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Current State Budget a Positive Start on Crumbling Foundations: Ad Hoc Working Committee

Hartford, Connecticut - The Capitol Region Council of Governments (CRCOG)'s Ad-Hoc Working Committee on Crumbling Foundations would like to thank the legislature for including aid to homeowners with crumbling foundations in the recently passed state budget.

The Ad-hoc Working Committee has been working hard on approaches and templates for how aid to single family homeowners and condo and Planned Unit Development owners could be implemented. The Ad-hoc Working Committee supported a number of proposals that have come out of the legislature in the past and believes that the current legislation is a very good start towards a pathway to help homeowners and municipalities so deeply impacted by this problem.

This problem affects at least 37 towns in Eastern Connecticut, Northern and Central Connecticut. More than 600 home owners have submitted complaints to the Department of Consumer Protection. Many of these homes have requested assessment reductions, impacting municipal grand lists.

The Ad-Hoc Working Committee believes that the legislation is an important first step in addressing the problem, restoring confidence in the real estate market and assisting impacted homeowners.

The Ad-Hoc Working Committee would like to especially commend and thank the legislature for the following provisions:

- **Waiving of state building fees.** This is something for which the committee has advocated for quite some time.
- **Creation of a "Crumbling Foundation Assistance Fund".** Although the committee is on record as not supporting the tool of a captive insurance company to administer the funds, the creation of the Crumbling Foundations Assistance Fund is a major advancement for homeowners.
- **Inclusion of homeowners and municipal leaders on the captive insurance company board.** The committee thanks the legislature for including homeowners, municipal leaders, and Councils of Governments as part of the voluntary board for the captive insurance company. The input of those who are at ground zero on this issue will be critical to help with perspective and moving in a positive direction.
- **Establishing a homeowner advocate to coordinate state efforts to assist homeowners with crumbling concrete foundations.** Because state efforts will include coordination across multiple agencies (Banking, Insurance, Consumer Protection, Housing, etc.), the committee believes that the advocate for homeowners should be an elevated position that has the ability to coordinate across state agencies, not a position solely within the Department of Housing. Having said this, the committee believes that the creation of this position is as a positive move.

- **Working group to develop a model quality control plan for quarries and study of contractors.** Once again, the committee believes that this will be an important piece for the future. The need to understand and prevent future risks and problems is imperative and the work of this working group will be vital in assisting with that process.
- **Requiring mandatory disclosure of sellers to buyers.** This will aid greatly in bringing back the confidence in the real estate market and will help in state and out-of-state buyers.
- **Funding for the Crumbling Foundations Assistance Fund.** The committee believes the bond funding over five years (for a total of \$100 million) is an excellent beginning for funding to help our homeowners. Because of the long tail of this issue, the committee believes a consistent source of funding beyond the five years should be considered by the legislature in the future.

There are many other aspects to the legislation, but once again, the Ad-Hoc Working Committee on Crumbling Foundations believe this was a definitive step in the right direction.

Chip Beckett, Council Chair of Glastonbury and Chair of Capitol Region Council of Governments said, “This problem is not going to go away and it’s good to see that the legislature did not ignore the problem and has moved forward with the start of a solution.”

Steve Werbner, Town Manager of Tolland and Chair of the Ad-Hoc Committee said, “We’re thankful that this legislation was able to move forward. We know that there will need to be adjustments and there will be challenges ahead on many levels, but this is definitely the direction that was needed.”

Marcia Leclerc, Mayor of East Hartford said, ““This is an important regional issue that will affect the economy of not only the affected towns, but the surrounding towns and the state. We face many challenges this year, but I’m encouraged that crumbling foundations was addressed.”

Tony Frasinelli, First Selectman of Stafford said, “Stafford and its’ residents are suffering from the concrete issue along with the other towns in our region. We’re going to feel a greater impact this year and it will get worse with every passing year. Myself, along with my fellow town leaders have been very active in crafting real solutions to help people out of this nightmare. It’s not only financial (which is potentially huge,) it’s also mental and emotional. The ramifications could crush small towns all around the region and could last for 20 years or more. This legislation is a first step in helping us and our homeowners.”

For more information, please contact Pauline Yoder, pyoder@crcog.org.

The Capitol Region Council of Governments (CRCOG) is a voluntary Council of Governments formed to initiate and implement regional programs of benefit to the towns and the region. It is guided by the chief elected officials of our 38 Metro Hartford municipalities. The mayors, first selectmen, and town council chairmen who make up our governing Policy Board recognize that the future of our individual members is tied to the future of our region. Our members have collaborated for more than 50 years on a wide range of projects to benefit our towns individually and the region as a whole. CRCOG serves the Capitol Region and all our municipalities by:

- Helping members improve governmental efficiency and save tax dollars through shared services and other direct service initiatives;
- Promoting efficient transportation systems, responsible land use and preservation of land and natural resources and effective economic development;

- Strengthening the Capitol City of Hartford as the core of a strong region, and as our economic, social and cultural center;
- Advocating for the region and its towns with the State and Federal governments;
- Strengthening our regional community by helping coordinate regional agencies and programs; and
- Assisting local governments and citizens in articulating, advocating and implementing the vision, needs and values of their regional community.