



Summary Report and Minutes
The Board of Equalization
The City of Falls Church

November 22, 2022

Laurel Room, 300 Park Avenue, Falls Church, Virginia 22046

- I. CALL TO ORDER:** At 4:00pm, the In-Person meeting was called to order by The Board of Equalization Chairperson Aaron Ford
- II. THOSE PRESENT/ROLL CALL:**
Board of Equalization Members:
Aaron Ford, BOE Member and Chairperson
Barbara Green, BOE Member
Robert Speir, BOE Member and Secretary
City of Falls Church:
Erwving Bailey, Director of Real Estate Assessment, City of Falls Church (Assessor)
Ashley Pollard, Real Estate Specialist, City of Falls Church

A quorum was present and affirmed, and the meeting was open to all attendees and the public, throughout. An agenda was posted and reviewed and standardized opening remarks were made.

- III. LIVE RECORDING:** Ashley Pollard, Real Estate Specialist, City of Falls Church
The City of Falls Church provides public access to videos of BOE proceedings.

- IV. AGENDA ITEMS:** N/A

V. CASE HEARINGS

711 Poplar Drive	RPC 52-605-016	Appeal 030-22AB
1112 N Sycamore St.	RPC 53-211-012	Appeal 066-22AB (<i>Non-appearance</i>)
814 Park Ave.	RPC 51-204-004	Appeal 020-22AB (<i>Non-appearance</i>)

The following sections synopsiz the issues and decisions regarding the three appeals.

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APPEAL 030-22AB	711 Poplar Drive
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Appellant:	David F. Johnson
Original Appeal Date:	April 21, 2022
Original Assessment for 2022:	\$960,800
Appellant’s Requested Assessment:	\$760,000 (Level 1); \$801,400 (at BOE)
Assessor’s Level 1 Decision:	Revised to \$867,800 on 05/26/2022.

OVERVIEW

Appellant’s home is a small 1950 rambler, graded in C+ condition, and having no significant change in footprint and configuration since being built. It is within ¼ mile of two previous BOE cases: #39-22AB (603 Timber Lane) and #018-22AB (1313 Seaton Lane). Appellant filed his original appeal based on errors in his property description, lack of uniformity, and fair market value.

The Assessor conducted an external property inspection on request, and made subsequent corrections to the property description as follows:

- A “solarium” was changed to an enclosed masonry porch.
- The basement was reduced from fully finished to 1/4th finished and confirmed not to be a walk-out basement.
- A half bath was upgraded to a full bath.

Appellant’s house condition grade remained unchanged at a C+.

These changes reduced the on-record living area from 2576sf to 1549sf (~40%), thereby producing a taxable improvements assessment decrease from \$358,700 to \$266,400 (by about 26%). Mr. Johnson noted that even after the changes to the property description, the year-over-year increase in his home’s assessment rose 44% from the 2021 level. He accepted the City’s land valuation; the basis of his appeal was that his home’s assessment was excessive compared to similar properties in his neighborhood.

APPELLANT

Mr. Johnson provided a detailed Power Point presentation package that, in various forms, compared 14 other properties and their respective assessments, to his own property, to attempt to demonstrate inequities between his home/property and those of his neighbors.

- For FMV, Mr. Johnson examined three comparable sales: one house was close to his home’s size, and the other two were about 15% larger. All three properties sold in 2021 for less than Mr. Johnson’s 2022 assessment (the average differential was about -8%).
- For uniformity, he compared his home’s \$172/sf assessment to 8 other homes on the same street. His table showed their assessments to average only \$130/sf.

Based mostly on the uniformity comparison, Mr. Johnson requested the BOE to lower the assessed value of his home to \$200,000. When added to the land assessed value, that would have brought his total tax assessment to \$801,400.

In response to the uniformity of the Assessment Office's calculations for neighboring houses, Mr. Johnson provided charts that showed that assessments for seven (3 bedroom/1-2 bath) houses on his street (including his own) rose by an average of 53.9% in the 2022 assessment. For six larger (4 and 5 bedroom) homes on his street, the average increase was only 5.3%. He claimed a uniformity gap between small and large houses in the assessment process.

Mr. Johnson also brought up several other points that affected his appeal:

- He did not have access to key data that the Assessment Office used to compile his assessment and those of comparable properties (e.g., specific detailed data from the VISION property sheets that the Assessor used in his response to Mr. Johnson's appeal).
- He contested the computational accuracy of the City's replacement model because key functional features were not available (e.g., functions that describe the decline in value per square foot of floor area with increasing floor size, the quantitative effect of subjective building quality grades, etc.).
- In this hearing, in some cases, the Assessor introduced total assessments (i.e., including land value) to critique Mr. Johnson's points that addressed only non-land assessments. Mr. Johnson accepted the City's land valuation and only appealed his home and other improvements.

REAL ESTATE ASSESSMENT OFFICE

The Assessor's presentation highlighted limitations of using value per square foot of living area as a measure of worth. As regards Mr. Johnson's presentation, he described the following problems:

- Quality grades differ from property to property and have a substantial effect on the assessment value of non-land "improvements," including the primary dwelling. Mr. Johnson's calculations of value per square foot of living area for properties graded C and C+ did not take that into account as a key quantitative value, and two statistics of his in a key table of his presentation were in error.
- The City's replacement model uses a sliding scale of value per square foot of area to calculate and compile the initial basis for assessments. Therefore, large houses benefit from lower assessed values per square foot of space compared to smaller houses. It follows that changes in size do not provide the often anticipated proportional change in assessments.
- Neighborhood factors scale computational results. The Assessor's Office calculates the ratios of prices for properties that have sold in a neighborhood to their previous assessments. Averages and medians of the ratios are observed, then used to model the inflation (or, infrequently, deflation) of neighborhood property values overall. Because, historically, only a small fraction (e.g., 4-6%) of properties in a neighborhood sell each year, value appreciation is determined in most neighborhoods by sales of only a few properties.
- Other items such as outbuildings, unfinished basements, porches, decks, etc. add value to the non-land assessment. Simply dividing "improvements" by living area is not precise. (Actual home structure could constitute 70-90% of the "improvements" value.)

The Assessor also turned to Mr. Johnson's uniformity values for properties' "improvements" and discussed how these provided a basis for justifying total assessments. Mr. Johnson stated later that this was mixing up what he intended to do with his calculations, since he had not contested the City's land values.

DECISION AND RATIONALE

At 27 minutes into this hearing, Chairman Ford opened the meeting for questions by BOE members:

- 1) Ms. Green began by asking The Assessor why grade factors could change or need correction. He answered that they only change if someone from the Assessor's Office visits the home to inspect. In the ensuing discussion, The Assessor checked and found that one of the grades that he thought Mr. Johnson had wrong, actually had been changed after Mr. Johnson used it in his original appeal, as is permissible and is no fault of either party.
- 2) The Assessor said some of Mr. Johnson's sales comps were in different neighborhoods than his home. Mr. Johnson responded that they are in what everyone considers to be the same neighborhood—Virginia Forest—and that the official Falls Church neighborhoods are not publicly documented.
- 3) Mr. Speir said that Board members should focus on the single most important chart in Mr. Johnson's presentation (at p.7 of his Power Point package) where he derived the figure of \$130 per square foot valuation for his home. That was the basis of his appeal for an assessment of \$801,400. This table is the one in which the Assessor's Office had detected some condition quality errors.
- 4) Chairman Ford asked how much the Level 1 appeal valuation would change if amended quality codes were incorporated quantitatively. The issue was that Mr. Johnson had treated all 8 properties as being equal to his C+ quality, whereas 5 of the 8 were actually C's. In the ensuing discussion, it became known that the difference in the value of a C+ home compared to a C, all other things being equal, is 27%. That is, the C+ home would be considered to be worth 27% more. This suggested adjusting the C level homes' values per square foot to C+ level by multiplying by 1.27.
- 5) The Assessor opposed using this method of adjustment to Mr. Johnson's assessment, saying that much more should be done to account for differences in size of the homes, as well as all the other factors as discussed. The Assessor calculated the quality adjustments and found that they raised the value of \$130/sf of living area to \$153/sf.

MOTIONS

Ms. Green motioned that the BOE simply split the difference between the existing assessment (\$867,800) and Appellant Johnson's request (\$801,400), to \$834,600, because both made good cases. Chairman Ford agreed to second the motion after his own independent calculation showed that it produced results strikingly similar to what would be obtained by using the newly calculated \$153/sf of living area.

The motion passed with a unanimous 3-0 vote.

ADJUDICATION

The assessment for 711 Poplar Drive, RPC 52-605-016, will be set at \$834,600 (\$233,200 for improvements and \$601,400 for land value).

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Appellant: Kimberly Hatcher
Original Appeal Date: April 20, 2022
Original Assessment for 2022: \$742,000
Appellant's Requested Assessment: \$499,500
Assessor's Level 1 Decision: \$627,600

OVERVIEW

1112 N Sycamore is in a redeveloping neighborhood near the East Falls Church Metro Station. It is an original small home that is split with Arlington County; 95% of the dwelling and 82% of the land is in Falls Church City.

APPELLANT

Ms. Hatcher did not attend the hearing. Her written appeal registered the following concerns:

- 250% increase in the improvements assessment from 2021 was excessive
- The City overstated her basement finished area
- The City's valuation for 1112 N Sycamore is not consistent with comparables located at 1116 N Sycamore, 1004 N Sycamore, 3313 Sleepy Lane, and 302 Sycamore.

302 Sycamore is on the other side of Falls Church City and 3313 Sleepy Lane is not in the City of Falls Church. Neither was able to be considered by The BOE.

REAL ESTATE ASSESSMENT OFFICE

In the Level 1 review, the Assessor's Office reduced the finished basement area from 713 sf to 356. That reduced the property living area from 1654 sf to 1297 sf. It also increased the structure depreciation from 5% to 29%. The result was an overall decrease in assessment from \$742,000 to \$627,600, or 15.4%.

The Assessor's Office also introduced another uniformity comparable—1117 Tuckahoe St.

DECISION AND RATIONALE

The BOE discussion was brief. Chairman Ford asked a question about how the basement of 1112 N. Sycamore was adjusted. Mr. Speir asked the Assessor if he had talked to the Appellant and if she understood how the split properties—hers and 1116 N. Sycamore—had to be adjusted to make a comparison. The Assessor noted it was explained.

MOTIONS

Absent other questions, Chairman Ford motioned to accept the assessor's recommendation of a total assessment of \$627,600; Ms. Green seconded. Mr. Speir agreed but with the caveat that he would include a statement for the record that captured the logic and reason behind his vote. Though not required, this civic body has repeated its intent to serve the community with some explanation, regardless of existing recordings. Mr. Speir concluded the Appellant's case with a statement that: he had gone through the process to combine and evaluate the split property and its comparables—one of which was also split between Falls Church City and Fairfax County—and found no evidence of lack of uniformity.

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ADJUDICATION

The assessment for 1112 N. Sycamore St., RPC 53-211-012, will be set at \$627,600, \$240,200 of which is for improvements and \$387,400 is for land.

APPEAL 020-22AB	814 Park Ave
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Appellant:	Christopher & Angela Just
Original Appeal Date:	April 28, 2022
Original Assessment for 2022:	\$1,651,100
Appellant's Requested Assessment:	\$1,534,400
Assessor's Level 1 Decision:	\$1,651,100

OVERVIEW

Appellant's house is a 10 year old, 5 bedroom/4 ½ bath home with 4466sf of living area, with another 1241sf of non-finished area (garage, partial basement, deck and porch). Its lot size is 10,000sf (0.23 acre). During the period between its first occupancy and 2021, the property's assessment rose and fell, netting only an average appreciation of around 3% per year. In 2022, its assessment rose 14%; with most of that increase due to the rise in estimated value of the home itself.

The 2022 assessment appeal claimed: errors in the property description, overstated fair market value, and lack of uniformity with the neighborhood.

APPELLANT

The appellants did not attend the hearing. Their written appeal registered the following concerns:

- A ¾ story living space (about 315sf) listed in the assessment is not present.
- The assessment included overlapping areas of the basement.
- The assessment overstated 1st floor area (1653sf vs.1530sf).
- The property would not have sold for its assessment due to its age and competition with newer similar sized homes.
- Many neighboring homes' assessments have lower assessment per square foot of living area; further, many of these homes had lower assessment increases in 2022.

The appellants supported their uniformity appeal quantitatively with a spreadsheet comparing 814 Park Ave to 13 other properties in the area. They concluded that their home, at their estimated 4024sf of living area, was assessed at about \$26/sf (11%) higher than the average of the other 13 homes.

REAL ESTATE ASSESSMENT OFFICE

The Assessor conducted an onsite inspection on August 1, 2022, and made several changes to the property description based on measurements taken:

- Removed the description of the 315sf over-garage ¾ story and add its actual area (21' x 11' = 231sf) to the home's second floor area.
- Basement included a 211sf finished area that had not been in the property description.

Upon review, The Assessor's Office did not lower the home quality below its "A-" level.

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Regarding comparable properties, the Assessor said that two of the four uniformity comps provided by the appellant were out of the neighborhood (VISION System). He provided two sales comparable properties and one uniformity comp. All comps were located in the City's Woodland (#10) neighborhood, their distances averaged 30% farther away from the appellant's property than the appellant's comps, despite being partially out of the neighborhood. The sales had relatively low ASRs—88% and 80%. One property had an assessment for 2022 that was 2% higher than its 2021 sales price; the other's 2022 assessment was 11% less than its 2021 sales price. The appellant's assessment rose 14% from 2021 to 2022.

After incorporating the above changes at Level 1, Appellant's property assessment did not change.

DECISION AND RATIONALE

The BOE discussion was again brief in light of the absence of an appellant. Chairman Ford pointed out that, despite changes in the apparent size of 814 Park Avenue, the assessor elected not to change the assessment. Ms. Green noted that, if anything, the property assessment could be raised; participants briefly addressed that process. No motion to that effect was raised.

MOTIONS

Chairman Ford closed the comment session and Ms. Green motioned to confirm the current assessment; Chairman Ford seconded the motion. Mr. Speir agreed with a comment that the spreadsheet provided by the appellant changed when his home size was confirmed to be 4466sf rather than 4024sf as the appellant speculated. That put the appellant's improvements assessment per square foot of living area right at the average of the 13 alternative properties he showed in the aforementioned spreadsheet.

The following 3-0 vote supported the City's assessment.

ADJUDICATION

The assessment for 814 Park Avenue, RPC 51-204-004, will be set at \$1,651,100; \$1,099,700 of which is for improvements and \$551,400 is for land.

VI. ADMINISTRATIVE AGENDA ITEMS:

Confirming Contact and Verifying Appellant Attendance

1112 N. SYCAMORE STREET

Ashley Pollard announced that she had been in contact with the appellant for 1112 N. Sycamore via email during the early part of the first hearing of the day to find out if Appellant was attending the hearing. The Appellant, Kimberly Hatcher, said that she would not be attending. Appellant did not suggest a delay or rescheduling and did not appear.

814 PARK AVE

Ms. Pollard also said that she attempted but was never able to reach the appellants for 814 Park Ave. Appellants did not appear.

CANCELLATIONS AND POSTPONEMENTS

Chairman Ford highlighted that as a matter of procedure the BOE should be aware of all cancellations or inability to reach appellants before the hearings. While it was agreed that the BOE has no obligation to postpone or reschedule any hearings, Mr. Ford said that he wanted every chance to afford The Appellants an opportunity to be heard, fairly and equitably.

POLICY DECISION TO HEAR CASES WHEN APPELLANTS DO NOT ATTEND HEARING

Ms. Green raised a policy issue with her question as to why the BOE hears appeal cases when Appellant(s) do not attend their hearing.

Chairman Ford reiterated that during the hearing on 11/17/2022, The BOE effectively decided to hear and adjudicate cases, even when Appellant(s) are not present for the hearing. When the BOE has a case before it, the case must be ruled upon or continued. Ms. Pollard concurred. The Assessor also added that The BOE retains the authority to hear a case and alter an assessment, even if an Appellant did not attend the hearing.

The BOE maintains a policy of reviewing all documents, and allowing all parties who are present their codified timeframe during which to present a case. In essence, absentee cases are uniformly considered in the same form and format as any other case, with the exception of the exclusion of the absentee Appellant’s oral arguments. The BOE has the right to postpone, reschedule, continue, or hear a case, but not set it aside. For that reason, unless BOE members agree to one of the options, they will hear the cases even though the appellants are not represented in person at a hearing.

VII. ADJOURNMENT

Chairman Ford motioned to adjourn the meeting at 5:36pm, and hearing no objection adjourned.

VIII. AFFIRMATION

These minutes are hereby affirmed and accepted by The Board of Equalization:
