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Concrete hurts grand lists

Crumbling foundations being reflected in area home assessments

By Eric Bedner

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Area municipalities are facing the loss of millions of dollars in home assessments due to the crumbling foundation crisis, potentially forcing local leaders to choose between raising taxes or cutting services during their upcoming budget processes.

J^IEXCLUSIVE

The adverse impact to a municipality's tax revenue varies based on numerous factors, but many local officials say their grand lists are seeing shifts as structures with crumbling concrete are devalued through reassessments even in years when a full revaluation of property is not being done townwide.

Vernon is one of the hardest hit communities with 216 homes being reassessed in the last three years for a total reduction of more than \$24.8 million in value, Assessor David Wheeler said. The net loss in terms of tax dollars is nearly \$988,000 over that time.

A majority of Vernon's reassessments are coming from condominiums, as opposed to single-family homes.

In the three years since the state started allowing towns to provide property tax



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Mary Anne Williams feels a portion of the wall in her Tolland home on Thursday where the cracking is the worst and water is seeping from the falling rain. Many local officials say their grand lists are seeing shifts as structures with crumbling concrete are devalued through reassessments. **More photos, Page 3.**

relief for affected homeowners, Vernon has had 161 condo units in three complexes reassessed, reducing the assessments about \$15.4 million, or roughly \$614,000 in total tax dollars lost.

By comparison, Tolland has fewer homes

that have been reassessed, but there's been a substantial impact to its grand list due to the value of the homes.

Tolland Assessor Jason Lawrence said the grand list for 2018 has 36 applicants for

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Vernon administrator: Loss of tax re

■ CONCRETE

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assessment reductions, resulting in a \$2.2 million loss in assessed values. That's in addition to 55 reassessments from the previous year and 48 the year before that, resulting in a loss of \$4.2 million and \$3.6 million, respectively.

All told, Tolland has seen home values reduced for 139 homes, resulting in lower property values draining \$10 million from the grand list over the previous three years.

"Since communities such as Tolland have much higher housing values than Vernon, the impact of crumbling foundations differs between towns," Wheeler said. "Vernon has many condominium units having foundation issues as compared to larger single-family homes in Tolland. The financial impact will always vary between the towns."

Lawrence noted the legislation that enables people to have their home values adjusted does not include the same option for commercial or public buildings.

"I can only imagine it's in other places too," he said, noting that Tolland has a school and a firehouse that are affected.

Lawrence said he was surprised that Tolland didn't have more applications for reassessments this year, but he guesses people are waiting for financial relief from the nonprofit captive insurance company before coming forward.

Vernon Town Administrator Michael Purcaro cannot yet determine what the town's tax rate will be for next fiscal year, which begins July 1, but called the loss of tax revenue a "major budgetary concern."

Nonetheless, Vernon has anticipated the loss of revenue and has been preparing for it, he said.

'There's not a lot of options'

As of the beginning of January, Coventry had 45 single-family homes reassessed due to crumbling concrete foundations for a reduction of \$2.85 million in revenue, Assessor Michael D'Amicol said.

Town Manager John Elsesser said the lost revenue could be

made up only through tax increases or spending cuts.

"There's only two ways to deal with it," he said. "There's not a lot of options."

As of the beginning of December, roughly 80 Manchester property owners had received an assessment reduction on their homes due to defective concrete, resulting in a net grand list reduction of roughly \$6 million, General Manager Scott Shanley said.

South Windsor Assessor Mary Huda said her town has reassessed 87 properties, resulting in a grand list loss of more than \$339,000 for the upcoming budget year.

At this point, she said, the structures are single-family homes and planned urban development units, but the total number does not include several properties reassessed for additions but not the entire structure.

Ellington First Selectwoman Lori Spielman said this is the first year her town has seen large numbers of reassessments, due mostly due to the time it takes to inspect and reassess homes, she said.

She said she is not yet sure how Ellington's tax rate could be affected, "but there's only so much we can keep cutting."

Spielman said she understands the intention of the law change was to provide a tax break to those who need it, but she pointed out that everyone could end up paying more as a result.

Ellington's assessor would not provide specifics on reassessments, but according to the Capitol Region Council of Governments the town has had 50 homes reassessed resulting in a value reduction of about \$3 million as of October.

CRCOG spokeswoman Pauline Yoder said the organization's numbers come from town assessors and are totals for assessed value lost. A property's assessed value is 70 percent of its fair market value, or what it could sell for.

She noted, however, that home values in affected areas could be reduced simply based on when a home was built.

"The market value of the homes are plummeting regard-



Above, one of the buildings in problems. Assessor David Wh foundation issues. Below, a fo

less of whether they have the problem or not," Yoder said.

As of October, 662 values reduced

Huda, from South Windsor, said a sliding scale formulated by assessors and recommended by CRCOG is being widely used throughout the region by most if not all affected towns.

The scale provides guidelines, with reductions ranging from 20 percent to 100 percent, depending on the condition of the structure. The value of the land wouldn't change.

According to CRCOG's October numbers, there were a total of 662 properties that had reduced values resulting in a total property value loss of \$48 million.

With 36 reassessments, Stafford saw its property assessments drop by about \$2.4 million as of October, according to CRCOG.

Coventry's Elsesser said he is appreciative the state is trying to assist affected homeowners, but at the same time lamented the impact the law is having on municipalities and its residents who do not own homes with crumbling foundations.

He said he would prefer the state offer some financial relief to affected towns, but understands the current fiscal climate makes that unlikely. What's odd, he said, is why the state doesn't treat the issue like a disaster, such as with major storms.

"The state keeps asking the federal government to treat it like a disaster," he said, referring to Connecticut's application for assistance to the Federal

Revenue a major concern



Jim Michaud / Journal Inquirer

Ryefield in Vernon that is suffering from foundation issues. Heeler says Vernon has many condominium units having foundation issues in Ryefield Two in Vernon.



Emergency Management Agency. "Why doesn't the state treat it like a disaster? Aren't they being a little hypocritical?"

Aside from the financial impact, Elsesser said he also is concerned about the psychological effects of the crumbling concrete crisis.

"I've had people in my office crying," he said. "I keep Kleenex in my desk drawer because their whole life plan is literally crumbling as their foundations crumble. Who's helping them?"

Elsesser raised further concerns about the potential impact as the years pass.

"It's a growing, compounding problem, and as our towns are entering a revaluation it's going to be even more so," he said. "It's not so much even this year. I'm much more worried about the impact when we all go through revaluations."

"It's horrible that the insurance companies aren't stepping up to (fix) this and are putting it back on our taxpayers," Spielman said of paying for the

cost of fixing foundations. "This is just ridiculous that all these towns are going through this."

Purcaro said the issue must be attacked on multiple fronts, and while he believes the federal government should declare this a disaster covered by federal dollars, "that's not going to happen."

He is encouraging Vernon residents to take advantage of the option to have their homes reassessed, but understands that many homeowners may be afraid to come forward due to the negative impact to their home's value.

The town, Purcaro said, is taking advantage of several assistance programs, including one in which it joined with Ellington and Stafford to apply for a Community Development Block Grant through the U.S. Department of Housing and Urban Development.

The towns still are waiting to receive an official word, but "we're very optimistic about receiving that funding," Purcaro said.