



CITY OF SOMERVILLE, MASSACHUSETTS  
CLERK OF COMMITTEES

May 7, 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 |         |
| 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 |         |
| Ben Ewen-Campen                 | Ward Three Alderman | Present |         |

Chairman Niedergang asked those who wanted to speak on this matter to sign either the IN FAVOR or OPPOSED sheets that were available and said that each speaker would be allotted two minutes to make their statement. As was the case at the previous public hearing on this matter, the Aldermen would listen to the public's comments and not engage in questioning. The record will be kept open until the close of business on Monday, May 14, 2018 to receive any additional written comments.

Chairman Niedergang gave a brief summary of the actions on this item, to date, saying that the petition was first introduced this past January by the Administration and since that time, many changes have been made to it. (Additional background information and documents are available on the city's website, at [www.somervillema.gov/transferfee](http://www.somervillema.gov/transferfee) <<http://www.somervillema.gov/transferfee>>).

This Home Rule Petition needs to be submitted to the state legislature this month in order to have a chance of passage by the legislature this year, therefore, two additional committee meetings have been scheduled for next week and the Chair's desire is to have it before the full Board of Aldermen before month's end. Chairman Niedergang explained that this is the first step in a 3-step process. The second step is submission to and approval by the state legislature, leading to the final step - crafting the language of the ordinance, which could establish additional exemptions, but not take any away.

**Approval of the April 25, 2018 Minutes**

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| <b>RESULT:</b> | <b>ACCEPTED</b> |
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## PUBLIC HEARING

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

Mayor Curtatone addressed the committee and spoke about a significant regional housing crisis, the lack of affordable housing and waiting list times (for affordable housing) of 2 to 5 years. He told members that 3,400 households applied for 35 available affordable housing units recently and said that the city needs to be creative in order to provide housing options to all residents, otherwise the city's economy will stall and its diversity will be lost. Somerville needs to be a home to those working their way up as well as to those who have already made it. Mayor Curtatone explained that this proposal is part of a larger strategy and was recommended by the working group he established.

Former Mayor Eugene Brune spoke against the proposal saying that it was a tax and that the lack of affordable housing in the city is not the fault of the hard-working public. He told the committee that affordable housing is not only a challenge for them, but for state and federal officials as well and it's up to that collected group of officials to resolve the matter, not the homeowners of the city. He believes that it's the obligation of elected officials to resolve this problem because they are the ones who created it by allowing condo conversion to take place in the city. The city brought in more housing than can be afforded here and developers are part of the problem but don't want to be part of the solution. He said that it's just not fair and commented that if he were still an alderman or the mayor, he would vote no on this measure.

Former Alderman at-Large Jack Connolly spoke against the proposal and said that the charge that would be imposed is not a fee, since a fee is for service rendered and there's no service being provided by this proposal. He believes that the measure won't survive the legislative process at the state level since this is an election year for state office and no state official wants to vote for a tax. This proposal has divided the city. The problem is a regional issue and can't be resolved by Somerville alone. He spoke about the extensive process undertaken by the city to inform the public and seek their approval for the city's new high school and he questioned the lack of information provided relative to this matter, noting that it has yet to made clear exactly how the funds would be used. Taxpayers have not been provided with that information and they're the ones paying the freight. He suggested that the city not be in a rush to push this proposal/ but rather should be working with other communities, colleges and unions to seek a solution, instead of creating a larger problem.

Chairman Niedergang explained that the city's Affordable Housing Trust Fund (AHTF) would be the recipient of the funds generated through the proposed fee. He invited 2 members of the AHTF, Lisa Davidson and Daniel LeBlanc, to address the committee. Ms. Davidson works with the Somerville Homeless Coalition and spoke about the assistance provided by the AHTF to many non-profits. Mr. LeBlanc works for the Somerville Community Corporation and spoke about the composition of the AHTF's 9-member board, established 30 years ago by a Home Rule Petition. The board is a public body whose members are appointed by the mayor and approved by the Board of Aldermen and is subject to the Open Meeting Law. The AHTF has been involved in every affordable housing endeavor of any type and uses linkage and CPA funds to do its work.

Thirty nine individuals (of forty nine who signed in to speak in favor of the proposal) gave their reasons for supporting this item. Twenty eight individuals (of forty three who signed in to speak in opposition to the proposal) gave their reasons for opposing this item.

#### **Public Comment Summary - In Favor**

- The cost to address affordable housing should be shared by bringing public and private funds together

- The city's diverse population is changing and it may be too late to keep it this way
- The lack of affordable housing is a monumental crisis and something needs to be done to help the situation
- The recent changes made to the proposal should take care of the objections raised at the last public hearing
- The burden should be on developers and investors
- Rents have increased 40% in 7 years and the city's tax revenues have skyrocketed in recent years, so it's time for the city to build its own public housing
- Housing is not a luxury - it's a human right
- Would like to see a movement for rent control
- Allocate the funds through a democratic process
- There is a real fear of displacement
- The value of homes come from the citizens of the city, so it's only fair that we pay this and reinvest it in our community
- The AHTF's members should be democratically elected
- Developers have resources to pay a 1% tax
- Push rent control and taxes for developers
- The character of the neighborhood is gone because people got priced out
- Tax the rich for affordable housing
- The SHA has over 3,000 applications for housing and has closed its waitlist
- There are no solutions to this problem that don't require funding
- The proposal targets those who are trying to make a profit
- Absentee landlords should pay more than 1%
- There is nothing unfair about paying 1% back to the city
- Increase the amount of the fee if it's directed to developers
- A 1% fee "isn't a big deal"
- The proposal falls where it should, on developers and speculators
- Developers should pay because they are the ones making the city unaffordable
- Not interested in living in a city that only caters to the wealthy
- Developers are kicking back money to the mayor
- This is an opportunity for Somerville to be a leader
- This is an anti-speculator bill
- The amount of money that will be generated is just a band-aid to the problem
- The city is failing to address systemic segregation

- A rent increase of \$30 - \$40 a month is acceptable
- Keep Somerville affordable to as many people as possible
- It would be wonderful for the city to have a program to help people purchase a home here

### **Public Comment Summary - Opposed**

- Disappointed that, as a member of the Mayor's Task Force on Affordable Housing, (she) was not given the opportunity to vote on a final recommendation
- This is a tax
- The plan needs to be made public
- The discussion has not yet focused on the net costs - only the need - and there is a ripple through cost that would add to larger assessments in the future
- This will do more harm than good
- The focus should be on zoning
- We're not all rich, so if this passes, rents will go up and things will get worse
- If you are a resident property owner who is in favor of this proposal, then why not give up your residential real estate tax exemptions?
- There are approximately 2,000 properties in RB districts that could potentially add an additional living unit, so the city is sacrificing rental units right from under the public's noses
- Seniors are expendable to the city
- The city has allowed the problem to grow
- This is a bad bill with many 'red flags' and it is unclear where the funds would be spent
- Unless it's clear that this proposal will make a measurable impact in alleviating the affordable housing problem, it will fail in the legislature
- The city needs to bring back honesty
- When the payments for the new high school start increasing, rents will go up even more
- Push back on developers and colleges that don't want student housing on their campuses
- This is a regional issue, so we should be working with other communities
- The city already has the 100 homes initiative
- The city is spending a lot of time reinventing the wheel
- Rent control in Cambridge caused property there to fall into disrepair
- It's not fair to always come back to the homeowners
- Taxes are regressive and when you tax something, you get less of it
- If you tax homeowners, rents will go up
- This is taxation without representation since many people weren't aware that this proposal was being put forth

- This tax will be passed through to the renters in the same way that increases in costs are typically passed on to the consumers
- It's not Somerville's responsibility to supply affordable housing for the greater Boston area
- Tax the people who want to move here
- The affordable housing problem exists everywhere
- Everyone cares and wants to help solve the problem, some by renting at below market rates, but this tax is causing some to sell and will be a direct link to more people being displaced
- This is a sellers' market and the city is not thinking of the 'little guy'
- The people who are 'doing the work' are the ones getting punished
- Developers are paying high linkage fees here, so will the city propose another Home Rule Petition when they move to other communities?
- Small business men and women have invested in businesses here and they're being treated as if they are the worst people you could imagine
- Affordable housing starts with living where you can afford to live, so if you want to live here, you have to pay for it
- It's insane to try to solve a regional problem at the city level by imposing this tax

#### **Public Comment Summary - General**

Several people complained about the lack of notification about tonight's public hearing and questioned why the city's CTY system wasn't utilized. One resident told the committee members that she got plenty of mail when they were running for office, but nothing from them about this proposal or public hearing. Another resident said that she was heartbroken to hear the anger among those attending this public hearing and another resident said that she was in favor of the proposal, however, the city stands to lose money based on the way it's written. A comment was made that the Board of Aldermen always talks about green space, but every parcel of land is being developed. A question was asked about the last time the AHTF was audited, and Chairman Niedergang stated that the last audit was done in 2017 and is available online.

Chairman Niedergang told those present that this item will be on the agendas of both Legislative Matters Committee meetings scheduled for next week.

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| <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.**

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| <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.**

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| <b>RESULT:</b> | <b>KEPT IN COMMITTEE</b> |
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**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.

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| <b>RESULT:</b> | <b>KEPT IN COMMITTEE</b> |
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**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.

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| <b>RESULT:</b> | <b>KEPT IN COMMITTEE</b> |
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**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.

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| <b>RESULT:</b> | <b>KEPT IN COMMITTEE</b> |
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**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.

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| <b>RESULT:</b> | <b>KEPT IN COMMITTEE</b> |
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**205680:** 5 residents submitting comments re: #204954, a Home Rule Petition for a Real Estate Transfer Fee.

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| <b>RESULT:</b> | <b>KEPT IN COMMITTEE</b> |
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**Handouts:**

- RETF FAQ (with 204954)
- RETF Summary (with 204954)
- Transfer Fee Public Comments (with 204954)