

Real Estate Tax Relief Program Application Process, Education, & Outreach

Recommendation 1

Revise the RETR application materials to be more user-friendly.

- ✓ Edit the RETR application materials using simple language that is easily understood.
- ✓ Increase the font size on the RETR application materials.
- ✓ Reduce the number of columns on the RETR application.
- ✓ Edit the RETR review application to reduce confusion around deadlines.
- ✓ Develop supplementary materials, such as *program guidelines*, an *overview of the appeals process*, *line-by-line instructions*, a *preparation checklist*, and a *documentation submission checklist*.
- ✓ Create fillable electronic forms for the RETR application materials.
- ✓ Promote other programs through the RETR application materials, including other types of real estate tax relief and programs that provide additional assistance to older homeowners and homeowners with disabilities.

Recommendation 2

Extend the RETR application timeline.

- ✓ Change both the RETR application deadline and the RETR review application deadline from August 15 to November 15.
- ✓ Amend Arlington County Code Chapter 43 to codify the existing RETR Extension Policy, which allows for extensions until January 31 in the event that a physical or mental health issue, or extreme circumstances beyond the control of the applicant, prevented the applicant from filing a timely application.
- ✓ Amend Arlington County Code Chapter 43 to allow for the provision of retroactive RETR of up to five (5) years if a physical or mental health issue, or extreme circumstances beyond the control of the applicant, prevented the applicant from filing a timely application, or if an applicant was retroactively determined to be permanently and totally disabled.

Recommendation 3

Conduct additional outreach to the community to increase participation.

- ✓ At a minimum, perform outreach to organizations, groups, businesses, and events identified in the Working Group's Outreach List.
- ✓ Perform targeted outreach to homeowners whose preferred language is not English.
- ✓ Provide assistance with applications and appeals at senior centers, libraries, tax preparation clinics, and other locations.
- ✓ Establish a group of trained volunteers to assist in performing outreach/technical assistance.
- ✓ Make clear that residents do not have to be traditional clients of DHS programs in order to participate in the RETR program.

Recommendation 12

Build the RETR application materials into the Arlington County website.

Recommendation 14

Provide homeowners with complete, accurate, and unbiased information regarding the Home Equity Conversion Mortgage (HUD's reverse mortgage product) so that it is a safe and viable option for all residents who are interested and may qualify.

Real Estate Tax Relief Program Eligibility Criteria

Recommendation 7

Revise the RETR program's method of calculating applicants' assets.

- ✓ Include only the assets of owners and owners' spouses.
- ✓ Allow for the deduction of approved liabilities/debts if an applicant's asset total exceeds the program's asset limit. More specifically, deduct the following liabilities (if applicable) from the applicant's asset total:
 - Medical and dental expenses not covered by insurance, as reported on Schedule A (Form 1040);
 - Out-of-pocket emergency home repairs within the tax year not covered by insurance and exceeding \$1,000 per incident;
 - Condominium Association special assessments exceeding two times the annual condominium fee; and/or
 - State and federal income tax debts in arrears.

Recommendation 8

Revise the RETR program's asset limit.

- ✓ Change the asset limit to \$400,000 for both exemptions and deferrals.
- ✓ Tie the asset limit to the Consumer Price Index (CPI) so the limit will automatically adjust each year.

Recommendation 9

Revise the RETR program's method of calculating applicants' income.

- ✓ Exclude all disability income for either owner and/or spouse.
- ✓ Exclude up to \$10,000 in income for each non-owner/non-spouse relative living in the home.

Recommendation 10

Revise the RETR program's income limits and expand the number of exemption levels from three (3) to four (4).

- ✓ Establish an additional exemption level providing a benefit of 75% real estate tax relief.
- ✓ Use one income range for each exemption level, regardless of household size.
- ✓ Use the following income ranges as the baseline income ranges for each exemption level:
 - \$0 - \$45,000 = 100% exemption
 - \$45,001 - \$55,000 = 75% exemption
 - \$55,001 - \$65,000 = 50% exemption
 - \$65,001 - \$80,000 = 25% exemption
- ✓ Tie the income ranges to the Area Median Income (AMI) so the ranges will automatically increase in proportion to annual percentage increases in the AMI (but hold households harmless in the event that the AMI decreases).
- ✓ Continue to permit and promote the deferral of any real estate taxes not eligible for exemption.

Real Estate Tax Relief Program Program Management

Recommendation 4

Establish a mechanism to provide oversight of the RETR program.

- ✓ Create a County Manager-appointed Citizens Advisory Group to regularly review the RETR program, investigate issues as they arise (e.g., hardships, appeals), and make recommendations for changes as needed.

Recommendation 5

Establish a mechanism for sharing information and receiving resident feedback related to the RETR program on a regular basis.

- ✓ Create a comprehensive report and reporting schedule for the RETR program in order to collect more detailed data that can assist in future monitoring and evaluation of the RETR program.
- ✓ Create questions related to the RETR program in the County's triennial Resident Satisfaction Survey, an annual or biennial RETR participants survey, and/or some other countywide feedback mechanism.

Recommendation 17

Conduct an extensive review and reevaluation of the Arlington County RETR program.

Real Estate Tax Relief Program

Deferrals

Recommendation 6

Investigate mortgage lenders' opposition to the deferral portion of the RETR program.

- ✓ Conduct research related to mortgage lenders' opposition to the deferral portion of the RETR program.
- ✓ Connect and collaborate with various stakeholders at the local, state, and federal levels, to include affected consumers, elected officials, other local governments, attorneys, the American Bankers Association, the Mortgage Bankers Association, the Consumer Finance Protection Bureau, the Metropolitan Washington Council of Governments, the Virginia Association of Counties, and the Virginia Municipal League.

Recommendation 11

Designate revenue received through the RETR program (i.e., deferral repayments) to support affordable housing opportunities with accessibility and supportive services for older residents and residents with disabilities.

Recommendation 18

Advocate for the amendment of state code in order to provide Virginia homeowners with protection from lenders that refuse to recognize participation in deferral programs.

Recommendation 10

Revise the RETR program's income limits and expand the number of exemption levels from three (3) to four (4).

- ✓ Establish an additional exemption level providing a benefit of 75% real estate tax relief.
- ✓ Use one income range for each exemption level, regardless of household size.
- ✓ Use the following income ranges as the baseline income ranges for each exemption level:
 - \$0 - \$45,000 = 100% exemption
 - \$45,001 - \$55,000 = 75% exemption
 - \$55,001 - \$65,000 = 50% exemption
 - \$65,001 - \$80,000 = 25% exemption
- ✓ Tie the income ranges to the Area Median Income (AMI) so the ranges will automatically increase in proportion to annual percentage increases in the AMI (but hold households harmless in the event that the AMI decreases).
- ✓ Continue to permit and promote the deferral of any real estate taxes not eligible for exemption.

Real Estate Tax Relief Program

Other Future Considerations

Recommendation 13

Explore options to increase funding for the development of, and services associated with, housing for older residents and residents with disabilities.

Recommendation 15

Explore options to provide real estate tax credits to owners of rental dwellings that provide reduced rent to older renters and renters with disabilities.

Recommendation 16

Consider implementing additional programs that could provide financial relief to older residents and residents with disabilities (e.g., personal property tax relief, vehicle registration fee relief, solid waste fee relief).

Recommendation 19

Explore the feasibility, cost, and benefits of establishing separate real estate tax classes specifically for older homeowners and homeowners with disabilities in lieu of the RETR program.

Recommendation 20

Explore ways to enable older residents to age in the community in affordable multi-age multi-unit developments, as well as assisted living facilities, with accessibility and supportive services.