

City of Somerville FY2021 Classification Hearing

November 24, 2020

Adoption of Tax Levy percentages for FY 2021

Somerville Board of Assessors

Francis J. Golden, MAA
Chief Assessor
& Chairman

Michael Flynn, MAA
Richard Scanlon, MAA

Joseph A. Curtatone
Mayor



Recommendations

1. A motion that the City Council adopts a minimum residential factor of 86.7935, the legal minimum for the City of Somerville for FY 2021.
2. A motion that the City Council accepts the provisions of Chapter 59, section 5C approving a residential exemption of 35% of average assessed value for owner occupied properties for FY 2021.

Comparison of State Form LA-4

FY20 & FY21

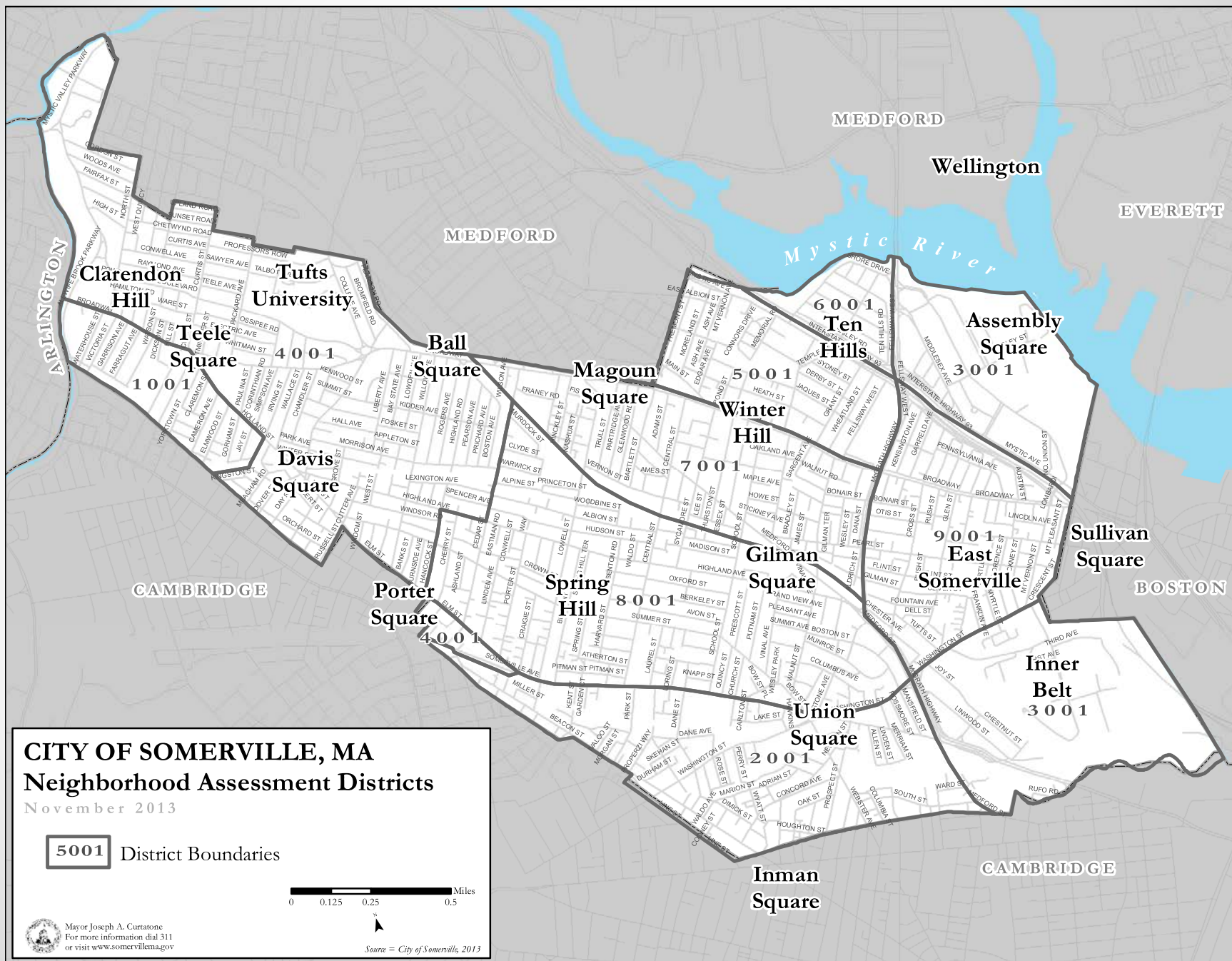
USE CODE	DESCRIPTION	FY 2020 PARCEL COUNT	FY 2021 PARCEL COUNT	FY 2020 ASSESSED VALUE	FY 2021 ASSESSED VALUE
101	SINGLE FAMILY	2,330	2,313	\$1,992,135,100	\$2,092,957,700
102	CONDOMINIUM	6,010	6,282	\$3,754,783,313	\$4,105,218,086
104	TWO FAMILY	4,990	4,938	\$4,695,040,900	\$4,851,630,100
105	THREE FAMILY	2,253	2,236	\$2,645,109,600	\$2,722,074,500
109	2 OR MORE RES. BUILDINGS/1 LOT	73	73	\$108,426,200	\$114,218,000
111-125	APARTMENTS 4+	659	657	\$1,750,474,480	\$1,836,120,024
130-132,106	VACANT RES. LAND	174	179	\$19,750,800	\$22,402,600
300-393	COMMERCIAL	594	591	\$1,613,775,030	\$1,895,798,155
400-452	INDUSTRIAL	94	94	\$374,474,600	\$411,238,800
012-043	MIXED USE RESIDENTIAL	261	261	\$540,514,650	\$663,936,570
	MIXED USE COMMERCIAL			\$174,988,823	\$174,747,273
501-508	PERSONAL PROPERTY	1273	1354	\$326,987,090	\$407,549,990
TOTAL REAL & PERSONAL PROPERTY VALUE		18,711	18,978	\$17,996,460,586	\$19,297,891,798
900-990	EXEMPT REAL ESTATE	402	391	\$2,013,116,152	\$2,169,941,878

Parcel Count Changes FY20-FY21:

- Added 272 residential condo units (216 conversions/72 new)
- 52 fewer two family properties
- 17 fewer three family properties

Average Valuation Changes FY20-FY21

	Market & Growth	Growth Only
Single family	6%	1%
Two family	3%	1%
Three family	3%	1%
Condominiums	9%	2%
Res/Mix & Apartments 4+	9%	8%
Commercial	18%	19%
Industrial	10%	11%
Personal Property	n/a	n/a



Average Assessment Changes By Neighborhood: Single Family

	FY20 Value	FY21 Value	% Change 20-21
1001 West Somerville South & Cambridge Line	980,255	1,038,181	5.91
2001 Ward 2 Union Square South	874,369	923,414	5.61
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,158,734	1,221,526	5.42
5001 Winter Hill North	611,660	650,316	6.32
6001 Ten Hills	638,490	719,690	12.72
7001 Winter Hill & Magoun Square	727,005	770,084	5.93
8001 Central, Spring & Prospect Hill	867,947	918,046	5.77
9001 East Somerville	655,028	689,706	5.30
City Average	855,033	904,867	5.83

Average Assessment Changes By Neighborhood: Two Family

	FY20 Value	FY21 Value	% Change 20-21
1001 West Somerville South & Cambridge Line	997,853	1,045,346	4.76
2001 Ward 2 Union Square South	946,884	995,011	5.10
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,096,312	1,127,863	2.88
5001 Winter Hill North	678,183	712,119	5.00
6001 Ten Hills	676,165	744,265	10.07
7001 Winter Hill & Magoun Square	790,552	833,512	5.43
8001 Central, Spring & Prospect Hill	921,564	967,314	4.96
9001 East Somerville	760,503	809,207	6.40
City Average	940,604	982,509	4.46

Average Assessment Changes By Neighborhood: Three Family

	FY20 Value	FY21 Value	% Change 20-21
1001 West Somerville South & Cambridge Line	1,320,418	1,362,578	3.19
2001 Ward 2 Union Square South	1,300,244	1,333,943	2.59
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,289,981	1,332,193	3.27
5001 Winter Hill North	1,024,964	1,062,188	3.63
6001 Ten Hills	780,360	868,060	11.24
7001 Winter Hill & Magoun Square	1,006,536	1,044,696	3.79
8001 Central, Spring & Prospect Hill	1,162,492	1,213,541	4.39
9001 East Somerville	987,540	1,038,552	5.17
City Average	1,174,076	1,217,386	3.69

Average Assessment Changes By Neighborhood: Condominium

	FY20 Value	FY21 Value	% Change 20-21
1001 West Somerville South & Cambridge Line	734,325	777,980	5.94
2001 Ward 2 Union Square South	640,816	666,521	4.01
3001 Ward 2 Cobble Hill	600,761	640,548	6.62
4001 West Somerville	725,612	758,886	4.59
5001 Winter Hill North	472,694	507,546	7.37
6001 Ten Hills	562,286	580,197	3.19
7001 Winter Hill & Magoun Square	518,838	541,235	4.32
8001 Central, Spring & Prospect Hill	637,235	664,244	4.24
9001 East Somerville	527,123	558,895	6.03
City Average	626,502	653,489	4.31

FY21 Growth

Use Type	New Growth Valuation	Tax Levy Growth
Single Family	11,953,100	
Condominium	84,119,383	
Two & Three Family	61,089,400	
Four+ Units	173,871,380	
Mixed-Use Residential & Other	4,686,800	
Total Residential	335,824,763	3,388,472
Commercial	305,544,785	4,986,491
Industrial	39,521,700	644,994
Personal Property	77,148,290	1,259,060
Total Commercial, Industrial & Personal Property	422,214,775	6,890,545
Total Real & Personal Property	758,039,538	\$10,279,017

Major Contributors to New Growth Valuation

Assembly Row	New Valuation	FY20 Tax (Estimate)
Grand Union Blvd – Corporate Office Under Construction – 40% Complete	\$81.6M	\$1,332,370
301 Assembly Row – Apartment/Retail Under Construction – 44% Complete	\$125.6	\$1,267,732
Cambridge Crossing – Boyton Yards		
250 Dawes Street – Inner Belt (Office/Lab) Under Construction – 17% Complete	\$90.1M	\$1,470,412
0 Dawes Street – Inner Belt (Office/Lab) Under Construction – 28% Complete	\$35.6M	\$580,928
101 South Street – Boyton Yards (Office/Lab) Under Construction – 15% Complete	\$72.0M	\$1,175,584



FY21 Tax Levy & Classification

FY21 Levy Limit:	\$182,757,870
FY21 Debt Exclusion	\$ 1,335,839
FY21 Levy:	\$184,093,709
<u>FY20 Levy:</u>	<u>\$168,272,052</u>
Tax Levy Change:	\$ 15,821,657

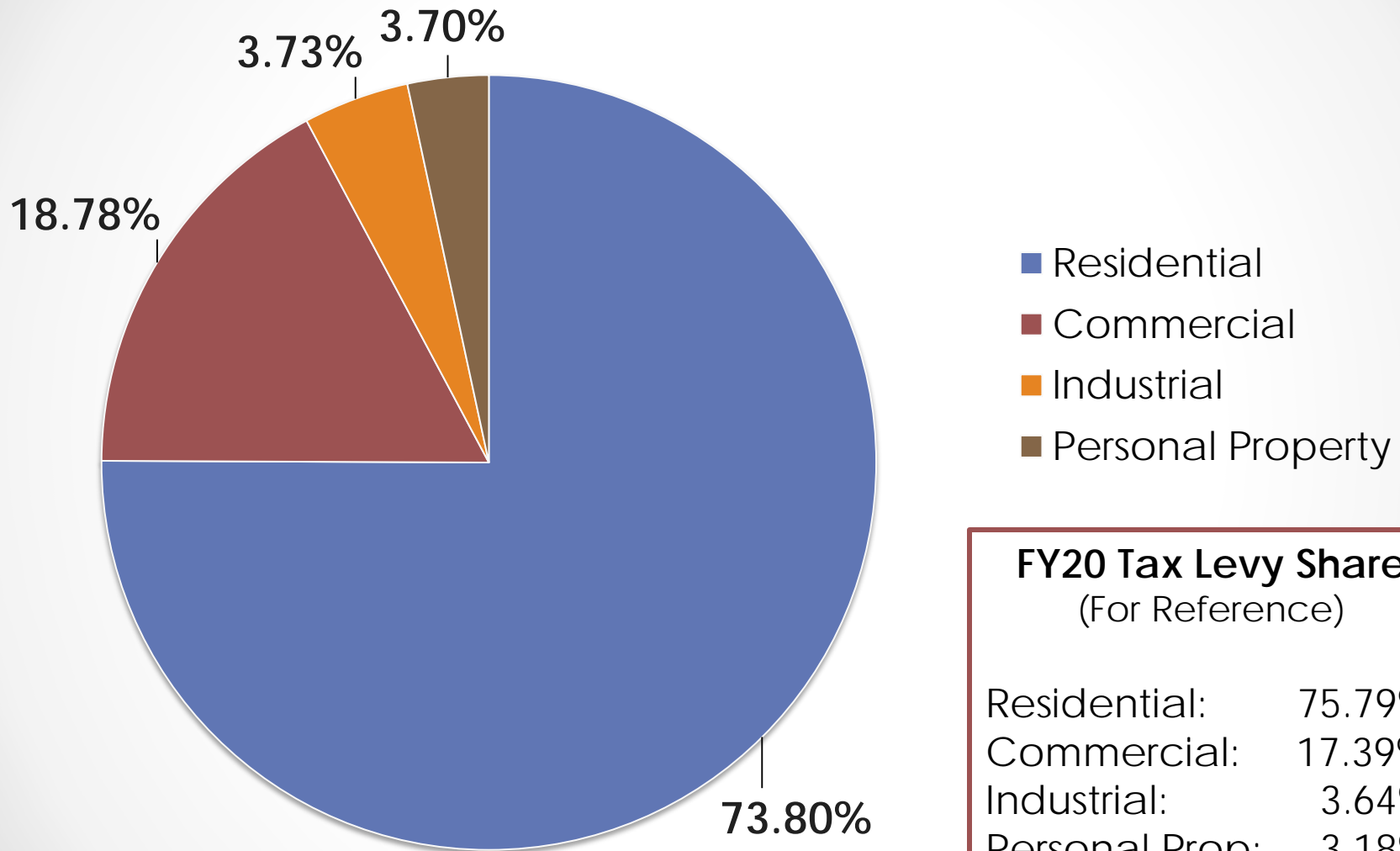
FY20 Change:
9.4%

Excess Levy Capacity: \$ 0

	As Assessed	With 175% Classification
Commercial Value Percentage	14.9723	26.2015
Residential Value Percentage	85.0277	73.7985

Commercial Levy:	\$ 48,222,988.10
Residential Levy:	\$135,870,720.90

Tax Levy Share: FY21



Option 1: No Classification & No ResX

- Single Tax Rate: \$ 9.54

NOT RECOMMENDED

Use Type	FY20 Average Value	FY21 Average Value	FY20 Average Tax	FY21 Average Tax	Tax Change FY20-FY21
CONDO	624,756	653,489	\$5,823	\$6,234	\$411
1 FAMILY	854,994	904,867	\$7,969	\$8,632	\$663
2 FAMILY	940,890	982,509	\$8,769	\$9,373	\$604
3 FAMILY	1,174,039	1,217,386	\$10,942	\$11,614	\$672
4-8 FAMILY	1,587,380	1,652,492	\$14,794	\$15,765	\$971
9+ APTS	6,397,258	7,499,645	\$59,622	\$71,547	\$11,925
COM/IND	2,279,493	2,623,451	\$21,245	\$25,028	\$3,783

Option 2: With Classification & No ResX

- Residential Rate: \$ 8.28
- Commercial Rate: \$16.69

NOT RECOMMENDED

Use Type	FY20 Average Value	FY21 Average Value	FY20 Average Tax	FY21 Average Tax	Tax Change FY20-FY21
CONDO	624,756	653,489	\$5,129	\$5,411	\$282
1 FAMILY	854,994	904,867	\$7,019	\$7,492	\$473
2 FAMILY	940,890	982,509	\$7,725	\$8,135	\$410
3 FAMILY	1,174,039	1,217,386	\$9,639	\$10,080	\$441
4-8 FAMILY	1,587,380	1,652,492	\$13,032	\$13,683	\$651
9+ APTS	6,397,258	7,499,645	\$52,522	\$62,097	\$9,575
COM/IND	2,279,493	2,623,451	\$37,201	\$43,785	\$6,584

Option 3: With Classification & ResX

- Residential Rate: \$10.20 **ResX Value Reduction: \$339,040**
- Commercial Rate: \$16.69 **Tax Savings of \$3,458.21**

RECOMMENDED

(ResX included for condo, 1, 2, 3 & 4-8 family) – **Excess Levy Capacity = \$0**

Use Type	FY20 Average Value	FY21 Average Value	FY20 Average Tax	FY21 Average Tax	Tax Change FY19-FY20
CONDO	624,756	653,489	\$3035	\$3,207	\$172
1 FAMILY	854,994	904,867	\$5,358	\$5,771	\$413
2 FAMILY	940,890	982,509	\$6,224	\$6,563	\$339
3 FAMILY	1,174,039	1,217,386	\$8,577	\$8959	\$382
4-8 FAMILY	1,587,380	1,652,492	\$12,747	\$13,397	\$650
9+ APTS	6,397,258	7,499,645	\$64,548	\$76,496	\$11,948
COM/IND	2,279,493	2,623,451	\$37,201	\$43,785	\$6,584

ESTIMATED IMPACT OF THE DEBT EXCLUSION FOR FY 2021 ACTUAL THIRD & FOURTH QUARTER BILLS

THE DEBT EXCLUSION IS ABOVE & BEYOND THE LEVY LIMIT - THE DEBT EXCL DIVIDED BY THE LEVY LIMIT = THE RATIO PERCENTAGE APPLIED TO EACH USE

THE AVERAGE TAXES OF EACH USE MINUS THE RESX TIMES THE RATIO = DEBT EXCLUSION IMPACT PER USE

DEBT EXCLUSION TAX TOTAL FOR EACH USE IS SPLIT BETWEEN THE THIRD AND FOURTH QUARTER TAX BILLS

FISCAL YEAR 2021

EST RATES / FY21 CERTIFIED AVG VALUES

WITHOUT RES EXEMPTION

WITH RESIDENTIAL EXEMPTION

RATES/AVG VAL	FY21	USE	FY21	USE	FY21
RES TX RATE	\$10.20	FY21 LEVY LIMIT	182,757,870	FY21 LEVY LIMIT	182,757,870
COM RATE	\$16.69	DEBT EXCLUSION	1,335,839	DEBT EXCLUSION	1,335,839
RES EXEMPTION	\$3,458	MAX LEVY	184,093,709	MAX LEVY	184,093,709
		RATIO	0.00731	RATIO	0.00731
101 AVG VAL	904,867	101 - SINGLE FAMILY	\$67	101 - SINGLE FAMILY	\$42
102 AVG VAL	653,489	102 - CONDOMINIUM	\$49	102 - CONDOMINIUM	\$23
104 AVG VAL	982,509	104 - TWO FAMILY	\$73	104 - TWO FAMILY	\$50
105 AVG VAL	1,217,386	105 - THREE FAMILY	\$91	105 - THREE FAMILY	\$66
4-8 / 9+ APT AVG VAL	2,794,703	4-8 FAMILY & 9+ APARTMENT	\$208	4-8 FAMILY & 9+ APARTMENT	\$183
COM AVG VAL	2,403,218	COMMERCIAL	\$293	COMMERCIAL	\$293
IND AVG VAL	4,374,881	INDUSTRIAL	\$534	INDUSTRIAL	\$534

ASSUMES RESIDENTIAL EXEMPTION FOR CONDO, 1, 2, 3, 4-8 & 9+ UNIT USES

Reviewing the Impact of the Residential Exemption FY21

Use Type	FY21 Average Value	Taxes w/o ResX	Taxes WITH ResX	Difference
CONDO	653,489	\$5,411	\$3,207	\$2,204
1 FAMILY	904,867	\$7,492	\$5,771	\$1,721
2 FAMILY	982,509	\$8,135	\$6,563	\$1,572
3 FAMILY	1,217,386	\$10,080	\$8,959	\$1,121
4-8 FAMILY	1,652,492	\$13,683	\$13,397	\$286

FY20 Residential Tax Community Comparison

Municipality	Residential Tax Rate	Comm/Ind/ PP Levy Share	Average FY20 Res Value	ResX Percentage	ResX Savings	Average Residential Tax Bill
Waltham	\$11.95	58.60%	\$611,123	35%	\$2,556	\$4,747
Boston	\$10.56	59.97%	\$779,164	35%	\$2,880	\$5,348
Cambridge	\$5.75	65.44%	\$1,371,052	30%	\$2,365	\$5,519
Somerville	\$10.09	24.22%	\$925,745	35%	\$3,269	\$6,072
Watertown	\$12.14	36.34%	\$723,586	24%	\$2,108	\$6,676
Newton	\$10.44	17.43%	\$1,076,972	no	-	\$11,244

Future development will build commercial tax base and lower residential tax liability

New commercial space projected in the next 10 years:

Assembly Square	2,500,000 SF
Union Square	1,400,000 SF
Brickbottom	600,000 SF
Inner Belt	1,000,000 SF
Davis Square	150,000 SF
Boynton Yards	1,000,000 SF
Other	600,000 SF
Total	7,250,000 SF

**Projections provided by OSPCD*



Source: FRIT