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2019 JUN -7 AM 11:35

Arlington, MA 02474
June 2, 2019

Commissioner Christopher C. Harding
Massachusetts Department of Revenue (DOR)
100 Cambridge Street
Boston, MA 02114

Dear Commissioner Harding:

Last January, all of the residents of Kelwyn Manor in the Town of Arlington were assessed a 57% land value assessment increase which resulted in a 25% - 30% tax increase. In contrast, the average tax increase in the Town of Arlington was 6.9% for single family homes.

When we asked the Board of Assessors of the Town of Arlington in public meetings to explain this variation among tax districts, they defended their methodology saying that "it was approved by the MA Department of Revenue"

Many of us are very concerned about the larger issue of how to prevent this from happening again. Systemic changes in the methodology used by the Arlington Board of Assessors are needed.

Enclosed you find a letter asking for your help. It describes the problem and offers possible solutions to better ensure fair and equitable real estate taxation across the entire Town.

It is signed by 59 Arlington residents as of today. Fifty-two signed electronically via DocuSign and an additional seven residents signed a hard copy of the letter.

Hopefully, our concerns and suggestions will be heard and positive changes will be made.

Please direct all your communications to arlingtontaxincrease@gmail.com

We look forward to hearing from you.

Thank you.

Residents of the Town of Arlington

CC: Diane M. Mahon

Commissioner Christopher C. Harding
Massachusetts Department of Revenue (DOR)
100 Cambridge Street
Boston, MA 02114

Arlington, MA 02474
May 28, 2019

Dear Commissioner Harding:

We are writing to ask for your help to ensure fair and equitable real estate taxation within the Town of Arlington, MA. In FY2019, one Arlington Tax District #2 (Kelwyn Manor) was assessed a 57% land value assessment increase while others were assessed a 0% increase. This inequity resulted in an unfair tax burden for the ~200 single family homeowners in Tax District #2 which comprise only 2% of the approx. 9,385 single family homes in Arlington.

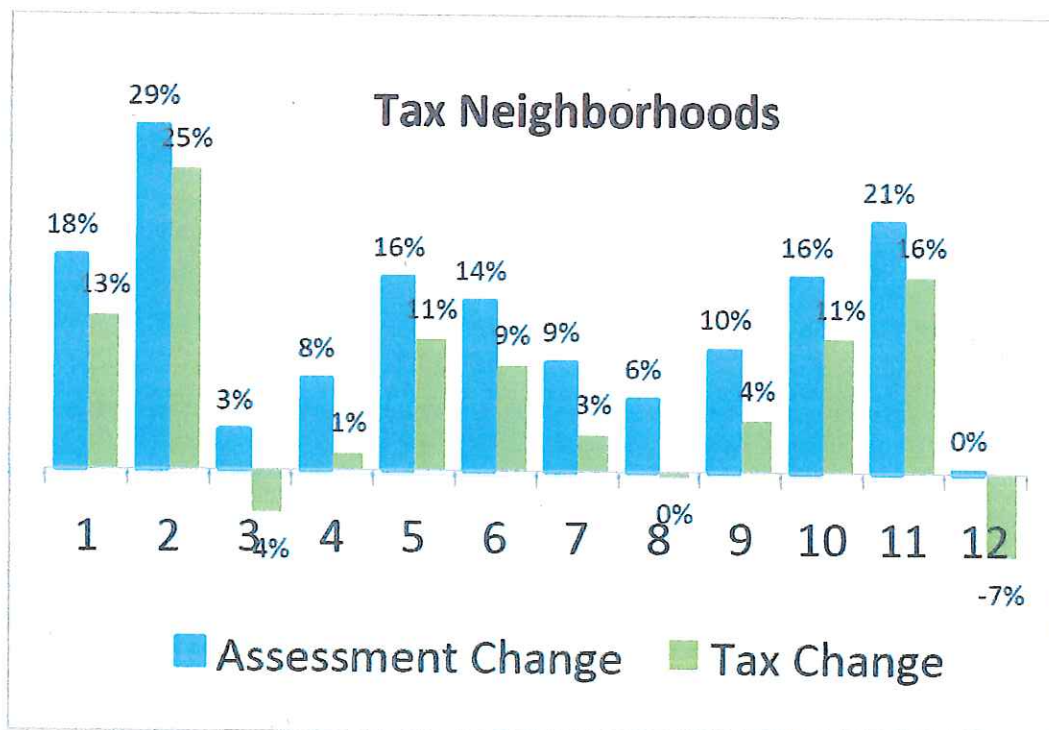
Background:

In FY2019, all of the approximately 200 owners of single family homes in Arlington Tax District #2 (of 12 tax districts) were assessed an "average" 25% tax increase. In contrast, the town average tax increase for single family homes was 6.9%. Moreover, some districts received a tax decrease of up to 7%! Please refer to chart below for details...

OFFICE OF THE BOARD OF ASSESSORS



TOWN OF ARLINGTON
MASSACHUSETTS



When the residents asked the Board of Assessors of the Town of Arlington in public meetings to explain this variation among tax districts, they defended their methodology saying that “it was approved by the MA Department of Revenue” and they advised residents to file abatements. Eighty-eight of the almost 200 homeowners in Kelwyn Manor filed an abatement. Most residents that filed received a tax abatement of only ~3%. This was a small and arbitrary Band-Aid not a solution.

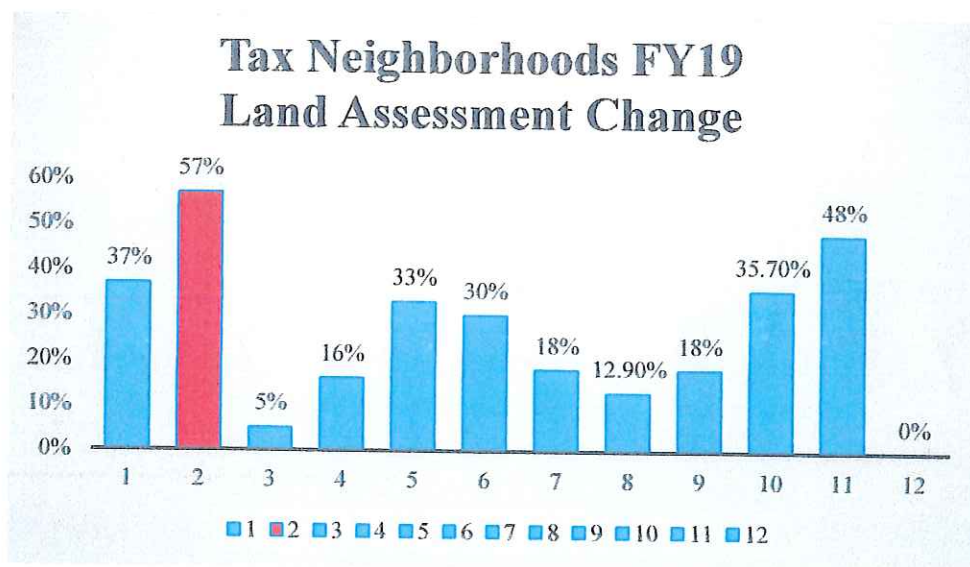
Based on your Department’s mission statement that it is “responsible for ensuring the fairness and equity of local property taxation” as well as regulation, we are appealing to you for your help in addressing what we feel is unfair and unequal real estate tax treatment within the Town of Arlington.

What is the problem using the current methodology?

The real estate market has changed dramatically in the past five years and the ability to ensure fairness in property assessment has been complicated by many factors, including the soaring real estate market and the high rate of renovations and tear-downs. The zoning districts and formulas that have been previously used may have sufficed for that time, however it is clear that changes to mitigate tax district disparity need to be made.

FY2019 land value assessment increases for the 12 tax districts in Arlington were wildly disproportionate, ranging from 0% to 57%. This inequity resulted in an unfair tax burden for the ~200 single family home owners in Tax District #2. In contrast, Tax District #12 had no increase in total assessed value! That methodology is inconsistent with the objective of assessing all properties at “full and fair market value” as of January 1st of each year.

The breakdown of FY2019 land assessment increases by tax district was:



Small Tax Districts are adversely affected by a few home sales.

The current methodology used by the Town of Arlington for assessments is based solely on previous sales in one single year. In 2017, there were only 5 home sales in Tax District #2. This is a statistically small sample (~2.5%) of single family homes in Tax District #2. What would happen if there was only one home sale? Would this one sale directly define the property assessments for an entire Tax District?

Tear-downs and new construction are assessed according to the pre tear-down property assessment value plus the face value of permit costs and not on current fair market value.

Home rebuilds and tear-downs are becoming more and more common in Arlington. Often times, a developer will construct a new home. Currently, the assessment changes are based on a model of calculating building value according to permit costs only, thereby undervaluing the property. This does not accurately reflect "fair market value". As a result, when the property is resold, the ratio of assessed value to sale price is artificially low, resulting in higher assessment increases and taxes for the entire neighborhood.

There are several cases in Tax District #2 of properties where the FY2019 assessment is lower than the 2017 sale price (presumably representing fair market value at the time). In fact, four of the five homes sold in Tax District #2 in 2017 have a current FY2019 assessed value less than the sale price of the home in 2017!

Suggestions:

- 1. The average sales price increase of all single family properties in Arlington should be the primary determining factor of property value assessment increases across all Tax Districts within the Town of Arlington.**

The real estate market is rapidly rising across the region. Sales prices are increasing, so it is logical that real estate values and assessments should increase for all properties in the entire town.

In any given year, there should be both a minimum and a maximum property value assessment increase for all single family properties in Arlington. The value should be based upon the average of the sales price increase of all single family properties in Arlington. According to Century 21 Realty, the average sale price of a single family home in Arlington from 2016 to 2017 rose by 6.9%.

- 2. The sale prices of homes within a tax district should be only a secondary determining factor of property value assessment increases.**

Currently, the sale prices of homes within a tax district is used as the primary factor for property value assessment increases within a tax district. However, it should only be a secondary factor, after applying the average increase in home sales for the entire town (see point #1). It is not fair and equitable that one small neighborhood is assessed a 29% property value increase, while in other neighborhoods the property value increase is 0% or very little.

- 3. Residents who have maintained their property but have not done major capital improvements need to be protected from property value assessment increases due to properties that have undergone rebuilds, tear-downs, and major capital improvements.**

In the case of the 5 homes sold in Tax District #2 in 2017, the very low ratios of tax assessment value to sales price were due, not only to higher demand and buyers willing to pay a higher price, but also due to the fact that properties that underwent new construction and building improvements were not correctly assessed at "fair market value".

In such cases, once the work is completed and before the property is resold, we strongly recommend that the Division of Local Services require the Town of Arlington to have a certified appraiser more accurately determine the "fair market value", especially of the building improvements. The building appraisal should accurately reflect the true market value. The current method of increasing building value assessment after an improvement, based solely on permit costs, does not accurately represent "fair market value".

4. **Consider reducing the number of "tax districts".** One root cause of unfair property assessment increases is the disproportionate size of the twelve tax districts. District #2 is one of the smallest tax districts with approximately 200 single family homes or only 2% of single-family homes in Arlington. Yet, in FY2019, all the homeowners in that neighborhood were assessed a disproportionate 57% land value assessment increase. This resulted in a tax burden increase of 25%- 30% versus 6.9% for the town average of single family homes. The designation of tax districting should be something to review in order to determine if any positive changes can be made that will ensure a more fair and equitable taxation.
5. **Require more regulation from the Division of Legal Services.** We know that the Town works with this Division on an annual basis and will be working with them more closely for the upcoming recertification for the Town of Arlington. However, it is not just a matter of the methodology used by the Town of Arlington "being approved by the Commonwealth of Massachusetts". The assessment methodology has to be fair and equitable. As we all witnessed in FY2019, the formulas that have served in the past are no longer adequate for the future.

We sincerely hope that our experience with FY2019 real estate tax bills can be mitigated with fair and equitable improvements in methodology. There should never be a time when one tax district is assessed a 25-30% tax increase in one year, while another tax district is assessed a 7% tax decrease.

We appreciate you taking our concerns and suggestions under advisement and look forward to hearing your comments and recommendations.

Thank you.

Sincerely,

Signed by Residents of Kelwyn Manor (Tax District #2.) See next page for signatures.

cc: Sean Cronin, Senior Deputy Commissioner, Division of Local Services
cc: Joanne Graziano, Bureau Chief, Division of Local Services
cc: Adam Chapdelaine, Town Manager, Town of Arlington
cc: Diane M. Mahon, Town of Arlington, Select Board Chair
cc: Paul Tierney, Director, Town of Arlington Board of Assessors
cc: Brian McGrory, Editor, The Boston Globe

DocuSign and Hard Copy Signatures on Letter dated May 28, 2019 to Commissioner Christopher C. Harding, Massachusetts Department of Revenue (DOR)

| Recipient Name | Date Signed | Status | "Subject" |
|-------------------------|---------------------------|---------------------------|------------------------------------|
| Larry Zimmerman | 6/2/2019 12:31:35 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Sarah Smith | 6/2/2019 8:11:26 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Mark Marsden | 6/1/2019 8:43:22 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Irene MacKinnon | 6/1/2019 4:27:48 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Albertina Natalie Noyes | 6/1/2019 2:50:59 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Heather Carey | 6/1/2019 1:06:27 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Neil Saunders | 6/1/2019 1:02:24 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Cedrine Bell | 6/1/2019 12:10:28 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Joseph Cella | 6/1/2019 12:03:08 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Kathleen Keffe | 5/31/2019 6:26:45 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Lois Shannon | 5/31/2019 3:24:05 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Anne Wilson | 5/31/2019 3:17:21 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Peter Schweich | 5/31/2019 1:15:48 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Richard Cahill | 5/31/2019 7:37:12 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Fiona Howard | 5/31/2019 7:19:08 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Casey Recupero | 5/31/2019 6:45:05 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Karen Hartford | 5/31/2019 2:46:54 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Mark Hickey | 5/30/2019 12:34:47 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Carolyn S. Dobbyn | 5/30/2019 12:06:44 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Philip Herderhurst | 5/30/2019 9:49:10 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Ralph Cadorette | 5/30/2019 4:53:16 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Thomas Lynch | 5/29/2019 11:59:30 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Michael Kearney | 5/29/2019 8:56:50 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Patsy O'Brien | 5/29/2019 8:27:23 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Yvonne Manton | 5/29/2019 5:43:47 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Jennifer Roderick | 5/29/2019 5:37:42 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Mike Manton | 5/29/2019 5:30:16 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Derek Kenney | 5/29/2019 5:22:01 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Wyndy Ayares | 5/28/2019 6:00:17 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Marie McDonnell | 5/28/2019 5:27:18 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Peter Cerundolo | 5/28/2019 4:53:42 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Christine Hall | 5/28/2019 4:23:57 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Ann Cella | 5/28/2019 3:04:29 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Pat Sacca | 5/28/2019 2:56:47 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Bruce Wells | 5/28/2019 2:25:39 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
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| Bishal Mainali | 5/28/2019 2:15:01 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| John Cogswell | 5/28/2019 2:05:46 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Joshua Ayares | 5/28/2019 1:50:13 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Robert MacPhee | 5/28/2019 1:33:19 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Denise Lynch | 5/28/2019 1:16:25 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Janet Marsden | 5/28/2019 1:02:59 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Shailesh Patel | 5/28/2019 12:19:27 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Robin Purcell | 5/28/2019 12:12:00 PM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
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| Dan Chadwick | 5/28/2019 11:55:50 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
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| George Bell | 5/28/2019 11:55:27 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Jacquie Burgess | 5/28/2019 11:54:58 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Frank Ceppi | 5/28/2019 11:54:45 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Colleen Donohue | 5/28/2019 11:51:14 AM PDT | Completed via DocuSign | Letter to DOR Commissioner Harding |
| Nancy Ulrich | 5/28/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |
| Bradford Barber | 5/28/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |
| Christopher W. Kita | 5/28/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |
| Patricia L. Bosia | 5/31/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |
| Amy Meadows | 5/31/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |
| Scott T. Meadows | 5/31/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |
| Kathleen M. Perrier | 5/31/2019 | Signed Hardcopy of Letter | Letter to DOR Commissioner Harding |