

Assistance Programs Available to Homeowners

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Purpose

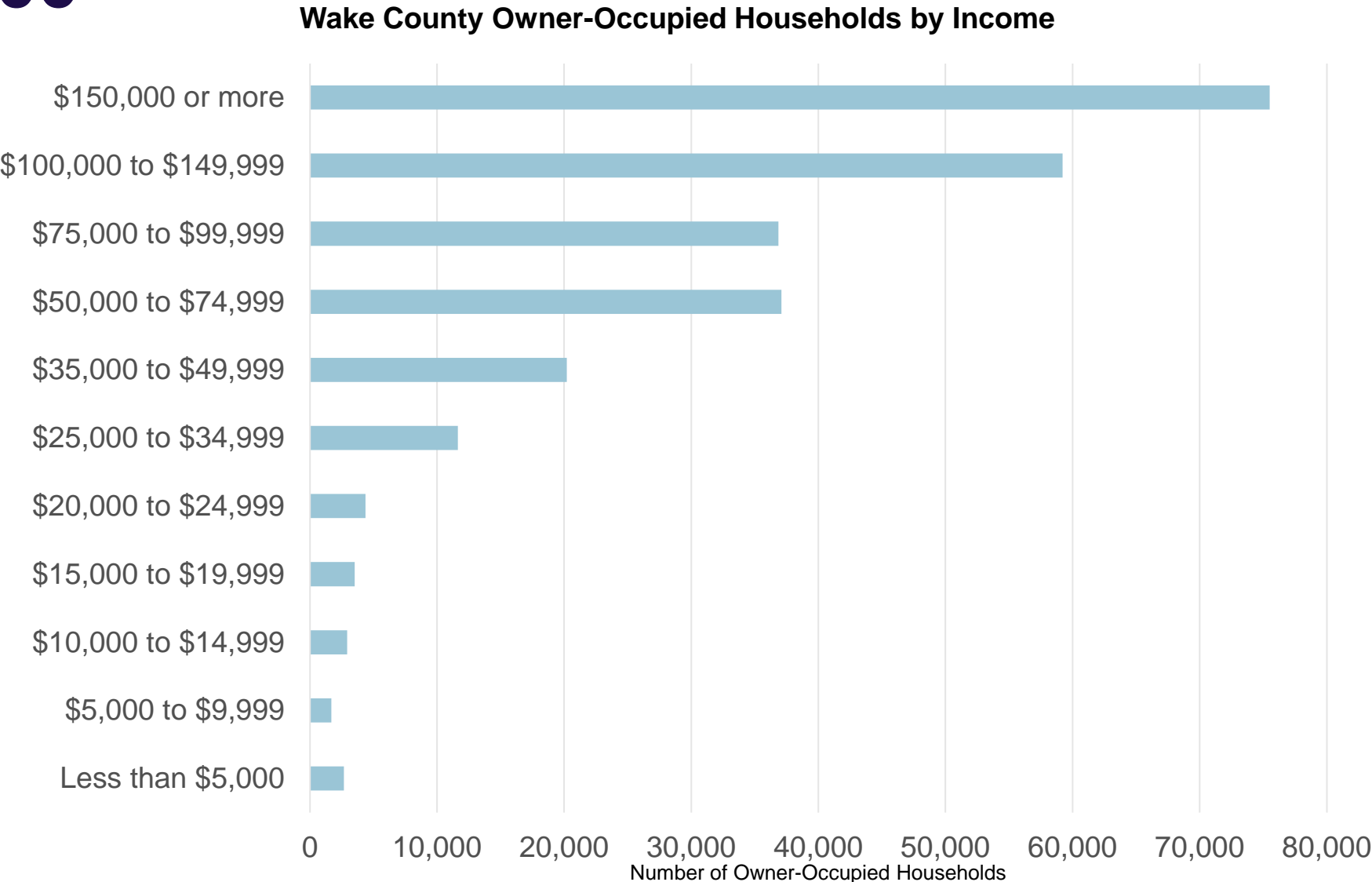
The purpose of today's presentation is to provide an update on relief and assistance programs available to low-to-moderate income homeowners.

- Current Owner-Occupied Environment
- Current Assistance Programs for Homeowners
- Potential Assistance Programs & Considerations

Estimated 18% of Owner-Occupied Households Earn Less than \$50,000*

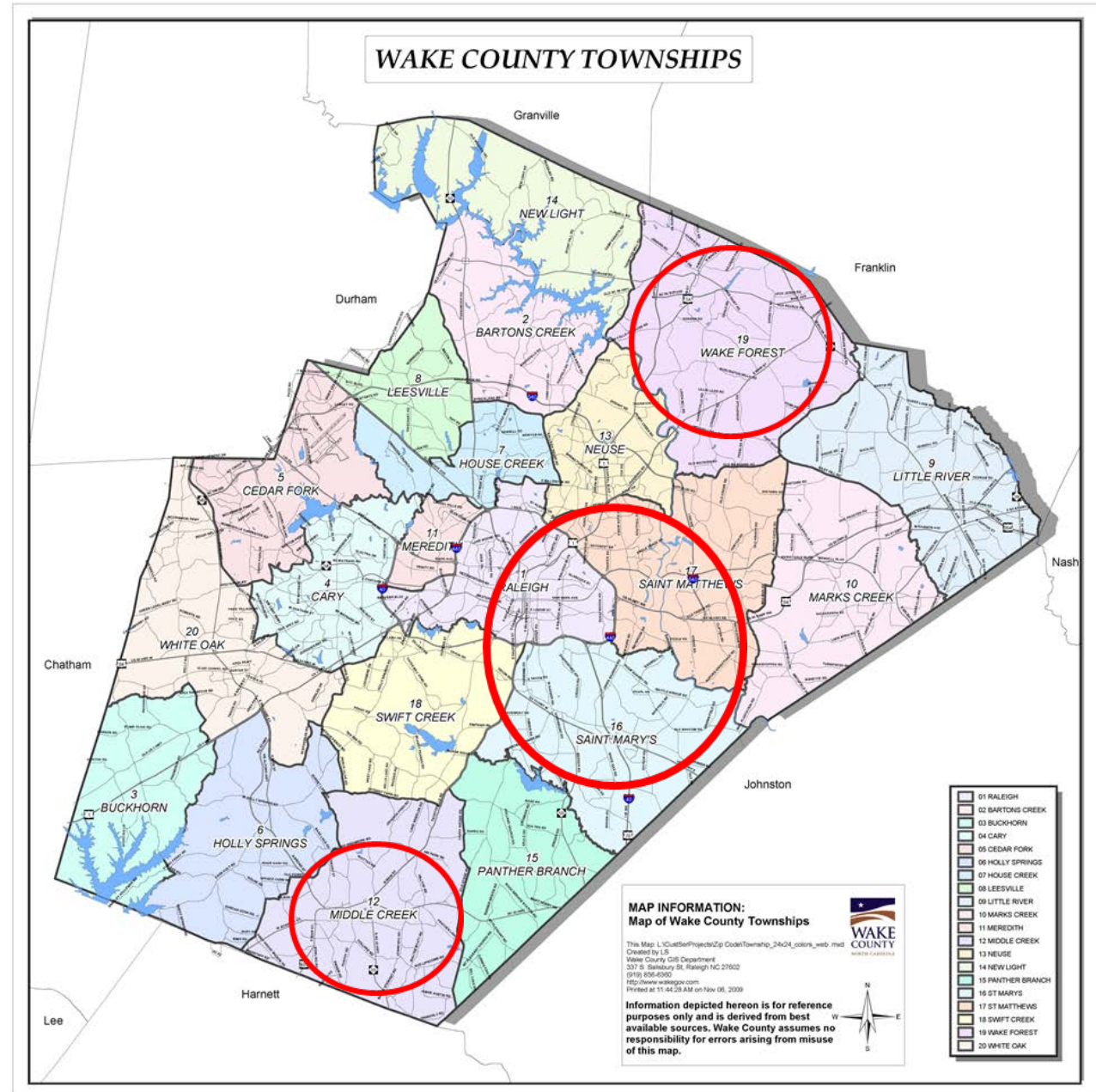
Estimated 400,172 households in Wake County

- 255,708 of these households estimated owner-occupied
- Approximately 47,000 households have income less than \$50,000
- Approximately 27,000 households have income less than \$35,000



Wake County Tax Liens 2022

Township Name	Tax Liens Advertised
Raleigh	1,188
Bartons Creek	188
Buckhorn	100
Cary	412
Cedar Fork	246
Holly Springs	478
House Creek	371
Leesville	199
Little River	526
Marks Creek	431
Meredith	81
Middle Creek	593
Neuse	460
New Light	146
Panther Branch	353
Saint Mary's	983
Saint Matthews	740
Swift Creek	436
Wake Forest	703
White Oak	423
Total	9,057



Current Environment Challenges

Rapidly increasing housing/land values resulting from:

- Commercial/industrial growth and influx of associated residents
- Interest in community/neighborhood revitalizations

Impacts of increasing property values:

- Can lead to higher property tax bills, especially when tax rates increase
- Can outpace income growth, particularly for elderly and low-to-moderate income households

Existing homeowner assistance programs can be difficult to navigate:

- Different income requirements, most very low-income, or other restrictions
- Administered through different departments/agencies

A faint, light blue map of Wake County is centered in the background of the slide.

Current Assistance Programs Available to Homeowners

NC Homeowner Assistance Fund Recently Opened

- Over \$232 million in assistance available
 - Administered by NC Housing Finance Agency, multiple partners State-wide
- Eligible homeowners who experienced financial hardship due to COVID-19 pandemic
 - Eligibility based on location, income, and number in household
- Up to \$40,000 in assistance for qualified homeowners for:
 - Housing payments
 - Mortgage reinstatement or costs related to delinquency or default
 - Insurance, HOA fees, delinquent property taxes

Legal Considerations

NC Constitution

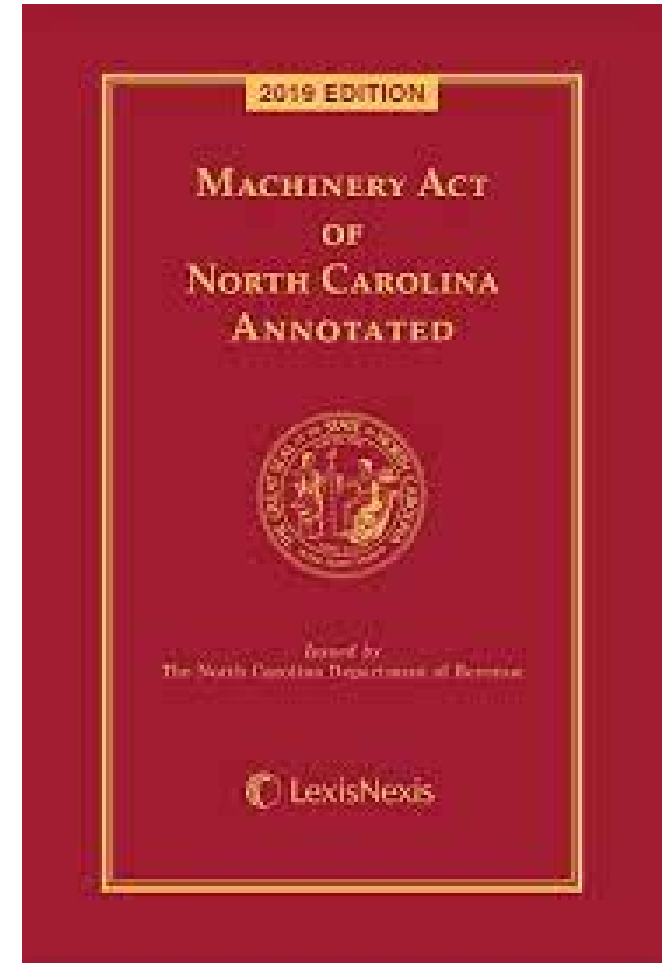
- Article 1, Section 32 - prohibits payments to individuals unless in consideration of public services
- Article 5, Section 2 – all property shall be taxed uniformly
- Article 11, Section 4 – providing welfare needs for “the poor, the unfortunate...” deemed “one of the first duties”
 - Certain programs supported by case law or direct authority from state

NC General Statutes

- Cannot create new or modify existing property tax exemptions (105-274)
- Prohibits releasing, refunding or compromising taxes levied; can become personal liability for BOC members (105-380 & 381)
- Authorized to engage in programs concerned with welfare needs of low-to-moderate income (160D-1311)
 - Statutorily permitted programs, such as rehab and subsidies, come with affordability and deed restrictions

Property Tax Relief in North Carolina

- North Carolina Machinery Act specifically authorizes three property tax relief programs
- Counties have no discretion to change the qualifications in the administration of these programs
 - Program requirements, including income, are specifically detailed by statute
 - These requirements must be applied uniformly in all 100 counties

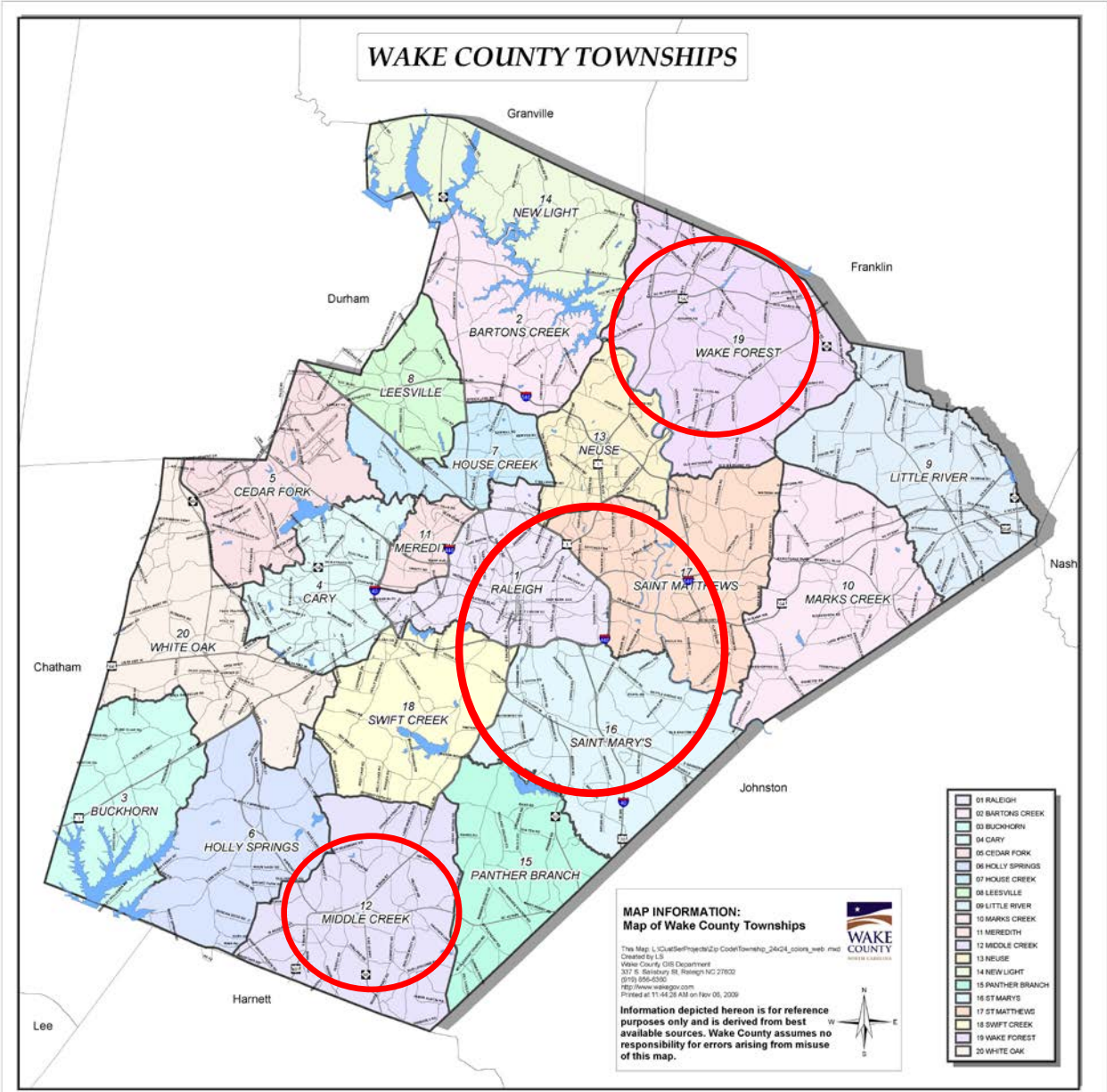


NCGS Authorized Programs (Tax Administration)

	Seniors and Disabled Program (Elderly or Disabled Homestead Exclusion)	Tax Deferment Program (Circuit Breaker Tax Deferment Program)	Disabled Veterans Program (Disabled Veterans Exclusion)
Who Can Apply*	65 years & older OR Anyone totally and permanently disabled	65 years & older OR Anyone totally & permanently disabled AND Owned and occupied home for at least five years	Veterans of any age with a total & permanent disability connected to their military service or their unmarried surviving spouse
Gross Income Requirement **	\$31,900 or less during 2021 (Combined income for married couples)	\$47,850 or less during 2021 (Combined income for married couples)	NONE
Tax Relief Benefit	\$25,000 or 50% off home value, whichever is greater.	Gross income < \$31,900: Property Tax is 4% of income. \$31,900 - \$47,850: Property Tax is 5% of income.	Home value is reduced by up to \$45,000.

Current Utilization of Tax Relief Programs in Wake

Township Name	Elderly or Disabled Homestead Exclusion	Disabled Veterans Exclusion	Circuit Breaker Exclusion	Total Tax Relief
Raleigh	586	114	22	722
Bartons Creek	45	29	1	75
Buckhorn	24	13	-	37
Cary	242	52	9	303
Cedar Fork	79	30	8	117
Holly Springs	120	115	3	238
House Creek	236	53	10	299
Leesville	70	33	6	109
Little River	155	53	1	209
Marks Creek	161	94	2	257
Meredith	43	10	5	58
Middle Creek	279	198	4	481
Neuse	240	88	13	341
New Light	44	25	-	69
Panther Branch	111	109	1	221
Saint Mary's	448	246	5	699
Saint Matthews	327	218	7	552
Swift Creek	131	51	9	191
Wake Forest	258	242	11	511
White Oak	177	100	9	286
	3,693	1,873	126	5,775



Current Outreach Efforts by Tax Administration

Distributed information to
150 community partners

Posted at Public Libraries
and Regional Centers

Information printed on tax
bills and available online

Application available online,
in person, or by mail

Attention Seniors, Disabled & Veterans!



Need help paying your property taxes?

Are you:

- ☐ 65 or older
- ☐ Totally and permanently disabled
- ☐ A disabled veteran or an unmarried surviving spouse
- ☐ Living on a low income

You may qualify for a **reduction**
in your property tax bill!

Three programs
authorized by
the State of North
Carolina might be
able to bring you the
tax relief you need!

Find out more:

👉 [wakegov.com/
taxrelief](https://wakegov.com/taxrelief)
☎ 919-856-5400



Atención adultos mayores, capacitados y veteranos!



¿Necesita ayuda para pagar sus impuestos
propiedad?

¿Es mayor de 65 años?

¿Tiene una discapacidad
permanente total?

¿Es un veterano discapacitado
o un cónyuge sobreviviente que
volvió a casarse?

¿Vive con bajos ingresos?

¿Puede calificar para una
reducción del importe de sus
costos a la propiedad!

Hay tres programas
autorizados por el
estado de Carolina
del Norte que
pueden darle la
ayuda que necesita.

Más información:

👉 [wakegov.com/
taxrelief](https://wakegov.com/taxrelief)
☎ 919-856-5400



Wake HACR Administered Programs

Elderly & Disabled Housing Rehab Program

Up to 50% AMI

Age 62+ or disabled

Up to \$20,000 grant for repairs, mobility or other retrofits (additional \$10,000 available for lead remediation)

56 participants in FY21

Emergency Rehabilitation Program

Up to 50% AMI

Assists with life/safety repairs (heating, well/septic, roof, electric)

Up to \$5,000 grant, with administrative authority to exceed

8 participants in FY21

Affordable Homeownership Program

Up to 80% AMI

Deferred/forgivable loans of up to \$20,000 for first-time buyers or foreclosure prevention

Deed restrictions: forgivable by 25% every 5 years for 20 years; loan assumable to qualified buyer if sold

1 participant in FY21

Raleigh Administered Programs

Substantial Housing Rehab Program

Up to 50% AMI or 62+ age

Up to \$90,000 Loan for major repairs with three or more faulty systems (roof, HVAC, plumbing, electrical, etc.)

8 participants in FY21

Limited Repair Rehabilitation Program

Up to 50% AMI

Up to \$15,000 Loan, discounted 20% every year and forgiven after 5 years of ownership for one or two faulty systems.

12 participants in FY21

Homebuyer Assistance Program

Up to 80% AMI

Low-interest Loan up to \$20,000 for down payment or financing. Forgiven over 20-year period.

55 participants in FY21

Cary Administered Programs

Healthy Homes Program

Up to 65% AMI

\$12,500 for energy efficiency, emergency repairs, exterior, health, safety, accessibility, and lead based paint.

20 participants in FY21

Emergency Rehabilitation Program

Part of Healthy Homes Program

Affordable Homeownership Program

Projected for year 3 of Cary Housing Plan



Potential Assistance Programs for Homeowners

Peer NC Counties Offering Property Tax Grant Programs

Four counties currently running property tax grant programs

- Programs are managed through HS (or similar), not Tax Administration
- Programs utilize parameters and benefits similar to existing low-to-moderate income welfare programs
- Average funding budgeted annually = \$1 million
- Maximum grant range = \$300 to \$750
- Utilization of programs varies widely by county
- Some counties also receive municipal funding/support
- Programs have not been court-challenged (yet)

Peer NC Counties Property Tax Grant Program Parameters & Budget

Jurisdiction	Mecklenburg County	Charlotte	Durham County	Durham City	Orange	Buncombe, Asheville, & Woodfin
Income Level	<80% AMI	>\$31,000 but <80% AMI	<80% AMI (<60% AMI priority)	<80% AMI	<80% AMI	<80% AMI
Own/Reside	3 Years	5 Years	10 Years	10 Years	10 Years	5 Years
Age Limit	N/A	65+	N/A	N/A	N/A	N/A
Grant Amount	25% of tax, max \$340	Unknown	50% of tax, max \$750	\$750	Increase due to 2021 reval	\$300 County + \$200 City
Budget	\$250,000	\$1.5 million over 2 years	\$942,000	\$1,250,000	\$250,000	\$600,000

Tax Grant Program Considerations

Legal/Fiscal

No clear statutory authority

If challenged, program may be halted, and funds repaid by residents

Income, asset, and/or ownership verification may be required for program

Administration

HHS managed program

Awarded grants would apply equally to county and city taxes due

Difficult to anticipate volume of applications:

Owner-occupancy to income, suitability of existing programs, open only to limited group

Resource Needs

Additional staff and space to manage program and process applications

Procure IT equipment to develop and process applications

Additional resources for marketing and outreach to community

Resource needs require lead time before program could begin

Potential Homeowner Assistance Programs

Encourage the Use of Community Land Trusts (CLTs)

- Creation of a non-profit to preserve homeownership in transitional neighborhoods
- Taxpayer's property value reduced through limiting resale value
- Allows homeowner to build equity while CLT usually owns the land
- Similar programs in neighboring counties

Create a Homeowner Care Fund

- Partner with a non-profit agency to fund (and potentially leverage) assistance
- Reduce cost burden of homeowners to preserve their housing affordability, which may include tax subsidies
- Tie cost burden/foreclosure to health of low- and moderate-income persons
- County and municipalities still receive the tax revenue

Foreclosure Prevention or Tax Escrow Fund

- Provide deferred/forgivable grant to create a tax escrow fund that can be drawn down to subsidize affordability of homeowner over several years

Homeowner Assistance Program Considerations

Legal/Fiscal

Programs more closely align with existing authorized programs

CLTs transfer land to non-profits, could reduce overall valuation

Potentially still provide tax revenues through subsidies generated by non-profits

Administration

Administered through non-profits in partnership with County departments

Could be less restrictive than property tax grant program, offered to more types of low-to-moderate income homeowners

Some programs may require deed restrictions

Resource Needs

Establishing or finding non-profit partnership requires lead time

May require a start-up and/or ongoing funding source from the County

Summary & Next Steps

- Summary:
 - County offers three tax relief programs, as authorized by NCGS
 - County offers other assistance programs to low-to-moderate income homeowners
 - Additional programs have many legal, fiscal and administrative considerations
- Next Steps:
 - Receive and answer Board questions
 - Determine Board interest in developing additional programs
 - Staff continues to enhance outreach related to existing programs