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PRESS RELEASE

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Gobi and Lesser Take First Steps Toward Tackling Crumbling Foundation Issue for MA Homeowners

BOSTON – Senator Anne M. Gobi (D-Spencer) joined her colleague, **Senator Eric P. Lesser (D- East Longmeadow)** today in announcing a pair of initiatives in the FY19 State Budget to address the crumbling concrete foundation issue that is affecting homeowners in several towns throughout the southern half of Massachusetts. The reconciled version of the budget will include a reimbursement program, submitted by Senator Gobi, for the costs associated with testing for the mineral aggregate as well as a commission, filed by Senator Lesser, to identify the extent of the issue and potential fiscal impact.

"People need to know that they will have some recourse and assistance for a problem they did not create but will be a bigger problem for communities if homes are abandoned or foreclosed upon," remarked Senator Gobi. "This reimbursement program and commission are great first steps and I will continue to work for other assistance and solutions to this problem caused by crumbling foundations."

"When people say the system is rigged, this is Exhibit A. The insurance companies, the regulators, the contractors all point at each other and the only one who has done nothing wrong — the homeowner — is the one caught holding the bag," said Senator Eric Lesser. "This is a scary situation for homeowners, who poured their time and money, and invested their futures, in their homes. This needs to be made right."

The damage, described as spider or web-cracking, is caused by an iron sulfide called pyrrhotite that begins to degrade when exposed to water and oxygen. While the mineral is rare, reports found that all the concrete in question originated from the same quarry and supply company, JJ

Mottes Concrete and Septic Supply located in Stafford, Connecticut. It is believed that an estimated 34,000 homes in Connecticut alone are affected.

The commission will consist of an 11-member panel from varying backgrounds that will be tasked with several items, including:

- Examining the degree to which concrete foundations are crumbling due to the presence of pyrrhotite in the commonwealth.
- Estimating the cost to fully restore concrete foundations damaged due to the presence of pyrrhotite.
- Analyzing the effect the presence of pyrrhotite has on property values and the resulting fiscal impact on property tax revenues.
- Providing an analysis of the impact on the real estate industry.
- Review of the best practices undertaken in other states which have faced this issue.

In addition to the establishment of this commission, Senator Gobi advocated successfully for the inclusion of a reimbursement program in the budget that may offer those afflicted a slight amount of immediate relief. The amendment allocates \$50,000 for the program, which homeowners will be reimbursed at a rate of 100% for visual testing conducted by a licensed professional engineer up to \$400 and a rate of 75% for the testing of two core samples up to \$5000.

The budget will now go to Governor Charlie Baker for his signature.

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