



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett

County Executive

February 21, 2013

TO: Nancy Navarro, Council President

FROM: Isiah Leggett, County Executive

SUBJECT: Bill5-13, Property Tax Credit -Accessibility Features

I am writing to express my strong support for Councilmember Leventhal's initiative to increase the supply of housing that includes features that make homes visitable and livable ("Design for Life" features). Housing with these features is critically important for many of our residents – including those living with mobility impairments and our seniors, both of whom experience difficulties in housing with standard designs. We need to take meaningful steps to remove accessibility barriers that interfere with full use of one's home.

Introduction of Bill 5-13 coincides with work that I have had Executive staff doing to create a proposal for incentives and strategies to increase the supply of housing with Design for Life features. We can no longer rely on volunteer programs to create this stock. I congratulate Councilmember Leventhal on providing a proposal to make progress on this important issue.

The proposals that I would like to see go beyond renovations to existing dwellings. We need a program that incentivizes both builders and property owners to include Design for Life features in both existing housing and new construction. To do this requires that we look at additional incentives, such as impact tax credits. Property tax credits will encourage the property owner. Impact tax credits will incentivize the development community. We also need to set the maximum level of available credits high enough to encourage participation. Therefore the maximum level of available credits should be revisited as needed as we gauge participation in future years.

We also need a program that will encourage participation by recognizing builders and designers who participate in creation of homes with Design For Life features. Finally, we need to make certain that end users have timely notice about the availability of these credits.

I will be sending proposed amendments to Bill 5-13 and additional legislation as necessary that will have the following elements:

1. A property tax credit with an initial cap of \$500,000 that during the first year alone can accommodate an estimated 250 applicants and that would apply to both renovation and new construction. This tax credit would have certain adjustments as reflected on the table below.
2. An impact tax credit against school impact taxes for improvements that make a home visitable and which will be certified pursuant to a program to be developed by the Department of Permitting Services. The program will provide varying levels of credit based upon different levels of participation to incentivize greater levels of developer participation.
3. The program will i) provide levels of certification that will trigger the different levels of impact tax credits, ii) fast-track permits for Design for Life units, iii) include partnerships to promote the projects and designers who participate in Design for Life projects, and iv) help raise awareness about the need for and production of housing with Design for Life features.
4. A requirement that developers and realtors disclose to prospective purchasers of new homes the availability of property tax credits for Design for Life features if included in the home.

The credits that are proposed are summarized in the following table:

Type and amount	Visitable	Livable	Cap/applicant/annum
Property tax (end user) – Total \$500,000/year	Up to \$3000 of certified costs where there has not been an Impact Tax credit (will capture tear down/rebuilds)	Up to \$10,000 (less amount of any impact tax credit provided for address due to visitable features)	\$2000
School Impact Tax (Builder) – with certification that costs of visitable improvements are not passed on to the purchaser	5% of units - \$500/unit 10% of units - \$1000/unit 25% of units - \$1500/unit 30+% of units - \$2000/unit	\$0	NA

I am proposing that the school impact tax credit be utilized for this initiative. While there are many groups with needs that will be served by housing with DFL features, our growing senior population, a group that does not typically generate students, will likely be the largest consumer of housing with DFL features.

My proposal is structured so that developers can take advantage of the credit in a way that will not compensate them in both the price of the home and the credit. Likewise, because the definition of visitable includes livable features, I am proposing an adjustment ranging between \$500 to \$2000 to the total property tax credit to the extent that a school impact tax credit has been provided for the unit.

I am optimistic that this multi-pronged approach will enable the County to increase the stock of housing with DFL features that remove barriers and allow people to remain in their homes rather than face expensive costs of institutional assisted living or expensive renovation costs at a later date.

I look forward to working with the Council in a collaborative effort to develop an effective approach to increase the supply of homes in our County that provide DFL features.

c: George Leventhal, Councilmember
Joseph Beach, Director, Finance Department
Jennifer Hughes, Director, Office of Management and Budget
Diane Jones, Director, Department of Permitting Services
Betsy Luecking, Staff Liaison, Commission on People with Disabilities and
Commission on Veterans Affairs