



CITY OF SOMERVILLE, MASSACHUSETTS
CLERK OF COMMITTEES

April 12, 2016
REPORT OF THE LAND USE COMMITTEE

Attendee Name	Title	Status	Arrived
Lance L. Davis	Chair	Present	
Mark Niedergang	Vice Chair	Present	
William A. White Jr.	Alderman At Large	Present	
Matthew McLaughlin	Ward One Alderman	Present	
Maryann M. Heuston	Ward Two Alderman	Present	
Robert J. McWatters	Ward Three Alderman	Present	
Tony Lafuente	Ward Four Alderman	Present	
Katjana Ballantyne	Ward Seven Alderman	Present	
John M. Connolly	Alderman At Large	Present	
Dennis M. Sullivan	Alderman At Large	Present	
Mary Jo Rossetti	Alderman at Large	Present	

Others present: George Proakis - OSPCD, Eric Halvorsen - RKG, Don Briggs - Federal Realty Investment Trust (FRIT), Charles Sillari - Clerk of Committees

The meeting took place in the Committee Room and was called to order at 6:00 PM by Alderman Davis and adjourned at 8:30 PM.

Document List:

- AHOC Response (with 198429)
- Boston Globe Article (with 198429)
- RKG (with 198429)

198429: Requesting the adoption of a New Zoning Ordinance (updated) to supersede the current Zoning Ordinance as originally adopted on March 23, 1990.

RESULT:	KEPT IN COMMITTEE
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200102: 11 registered voters proposing a Zoning Ordinance for Inclusionary Housing, with a petition from 511 citizens supporting an inclusionary zoning ordinance amendment and a revised application process.

200995: Planning Board conveying its recommendations re: #200102, a proposed Zoning Ordinance for Inclusionary Housing.

Mr. Proakis explained the role of RKG and the model developed to assist in the zoning overhaul process and discussed the differences and relations to land values, different strategies for smaller projects and bonuses.

Mr. Halvorsen spoke on behalf of RKG and explained differences in the revised Memorandum, as compared to the previously provided draft version. Members asked questions concerning the land values used in the study, parking changes, rates of return on real estate projects in communities surrounding Somerville, data used to reach the 15% internal rate of return level, percentages and factors built into the model, the possibility of economic changes affecting the model's set percentages, the number of other districts RKG has worked on and exemptions at Assembly Square.

Alderman Niedergang requested a list of interviewees whom the report was based on.

Alderman Niedergang stated that he would like to start hashing through the proposal before the BOA and Alderman Heuston stated that she is not ready to discuss it this evening, noting Aldermen just received a revised RKG Memo earlier in the day, that it took one year to complete the plastic bag ordinance, and that this matter deserves the time necessary for thorough deliberations. Alderman Sullivan would also like more time to read through the documents and Alderman McLaughlin said he doesn't see any problems and is ready to vote on the matter. Alderman Connolly said that the status of the GLX should be considered and added that he would like to see incentives for developers included. Alderman Lafuente stated that he is amenable to allowing members additional time, however, he is ready to vote now as the viability of the community is in danger. Alderman White suggested the possibility of differentiating between sections of the city. Alderman Lafuente commented that East Somerville could be the most expensive section of the city in the future, having 3 transit stops. He requested that Mr. Proakis return to the committee with concrete ideas on how to maximize affordable units.

Mr. Halvorsen spoke about the financial feasibility model, creating affordable housing, not stopping development in the city, using default values (and how they were determined), factoring in of the revenue stream and how certain projects would be impacted by the inclusionary housing proposal. He explained that since most projects are small, local banks were included in the analysis. Mr. Halvorsen pointed out that some developers build less units to avoid triggering the affordable units requirement.

Mr. Proakis returned to the podium to answer additional questions, including requests for additional input and information that could be learned from the revised RKG model.

Alderman Connolly sponsored Mr. Briggs to speak before the committee.

Mr. Briggs discussed the public investment, as well as Federal Realty's, in Assembly Square and stated that FRIT has another 10 years of development there. He said that the city faces an evolution and that there is a demand for housing units in Somerville, adding that market

constraints drive prices up. He went on to say that the proposal before the Board will drive their market rate rentals up and that is something that was not anticipated back in 2005. The current price for a 1 bedroom unit at Assembly Square is \$2,500 per month. Neighbors of Assembly Square will get a windfall, whereas FRIT will not. He spoke about value capture and flexible variables over the next 10 years. Mr. Briggs told the committee that he would like FRIT's current PUD (for about 823 units), exempted from any increase in the inclusionary zoning percentage.

Alderman Lafuente asked how the Avalon Bay ground lease would be impacted and questioned the thought process that resulted in Partners HealthCare owning the building in which their offices will be located, resulting in a loss of property tax revenue to the city. Mr. Briggs explained how FRIT purchased the property and attracted Partners to the site, noting that the city did not want a then-proposed grocery store in that location.

Alderman Heuston and Alderman McLaughlin requested to have Mr. Briggs' comments in written form.

RESULT:

KEPT IN COMMITTEE