MINUTES
City Council Housing Committee

Tuesday, May 12, 2026 – 3:45 PM
City Hall Council Chambers

Members Present:	Aaron Baker, Vice Chair, City Council Member (arrived at 3:55pm) Victor Foster, Citizen Member Mayor Maureen Copelof, Ex-Officio
Members Absent:	Pamela Holder, Chair, City Council Member
Staff Present:	Dean Luebbe, Assistant City Manager/Finance Director Emily Brewer, Senior Planner Shawnee Cummings, Assistant to the City Manager
Guests:	Harvey Sankey

A. Welcome and Call to Order

Committee Vice Chair Aaron Baker welcomed everyone and called the meeting to order at 3:56pm.

B. Certification of Quorum

Assistant to the City Manager Shawnee Cummings certified that a quorum was present.

C. Approval of Agenda

Mr. Foster moved, seconded by Mr. Baker to approve the agenda. The motion carried unanimously.

D. Approval of Minutes – February 10, 2026 Minutes and March 10, 2026 Session Notes

Mr. Foster moved, seconded by Mr. Baker to approve the minutes of the February 10, 2026 meeting and the session notes of the March 10, 2026 meeting as presented. The motion carried unanimously.

E. Discuss Possible Property Tax Assistance Options

Mayor Copelof said she anticipates hearing during the public hearing on the budget that the property tax increase will make it very difficult for low-income residents. She expects residents to ask Council to reduce the tax increase in the budget, which is always an option, but it is a difficult option because the City needs money to operate.

An option Staff started working on a year ago is a Low-Income Homeowner's Assistance Program, which would offer relief to low-income taxpayers that meet certain criteria. Council modified the Housing Trust Fund bylaws last August to add tax rebates to the list of eligible expenses for the Housing Trust Fund. Last summer, the City applied for a Dogwood grant to provide tax relief and Ms. Brewer tailored the program and its criteria to meet the grant requirements. The grant was targeted at older residents, so the City's proposed program had age-related criteria for individuals in the household.

Mayor Copelof wanted to look at the program again and eliminate age-related criteria since the City did not get awarded the grant. She added that this program is unfunded, but the grant request was for $60,000 over 2 years. Mayor Copelof said one thing to think about is whether we want to try to find the $30,000 in the City's budget to create the program as a response to people saying that they are being taxed out of their house.

Ms. Brewer summarized the original proposal, included the following eligibility criteria: (1) a residency requirement that required applicants to have lived in the home for at least 3 years, (2) an age requirement of 60 years or older for at least one member of the household, (3) an income requirement that household income must be at or below 80% of area median income (AMI), and (4) the applicant must be current on all property taxes and cannot use funding to pay unpaid or delinquent property taxes. Staff proposed a model that determined award amounts based on AMI and the increase in property tax value attributable to the County's revaluation. Under the program, payments would be sent directly to the City's Tax Collector and reflected on applicants' tax bill as a credit so the City could ensure the money would be applied to property taxes. If applicants already paid their taxes for the current year, they would receive a reimbursement check. Awards ranged from $250 to $1,500, and the program would operate on a first-come, first-served basis until the annual allocation of $30,000 was depleted. Staff also thought through program administration, including verification of age, income, and residency. An additional consideration was that the person meeting the age requirement did not have to be the head of household, allowing multi-generational households to qualify. Ms. Brewer said the proposal was put together quickly, so Staff are not sure how many qualifying households there are.

Mr. Foster said that the first-come, first-served model sounds fair, but it is not, especially if the information does not get to the people that need it the most. Mr. Baker said that is also a concern of his and suggested an application period. Ms. Brewer then asked how you differentiate and decide between applicants. Mayor Copelof suggested lowering the AMI requirement so you would have less people and get applicants with the greatest need, or an alternative of weighting it based on percentage of AMI. Ms. Brewer added that with a program like this, the City relies heavily on its partners and education to carry out a targeted effort and communicate with the people who need it. Mr. Baker asked if there was an application period, could the selection criteria be need-based and just start from the greatest need. Ms. Brewer said yes, probably.

Mayor Copelof said she wished Councilmember Holder was here because she was very concerned about 2.5 cent tax increase and wanted to lessen the impact on low-income

residents. She added that this program would allow Councilmember Holder to help those most burdened by property taxes while preserving the items in the budget.

Since Staff do not know how far the $30,000 will go or how many people would apply in the various income groups, Ms. Brewer recommended having caps on the award amounts. At most, each person could get $1,500 and if every person got $1,500, the City could still help a lot of people. If the cap was lower, then we could help more people.

Mr. Luebbe gave an example of someone with a lower percentage of AMI that experienced a modest property value increase and someone with a higher percentage of AMI whose property value doubled. He then asked who we are more interested in helping. Mr. Luebbe said he would want to help the person whose property value doubled because their tax burden changed significantly and you could argue that even with more income, that person is more burdened. Mr. Foster said that is really the issue.

Ms. Brewer asked if that is the issue. She said we know the revaluation changed everyone's property taxes and asked if we want to tie eligibility to the property revaluation or to AMI. She added that when we wrote the proposal, it was in direct response to the revaluation and it has since been a year. Mr. Foster said yes, but the property values in some areas more than doubled and in other areas, it did not. He said many people in his neighborhood are on fixed incomes and living off of social security, limiting their ability to make any extra money.

Mayor Copelof said it is just an option, but one of the few options where we can target a specific segment of the population to provide tax relief, as we cannot set variable rates.

Ms. Brewer said based on her research, it is uncommon for a municipality to have a program like this, as it is usually a county, and it is difficult to assess impact given that this program would only apply to City taxes and not County taxes.

Mayor Copelof said the first step is eliminating the age requirement, as it was tied to the grant. Mr. Baker said he thinks the residency requirement should be higher than 3 years, as he thinks the revaluation was hardest on people who purchased their home a while ago. He said people know what their mortgage is every month and they know they can make that work, but when their home gets revalued at a much higher value, their mortgage payments go up because the tax bill went up. Then those residents are getting a monthly hit to their budget that was not accounted for. He added that for residents that bought their house 3 years ago, the property value difference between 3 years ago and the time of the revaluation is less. Mr. Luebbe added that if a higher residency requirement proved to be too restrictive, it would be much easier to lower the requirement in the future and expand eligibility. Mr. Luebbe said the real question is what the starting requirement would be – 10 years? 5 years?

Ms. Brewer said this was originally pitched as a 2-year program, which would allow Staff to test out the eligibility requirements to see if the requirements are too restrictive or not restrictive enough. She stated that if any other grant opportunities are found, she

would recommend a multi-year program so that if the program does not reach as many people as expected in the first year, Staff can tweak the criteria in subsequent years.

Ms. Brewer said she has the valuation numbers and information on the increases for single family homes but cannot attach it to AMI. Mr. Foster said the increase is what we need to start with and Mr. Baker added that the average increase was about 58%.

Mr. Luebbe proposed a model in which you have levels based on need. Level 1 would be funded at $20,000 and people that fall into level 1 could get up to $1,500 each. Level 1 would include people with a certain percentage increase in their property value and with a certain percentage of AMI. If there was an influx of applications, then Staff would just divide the $20,000 by the number of qualifying applicants. Level 2 would be funded at $10,000 and would consist of people with less of a property value increase and a greater percentage of AMI. Anyone outside of the designated levels would not qualify. Ms. Brewer said it makes her nervous that the program would not have straightforward expectations for people, as the amount they could receive from the program would be variable. Mr. Luebbe said yes, but this option would move away from a first-come, first-served model and be subject to an application window so that people are not left in limbo for a prolonged period. Mayor Copelof said a first-come, first-served model would be difficult to implement given that applications may be submitted in various ways, we would have to time and date-stamp applications to determine who applied first, and if someone is not at their desk, an application could be stamped later than received.

Mr. Baker said the problem is that the program will not be finalized by the next Council meeting so that it can be shared with the public. Mayor Copelof said someone could say we are looking at ways that we might be able to do a tax rebate for people that meet certain criteria, or the other option would be to reduce the tax increase, although Staff would not get a full cost of living adjustment, and the City would not be able to hire additional staff. She added that one option is to find less money, develop a program that targets people that are hurting the most, and there will be less impact to Staff.

Mr. Baker said if we have a good enough program, we can ask the County to replicate the program and participate in tax relief. Mr. Foster and Mayor Copelof said a program could be in place by December, but Mr. Luebbe said a program would need to be in place in a few months, as people who pay their taxes by September get a discount.

Mr. Baker said the best way forward is for Staff to outline the program. Ms. Brewer said she can make the tweaks and circulate the policy, but Staff already did the heavy lift of determining how the program would operate last year. Edits will be primarily related to eligibility requirements. Mr. Baker said he thinks the residency requirement should be either 5 years or 7 years. Mr. Luebbe said that he will ask Tina Tanner, the City's Tax Collector, to look at a sample of homes in neighborhoods we expect to see the most applicants to see the average amount of time spent in their home. He said he does not know whether it would be half of the homes, more, or less – so it may give insight as to whether that eligibility requirement is too restrictive.

Mr. Baker said he thinks 60% of AMI is a good start and Ms. Brewer said her notes from the initial discussion about this program say the Committee agreed to 60% of AMI or less if the City was using its own money, as opposed to 80% of AMI with grant funding.

Mayor Copelof said she has been working with a group of collaborative partners, including The Haven, who will be applying for the Dogwood grant. She suggested they include property tax assistance as part of their application, which they have since incorporated. She does not know if they will get the grant, but it is worth applying.

Ms. Cummings asked about the exclusion of individuals who have delinquent taxes and asked if the Committee wants to consider allowing individuals who are making payments on their delinquent taxes to qualify for assistance with their current taxes. Mayor Copelof said that is an excellent point and Mr. Luebbe said if those individuals continue to make payments on their payment plan, then he would agree. Mr. Baker said he is interested to know how many people are in that category and wonders if we should start by talking to folks already making payments. Mr. Baker asked if there are any requirements to be on a payment plan and Ms. Cummings said no, but there are at least 10 people that come in regularly and are making payments on delinquent taxes from past years. Mr. Luebbe said that is just the people that come into City Hall and there may be more that mail in checks or pay at the payment window.

For funding, Mr. Luebbe mentioned the City is selling a piece of land on Cashiers Valley Rd. and Ms. Brewer said it is listed at $150,000. Mr. Luebbe said the money would come back to the Housing Trust Fund and is not currently committed to anything.

Mayor Copelof congratulated the Planning Department on being featured in the American Planning Association's North Carolina Housing Choice Needs and Policies Report (Attachment A). The City was included as a case study, highlighting the City's steps taken to remove barriers and encourage the creation of affordable housing.

Mr. Luebbe added that at the next meeting, the Committee may do a field trip to see the progress on Fairhaven Meadows and Habitat for Humanity's cluster home development.

Mr. Baker asked about the status of the Azaela Ave project. Ms. Brewer said the 9% LIHTC application was submitted Monday and we should hear back in August.

F. Public Comment

Harvey Sankey expressed support for a tax relief program. He asked what happens if a homeowner passes away and the property is passed on to a family member that lived there, and how that affects the residency requirement. He said hand-me-downs should be considered in the policy. He said if a program is created, communication to residents will be important to let people know about the program. Mr. Sankey asked about verifying eligibility. Mayor Copelof said Staff have several examples from local nonprofits that already conduct verification processes. Ms. Brewer also gave examples of qualifying documentation. Mr. Sankey also liked Mr. Luebbe's ideas of a tiered approach and splitting the funds based on the number of applicants.

G. Next Meeting Date

The next meeting was scheduled for Tuesday, June 9, 2026 at 3:45pm.

H. Adjourn

There being no further business, the meeting adjourned at 4:50 pm.

Minutes Approved: June 9, 2026

Pamela Holder, Chair, Council Member
Aaron Baker, Vice Chair, Council Member

Shawnee Cummings
Assistant to the City Manager