CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139
MAIN OFFICE (617) 349-4343 RESIDENTIAL VALUATION (617) 349-4110

ASSESSING DEPARTMENT

Sally Powers, Director
Kevin T. McDevitt, MAA, CRA
Faith D. McDonald, CMA, RMA, MAA, CA-S

January 8, 1996

TO: Robert W. Healy, City Manager

FROM: James P. Maloney, Finance Director
Sally Powers, Director of Assessment

SUBJECT: Council Order #011, dated 12/18/95 RE: REPORT ON HIGH INCREASE IN VALUES FOR DISTRICT 15

Most of the twenty-nine property owners in District 15 have filed abatement applications with the Assessing Department. A comprehensive review of all these applications, including inspections of houses that have not recently received in interior Assessing Department inspection, is currently underway.

Attached is a copy of a letter recently sent out in response to taxpayer inquiries which we believe accurately summarizes the situation in District 15.

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ASSESSING DEPARTMENT

Sally Powers, Director
Kevin T. McDevitt, MAA, CRA
Faith D. McDonald, CMA, RMA, MAA, CA-S

December 15, 1995

Dear Taxpayer:

I have been asked to respond to your concerns about the FY96 value of you home on Blanchard Road. I have spoken with the Assessors about the FY96 values in your neighborhood. As I am sure you know, the values are under review both individually and as a group, where assessment level is concerned. Since the four houses which have sold in the late 1992 - 1995 time frame are all assessed within 10% of their sale prices, and the same valuation formula has been applied to all the properties in the neighborhood, I do not believe the assessments can be termed disproportionate. However, I do understand your distress over the large tax increase compared with the average changes reported in other neighborhoods.

There is a difficulty in valuing small, distinctive neighborhoods such as yours. Low-price sales which occurred during 1990 and early in 1992 resulted in a period of quite low assessments compared to prior years and to the current year in your neighborhood. As you may remember, FY91 and FY92 assessments were closer to the current levels: the average increase from FY92 to FY96 in your district is 16%. When the sales of properties at 8 Blanchard Rd. in late 1990 and 225 Grove St., early in 1992 took place neighborhood values were lowered for FY93 and carried at this low level for three full years. Later in 1992, the resale of 225 Grove St. indicated a low level of assessment; however, there was also a low-priced sale at 245 Grove Street, indicating against a raising of assessments in the neighborhood. Then, in 1994 and 1995, two additional sales took place which made the undervaluation of the neighborhood all too apparent.

Regarding your concern about large assessment increases, the Cambridge City Council has on at least two occasions requested that the Finance Department investigate the possibilities of some type of assessment increase limit, or scheduling of increases. State law, resulting from judicial review of the State's Constitution, however, does not currently allow flexibility where the 100% fair cash value requirement is concerned. There are exemption programs for elderly and widowed taxpayers and for veterans which are designed to provide some protection in cases of tax increases, but no provisions for other taxpayers.

Again, as I stated above, the values of all the houses in the neighborhood are being reviewed and reanalyzed by the Assessing Department with the aim of ensuring fair property assessments. Please feel free to contact me if I might be of further assistance.

Sincerely,

James P. Maloney
Assistant City Manager for Fiscal Affairs

cc: Robert W. Healy, City Manager

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CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

January 29, 1996

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 9, regarding the high increase in property values for District 15, received from James P. Maloney, Finance Director and Sally Powers, Director of Assessment.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
attachment

5-13

Consent Agenda #4

Relative to Awaiting Report Item
Number Nine, regarding high increase
in property values for District 15.

In City Council Janaury 29, 1996

Placed on file.