

Board of Trustees  
Scarsdale, NY 10583

Hello,

In anticipation of the April 21 Committee of the Whole meeting, I developed some questions for John Ryan and Nanette Albanese. These are broadly the same as the questions I provided in November, but I hope John and Nanette can provide more specific answers now that we are much closer to June 1. These questions are limited only to single family residences.

**Land Valuation.** The 2014 revaluation included a full redetermination of all land values. This was based on sales of vacant land and teardowns, and it involved the identification of 14 separate residential neighborhoods (two for the Greenacres school and three for each of the other elementary schools). Tyler developed formulas for each neighborhood showing the land value as a function of acreage. For the majority of single family residences, land values followed these formulas. In some cases, land values were set at percentages of the formula amount (*e.g.*, 95% of the formula amount) due to factors such as busy streets, flooding, etc.

I see on the website, and Nanette has confirmed, that the 2016 revaluation will use only the five elementary school neighborhoods. So, at least the hard-to-justify Fox Meadow gerrymander has been eliminated.

- Still, the overall question is, how will land values be determined for the 2016 revaluation?
- Will it be a full redetermination based on a new set of sales of vacant land and teardowns? Are there a new set of land schedules that for the five neighborhoods? When will these be made public?
- Is a property's 2014-2015 land value used as the starting point for the 2016 reval, or are the 2016 values entirely "new"?

**Property Characteristics and Model.** For most single family residences, the 2014 revaluation employed a "comparable sales algorithm" technique, meaning there was a two-step process of (1) developing a regression-based model, followed by (2) identifying five (or fewer) comparable sales, using the model to adjust their sales prices and calculating a weighted average of the adjusted sales prices. It has been explained that the 2016 revaluation will employ a "direct market model", meaning that values will directly use the regression-based model with no use of comparables. In 2014, the model and the comps process were only disclosed after FOIL requests and public comments.

- When will the model for 2016, and the underlying sales on which it was based, be made public?
- Did the 2016 process use property characteristics that were not used in 2014? What are they? If these are not already on the Online Property Inquiry, when will they be added?

- Was there any change to the framework for the “grade” and “grade adjustment percentage”, such as, for example, reducing the number of categories from the 49 separate categories used in 2014<sup>1</sup>.
- Can you characterize the extent to which property characteristics on individual properties were changed from the 2014-2015 values? More specifically, if an existing property had no new alteration/renovation permits since the 2014 revaluation, does the 2016 revaluation usually leave those property characteristics unchanged? If there were changes, what are some of the more common examples? When will the new changes get to the Online Property Inquiry? Are they already there?
- Does the assessed value exactly equal the calculated result from the direct market model? I can imagine there might be some standard rounding to \$ hundreds or \$ thousands, but is there any other process that causes the assessed value to be something other than the calculated result from the model?

**General Request.** Whatever you are explaining, please explain at a professional level. You may feel that the public needs things “simplified”, and I can understand spending some time at a simplified level. But please *also* explain things at the level that you would use when talking to an associate who understands mass appraisal as explained in IAAO publications and elsewhere.

Sincerely,

Michael Levine  
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<sup>1</sup> Specifically C 90% to C 125% in 5% intervals, B 90% to C 125% in 5% intervals, and A 90% to A 250% in 5% intervals.