



COOK COUNTY ASSESSOR'S OFFICE

FRITZ KAEGI, ASSESSOR

ETHICS • FAIRNESS • TRANSPARENCY

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The Cook County Assessor's Office recently added [FEMA](#) floodplain data to its assessment models. What this means: our Office is now able to quantify how much a home's property value is affected by being on a floodplain, and can use that information to produce more accurate property values for homes that are and aren't on a floodplain.

To explain this change to staff, we sent the following note. In the interest of transparency and providing additional information to the public about our work, we are posting the note publicly below.

Dear staff,

Improving our data and modeling is an ongoing, iterative process. Since beginning the 2019 re-assessment of the Northern Suburbs, we have made more than 500 changes to the production code base used in our assessment models, which are publicly available on [Gitlab](#) and the [Cook County Open Data Portal](#). We have made changes to incorporate data that accounts for proximity to a major road, air traffic noise, and now FEMA designated floodplains—all things that could have an effect on the value of a property. All of these changes reflect our goal of fairer and more accurate assessments and continuous, iterative improvement.

In August, our office sent out letters to 1,136 properties in New Trier Township to notify each taxpayer that we would be filing a Certificate of Correction with the Board of Review, correcting their final 2019 assessed value after re-running our residential models for New Trier with FEMA floodplain data added in.

As of July, we have incorporated floodplain data into *all* of our residential modeling, but when we modeled New Trier back in the spring, we did not yet have this feature available. After examining the issue, the Assessor and Chief Deputy decided to issue Certificates of Correction for these 1,136 New Trier properties due to the significant effects of floodplain data on the market value of homes there.

For anyone curious about the whole process, Rob Ross (Chief Data Officer) has answered some common questions you may have, or may receive from taxpayers:

What is a floodplain?

A floodplain is an area near a body of water that has a high risk of flooding. The climate and geography of Cook County make some areas very prone to flooding. Being on a floodplain does not mean that a home has recently flooded, and sometimes homes flood even though they are not on a floodplain. The floodplain is just an area with a higher *chance* of flooding.



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Who determines where floodplains are?

The Federal Emergency Management Agency (FEMA) produces official maps of floodplains in the United States. These maps are used by the real estate industry to determine whether properties are required to carry flood insurance, among other things. We used Geographic Information Systems (GIS) to identify properties that lie on an official floodplain.

How does being on a floodplain impact property value?

We conducted a sales analysis and found that properties on a floodplain in New Trier Township are about 30% less valuable than those off a floodplain. Relative to other area effects, this is large. ****See Updated Note on page 3**
Floodplains are treated in the same way as air traffic noise and proximity to a major highway. It is a feature of a neighborhood or area that impacts property value.

Did the Assessor's Office account for floodplains in the past?

Not to our knowledge. Not consistently or systematically.

Will the Assessor's Office account for floodplains in the future?

Yes, from now on we will test models that account for floodplains.

Why 'go back' and issue Certificate of Corrections?

There are a couple of reasons we went back and re-ran models in New Trier. First, there are a large number of properties on floodplains in New Trier. Second, our methodology allows us to re-run New Trier in exactly the same way as it was originally done, including only the additional floodplain information. Finally, the effect of being on a floodplain is large, resulting in a large dollar differences for those properties in New Trier. We felt that this was an exceptional case.

Can I get a Certificate of Error for prior years if I live on a floodplain?

No. The inclusion of floodplains in our current modeling framework is an improvement to the model based on current market conditions. The fact that previous models did not include these data in prior years is not an error, it's an advancement in our methods. It was simply not possible to account for floodplains under the older methods. Therefore it is not possible for our office to issue Certificates of Error for prior years based on this advancement in our data and modeling methods.

When will the lower value be reflected online?

When the Board of Review closes New Trier.

Has the Board of Review been notified of this issue?

The Board of Review and the Assessor are independent offices but are each committed to fair values for every property owner in Cook County. Given the unusually large number of Certificates of Correction and the impact on the Assessor's mass appraisal system, the Board anticipates sustaining the majority of these requests. However, the Board takes serious its legal duty to review every case before it on the merits. As with every other case before it, the Board of Review will continue to rule on every Certificate of Correction based on the evidence presented and the appropriate market data.



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September 20, 2019 UPDATE: To answer inquiries we have received since this notice was originally posted: We do not have the data or analysis that suggests floodplains would have a considerable impact on the assessed value of homes in Maine, Elk Grove, Northfield or Barrington Townships, though we are reviewing relevant data. (There are some floodplains in Norwood Park and Evanston but there are not a significant number of properties affected.) Once we determine whether or not floodplains in other townships affect the previous assessments, we can determine whether any additional steps are required.

The floodplain maps have been added to all township models since July and we will continue to use them on all townships going forward. We're continuing to look at the effects of floodplains in four other previously assessed townships. Our goal with our models is to achieve results that meet the IAAO assessment standards for uniformity. We have achieved this goal in 9 of the 12 north suburban townships we have re-assessed so far.

In the above note, we stated that we "found that properties on a floodplain in New Trier Township are about 30% less valuable than those off a floodplain." To clarify, this should read that "properties on a floodplain in New Trier Township are about 30% less valuable than those off a floodplain, all other factors considered equal."