Board of Assessment Appeals

May 31, 2017

The Board of Assessment Appeals was brought to order at 9:00 AM, by Chairman Garfinkel.
Board Members present were: Chairman William Garfinkel, Board Members John P. Kelly and James Galvin as well as City Deputy Solicitor William W Pepper Sr., Esquire.
Staff present was City Assessor Cheryl A. Bundek and Administrative Assistant Annette Hart.

Agenda Additions/Deletions
By unanimous vote, the agenda was approved as presented.

Exemptions

2.A. Central Delaware Habitat for Humanity

Locations:	**Exempt Request:**
325 N New St.	$13,600
22 N New St.	$70,900

BACKGROUND AND ANALYSIS

An exemption request for the above referenced properties was submitted to the Assessor's Office.

The property located at 22 N New St. currently has a dwelling.

Once these properties are complete and the ownership is transferred, the properties will be added back to the tax rolls. (As a supplemental billing)

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

Mr. Simpson, Executive Director, was present for the hearing.

Mr. Simpson informed the board that the organization is utilizing these properties to help improve the status of difficult neighborhoods and help those in need. He went on by explaining that the home on 22 N New Street will be demolished and that 325 N New Street is already a vacant lot, that the organization will be building new homes on both of these lots for low income families.

Chairman Garfinkel asked who the lien holders for these homes are.

Mr. Simpson told the board that Habitat for Humanity becomes the lien holder and explained that the organization receives funding from various sources such as charitable donations or grant money.

The home owner then pays the interest fee loan back to the organization over a 30-year period.

When asked what the timeline for the rebuilding of the properties would be, Mr. Simpson said that thy are on a three-year plan, meaning that the property located at 22 N New Street would get done first since it is located within an area that is currently being rebuilt by the organization. Mr. Simpson explained that the organization finds that it makes a difference if they rebuild as many homes in one area as they can, which is why he believed that the property located at 22 N New Street should be worked on first.

Chairman Garfinkel asked what would happen to the properties if the new owner fails to pay the mortgages. Mr. Simpson told the board that if the owners fail to pay the mortgage they would follow the same path any homeowner would who does not pay their mortgage.

Mr. Galvin asked if the new homeowner was able to sell the home after they purchased it. Mr. Simpson told the board that the owner has the right to sell the home, but also explained that the mortgage of the home is based on the actual materials bought and not what the home could be appraised for making it a lot more affordable. Should the owner decide to sell the home before the 30 years are up, they would have to pay what the home would have appraised for and not what the actual cost was. He also told the board that these homes are only built for low income families, who know that they are fortunate to have been given the opportunity to own a home and pay less in monthly mortgage fees, for a single family home, than they did when they rented an apartment.

Mr. Kelly asked about the selection of homeowners. Mr. Simpson replied by explaining to the board that that part of the program has been the most challenging, due to the company that handled the selection, letting the board know, that the organization recently hired somebody that works for the organization, which will in the future make the selection faster. He mentioned that the homeowners have to help build their homes, the homes are not just handed to them, they also have to go to credit and mortgage counseling.

Mr. Galvin made the motion to exempt both properties until they are sold to the new owner.
Mr. Kelly seconded the motion. Motion carried 3-0.

Mrs. Bundek informed the appellant, that the City Council has the final decision and that a certified letter with the date of the Council Hearing would be mailed.

2.B. NCALL

Locations:	**Exempt Request**
231 N Queen St.	**$13,800**
101 S Queen St.	**$13,400**
106 S New St.	**$13,100**
110 S New St.	**$11,600**
112-114 S New St.	**$ 8,600**
108 S New St.	**$10,700**
212 N Governors Ave.	**$10,800**
14 S Queen St.	**$12,000**
18 S Queen St.	**$12,000**
245 N West St.	**$13,500**

BACKGROUND AND ANALYSIS

An exemption request was submitted to the Assessor's Office.

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

These properties are currently vacant land; to be built for a low-income family to provide an affordable mortgage. Once these properties are complete and the ownership is transferred, they will be added back to the tax rolls. (As a supplemental billing)

Karen Speakman, Deputy Director, was present for the hearing.

Ms. Speakman told the board that their organization is very much like the "Habitat for Humanity", which is building and selling homes to low income families.

She informed the board that the properties located at 231 N Queen Street and 212 N Governors Avenue have just been sold and can be taken off of the list of exempt request properties.

Chairman Garfinkel asked if these homes are also sold at 0% interest, same as the Habitat?

Ms. Speakman told the board that NCALL sells the properties at market value. She explained that a home that would sell for $200,000, the organization would sell for approximately $165,000 to a low income family. The difference would be paid by different funds and grants the organization receives. She also mentioned that the homes are located within an abatement area, which gives the new homeowner a 5-year window of reduced property taxes.
Mr. Galvin, asked if the new owner could turn around and sell the property as soon as they purchased it, and was told by Ms. Speakman that the homeowner is required to live in the home

for 5-10 years depending on the grant restriction they have.

Chairman Garfinkel asked what would happen if the new owner fails to pay the mortgage. Ms. Speakman explained that once the home is sold the owner pays the bank who holds the mortgage and if they fail to pay the mortgage the bank would repossess the property.

Mr. Kelly made the motion to accept the exempt request for the 8 properties until they are sold. Mr. Galvin seconded the motion. Motion carried 3-0.

Mrs. Bundek informed the appellant, that the City Council has the final decision and that a certified letter with the date of the Council Hearing would be mailed.

2.C. Norfolk Southern Railway

Location	**Exempt Request**
S West St.	**$50,700**

BACKGROUND AND ANALYSIS

An exemption request was submitted to the Assessor's Office.

This property was preliminarily denied because more information was needed.
It has been placed back on taxable status pending this hearing and Council's final vote in June 2017. Right of Way & Roadbeds

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

Mr. Quam, Manager for State Taxes was present for the hearing.

The Assessor started the hearing by explaining that this request is part of the 2016 Exemption Audit. At one of the meeting the Board requested the organization to come to a hearing scheduled for April 26,2017, which they failed to do, therefore placing the property back on the tax roll.

Mr. Quam told the board that he is not from this area and had not seen this property until the night before the hearing. He asked if any of the board members knew how long the platform had been on the property.

Mr. Bundek told him that according to the information the office had, the "truck well" had been there since 1960.

Mr. Quam told the board that this property became exempt with the county in 2010. He explained that at that time the organization was not aware that the City would not have to adopt the counties status.

He explained that spaces like this vacant piece of land are often necessary for offloading and storing equipment and materials needed for maintenance along the railroad. He told the board that this property falls within the allowed 50 feet of right of way.

Mr. Kelly made the motion to accept the exempt request, which was seconded by Mr. Galvin. Motion carried 3-0.

Mrs. Bundek informed the appellant, that the City Council has the final decision and that a certified letter with the date of the Council Hearing would be mailed.

2 B. Dover Housing Authority

Location	**Exempt Request**
402 S New St.	**$40,000**
13 S New St.	**$10,700**

BACKGROUND AND ANALYSIS

An exemption request was submitted to the Assessor's Office.

This property was preliminarily denied because more information was needed.

It has been placed back on taxable status pending this hearing and Council's final vote in June 2017.

RECOMMENDED ACTION: Recommend that the request for exemption be reviewed.

Mr. Mincey, Executive Director was present for the hearing.

The Assessor showed the board aerial pictures of the properties, letting them know that they were both vacant pieces of land.

The board suggested that the organization have the lot lines for 402 S New Street erased, as that parcel is not a buildable lot and seems to be part of 426 S New Street.

Mr. Mincey told the board that the organization is trying to sell 13 S New Street, but has not been successful in doing so.

Mr. Galvin suggested to get in touch with Habitat for Humanity or NCALL regarding this property.

Chairman Garfinkel asked if the organization was holding this property by way of investment?

Mr. Mincey explained that the organization is looking to sell the property but not for a profit. He told the board that the organization has sold properties to both NCALL and the Habitat for Humanity in the past few years.

Mr. Kelly wanted to know why the organization purchased the property and was told by Mr. Mincey that the organization was part of Senator Carpers "Home Owners Initiative" and were trying to revitalize that part of the City, but have not been able to so with the current situation in that area.

Mr. Kelly asked if the organization owns more properties within the City of Dover which are also exempt. The Assessor told Mr. Kelly all the other properties within City of Dover city limits, owned by this organization, are tax exempt.

Mr. Galvin made the motion to grant the exempt request for 402 S New Street with the recommendation to have the lot lines removed. Mr. Kelly seconded the motion. Motion carried 3-0.

Mr. Kelly asked Mr. Mincey if he knew of a property Dover Housing Authority sold to another non-profit organization such as NCALL or Habitat for Humanity? Mr. Mincey told the board that the property located at 245 N West Street was just purchased by his organization for $20,000 and was just sold to NCALL for $15,000. Mr. Kelly wanted to make sure that the organization is not looking to make a profit on the property and would sell to any buyer who would be willing to build on the property for any offer.

Mr. Kelly told the board that he would be inclined to grant the exemption as the organization is not an investment corporation, but is working for the greater good of the city such as Habitat for Humanity and NCALL.

After further discussion, Mr. Kelly made the motion to accept the exempt request with the recommendation to reach out to NCALL and Central DE Habitat for Humanity regarding the property located at 13 S New Street to get the property in line with the purpose of the organization. Mr. Galvin seconded the motion. Motion carried 3-0.

Mrs. Bundek informed the appellant, that the City Council has the final decision and that a certified letter with the date of the Council Hearing would be mailed.

The meeting was adjourned at 10:11 A.M.