

June 21, 2016

Governor Dannel Malloy
State Capitol
210 Capitol Avenue
Hartford, CT 06106

RE: CRUMBLING FOUNDATIONS

Dear Governor Malloy:

Residents of eastern Connecticut cities and towns impacted by crumbling residential foundations are facing many challenges going forward. The undersigned municipalities appreciate and are grateful for the leadership of Lieutenant Governor Wyman and Commissioner Jonathan Harris of the Office of Consumer Protection to investigate the cause of this problem, explore possible means of assisting homeowners and to review possible legal remedies.

The complexity of the issue requires time to thoroughly investigate all details involved, and review is necessary should there be any legal remedies available. We would request that the State immediately convene a working group or authority made up of qualified State and Municipal Officials, key Legislative Representatives, Staff and other qualified individuals charged with carrying out the recommendations set forth below and ensuring where necessary that legislative proposals are drafted in preparation for the 2017 legislative session. It is imperative that the Task Force or Authority receive appropriate Staff assistance from the State, including Legal Counsel, with a set schedule for issuing periodic progress reports. One of the first tasks of this group should be to contact Officials in Quebec, Canada as to steps they have taken over the last five years to address similar problems in their province.

While the State works through its deliberate process, some homeowners have taken action to protect their legal rights and/or have made costly repairs to their failing foundations. We have seen firsthand that impacted homeowners need relief soon and encourage the State of Connecticut to take steps in that direction.

We stand ready and willing to work together with the State to help our residents by ensuring that appropriate consideration be given to the interim relief measures identified in this letter. Some possibilities we encourage the State to consider:

- The State should establish an emergency repair fund to provide a means of interim financial relief for residents currently impacted by crumbling foundations. Many homeowners have had to expend funds for legal assistance related to the problem and/or make repairs to their foundations. Potential sources of funding might include the Small Town Economic Assistance Program, an adjustment to existing fees or surcharges, the Small Cities Grant Fund or Federal resources.

- The State should engage qualified analysts to conduct a financial impact study to assess the impacts of the issue of crumbling foundations on communities in eastern Connecticut. This study should include information regarding the effect on the overall economy, the housing market and municipal grand lists, as well as other relevant data and information.
- The State can support the Capitol Region Council of Governments in convening the Connecticut Assessors Association, local Assessors, Chief Elected Officials and Town Managers to develop a uniform method for determining any future reductions in the value of impacted homes, based on recently adopted legislation which applies to this matter.
- The State should support the Capitol Region Council of Governments in their efforts to identify a list of qualified contractors to conduct inspection services and foundation repairs, including a less expensive testing means; and develop a pricing index including a maximum per square foot cost that qualified contractors can charge homeowners for services.
- The State should provide training which focuses on crumbling foundations for home inspectors, real estate agents and municipal building officials. The State should also continue to develop guides with updated information to provide homeowners with information regarding deteriorating foundations and what to do if they believe they have been affected.
- The State should request information from its consultants on lower cost interim steps which homeowners could take to ameliorate the concrete deterioration which, if proven valid, could include items such as grading slopes away from foundations, cracksealing, waterproofing, curtain drain repair and enhancements and gutter revision. This advice should include a step-by-step guide for monitoring.
- The State should continue to work with the Commissioners of Insurance and Banking to seek protections from insurance companies that may be raising rates in eastern Connecticut and banks that may be calling line of credit and equity loans for homeowners affected by deteriorating foundations.
- We encourage the State to continue to make representatives from the Department of Banking and the Insurance Department available to talk to affected residents about how to address concerns with their banks and insurance companies.
- The State should explore a means for providing emotional support systems to assist impacted residents with family complications associated with this problem.

Once again, we wish to thank the State of Connecticut for the work it has done so far and look forward to a stronger partnership and a closer working relationship to bring relief to our residents in need.

Sincerely,



A handwritten signature in black ink, appearing to read "Steven Werbner".

Steven Werbner
Town Manager



A handwritten signature in black ink, appearing to read "Christina Mailhos".

Christina Mailhos
First Selectman

A handwritten signature in black ink, appearing to read "John Elsesser".

John Elsesser
Town Manager



A handwritten signature in black ink, appearing to read "Paul M. Shapiro".

Paul Shapiro
Mayor

SW/CM/JE/PS/ltb

cc: Lt. Governor Nancy Wyman
Jonathan Harris, Commissioner, Consumer Protection
Matthew Hart, Mansfield Town Manager
Lyle Wray, CRCOG