

SomerVision 2040 Updates & Feedback

Stephanie Hirsch, for 12/12/19 City Council Meeting

When will the draft be ready for review? The SomerVision Committee and City Staff will present the draft to the Planning Board at its 12/19 meeting. When the draft gets presented, it will be available for the public and the City Council to read.

What will be in the report? From serving on one of the Committees, I know that in the report are chapters with detailed information on the following topics:

- Climate and Sustainability
- Infrastructure
- Youth and Education
- Mobility
- Housing
- Commercial Development, Business, and the Arts
- Community and Governance
- Public Space and the Natural Environment

There are also metrics, and City staff have said that the metrics should be:

- Important (What is a priority for our community? How will positive change happen?)
- Measurable (The Numbers focus on measurable outcomes, which means they can miss some important aspects of a topic).
- A Stretch (We want hard goals to push us, but which are in relation to their limitations).

What will the comment period be?

City staff has said that they will request that the Planning Board keep comments open until the end of January, however, the final decision is up to the Planning Board.

What will be done with the comments? City staff said: “We don’t predetermine the process prior to receiving the comments so as they come in and the deadline passes, we’ll review and strategize on what’s best. It could include another meeting with the SVC, online engagement, etc. After we conclude whatever is needed, we’ll finalize with the Planning Board and bring forward to the Council for endorsement.”

Question for us – Do we want to try to submit comments together on which we have achieved a consensus? Do we want to host a public hearing on the SomerVision metrics?

My comments on draft metrics:

There are four areas in particular that I think have the most binding impact on our decisions in the next 20 years. They are **infrastructure, open space, housing,** and **commercial development**. In other areas, I believe both the metrics and the strategies for implementation will be more fluid and evolving. The four I mention, though, relate to very significant investment of public goods.

Infrastructure Improvement: The City has a long list of deferred maintenance and other problems it has to fix, from replacing sewer pipes to planting street trees. The bare bones of these investments total about \$600 million. In some cases, we need to make these investments to have the kind of infrastructure that will allow for commercial development. This will, in turn, increase our revenue to pay for future projects. For more information on what we need to spend, review the [Capital Investment Plan submitted to the Council this past June](#). It included \$390.5 million worth of projects for spending between FY20 and FY29, including vehicle acquisition, park renovation, building renovation, and tree planting. It does not include acquisition of any new acres of open space or any other more ambitious goals, like building a new Recreation Center. In addition to that planned investment, the Water and Sewer Enterprise Fund requires [\\$207 million between FY19 and FY28](#). The combined total is about \$600 million.

Open Space Acquisition: The original SomerVision 2030 plan included a goal of acquiring 125 new acres of open space. Since that goal was set, about 20 acres have been created or are in the pipeline. As I understand it, the 125 acres was an ambitious aim the time of drafting the SomerVision 2030 goals, and with the rising property values, it has become even more expensive in the past ten years. City staff estimate that it costs \$6.2 million (in today's dollars) for each new acre of open space that we acquire and build into a usable open space. At 105 acres that's \$651 million, though some of this value will be created by development projects that, in the new zoning, will have greater requirements to contribute to open space creation. [Read this memo for more explanation of the estimates and strategies to acquire open space](#).

Housing: The 2030 SomerVision plan did not include goals to preserve affordability. This was an oversight, since we know that our supply of affordable housing is rapidly diminishing. As once-affordable housing on the open market gets listed, it sells at a price point that's accessible to only those who make in the top 10 percent of income earners nationwide. As this happens, the percent affordable units will decrease and approach the percent of permanently affordable (also known as "deed restricted") units. [That is currently 10 percent](#).

The currently drafted SomerVision 2040 goal includes a goal of increasing our percent of permanently affordable housing stock from 10 percent to 20 percent. Here's a back-of-the-envelope calculation of cost of what it would take to reach 20% or even 30%. The SomerVision 2030 goal charted out the addition of 6,000 total new housing units (of which almost 2,000 have been built since 2011). If we add all 6,000 by 2030, these additions will bring our total number of households to about 36,500 with a population of about 91,000 people.

Income Limits by Household Size

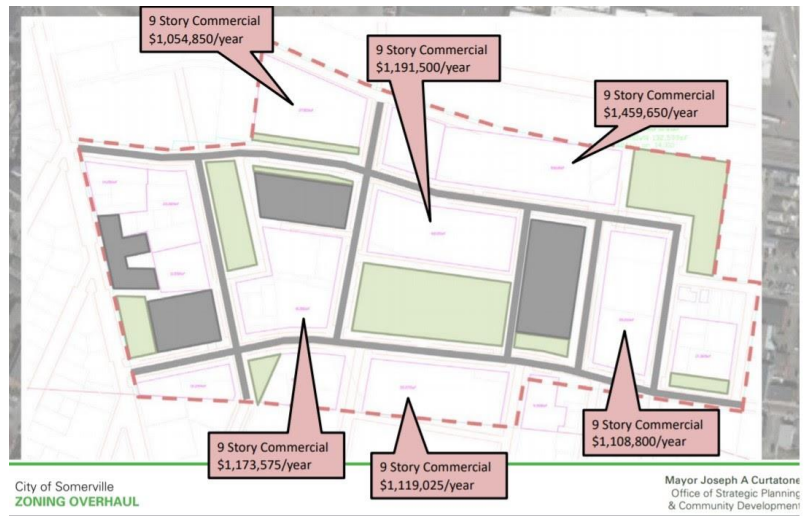
Household Size	50% AMI	60% AMI	80% AMI	100%AMI
1	\$37,750	\$45,300	\$60,368	\$75,460
2	\$43,150	\$51,780	\$68,992	\$86,240
3	\$48,550	\$58,260	\$77,616	\$97,020
4	\$53,900	\$64,680	\$86,240	\$107,800
5	\$58,250	\$69,900	\$93,139	\$116,424
6	\$62,550	\$75,060	\$100,038	\$125,048
7	\$66,850	\$80,220	\$106,938	\$133,672
8	\$71,150	\$85,380	\$113,837	\$142,296

To increase our percent affordable, we could create units at different levels of affordability. An affordability level of "50% AMI", for example, means that an eligible household makes 50% of the area median income, [or about \\$53K/year for a family of four](#) (which, incidentally is what about 65 percent of our households with students in the Somerville Public Schools earn to qualify for Free and Reduced Lunch). As with open space, some of this value will be created by development.

According to [an analysis shared by an affordable housing developer](#), it costs about \$375K per unit to build at the 50%

AMI affordability level. It costs about \$250K at the 80% AMI and \$125K at the 110% AMI. To build units split evenly across those three affordability levels would cost us \$987 million in today's dollars. And it would be \$1.9 billion to get to 30% affordable. As with open space, some of these new units will be created by developers.

Commercial Development: Finally, a very important piece of the puzzle is new tax revenue, in particular through higher revenue projects like commercial development or hotels. This image of a possible re-developed Boynton Yards neighborhood shows how different parcels could be used. The 3.1 acre area shown here includes a mix of open space,



commercial space (like labs and office), and housing. If, for example, we swapped in open space or housing (either affordable or market rate) for commercial development on one of the spots, we would earn less revenue. And revenue pays for everything else we want including open space, mobility projects, youth programming, rat reduction, and affordable housing. This graphic shows estimates of tax revenue from nine-story commercial buildings, with each generating at least a projected \$1 million per year. (Cambridge has been extraordinarily successful in generating revenue by having many buildings just like this concentrated in places like Kendall and Tech Square.)

All of these needs add up to far more than we have to spend, even balanced against new revenue we hope for through commercial development. Take a look at this table below, which is very rough and should be considered just approximate buckets of cost.... The total additional funding required to pay for all of these wishes is an \$2.238 billion, which works out \$138 million annually. For comparison, this year's whole budget is only \$254.7 million, a bit less than twice that amount.

Investment Area	Goal	Calculation/Source	Time Period	Total Over Time Period	Approx. Per Year
Housing	20% of all units affordable	Assuming one third at each affordability level (\$375/unit for 50% AMI \$250K/unit for 80% AMI, and \$125K/unit for 110% AMI)	2040	\$987 million (\$1.9 billion for 30% affordable)	\$47 million
Open Space	105 new acres	\$6.2/acre for acquisition and development	2040	\$651 million	\$31 million
Infrastructure	basic investments	CIP Plans	2029	\$600 million	\$60 million

I will be giving this feedback: Because I believe that Somerville will change beyond recognition without a commitment to affordability, I would like to see goals edited so that we better balance the open space and affordable housing goals, so that they are both in the realistic range, perhaps both with a "stretch goal." For example, we could say we have an open space goal of 50 new acres (with an additional 55 as a stretch goal if resources/opportunities change) and an affordable housing goal of 20% total deed restricted units (with an additional 10% as a stretch goal). Or, perhaps more discussion will lead to other ideas.