



CITY OF SOMERVILLE, MASSACHUSETTS  
CLERK OF COMMITTEES

April 25, 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	

**1. Approval of the April 4, 2018 Minutes**

**RESULT: ACCEPTED**

**2. Approval of the April 9, 2018 Minutes**

**RESULT: ACCEPTED**

**3. Approval of the April 11, 2018 Minutes**

**RESULT: ACCEPTED**

**4. Approval of the April 5, 2018 Minutes**

**RESULT: ACCEPTED**

**5. Approval of the March 29, 2018 Minutes**

**RESULT: ACCEPTED**

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

Chairman Niedergang reviewed the committee meeting calendar and told the members that if they are agreeable, he would like to schedule a Public Hearing on the Real Estate Transfer Fee (RETF) Home Rule Petition for Monday, May 7<sup>th</sup>, allowing almost two weeks to notify the public. After considering the public's input from that Public Hearing, he would like to take a vote on the item at the May 16<sup>th</sup>, 17<sup>th</sup> or 21<sup>st</sup> meeting. There are several other important matters before the committee, e.g., Union Square Neighborhood Council designation and the Clarendon Hill Project, that will most likely take several meetings to complete, so Chairman Niedergang is open to changing priorities based on the will of the committee.

Alderman Ballantyne advised the members that the Clarendon Hill Project could come up next week and there is a possibility of back to back Finance and Legislative Matters Committee meetings being scheduled to deal with it. She has had conversations with the city's state delegation about the RETF and was told by Senator Jehlen that it would be extraordinarily unlikely to pass the legislature unless there is a united community and real estate industry in favor of it. Alderman Ballantyne suggested the possibility of utilizing ResiStat meetings to inform residents about the RETF, since she doesn't think there is a united community at this point.

Chairman Niedergang commented that Representative Connolly has a different perspective of the issue in the house than Senator Jehlen has in the senate, as he thinks that other communities may follow Somerville's lead. Representative Connolly thinks, as does Chairman Niedergang, that there is some chance of the measure passing, but if it's not submitted, there's no chance.

Alderman Rossetti also does not see a united community and commented on the vast amount of email she is receiving on the issue. She believes that there is a need to have community meetings to inform the public, as was done with the new high school project and the CPA vote.

Alderman Scott spoke about the rising cost of purchasing a home in the city, saying that it has risen 1% per month over the last 8 years. Any continued delay sends a message that the BOA is willing to let potential home buyers fall further behind.

Items 204954, 205493 and 205440 were taken up together. Alderman Davis' motion **to replace the last draft of the Home Rule Petition with the one presented this evening**, was approved.

Alderman Ballantyne acknowledged that the purpose of the RETF is to raise revenue, but the amount that needs to be raised is unknown, since the BOA doesn't know what projects are in the pipeline. Mr. Snyder responded by saying that the city needs as much revenue as it can get for affordable housing and noted that the exact amount that the RETF would generate is unknown, but he feels that the Administration's estimates are 'in the ballpark'

Alderman White spoke about his order (205492, also on tonight's agenda) saying that he hopes there will be an in-depth analysis performed prior to the Home Rule Petition being submitted, detailing how much revenue will come in and how much is expected to be spent.

The committee reviewed the latest draft of the RETF Home Rule Petition, as follows:

**Section 2**

Discussion topics included the time period to qualify for a residential exemption, a proposal for a graduated exemption (as put forth by the Somerville Community Corporation's Affordable Housing Organizing Committee (AHOC), keeping the document clear and predictable, so as to remove the fear that comes from uncertainty. Mr. Snyder suggested that language be included to allow the Administration to add proration if that is the direction that the BOA chooses to follow. Several recommended changes were put forth by members and after much discussion, the committee agreed on the following language:

The City of Somerville may impose a fee of up to two per cent (2%) of the purchase price upon the transfer of any real property interest in any real property situated in the City of Somerville, as follows: (a) A fee in the amount of one per cent (1%) of said purchase price shall be due and payable by the seller; and (b) A fee in the amount of one per cent (1%) of said purchase price shall be due and payable by the purchaser. The City of Somerville is hereinafter referred to as the "City".

**(a) Exemption; Fee Due by Seller.** The seller shall be exempt from the fee authorized in Section 2, if the seller of such real property is a taxpayer approved by the City of Somerville for an exemption for residential real property with respect to such real property classified as Class One, residential, in the City of Somerville, pursuant to section 5C of chapter 59 of the General Laws or any special law for the property to be transferred (referred to as the "residential exemption") for the two immediately preceding years as of the date of the deed or other instrument evidencing such transfer or such other date as may be defined by the City.

Chairman Niedergang asked if 1 year was enough time to sell a property in an Heir-at-law situation and Mr. Grossfield said that this could be addressed by ordinance at a later date.

### **Section 3**

The phrase "...penalties or perjury...." was changed to "...penalties of perjury...."

### **Section 4**

Discussion topics included possible exemptions for property sold at a loss as a result of a down market or extreme circumstances, commercial properties and possible deterrents to developers. Since all properties would fall under the proposal, the city could potentially find itself making payments to itself should it sell a city owned building.

### **Section 6**

Alderman Rossetti proposed a new section, Section 6, which deals with revenue:

**SECTION 6.** The City shall use revenue from said taxes to fund affordable housing programs for individuals who are, or who have previously been, residents of Somerville or employees of businesses based in Somerville for a period of not less than twelve (12) months, as further defined by ordinance. Said revenues shall fund affordable housing programs including, but not limited to, limited equity arrangements, community land trusts, purpose-built housing, and other programs to underwrite the affordability of properties for (i) seniors who are Somerville residents, including, but not limited to so-called "aging-in-place" programs and multi-

generational housing; (ii) City of Somerville municipal and school district employees and contractors; (iii) employees of non-profit organizations based in Somerville; (iv) Somerville residents who earn up to one hundred fifty (150) percent of Area Media Income as established by the United State Department of Housing and Urban Development for the city; and (v) other Somerville residents or employees pursuant to this section.

After discussing this proposal, the committee amended the language and approved it on a Roll Call Vote of 10 in favor (Scott, Mbah, Rossetti, Clingan, White, Ewen-Campen, Davis, Ballantyne, McLaughlin, Niedergang).and 1 against (Hirsch), as follows:

**SECTION 6.** The City shall use revenue from the fees raised pursuant to this act to fund affordable housing programs including, but not limited to, limited equity arrangements, community land trusts, purpose-built housing, and other programs to underwrite the affordability of properties with a preference, where permitted by applicable law, for current and recent Somerville residents and employees.

Alderman White asked that the Law and Housing Departments determine what types of programs the city could use the RETF revenue for.

### **Section 7**

Alderman Rossetti proposed a new section, Section 7, which deals with reporting and made a motion **to include it in the RETF Home Rule Petition:**

**SECTION 7.** The City shall prepare and issue an annual report that (i) identifies tax receipts by payer category including buyers and sellers; (ii) quantifies affordable housing programs funded, including type and purpose, and (iii) evaluates the impact of said affordable housing programs, including but not limited to the number and demographics of individuals and families served as well as measures of housing stability and wealth generation in the community.

Mr. Glavin explained that reporting on wealth generation would be difficult and may not have the specificity being sought. After discussing this proposal, the committee amended the language, as follows, and approved the motion unanimously:

**SECTION 7.** The City shall prepare and issue an annual report that (i) identifies fee receipts by payer category including buyers and sellers; (ii) quantifies affordable housing programs funded, including type and purpose, and (iii) evaluates the impact of said affordable housing programs, including but not limited to, to the extent reasonably possible and permitted by applicable law, the number and demographics of individuals and families served as well as measures of housing stability and wealth generation in the community.

### **Section 8**

Alderman Rossetti proposed a new section, Section 8, which deals with placing the item on the ballot and made a **motion to include it in the RETF Home Rule Petition:**

**SECTION 8.** This Act shall be submitted for acceptance to the voters of the City of Somerville at the next regular municipal election. The city clerk shall place it on the ballot in the form of the following question: "Shall this city accept sections 2 to 7, inclusive, as approved by the Board of Aldermen, a summary of which appears below?"

(Set forth here a fair, concise summary and purpose of the law to be acted upon, as determined by the city solicitor, including in said summary the percentage of the tax to be imposed and required exemptions.)

If a majority of the voters voting on said question vote in the affirmative, then its provisions shall take effect, but not otherwise.

Alderman White commented that he was not aware of any Home Rule Petitions going before voters in Somerville for a referendum and thinks that it would set a dangerous precedent. Alderman Rossetti pointed out that it has been done in other communities via town meetings. Alderman Hirsch stated that it would be helpful to put the measure before the voters, while Alderman McLaughlin was “passionately against” it. Aldermen Scott, Mbah and Davis agreed that it is up to the BOA to legislate, since that’s what Aldermen were elected to do. Alderman Rossetti feels strongly that residents want to be able to vote on this and she thinks that there is still much explaining to be done.

After discussing this proposal, the motion was defeated on a Roll Call Vote of 2 in favor (Rossetti, Hirsch) and 9 against (Scott, Mbah, Clingan, White, Ewen-Campen, Davis, Ballantyne, McLaughlin, Niedergang).

Before ending discussion on this item, Mr. Grossfield suggested adding a sentence to eliminate a challenge on the question of fee vs. tax. After Alderman White raised the concern that including the word “tax” in the Home Rule Petition might scare off some legislators on Beacon Hill, the committee did not move forward on Mr. Grossfield’s suggested amendment.

Chairman Niedergang proposed going forward with holding a Public Hearing on May 7<sup>th</sup> and said that he would ask Mr. Snyder to communicate, in writing, the Administration’s plan for informing the public about the hearing. Alderman Rossetti requested that the CTY system be utilized to notify the public. She made a motion urging the Administration to do so, and the motion passed unanimously. (Note - that request was denied the following day by the Administration). Alderman Rossetti recommended holding the Public Hearing in the high school’s auditorium rather than in the Aldermen’s Chamber. (Note: the auditorium is not available on that date, so the Public Hearing will be held in the Aldermen’s Chamber.) Lastly, Alderman Rossetti requested that a better link to the online information be provided. Alderman Ewen-Campen asked that any communication by the city relative to the Public Hearing should make it very clear that Somerville residents are being exempted. Alderman Hirsch suggested that the Administration put out a clear and simple FAQ document on the measure. Alderman White suggested that notification also be placed in ResiStat notices and on the city’s Facebook page.

<b>RESULT:</b>	<b>KEPT IN COMMITTEE</b>
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**205493: That the Administration draft the minimally necessary language to amend the Real Estate Transfer Fee Home Rule Petition to allow a separate fee on the buyer and seller based on their status as a resident/owner-occupant, and including estate protection for a decedent who has such status.**

<b>RESULT:</b>	<b>KEPT IN COMMITTEE</b>
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**205440: That the Director of SPCD share options for establishing the residency status of prospective buyers, as related to exemptions and the proposed transfer fee.**

**RESULT: KEPT IN COMMITTEE**

**205445: That the Administration establish a dedicated fund within the Affordable Housing Trust Fund to provide direct housing assistance for municipal employees struggling to remain in Somerville, which could be funded through revenue from a real estate transfer fee.**

**RESULT: KEPT IN COMMITTEE**

**205446: That the Administration establish a dedicated fund within the Affordable Housing Trust Fund to support community land trusts in Somerville, which could be funded through revenue from a real estate transfer fee.**

**RESULT: KEPT IN COMMITTEE**

**205492: That the Director of SPCD prepare a report analyzing why the current 20% affordable housing requirement, the \$10.00 per sq ft linkage fee, and other city initiatives are not sufficient to meet the affordable housing needs of the city.**

**RESULT: KEPT IN COMMITTEE**

**205489: That the Administration compile a report for this Board of all emails and letters received on the proposed Real Estate Transfer Fee, and work with this Board to host community forums that bring all interested parties to the table.**

**RESULT: KEPT IN COMMITTEE**

**205680: 5 residents submitting comments re: #204954, a Home Rule Petition for a Real Estate Transfer Fee.**

**RESULT: KEPT IN COMMITTEE**

**Handouts:**

- RETF - Clean - 4-24-18 (with 204954)
- RETF - Red line 4-24-18 (with 204954)
- Proposed Funding Scenario (with 204954)
- Memo - Affordable Housing Programs (with 205492)
- Amendments - Ald. Rossetti (with 204954)