

Real Estate Tax Relief Working Group Charge

July 2016

Background

Virginia localities are authorized to provide Real Estate Tax Relief (RETR) to homeowners aged 65 or over, as well as to permanently disabled homeowners. The current Arlington County RETR Program provides an exemption and/or deferral of real estate taxes for qualified Arlington homeowners whose annual household income is below \$99,472, and whose household assets (excluding the value of their Arlington home) are below \$340,000. A household may receive a full, 50 percent, or 25 percent exemption, depending on their income and household size. Homeowners within the income guidelines who have assets over \$340,000 but below \$540,000 may defer payment of their real estate taxes until their property changes ownership; no interest or penalties are charged.

The Department of Human Services (DHS) has overseen the RETR Program since 1991. In 2015, 940 households were approved for RETR, resulting in \$4,218,957 in uncollected revenue.

The Arlington County Board adopted the County's first Affordable Housing Master Plan (AHMP) in September 2015. In conducting research for the AHMP, the County found that many low-income senior households on fixed incomes face financial stress related to increasing condominium fee and real estate tax burdens. The AHMP's accompanying Implementation Framework included a recommendation to review the goals and guidelines of the RETR Program, and to consider redefinition of income levels, asset levels, and criteria for exemptions and deferrals. As such, the County Manager presented several options for altering the Program during the FY 2017 budget process. Instead of enacting specific changes at the time of the FY 2017 budget adoption, the County Board provided \$50,000 in one-time funding, and requested the formation of a Working Group, to study the County's current RETR Program and develop recommendations for consideration during the FY 2018 budget process.

RETR Working Group Charge

The RETR Working Group is charged by the County Manager to collaborate with staff to provide commission, community, consumer, and advocate perspectives on possible future changes to the RETR Program in Arlington. More specifically, the Working Group will:

- Research and review best practices related to real estate tax relief throughout the country;
- Engage and inform the community and relevant stakeholders of ongoing efforts and discussions;
- Determine if there may be Arlingtonians who qualify for RETR but are not currently participating in the Program, and provide recommendations for what could be done differently to effectively outreach to these residents;
- Collaborate with a consultant to conduct surveys and / or focus groups to gauge the historical success of the RETR Program in reaching eligible Arlingtonians and enabling these residents to stay in their homes, and to ascertain what changes (if any) would allow the Program to better address elderly and disabled Arlingtonians' needs;

- Utilize identified best practices and survey / focus group results to inform an analysis of the current Program’s approach to enabling elderly and disabled Arlingtonians to stay in their homes; and
- Provide recommendations to the County Board on how to best structure and administer the Program in Arlington moving forward.

RETR Working Group Structure

The County Manager will appoint a limited-term advisory body, the RETR Working Group, which will consist of a Working Group Chair and Vice-Chair, along with members representing the following:

- Commission on Aging
- Disability Advisory Commission
- Fiscal Affairs Advisory Commission
- Housing Commission
- Member(s)-at-large
- Real Estate Tax Relief Program Participant(s)

The Working Group will generally meet once a month for a period of approximately eight (8) months, but additional meetings may be necessary in order to meet the proposed timeline.

Roles and Responsibilities

The County Board will appoint a member to serve as Liaison. Staff will regularly update the Liaison on progress and any issues that may arise. The Liaison will update other County Board members as needed, or request that staff brief the Board at key points in the process.

The Working Group Chair should have experience in Arlington processes, as well as a general understanding of the RETR Program. The Working Group Vice-Chair will support the work of the Chair and serve as the Chair’s substitute when necessary.

DHS will provide primary staff support to the RETR Working Group, with additional support and coordination provided by staff from the Department of Community Planning, Housing, and Development (CPHD), as well as from the Treasurer’s Office.

Staff will be augmented by a consultant with expertise in conducting surveys and focus groups.

Community Outreach

The RETR Working Group and staff will utilize a variety of tools and methods to engage and communicate with the community, including, but not limited to:

- Community meetings;
- Real Estate Tax Relief Working Group and Study web page;
- County Board work sessions;

- E-mail;
- Social media;
- Surveys / focus groups; and
- Media releases.

Major Work Product

The RETR Working Group will produce a Program Recommendations Report highlighting the Group's key findings. The Report will include a summary of best practices, survey / focus group results, and recommendations on the structure and administration of the RETR Program. More specifically, the Report will:

- Identify innovative real estate tax relief programs and promising strategies from around the country. This portion of the Report will examine the existing program structure, assist in identifying gaps or areas for potential change, and assess the feasibility of applying identified best practices in the Arlington environment;
- Incorporate the consultant's review and analysis of the survey and / or focus group results. This portion of the Report will inform the overall analysis of the current Program; and
- Propose eligibility / structural / administrative / other changes (if any) to the existing RETR Program.

Proposed Timeline

Summer 2016

- Appoint RETR Working Group
- Develop Charge for RETR Working Group
- Conduct research on best practices
- Conduct surveys and/or focus groups with aid of consultants

Fall 2016

- Check-in with County Board
- Develop draft report and recommendations
- Hold community forum on draft report and recommendations

Winter 2017

- Develop final report and recommendations
- Present recommendations to the County Board

Proposed Working Group Members

- Carolyn Day
- Prentiss deJesus
- Pat Findikoglu
- Evelyn Gee
- Edith Gravely
- Peggy Jones
- Pamela Juhl
- Ann Rudd
- Kathryn Scruggs
- William Staderman
- Patty Sullivan
- Richard Tinker
- One other member yet to be named