

washingtonpost.com

Suit Says Lead Has Depreciated D.C. Homes

Class Action Seeks To Discard Assessments

By David Nakamura
Washington Post Staff Writer
Tuesday, April 6, 2004; Page B01

A class action lawsuit filed yesterday in D.C. Superior Court asks a judge to throw out all the city's recent residential property tax assessments, alleging that the value of thousands of District homes with lead service lines has been diminished.

The suit, filed by Joseph A. Hennessey on behalf of two District property owners, says that the District's Office of Tax and Revenue failed to consider the negative effect the lead service lines will have on homeowners who try to sell their properties. The D.C. Water and Sewer Authority has estimated that 23,000 homes have lead lines and that more than 5,000 homes have water with lead levels exceeding the federal limit.

Hennessey is asking that all assessments sent out in March be declared void because WASA officials have acknowledged that they do not know exactly where all of the lead lines are.

"The current assessment . . . inaccurately reflects the market value of thousands of residential properties because it fails to incorporate information known to the Mayor, i.e., that tens of thousands of residential properties are being supplied with water through lead pipes," the lawsuit says.

City government and WASA leaders are attempting to manage the lead contamination by distributing free water filters to residents with lead service lines. WASA contractors are scheduled to replace 1,600 lead service lines this year, and a team of scientists is preparing to add chemicals to the water at the Washington Aqueduct on June 1 that it hopes will counter the leaching problem.

But the lead problems could scare off potential home buyers, some city leaders have said, cooling off the hot housing market in certain neighborhoods. The market has been so lucrative that the D.C. Council lowered a tax cap and increased the homestead deduction earlier this year to provide some tax relief.

If the class action lawsuit is successful, it could lower the city's revenue projections. Those projections were used by Mayor Anthony A. Williams (D) in his recent \$4.2 billion budget request for fiscal 2005, up 9 percent from the current budget.

Still, some city officials say that residents should get a tax break if they can establish that the lead problem has hurt their property value.

"If it impacts market value, I think so," said Jeff Coudriet, an analyst for D.C. Council member Jack Evans (D-Ward 2), head of the council's Committee on Finance and Revenue. "If there is a basis for

▼ ADVERTISING

TOYOTA CAMRY
6 YEARS AS
AMERICA'S BEST
SELLING CAR



GET THE FEELING
TOYOTA
www.buyatoyota.com

such a thing impacting market value, that's how our system works. It's early yet to tell. But if you look at a place like Capitol Hill, with older pipeline stock . . . it's got to hurt [home values] at some point."

There is some precedent. Residents of Spring Valley got tax breaks of up to 20 percent two years ago after they appealed because their property had possible chemical contamination from World War I munitions buried in the community.

Williams spokesman Tony Bullock said that the District's housing market has seen no negative effects from the lead problem.

"People are confident the government will resolve this issue, and most people are willing to take the intermediate or temporary steps to protect their health by using filtered water," Bullock said. A lead service line "is not enough to stop someone from buying a house they want to buy. This seems like a bit of a baseless cause of action."

A spokeswoman for Chief Financial Officer Natwar M. Gandhi said the tax office, which Gandhi oversees, does not comment on legal matters.

Hennessey, who operates a law practice in Bethesda, noted in an interview that the District's tax assessors do not consider all properties individually before assessing them.

Instead, the city in many cases uses a formula that lumps similar properties together and judges their value based on recently sold properties in the same category. Peter S. Craig, a Cleveland Park homeowner, filed a class action suit last year against the city, alleging that this method often results in inaccurate assessments. That suit is pending.

Such a formula is unfair to residents whose homes have lead service lines because it does not take that factor into account, Hennessey said. The two property owners who have joined the lawsuit are not sure whether their properties have a lead service line, he added.

Several other residents who believe their property values have been hurt by the lead problem formally appealed to the tax office last week.

Another class action lawsuit was filed last month on behalf of District residents, alleging that the city and WASA did not adequately protect public health because they failed to fully disclose the lead problem. That suit also is pending.

© 2004 The Washington Post Company

ADVERTISER LINKS		What's this?
<p>MCI Worldcom Stock Law Lawyers representing current and former MCI Worldcom shareholders. www.worldcomstockfraud.com</p>	<p>Public Records People Search. Background Checks. Criminal Records. Satellite Photos http://www.peopledata.com</p>	<p>New York Public Records New York Public Records Instant report, no hit no fee! www.peoplefinders.com</p>