

MINUTES

2013 Board of Equalization and Review

May 1, 2013

Board Members Present: Jane Sparks, Chair
Jennifer Marsh
Ann Stroobant

Staff Members Present: T. Dwane Brinson, Tax Administrator
Lee Harris, Deputy Assessor
Roger Gunn, Chief Appraiser
Steve Hensley, Appraiser
Scherri McCray, Recording Secretary

Ms. Sparks called the Board to order at 2:08 p.m. on Wednesday May 1, 2013. Ms. Stroobant, an alternate, has requested to sit in and observe the proceeding. Ms. Merritt is unable to attend this meeting. Ms. Sparks inquired if Ms. Stroobant would please be the alternate for this proceeding, at which time, Ms. Stroobant agreed.

Maya Jerath

PIN # 9890005894

Ms. Jerath appeared before the Board to appeal the value of her property located at 509 LAKESHORE LANE, CHAPEL HILL, NC. The current tax value assigned to the property by Orange County is \$ 510,147. The appellant is requesting that the Board adjust her current valuation to \$ 401,000 citing that the comparable home sales that she obtained from the Value Appeal website support a reduced assessment. The appellant's comparable sales were before January 1, 2009. Ms. Jerath states that the basis of this appeal is price per square foot. She claims that the value per square foot for her property seemed out of proportion with those of comparable properties in the subject neighborhood. This property was purchased in 1999. The appellant states that the property was valued on the high-end and that she has done nothing to the property since she purchased it. Ms. Jerath informed the Board that she would get current notices from a Realtor on the sale price of properties in the subject neighborhood. The appellant inquired about the validity of the rate that is being assessed on her property in comparison to those rates for 2009. She is disputing the \$223 value per square foot, doesn't feel that this is correct, and is overvalued. When the County inquired as to what the appellant thought the price per square foot should be, she stated between \$ 130 and \$ 145 per square foot. She wanted to inform the Board that this property has an OWASA easement and is located by a stream. She also added that the majority of the property is on one level. She stated there is a bottom level with bedrooms, but no basement. This property has a split level foyer.

Upon reviewing the property record card, the County discovered that there were discrepancies that needed to be adjusted. The property record card's sketch of the house shows that it is a one story house

with a quarter story on top. The County stated that there is not a quarter story on this property. Additionally, the square footage of the subject appears incorrect. The County records the living area at 2700 square feet. The appellant states that the living area is 2200. The card indicated that there is a deck when in actuality it is an open porch.

The County is recommending that the additional quarter story be removed and add a 50% finished basement. These discrepancies will have an effect on the valuation of the subject. The County is requesting that the Board make a motion that the County conduct a field review of the appellant's property to obtain an accurate measurement of the basement.

Ms. Sparks made a motion to table this matter and motioned for the County to conduct a field review to obtain an accurate measurement of the improvements and to bring these findings back before the Board for deliberation at a later date. Mrs. Stroobant seconded the motion and the matter was tabled.

Ayes: 3
Noes: 0

H. Mark Daley III

PIN# 9777862809

Mr. Daley elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as his appeal. His property is located at 200 GLENHAVEN DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$ 1,032,946. The appellant is requesting a reduction to \$ 892,000 based on comparable sales that he obtained from the Value Appeal website that suggested a lower assessment. The comparable home sales that he provided were before January, 2009.

The County reviewed this property that is located in Southern Village. They made a recommendation to the Board that a change be made to the layout of the front of the house from a one and a half story residence to a one and a quarter story residence. The County also recommended an adjustment be made to the square footage from 4836 sqft. to 4164 sqft. These recommended changes would adjust the valuation of the subject to \$ 941,000.

During deliberations, the Board considered all information presented by the appellant and the County. After deliberation, Mrs. Marsh made a motion to accept the County's recommended adjustments that would change the valuation of the appellant's property to \$ 941,000. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Katharine Sanders

PIN# 9893066773

Mr. Stewart Sanders appeared before the Board to appeal the value of his wife's property located at 17 B ROWAN WALK EXTENTION, RED HILL FARMS. This property is situated in a gated community. The current tax value assigned to the property by Orange County is \$ 179,962. The appellant is request a reduction in the valuation to \$ 65,000 claiming that the real estate market slump has affected this lot. He also stated that in addition to the economic change, there was an increase to the flood zone area and required buffer. This increase has rendered this property 30 % unbuildable.

Mr. Sanders added that a site assessment was completed on April 5, 2013 and that the property perks and is approved for a septic system but that the premises will need an access bridge to cross the creek. He stated that the original anticipated cost of such a bridge at the time of purchase in 2005 was \$ 5,000 to \$10,000, but since the subsequent changes to the construction requirements and due to requirements for environmental consideration and emergency vehicle access, the present day cost is in the range of \$ 40,000 to \$ 50,000. He informed the Board that his neighbors have constructed a bridge but will not allow an easement.

He added that there are (18) eighteen lots in this subdivision and only half of these lots have been improved. He claims that there is only one other lot besides his that has this issue with topography. Furthermore, this development does not have access to high speed internet which is increasingly viewed as an impediment to development.

The appellant purchased this property in 2006 for \$ 145,000. He states that it has since been listed consistently for 6 years starting at an asking price of \$ 200,000. The most recent asking price is \$ 74,900. She has not received an offer.

The County provided valid sales comparables from the subject subdivision from 2008. One of these comparables reflected a sale of \$ 16,000 an acre in 2008. The County stated that there is an adjustment on the subject property of -35% for access. With this adjustment, the unit price is \$16,866 per acre.

During deliberations, the Board considered all information presented by the appellant and the County. After deliberation, the Board came to the conclusion that the property value was in line with the other properties in the subject's neighborhood and an adjustment for topography was already taken into account for the subject. Ms. Sparks made a motion that no change be made to the current valuation. Mrs. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Kenneth G. Jones

PIN# 9880647035

Mr. and Mrs. Jones appeared before the Board to appeal the value of their property located at 60 CEDAR HILLS CIRCLE, CHAPEL HILL. The current tax value assigned to the property by Orange

County is \$ 461,554. The subject is a 2,729 square foot residential structure. The appellants are requesting a reduction to \$ 408,000 based on comparable sales that they obtained from the Value Appeal website that suggested a lower assessment. The Jones' submitted an appeal claiming that they were over assessed. Mr. Jones pointed out that when you look at the sales comparable in the area; he feels that a sample of properties was taken from outside of the subject area. He noted that the data from the County and the data that they submitted show that the County property values are higher than the comparable that he submitted as evidence. He states that the County value is incorrect. The appellants requested that the Board review the data that they submitted. They claim that they have the same rooms, foot prints and square footage as the comparables they provided. Mr. Jones feels that they submitted good sales comparables.

The County reviewed the documents that the appellant provided. The County provided sales comparables from mid to late 2007. Mr. Brinson gave two examples of sales comparable from the subject area. One is 201 WISTERIA LANE that is a 2,800 square foot residence that sold in 2007 for \$ 499,500. The other example is 72 CIDER HILL that is a 2,262 square foot residence that sold in 2007 for \$ 420,000. The County drew attention to the fact that there were no sales at \$169 price per square foot in the appellant's subdivision during 2008. There were sales in the surrounding area. The County stated that they have performed a study of the neighborhood prior to the 2009 revaluation to support all the values in that neighborhood. The 2007 sales were the only sales available for that area. This area is a mix of single story and multi-story residential homes.

The Board reviewed all the documentation that was presented by the appellant and the County. There was a deliberation and after this deliberation, Ms. Spark made a motion that no change be made to the current valuation citing the lack of substantive evidence that would show that the County's assessed value was incorrect. Mrs. Marsh seconded that motion and the motion carried.

Ayes: 3
Noes: 0

Community Home Trust
Community Home Trust

PIN# 9870925540
PIN# 9798644799.009

Anita Badrock, Operations Manager, and Patricia Cates, Property Manager for the Community Home Trust, along with Verlia Amos, who is a tenant of one of the properties appeared before the Board to appeal the revocation of the Homestead Exemption for the properties located at 205 TRELIS COURT, CHAPEL HILL, and 140 W. BARBEE CHAPEL ROAD, CHAPEL HILL. Ms. Helga Schultz, the other tenant, did not appear but requested that Ms. Badrock speak for her. Ms. Amos received a Discovery of Land and Improvement letter from the Orange County Assessment Office notifying her that the property at 205 Trellis Court was improperly receiving the Homestead Exclusion provided through North Carolina General Statute 105-277.1. The letter stated that in accordance with North Carolina General Statute 105-312, the Orange County Assessors had discovered the property and removed the Homestead Exclusion for the tax year 2013, explaining that the Homestead Exclusion is only available to qualifying owners who occupy the residence as their permanent residence. Since Community Home Trust is neither

a qualifying owner nor occupies the residence as its permanent residence, the property cannot receive the benefit of the Homestead Exclusion.

Ms. Badrock thanked the Board for their time and consideration. She commenced to describe the purpose of the Community Home Trust organization and how it was formed fourteen (14) years ago by state and local government to provide affordable housing to the community and that House Bill 1556 details how these properties are to be valued. She then outlined how the Community Home Trust operates. The appellant explained that these homes are not exchanged on the open market. The local government has restricted sales and there are federal guidelines to income requirements for qualifying tenants.

Ms. Badrock explains that Ms. Amos and Ms. Schultz hold 99 year renewable leaseholds in the properties and improvements. These leases convey to them all rights of homeownership, except that it limits the right of disposition. Furthermore, the leases convey the responsibilities of homeownership, including the financial responsibility for taxes, insurance, HOA dues and repairs and maintenance. The appellant informed the Board that Ms. Amos and Ms. Schultz had been receiving the Homestead Exclusion for the past nine (9) years and that it was revoked for the 2013 tax year. Ms. Amos claims that she applied for the Homestead Exclusion and was informed by the Assessor's office that she did not qualify since she was not the owner and that the value was already a reduced value.

Ms. Badrock explained that this is a leasehold deed of trust and that the Community Home Trust owns the land and the building but they are conveying the leasehold interest to the tenants. The Community Home Trust still owns the real property. The tenants obtain their own loans which are attached to the leasehold deed of trust.

When asked by the County about what happens if the leasehold improvements go into foreclosure, the appellant replied that the lender will only foreclose on the improvements. Furthermore, she cited that the statute was used to protect the Community Land Trust program and that it was never the intent that the people rent.

Dwane Brinson, Orange County Tax Administrator, made a statement that the appellant and the County have been working together to clarify what is needed to resolve this issue. Mr. Brinson directed attention to the North Carolina General Statute 105-277.1(b) which defines an owner as, "A person who holds legal or equitable title, whether individually, as a tenant by the entirety, a joint tenant, or a tenant in common, or as the holder of a life estate or an estate for the life of another." He states that under this statute, the County does not consider the lessee to meet the qualification for the exemption. The lessee does not have legal and equitable title. The County requested the assistance of the Department of Revenue to further clarify the statute. The DOR held that, according to the laws, the lessee is not an owner by definition and that based on the documentation presented, this is a lessor/lessee agreement. When asked by the County if Ms. Amos could sell her property by deeding it to someone, the appellant replied that she would have to go through the Community Trust before it could be sold. Ms. Badrock maintained that the Community Home Trust is the facilitator of these transactions.

After hearing all the evidence and reviewing all the documents presented to the Board by the appellants and the County, Mrs. Marsh requested that this matter be tabled until the next scheduled Board meeting on May 2, 2013. The Board agreed and the matter was tabled.

Christine Firpo

PIN # 9863960245

Ms. Firpo elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as her appeal. She is appealing the value of her property located at 101 NUTBUSH COURT, HILLSBOROUGH. The current tax value assigned to the property by Orange County is \$177,705. The appellant's documents states that she is requesting that the valuation be decreased to \$ 150,000 claiming that the house price is devalued. She has had it on the market for one year and is unable to sell it. Ms. Firpo provided some sales comparables that had sales dates between 2012 and 2013.

Upon review of the subject, the County noted that the deck on the property has been converted to an open porch. The County made a recommendation to the Board to accept the change of the structure data that will reflect the conversion of the deck to an open porch. Upon acceptance from the Board to the correct structural data change, the property value will be adjusted to \$ 179,500.

The Board reviewed all the information and documentation presented by the appellant and the County. After deliberation, Ms. Spark made a motion to accept the correct structural data change recommended by the County and moved to adjust the valuation of the property from \$ 177,705 to \$ 179,500. Furthermore, she stated that the appellant submitted no substantial evidence to support that the County's value was incorrect, the appellant's sales comparables were not in the relevant revaluation period of January 1, 2009, and that no additional changes should be made to this valuation. Mrs. Marsh seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Rakesu Rmanju Puri

PIN# 9890428524

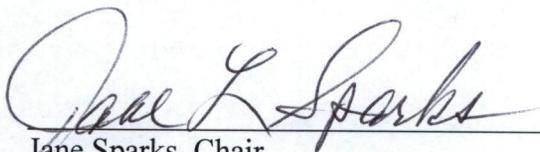
Mr. Puri elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as his appeal. He is appealing the value of his property located at 103 BIG MEADOW PLACE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$ 542,000. Mr. Puri submitted an appeal for requesting that the Board adjust his property value to the fair market price for the last two (2) years. In a summary of the revaluation request, the appellant noted the history of assessed values from 2008 thru 2012. He stated that in 2009 thru 2012 there were houses in the same subdivision as the subject that sold between \$ 305,000 to 410,000. He stated that his subdivision is a middle class subdivision and prices do not change much based on square footage. The appellant indicated that there was a revaluation done based on added square footage in 2010.

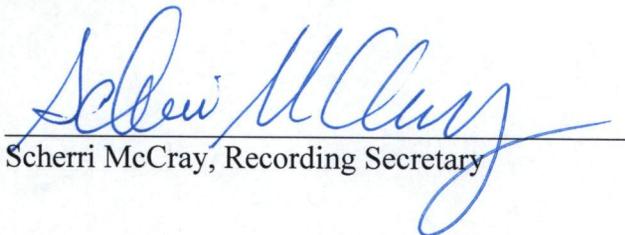
Mr. Puri adds that he had an appraisal of his property in December 2012 and that the value was appraised at \$ 450,000. He submitted this appraisal to that Board as evidence. Mr. Puri is requesting that the Board reduce this valuation to \$ 390,000.

During deliberations, the Board reviewed all documents that were submitted by the appellant and the County. After deliberation, Ms. Sparks made a motion that no change was to be made to the current valuation stating that the sales comparables presented by the appellant were not in the appropriate time frame prior to January 1, 2009. All of the appraisal's sales comparables were from 2012 and were not relevant. Mrs. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Having heard all the appeals scheduled on this date, Ms. Sparks made a motion to adjourn this meeting. Mrs. Marsh seconded the motion and the meeting was adjourned at 4:50 pm.


Jane Sparks, Chair


Scherri McCray, Recording Secretary