



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

April 9, 2018

REPORT OF THE LEGISLATIVE MATTERS COMMITTEE

Attendee Name	Title	Status	Arrived
Mark Niedergang	Chair	Present	
Lance L. Davis	Vice Chair	Present	
Mary Jo Rossetti	Alderman at Large	Present	
Matthew McLaughlin	Ward One Alderman	Present	
Katjana Ballantyne	Ward Seven Alderman	Present	
Jefferson Thomas ("J.T.") Scott	Ward Two Alderman	Present	
Ben Ewen-Campen	Ward Three Alderman	Present	
Jesse Clingan	Ward Four Alderman	Present	
William A. White Jr.	Alderman At Large	Present	
Wilfred N. Mbah	Alderman at Large	Present	
Stephanie Hirsch	Alderman At Large	Present	

Others present: David Shapiro - Law, Tim Snyder - Mayor's Office, Peter Forcellese - Legislative Clerk.

The meeting took place in the Committee Room and was called to order at 6:10 PM by Chairman Niedergang and adjourned at 8:40 PM.

204954: Requesting approval of a Home Rule Petition to authorize the City to impose a Real Estate Transfer Fee.

Chairman Niedergang outlined the format of tonight's meeting and asked if any aldermen had comments and/or amendments to be considered. He told members that he would like to have a vote on this item either tonight or at the committee's next meeting on Wednesday, April 11th.

Alderman Rossetti stated that, in her opinion, the BOA failed constituents by not pushing for a city-wide mailing informing them about last week's public hearing on this issue. She read comments from constituents about having a referendum on the matter and about the hardships that they might suffer. She wants to address housing affordability and will be submitting an order to explore options. Alderman Rossetti made a motion to keep this item in committee for the time being and asked that administration compile all emails/comments for aldermen to reference as they continue to fully examine this item and asked that the Administration host community forums to ensure that the community fully understands the issue. The motion was discussed, with Alderman Hirsch saying that she doesn't want to rush the vote and would rather get additional community input. Alderman Rossetti indicated that she had no objection to

continuing discussion on the item this evening as long as the item wasn't voted on at this meeting and provided that there was a consensus to have additional community involvement. She amended her motion to continue discussion tonight, have the Administration compile the data received from public, organize community forums and not vote on the item until after the process has been completed. The Chair pointed out that this would delay the submission of the Home Rule Petition (HRP) to a point where legislative consideration could not happen this year. Several members stated that they had additional questions about the item and weren't willing to rush the process. Alderman Ballantyne stated that the who, what and where of the item needed to be answered. Members expressed a desire to hear comments about the public hearing from their colleagues.

Chairman Niedergang ruled that the motion on the floor was out of order as it was essentially two motions in one, and that a motion to preclude a vote after discussion of an agenda item is invalid and contrary to parliamentary procedure. Alderman Rossetti withdrew the motion and submitted the following motion, which was unanimously approved:

That the Administration compile a report, as it relates to the proposed Real Estate Transfer Fee, of all emails and letters received, highlighting suggestions, opinions, etc., as is being done with the current new Zoning Code before the Board of Aldermen, so that this Board may continue discussion on this matter, and further, that the Administration work with this Board to host community forums, bringing all interested parties to the table.

Chairman Niedergang explained that he was working under the assumption that the HRP needed to be submitted to the legislature by April, and then if it were to be approved by the state, it would return to the BOA, who would then be able to make amendments to it. This is a critical issue and he feels that while the community is clearly divided, after amendments and more discussion, most of the community could be in agreement with the HRP. He feels that it will be difficult to continue discussions on this item, given the other important matters needing to be dealt with. The question posed to the members was whether to act on this item this year or next. Chairman Niedergang will schedule additional meeting to discuss this item if members can be available.

Alderman Hirsch then shared some analysis showing the rankings of residents' concerns as expressed at the public hearing and spoke about the division along age and class lines. She also suggested a complex but comprehensive exemption framework and also proposed a specific program of expenditures for the funds that would be raised. Alderman McLaughlin spoke about a real cultural divide and said that he feels as if he and many other younger people have no future in this city. In fact, he said, many of his friends have already been forced to leave Somerville due to rising rents. He feels the transparency with the process was good but added that it's hard to get the message out when the newspapers are controlled by real estate companies. He agreed with other members that this is a difficult decision and that the BOA needs to get it right.

Alderman White commented that the Chair was placed in difficult position with the item being submitted to the BOA in January with an expected submission time of April. He agreed that the public hasn't been shown how this would work; adding that his real concern is that if the HRP is submitted to the state, how does the city explain the way expenditures would be funded? It is his belief that an analysis with concrete details of a spending plan should be submitted along with the HRP.

Alderman Scott said that he heard the rage from constituents about various increases and developers and he stated his astonishment that the Administration wasn't present at the public hearing to hear the public's comments. He also stated that he was furious that his proposed community land trust has been shelved and that he understands the lack of public trust. Alderman Clingan spoke about values and an equitable Somerville and also said that he would have liked to see the Administration in attendance at tonight's meeting.

Alderman Ballantyne told the committee that she has received approximately 700 emails on this item. Complaints included developers, not knowing how the fee would work, the lack of transparency, the lack of oversight and the lack of a financial plan. She went on to say that middle class homeowners were forgotten and the city hasn't moved the needle on commercial tax rates, adding that residents aren't convinced on the practicality of the plan. There is no state law on transfer taxes and the city is seeking approval of the HRP before it provides adequate details.

Chairman Niedergang indicated that he wanted to get an overview of any proposed amendments before proceeding any further. Alderman White commented that other places, e.g., Toronto, use the proceeds of their transfer fees to raise revenue for operating costs and not necessarily for affordable housing. Alderman Hirsch explained in greater detail her proposed amendment to exempt all owner occupants, both sellers and buyers, and to put the fee on investors, absentee landlords and property owners. She shared data on a model she ran. She was asked about running different analysis on the model and whether the city would receive the same amount of revenue under her model. Alderman Hirsch will examine her data to obtain more detail.

Alderman Hirsch's motion **that she meet with the Administration, including representatives from the Law, Assessing and other departments to evaluate the financial impacts of the owner (buyer and seller) exemption and proposed legal language**, was approved.

Chairman Niedergang suggested amendments to Sections 2, 3 and 4 and proposed adding a new Section, 6. (See attachment). He believes that 100% of local funds may be used for Somerville residents; however, there was some question about whether the inclusion of state or federal funds might negate that preference. A request was made for OSPCD to provide a written opinion on this question and on whether funds may be allocated on a project-by-project basis. Chairman Niedergang asked that the information be provided in time for the committee's next meeting on April 11th and that the Administration have a representative present at that meeting to speak on the matter.

Chairman Niedergang spoke briefly about how the Affordable Housing Trust Fund used its funds and noted that most of the money is gone. He added that there are many projects which could use the revenue from the RETF, but there is no program in the budget to do that. Alderman Ballantyne asked about the projects that might be in the pipeline and commented that she has not yet received the data she requested regarding the 100 Homes initiative. Alderman White reminded members that a proposal by the Community Preservation Committee to bond \$6 million for the Affordable Housing Trust Fund to support the 100 Homes Program would be dealt with tomorrow night in the Finance Committee as a separate issue.

Alderman McLaughlin asked the Administration to weigh in on Alderman Hirsch's amendments by the next committee meeting and Mr. Snyder said that it would be helpful to have specificity from the committee on the questions to be addressed. The Administration was also asked to respond to the following questions:

1. Would the current draft encompass the amendments being proposed tonight?
2. If the Affordable Housing Trust Fund is charter bound at 110%, could Alderman Hirsch's amendment at 150% be accomplished?

Alderman Hirsch spoke about a growing income divide among older people and pointed out that the dynamics will keep changing in the city and the wealth bubble will keep moving to the next level. Alderman Ballantyne said that this HRP is different than any other - it's a tax. Input and process would take a little longer but the end product will be better. Alderman Hirsch inquired about the committee's feeling on asking for a public referendum. Alderman McLaughlin remarked that this is not worthy of a ballot question and he is confident that it would pass if it went that route. The item was left in Committee for further discussion and the Chair indicated that it will be taken up again at the April 11th meeting of the Legislative Matters Committee.

RESULT:

KEPT IN COMMITTEE

204992: That the City Solicitor draft an ordinance to amend to the maximum, from \$50 to \$300, the fine for violations of Ordinance 9-56 "Vegetation and overgrown projection on to sidewalk".

Alderman Ballantyne explained that the reason for this request is to get the desired response from property owners, i.e., to have them keep wayward vegetation from encroaching on the public way. She is requesting that the fine be increased to the highest amount allowed under state law. Mr. Snyder stated that the Administration would have no objection to the increase as long as the maximum amount is imposed upon the third offense. Mr. Shapiro will prepare a draft ordinance for the committee to review at its next meeting on April 11, 2018.

RESULT:

KEPT IN COMMITTEE

Handouts:

- Summary of Comments (with 204954)
- Transfer Fee Models (with 204954)
- Draft HRP (with 204954)
- Draft HRP - Edits Version (with 204954)
- Proposed Amendments - M Niedergang (with 204954)
- Memo - Law (with 204954)
- Memo - OSPCD (with 204954)