

Property Tax Study Committee
Thursday, April 11, 2019
8:00am, Donaldson Room, Town Offices

Present: Carolyn Bottum, Director, Council on Aging; Jennifer Glass; Tim Higgins, Town Administrator; Jennifer Glass; David Levington; Sara Mattes; Ellen Meadors.

Absent: Brendan Coughlin; Gina Halsted; Kenneth Mitchell.

Also Present: Dorothy Blakeley, Administrator, Board of Assessors; Ursula Nowak.

Welcome: Jennifer Glass brought the meeting to order at 8:05am, and those present introduced themselves. She turned the meeting over to Carolyn Bottum and Tim Higgins to present information about what is known about economic need in Lincoln.

Defining Need, Presentation & Discussion: Mr. Higgins set context for the presentation, noting that the purpose of the information is to share some data points. The data is not intended to lead to a conclusion. These are objective, quantifiable data points. Defining need will also include community discussion and value judgements.

Ms. Bottum shared a slide presentation that focused on the following topics: (see <http://www.lincolntown.org/DocumentCenter/View/44758/Determining-Needs> for the slide presentation.)

- Indicators of Homeowners Having Difficulty Paying Property Taxes:
 - How many homeowners are considered cost burdened?
 - Utilization of Circuit Breaker tax credit.
 - At each income level (as compared to Area Median Income) what percentage of households are considered cost burdened?
 - Number of households in Lincoln at various percentages of AMI; 100% AMI is \$65,900 for one person.
 - Who is cost burdened? A look by age group and family size.
 - Changes in Lincoln's demographics over the past several decades.
 - Availability of housing that is affordable for a household making less than \$120,000K.
 - Is there housing available if current homeowners want to move into affordable housing (rental or owned)?
- Indicators of Need: Information From Town and Non Profit agencies.
 - Household income in Lincoln as of 2017.
 - Number of St. Vincent de Paul Food Pantry clients between 2010 and 2018.
 - Number of requests to access the Lincoln Emergency Assistance Fund.
 - Number of requests for financial aid from Parks and Recreation.
 - Need for mental health services as reported by Eliot Human Services.
- Recent Service Enhancements:
 - Public Health Nurse: Town funds 6 hours/week.
 - Town Social Worker: Grant funds 12 hours/week.
 - Mental Health Clinics: once/month; currently using Board of Health funds, will receive funds from First Parish Easter offering.
 - Emergency Housing Funds: \$15,000 from The Commons.
 - Rental Assistance Program: \$30,000 in assistance (for one year) from Community Preservation Act funds. Aimed at monthly subsidies to those eligible for 30% affordable housing, but who cannot get into such housing due to demand.
- Observations:
 - Over 650 Lincoln homeowners are considered "cost burdened," and may have difficulty paying increased local property taxes.
 - Homeowners who live in modest dwellings may not qualify for the Circuit Breaker tax credit due to elevated property values.
 - The Council on Aging is seeing an increase in homeowners seeking financial assistance.

- The number of struggling homeowners may increase as the number of seniors in Lincoln grows.
- There is a significant increase in Lincoln residents experiencing both extreme financial and human services needs. The majority are renters.

Questions and Discussion:

- Do the Lincoln demographics include those living at The Commons? They do.
- How much will the rents in Lincoln Woods increase when the school project hits the tax bill? The monthly rates have just gone up \$90. The tax increase will be reflected in the market rate units. The designated “affordable” units need to conform to state determined limits.
- There was a question about how about the rates at The Commons might change. David Levington noted that they generally expect fees to increase 3 to 3½% each year. He conjectured that the tax increase might double that increase, but it is yet to be determined. Mr. Levington noted that Commons homeowners have \$400-\$500K on deposit. Increased fees can be taken from the funds on deposit, offering a cushion from tax increases.
- Sara Mattes asked how many properties ineligible for the Circuit Breaker credit because of value. Ellen Meadors said that she could research that information.
- It was noted that for the Parks & Recreation Department data, it is important to know if all of those applying for aid are Lincoln residents.
- Ms. Glass asked whether there was information available from the Lincoln Public Schools, and wondered how much overlap there is among those seeking assistance from multiple services.
- Ms. Glass said that she contacted Representative Tom Stanley’s office about updated information about income. Ideally, would like to determine if it is possible to get data showing the intersection of income and house value. Rep. Stanley’s office will see if this information is available from the Department of Revenue (DOR). Mr. Levington said that he had reached out to a contact at DOR. Ms. Meadors said that she thought she might be able to analyze resident age vs. house value.
- Ms. Mattes said that it is important to ensure that sources of data are clearly indicated. When we present information to the community, we should also explain groups such as the MAPC (Metropolitan Area Planning Committee).
- Ms. Mattes asked if the Town has a PILOT (Payment in Lieu of Taxes) program for non profits. Mr. Higgins said that the Town has made overtures to the many non profits in town over the years. He said that the new Hospice makes an annual payment, but many of the organizations are small and do not have that capability.
- Transaction Tax: Concord is considering a “transaction tax” on real estate transactions in order to support affordable housing. The idea is currently being debated at the Concord Town Meeting, and has not yet been voted. There was a question about whether the state will allow such a tax, and/or whether special legislation would be needed.
- Ms. Mattes and Mr. Levington, as a result of their meeting with former Representative, Jay Kaufman, have set up a meeting with Alicia Scahill, Counsel, DOR, and Ryan Sterling, Chief of Staff for Rep. Cusack, Chair of the Joint Committee on Revenue. Mr. Kaufmann is meeting with Representative Cusack, and will report what he learns back to Ms. Mattes and Mr. Levington.
- There was discussion about what Mr. Levington and Ms. Mattes should discuss with Counsel Scahill and Mr. Sterling. In addition to providing them with an overview of our committee and a copy of the charge, the following questions were put forward:
 - What is the thinking at the state level about new approaches to property tax relief?
 - Is there interest in using a town for a pilot project? This could be deemed experimental, not precedent setting.
 - If we want to look at something requiring legislation, is it possible to implement it within 2 to 3 years? For example, in the event Lincoln moves forward with a program such as the ones in Sudbury, Concord, or Wayland, would it be expedited? NOTE: Lincoln has had difficulty getting our accessory apartment bylaw approved, even though we used the same language as another town.
 - What is the prognosis for the statewide Sudbury bill? Currently it is sitting in the Senate.

- Is there any creative work being done for renters? In towns like ours, the lower cost housing tends to be rental housing. Only a fraction of renters are in “affordable” units. Others struggle because they are in market rate units and don’t quite qualify for assistance based on income, age, or rental cost.
- Are there any DOR barriers to working with banks to see if they might be willing to support the deferral program by holding home equity loans locally so that the first lien (for deferred property taxes) could go to the town? Ms. Meadors noted that the amount of deferral can only go up to fifty percent of the value of the house, and what accumulates is less than the appreciation than the house.

Additional Data: There was discussion about additional data that might be collected:

- Do we know how long people have been in their homes? Could that be determined, and how much time would it take? Ms. Meadors said it is possible to figure out from sales records, and it would take time to ensure the data is accurate. This will not be for the next meeting, but perhaps the one after that.
- If there is interest in helping renters, how would programs be administered? Is there something at the state level? The town has limited administrative capacity.
- How many market rate rentals are there in Lincoln vs. affordable rentals?
 - More information could be gathered from the ZBA about accessory apartments.
- If we were to enact the Residential Exemption, the Assessor’s office would need to annually confirm whether properties are “owner occupied.” This would require another layer of administration and more staff time.

Information from the Community: The committee discussed that it will need to think about how to check in with the town about the appetite for different tax relief programs; each one requires a shift in the tax burden. The community will also need to consider how Town values (as expressed, for example, in the Town Vision Statement) intersect with various proposals.

- Each program is a “blunt instrument.” Residents will be asked to weigh how well each program meets needs and supports town values.
- Mr. Higgins noted that on a practical level, there is low hanging fruit such as lowering the interest rate on deferrals, and perhaps figuring out how better to explain the program. The Sudbury program extends relief for eligible seniors. The residential exemption tests town values, as it further shifts the tax burden and may also have a negative impact on renters.

For the Next Meeting:

- Look at the Concord, Wayland, and Sudbury means tested abatement models.
 - What might each model cost the town?
 - What is the level of participation in those towns?
 - Who would be helped by each program?

Minutes: Ms. Mattes moved to accept the minutes from March 29th. Mr. Levington seconded the motion, and the minutes were approved unanimously.

The meeting was adjourned at 9:37am.

Minutes respectfully submitted by Jennifer Glass

