Ordinance to Expand Denver's Property Tax Rebate Program for Qualifying Low-income Households

Denver Human Services

Safety, Housing, Education, and Homelessness Committee | December 19, 2018



Background on Current Program



- Article XI Refund Payments to Elderly or Disabled Persons, in DRMC Chapter 53 Taxation and Miscellaneous Revenue.
- Purpose: To provide relief to older adults and persons with disabilities on a fixed income who are impacted by rising property taxes and inflation.
- Previously administered by the Treasurer's Office;
 transferred to Human Services in 2016.

Current Program

Eligibility Criteria:

- Renter or owner-occupant,
- Over age 65 or totally disabled, and
- Under income threshold:
 - Single applicant: \$15,900*
 - Double applicant: \$23,200*

*2017 income levels; annually adjusted

Current Program

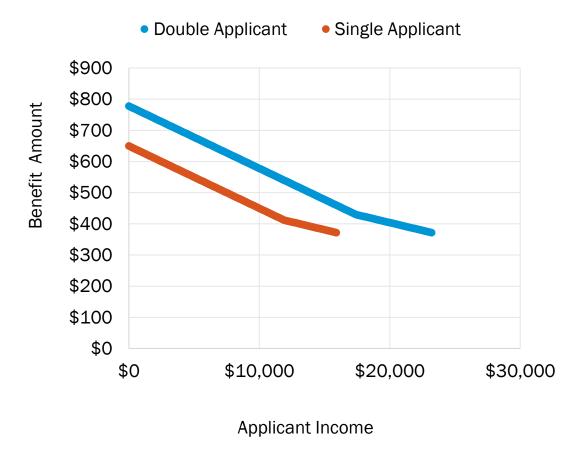
Benefit:

- Payment amount is scaled to income
 - Minimum: \$372
 - Maximum: \$778
- Average payment (2017): \$418

Utilization:

- 2,964 payments distributed (2017)
 - 83% Renters
 - 17% Owners

Benefit Amount by Income



Why Change the Program

Underutilization of the program, particularly by homeowners

- Proposal:
 - Expand to income-eligible homeowner families with children
 - Increase the income limit for homeowner older adults and persons with disabilities
- Rationale:
 - Increase utilization of the program by homeowners
 - Promote housing and educational stability for income-eligible families with children
- Approved 2019 program budget increase to \$3.1 million

Proposed Changes

Eligibility:

- Renters no change
- Homeowners Income Limits:
 - Tie to Area Median Income
 - Older adults or persons with disabilities: At or below 35% AMI
 - Households with at least one child under age 18: At or below 40% AMI

% Area Median Income (2017)	Household Size				
	1	2	3	4	5
30% AMI	\$17,640	\$20,160	\$22,680	\$25,170	\$27,210
35% AMI	\$20,580	\$23,520	\$26,460	\$29,365	\$31,745
40% AMI	\$23,520	\$26,880	\$30,240	\$33,560	\$36,280
60% AMI	\$35,280	\$40,320	\$45,360	\$50,340	\$54,420
80% AMI	\$47,040	\$53,760	\$60,480	\$67,120	\$72,560
100% AMI	\$58,800	\$67,200	\$75,600	\$83,900	\$90,700

Current Program (*2017 income levels):

Single applicant: \$15,900* = 27% AMI for 1-person household

Double applicant: \$23,200* = 34% AMI for 2-person household

Proposed Changes

Rebate:

• Inversely proportional to income – the lower the income, the higher the rebate amounts. Anticipate range of average rebate to stay between \$400-\$500

Increased outreach:

- Property tax bill insert
- Denver Human Services marketing and outreach

Controls:

- Subject to available appropriation clause
- DHS given rule-making authority

Issues to be Addressed in Rule

- Procedures for review and verification of applications and determination of eligibility
- Definitions of household composition and countable income
- Rules for distributing refunds based on available appropriation
- Records retention policy
- Grievance procedure

Rules will be adopted through a formal rule making process, per DRMC Chapter 2, Article VI

Process

- Collaboration of Council members, Mayor's Office, DHS, Finance, and OED through working group
 - Discussions on ordinance changes & rule changes
- October 31: proposed changes presented to City Council Housing & Homelessness Working Group
- November 30: proposed changes presented to Policy Review Committee
- Ordinance change request process, followed by rule-making
- Expanded program targeted to begin May 1, 2019

Anticipated Ordinance Timeline

- December 19, 2018 Present to SAFEHOUSE committee
- December 25, 2018 Mayor-Council (on consent due to holiday)
- January 2, 2019 First reading
- January 7, 2019 Second and final reading
- Spring 2019 Rule-making process
- May 1, 2019 Implementation of expanded program