

Economic Development (ED) 101-Connect

Tools in the Toolbox

Community Reinvestment Area (CRA)

The Ohio Community Reinvestment Area (“CRA”) program provides property tax exemption for businesses or home owners who commit to renovate existing or construct new buildings within a defined area.

Local municipalities or counties utilize CRAs to designate areas and encourage the revitalization of the existing housing stock and development of new structures. A “community reinvestment area” is defined as:

An area within a municipality or unincorporated area of a county for which the governing authority has adopted a resolution describing the boundaries of the area and containing a statement of finding (housing survey) indicating that that development in the area has been discouraged.

Types of CRAs

Ohio CRAs are in two distinct categories: Pre-1994 and Post-1994.

- Pre-1994 Ohio CRAs provide a 100% real-property tax exemption for residential, commercial, or industrial projects and do not require approval for this abatement from the local school board. Please note, Pre-1994 Ohio CRAs can be amended only twice after July 1994 to retain operation under the old legislation—any additional amendments will invoke the Post-1994 CRA rules.
- Post-1994 CRA’s require the exemption percentage and term for commercial and industrial projects to be negotiated on a project specific basis. If the proposed real-property tax exemption is greater than 50%, it requires local school district approval unless the local legislative authority decides that at least 50% of the amount of the taxes “lost” by the school district will be made up by other taxes or payments available to the school district.

CRA Program Benefits

Exemption Levels	Pre-July 1, 1994 CRA	Post-July 1, 1994 CRA
Real Property	Must be 100%	Up to 100%**
Personal Property	None	None
Inventory	None	None
Term Exemptions	Pre-July 1, 1994 CRA	Post-July 1, 1994 CRA
Residential Remodeling (2 units or less; minimum \$2500)	Up to 10 years as specified in the legislation that creates the CRA	Up to 10 years as specified in the legislation that creates the CRA
Residential Remodeling (more than 2 units; minimum \$5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 12 years as specified in the legislation that creates the CRA
Residential New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Commercial and Industrial Remodeling (minimum \$5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 12 years as negotiated and approved in an CRA Agreement
Commercial and Industrial New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as negotiated and approved in an CRA Agreement

(Source: ODSA’s website: https://development.ohio.gov/bs/bs_comreinvest.htm)

For more information on CRAs, please visit Ohio Development Services Agency (ODSA) – www.development.ohio.gov