

**ORDINANCE NO. 2025-O-07 Amended (03/11/25)**

**ORDINANCE AMENDING CHAPTER 893 COMMUNITY REINVESTMENT AREA, OF  
THE CODIFIED ORDINANCES, OF THE CITY OF MENTOR-ON-THE-LAKE**

**WHEREAS**, Council wishes to amend Codified Ordinance 893 - COMMUNITY REINVESTMENT AREA, to provide definitions, address inconsistencies, and clarify the exemptions.

**Now, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MENTOR-ON-THE-LAKE, COUNTY OF LAKE, AND STATE OF OHIO, AS FOLLOWS:**

**Section 1.** That Chapter 893 is hereby deleted in its entirety and replaced to read as follows:

**893 COMMUNITY REINVESTMENT AREA**

**893.01 Definitions**

**893.02 Constitution of Community Reinvestment Area.**

**893.03 Establishment of Community Reinvestment Area.**

**893.04 Eligibility for incentives.**

**893.05 Exemptions.**

**893.06 Fees.**

**893.07 Administrative Director designated as Housing Officer.**

**893.08 Community Reinvestment Area Housing Council; Tax Incentive Review Council.**

**893.09 Re-evaluation of Community Reinvestment Area.**

**893.10 Appeals.**

**893.01 DEFINITIONS**

“Ancillary Structure” means an outbuilding located on a qualified, single-family, owner-occupied property that is not the Dwelling (defined below).

“Dwelling” means the principal residential structure located on a qualified single-family, owneroccupied property. For the purposes of this section, a condominium unit or a townhouse unit that is individually owned and owner-occupied shall be considered a Dwelling.

“New Residential Construction” or “Residential Ancillary Construction” or “Ancillary Residential Construction” or “New Ancillary Construction means the erection or installation of new, nonprimary structures on a qualified single-family, owner-occupied property. This term expressly excludes the construction of a new Dwelling.

As defined in R.C. 3735.65, "Remodeling" means any change made in a structure for the purpose of making it structurally more sound, more habitable, or for the purpose of improving its appearance. **893.02 CONSTITUTION OF COMMUNITY REINVESTMENT AREA.**

The area designated as the Mentor on the Lake Community Reinvestment Area constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities have been discouraged.

#### **893.03 ESTABLISHMENT OF COMMUNITY REINVESTMENT AREA.**

(a) Pursuant to R.C. § 3735.66, the Mentor on the Lake Community Reinvestment Area, is hereby established in the following described area: The entire City shall constitute the Community Reinvestment Area. This area constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged.

(b) The Community Reinvestment Area is approximately depicted as the crosshatched area on the map attached to Ordinance 2016-O-28 (see Exhibit A) and by this reference incorporated herein.

(c) Only residential, commercial and/or industrial properties consistent with the applicable zoning regulations within the designated Community Reinvestment Area will be eligible for exemptions under this program.

#### **893.04 ELIGIBILITY FOR INCENTIVES.**

All properties identified in Exhibit A, attached to Ordinance 2016-O-28, as being within the designated Community Reinvestment Area are eligible for this incentive so long as the properties meet the requirements that are set forth in this chapter. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. As part of the project, the City intends to undertake or support public improvements in the designated area.

#### **893.05 EXEMPTIONS.**

(a) Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to commercial and industrial real property and the term of those exemptions shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring according to the rules outlined in R.C. § 3765.67. All exemptions under this chapter for commercial and industrial real property shall require prior approval of City Council.

(b) For residential property, a tax exemption on the increase in the assessed valuation resulting from the improvements as described in R.C. § 3735.67 shall only be granted to single family owner occupied properties upon application by the property owner and certification thereof by the designated Housing Officer for the following periods. This residential tax exemption remains valid during the five year residential exemption period even if the original or subsequent owner(s) sell(s) the property during this term to a new owner, provided that the new owner occupies the property during the residential exemption period. For all purposes, the residential tax exemption expires in the year following the year in which the property becomes a rental property. In the event the City determines that the property has become a rental property and the City notifies the owner that the property has lost its tax exemption, then the owner may appeal this determination to Council within twenty days of the date of the notice that the tax exemption has been lost. The owner shall then be entitled to have a hearing before Council on this

issue. Council shall then determine if the tax exemption shall continue or be terminated. As set forth above in subsection (a), all commercial and industrial applications must be approved by Council.

1. Five years, for the remodeling of every Dwelling or Ancillary Structure containing not more than one housing unit and upon which the cost of remodeling is at least two thousand five hundred dollars (\$2,500), as described in R.C. § 3735.67, and with such exemption being forty-five percent for each of the five years so long as the Dwelling remains owner occupied during the period of exemption.
2. Five years, for the new construction of a New Ancillary Structure for which the cost of construction is at least two thousand five hundred dollars (\$2,500), as described in R.C. § 3735.67, and with such exemption being forty-five percent for each of the five years so long as the Dwelling on the property remains owner occupied during the period of exemption.
3. The residential tax exemption is not available for the remodeling of a residential dwelling unit containing more than one housing unit or for new construction of a single family residential dwelling or for new construction of a residential dwelling unit containing more than one housing unit. However, New Ancillary Construction shall be eligible for a tax exemption.
4. Up to, and including, ten years, and up to, and including, seventy- five percent for the remodeling of existing commercial or industrial buildings and upon which the cost of remodeling is at least five thousand dollars (\$5,000), as described in R.C. § 3735.67, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
5. Up to, and including, ten years, and up to, and including, seventy- five percent for the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of construction occurring.

(c) For the purposes of the above described Community Reinvestment Area, structures exclusively used for residential purposes and composed of one unit shall be classified as residential structures. Residential facilities that include three or more units shall be treated as commercial structures for the purpose of this CRA chapter. No exemption shall be granted for an apartment building that consists of two or more units.

(d) If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in market value of the Dwelling or Ancillary Structure shall be exempt from real property taxation. If new construction qualifies for an exemption, during the period of the exemption the exempted percentage of the structure shall not be considered to be an improvement on the land on which it is located for the purpose of real property taxation.

(e) All applications for residential remodeling exemptions must be submitted only after the completion of the Dwelling or Ancillary Structure and no later than six months from that date. The date of completion shall be the date that the Dwelling or Ancillary Structure has had its final inspection and approval issued by the Lake County Building Department or if a County Building Permit is not needed for the improvement for any reason, then the date of completion shall be the date that the City issues a

certificate of occupancy, but in no event later than one year after the zoning permit was issued for improvement that does not require a County Building Permit. The applicant shall submit the final inspection and approval report from the Lake County Building Department or the certificate of occupancy to document that the application is timely filed. In the event that (1) the applicant has not received a final inspection and approval and/or certificate of occupancy and (2) the County Auditor and/or Treasurer have made a first tax assessment of the new construction or remodel, then that property shall not be eligible for a tax exemption.

#### **893.06 FEES.**

All commercial and industrial projects (including residential facilities that include three or more units) are required to comply with the state application fee requirements of R.C. § 3735.672(C) and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement - a minimum of five hundred dollars (\$500.00) up to a maximum of two thousand five hundred dollars (\$2,500) annually unless waived.

#### **893.07 ADMINISTRATIVE DIRECTOR DESIGNATED AS HOUSING OFFICER.**

To administer and implement the provisions of this chapter, the Administrative Director is designated as the Housing Officer as described in R.C. §§ 3735.65 through 3735.70.

#### **893.08 COMMUNITY REINVESTMENT AREA HOUSING COUNCIL; TAX INCENTIVE REVIEW COUNCIL.**

(a) A Community Reinvestment Area Housing Council shall be created, consisting of two members appointed by the Mayor of Mentor on the Lake, two members appointed by the Council of the City of Mentor on the Lake and one member appointed by the Planning Commission of Mentor on the Lake. The majority of the members shall then appoint two additional members. All members of the Community Reinvestment Area Housing Council shall be residents of the City. Terms of the members of the Housing Council shall be for three years. An unexpired term resulting from a vacancy in the Housing Council shall be filled in the same manner as the initial appointment was made. The Community Reinvestment Area Council shall make an annual exterior curbside inspection of the properties within the district for which an exemption has been granted under R.C. § 3735.67. The Council shall also hear appeals under R.C. § 3735.70.

(b) A Tax Incentive Review Council shall be established pursuant to R.C. § 5709.85 and shall consist of three representatives appointed by the Board of County Commissioners, two representatives of the municipal corporation, appointed by the Mayor with Council concurrence, the county auditor or designee and a representative of each affected Board of Education. At least two members must be residents of the City of Mentor on the Lake. The Tax Incentive Review Council shall review annually the compliance of all agreements involving the granting of exemptions for commercial or industrial real property improvements under R.C. § 3735.671 and make written recommendations to the Tax Review Council as to continuing, modifying or terminating said agreement based upon the performance of the agreement.

#### **893.09 RE-EVALUATION OF COMMUNITY REINVESTMENT AREA.**

The City Council reserves the right to re-evaluate the designation of the Mentor on the Lake Community Reinvestment Area after December 31, 2017 and thereafter on an annual basis, at which time

this Council may direct the Housing Officer not to accept any new applications for exemptions as described in R.C. § 3735.67.

#### **893.10 APPEALS.**

The Council shall also hear appeals under R.C. § 3735.70.

**Section 2.** Existing Chapter 893 of the Codified Ordinances of the City of Mentor-on-the-Lake, the full text of which follows, is hereby repealed in its entirety:

893.01 Constitution of Community Reinvestment Area.

893.02 Establishment of Community Reinvestment Area.

893.03 Eligibility for incentives.

893.04 Exemptions.

893.05 Fees.

893.06 Administrative Director designated as Housing Officer.

893.07 Community Reinvestment Area Housing Council; Tax Incentive Review Council.

893.08 Re-evaluation of Community Reinvestment Area.

893.09 Appeals.

#### **893.01 CONSTITUTION OF COMMUNITY REINVESTMENT AREA.**

The area designated as the Mentor on the Lake Community Reinvestment Area constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged.

(Ord. 2016-O-28. Passed 12-13-16.)

#### **893.02 ESTABLISHMENT OF COMMUNITY REINVESTMENT AREA.**

(a) Pursuant to R.C. § 3735.66, the Mentor on the Lake Community Reinvestment Area, is hereby established in the following described area: The entire City shall constitute the Community Reinvestment Area. This area constitutes an area in which housing facilities or structures of historical significance are located, and in which new construction or repair of existing facilities has been discouraged.

(b) The Community Reinvestment Area is approximately depicted as the crosshatched area on the map attached to Ordinance 2016-O-28 (see Exhibit A) and by this reference incorporated herein.

(c) Only residential, commercial and/or industrial properties consistent with the applicable zoning regulations within the designated Community Reinvestment Area will be eligible for exemptions under this program.

(Ord. 2016-O-28. Passed 12-13-16.)

### **893.03 ELIGIBILITY FOR INCENTIVES.**

All properties identified in Exhibit A, attached to Ordinance 2016-O-28, as being within the designated Community Reinvestment Area are eligible for this incentive so long as the properties meet the requirements that are set forth in this chapter. This proposal is a public/private partnership intended to promote and expand conforming uses in the designated area. As part of the project, the City intends to undertake or support public improvements in the designated area.

(Ord. 2016-O-28. Passed 12-13-16.) **893.04**

### **EXEMPTIONS.**

(a) Within the Community Reinvestment Area, the percentage of the tax exemption on the increase in the assessed valuation resulting from improvements to commercial and industrial real property and the term of those exemptions shall be negotiated on a case-by-case basis in advance of construction or remodeling occurring according to the rules outlined in R.C. § 3765.67. All exemptions under this chapter for commercial and industrial real property shall require prior approval of City Council.

(b) (1) For residential property, a tax exemption on the increase in the assessed valuation resulting from the improvements as described in R.C. § 3735.67 shall only be granted to single family owner occupied properties upon application by the property owner and certification thereof by the designated Housing Officer for the following periods. This residential tax exemption remains valid during the five year residential exemption period even if the original or subsequent owner(s) sell(s) the property during this term to a new owner, provided that the new owner occupies the property during the residential exemption period. For all purposes, the residential tax exemption expires in the year following the year in which the property becomes a rental property. In the event the City determines that the property has become a rental property and the City notifies the owner that the property has lost its tax exemption, then the owner may appeal this determination to Council within twenty days of the date of the notice that the tax exemption has been lost. The owner shall then be entitled to have a hearing before Council on this issue. Council shall then determine if the tax exemption shall continue or be terminated. As set forth above in subsection (a), all commercial and industrial applications must be approved by Council.

A. Five years, for the remodeling of every owner occupied single family residential dwelling unit containing not more than one housing unit and upon which the cost of remodeling is at least two thousand five hundred dollars (\$2,500), as described in R.C. § 3735.67, and with such exemption being forty-five percent for each of the five years so long as the single family residential dwelling unit remains owner occupied during the period of exemption.

B. The residential tax exemption is not available for the remodeling of a residential dwelling unit containing more than one housing unit or for new construction of a single family residential dwelling or for new construction of a residential dwelling unit containing more than one housing unit.

C. Up to, and including, ten years, and up to, and including, seventy- five percent for the remodeling of existing commercial or industrial buildings and upon which the cost of remodeling is at least five thousand dollars (\$5,000), as described in R.C. § 3735.67, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.

D. Up to, and including, ten years, and up to, and including, seventy- five percent for the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of construction occurring.

(2) For the purposes of this section, a condominium unit or a townhouse unit that is individually owned and owner-occupied shall be considered a single family residential unit provided that it meets the requirements of paragraph (b)(1)A. above.

(c) For the purposes of the above described Community Reinvestment Area, structures exclusively used for residential purposes and composed of one unit shall be classified as residential structures. Residential facilities that include three or more units shall be treated as commercial structures for the purpose of this CRA chapter. No exemption shall be granted for an apartment building that consists of two or more units.

(d) If remodeling qualifies for an exemption, during the period of the exemption, the exempted percentage of the dollar amount of the increase in market value of the structure shall be exempt from real property taxation. If new construction qualifies for an exemption, during the period of the exemption the exempted percentage of the structure shall not be considered to be an improvement on the land on which it is located for the purpose of real property taxation.

(e) All applications for residential exemptions for remodeling must be made after completion of the residential unit and/or remodeling and no later than six months after the date of completion. The date of completion shall be the date that the house has had its final inspection and approval issued by the Lake County Building Department or if a County Building Permit is not needed for the improvement for any reason, then the date of completion shall be the date that the City issues a certificate of occupancy, but in no event later than one year after the zoning permit was issued for improvement that does not require a County Building Permit. The applicant shall submit the final inspection and approval report from the Lake County Building Department or the certificate of occupancy to document that the application is timely filed. In the event that (1) the applicant has not received a final inspection and approval and/or certificate of occupancy and (2) the County Auditor and/or Treasurer have made a first tax assessment of the new construction or remodel, then that property shall not be eligible for a tax exemption.

(Ord. 2016-O-28. Passed 12-13-16; Ord. 2020-O-28. Passed 9-28-21; Ord. 2023-O-23. Passed 12-12-23.)

**893.05 FEES.** All commercial and industrial projects (including residential facilities that include three or more units) are required to comply with the state application fee requirements of R.C. § 3735.672(C) and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement - a minimum of five hundred dollars (\$500.00) up to a maximum of two thousand five hundred dollars (\$2,500) annually unless waived.

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(Ord. 2016-O-28. Passed 12-13-16.)

**893.08 RE-EVALUATION OF COMMUNITY REINVESTMENT AREA.**

The City Council reserves the right to re-evaluate the designation of the Mentor on the Lake Community Reinvestment Area after December 31, 2017 and thereafter on an annual basis, at which time this Council may direct the Housing Officer not to accept any new applications for exemptions as described in R.C. § 3735.67.

(Ord. 2016-O-28. Passed 12-13-16.) **893.09**

**APPEALS.**

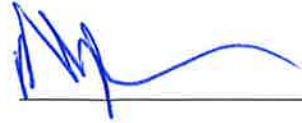
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(Ord. 2016-O-28. Passed 12-13-16.)

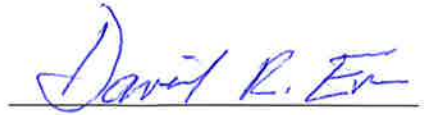
**Section 3.** That all formal actions of this Council concerning the passage of this Ordinance were adopted in an open meeting, and that all deliberations of this Council, or any of its Committees, which resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Wherefore, this Ordinance shall be in full force and effect thirty days after its passage by Council and approval by the Mayor.





Robert Johnson  
President of Council



David R. Eva  
Mayor

Dated: 4-8-2025

Adopted Date: 4-8-2025

Attest:   
Clerk of Council