



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

April 11, 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	
Stephanie Hirsch	Alderman At Large	Present	
Wilfred N. Mbah	Alderman at Large	Present	

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

The meeting took place in the Aldermen's Chamber and was called to order at 6:05 PM by Chairman Niedergang and adjourned at 9:26 PM.

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

Chairman Niedergang explained how the committee will deal with this item going forward and informed the members that if the Home Rule Petition (HRP) is submitted to the legislature in May, it would still have a good chance for passage. Six additional meetings have been scheduled to allow enough time to fully deal with the issue and to hold community forums, with the anticipation of voting on the item by May 9th. One of the still unresolved questions to be answered is where the funds received from the transfer fee would be used. The goal of tonight's meeting is to amend the draft. The Administration was asked to include all approved amendments, to date, in the next iteration of the HRP and to make more information available on the city's website. Where funds to be used not resolved yet.

Alderman Ballantyne spoke about having another public hearing to allow the public to comment, given the changes being made to the HRP. Alderman White referenced the RKG study saying that it estimated approximately 35-39 homes could be built. This HRP is needed to fill the gaps where other affordable housing has fallen short, e.g., requiring 20% of a development's units to be affordable still doesn't provide enough units. The city needs to get creative with how the transfer fee

funds are used in order to increase affordable units. Alderman McLaughlin believes that the city isn't doing enough to resolve the affordable housing problem and he thinks that the Affordable Housing Trust Fund (AHTF) allows for spending in other areas, as well. Alderman Ewen-Campen spoke about owner/occupiers being able to apply for grant funding in Pittsburg.

Alderman Hirsch told members that she needs to figure out the impacts of her amendments and Chairman Niedergang suggested that the committee have a conceptual understanding of the proposal before delving into it. Alderman White again spoke about the need to make the strongest case possible in order to persuade the legislature to approve the HRP.

Alderman White's motion *that the Executive Director of the Office of Strategic Planning and Community Development prepare a report to support the Real Estate Transfer Fee Home Rule Petition by analyzing why the current 20% affordable housing requirement and \$10.00 sq/ft linkage fee, and other city initiatives, are not sufficient to meet the affordable housing needs of the community. The study should show projected development and units to be built, funds to be received through the linkage fee and the gaps to be filled by the transfer fee proceeds,* was approved.

Mr. Snyder clarified that the points of the motion be included in a document or testimony accompanying the HRP. He has spoken to Alderman Hirsch about her amendment and he told the committee that it would be helpful to know the intent and policy goal of the BOA so Administration may draft the exact language to accomplish that. He also believes that there are fuller data sets that could be applied to Alderman Hirsch's model. Additionally, he would also like to have a conversation about buyers who intend to become owner/occupiers. Mr. Snyder informed the committee that the Administration will be adding more than language to the HRP and possibly some financial components to the amendments.

Alderman Hirsch spoke about her proposal and explained that an exemption of an entire transaction is based on status of both the buyer and seller. She believes that the revenue generated under this method would be comparable to what would be generated under the original language of the HRP and she will work with the Administration to examine the figures in more detail. Chairman Niedergang stated that if the proposal results in a reduction of generated revenue, it would still be worth it to protect homeowners. Alderman Davis reminded members that the #1 goal is to raise money for affordable housing and if Alderman Hirsch's proposal reduces revenue, then other options might be needed. It was his recommendation to not include a great amount of detail or specifics in the HRP at this time.

The committee discussed whether commercial and residential property transactions would be treated the same, linkage fees already being paid by developers, opportunities for sellers to make a donation to the city for affordable housing, ways to not put a fee on buyers who want to live here and who will be collecting the fee. Alderman White stated that residents want to see details and cautioned that if certain exemptions aren't built into the HRP, it may weaken it before the legislature.

Mr. Snyder pointed out that it's a difficult challenge to exempt someone who says that they'll be an owner/occupier and then to verify that claim. He told members that the Administration wants to know how it would administer this and wants to present a plan to achieve it to the committee.

Alderman Scott made a motion for the Administration to prepare the minimally necessary language for insertion in the HRP and Alderman Rossetti proposed an amendment, which was approved, to include language to protect owner occupied property. Alderman White proposed an amendment to protect estates in the event of a decedent who has qualified for a residential exemption. Alderman Davis again stated that the HRP should not be overburdened with detail and he pointed out that the

main motion was to prepare the minimal amount of language. Alderman Ballantyne stated that if residents don't understand the item, they won't support it, so adding detail is not a bad idea. After some discussion, Alderman White's amendment was approved. The main motion was then discussed and approved, resulting in the following:

That the Administration prepare the minimally necessary language for insertion in the Home Rule Petition that would allow for a separate fee on buyer and seller based on their status as a resident/owner-occupant, with the intention of exempting both classes of owner-occupants from the fee as specified by future legislation and including a protection for the estate in the event of a decedent who has qualified for a residential exemption.

The committee then reviewed the HRP to determine which exemptions should remain in light of Alderman Hirsch's proposal. Mr. Snyder assured the committee that the Administration would remove any irrelevant sections as part of their process of developing new language.

The following changes were made:

- Delete Section 2 (a)
- Delete Section 4 (e)
- Add language to Section 5 specifying that no exemptions may be removed

Mr. Grossfield was asked to consider the statements made by the committee and take them into consideration when redrafting the HRP.

Alderman Ewen-Campen thinks that the revenue should go to AHTF but he wants to know if it could be used for other purposes, e.g., underwriting mortgages or assisting employee housing. Mr. Feloney responded by saying that broad latitude is given to the AHTF in preservation and affordable housing matters. The income cap, currently set by ordinance at 110% of Area Median Income (AMI), was discussed and Mr. Feloney stated that this cap could be changed, however, he noted that if there is a Community Preservation Act (CPA) component involved, then the AHTF may only allow to 100% of the AMI. Mr. Grossfield informed the committee that if the BOA raised the cap, the AHTF and the HRP would have to be changed as well. Alderman Scott acknowledged the AHTF restrictions but thinks that revenue could be placed in another fund and used to avoid those restrictions. Alderman Ballantyne prefers a fund which would provide oversight by the BOA, rather than a stabilization fund. Mr. Grossfield advised the committee that, from legal perspective, there is a benefit to include language in the body of the HRP.

Chairman Niedergang spoke about the AHTF's ability to manage funds and noted that the CPA dedicates 45% of its revenue to the AHTF. Alderman Rossetti pointed out that the 45% allocation is done by an annual vote and is not guaranteed. Mr. Grossfield explained that restricting how the funds are used could be incorporated, but how then would that serve the public good, as the HRP is intended to do? Alderman Ewen-Campen said he was speaking about programs that would help large numbers of residents in the city. Alderman Hirsch noted that help is still needed for the group between the 110% and 150% of the cap. Alderman Scott suggested possibly using the funds as a vehicle to offset taxes. He sees the RETF as a huge tool to be utilized by the city and wants to maintain flexibility. He inquires why a fund couldn't be created without submitting HRP and Mr. Grossfield replied that if the committee wanted to create a trust, it would most likely require a HRP, as well, but if it was just a fund, then a HRP would not be needed. All that would be required would be a 2/3 vote of the BOA.

Mr. Grossfield told the committee that today's AHTF is not resident specific to Somerville residents, and responding to a question from Alderman McLaughlin, explained that a factual record would be

needed to demonstrate why a percentage (of Somerville residents) should be applied. Alderman White asked for information regarding the applicable rules that would apply when the funds are raised internally. Alderman Scott made, and then withdrew, a motion for the Administration to incorporate input from the committee and the public to change Section 2 of the HRP. Alderman Hirsch asked if she could circulate some draft language about other possible uses for the funds and was assured that it was permissible.

The committee discussed community outreach regarding this matter and a suggestion was made about using CTY in addition to online notifications. Alderman Ewen-Campen stated that he thought that the notification for the recent public hearing was fine and Alderman Ballantyne explained that the item is a tax being charged and that people need to be aware and understand this, therefore, a concerted effort should be made to notify residents and property owners. Alderman Rossetti noted that many residents are already linked to the city and she would like the Communications Department to reach out to them. She also asked for assistance from the Council on Aging to help notify older residents who might not have access to digital media. Chairman Niedergang stated that he thought the publicity for the recent public hearing was quite good but he agrees about using CTY, adding that the Administration dismisses aldermen's requests to utilize the system 100% of the time. Mr. Snyder replied that the Communications Department is very deliberate about using CTY because if it is overused, people might drop off. Alderman Rossetti asked Mr. Snyder to inform the Communications Department that the BOA expects their help on this. She also mentioned the possibility of having aldermen contribute collectively to pay for a robo-call of their own.

RESULT:	KEPT IN COMMITTEE
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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".

The committee received the amended language for review and Mr. Grossfield explained that, as written, there is only 1 fine for the entire ordinance. The language was amended by adding a new row for penalties and approved. Mr. Grossfield will submit the ordinance to the BOA for approval.

RESULT:	WORK COMPLETED
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204364: That the City Solicitor and the Director of SPCD submit to this Board, amendments to the Tree Preservation Ordinance with criteria for removal and notification to add safeguards for street reconstruction projects.

RESULT:	KEPT IN COMMITTEE
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204782: Green and Open Somerville submitting comments re: #204364, proposed revisions to the Tree Preservation ordinance.

RESULT:	KEPT IN COMMITTEE
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204886: That the City Solicitor and the City Arborist clarify the ordinance requiring tree removal for a new driveway or other construction project.

RESULT:

KEPT IN COMMITTEE

Handout:

- RETF Exemption Scenarios (with 204954)