City of Somerville
FY2023 Classification Hearing

November 22, 2022
Adoption of Tax Levy percentages for FY 2023

Somerville Board of Assessors

Francis J. Golden, MAA
Chief Assessor
& Chairman

Michael Flynn, MAA
Richard Scanlon, MAA

Katjana Ballantyne
Mayor

Recommendations

1. A motion that the City Council adopts a minimum residential factor of 85.0125, the legal minimum for the City of Somerville for FY 2023.

2. A motion that the City Council accepts the provisions of Chapter 59, section 5C approving a residential exemption of 35% of average assessed value for owner occupied properties for FY 2023.

Comparison of State Form LA-4 FY22 & FY23

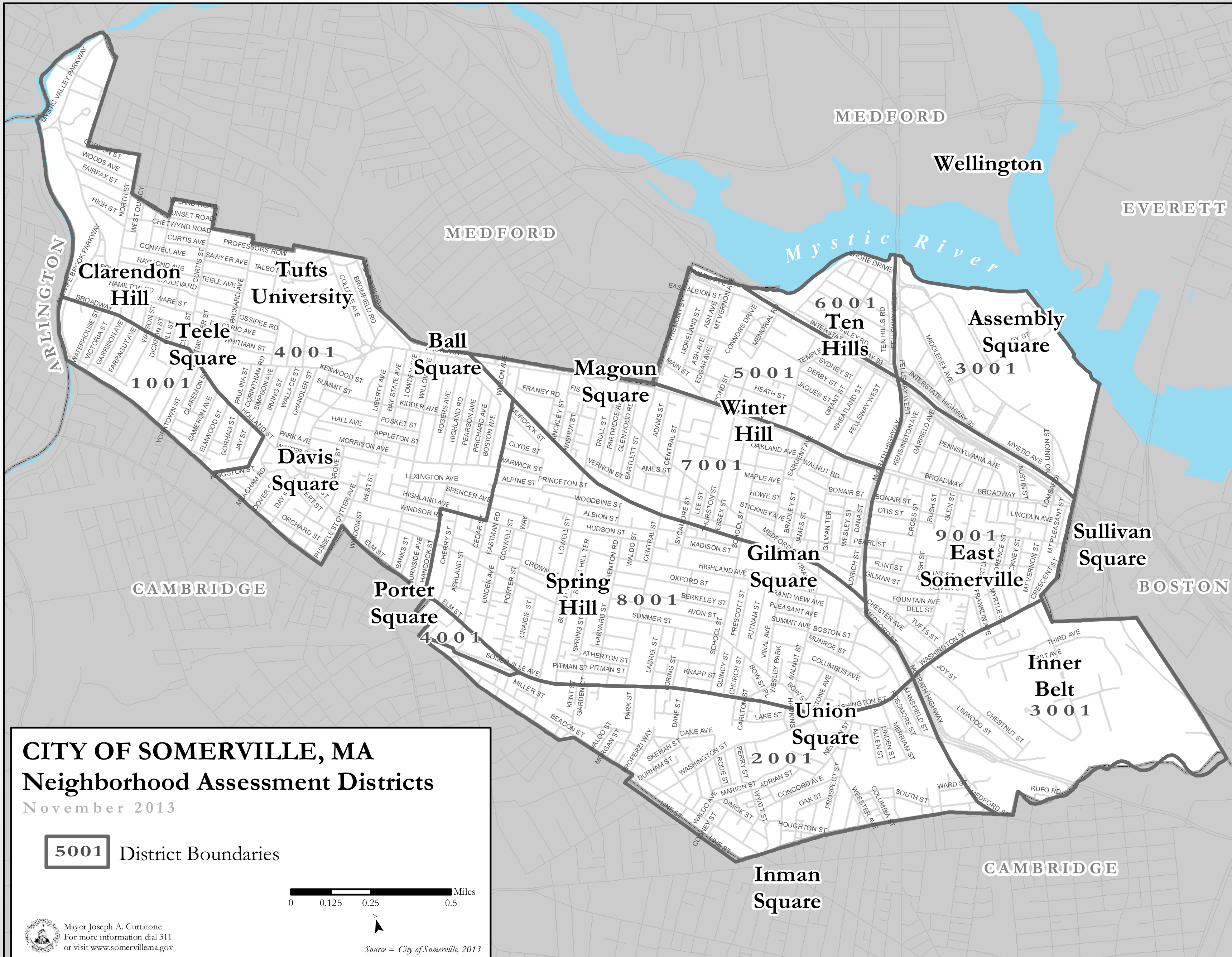
USE CODE	DESCRIPTION	FY 2022 PARCEL COUNT	FY 2023 PARCEL COUNT	FY 2022 ASSESSED VALUE	FY 2023 ASSESSED VALUE
101	SINGLE FAMILY	2,308	2303	$2,216,809,500	$2,357,203,800
102	CONDOMINIUM	6,514	6667	$4,420,923,419	$4,751,278,705
104	TWO FAMILY	4,900	4858	$5,045,722,200	$5,268,290,720
105	THREE FAMILY	2,228	2214	$2,876,422,000	$2,944,176,080
109	2 OR MORE RES. BUILDINGS/1 LOT	74	68	$127,415,900	$117,852,900
111-125	APARTMENTS 4+	664	668	$2,148,673,635	$2,360,846,005
130-132,106	VACANT RES. LAND	171	171	$19,271,500	$20,573,200
300-393	COMMERCIAL	596	596	$2,197,734,149	$2,653,965,569
400-452	INDUSTRIAL	95	91	$452,559,300	$433,342,800
012-043	MIXED USE RESIDENTIAL	257	253	$724,991,255	$767,941,288
	MIXED USE COMMERCIAL			$175,885,487	$176,402,406
501-508	PERSONAL PROPERTY	574	584	$446,617,260	$450,822,700
TOTAL REAL & PERSONAL PROPERTY VALUE		18,381	18473	$20,853,025,605	$22,302,696,173
900-990	EXEMPT REAL ESTATE	390	388	$2,297,225,407	$2,361,468,525

Parcel Count Changes FY22-FY23:

- Added 153 residential condo units (73 conversions)
- 35 fewer two-family properties
- 21 fewer three-family properties

Average Valuation Changes FY22-FY23

	Market & Growth	Growth Only
Single family	6%	1%
Two & Three family	6.8%	-35%
Condominiums	7.5%	-29%
Multi – Family 4+ Units	9.8%	0.30%
Commercial	20.8%	64%
Industrial	-4.2%	-78%



CITY OF SOMERVILLE, MA
Neighborhood Assessment Districts
November 2013
5001 District Boundaries
Miles
0 0.125 0.25 0.5
Mayor Joseph A. Curtatone
For more information dial 311
or visit www.somervillema.gov
Source = City of Somerville, 2013
MEDFORD
Wellington
EVERETT
Mystic River
ARLINGTON
CAMBRIDGE
BOSTON
Clarendon Hill
Tufts University
Teele Square
1001
4001
Ball Square
Magoun Square
Davis Square
Porter Square
Spring Hill
8001
7001
Winter Hill
5001
6001
Ten Hills
Assembly Square
3001
Gilman Square
9001
East Somerville
Sullivan Square
Inner Belt
Union Square
2001
Inman Square

Average Assessment Changes By Neighborhood: Single Family

	FY22 Value	FY23 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	1,091,200	1,153,476	5.71
2001 Ward 2 Union Square South	987,973	1,049,622	6.24
3001 Ward 2 Cobble Hill	n/a		n/a
4001 West Somerville	1,269,290	1,359,134	7.08
5001 Winter Hill North	714,503	759,714	6.33
6001 Ten Hills	802,469	845,262	5.33
7001 Winter Hill & Magoun Square	820,467	874,828	6.63
8001 Central, Spring & Prospect Hill	983,244	1,045,211	6.30
9001 East Somerville	722,234	768,621	6.42
City Average	**960,489**	**1,023,536**	**6.56**

Average Assessment Changes By Neighborhood: Two Family

	FY22 Value	FY23 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	1,083,064	1,144,109	5.64
2001 Ward 2 Union Square South	1,054,526	1,107,894	5.06
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,163,987	1,226,546	5.37
5001 Winter Hill North	761,794	809,339	6.24
6001 Ten Hills	824,344	884,552	7.30
7001 Winter Hill & Magoun Square	886,212	930,530	5.00
8001 Central, Spring & Prospect Hill	1,027,245	1,080,090	5.14
9001 East Somerville	843,294	888,616	5.37
City Average	**1,029,739**	**1,084,457**	**5.32**

Average Assessment Changes By Neighborhood: Three Family

	FY22 Value	FY23 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	1,437,229	1,479,081	2.91
2001 Ward 2 Union Square South	1,401,583	1,443,945	3.02
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,398,323	1,443,109	3.20
5001 Winter Hill North	1,131446	1,165,438	3.00
6001 Ten Hills	992,680	1,004,940	1.24
7001 Winter Hill & Magoun Square	1,133,403	1,169,744	3.21
8001 Central, Spring & Prospect Hill	1,303,580	1,341,886	2.86
9001 East Somerville	1,097,091	1,125,195	2.56
City Average	**1,291,033**	**1,329,800**	**3.00**

Average Assessment Changes By Neighborhood: Condominium

	FY22 Value	FY23 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	793,894	826,038	4.05
2001 Ward 2 Union Square South	686,879	727,776	5.95
3001 Ward 2 Cobble Hill	641,314	644,395	0.48
4001 West Somerville	778,605	819,142	5.21
5001 Winter Hill North	534,107	596,932	11.76
6001 Ten Hills	619,435	648,775	4.74
7001 Winter Hill & Magoun Square	562,490	584,709	3.95
8001 Central, Spring & Prospect Hill	694,417	729,163	5.00
9001 East Somerville	589,420	620,366	5.25
City Average	**678,680**	**712,656**	**5.01**

FY23 Growth

Use Type	New Growth Valuation	Tax Levy Growth
Single Family	11,546,000	
Condominium	66,602,527	
Two & Three Family	37,269,800	
Four+ Units	125,068,399	
Mixed-Use Residential & Other	36,881,453	
Total Residential	**277,876,279**	**2,828,781**
Commercial	477,178,187	8,040,452
Industrial	9,703,800	163,509
Personal Property	76,076,270	1,281,885
Total Commercial, Industrial & Personal Property	**577,791,977**	**9,735,794**
Total Real & Personal Property	**840,834,536**	**12,314,627**

Major Contributors to New Growth Valuation

Assembly Row	New Valuation	FY23 Tax (Estimate)
Grand Union Blvd – Corporate Office Under Construction – 61% Complete	$19.9M	$334,894
74 Middlesex Ave Assembly Row (Office/Lab) Under Construction – 1% Complete	$79.6M	$1,340,552
Cambridge Crossing – Union Sq - BoyntonYards		
250 Water Street – Inner Belt (Office/Lab) Under Construction – 65% Complete	$52.9M	$893,038
20 Prospect St - Union Sq Apartment /Retail Under Construction – 33% Complete	$42.3M	$430,656
101 South Street – Boynton Yards (Office/Lab) Under Construction – 65% Complete	$46.2M	$779,274

FY23 Tax Levy & Classification

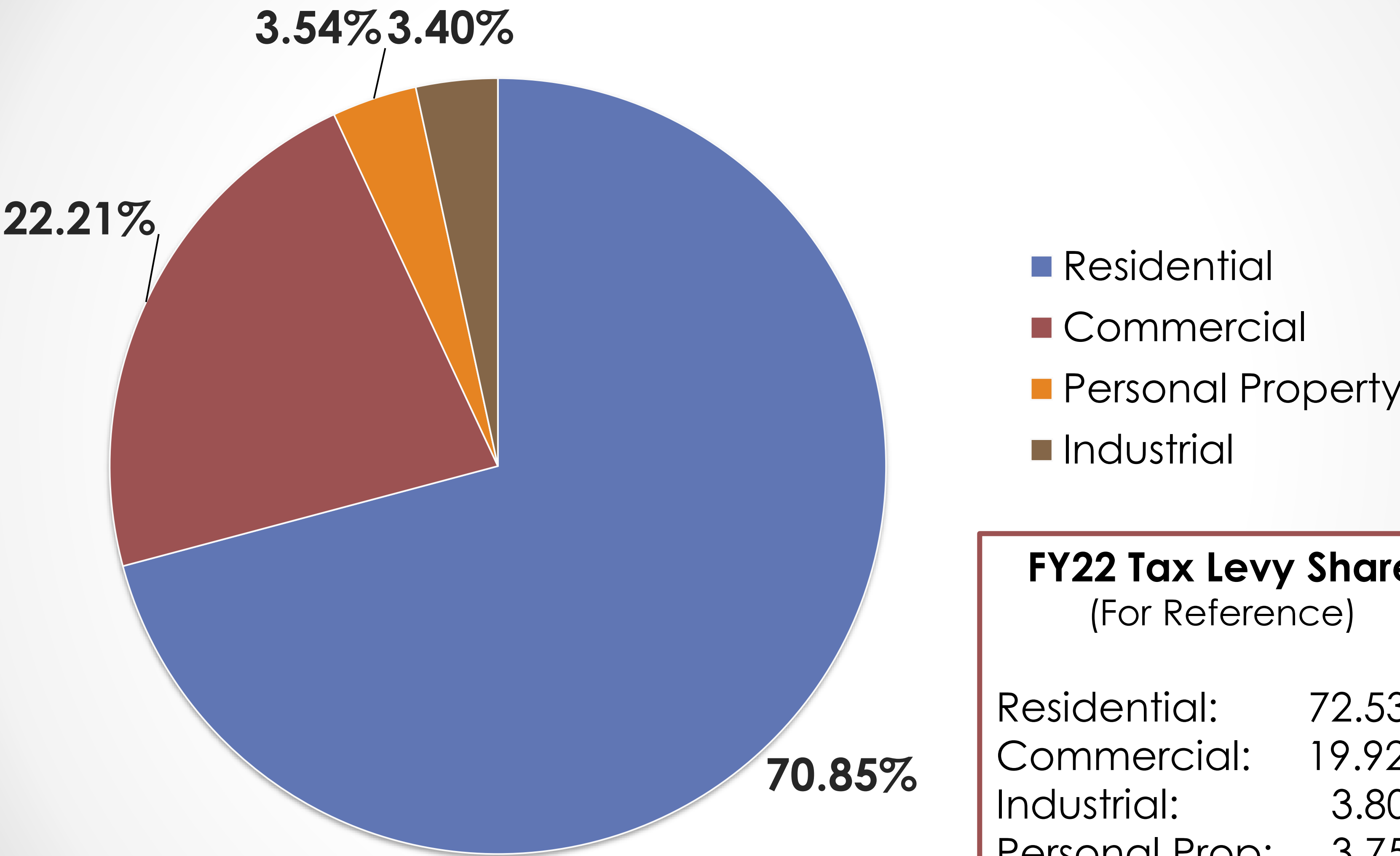
FY23 Levy Limit:	$ 215,317,042
FY23 Proposed Levy : under levy limit	$ 214,502,415
FY23 Debt Exclusion	$ 6,674,013
FY23 Proposed Levy:	$ 221,176,428
FY22 Levy:	$ 200,839,916
Tax Levy Change:	$ 21,151,139
Excess Levy Capacity:	$ 814,627

FY23 Change:
10.53%

	As Assessed	With 175% Classification
Commercial Value Percentage	16.6551	29.1464
Residential Value Percentage	83.3449	70.8536

Commercial Levy: $ 64,464,966.41
Residential Levy: $156,711,461.59

Tax Levy Share: FY23



FY22 Tax Levy Share
(For Reference)

Residential:	72.53%
Commercial:	19.92%
Industrial:	3.80%
Personal Prop:	3.75%

Option 1: No Classification & No ResX

- Single Tax Rate: $ 9.92

NOT RECOMMENDED

Use Type	FY22 Average Value	FY23 Average Value	FY22 Average Tax	FY23 Average Tax	Tax Change FY22-FY23
CONDO	678,680	712,656	$6,536	$7,070	$534
1 FAMILY	960,489	1,023,536	$9,250	$10,154	$904
2 FAMILY	1,029,739	1,084,457	$9,916	$10,758	$842
3 FAMILY	1,291,033	1,329,800	$12,433	$13,232	$799
4-8 FAMILY	1,776,072	1,854,005	$17,103	$18,392	$1,289
COM/IND	2,981,201	3,011,030	$28,709	$29,869	$1,160

Option 2: With Classification & No ResX

- Residential Rate: $ 8.43
- Commercial Rate: $17.35

NOT RECOMMENDED

Use Type	FY22 Average Value	FY23 Average Value	FY22 Average Tax	FY23 Average Tax	Tax Change FY22-FY23
CONDO	678,680	712,656	$5,626	$6,008	$382
1 FAMILY	960,489	1,023,536	$7,962	$8,628	$666
2 FAMILY	1,029,739	1,084,457	$8,537	$9,174	$637
3 FAMILY	1,291,033	1,329,800	$10,703	$11,213	$510
4-8 FAMILY	1,776,072	1,854,005	$14,724	$15,629	$905
COM/IND	2,981,201	3,011,030	$50,233	$52,241	$2,008

Option 3: With Classification & ResX

- Residential Rate: $10.34
  Commercial Rate: $17.35

ResX Value Reduction: $378,203
Tax Savings of $3,910.62

RECOMMENDED

(ResX included for condo, 1, 2, 3 & 4-8 family)

Use Type	FY22 Average Value	FY23 Average Value	FY22 Average Tax	FY23 Average Tax	Tax Change FY22-FY23
CONDO	678,680	712,656	$3,246	$3,458	$212
1 FAMILY	960,489	1,023,536	$6,112	$6,673	$561
2 FAMILY	1,029,739	1,084,457	$6,816	$7,303	$487
3 FAMILY	1,291,033	1,329,800	$9,474	$9,840	$366
4-8 FAMILY	1,776,072	1,854,005	$14,407	$15,260	$853

FY23 TAX IMPACT

DEBT EXCLUSION IS ABOVE & BEYOND THE LEVY LIMIT - THE DEBT EXCL DIVIDED BY THE MAX LEVY = THE RATIO PERCENTAGE APPLIED TO EACH USE					
THE AVERAGE TAXES OF EACH USE MINUS THE RESX TIMES THE RATIO = DEBT EXCLUSION IMPACT PER USE					
DEBT EXCLUSION				FISCAL YEAR 2023	
WITH RESIDENTIAL EXEMPTION		WITHOUT RESIDENTIAL EXEMPTION		ESTIMATED RATES / FY23 ESTIMATED AVG VALUE	
USE	FY23	USE	FY23	EST RES TAX RATE	$10.34
FY22 LEVY	214,502,415	FY22 LEVY	214,502,415		
DEBT EXCLUSION	6,674,013	DEBT EXCLUSION	6,674,013	EST COM TAX RATE	$17.35
MAX LEVY	221,991,055	MAX LEVY	221,991,055	EST RES EXEMPTION	$378,203
RATIO	0.03006	RATIO	0.03006		
101 - SINGLE FAMILY	$200.61	101 - SINGLE FAMILY	$318.18	101 AVG VAL	1,023,536
102 - CONDOMINIUM	$103.97	102 - CONDOMINIUM	$221.54	102 AVG VAL	712,656
104 - TWO FAMILY	$219.55	104 - TWO FAMILY	$337.12	104 AVG VAL	1,084,457
105 - THREE FAMILY	$295.82	105 - THREE FAMILY	$413.39	105 AVG VAL	1,329,799
111- 4 TO 8 UNIT	$458.78	111- 4 TO 8 UNIT	$576.35	111 - 4 TO 8 UNIT	1,854,005
FY23 ESTIMATED TAX INCREASE		FY22 ESTIMATED TAX INCREASE		FY21 ACTUAL TAX INCREASE	
WITH RESIDENTIAL EXEMPTION		WITH RESIDENTIAL EXEMPTION		WITH RESIDENTIAL EXEMPTION	
USE	FY23	USE	FY22	USE	FY21
101 - SINGLE FAMILY	$560.74	101 - SINGLE FAMILY	$341.00	101 - SINGLE FAMILY	$413.00
102 - CONDOMINIUM	$212.24	102 - CONDOMINIUM	$39.00	102 - CONDOMINIUM	$172.00
104 - TWO FAMILY	$486.67	104 - TWO FAMILY	$253.00	104 - TWO FAMILY	$339.00
105 - THREE FAMILY	$365.50	105 - THREE FAMILY	$515.00	105 - THREE FAMILY	$382.00
111- 4 TO 8 UNIT	$852.79	111- 4 TO 8 UNIT	$1,010.00	111- 4 TO 8 UNIT	$650.00

FY22 Residential Tax Community Comparison

Municipality	Residential Tax Rate	Comm/Ind/ PP Levy Share	Average FY22 Res Value	ResX Percentage	ResX Savings	Average Residential Tax Bill
Waltham	$11.14	58.75%	$693,240	35%	$2,703	$5,020
Boston	$10.88	58.32%	$867,964	35%	$3,305	$6,138
Cambridge	$5.92	65.44%	$1,476,852	30%	$2,623	$6,120
Somerville	$10.18	27.47%	$1,027,123	35%	$3,660	$6,796
Watertown	$13.25	38.76%	$757,802	30%	$3,012	$7,029

Exemptions & other options to Reduce RE taxes:

- Other than ResX
- Reside at property
- City allows double the allowed amount for exemptions depending how much their tax bill increased from previous year

Exemption	Requirements	Income limits	Asset limits	Exemption amount	Other requirements	#FY22
Elderly 17D	Over 70	--	$69,691	$303	--	64
Elderly 41C	Over 65	$24,385 (S) $36,576(M)	$48,768 (S) $67,067(M)	$1000	--	37
Blind 37A	Blind certificate	--	--	500	--	19
Veterans 22	VA disability cert over 10%	--	--	$400 up to 100%	Amount depends on disability	94
Deferral 41A	Over 65 Constitutes lien payable upon transfer/death	$86,000	--	100% gaining 2.5% interest	Consent other lien holders (mortgage)	8
Senior work off	Over 60	--	--	Up to $1500	Contact council on aging	8