



LEGISLATIVE COVER MEMO

Introduction: July 7, 2025

Agenda Item: **Resolution 2025-39**

ESTABLISHING COMMUNITY REINVESTMENT AREA #5

Submitted by: Karisa Steed, Assistant City Manager

Scope/Description: A resolution for the establishment of Community Reinvestment Area #5. This Community Reinvestment Area #5 will be in addition to the City's existing four community reinvestment areas numbered #1 through #4.

Exhibit:
Exhibit A – Housing Survey
Exhibit B – Description of Community Reinvestment Area #5

Budget Impact: None.

Recommendation: Approval

CITY OF FRANKLIN, OHIO
RESOLUTION 2025-39

A RESOLUTION ESTABLISHING AND DESCRIBING THE BOUNDARIES OF COMMUNITY REINVESTMENT AREA #5 IN THE CITY OF FRANKLIN, AND AUTHORIZING AND APPROVING RELATED MATTERS

WHEREAS, Sections 3735.65 through 3735.70 (the "CRA Act") of the Ohio Revised Code ("ORC") provide that the City of Franklin, Ohio (the "City") may grant certain exemptions from real property taxation with respect to new construction or remodeling efforts within an area designated by the Council of the City (the "Council") as a Community Reinvestment Area ("CRA"); and

WHEREAS, the City currently has four (4) existing CRA areas numbered #1 through #4, each of which were established under a version of the CRA Act in effect before July 1, 1994 (the "Existing CRA Areas"); and

WHEREAS, the City desires to establish a fifth (5th) CRA area under the version of the CRA Act in effect as of the date of this Resolution (as further defined herein, "Community Reinvestment Area #5"); and

WHEREAS, this Council has determined that one or more housing facilities or one or more structures of historical significance are located, and new construction or repair of existing facilities has been previously discouraged, in the area comprising the Community Reinvestment Area #5, all pursuant to the Housing Survey (as defined herein) conducted by the City, and Council further desires to ratify the findings of that Housing Survey in making the determinations necessary to establish Community Reinvestment Area #5; and

WHEREAS, the remodeling of existing structures and the construction of new structures within the Community Reinvestment Area #5 will serve to encourage economic stability, maintain real property values, generate new employment opportunities, and constitutes a public purpose for which the City may grant real property tax exemptions; and

WHEREAS, this Council now desires to describe the boundaries of the Community Reinvestment Area #5, and establish the terms by which the City may authorize certain exemptions from real property taxation.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Franklin, State of Ohio, that:

SECTION 1. Determinations of Council. Pursuant to the Housing Survey conducted by the City attached hereto as **EXHIBIT A** and included herein by reference (the "Housing Survey"), this Council determines that the area described in **EXHIBIT B**, attached hereto and incorporated herein by reference, constitutes an area in which one or more housing facilities or one or more structures of historical significance are located and in which new construction or repair of existing facilities has been discouraged. The City hereby ratifies the determination that the Housing Survey is currently applicable to Community Reinvestment Area #5 and adopts the findings included in said Housing Survey.

SECTION 2. Establishment of Community Reinvestment Area #5. Pursuant to Section 3735.66, this Council hereby establishes "Community Reinvestment Area #5," the boundaries of which are described by **EXHIBIT B**. The Clerk of Council shall retain on file a copy of **EXHIBIT B**.

SECTION 3. Designation of Housing Officer. Pursuant to ORC Section 3735.66, the City hereby designates the City's Zoning Officials, collectively, as the "Housing Officer" with respect to Community Reinvestment Area #5. The Housing Officer shall be responsible for administering and implementing the provisions of this Resolution and ORC Sections 3735.65 to 3735.70.

SECTION 4. Property Classifications.

A structure comprised of three (3) or more units used for rental residential purposes (any such structure, a "Multi-Family Structure") shall be classified as a residential structure for purposes of Community Reinvestment Area #5.

A structure comprised of two (2) or fewer units that is used for residential purposes, whether such residential purposes relate to rentals to tenants or sales to Owner-Occupants (defined below), shall be classified as a residential structure for purposes of Community Reinvestment Area #5 (any such structures, "Single-Family Structures" and together with the Multi-Family Structures the "Residential Structures").

SECTION 5. CRA Exemptions for Residential Structures. The following maximum terms and exemption percentages from real property taxation for Residential Structures located upon real property within the Community Reinvestment Area #5 (together, the "Residential CRA Exemptions") shall apply:

(ii) For new construction of Residential Structures, up to, and including, fifteen (15) years, and up to, and including, Seventy Five Percent (75%) of the assessed value of the newly constructed Single-Family Structure.

SECTION 6. Residential CRA Exemption Application. A real property owner who plans to construct multiple Residential Structures (a "Residential Developer") on either a single parcel or a continuous assemblage of adjoining parcels that together constitute a single, unified development site (any such parcel or assemblage of parcels, a "Residential Development Site") may submit an application for Residential CRA Exemptions that will apply to all newly constructed Single-Family Structures on the Residential Development Site (a "Residential Developer CRA Application"). Notwithstanding that the CRA Act does not require a written Community Reinvestment Area Agreement for exemptions granted to Residential Structures, the City shall nonetheless require that a Residential Developer submitting a Residential Developer CRA Application enter into a written community reinvestment agreement with the City (a "Residential CRA Agreement"). Any such Residential CRA Agreement need not comply with the requirements of ORC 3735.671. Prior to entering into any Residential CRA Agreement, however, the Residential Developer shall file a proper Residential Developer CRA Application (in the form on file with the Clerk of this Council) with the Housing Officer. Upon receipt by the Housing Officer of a properly filed Residential Developer CRA Application, the owner of the real property and the City shall negotiate the final term and percentage of the Residential CRA Exemptions applicable to the Single-Family Structures on the Residential Development Site. Every Residential CRA Agreement shall be negotiated on a case-by-case basis and entered into in advance of the commencement of the construction of Residential Structures on the Residential Development Site. In addition, each Residential CRA Agreement must include, without limitation, a provision requiring the Residential Developer to assign (either in whole or in part) the Residential Agreement to future bona fide purchasers of any portion of the Residential Development Site. The requirement to assign shall be reasonably calculated so that eventual Owner-Occupants of Single-Family Structures on the Development Site shall each receive the benefit of Residential CRA Exemptions originally negotiated and agreed upon between the City and the Residential Developer. The City shall obtain this Council's formal approval prior to the City's execution of any Residential CRA Agreement entered into pursuant to this Resolution. The City shall grant and formally process the Residential CRA Exemptions in the manner defined by the Residential CRA Agreement.

In the event any real property that has received a Residential CRA Exemption is used for a commercial or industrial purpose instead of for single-family residential use, the Residential CRA Exemption applicable to the real property shall be null and void as of the January 1st following the year in which construction or remodeling in furtherance of the commercial or industrial purpose commenced.

SECTION 7. Additional Conditions of CRA Exemptions. The following additional conditions shall apply to the Residential CRA Exemptions granted by the City within the Community Reinvestment Area #5. Residential CRA Agreements entered into by the City shall include terms not inconsistent with this Section 7 herein.

(i) All owners of real property shall pay all real estate taxes and charges not subject to a CRA Exemption pursuant to this Resolution when due. In the event that an owner fails to pay all real estate taxes and charges not subject to a CRA Exemption pursuant to this Resolution when due, and any such taxes and charges remain delinquent for a period of more than twelve (12) months, the owner must provide evidence to the Housing Officer that the Warren County Treasurer's Office has approved a payment arrangement with respect to such delinquent real estate taxes and charges. If real estate taxes and charges remain delinquent for a period of more than twelve (12) months and the owner cannot provide evidence of a payment arrangement or the owner defaults in making payments under a payment arrangement with the Warren County Treasurer's Office, the Housing Officer may deny any CRA Application or revoke any CRA Exemption pursuant to Section 8 herein.

(ii) All structures subject to a CRA Exemption shall comply with all applicable City zoning, building, and health codes. The Housing Officer may deny any CRA Application with respect to a structure in violation of any applicable City zoning, building, or health codes where construction or remodeling would not otherwise remedy such violation. Additionally, the Housing Officer may revoke any CRA Exemption where violations of City zoning, building, or health codes with respect to a structure or structures have existed for a period in excess of three (3) months from the date of notice of any violation of the same.

SECTION 8. Annual Inspection by Housing Officer and Revocation of CRA Exemption. The Housing Officer, or the Housing Officer's designees, shall make annual inspections of the real property within the Community Reinvestment Area #5 for which the City has granted Residential CRA Exemptions pursuant to this Resolution and ORC Section 3735.67. If the Housing Officer finds that real property for which the City has granted a CRA Exemption has not been properly maintained or repaired due to the neglect of the owner of such real property, the Housing Officer may revoke the exemption at any time after the first year of the CRA Exemption. If the Housing Officer or the City determines that there has been a material failure under a Residential CRA Agreement due to noncompliance with the Residential CRA Agreement, the Housing Officer may on behalf of the City Council and the City, revoke the CRA Exemption. In the event the Housing Officer revokes the CRA Exemption as permitted hereunder pursuant to ORC 3735.68, the Housing Officer shall notify the Warren County Auditor and the owner of the real property that the CRA Exemption no longer applies and shall provide a report of such revocation to the Tax Incentive Review Council. The report shall specify the findings as to the maintenance and repair of the real property and the reason for revoking the tax exemption.

SECTION 9. Housing Council. The Housing Council previously established by this Council for the Existing CRA Areas is hereby appointed as the Housing Council with respect to Community Reinvestment Area #5 as required by ORC Section 3735.69. The Housing Council shall make an annual inspection of the real property within the Community Reinvestment Area #5 for which the

City has granted a CRA Exemption pursuant to ORC Section 3735.67 and this Resolution. The Housing Council shall also hear appeals pursuant to ORC Section 3735.70.

SECTION 10. Tax Incentive Review Council. The Warren County Tax Incentive Review Council (the "TIRC") has been established and shall serve as the TIRC with respect to the Community Reinvestment Area #5.

SECTION 11. Further Authorizations. Pursuant to ORC Section 3735.66, the Mayor, the Clerk of Council, and their designees, are authorized and directed on behalf of this Council to send a copy of this Resolution and a map of the Community Reinvestment Area #5 sufficient in detail to denote the specific boundaries of the Community Reinvestment Area #5 to the Director of the Ohio Department of Development. The Housing Officer shall not authorize any CRA Exemption pursuant to this Resolution until the Director of the Ohio Department of Development assigns a unique designation number identifying the Community Reinvestment Area #5.

This Council reserves the right, in its sole discretion, to re-evaluate the designation of the Community Reinvestment Area #5 as a CRA pursuant to this Resolution from time to time.

SECTION 12. Publication of Resolution. Pursuant to ORC Section 3735.66, the Clerk of Council, or their designee, is further hereby authorized and directed to publish this Resolution once a week for two (2) consecutive weeks in a newspaper of general circulation in the City, which shall otherwise indicate that this Council has adopted this Resolution and established the Community Reinvestment Area #5.

SECTION 13. Non-Discrimination Policy. In accordance with ORC Section 5709.832, the City hereby determines that no recipient of a CRA Exemption pursuant to this Resolution shall deny employment to any individual based on considerations of race, religion, sex, disability, color, national origin, or ancestry.

SECTION 14. Open Meetings. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Resolution were taken in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law including ORC Section 121.22.

SECTION 15. Effective Date. Pursuant to Section 4.07 of the City Charter, this Resolution shall go into immediate effect upon passage.

ADOPTED: July 7, 2025

ATTEST: _____
Khristi Dunn, Clerk of Council

APPROVE _____
Brent Centers, Mayor

CERTIFICATE

I, the undersigned Clerk of Council for the Franklin City Council, do hereby certify that the foregoing is a true and correct copy of a resolution passed by that body on July 7, 2025.

Khristi Dunn, Clerk of Council

City of Franklin

1 Benjamin Franklin Way, Franklin, Ohio 45005
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R-25-39
Exhibit A

CITY OF FRANKLIN COMMUNITY REINVESTMENT AREA #5 HOUSING SURVEY

July 7, 2025

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1. Purpose

The purpose of this housing survey is to demonstrate that the area described below and depicted in Figure 1 (the “**Property**”) is one in which housing facilities or structures of historical significance are located and new housing construction, and repair of existing facilities or structures, are discouraged. Therefore, the Property may be designated by the City of Franklin, Ohio (the “**City**”) as a Community Reinvestment Area (“**CRA**”), as defined by Ohio Revised Code Sections (“**R.C.**”) 3735.65 to R.C. 3735.70.

The Property herein described generally is to be referred to as the “**CRA.**”

Generally, the Property’s bounded area may be described, as of the date of this Housing Survey, as follows:

- **To the South:** The southern border of the Property runs parallel with a portion of Manchester Road.
- **To the West:** The western border of the Property runs parallel with a portion of Shaker Road.
- **To the North:** The northern border of the Property is adjacent to land undeveloped except for a water tower; however, farther to the North, there is an industrial park located along Industrial Drive.
- **To the East:** The eastern border of the Property is adjacent to several parcels, including one that contains a manufacturing business named Walther Engineering and Manufacturing, Inc.

Figure 1: Proposed CRA and its Relation to City Boundaries

The Property included within the CRA is the entire area of real property situated within the boundaries of the City of Franklin, County of Warren, State of Ohio that is identified by the County Auditor of Warren County, Ohio as having the tax parcel identification number identified below (outlined in dark blue on the map below), as any parcel within such boundary may be subdivided, combined, and/or designated by different tax parcel numbers from time-to-time:

Proposed City of Franklin Community Reinvestment Area #5

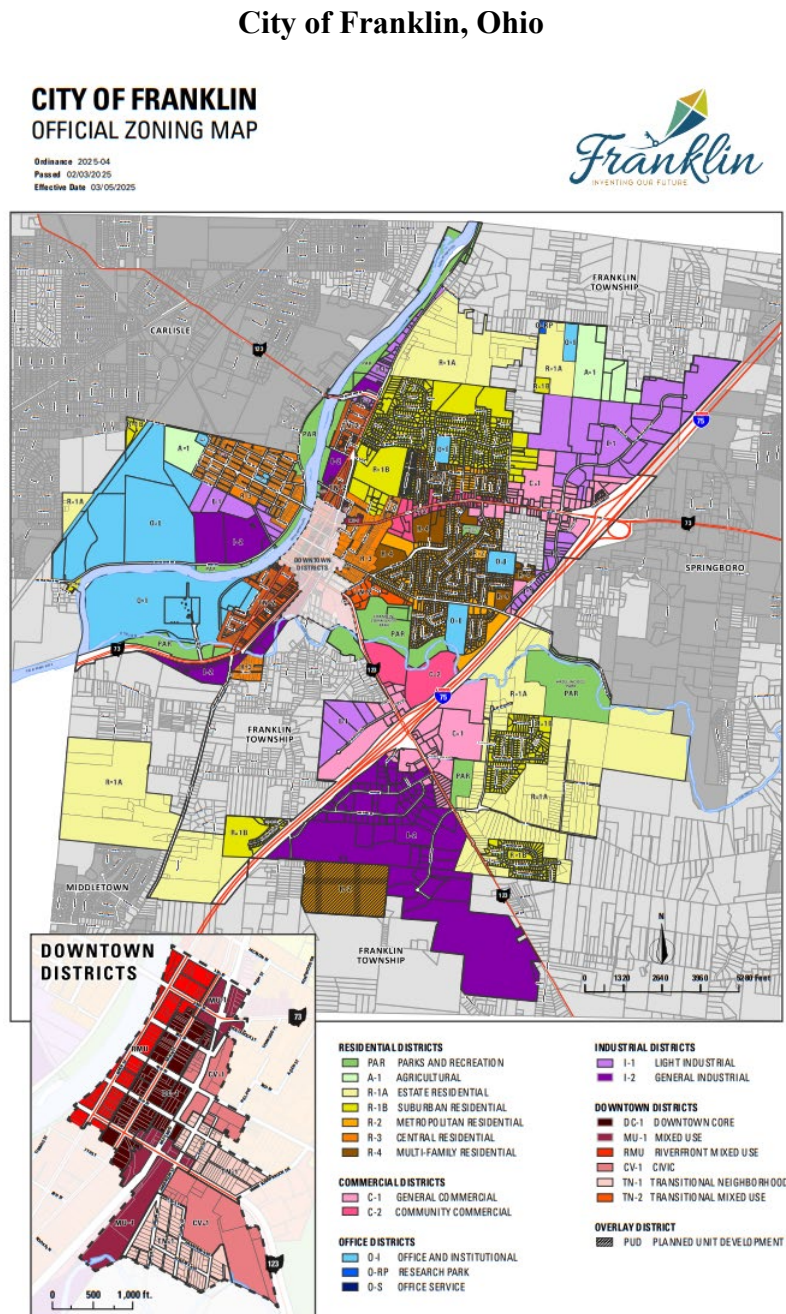


Tax Parcel Identification Number: 0835200001

2. City Characteristics

The City is comprised of approximately 9.17 square miles in southwest Ohio. The U.S. Census Bureau estimated the City's population as 11,690 in its 2020 decennial census.¹ The City is a mix of residential and commercial property, with approximately 238 businesses located within its boundaries. The City's school-age population is served by the Franklin City School District.

Figure 2: City, extent area



¹ Source: U.S. Census, link: <https://www.census.gov/quickfacts/fact/table/franklincityohio/PST045224> (accessed April 15, 2025).

3. General Demographic and Employment Characteristics

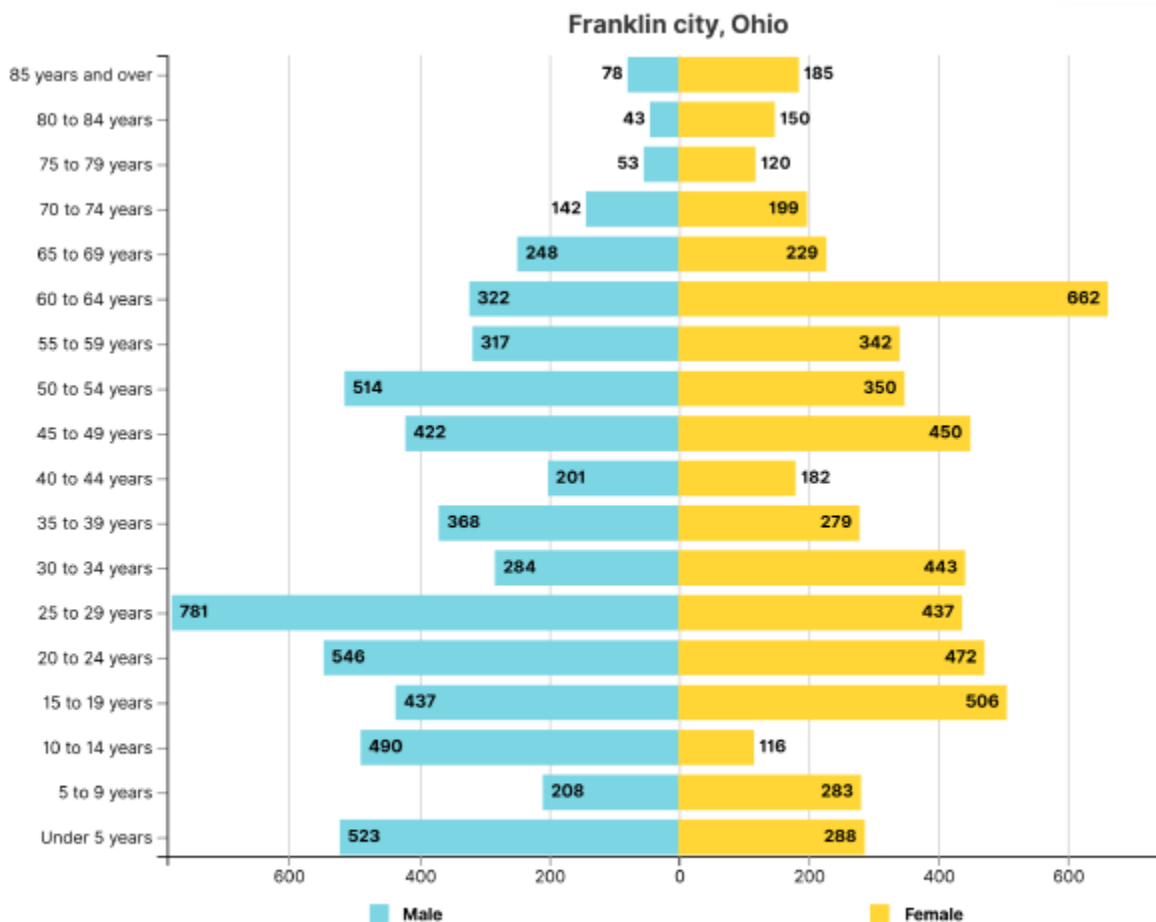
As to the City's past and current conditions and trends, we turn to the U.S. Census Bureau's decennial census data, which constitute the statistical information in this housing survey. Given the sample-based nature of data published in the Census tables, inconsistencies may appear; these data are estimates. That said, the existence of any discrepancies in the following discussion does not invalidate the usefulness of the data for this housing survey analysis.

a. Population Distribution

The City's population was 11,690 during the 2020 Census.

The City's population is trending lower based on estimates for 2023 with an estimated city population of 11,653, a 0.317% increase over the 2020 Census

Table 1: Population Distribution by Age

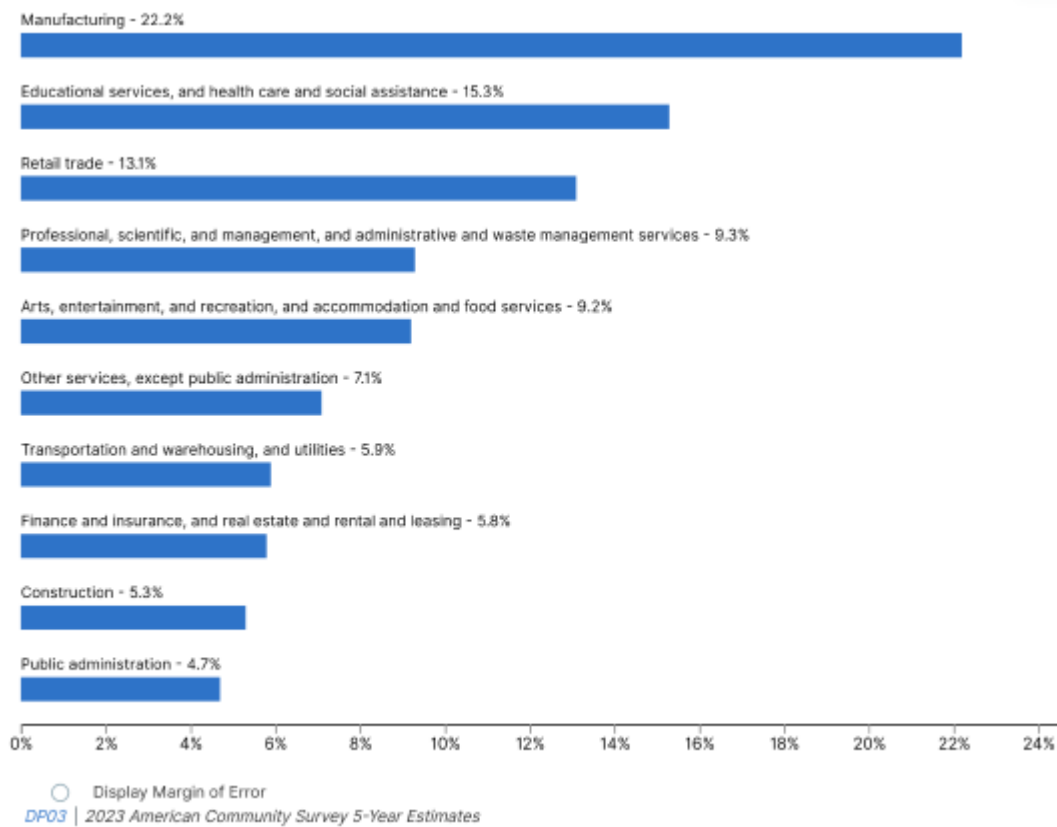


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S0101 | 2023 ACS 5-Year Estimates Subject Tables

b. Employment Characteristics

By industry, the largest sector of employment in the City is the manufacturing sector, with 22.2% of the City's population. The distribution of workers across employment sectors appears below:

Table 2: Employment Distribution by Industry Sector, City



The ACS 5-year estimate published for 2023 indicated the City had an estimated median household income of \$58,134 in 2022, as shown below in Table 3.

Table 3: Household Income, City & State²

| | |
|-------------------------|----------|
| Less than \$10,000 | 6.9% |
| \$10,000 to \$14,999 | 2.6% |
| \$15,000 to \$24,999 | 9.2% |
| \$25,000 to \$34,999 | 8.5% |
| \$35,000 to \$49,999 | 14.9% |
| \$50,000 to \$74,999 | 17.6% |
| \$75,000 to \$99,999 | 16.1% |
| \$100,000 to \$149,999 | 14.0% |
| \$150,000 to \$199,999 | 7.5% |
| \$200,000 or more | 2.7% |
| Median income (dollars) | \$58,134 |
| Mean income (dollars) | \$75,970 |
| Less than \$10,000 | 6.9% |
| \$10,000 to \$14,999 | 2.6% |

4. Condition of Housing Stock

The ACS 5-year estimate published for 2023 indicated the City had 4,772 total households. The same data estimated 5,109 total housing units in the City.

Figure 3: Housing Characteristics³

| HOUSING OCCUPANCY | |
|------------------------|-------|
| Total housing units | 5,109 |
| Occupied housing units | 93.4% |
| Vacant housing units | 6.6% |
| Homeowner vacancy rate | 0.7% |
| Rental vacancy rate | 4.2% |
| UNITS IN STRUCTURE | |
| Total housing units | 5,109 |
| 1-unit, detached | 72.2% |
| 1-unit, attached | 8.4% |
| 2 units | 6.2% |
| 3 or 4 units | 3.4% |
| 5 to 9 units | 4.1% |
| 10 to 19 units | 3.0% |
| 20 or more units | 2.8% |
| Mobile home | 0.0% |

² <https://data.census.gov/table/ACSST5Y2023.S1901?q=Income&g=160XX00US3928476> accessed April 15, 2025.

³ <https://data.census.gov/table/ACSCP5Y2023.CP04?q=vacancy&g=160XX00US3928476> accessed April 15, 2025.

| | |
|-----------------------------|-------|
| Boat, RV, van, etc. | 0.0% |
| YEAR STRUCTURE BUILT | |
| Total housing units | 5,109 |
| Built 2020 or later | 0.3% |
| Built 2010 to 2019 | 2.1% |
| Built 2000 to 2009 | 10.5% |
| Built 1990 to 1999 | 13.2% |
| Built 1980 to 1989 | 5.4% |
| Built 1970 to 1979 | 10.2% |
| Built 1960 to 1969 | 21.4% |
| Built 1950 to 1959 | 15.7% |
| Built 1940 to 1949 | 4.2% |
| Built 1939 or earlier | 17.1% |

Housing stock conditions and occupancy rates in the proposed CRA can be characterized as undeveloped rural land. The area for the proposed CRA is made up of rural farmland that only contains a single structure.

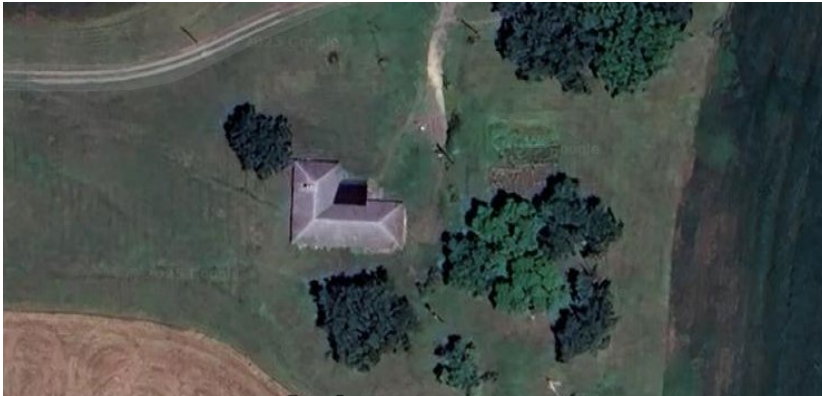
Although many homes in the City are well-maintained, the older age of a large majority of homes (almost 70% of homes built in 1979 or earlier) has resulted in various maintenance issues and increased costs associated therewith. Such maintenance issues of occupied homes, in conjunction with vacant structures, has led to challenges with investment in new housing stock. Below are depictions of the single structure located within the CRA, which show that construction of new housing is discouraged with respect to the Property comprising the abatement area.

Figure 4: Representative photos of housing stock in Proposed CRA

Street View Photo:



Aerial Photo:



5. Summary and Conclusions

The designation of the proposed CRA within the City is intended to encourage the construction of new housing stock in the area (and, insofar as it becomes applicable in the future, the revitalization of new existing stock). The data provided in this housing survey demonstrates that the proposed CRA is experiencing disinvestment in residential and commercial property, and changing demographics. Furthermore, investments in housing rehabilitation and new construction in the area have been discouraged due to the factors identified in this report. Remodeling of existing structures and development of vacant acreage in the proposed CRA would greatly enhance the long-term economic prospects in the City. Inducements to developers and private property owners, in the form of CRA abatements, would contribute greatly to the City's desired outcome for new investment and re-investment in its housing portfolio.

In conclusion, this housing survey clearly demonstrates the proposed CRA satisfies the criteria set forth for a Community Reinvestment Area as defined by R. C. 3735.65 to R.C. 3735.70.

EXHIBIT B

Description of Community Reinvestment Area #5

The boundaries of the Community Reinvestment Area #5 consist of the real property identified by the map below and outlined in dark blue:



For the purposes of clarity, the above map includes the real property described by the permanent parcel identification numbers of the Warren County Auditor listed below, as of the date of the passage of the Resolution to which this Exhibit B is attached and as such parcels may be further split, combined, re-combined, re-numbered, or re-labeled from time to time:

Tax Parcel Identification Number: 0835200001