

HPTAP

The Homeowners Poverty Tax Assistance Program



Train the Trainer Manual

A guide to assisting others in completing the HPTAP application.



Background:

Homeowners owe property taxes to the City of Detroit each year. Property taxes help pay for public services, such as parks, streetlights and libraries. Detroit maintains both the highest poverty rate and the highest tax rate in the country. In 2015, approximately 20% of Detroit homeowners were in poverty. 34% of Detroit homeowners were paying more than 30% of their income to housing. **Since 2008, more than 100,000 homes in Detroit have been foreclosed for unpaid property taxes.** Foreclosure displaces residents and disrupts communities, fuels property vacancy, abandonment and blight, and drives down neighboring home values. Yet there is a program that cities provide low income residents to help them lower their tax burden but people need to know about it and get help applying.

Why is HPTAP important?

The Homeowner's Property Tax Assistance Program, (HPTAP), lowers City of Detroit property taxes for low-income homeowners. For many who struggle to pay their property taxes, this program can provide immediate relief, reduce property tax burden, and improve housing affordability. This provides a long-term strategy for addressing the wave of ongoing tax foreclosures that continue to sweep up Detroit homeowners.

How does this program prevent foreclosure?

Each year, unpaid City taxes are sent to the Wayne County Treasurer for collection. If taxes go unpaid for 3 years, the county can then foreclose upon and auction off the property.

As soon as the taxes are transferred to the county, **18% interest** (and other penalties and fees) are added to the initial bill.

To avoid foreclosure, homeowners must pay off their back-taxes. To do so, more than 31,000 properties have entered into payment plan agreements with the Wayne County Treasurer. Most of these homes are in Detroit. These agreements dictate that the households must stay current on **both**:

- 1) Monthly payments on their back-taxes to the Wayne County Treasurer.
- 2) Annual payments on their current taxes to the City of Detroit.

Thus, thousands of residents are at risk of losing their homes next year. By stopping new taxes from piling up, this program can help make those plans more affordable and help residents sustain their homes long-term.

Why is my role important?

While the HPTAP is an important tool to prevent foreclosure, it faces two major challenges:

- 1) **Awareness**: In 2015, more than 40,000 Detroit homeowners qualified for this program. However, less than 4,000 received the exemption.
- 2) **Access**: The HPTAP application is burdensome and complex. Paperwork requirements and mobility demands may prevent many from applying.

Your role is critical in increasing awareness and access to the HPTAP among those in need. Your specific role will depend on what makes sense for you and your community!

How can you get involved?

Spread the word.

Information is power! Chances are, you know someone on your block who could benefit from this program. You can reach out directly to people you know. You can also help spread the word by distributing flyers or hanging up posters in your neighborhood. Churches, rec centers, libraries, service organizations and other common spaces are excellent venues for this.

Connect people with resources.

Awareness alone does not guarantee access to the HPTAP. Many will need help completing the application. There are resources to assist with this. The HPTAP guide and video can walk people through the process of applying. Various organizations can provide direct assistance. You can direct people towards these resources.

Provide direct assistance.

Take it a step further! Don't just direct people to resources, be the resource. Be the HPTAP ambassador for your block or neighborhood. Help people complete their application and turn it in. Help them remember to reapply. Be the change you want to see in your neighborhood.

Host a workshop.

Amplify your efforts by organizing an event in your community where people can seek easy-access to assistance. Help others become HPTAP experts, too. Together, we can build a network of support, 100% homegrown.



How to spread the word.

Get the materials.

You can download flyers and posters at <http://www.fromclosuredetroit.com>. General flyers/poster will apply to everyone, and can be distributed anywhere. Templates can be made specific to your community or event.

Go door-to-door.

You may consider door-knocking to distribute flyers. This can be a great way to spread the word, as long as you are safe and considerate. Try not to be invasive, and always go in pairs. Income is a sensitive subject. Let people know you are distributing resources for homeowners. If they ask about specifics, tell them what the program is. You can show them how to read the chart, so that they can check (privately) if they are eligible.

Tap into networks.

Talk to key players in the community, so they can tell their networks. For example: Pastors can tell their congregations. Neighborhood associations can advertise in their newsletters. Rec centers, libraries, and service organizations can distribute materials or hang posters in high-traffic areas.

Talk to local officials.

Talk to your council person and/or district managers about why the HPTAP is important, and what they can do to help. A list can be found at <http://www.fromclosuredetroit.com>



How to connect people with resources.

Visit <http://www.fromclosuretoetroit.com> to access a wide range of resources including:

- A step-by-step guide for applying
- A step-by-step video for applying
- General flyers and posters
- Template flyers and posters for your community/event,
- A full list of resources where residents can get help with the application



How to provide direct assistance.

The HPTAP application must be completed carefully, and requires lots of supporting paperwork to be included with the application. The paperwork will prove that what is in the application is true.

The HPTAP application is meant to show the city why a homeowner needs help paying their taxes. Think of it as painting a picture. The more detail you provide, the clearer the picture is. Use the information and paperwork provided by the homeowner to paint the clearest picture you can.

Incomplete applications can be denied. If the application is turned in before July, there is usually an opportunity for the applicant to correct their application by December.

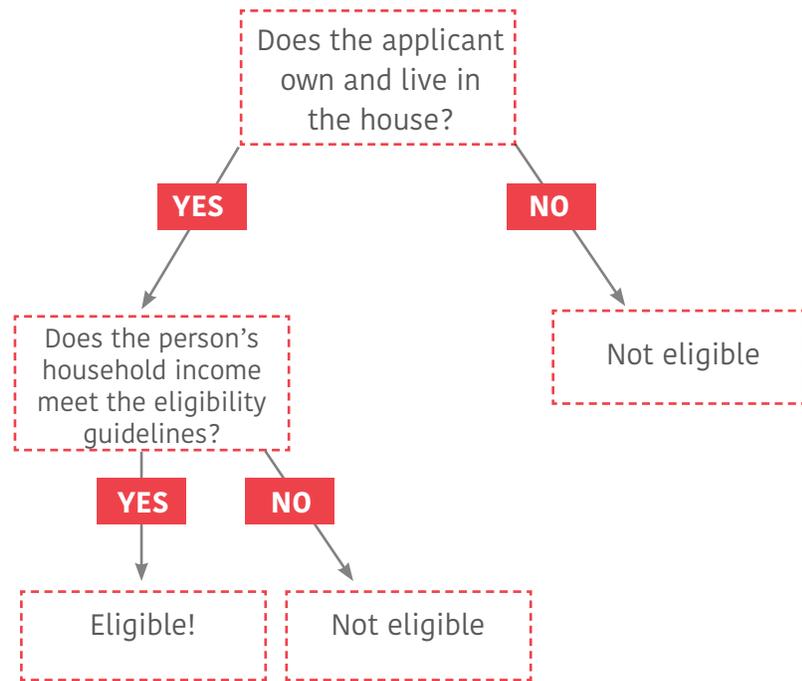
It can be overwhelming at first. Each person that you assist will be different, and so will their application. The application includes lots of private information. Try to make the experience as comfortable as possible. Leave judgement at the door!

STEP 1: Review materials

Thoroughly review the HPTAP handbook: Handbook Link
Read over the application guidelines (found in pages 2-3 of the application).

STEP 2: Determine Eligibility

Do your best to make sure that the applicant is eligible before assisting them.



Eligibility is based on the homeowner's household income for the previous year. Remember, income is a sensitive topic. Ask these questions in a private space. Do not pressure them to share information they do not want to.

Remind the applicant that household income includes income for everyone in the home. Remind them that for this application, income includes many sources. Make sure the applicant knows that income includes all benefits (including food stamps), assistance from family/friends, and child support.

If the person's income was too high last year to qualify, but low enough to qualify this year, they should still apply. Just be sure to properly document this.

STEP 3: Print the Application

You can download and print the application online:

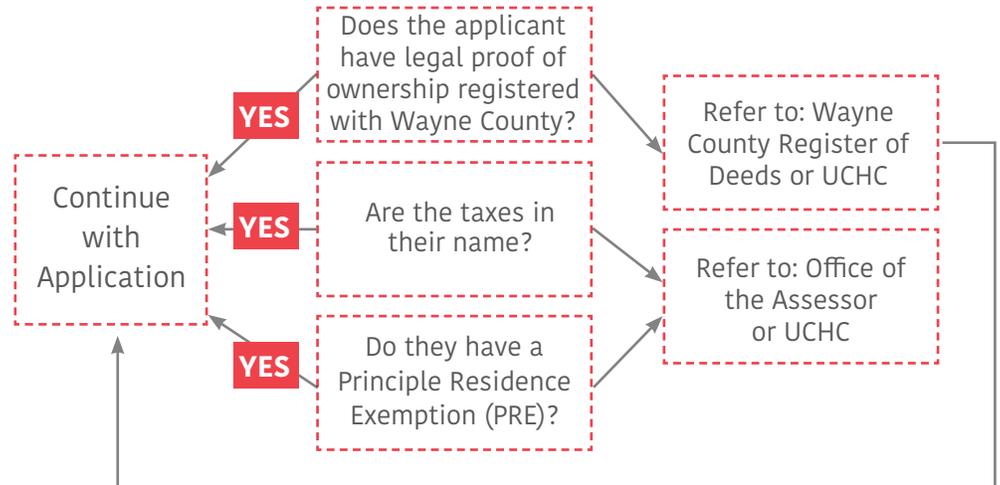
1. Visit: <http://www.detroitmi.gov/How-Do-I/Property-Assessment-Documents>
2. Select: "Homeowners Property Tax Assistance Program Application"

The full application is 11 pages long.

- Page 1: Cover page
 - Page 2-3: Guidelines
 - Page 4: Petition page
 - Page 5: Front page of application
 - Page 6-7: Application pages
 - Page 8-9: IRS form 4506-T
 - Page 10: Poverty Exemption Affidavit form (4988)
 - Page 11: Back page of application
- Tip: save paper by printing pages 4-11 only

Note: Each application has a unique petition number. You cannot download the application and print in multiple times. You must re-open the link each time you want to print an application.

STEP 4: Check the pre-reqs



Proof of Ownership

Not everyone will have proof of ownership for their property. If the person needs to record their deed or get a copy of a recorded deed, they should visit the Wayne County Register of Deeds. If the person is living in a home where the owner is now deceased, they may need to file probate. They can seek assistance with this at UCHC.

Property Transfer Affidavit (PTA)

If the property taxes are not in the person's name, they most likely need to file a Property Transfer Affidavit with the Assessor's office. They should complete this form as soon as possible. They will need their recorded Deed. To avoid paying the \$200 late-filing fee, they should complete this form with UCHC.

Principal Residence Exemption (PRE)

A PRE tells the city that person owns and occupies the home. PRE should 100% for single family homes or 50% for multi-family homes. This appears on the person's tax bill or tax assessment notice. If PRE is 0%, they should complete this form as soon as possible. They will need their recorded Deed and valid IDs for property owners.

STEP 5: Complete the application

3 pages of the application that must be completed:

1) **Petition Page**

Note: This is the page that must be signed in front of a notary.

2) **Application Page 1: Sections A, B, C and D**

Note: Income for section B is for the previous year.
Always include as much proof as possible.

3) Application Page 2: Sections E, F and G

Getting all of the paperwork together is a challenge.

Use the “[Supporting Document Checklist](#)” to make sure the application is complete. If it is not, circle the items on the checklist and advise the applicant to include them with their application. This may require the person to look through their mail, visit the DHS office, or ask a family member to notarize a statement. Remind them that the application must be complete to be approved. When proof is not available, the next best thing is to include a written statement, signed by the applicant. When the application is complete, make a copy for the applicant. They might not need help with the application next year if they can use this as a guide.

STEP 6: Submit the application to the Assessor’s office.

Applicants with transportation or mobility issues may need help. If the application is signed in front of a notary, you can submit it online. **Notary services** are available at most banks and credit unions. If the application still needs to be notarized, they can do this when they turn it in.

STEP 7: Track & Follow-up

This step is optional, but important. Track how many people you assist. Whenever possible, keep contact information so that you can follow up in the future. However, be sure to keep this information private. Immediate follow-up could include checking whether or not the person received the exemption. Long-term follow-up can include reminding the person to re-apply next year, and offering to help.



How to host a workshop

STEP 1: Choose a time & place.

Partner with a local church, recreation center, library or service organization in your area. Try to choose a place that is well-known to residents and easy to get to. Tables and chairs are a must. Ideally, this space will have access to a printer and copier.

Choose a time and date that makes sense- typically, evenings weekends work best. Try to host your workshop in the first half of the year. The City reviews HPTAP applications in March, July and December. If an HPTAP application is turned in after July, it won’t be reviewed until December, and there will only be one shot to complete it correctly.

STEP 2: Coordinate & train volunteers.

Anyone can lend a hand at the event. There will need to be volunteers who are trained to assist with the HPTAP application. Untrained volunteers can help set up, sign-in participants, make copies and clean-up.

In order to fully complete an application, a notary must be present. If possible, try to recruit a **Notary Public** to attend the workshop. If you are not able to recruit a Notary Public, you can still host the workshop, but you cannot submit the applications on behalf of the participant. You must make it clear to participants that are responsible for having their application notarized when they turn it in. They can do this at the Assessor’s Office.

You may want to consider becoming a notary. The cost varies between \$70-\$120, and no formal training is required. Visit: <http://www.michigan.gov/sos>

STEP 4: Advertise the workshop.

Spread the word for your workshop by creating posters and flyers. Templates for these can be downloaded at <http://www.fromclosureetroit.com>. See tips for this in [How to spread the word](#).

STEP 5: Host the Workshop.

Get organized! Make sure you have plenty of pens and paperclips. A calculator and some white-out might come in handy. Envelopes for completed applications are a nice touch.

Print copies of the application in advance. (Note: You cannot print an application more than once, because each one is unique. You must click the link for the application each time you want to print one).



The *Tricycle* Collective



RACKHAM GRADUATE SCHOOL
PROGRAM IN PUBLIC SCHOLARSHIP
UNIVERSITY OF MICHIGAN



United Community
Housing Coalition

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