

# Arlington County Real Estate Tax Relief Program Findings

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October 3, 2016

# Welcome

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- Team Introduction
- Materials Overview
  - Findings Summary
  - Data Packet
  - Facilitator Guide's
- Discussion Breaks

# Meeting Agenda

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- Reingold's charge – 5 minutes
- Methodology/approach – 5 minutes
- Key findings – 10 minutes
- Survey key findings – 10 minutes
- Discussion Break—10 minutes
- Focus group key findings – 10 minutes
- Discussion – 10 minutes
- Thank you!

# Reingold's charge

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Develop and conduct a telephone survey and three focus groups, examining the following questions:

- Has the RETR Program historically succeeded in reaching those residents who are eligible for the program?
- Has the RETR Program historically succeeded in enabling elderly and disabled Arlingtonians to continue living in their homes and gain relief from extraordinary tax burdens?
- Are there any changes to the RETR Program that might help the county better address the needs of elderly and disabled Arlingtonians?

# Methodology/ approach

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- **The survey.** We conducted telephone survey on Aug. 13–16 of 275 Arlington homeowners, sampled from a list of RETR Program members and Arlington homeowners: 64 current and 14 former participants in the program, as well as 197 homeowners (age 57 and older) who had not participated in the program.
- **The focus groups.** We held three focus groups on Aug. 23– 25. Two groups of nine participants (past and current) and one group of eight nonparticipants.

# The survey covered the following areas:

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- **General environment.** Do you consider your real estate tax bill to be an extraordinary financial burden? Do you think your real estate tax bill currently affects, or will affect in the future, your ability to stay in your home?
- **Measuring awareness of the RETR Program.** Do you currently participate, or have you ever participated, in the Arlington Real Estate Tax Relief Program? Why do you not participate in the Arlington Real Estate Tax Relief Program?
- **Measuring success of the RETR Program.** How much of an impact has participating in the Real Estate Tax Relief Program had on your personal financial situation? In what ways did the Real Estate Tax Relief Program help your financial situation?
- **Demographics.** How many working adults do you have living in your household? Which of the following best describes your financial status?
- **Program qualifier.** Was your total family income less than \$99,472 dollars for 2015? Would you say the value of your household's assets, including retirement funds but not including the value of your primary residence, is less than \$540,000?

## Each focus group covered the following areas:

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- **Awareness and discovery of the program.** How familiar were nonparticipants with the program? Where/how did participants hear about it?
- **Eligibility requirements for the program.** Should eligibility be reassessed (and either modified, raised, or lowered) to meet the needs of more Arlington homeowners?
- **Application and reapplication process.** Could/should the process be simplified to enhance the experience of current participants?
- **Advice for program enhancement.** What would participants recommend Arlington County change to better achieve the stated goal of the program—helping older Arlingtonians and those with disabilities stay in their homes longer?

# Key Findings

# Program impact

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- The survey indicated that of the current participants, 74 percent strongly agreed the program provided them with more financial security.
- Conversely, in the focus groups, current and past participants had mixed reviews about the financial benefit of the program.
  - Several participants indicated that the program did not provide enough benefits to equal the burden of filling out the application.

# Program awareness

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- More than 33 percent of the general population and 10 percent of the participant population were not very or not at all aware of the program.

# Program promotion

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- Most of the individuals who were familiar with the program indicated that they learned about it through their tax bill or word of mouth.
  - 25 percent of current participants answering the survey heard about the program through their tax bill; 23 percent heard about the program through friends or family.
  - 43 percent of current participants in focus groups heard about the program through friends and family; 10 percent heard about it from their tax bill.

# Application process

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- The biggest program improvement recommended by program participants and Arlington residents was to refine the application and reapplication process.
  - 71 percent of survey participants and 100 percent of the focus group participants supported making the application process easier.

# Program participation

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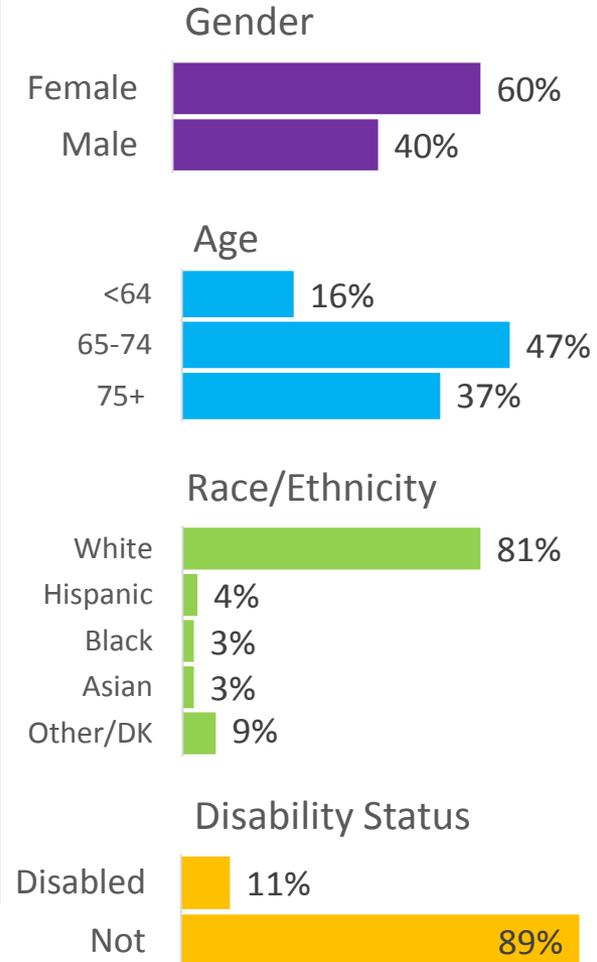
- Participants' primary recommendations to enhance program participation include:
  - **To allow the deduction of medical expenses.**
    - 78 percent of survey participants | 34 percent of focus group participants
  - **To increase the asset limit.**
    - 54 percent of survey participants | 39 percent of focus group participants
  - **To increase the income level.**
    - 54 percent of survey participants | 34 percent of focus group participants

# Survey Findings

# Survey Methodology

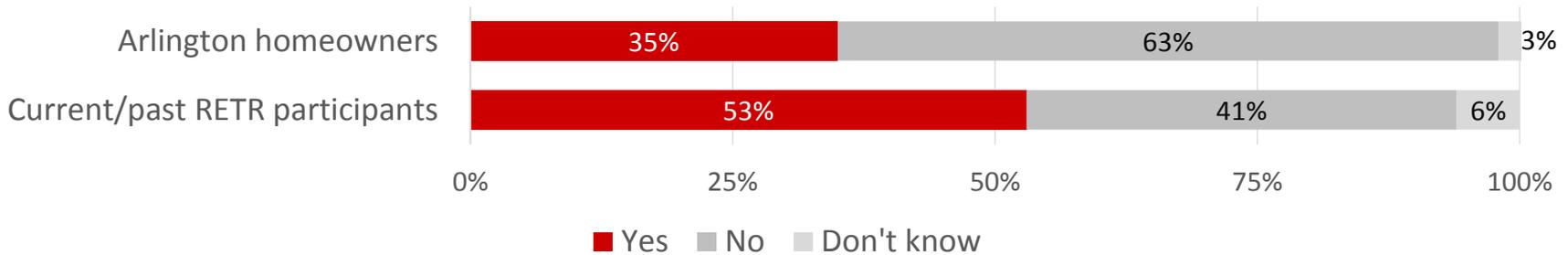
- Our team conducted 275 telephone surveys from Aug. 13 to Aug. 16, sampled from a list of current RETR program participants and Arlington homeowners.
- The interviews included 64 current and 14 former participants in the program, as well as 197 Arlington County homeowners (age 57+) who had not participated in the program.

## Sample Demographics

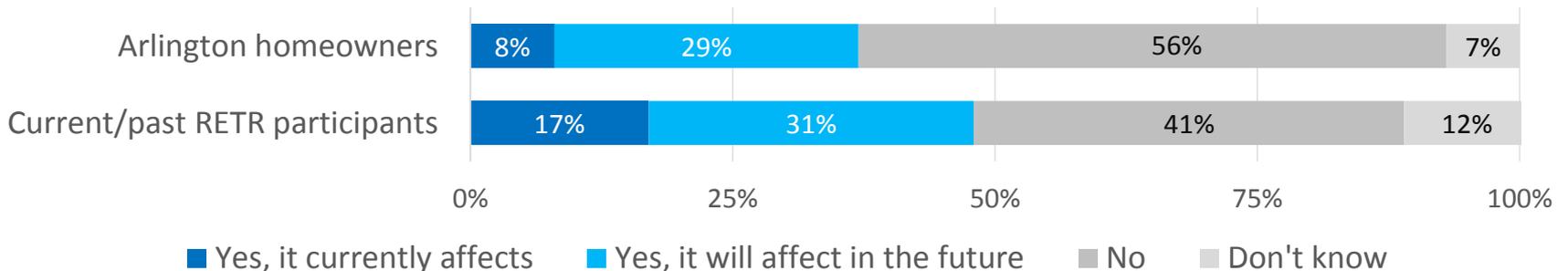


# A majority of current or past RETR participants say that their real estate tax bills are an extraordinary burden

Do you consider your real estate tax bill to be an extraordinary financial burden?



Do you think your real estate tax bill currently affects, or will affect in the future your ability to stay in your home?

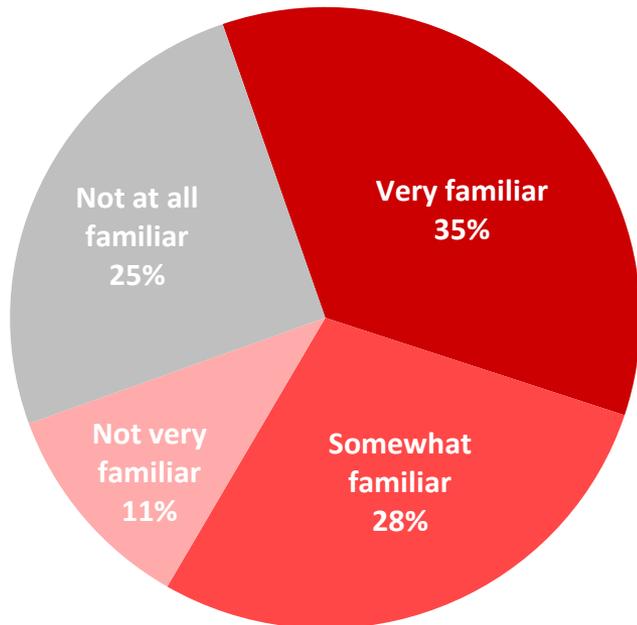


# Two-thirds are familiar with RETR program; most learn of it from tax bill, family or friends, or print media

**All heard:** The Arlington Real Estate Tax Relief program is designed to provide property tax relief to qualifying homeowners who are age 65 or older, or totally and permanently disabled. This can include single family homes, multifamily homes, townhouses, and condominiums.

How familiar are you with this program?

Are you...



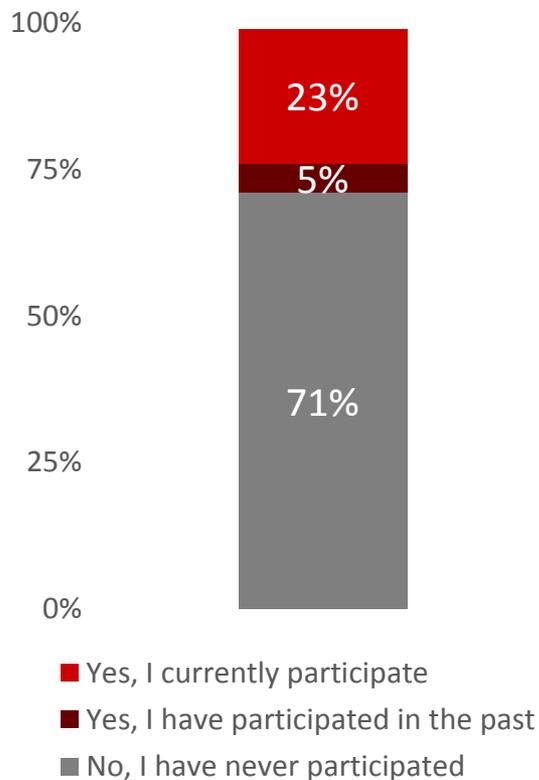
Among the 63% who are familiar: How did you first hear about the Arlington County RETR program?  
(Open-ended, showing top 5)

- 1) From property tax bill/insert - 25%
- 2) From friends or family - 23%
- 3) Newspaper / magazine - 20%
- 4) Television - 6%
- 5) Community meeting / outreach - 5%

# Current and past participation in RETR program

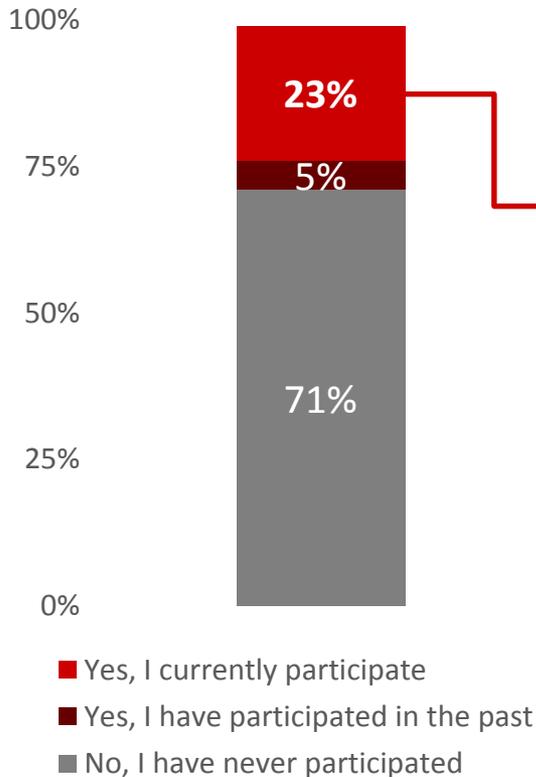
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Do you currently participate, or have you ever participated, in the Arlington County RETR program?



# Many current participants believe the RETR program helps them

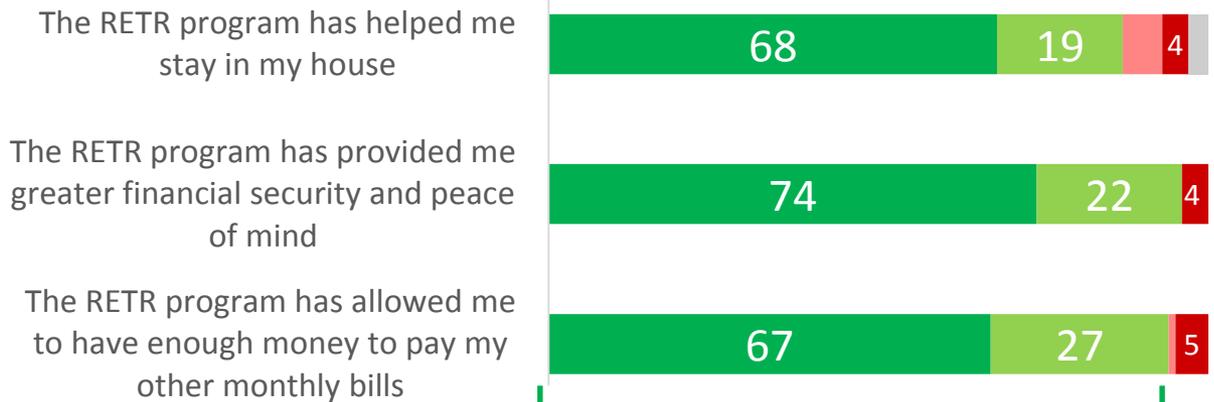
Do you currently participate, or have you ever participated, in the Arlington County RETR program?



## Among current RETR participants:

Please indicate whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the following:

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know

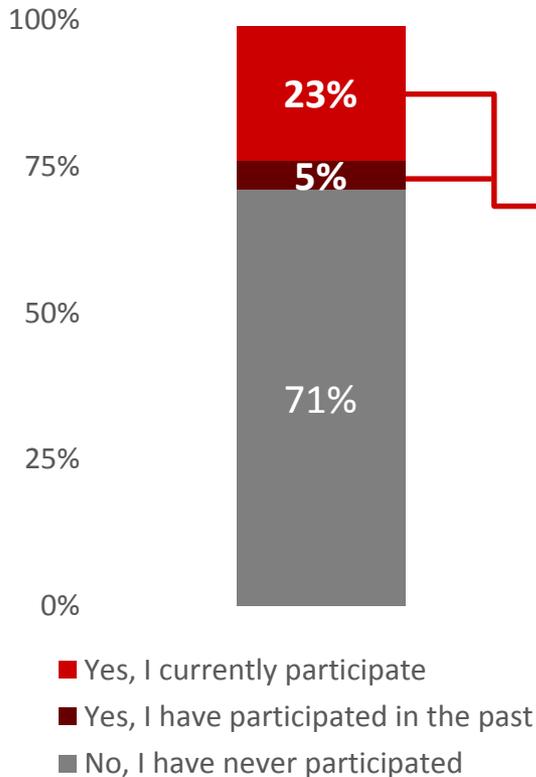


Among those who “strongly” or “somewhat” agree: Of all your monthly bills, which expense weighs most heavily on you? (open-end, top 5)

- 1) Mortgage (21%)
- 2) Utilities (19%)
- 3) Medical (18%)
- 4) Groceries (11%)
- 5) Transportation (4%)

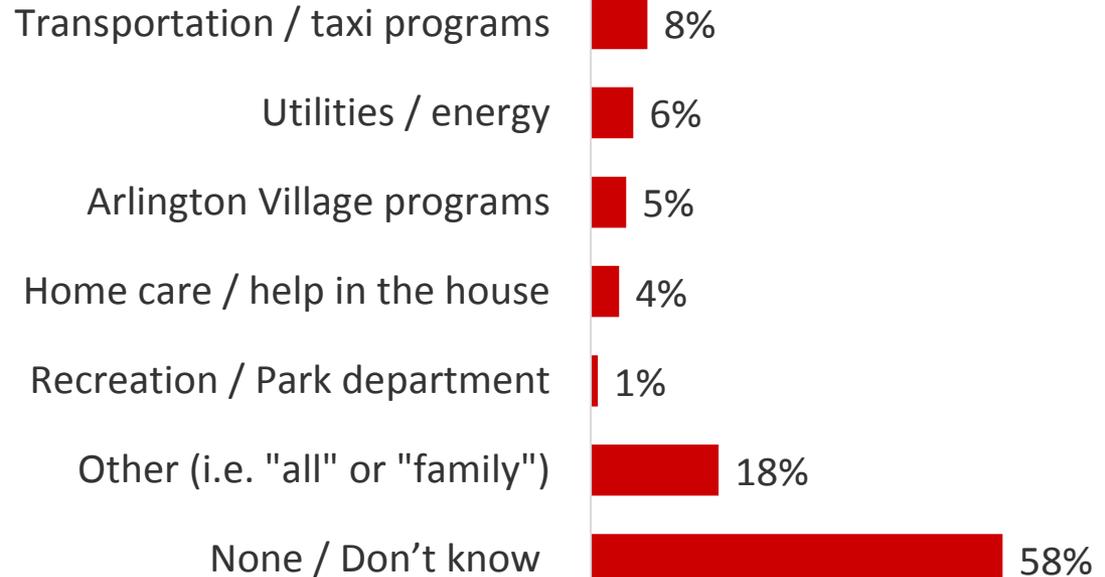
# When asked, RETR participants struggle to think of another service

Do you currently participate, or have you ever participated, in the Arlington County RETR program?

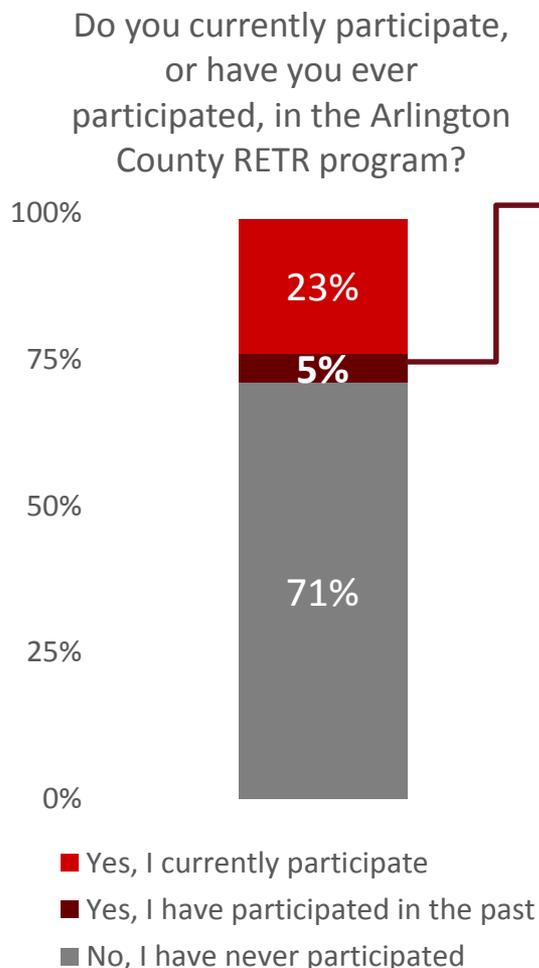


## Among current or past RETR participants:

Other than the Real Estate Tax Relief program, what other programs or services have helped you or could help you remain in your home? (open-ended)



# Past participants say they no longer qualify or reapplication is too complex



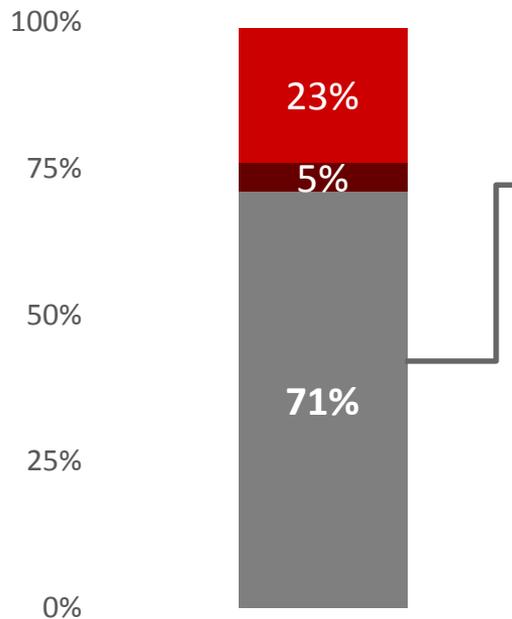
## Among past participants:

Why do you no longer participate in the Arlington County Real Estate Tax Relief program? (*open-ended*)

- No longer eligible for the program due to increased income/assets (n=5)
- Reapplication process was too complicated (n=3)

# Nonparticipants say they do not qualify or need more information

Do you currently participate, or have you ever participated, in the Arlington County RETR program?



- Yes, I currently participate
- Yes, I have participated in the past
- No, I have never participated

## Among those who have never participated:

Why do you not participate in the Arlington County Real Estate Tax Relief program? (*open-ended*)

- I do not qualify (24%)
- Not familiar with the program (23%)
- Over the income limit (21%)
- Do not want to participate (13%)
- Over the asset limit (4%)
- Program is for low-income people (3%)

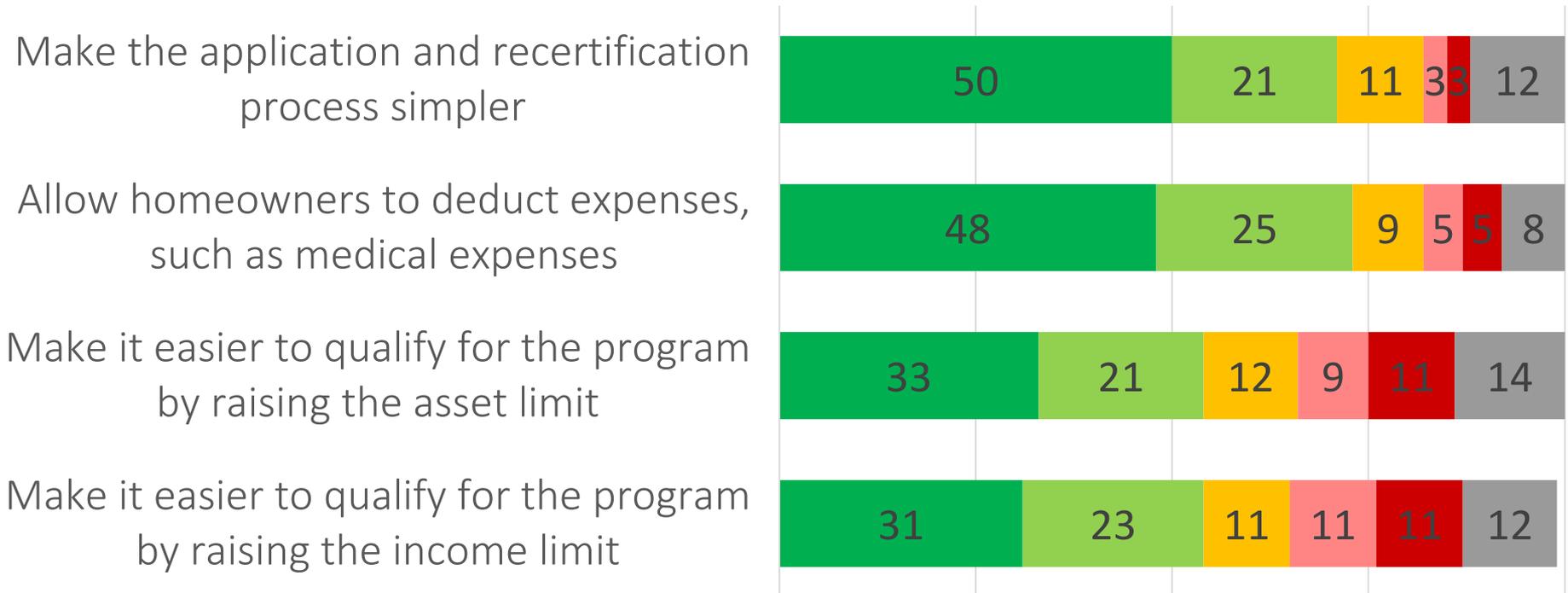
# Survey participants evaluated 12 potential reforms to the RETR program

|  |  |
|--|--|
| 1. Make it easier to qualify for the program by raising the income limit<br>(if asked: currently higher than \$99,472) | 2. Make it easier to qualify for the program by raising the asset limit<br>(if asked: currently higher than \$540,000)               |
| 3. Allow homeowners to deduct liabilities/ debts from asset totals in order to qualify                                 | 4. Make the program deferral only so that the real estate taxes would be due upon the transfer of the home or death of the homeowner |
| 5. Allow homeowners to deduct expenses, such as medical expenses, from income in order to qualify                      | 6. Have the program administered by the Commissioner of the Revenue rather than the Department of Human Services                     |
| 7. Make the application and recertification process simpler  | 8. Make the program exemption only   |
| 9. Require more documentation to participate in the program  | 10. Require less documentation to participate in the program   |
| 11. Exclude some or all of the income of non-owner/ non-spouse relatives who reside in the home                        | 12. Exclude some or all of the assets of non-owner/ non-spouse relatives who reside in the home                                      |

# The most desired reforms are simpler reapplication process, deduction of expenses, increased limits...

**AMONG ALL SURVEY PARTICIPANTS:** Would you strongly support, somewhat support, neither support, or oppose somewhat oppose, or strongly oppose the following changes to the RETR program?

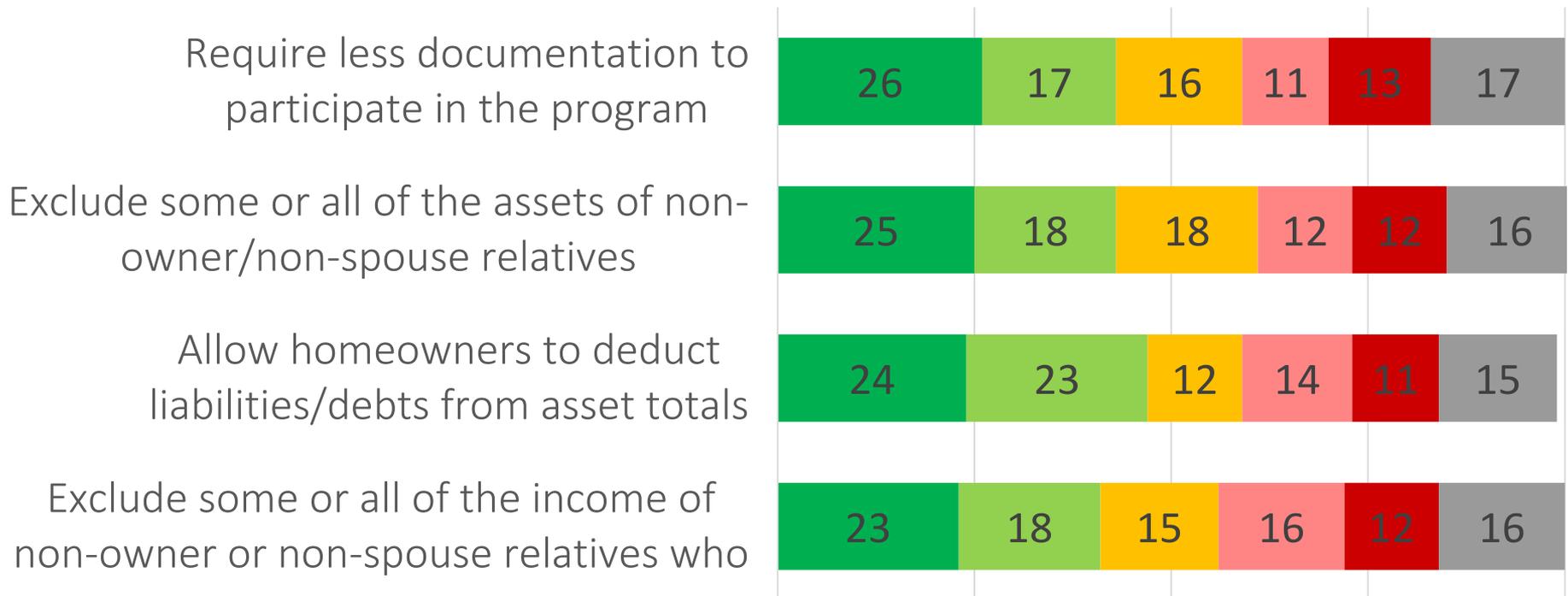
■ Strongly support 
 ■ Somewhat support 
 ■ Neither 
 ■ Somewhat oppose 
 ■ Strongly oppose 
 ■ Don't know



# ... and there is healthy support for requiring less documentation and non-owner/spouse exclusions...

**AMONG ALL SURVEY PARTICIPANTS:** Would you strongly support, somewhat support, neither support, or oppose somewhat oppose, or strongly oppose the following changes to the RETR program?

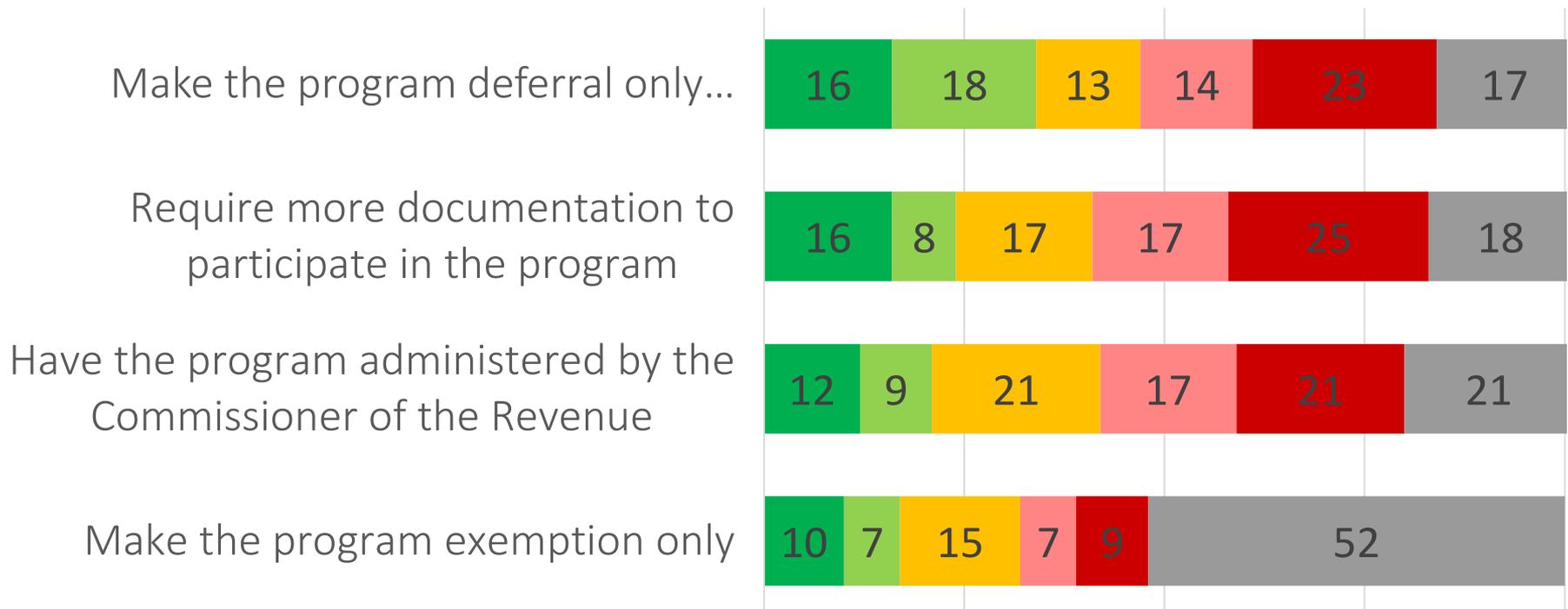
■ Strongly support 
 ■ Somewhat support 
 ■ Neither 
 ■ Somewhat oppose 
 ■ Strongly oppose 
 ■ Don't know



# ... the least popular reforms are changing to exemption only and requiring more documentation

**AMONG ALL SURVEY PARTICIPANTS:** Would you strongly support, somewhat support, neither support, or oppose somewhat oppose, or strongly oppose the following changes to the RETR program?

■ Strongly support ■ Somewhat support ■ Neither ■ Somewhat oppose ■ Strongly oppose ■ Don't know



# RETR Study: August 2016 Key Findings




**Real Estate Tax Relief Study**  
August 2016 Key Findings

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2016 Arlington County Real Estate Tax Relief Study

**Measuring Success of RETR Program**

9. **AMONG CURRENT PARTICIPANTS:** How much of an impact has participating in the Real Estate Tax Relief program had on your personal financial situation?

| (% Among Current Participants) |    |
|--------------------------------|----|
| Great impact                   | 67 |
| Some impact                    | 30 |
| A little impact                | 2  |
| No impact at all               | 2  |
| Don't know (Vol.)              | 0  |

10. **AMONG PAST PARTICIPANTS:** During the time you participated in the Real Estate Tax Relief program, how much of an impact did the program have on your personal financial situation?

| (% Among Past Participants) |    |
|-----------------------------|----|
| Great impact                | 43 |
| Some impact                 | 29 |
| A little impact             | 29 |
| No impact at all            | 0  |
| Don't know (Vol.)           | 0  |

11. **AMONG CURRENT OR PAST PARTICIPANTS:** In your opinion, how much of an impact do you think the Real Estate Tax Relief program has on the financial situations of older Arlingtonians and residents of Arlington County with a permanent disability?

| (% Among Current OR Past Participants) |    |
|--|----|
| Great impact                           | 79 |
| Some impact                            | 10 |
| A little impact                        | 3  |
| No impact at all                       | 0  |
| Don't know (Vol.)                      | 8  |

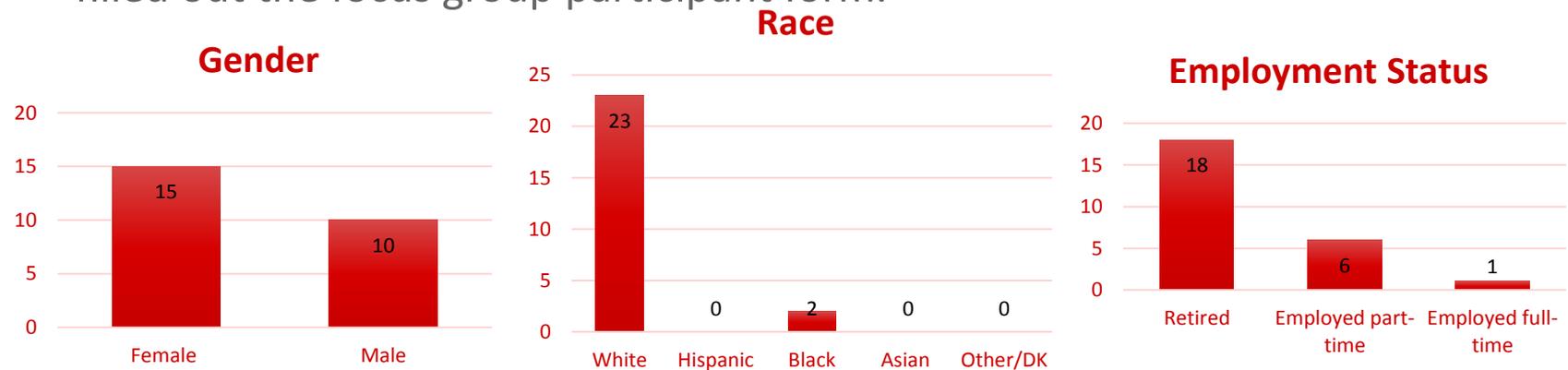
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Discussion Break: 10 minutes

# Focus Group Findings

# Focus Group Methodology

- Reingold conducted 3 focus groups from Aug. 23 to Aug. 25, comprised of Arlington homeowners who are current, previous, and past participants of the RETR program.
- The focus groups consisted of two groups current and past participants – one consisting of 8 people and one consisting of 9 ,and one group of 9 nonparticipants. The demographics noted below are reflective of those who filled out the focus group participant form.



# Program promotion: Awareness

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Participants generally heard about the program from their tax bill or word-of-mouth.

- *“I found out from the neighbor who was helping her mother that lives in the same court where I do.”*
- *“There is ... an insert in the tax bill, so I mean, as soon as you open that bill up, that’s the one piece of paper you probably do read.”*

# Program promotion: Perception

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Most focus group participants perceived the program as a homeowner benefit, *not* as welfare assistance.

- ***“You deserve this. You've lived here. You've done your thing. This is a benefit to you.”***

# Program promotion: Target audience

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- Nonparticipants unanimously agreed that the program should be actively promoted to all Arlington homeowners, not just those who meet the age requirements.
  - *“If we weren’t eligible, maybe we know somebody that is. I know of a person that actually lives next door to me that’s disabled, and he may qualify for the program. I don’t know, but I could at least inform him of the program if he wasn’t aware of it.”*
  - *“...children of seniors who are not aware need to be, so you can’t just target seniors. When you’re working with seniors, it has to be community-wide, and people become aware of it and they can make it a part of their planning.”*

# Communication to participants

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- The majority of current participants did not understand the repayment process following the deferral.
  - *“I have a deferral, and I haven't found anything in the literature that I've gotten that says what are the consequences when I sell the property other than that the tax is due — I don't have it in writing, and I'm a little uncomfortable with that. I'd rather have that spelled out somewhere.”*
  - *“So I think that the deferral looms over me, as I might not have the resources when the time comes. And so, as the taxes escalate, and they're not as protected as they would be under the exemption. With the deferral I've become more anxious about how I will take care of myself”*

# Application process: Complexity

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- Current participants unanimously agreed that the application process was extremely time-consuming and complex because of the need to fill out copious amounts of paperwork.
  - *“I felt like I was preparing a government grant for a billion dollars.”*
  - *“I used to be a lawyer in my youth, and this is the most detailed application I've ever seen.”*
  - *“You've got the documents there. Look at it [them], and see what's there. Don't bug me. I've already spent two days filling out this insanely complex and detailed form, and then...these nitpicking questions about this stuff.”*

# Application process: Assistance

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- Current participants unanimously agreed that it would be helpful if there were volunteers to provide assistance with gathering and filling out the necessary paperwork. Several mentioned that they appreciated the support currently available by phone or in person—without it, they didn't know how they would be able to apply or reapply.
  - *“It would be helpful if it has a number to call for a pool of volunteers who would assist people in assessing their own situation and filling out the application.”*
  - *“I think one of the most effective strategies for expanding participation among those eligible is access to real assistance in preparation.”*
  - *“[My advice would be]...letting people get some help to do it. Right now, I'm having difficulty with my memory...”*

# Application process: Timing

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- More than half of current participants said that they would prefer that the application process be aligned with tax filing season.
  - *“When you get your tax bill that's in May or somewhere in the middle of the late spring. OK, the tax assessments come out in January. That's when the notice should come out.”*
  - *“ So instead of how to appeal (there's a page that says how to appeal your tax assessment) that ought to be part of how to appeal: how to be exempt. And then put this [the educational flier] in there. Put a copy in with every assessment.”*

# Reapplication process: Undue burden

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- Participants said that the reapplication process required a large amount of paperwork, many previous participants inquired about the ability to make the reapplication process easier.
  - *“You've got to reapply totally every time they send you the letter. I'm not saying it's not fair but what I'm saying is that so much of the information, is already available to them in the county, electronically.”*
  - *“And this amount of paperwork ... it takes me two days to fill out that application every year. It is insane how much detail there is.”*

# Program participation: Income

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- When asked how the county could enhance the program, the majority of participants said that basing eligibility on income was not helpful because seniors are often on a fixed income despite increases in taxes and in the cost of living each year
  - *“The cost of living has gone up. The cost of everything has gone up. So why don’t they raise the income level?”*

# Program participation: Assets

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- When asked how the county could enhance the program, the majority of nonparticipants said that the asset limit should be higher.
  - *“Personally, I think the asset [limit] ... should definitely be higher. Because if you look at ... I don’t think there should be one.”*
  - *“I think that should be much higher for your assets, because, like I said, that can go away very quickly if you have a large expense.”*

# Program participation: Additional factors

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- Many current and nonparticipants said that additional eligibility factors should be considered, such as exclusions for homeowner and medical expenses and/or the additional income of another family member living in their home.
  - *“Housing expenses, the flooding that I had this year: I'm going upwards of \$40,000. It [the program] is ensuring affordable housing. I'd like to see something that is housing-related extraordinary housing expenses included in consideration as the exemption rule. Because at this rate I'm making repairs, and I'm interviewing real estate agents, and I don't want to leave.”*
  - *“I have a granddaughter living with me. I took her in when she was 16 and she's 28 now. But it's now affecting the amount of money that I have. I pay for everything. And what she makes is hers. And I'm kind of hurting, because that puts me in the deferral.”*

# Program impact

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- Current and previous participants had mixed feelings about the financial benefit of the program.
  - *“For me, it’s worth \$5,724 a year. That’s what I save by not having to pay taxes. And that is the difference in me living in Arlington and not living in Arlington.”*
  - *“it [applying to the program] didn't seem worth it. And if our experience were general, I doubt if it made a difference to a lot of people. But perhaps it did for people who are not quite as well off.”*

Discussion Break: 10 minutes

# One Last Point

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- Thank you!
- We've enjoyed the opportunity to work with you on this project!

# Popular Potential Changes by Audience

|   | All Survey Participants | Eligible for RETR      | Use(d) RETR            |
|---|-------------------------|------------------------|------------------------|
| Allow homeowners to deduct expenses, such as medical expenses...                              | 1 <sup>st</sup> (73%)   | 1 <sup>st</sup> (75%)  | 2 <sup>nd</sup> (73%)  |
| Make the application and recertification process simpler                                      | 2 <sup>nd</sup> (71%)   | 2 <sup>nd</sup> (73%)  | 1 <sup>st</sup> (77%)  |
| Make it easier to qualify... by raising the asset limit...                                    | 3 <sup>rd</sup> (54%)   | 4 <sup>th</sup> (63%)  | 4 <sup>th</sup> (61%)  |
| Make it easier to qualify... by raising the income limit...                                   | 4 <sup>th</sup> (54%)   | 3 <sup>rd</sup> (64%)  | 3 <sup>rd</sup> (63%)  |
| Allow homeowners to deduct liabilities/debts from asset totals in order to qualify            | 5 <sup>th</sup> (47%)   | 7 <sup>th</sup> (51%)  | 6 <sup>th</sup> (55%)  |
| Require less documentation to participate...  | 6 <sup>th</sup> (43%)   | 5 <sup>th</sup> (55%)  | 5 <sup>th</sup> (59%)  |
| Exclude some or all of the assets of non-owner or non-spouse relatives who reside in the home | 7 <sup>th</sup> (43%)   | 6 <sup>th</sup> (52%)  | 7 <sup>th</sup> (48%)  |
| Exclude some or all of the income of non-owner or non-spouse relatives who reside in the home | 8 <sup>th</sup> (41%)   | 8 <sup>th</sup> (46%)  | 8 <sup>th</sup> (47%)  |
| Make the program deferral only....  | 9 <sup>th</sup> (34%)   | 9 <sup>th</sup> (28%)  | 9 <sup>th</sup> (32%)  |
| Require more documentation...   | 10 <sup>th</sup> (24%)  | 10 <sup>th</sup> (27%) | 11 <sup>th</sup> (19%) |
| Have the program administered by the Commissioner of the Revenue...                           | 11 <sup>th</sup> (21%)  | 11 <sup>th</sup> (26%) | 12 <sup>th</sup> (19%) |
| Make the program exemption only   | 12 <sup>th</sup> (17%)  | 12 <sup>th</sup> (23%) | 10 <sup>th</sup> (22%) |

# Eligibility for RETR program

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In order to be eligible for current RETR program, an individual has to meet three criteria:

- Age 65+ or permanently and totally disabled
- Household income less than \$99,472/year
- Household assets less than \$540,000/year

Survey Participants Current Eligibility for RETR Program



\*Could not be determined for n=69 interviews that declined to provide information such as household income or assets