


City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 5, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF AN ORDINANCE TO ELIMINATE THE
SUNSET DATE FOR THE AFFORDABLE HOMEOWNERSHIP
PRESERVATION (AHOP) GRANT PROGRAM

ISSUE: Consideration of an ordinance to remove the sunset provision of the Affordable Homeownership Preservation (AHOP) Grant Program, which assists low and moderate income taxpayers with the payment of real estate taxes owed on residential properties in the City.

RECOMMENDATION: That City Council approve this proposed ordinance (Attachment 1) on first reading, and schedule it for public hearing, second reading and final passage on September 15, 2007.

DISCUSSION: The Affordable Homeownership Preservation (AHOP) Grant Program has been highly successful in providing vital real estate tax relief to City residents. In 2004, City Council implemented the program to provide tax relief to residents in light of rising real property tax assessment. The AHOP grant is provided to low and moderate-income taxpayers. During the first year of the program a flat grant of \$250 was given to qualifying residents. After changes to the eligibility criteria enacted by City Council in fiscal years 2006 and 2007, the program currently offers grants ranging from \$200 to \$1,200 depending on the resident's income bracket.

The following criteria have remained unchanged since the program was originally implemented:

1. The total assets of the applicant's household, excluding the value of the home, personal vehicles and assets in retirement plans, shall not have exceeded \$50,000 as of December 31.
2. The applicant and/or the applicant's spouse must own at least 50 percent of the property for which the grant is requested.
3. The applicant must occupy the property as his/her sole residence as of January 1 and throughout the year.

Over the last three years, the AHOP Grant Program has provided \$1.8 million in real estate tax relief to over 3,000 low and moderate-income residents. Approximately half of the relief administered through this program has been granted to the lowest income group, households with annual incomes below \$40,000 per year. Just over a third of the grantees are from households with annual incomes between \$40,001 and \$55,000. The remaining relief has gone to households with annual incomes between \$55,001 and \$100,000.

In 2004, Council enacted a sunset provision was enacted as part of the AHOP ordinance. The initial sunset date was December 31, 2004. City Council extended the sunset date for the last two years to December 31 of each of the subsequent fiscal years. Since the AHOP Grant Program has been such a successful program for the City, staff requests that City Council make the program permanent by removing the sunset clause from the Code. The criteria for the program can still be adjusted by Council as needed. This ordinance is required in order to implement the AHOP Grant Program approved in the FY 2008 budget.

FISCAL IMPACT: The budgeted cost for fiscal year 2008 is \$1.2 million to provide real estate tax assistance to low and moderate-income residents.

ATTACHMENT: Proposed Ordinance

STAFF:

Mark Jinks, Deputy City Manager

Laura B. Triggs, Acting Director of Finance

Debbie Kidd, Division Chief, Finance/Revenue Administration

Roderick B. Williams, Assistant City Attorney

Introduction and first reading:	09/11/2007
Public hearing:	09/15/2007
Second reading and enactment:	09/15/2007

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend Section 3-2-175 and to repeal Section 3-2-179 of Division 2 (AFFORDABLE HOMEOWNERSHIP PRESERVATION PROGRAM) of Article L (REAL ESTATE TAX RELIEF) of Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended

Summary

The proposed ordinance makes permanent, subject to future appropriations, the Affordable Homeownership Preservation Program, and limits the time for eligible persons to apply for relief under the program to the period between adoption of the City budget and September 1. This provision precludes any relief under the program if funding for the program is not included in the City's annual budget.

Sponsor

Staff

Mark Jinks, Deputy City Manager
Laura Triggs, Acting Director of Finance
Debbie Kidd, Division Chief, Finance/Revenue Administration
David Clark, Division Chief, Finance/Treasury
Roderick B. Williams, Assistant City Attorney

Authority

City Charter §§ 2.01 and 2.04.2

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

ORDINANCE NO. _____

AN ORDINANCE to amend Section 3-2-175 and to repeal Section 3-2-179 of Division 2 (AFFORDABLE HOMEOWNERSHIP PRESERVATION PROGRAM) of Article L (REAL ESTATE TAX RELIEF) of Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-175 of Division 2 (Affordable Homeownership Preservation Program) of Article L (Real Estate Tax Relief) of Chapter 2 (Taxation) of Title 3 (Finance, Taxation and Procurement) of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended to read as follows:

Sec. 3-2-175 Same--procedure for application.

(a) ~~Commencing with taxable year 2004, and in each taxable year, subsequent to the adoption of the City budget for the following fiscal year, and subject to the appropriation of funds, but not later than September 1 of the taxable year, any applicant for a grant under this division shall file with the city manager, in such manner as the manager shall prescribe and on forms to be supplied by the city, an affidavit or written statement providing the following:~~

- (1) the name of the applicant;
- (2) the address of the real estate for which the grant is to be applied against the tax liability;
- (3) the names of all persons who reside in the applicant's dwelling;
- (4) the household income of the applicant as defined in section 3-2-171(9);
- (5) the net combined financial worth of the applicant as defined in section 3-2-171(5);
- (6) such additional information as the city manager reasonably determines to be necessary to determine eligibility for a grant pursuant to this division.

(b) If, after audit and investigation, the city manager determines that the applicant is eligible for a grant, the manager shall so certify to the director, who shall implement the grant as a prepayment on the applicant's real estate tax bill due on November 15 of the taxable year.

(c) Any provision of this division to the contrary notwithstanding, the director may declare eligible to apply for a grant any person filing the affidavit or written statement required by subsection (a), after September 1 but before November 15 of the taxable year, provided good cause is shown for the failure to file the affidavit or statement on or before September 1 of the taxable year.

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2 Section 2. That Division 2 (Affordable Homeownership Preservation Program) of Article
3 L (Real Estate Tax Relief) of Chapter 2 (Taxation) of Title 3 (Finance, Taxation and
4 Procurement) of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the
5 same hereby is, amended by repealing Section 3-2-179, as follows:
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7 ~~Sec. 3-2-179 Sunset date.~~
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9 ~~No grant pursuant to section 3-2-172 shall be permitted in any taxable year which~~
10 ~~commences after December 31, 2006.~~
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12 Section 3. That this ordinance shall become effective upon the date and at the time of its
13 final passage, and shall apply to taxable year 2007 and subsequent taxable years.
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16 WILLIAM D. EUILLE
17 Mayor
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19 Introduction: 09/11/2007
20 First Reading: 09/15/2007
21 Publication:
22 Public Hearing:
23 Second Reading:
24 Final Passage:
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28 DELETION.DOC