



Revaluation Impacts and Staying in Place Strategies

BUDGET WORKSHOP

APRIL 6, 2023

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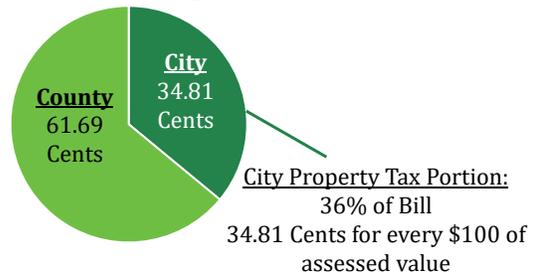
The Impacts of Revaluation on Property Taxes

Revaluation is a state-mandated county action. Subsequent to the action, the city must publish a revenue neutral tax rate.

A revenue neutral tax rate has the effect of redistributing the same tax levy based on updated values.

Revaluation is not advantageous for the city’s budget. It is not a tax increase and does not provide any additional revenue beyond a typical year.

Charlotte Resident’s Property Taxes



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How a Revenue Neutral Tax Rate is Calculated

<p>Current Year Projected Property Tax Levy</p> <p>\$543.5 M</p> <p>What Property Tax Revenue we can Generate at our Current Rate</p>	÷	<p>Assessed Value After Revaluation (including projected appeals rate)</p> <p>\$214.8 B</p> <p>Value of land in Charlotte after recent assessment</p>	×	<p>2.95% Average Annual Growth Rate Since Last Revaluation</p> <p>1.0295</p> <p>Typical annual growth from new properties/buildings</p>	=	<p>Example Revenue Neutral Tax Rate</p> <p>26.05¢</p> <p>Tax rate needed to support the same revenue as if there wasn't a revaluation</p>
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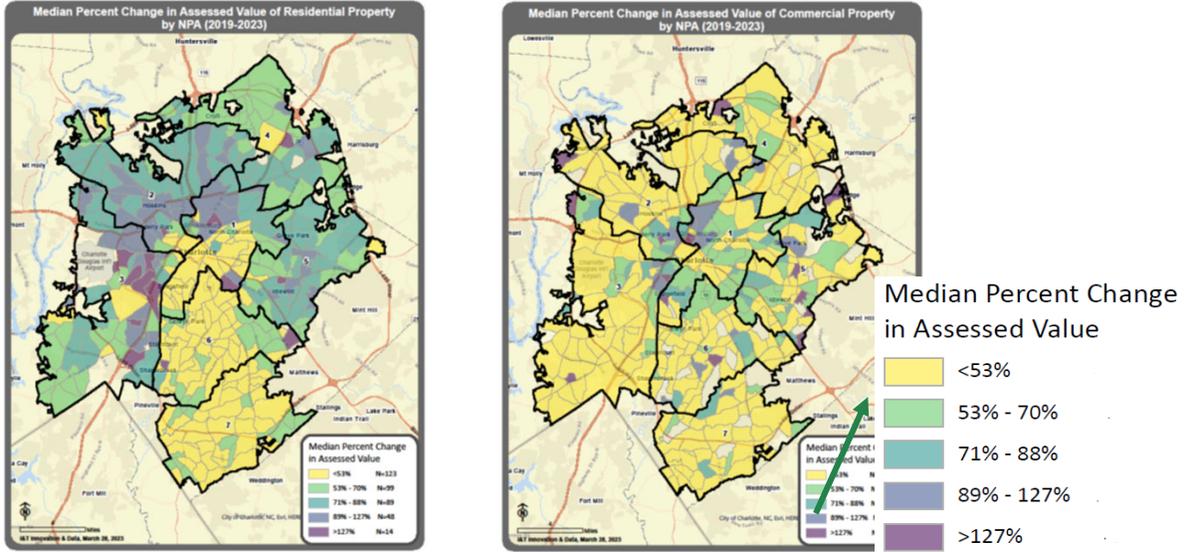
Examples of Annual Impacts on City Tax Bill

	Current City Tax Rate at Previous Value 34.81¢	Current City Tax Rate at New Value 34.81¢	Revenue Neutral Tax Rate at New Value 26.05¢	Each Additional Cent Above Revenue Neutral
 Was: \$218,700 Now: \$349,800 % Growth: 60%	\$761	\$1,218 +\$457	\$911 +\$150	+\$35
 Was: \$135,900 Now: \$271,700 % Growth: 100%	\$473	\$946 +\$473	\$708 +\$235	+\$27
 Was: \$886,600 Now: \$1,069,300 % Growth: 20%	\$3,086	\$3,722 +\$636	\$2,786 (\$300)	+\$107

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Median Percent Change - Commercial & Residential



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Value Change Details by Council District

District Map

Explore Online
<https://arcg.is/1La48a0>

Neighborhood Info		Revaluation Info		Population & Housing Info			
NPA	Number of Parcels	Median % Change in Assessed Value	Median \$ Change in Assessed Value	Poverty	Seniors	Rental Houses	Rental Costs
386	901	53%	\$207,900	15%	10%	43%	\$1,283
22	420	52%	\$130,100	6%	5%	42%	\$1,338
87	380	49%	\$137,300	21%			
126	355	48%	\$160,500	35%			
2	683	47%	\$102,800	18%			
24	319	47%	\$160,700	6%			
315	324	47%	\$175,050	3%			

Neighborhood-level Detail

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Snapshot of Anti-Displacement Efforts

Current/Ongoing	Under Evaluation	Upcoming Efforts
<ol style="list-style-type: none"> 1. NOAH investments 2. Emergency repair and home rehab 3. House Charlotte down payment assistance 4. Staying in Place pilot program 5. Large-scale displacement event protocol 	<ol style="list-style-type: none"> 1. Property tax assistance grant 2. Expand the Acquire, Rehab, Resell program 3. Auxiliary Dwelling Unit (ADU) pilot program 4. Wrap-around services in city-supported housing 5. Sustainable emergency rental assistance program 	<ol style="list-style-type: none"> 1. HTF tune-up (e.g., land acquisition) 2. UDO affordable housing bonuses/allowances 3. HIRE Charlotte framework to create/fill good paying jobs 4. NEST recommendations and anti-displacement strategy

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Primary Existing Tax Relief Programs

State-Authorized Programs

5,774 approved FY2023 applications across all three programs in city limits

Elderly Homestead Exemption	Circuit Breaker Deferral	Disabled Veteran Exemption
<ul style="list-style-type: none"> • Reduces taxable value by greater of \$25,000 or 50% • 65 years and older or totally disabled • Income limit of \$33,800 	<ul style="list-style-type: none"> • Caps property taxes at 4 or 5% of income and defers payment of remaining balance • 65 years and older or totally disabled • Income limit of \$50,700 	<ul style="list-style-type: none"> • Reduces taxable value of home by \$45,000 • No age or income limit

Program eligibility determined by the State

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Potential to Model Tax Assistance Program After Mecklenburg County HOMES Program



Provides tax assistance up to 25% of County tax bill

Capped at 25% of median home tax bill



For owners in their home at least 3 years and earning less than 80% Area Median Income



Reduces bill rather than providing reimbursement

ARPA Status: Housing & Anti-Displacement

In 2021/2022, Council earmarked **\$47 million** of ARPA funds for affordable housing initiatives that support strategic partnerships, reduce displacement risk, and advance staying in place

- Over the past year, Council has approved approximately **\$24 million** of housing-related ARPA expenditures, with RCAs planned in April for an additional **\$2.5 million**
- The remaining housing-related ARPA balance of approximately **\$20 million** of funds is available to support a range of Council priorities, such as:
 - *Large NOAH projects*
 - *NEST Commission recommendations*
 - *A Home for All Recommendations*



