

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: July 9, 2026**

**Action Agenda
Item No. 6-d**

SUBJECT: Longtime Homeowner Assistance (LHA) Program – Potential Alterations to Program Threshold and Targeting

DEPARTMENT: Housing

ATTACHMENT(S):
Presentation

INFORMATION CONTACT:
Blake Rosser, Housing Director, 919-
245-2490

PURPOSE: To discuss potential program changes for the 2026 cycle of the Longtime Homeowner Assistance (LHA) program, which assists low-income Orange County homeowners with a discount or rebate on their property tax bill.

BACKGROUND: The LHA program just completed its fifth year of assistance for Orange County homeowners. In its first year the program assisted 91 households with the difference between their 2020 and 2021 tax bills, for a total of \$16,364 paid by Orange County. This past year, the program assisted 806 households with a formula-calculated amount based on over \$500,000 in funding from the County, Chapel Hill and Carrboro.

Over time, the program has not only grown but also changed in its emphasis, consistently looking for ways to tweak the funding formula so that the most vulnerable households are prioritized. As budget decisions have become more difficult over the last few budget cycles, staff is now recommending further refinement of program policy to ensure that limited resources get to the households who most need it.

To that end, staff is recommending that the Board consider raising the eligibility threshold of the program from five (5) years of homeownership to ten (10) years, with exceptions allowed for family transfers that have occurred more recently. This policy change would have impacted 137 households in the 2025 cycle, lowering the amount of assisted households from 806 to 669, and allowing the program to distribute almost \$62,000 more dollars to households that purchased their homes prior to 2016. In addition to prioritizing the longest tenured residents, staff notes that residents that purchased their homes since 2016 in Orange County, when housing prices were already quite high, are not likely the originally intended demographic for the LHA program.

Along those lines, another suggestion was made at the Board's April 7, 2026 Business meeting that LHA be targeted toward properties owned by residents aged 70 or older who have been in their homes for at least 20 years and earn less than 30% area median income (AMI). For the 2025 awardees, this would number approximately 100 households. The County's staff attorney has

advised that this could best be accomplished by amending the funding formula so that households meeting these three (3) criteria receive disproportionately higher amounts of funding, so that the total amount paid approximates the amount paid from the previous year.

At the April 14, 2026 Board work session when the program amendments were first discussed, Board members asked staff various questions, which are addressed below:

- What proportion of funding would it take for the ~100 households to receive this amount of assistance based on this past year's program numbers, and how would this affect other program participants? What might a hypothetical "case study" look like?
 - Calculating these households' tax amounts with the \$0.0422 Board-approved tax increase for FY 2026-27 led to an increase in tax amount for these 100 households of almost \$41,968.
 - Those 100 households received \$45,048.03 in assistance in the 2025 LHA cycle, meaning this new prioritization would result in them receiving almost double the assistance for 2026.
 - As an example, a household with a total property value of \$287,800 had an Orange County portion of their tax bill of \$1,837.03. The new amount, with the FY 2026-27 tax bill, would be \$1,958.48, for an increase of \$121.45 (or 6.61%).
 - Using funds in this way would result in an almost \$60 decrease (on average) to the rest of the approximately 700 households that were assisted.
 - For 2026, if the threshold for assisting homeowners is raised from five (5) years to ten (10) years, this would result in a program savings of approximately \$62,000, which would more than compensate for the \$42,000 increase to this demographic.
 - However, in year 2 of this new prioritization, without an increase in program funding, staff would expect the bulk of program participants to begin receiving less assistance overall.
 - Another consideration would be that some of the residents in this demographic are already receiving the maximum award amount of \$1,000, so the Board would have to determine if it wanted to eliminate the assistance cap for residents of this demographic.
- The Board requested setting asset limits.
 - Staff proposes not assisting any household that owns more than one (1) home, as multiple homes owned suggests a level of wealth that is outside the scope of assistance with this program.
- Consult with Marion Cheek Jackson Center (MCJC) about the change in threshold limit from five (5) years to ten (10) years, and review numbers on how many Northside Neighborhood households this change might impact. MCJC reported:
 - The threshold was previously lowered at least in part because the program's first year saw such low participation, and the change was attempting to increase program uptake.
 - The change in the threshold would only affect three (3) households out of 42 households assisted last year. One (1) of those households could be granted an exception due to being a family transfer, and the other two (2) have had their home values adjusted due to the work of the Tax Office, Tax Justice Coalition, and Habitat for Humanity of Orange County, making those tax amounts considerably less than their 2024 levels.

- Given the above, MCJC expressed no strong objection to increasing the threshold from 5 to 10 years.

FINANCIAL IMPACT: The proposed program changes have no short-term impact on the County; however by FY 2027-28, the Board would likely need to decide between increasing the amount of LHA assistance budgeted, or having approximately 88% of LHA participants receive decreased assistance. The LHA program has an expense of \$377,805, an increase from \$250,000 in 2024. The Towns of Chapel Hill and Carrboro have contributed up to \$87,000 and \$45,000 in matching assistance, respectively, bringing total possible awards to \$509,805.

ALIGNMENT WITH STRATEGIC PLAN: This item supports:

- **GOAL 3: HOUSING FOR ALL**

- OBJECTIVE 7.** Expand resources and invest in housing designed for our aging and disabled residents.

- OBJECTIVE 8.** Preserve existing housing stock from disrepair and avoid displacement.

RECOMMENDATION(S): The Manager recommends that the Board consider and approve the recommended changes.