
Questions & Answers

from the

April 6 Budget Workshop

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Section 1

FY 2024 Revaluation Process, Revaluation Impacts and Staying in Place Strategies

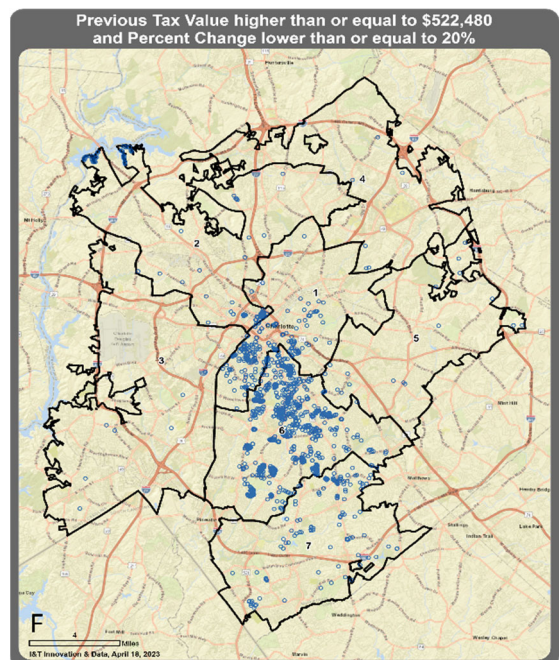
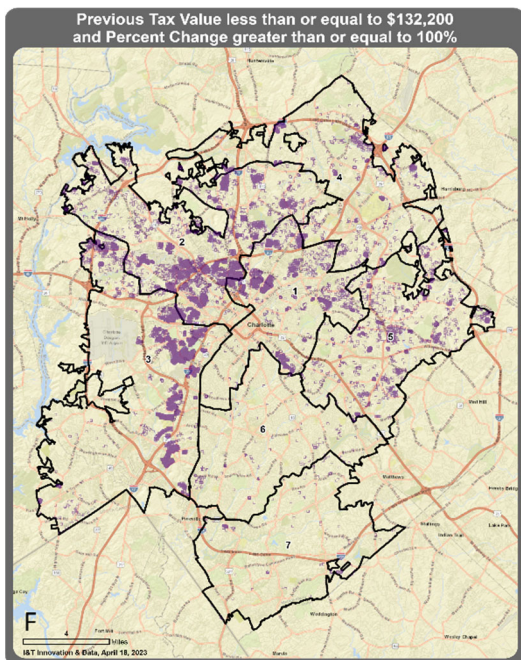
1. Provide examples of city locations equal to typical revaluation scenarios of annual impacts on city tax bills. (Reference Slide 4 from Revaluation Impacts and Staying in Place Strategies)

The examples of residential properties with revaluation scenarios presented at the April Workshop were developed based on the following criteria:

- One with a previous tax value in the bottom 20th percentile of residential parcels with a percent change equal to 100 percent change in assessed value
- One with a previous tax value around the median of residential parcels with a median percent change in assessed value
- One with a previous tax value over the 90th percentile of residential parcels with a percent change equal to 20 percent change in assessed value

There are many residential properties that fit each of these examples throughout the city, especially the example of median residential parcels with a median percent change in assessed value. However, the 20th percentile or bottom example and 90th percentile, or top examples are concentrated within areas of the city. The following maps highlight these concentrated locations based on the following criteria:

- One shows all parcels with previous value less than or equal to \$132,200 (bottom 20th percentile of residential parcels) AND percent change greater than or equal to 100 percent
- The other all parcels with previous value greater than or equal to \$522,480 (over the 90th percentile of residential parcels) AND percent change is less than or equal to 20 percent



2. Does the 2.95 percent average annual growth rate include demolition and rebuild in the methodology for typical annual growth rate from new properties/buildings?

Changes to a property in any given year, including a demolition, addition, or rebuild that require a permit, trigger a reappraisal of the property to reflect the market value of the property for the year of the appraisal. As such, the average annual growth rate captures county approved demolitions and rebuilds in the calculation methodology.

3. How many new parcels did the city gain in 2022 from annexation?

In 2022, the city had a total of 11 voluntary annexations in the City of Charlotte. This resulted in a total of 29 parcels gained due to annexation representing an area of 470.18 acres gained or 0.73 square miles.

4. Provide information on rental properties versus owner-occupied properties to better understand the impact of revaluation on renters.

The city's Innovation & Data Team analyzed the previous (2022) and current (2023) value of all non-tax-exempt residential properties in the county to estimate the impact of the revaluation (i.e., change in tax amount) on: 1) detached, single-family rental units, and 2) multi-family apartment complexes. The data used in this analysis included an indicator of which properties had changed value specifically due to the revaluation, and which had changed in value due to natural growth (typically, construction activity since 2019).

The 77,388 single-family rental units included in this analysis were defined as:

- Properties that changed value specifically due to the revaluation (excludes natural growth);
- Properties with a Land Use Code of [R100 - R164]; and
- Properties that are estimated to be rental houses based on the physical address of the parcel and the owner's mailing address.

The 363 apartment communities included in this analysis were defined as:

- Properties that changed value specifically due to the revaluation (excludes natural growth);
- Properties with a Land Use Code of Multifamily and a property description of a type of Apartment or Duplex/Triplex;
- Properties that existed as of 2019; and
- Properties that could be matched to an apartment complex in the RealData apartment database.¹

The tax amount change for each property is modeled with an example revenue-neutral city tax rate of 26.05 cents. Although a wide variety of market factors influence rental rates, the analysis assumes that a change in tax amount for a unit would be passed along to the renter(s) of the unit. The table below shows

¹ Each apartment complex may span multiple tax parcels. The tax parcels in the County parcel database were matched to apartment complexes in the RealData database using GIS software. When the number of units differed between the parcel data and the RealData, two scenarios applied: 1) When the difference was fewer than 20 units, the lesser of the two numbers was used (to conservatively estimate the per unit cost); and 2) When the difference was 20 units or greater, the complex was excluded from the analysis (N=4).

the median percent change in assessed value and median city tax change for single-family owner-occupied, single-family renter-occupied, and multifamily units:

	Type	Count of Communities	Sum of Units	Median % Change in Assessed Value	Median Annual City Tax Change Per Unit
Single-family	Owner-occupied	NA	129,085	60%	\$166
	Renter-occupied	NA	77,388	70%	\$175
Multi-family	All	363	81,495	63%	\$75
	Not (NOAH) ²	194	44,743	56%	\$65
	NOAH	169	36,752	71%	\$82

Single-family housing units' and apartments' assessed value and estimated tax change vary by geographic location. The concentration of single-family rental units is generally concentrated within the areas of greatest tax change across the city. The tables below show the breakdown of units and median tax change by City Council District and housing tenure for: 1) owner-occupied and renter-occupied single-family units, and 2) apartments.

	Single-Family Owner-Occupied		Single-Family Rental	
District	Sum of Units	Median City Tax Change, Annual	Sum of Units	Median City Tax Change per Unit, Annual
1	11,956	\$140	13,856	\$134
2	18,453	\$189	16,964	\$182
3	16,658	\$177	10,920	\$196
4	17,877	\$177	10,067	\$188
5	18,982	\$182	12,552	\$185
6	19,611	\$134	6,375	\$151
7	25,503	\$123	6,594	\$130
Unknown	45	\$31	60	\$135
City Total	129,085	\$166	77,388	\$175

² The properties classified as large-scale NOAH are 15 years or older, have 50 or more units, and have an average rent less than or equal to \$1,203, per the revised rent standard for HOME funds in 2019. A required characteristic to define large-scale NOAH is generally good quality construction, although it may have some deferred maintenance, or the exterior and interior amenity packages may be dated and less than what is offered by high end properties. Included properties have not had significant property improvements made since 2019, per Mecklenburg County building permit records.

District	All Apartments			NOAH Apartments		
	Count of Communities	Sum of Units	Median City Tax Change per Unit, Annual	Count of Communities	Sum of Units	Median City Tax Change per Unit, Annual
1	57	10,048	\$68	26	4,548	\$65
2	38	8,477	\$71	15	3,500	\$121
3	61	14,754	\$85	24	5,190	\$79
4	54	13,640	\$74	14	3,626	\$88
5	67	12,237	\$63	53	10,256	\$64
6	55	13,177	\$76	29	7,532	\$123
7	31	9,162	\$112	8	2,100	\$133
City Total	363	81,495	\$75	169	36,752	\$82

Lastly, the table below shows the distribution of estimated city tax change for multi-family units from the 10th to the 90th percentile. Despite the large percent change in the value of commercial property and multi-family apartments, the estimated city tax impact for 90 percent of units is \$185 or less annually.

Annual City Tax Change per Unit		
Percentile	All	NOAH
10th	-\$10	\$19
25th	\$37	\$46
50th	\$75	\$82
75th	\$128	\$135
90th	\$185	\$194

5. Provide different scenarios of the percentage increase in tax burden at the revenue neutral rate.

The median change in City Tax Bill at the revenue neutral rate was 21 percent for individuals and 23 percent at the NPA level. The table also shows the breakdown of Neighborhood Profiles Area's (NPA's) at different median values for residential. The following 14 NPAs were selected to represent the *average* experience (i.e., a previous median assessed value between \$190,000 and \$220,000 and percent change in assessed value between 59% and 69%).

Location Information			Value Information		Tax Bill Information				Demographic Information			
NPA	Council District	# Parcels	Previous Median	Current Median	Previous Tax Bill Median	Revenue Neutral Tax Bill Median	Median Change in Tax Bill	Median % Change in Bill	Poverty	Seniors	Rental Houses	Rental Costs
212	3	323	\$198,100	\$336,500	\$690	\$877	\$177	26%	27%	10%	17%	\$1,069
14	2	898	\$194,550	\$347,000	\$677	\$904	\$177	26%	17%	4%	30%	\$1,243
131	5	835	\$197,300	\$331,000	\$687	\$862	\$166	25%	14%	12%	18%	\$1,423
229	5	2009	\$203,600	\$335,800	\$709	\$875	\$192	24%	25%	16%	37%	\$1,079
243	5	907	\$208,200	\$343,600	\$725	\$895	\$174	24%	22%	13%	30%	n/a
232	4	1432	\$193,200	\$313,850	\$673	\$818	\$155	24%	15%	7%	31%	\$1,568
81	3	455	\$212,200	\$351,400	\$739	\$915	\$191	24%	14%	9%	14%	\$1,958

Location Information			Value Information		Tax Bill Information				Demographic Information			
NPA	Council District	# Parcels	Previous Median	Current Median	Previous Tax Bill Median	Revenue Neutral Tax Bill Median	Median Change in Tax Bill	Median % Change in Bill	Poverty	Seniors	Rental Houses	Rental Costs
108	5	488	\$194,450	\$322,700	\$677	\$841	\$159	23%	15%	12%	26%	\$1,207
146	5	707	\$199,900	\$304,000	\$696	\$792	\$177	23%	18%	12%	21%	\$1,630
277	4	1386	\$206,700	\$363,100	\$720	\$946	\$207	23%	10%	17%	22%	\$1,975
191	4	805	\$212,500	\$336,700	\$740	\$877	\$155	22%	15%	7%	14%	\$1,089
136	2	838	\$217,750	\$373,850	\$758	\$974	\$180	22%	6%	3%	22%	\$1,877
95	3	357	\$214,700	\$345,000	\$747	\$899	\$154	20%	15%	2%	16%	\$1,194
278	2	187	\$213,500	\$333,300	\$743	\$868	\$149	20%	25%	3%	22%	\$1,136

Sample map of where the above NPAs are located: [HERE](#)

6. Provide eligibility requirements for staying in place strategies and include demographic information. What opportunities does the city provide to renters to purchase homes?

The draft Anti-Displacement Strategy under development by city staff in coordination with the NEST Commission and HR&A Advisors includes a comprehensive framework for supporting residents, strengthening communities, fostering inclusion, and empowering businesses. The draft strategy is planned to be presented to the Housing, Safety & Community Council Committee at the June 5th meeting. The city's current strategies to directly support residents who want to stay in their homes are included in [Attachment A](#) along with a description and eligibility requirements for each program.

The city provides support to renters interested in purchasing homes through the House Charlotte Homeownership Assistance program. In addition to financial assistance, the program pairs residents with Housing Advocates to offer personalized assistance and provide HUD-certified homeownership counseling to prepare residents for homeownership.

7. How many people still live in crescent and wedge locations because of staying in place strategies?

As part of the development of the city's Anti-Displacement Strategy, the NEST Commission has requested an analysis of residential movement within the City of Charlotte. The purpose of the analysis is to better understand patterns of movement across neighborhoods in Charlotte and evaluate the impacts of city investments on residential and neighborhood stability. The project uses parcel and sales data, evictions data, and administrative data from the City of Charlotte and Mecklenburg County and is currently in the data collection phase. Once complete, the analysis will be shared with the NEST Commission and will be used to refine the city's staying in place programs and strategies.

8. What is the breakeven mark of increased assessed value that results in a bill that remains the same from a revenue neutral tax rate?

The calculated breakeven point (percent increase in assessed value) that results in a property tax bill that remains the same under a revenue neutral tax rate scenario is 33.7 percent. If the assessed value increased by less than 33.7 percent, then the tax bill declines. For properties with increases above 33.7 percent, their tax bill will increase.

Section 2

CATS Budget Outlook

1. Has the city researched any federal programs or funding opportunities to meet CATS budget outlook needs?

Federal programs typically include formula and competitive grant funding that can either launch planned capital projects or offset transit agency operating needs. Competitive programs include opportunities provided by COVID-related statutes, such as the American Rescue Plan Act of 2021 (ARPA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Additionally, the Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA), has opened many competitive funding opportunities for CATS to pursue.

Most notable of the current discretionary grant programs is the MEGA, statutorily known as the National Infrastructure Project Assistance grant program, which allows for massive infrastructure projects totaling \$100M+. The constraint with applying for this program is its local match requirements, which are legislatively set at a 50/50 minimum federal share to local match share.

Federal Transit Administration (FTA) and the Department of Homeland Security (DHS) Competitive Programs that CATS has or will apply for include the Low or No Emissions Grant Program, the Bus and Bus Facilities Discretionary Program, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program (for equity and sustainability), Congestion Mitigation and Air Quality (CMAQ) program, and the Surface Transportation Block Grant (STBG), typically applied for through the Charlotte Regional Transportation Planning Organization (CRTPO). CATS delivered a fairly aggressive application to the FTA on April 12th requesting roughly \$30M related to the Low-No Emissions Program to further the City's mission to electrify the CATS bus fleet. Recent applications at the state level included the Volkswagen Settlement funding for electrification, as well as the Diesel Emissions Reduction Act (DERA) grants, which have supplied supplementary funding to purchase five 40' electric buses.

Additionally, CATS has recently applied for the Transit Security Grant Program (TSGP) to enhance security features in line with specific national security objectives, as well as the Strengthening Mobility and Revolutionizing Transportation (SMART) program for innovative technologies in transit; however, both were unsuccessful due to the selection committee identifying more critical needs in other agencies in other parts of the nation.

The challenge with many federal and state grant programs is the deliberate focus on capital outlay with specific objectives, as opposed to funding operational efforts associated with day-to-day transit. CATS has been highly successful with Federal Transit Administration Planning grants in recent years and continues to research opportunities to both maximize existing budgets and allow for flexibility on future budgets.

2. How much funding is programmed for safety and security of CATS riders and drivers?

CATS' FY2024 budget proposal includes \$10,694,771 for Operating Safety & Security, a \$3,015,531 net increase above FY2023 funding levels. This includes Charlotte-Mecklenburg Police Officers (\$394,771), contracted Police Security Services (\$9,606,491), and Unarmed Guards Security Services (\$693,509).

Capital Safety & Security-related projects include fixed camera upgrades, guard shacks, replacement of outdated, non-supported mobile video equipment with state-of-the-art upgraded equipment, and system upgrades to restrict access to critical infrastructure. A five-year funding plan is shown below:

- FY2024: \$2,524,839
- FY2025: \$ 752,339
- FY2026: \$ 736,339
- FY2027: \$ 736,339
- FY2028: \$ 753,156

CATS is required to use at least 1% of Section 5307 ("Urbanized Area Formula Grants") federal formula funding towards safety and security-related projects. Section 5339 ("Bus and Bus Facilities") federal formula funding can be used for security related projects as well.

Additional competitive safety and security funding opportunities include the Transit Security Grant Program. Despite actively seeking funding on an annual basis, CATS has not been successful in obtaining this funding since the FY2015 federal grant cycle. Feedback from the Federal Emergency Management Agency/Department of Homeland Security regarding CATS previous applications stated that other agencies with more critical security needs have been prioritized.

Lastly, CATS begin a pilot "Ambassadors Program" (Program) on November 28, 2022 to enhance customer service to CATS' riders and support CATS' bus operators on select bus routes in the greater Charlotte area. The Program consists of 12 ambassadors that are comprised of retired operators, community members, and customer service personnel, which are employed by Transit Management of Charlotte (TMOC), the company that manages bus operations and maintenance for CATS. Ambassadors are randomly assigned to select fixed route buses and ride along to serve as a customer service resource to assist passengers as they travel through the system. Ambassadors are available to answer any questions that riders have and reiterate policies, procedures, and the rider code of conduct with the intent to take distractions away from bus operators. In addition to providing customer service, the ambassadors have received training to be an extra set of eyes and ears on these routes, taking pressure off bus operators. Ambassadors can also report damages along the route or on the bus, deescalate volatile situations, and alert safety and security officials in support of the bus operators.

The following is a proposed plan to expand the CATS' Ambassadors Pilot Project. Ambassadors will continue to be provided specialized training in customer service, de-escalation, First Observer Plus (a training from the Transportation Security Administration), public in crisis, and more.

Planned FY 2024 Staffing:

- Provide funding to increase the number of part-time bus ambassadors from 12 to 32
 - Current pay is \$25/hour
 - Will be managed by the TMOC along with current bus ambassadors

- CATS to hire 12 part-time rail ambassadors
 - Planned pay is \$25/hour
 - Will be managed internally by the CATS' Office of Safety and Security (S&S)

Planned FY 2025 Staffing:

- Hire two Senior Safety Coordinators for CATS' S&S to manage all ambassadors
 - Move the 32 part-time bus ambassadors under CATS' direct management
- Hire an additional 12 part-time rail ambassadors for a total of 24 rail ambassadors

Planned FY 2026 Staffing:

- Based on feedback from the pilot program, consider hiring full-time ambassadors with part-time ambassadors to support special events and scheduling gaps

3. What is the city's understanding of different security measures available for bus operations?

CATS used \$967,217 in COVID-19 stimulus funds to purchase and install shields to protect drivers. Protective shields are currently installed on 184 of the 188 40-foot busses (the remaining four busses are not currently in service, however shields will be installed on these busses prior to their return to service), and are installed on all 83 Special Transportation Service vehicles. There are currently no plans to install bullet resistant shields on vehicles due to weight constraints per the Federal Highway Administration.

4. How are needed Blue Line repairs programmed into the CATS budget outlook?

The normal cycle of routine repairs for Blue Line rail cars is included in CATS' annual operating budget. Beginning in FY 2024, the mid-life overhaul budget of these rail cars will be included in CATS' Capital Investment Plan. A breakdown of the total mid-life overhaul budget is shown below:

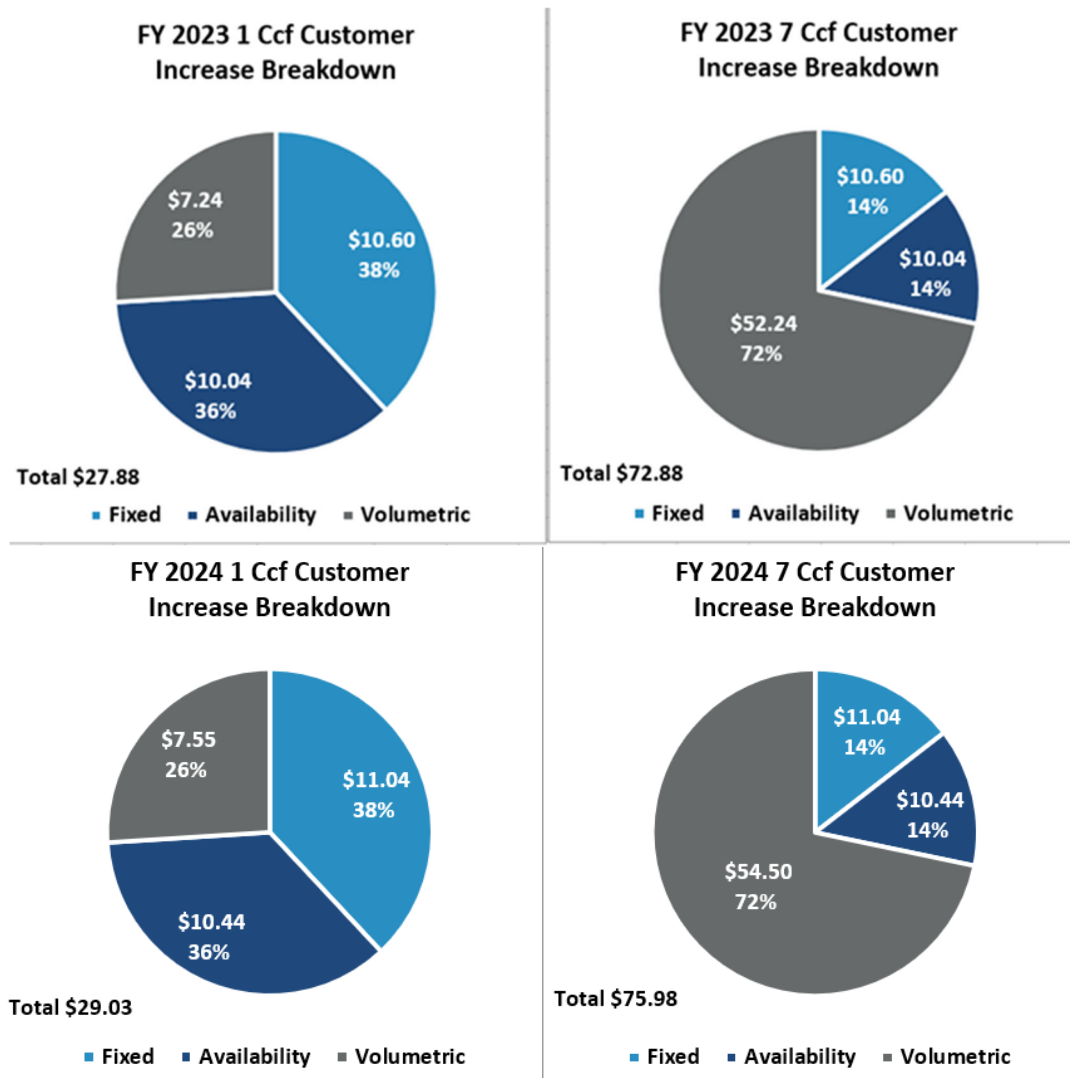
- Grand total = \$47,941,602
 - Five-year prior program appropriations = \$8,073,006
 - FY 2024 = \$13,571,078
 - FY 2025 = \$9,512,858
 - FY 2026 = \$10,616,787
 - FY 2027 = \$3,083,936
 - FY 2028 = \$3,083,936

Section 3

Water and Stormwater Budget Outlook

1. Provide additional context to better understand the 4.25 percent rate increase and include monthly rate examples.

\$3.10 represents the increase in the overall water and sewer bill for an average 7 ccf (5,236.4 gallons) customer. The average bill for a 7 ccf customer in FY23 is \$72.88, the proposal for FY24 is \$75.98 (not including Stormwater fees). The monthly bill is comprised of the following fees and charges: billing, availability, and volumetric. Below is the breakdown for a typical water and sewer bill comparing FY23 to FY24's proposal.



1 Ccf = 100 cubic feet, or 748 gallons

Fixed fees recover costs associated with servicing customer accounts (reading and maintaining meters, investigating and responding to billing questions, producing and mailing bills, providing customer service, receipt of receiving revenues). Availability fees apply to each meter included on the account and are assessed even if no water or sewer usage occurred during the billing period. The availability fees allow for recovery of annual debt service costs.

Volumetric rates are based on the metered water use per hundred cubic feet and are designed to recoup all costs not recovered through other revenue sources. Residential and multi-family customers pay usage rates on an inclining four-tier schedule that is dependent upon the amount of water used during the monthly billing cycle with an established cap of 16 ccf.

Usage	FY2023 Existing Bill	FY2024 Calculated Bill	\$ Change	%Change
	3/4" Meter	3/4" Meter		
0	\$20.64	\$21.48	\$0.84	4.05%
1	\$27.88	\$29.03	\$1.15	4.11%
2	\$35.12	\$36.58	\$1.46	4.15%
3	\$42.36	\$44.13	\$1.77	4.17%
4	\$49.60	\$51.68	\$2.08	4.19%
5	\$57.36	\$59.78	\$2.42	4.21%
6	\$65.12	\$67.88	\$2.76	4.23%
7	\$72.88	\$75.98	\$3.10	4.25%
8	\$80.64	\$84.08	\$3.44	4.26%
9	\$91.42	\$95.38	\$3.96	4.33%
10	\$102.20	\$106.68	\$4.48	4.38%
11	\$112.98	\$117.98	\$5.00	4.42%
12	\$123.76	\$129.28	\$5.52	4.46%
13	\$134.54	\$140.58	\$6.04	4.49%
14	\$145.32	\$151.88	\$6.56	4.51%
15	\$156.10	\$163.18	\$7.08	4.53%
16	\$166.88	\$174.48	\$7.60	4.55%

Attachment A

Strategies that are a part of the city's standard programs and services (not specific to Staying in Place pilot program)		
Program	Description	Eligibility
Homeownership Assistance	House Charlotte provides up to \$30,000 of down payment and closing cost assistance for home purchase. Funds can be used for principal reduction, closing costs, or rate buy downs. House Charlotte Plus pilot program provided up to \$80,000 of homeownership assistance for eligible households purchasing homes in Corridors of Opportunity.	Two Tiers: Up to 80% AMI 81 to 110% AMI <i>Owner-Occupied Only</i>
Home Rehabilitation Programs	Programs that support rehab and maintenance of housing units to preserve the life of a structure and allow occupants to remain in the home under safe conditions. Provides moderate housing rehabilitation to remove code violations and improve handicap accessibility, energy efficiency and environmental safety.	Up to 80% AMI <i>Owner- and Renter-Occupied Units</i>
Emergency Repair Program	Provides urgent repairs for homeowners experiencing a housing condition that affects life, health, or safety, and that could lead to the household being displaced from the home.	Up to 60% AMI <i>Owner-Occupied Only</i>
Emergency Rent & Utility Assistance	Provides assistance to households with late rent or overdue utilities to avoid utility cut offs and evictions. Funding is determined through the city's annual financial partners budget process; the program is administered by Crisis Assistance Ministry.	Up to 60% AMI
Tenant Based Rental Assistance	Provides temporary rent subsidies to stabilize housing for households working towards active self-sustainability or waiting for a permanent subsidy to become available.	Up to 60% AMI
Housing Opportunities for Persons with HIV/AIDS (HOPWA)	Provides rental assistance and various housing services to low-income residents living with AIDS / HIV. The program is administered by the Carolinas CARE Partnership.	Up to 80% AMI
Eviction Mediation	Provides mediation and conciliation services between tenants and landlords as part of the Dispute Settlement Program. All parties must be willing to participate in the mediation.	Charlotte residents
Duke Partnership – Energy Efficiency Pilot Program	Provides home rehabilitation work up to \$15,000 per household to complete home repairs required to enable Duke customers to participate in the energy efficiency pilot program. Program is designed to help Duke customers reduce their electricity usage and overall costs.	Up to 200% FPL (Duke requirements)
Digital Navigators	Digital Navigators provide structured guidance over the phone to help residents sign up for affordable home internet service and find and purchase affordable technology. This program is supported by the city and provided by the Center for Digital Equity and can be accessed through 311 and CLT+.	Charlotte residents
Financial Navigators	Financial Navigators provide structured guidance over the phone to help residents triage financial issues, identify action steps, and make referrals to other services. This program is supported by the city, provided by Commonwealth Charlotte and can be accessed through 311 and CLT+.	Charlotte residents