



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

November 29, 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

Christina Goodwin, 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:**

After this hearing, BOE members, The Assessor's Office, and Mr. David Seay (remotely attending) discussed hearing procedures protocols for BOE contacts with appellants.

Those minutes may be provided separately as needed, for the record.

**V. CASE HEARINGS:**

<i>ADDRESS</i>	<i>RPC #</i>	<i>BOE CASE #</i>
214 E Columbia St.	53-116-025	035-22AB
500 Greenwich St.	51-122-004	024-22AB
6960 Birch St.	51-219-125	031-22AB ( <i>Withdrawn</i> )
216 Great Falls St.	51-108-007	048-22AB ( <i>Withdrawn</i> )

*The following sections synopsize the issues and decisions regarding the appeals.*

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<b>APPEAL 035-22AB</b>	<b>214 E. Columbia St.</b>
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Appellant:	Virginia Eisemon
Original Appeal Date:	April 6, 2022
Original Assessment for 2022:	\$1,381,500
Appellant's Requested Assessment:	\$1,204,800
Assessor's Level 1 Decision:	\$1,349,700

### **OVERVIEW**

This is a semi-historic property in an immediate neighborhood of late 1800s and early 1900s homes. Many homes are graded B+ in the 2022 assessment, as is the Appellant's. East Columbia Street itself is one border of Falls Church neighborhoods 4 and 5 in this area, so similar homes lie on either side, in different neighborhoods. These homes do not sell often, and actual sales comps are sparse.

The owner's appeal addressed uniformity and fair market value (FMV) for the home itself, although the substance of her appeal was on a modified FMV. She accepted The Assessor's Office land valuation. After an adjustment by The Assessor's Office in response to a Level 1 appeal, the overall assessment for 2022 rose about 17% over 2021. Much of that was due to a 36% increase in the assessed value for improvements (i.e., home and associated non-living areas).

### **APPELLANT**

Ms. Eisemon provided presentation charts that captured the followed at the heart of her appeal.

- Her home is a 3br/2ba house with 2112 sf of living area with no additions or major renovations, yet it carries a B+ grade (pictures included a rustic unfinished cellar with fieldstone foundation walls and partly dirt floors).
- One neighboring property at 117 E Columbia had extensive remodeling and expansion, but also carried a B+. Another at 208 E Columbia had essentially been rebuilt due to fire damage. Both are larger than her home.
- Appeal included a table of four comparable property sales. All are within a few hundred yards of her home; although some are in different VISION Falls Church City neighborhoods. She adjusted the sales prices by subtracting the City's valuation of the lots, then divided by the properties' living area for comparison to hers.
- Using the approximate \$150/sf average for the four above properties, Appellant Ms. Eisemon estimated that her home should be worth \$316,800. Added to the City's estimate of the value of the land, \$888,000 produced her recommended assessment of \$1,204,800.

Throughout, Ms. Eisemon expressed misgivings about ranking her house as the same quality grade as her neighbors. She said that she spent a lot of money painting the exterior but had done nothing to redecorate or even repair the inside. Later, she reiterated that the other historic properties along E. Columbia St. have been remodeled, but her house has not.

The appeal shows two property comparisons for uniformity and four for FMV. Three of these properties are historic, and one is greater than 600 feet from the appellant's home.

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## **REAL ESTATE ASSESSMENT OFFICE**

The Assessor began by stating that a property description adjustment resulted from the Level 1 appeal. It involved an upper floor area that was originally classified as 888sf with a living area of 444sf. Other points were:

- Ms. Eisemon's basement was classified as a crawl space (986sf) and did not add any value to the assessment.
- Some of the original comparable properties are outside the appellant's Falls Church City classified neighborhoods.
- A description of the many things considered in awarding a given quality grade to a property assessment.
- The B+ quality grade has been present on Ms. Eisemon's property for several years; i.e., it was there before December of 2021.
- Noted 208 E Columbia is a good comparable, as it is the same age as Ms. Eisemon's property, but it is substantially larger (3352sf vs 2112sf). Its lower assessment per sf is due to its larger size and the fact that it is two grades lower than Eisemon's B+.
- Cautioned again an assessment on price per square foot of living area is not a sufficient measure of value (other aspects are evaluated like: quality, size, features).

In the Level 1 appeal, it was noted that four of Appellant's six FMV comparable were non-market transactions, and that four were out of neighborhood. Appellant modified her BOE appeal (as noted in the Assessor's BOE package) to replace three non-arms-length transfers. The 4<sup>th</sup>, 207 Tyson Dr., is an arm's length transfer. Realtor presence is not required for an arms-length transaction.

## **DECISION AND RATIONALE**

The paragraphs below capture the areas of extended discussion of regarding Appellant Eisemon's property:

### *The correct \$/sf for 208 Columbia St., a comparable property*

BOE questions began with BOE member Goodwin discussing Appellant's comparable properties. She said that it was best to have more than one comparable (beyond 208 E. Columbia). Regarding discussion that Appellant's property might be a tear-down, BOE Member Goodwin highlighted that we must consider the "highest and best use" of the property.

Ms. Goodwin then observed that she had looked at 208 E Columbia St data and had gotten a much higher value per square foot than was in Ms. Eisemon's appeal. The significance of this was that Ms. Eisemon contended that her property was overvalued on the basis of \$/sf of living area. She estimated an assessed value of \$223/sf for her house and \$162/sf for the larger 208 E. Columbia St. house. This generated a 5 minute, multi-participant conversation led by Chairman Ford as he attempted to straighten out the disparity.

### *Resolution:*

- 1) Appellant Eisemon calculated her property value by dividing the non-land (i.e., improvements) assessment for 208 E. Columbia St. (\$631,700) by 3906sf (sf via Zillow).
- 2) BOE Member Goodwin calculated via area obtained from the Assessment Office of 2674sf, which yielded \$236/sf—higher than Ms. Eisemon's estimate.

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- 3) The Assessor's Office noted that the BOE should use 3352sf, current as of January 1, 2022 and in effect when Ms. Eisemon initially prepared her appeal, yielding \$188/sf.

#### Inspection to reconsider Ms. Eisemon's home quality

- 1) BOE Secretary Speir asked if Appellant Eisemon had requested an inspection of her property (as "if necessary" was noted on her Level 1 appeal papers). She had not, but asked if it was too late.
- 2) BOE Member Green suggested that it might be something "we should do," and Chairman Ford explained how to get an inspection.
- 3) Ultimately, Appellant Eisemon stated she desired an answer on her appeal [now] and would consider a quality grade appeal next year.

#### Second floor adjustment

- 1) BOE Secretary Speir addressing the "Building Sub-Area Summary Section" of the property sheet for Ms. Eisemon's home noted the unit cost shown (\$262/sf), it appeared that reduction of the area from 444sf to 222sf appeared to have removed about \$58,000 from the home's value in that table. However, a much smaller overall adjustment occurred. BOE Secretary Speir asked if there is a size adjustment of some sort to the unit cost of the living area that accounts for this some of this non-proportional adjustment. (The BOE does not receive before/after information about what a given adjustment does to change an assessment.)
- 2) Chairman Ford entered the discussion to use analogies to keep the discussion on track.
- 3) The Assessor said that there is a size adjustment made by the model.

At the 44 minute mark in the hearing, Chairman Ford closed the question stage of the hearing and moved to deliberations, but the conversation of the value of the 222sf adjustment continued.

#### Adjusting the assessment using computed \$/sf of living area

- 1) Board Secretary Speir began by noting that in the previous week's hearings, The BOE had used a prior appellant's table that was very similar to Ms. Eisemon's to bring quality factors into play and adjust \$/sf figures to arrive at a modified assessment. Performing that same computation with the FMV table provided would produce an assessment of around \$180/sf of living area, versus the \$150/sf requested (known data corrections included). He additionally stipulated that this type of revaluation would make calculations on the 222sf in question irrelevant.
- 2) Board member Goodwin wondered about depreciation, saying she had been in 117 E Columbia St., one of the properties referenced in Ms. Eisemon's appeal, noting it was updated and in excellent condition, raising her speculation that, compared to Ms. Eisemon's property, the assessment for 117 E Columbia St. should be raised. The Assessor's Office highlighted diminishing returns for larger size vs. smaller size.
- 3) Chairman Ford called for comments on alternatives for adjusting for the 222sf reduction in the upper floor.
- 4) Board member Green again suggested an inspection was the answer to Ms. Eisemon's concern.

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- 5) A question arose about how Appellant Eisemon's sales price table was prepared given that there is no specific delineation in a sale between the land price and the structure price. Board Secretary Speir explained that the City's estimate for land value was subtracted from overall sales price of the property. The residual could be treated as non-land value. Since Ms. Eisemon had little other than her home, and no basement, one could ignore all the non-home property (in fact, it makes for a conservative estimate of value from the City's view).
- 6) The Assessor's Office disagreed with this approach on the basis of the properties in Ms. Eisemon's table being out of neighborhood, and that 207 Tyson Dr. being considered an "unqualified sale because it was not listed," then enumerated other factors that suggest that this sale was not a good comparable for the appellant's property (size, different neighborhood, quality differential, etc.)
- 7) Board Member Goodwin says this methodology (of subtracting land value from a market sale) is invalid because people do not buy land and houses separately.
- 8) Chairman Ford returned to the ideal of simply subtracting the incremental value of the upper level room (\$58,000 - \$21,000 = \$37,000) from the current assessment.
- 9) Board Member Goodwin said these assessment alterations are too small to adjust, and said she supported the assessor.
- 10) Chairman Ford said that if there is a demonstrable factor in need of correction, it should be corrected no matter how small, and that it is equitable to correct out assessed value at the same rate it is put in.
- 11) The Assessor's Office disputed the meaning of "equitable," saying that using the model in the same way for all properties is equitable, and an amendment for one property would throw off the model and facilitate inequitably.
- 12) Chairman Ford countered with the analogy that: if a merchant charges a customer \$1 for a purchase, and then only gives them \$0.50 for a return, although it might be equitable to do that for everyone, it also means that the merchant is treating each person unfairly. The deeper question remains: are the calculation methods equitable.

## **MOTIONS**

Board Secretary Speir asked to make a motion on revaluation of the property at \$180/sf of living area first before considering others. He then proposed that the assessment would be  $\$180/\text{sf} \times 2112\text{sf} = \$380,160$  for "improvements." Adding the land value would produce an overall assessment of  $\$888,000 + \$380,160 = \$1,268,160$ . That would be \$91,540 less than the current assessment and \$63,360 more than Ms. Eisemon was seeking.

The motion did not receive a second.

Chairman Ford then motioned to reduce the assessment be \$37,000 in accordance with the calculation he suggested above. The motion passed 3-1 with Board member Goodwin dissenting.

This session closed at approximately 5:23pm, 1 hour and 23 minutes after opening.

## **ADJUDICATION**

The 2022 assessment for 214 E. Columbia St., RPC 53-116-025 will be \$1,322,700 (\$434,700 for improvements and \$888,000 for land).

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Appellant:	Gregory Kelly
Original Appeal Date:	April 27, 2022
Original Assessment for 2022:	\$697,400
Appellant’s Requested Assessment:	\$595,000
Assessor’s Level 1 Decision:	\$644,700

**OVERVIEW**

This is a (2BR/2BA) antique home (c. 1915) on the corner of Greenwich St. and Lincoln Ave. Lot size is 0.22 acre assessed at \$539,500. The current assessed value of the “improvements” is \$105,200, which includes \$90,300 for the home and \$14,900 for a detached garage that is designated as an outbuilding. The Assessor’s Level 1 review decreased the assessed value of the improvements by \$52,700 to the current figures.

**APPELLANT**

Mr. Kelly presented his comparable properties and argued that his house was not desirable and actually had little value over the land. One of his comparables (300 N Oak St—a smaller house on a smaller lot) had sold for \$595,000 in 2021 and was torn down. He said that the replacement value model used by The Assessor’s Office gave inflated values for small homes. He also pointed out that all his sales comps “sold below their own assessments.”

Mr. Kelly expressed confusion about the neighborhood classification of his house and his comparable properties because he had not been able to find any documentation thereof.

**REAL ESTATE ASSESSMENT OFFICE**

The Assessor’s Office cited the changes made at Level 1 in Mr. Kelly’s appeal:

- 1) reduced the 2<sup>nd</sup> floor area by 144sf
- 2) raised the bathroom count from 1.5 to 2
- 3) increased depreciation from 21% to 48% to reflect age and condition

In discussing Mr. Kelly’s comparable properties, it was noted that none of the three were in the same Falls Church City VISION neighborhoods as Mr. Kelly’s property. It was noted that 300 N Oak was a “land sale” and was being demolished.

**DECISION AND RATIONALE**

Board Member Goodwin led off the questions by pointing out that all of Appellant Kelly’s comparable properties had sold above their 2021 assessments, so why did he say the reverse? The ensuing conversation determined that the Appellant was discussing 2022 assessments compared to 2021 sales. It was highlighted that although there may be a sale in Jan 2022, the assessment value can only relate/consider to 2021 sales. Because this appeal was on the basis of fair market value, there is a hardline stop at Dec 31, 2021 for sales considerations in this hearing.

Throughout Appellant Kelly's presentation and the discussion, he repeated his argument that, his house had no real value because it would be torn down. Based on this, Board Member Green asked how much he would expect his insurance company to pay to rebuild his house if it burned down. The answer was that he would expect it to be the cost to rebuild. She then asked if that would be more than \$50,000 (the value he put on his appeal form). In order to establish value, this Board considers replacement cost.

Chairman Ford sought to clarify that, of the changes made by the assessor in Level 1, the largest was due to the change in depreciation. The Assessor confirmed that.

### **MOTIONS**

Chairman Ford closed the discussion record at about 5:40pm and asked for thoughts on a motion. Board Member Green immediately moved to accept the assessor's no-change recommendation. Board Member Goodwin seconded, and Board Secretary Speir voted for the motion.

Chairman Ford voted against the motion with a comment about having mixed feelings due to the very high values for properties in this area due to rebuilding.

The motion passed 3-1.

### **ADJUDICATION**

The 2022 assessment for 500 Greenwich St., RPC 51-122-004 will remain \$644,700 (\$105,200 for improvements and \$539,500 for land).

### **VI. ADMINISTRATIVE AGENDA ITEMS:**

At the conclusion of the meeting, The Board was addressed by The Virginia Department of Taxation. This portion of the meeting is not discussed in the minutes, as it addressed procedure and administrative processes.

There was also an agenda based discussion about BOE policies going forward, including: Board Contact to Appellants, and receiving Board update change on values for Appellant comps.

### **VII. ADJOURNMENT**

Chairman Ford motioned to adjourn the meeting at 6:31pm, which was approved unanimously.

### **VIII. AFFIRMATION**

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

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