County appraisers will determine the value of the improvements.
- If the property has been granted the tax exemption certification, the property tax due for the following year will continue to be calculated using the prior year's appraised value as the basis. If the property has not been afforded tax exemptions under the designated CRA program, in the following year the property tax will be calculated using the new appraised value. Please note that the Montgomery County Auditor's office will not notify you of any exemption: the exemption will appear on your tax bill. You may also find the exemption under the legal description for the parcel at <http://www.mcreatestate.org/search/commonsearch.aspx?mode=address>.
- Reporting – Annual reports are required, detailing investments, taxes, & jobs.