



**CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES**

March 15, 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	
Stephanie Hirsch	Alderman At Large	Present	
Wilfred N. Mbah	Alderman at Large	Present	
William A. White Jr.	Alderman At Large	Present	

Others present: Michael Glavin - OSPCD, Mike Feloney - OSPCD, Jason Grossfield - Law, Tim Snyder - Mayor's Office, Annie Connor - Legislative Liaison, Rositha Durham - Clerk of Committees.

The meeting took place in the Aldermen's Chamber and was called to order at 6:30 PM by Chairman Niedergang and adjourned at 10:10 PM.

Approval of the March 1, 2018 Minutes

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

The Chair began the discussion of the revised draft of the Home Rule Petition (HRP) by suggesting that the Committee focus on two key remaining issues: whether the buyer or seller pays the fee and exemptions from the fee.

Section 3 of the draft HRP does not designate either the buyer or the seller to pay the fee, but uses language from State Representative Mike Connolly's bill in the legislature which leaves the question open. Rep. Connolly's bill and the current draft HRP state that the fee must be paid unless an affidavit is filed attesting to an exemption from the fee. A member asked if the transfer

fee could be financed if the buyer had to pay it; could it be included in the mortgage loan. Mr. Snyder said that the City Housing Dept. is working on a draft memo to share with the BOA on this topic. Mr. Feloney said that Housing Dept. staff reached out to five local lenders who had similar responses, that it could not be financed. However, the transfer fee could be incorporated into the purchase price and financed if it were the responsibility of the seller. After some discussion, it was suggested by Alderman Ballantyne to leave the issue of buyer/seller for now and move on to the exemptions, as there is some overlap and linkage between these two issues.

There were then several hours of discussion about Section 4 and a number of proposed exemptions, with questions and requests for information throughout. Many motions were made, some were withdrawn, and a half-dozen were voted on.

Ald. Davis motioned and it was accepted unanimously to amend the previous draft document and replace it with the updated draft HRP.

Ald. Ballantyne took up her motion to exempt all seniors, which had been laid on the table at the previous meeting. She stated that seniors are disproportionately affected by this transfer fee, and that there are many low-income senior homeowners in Somerville, particularly women. The Committee was split on supporting all seniors to be exempt. A number of members advocated that only those who really need the help financially should be exempt. At the Chair's request, Ms. Connor distributed a document from the City website on state statutory abatements and deferrals from property tax payments. There are reductions in payments for elderly, widows, veterans, hardships and others.

After extensive discussion, the motion to exempt all seniors failed, 7 NO (Scott, Mbah, Clingan, Ewen-Campen, Davis, Hirsch, Niedergang), 4 YES (Rossetti, White, McLaughlin, Ballantyne).

There was discussion about exempting only low-income seniors. Mr. Grossfield addressed some concerns about the need to be clear about the low income threshold and how low-income is defined. It was suggested that perhaps an exact definition could be developed if and when the Legislature passes the HRP.

Ald. Davis motioned and it was accepted unanimously to include an exemption for vulnerable seniors as defined by the City of Somerville.

A question was asked if the City of Somerville were to sell property to a federal agency, would it be considered to be exempt. Mr. Grossfield's response was that under the exemption on government transfers included in the draft HRP it would be, but if it were sold to a non-governmental buyer it would not be.

Ald. Rossetti asked for the Administration to compile data and supply to the BOA how many owner-occupied 1, 2, and 3 family homes were sold. This information is sent out by the Chief Assessor every year and will be sent to the BOA as soon as possible.

Ald. Clingan made a motion to exempt all transactions where the owner had owned a property in Somerville for 20 years or longer. After some discussion, Alderman White amended the motion to read that the exemption cover a property owned for 20 consecutive years that received the City's residential exemption and as defined by the ordinance. The motion passed, 7 YES (Scott, Mbah, Rossetti, Clingan, White, McLaughlin, Ballantyne), 4 NO (Ewen-Campen, Davis, Hirsch, Niedergang)

Ald. McLaughlin made a motion to add language to Section 4 “The City shall have the authority to establish one or more exemptions from such fee should it choose to do so. Exemptions may include, but are not limited to (i) seniors age 62 or older; (ii) purchasers with annual income below 80% of Area Media Income as established by the U.S. Department of Housing and Urban Development for that city or town; (iii) residential transfers with a purchase price below the mean purchase price for the city or town over the previous twelve month period.

After some discussion, Ald. McLaughlin then amended his motion to strike out (i) seniors age 62 years or older and the amendment to cut that part passed 10-1, with Alderman Hirsch voting no. The amended motion then passed 10-1 with Alderman Hirsch voting no.

In subsequent discussion, it was stated that 70% of residents in the City of Somerville are renters and argued that the proceeds of the transfer fee are needed to help many of those people, who need more help than homeowners do. Many renters cannot afford to stay in Somerville if their rent is increased or the house they live in sold and they have to move.

A question was asked about the Affordable Housing Trust Fund (AHTF) and how the funds will be used. Alderman Rossetti raised the concern whether someone from another city wanting to rent or buy in Somerville could take advantage of the funds from the AHTF. Mr. Feloney responded that when federal or state funds are involved in an affordable housing project, the City was forced to limit Somerville preference to 70% of the units, which does mean that it is possible that somebody not from Somerville might be able to take advantage of some AHT-supported affordable housing programs.

The Chair asked if the Committee was ready to hold a Public Hearing on the draft HRP and the Committee indicated it was. The Committee suggested having the public hearing on Wednesday, April 4th at 6 PM in the Aldermen’s Chambers. It was agreed that the revised draft HRP as amended at this meeting would be the basis for the Public Hearing and public comment, and should be distributed widely to the public so they are aware of what to comment on. The committee discussed ways to reach the community about and publicize the Public Hearing. Mr., Snyder said that the Communications Dept and the Mayor’s Office will promote this aggressively as this proposed HRP is a priority for them.

RESULT:	KEPT IN COMMITTEE
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205118: Requesting approval of a Home Rule Petition to preserve affordable housing through a tenant's right to purchase.

RESULT:	KEPT IN COMMITTEE
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204875: That the City Solicitor prepare a Home Rule Petition regarding a Right of First Refusal to allow tenants to have the first option to purchase their homes if they are going to be sold.

RESULT:	KEPT IN COMMITTEE
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205201: That the Administration work with US2 to amend the Development Covenant to allow this Board to recognize a Neighborhood Council to negotiate a CBA and discuss the

amendment with this Board prior to execution.

RESULT:	KEPT IN COMMITTEE
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203839: That the City Solicitor draft an amendment to Ordinance 11-38(d)(2) to strengthen the language regarding rodent eradication prior to developments being constructed.

RESULT:	KEPT IN COMMITTEE
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204238: That the City Solicitor draft an amendment to the ordinance regarding construction, so that rodent eradication is required on all construction, not just demolition.

RESULT:	KEPT IN COMMITTEE
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205044: SomerStat Analyst responding to a Legislative Matters Committee query related to #203839 re: an update on Rodent Action Team meetings.

RESULT:	KEPT IN COMMITTEE
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Handouts:

- Transfer Fee HRP - clean with edits 3-13-18 (with 204954)
- Transfer Fee HRP - red-line edits 3-13-18 (with 204954)
- HRP Tenant Right to Purchase - Clean 3-15-18 (with 205118)
- HRP Tenant Right to Purchase - Red-Line 3-15-18 (with 205118)
- RETF Possible Exemptions (with 204954)
- Clause Exemptions FY-18 (with 204954)
- House Bill 4196 (with 204954)

Documents received after the meeting date

- RETF - red-line edits 3-19-18 draft (with 204954)
- Transfer Fee HRP - red-line edits 3-20-18-1 (with 204954)
- Transfer Fee HRP - Clean with edits - 3-20-18-1 (with 204954)