

FY20 CRB Annual Report

In response to Order 211345 : That this Council's Committee on Housing and Community Development review the findings of the Condo Conversion Annual Report.



Mayor Joseph A. Curtatone
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Office of Strategic Planning and Community
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Condo Conversion Background

- Any **existing residential property** is required to be converted before the units can be sold individually
 - Most conversions are for rental properties or properties that are both owner-occupied and rented (such as with a 2 family)
- Former ordinance went into effect in 1985, but was **not** effective in protecting tenants from the negative impacts of displacement



Why did we update this ordinance?

1. Tenant protections were *rarely* provided because most units were delivered **vacant** & after displacement already occurred
1. No expiration date allowed owners to get permits in advance and displace future tenants without providing protections with their permit *already in-hand*
2. Tenant protections were *outdated* and ordinance provided Board with **no means of enforcement**



Updated Ordinance

- The Condo Conversion Ordinance was updated and **approved** by City Council in **March, 2019**
 - Immediate legal action was taken against the City, which delayed actual **implementation** until the **October 7, 2019** CRB hearing
- The FY 21 Annual Report covers the last 3 months of the former ordinance being in effect and the first 9 months of the updated Ordinance being enforced

FY20 Results

Vacant Units-

- The percent of units delivered vacant went from 71% in FY19 to 40% in FY20
 - Many more tenants receiving protections of ordinance including notice, relocation funds and the right to purchase the unit

FY20 Results

Board Enforcement

- CRB has successfully ensured tenants are always provided protections
 - New tools
 - Tenant notice
 - Compliance hearings
 - Final hearings



FY20 Results

Tenant Notice-

- All current and former tenants (within the past 12 months) receive hearing notice directly from Board staff
 - Ensures tenants **know and understand** their rights and are connected with resources if needed
 - Ensures tenants can address the Board

Notice Sent	Current T	Former T
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FY20	13	6
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Notice Sent	Current T	Former T
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FY21	25	22
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FY20 Results

Relocation Payments

- Now required for any tenants who 1) leave within notice period and 2) had not already given owner notice to vacate prior to owner initiating condo conversion process
- As of annual report- 5/11 units had received relocation payment
 - Now, 10/11 units have received payment and 1 remains pending

FY21- 7 units pending payments, 5 received payment, 1 purchase

FY21 Conversions so far

Number of new applications-39 (July 2020-March 2021)

- 10 applications for NRCP, 12 for NRCP/PCP, 1 NRCP/FCP(tenant purchase), 16 PCP
- An additional 7 Final applications (14 units) were issued Final Permits (counted in FY20 when initially submitted)

Number of new units- 83 (July 2020-March 2021)

FY20- 81 applications and 174 units had been submitted by the February hearing



FY21 Conversions so far

Vacant Units

- 24 of the 39 new applications submitted (61% or 51 Units) were delivered vacant
 - 7 applications (including 11 units) were for **fully owner-occupied** properties
 - 6 applications were for partially owner-occupied properties and included 6 owner-occupied units
 - 34 total rental units submitted for conversion vacant- **41% of total units**
 - 11 applications (29% or 27 rental units) for fully rented properties were delivered vacant, subject to 1 year waiting period

FY21 Conversions so far

Right to Purchase-FY20

#Bedrooms	Average Offer	# Units
1	\$550,000.00	1
2	\$740,876.4717	
3	\$955,526.67	15
4	\$884,142.86	7
5	\$1,190,000.00	1
Total Average	\$850,165.85	41

Right to Purchase-FY21

# Bedrooms	Average Offer	# Units
1	\$525,257	7
2	\$797,900	10
3	\$980,132	34
4	\$922,500	4
5	\$1,540,000	1
Total Average	\$896,613	56

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Questions?

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