**Village of Lisbon**

**residential cra program**

***ABOUT CRA***

The Community Reinvestment Area is a zone within the Village where home-owners who remodel existing homes or construct new homes may receive tax abatements on future tax increases. It is a program designed to help home-owners improve their homes by allowing a tax savings.

The Community Reinvestment Act was passed by the Ohio State Legislature to encourage reinvestment in areas “in which housing facilities or structures of historical significance were located and new housing construction and repair of existing facilities or structures are discouraged”. The program is detailed in the Ohio Revised Code, which is found in Sections 3735.65 to 37.35.70.

On December 18th, 2018, the Village of Lisbon joined this program by enacting Ordinance Number 2018-2025.

***LOCATION***

The CRA includes the entire Village of Lisbon. If your property is within the village limits, you are eligible to apply for the CRA tax abatement.

***HOW IT WORKS***

* A homeowner remodeling or constructing a new home within the CRA documents expenses (keeps invoices or receipts).
* The homeowner fills out a simple CRA Application form (available below) and provides it to the Housing Officer at Village Hall.
* Village officials verify the investment made, and determine if the property may receive the tax abatement. The Village may also contact you with additional questions.
* Village officials send a confirmation letter to the Columbiana County Auditor, requesting that any future taxes resulting from the new investment be 100% abated for 10 years.
* So long as the project meets the necessary requirements, homeowners will receive a letter stating that their application has been approved. Please allow one month for a response. (If the Village is not able to approve an application, it will send an explanation of what additional data we need, or provide information on the appeals process.)
* In the year following the approval of a homeowner's application, the Columbiana County Auditor will reassess the property. Any increase in property value will be abated up to the amount of the investment.
* The property will enjoy an important tax savings for the following decade. For every $10,000 invested, the owner will save $200 annually in real estate taxes, or $2,000 over the ten year term.

**Example**

For instance, the initial market value of a home is $60,000.00. Improvements made to the home reflect a $30,000.00 increase in the market value, making the home worth $90,000.00. The tax abatement will be placed on $30,000.00 of the improved value of the home. The owner will only owe taxes on the initial $60,000.00.

***HOW TO PARTICIPATE***

As soon as possible after construction, but no later than six months, the homeowner must submit a Residential CRA application and documentation of expenses to the Village’s Housing Officer at Village Hall (203 N. Market Street, Lisbon, Ohio. Phone - 330-424-5503).

***OBLIGATIONS***

As part of the program, the homeowner must maintain the investment made, or not let the property fall into disrepair. This means meeting all zoning codes. Also, property owners must remain current with their taxes. Violating zoning codes or becoming delinquent on taxes could result in the exemption being revoked. Meeting these obligations helps improve the value of the home, as well as the value of the neighborhood, creating a safe and prosperous environment.

***PROGRAM REQUIREMENTS***

* The property must be residential in use (no more than two units) and located within the CRA.
* Documentation of expenses are required to estimate the actual improved value,
* The investment must be at least $2,500.00
* The Application must be received by the Village of Lisbon as soon as possible, but no later than six months of completing work.

***WHAT IS COVERED***

Any construction that improves the assessed value of the home is eligible. Example projects include:

* Creating additional living area
* Building a new or enlarging a garage
* Installing an additional bathroom
* Adding a new porch
* Converting a half bathroom to a full bathroom
* Installing an indoor fireplace
* Finishing an attic with walling

***WHAT IS NOT COVERED***

Generally, a cosmetic repair alone, such as new carpeting, new windows, replacing a roof, or other routine maintenance, will not increase the value of a home. Since taxes will not increase as a result of these activities, no abatement is needed. However, if performing several of these activities at once, you may increase your home value, and therefore your real estate taxes. If performing substantial repairs, an application may still be helpful. The Columbiana County Auditor is responsible for assessing how improvements impact home valuation.