



CITY OF SOMERVILLE, MASSACHUSETTS PLANNING BOARD

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December 8, 2017

The Honorable Board of Aldermen
City Hall
93 Highland Avenue
Somerville, MA 02143

Re: Recommendations on items #204399, #204400, #204524, and #204525, four zoning ordinance proposals for affordable housing linkage fees and/or jobs creation and retention linkage fees.

Dear Honorable Board of Aldermen:

In keeping with its lawful responsibilities, the Planning Board submits to your Honorable Board its recommendation on the four ordinances below:

1. 204399: Recommend Requesting the adoption of an amendment to Zoning Ordinance Article 15 to establish a Project Mitigation Fee for Job Creation and Retention.
2. 204400: Recommend Requesting the adoption of an amendment to Zoning Ordinance Section 15.5 to update the Project Mitigation Contribution for Affordable Housing.
3. 204524: Recommend 18 registered voters submitting a proposed amendment to Zoning Ordinance Article 15 to update the housing linkage fee.
4. 204525: Recommend 18 registered voters submitting a proposed amendment to Zoning Ordinance Article 15 to update the housing linkage fee and create a jobs creation and retention linkage fee.

On November 27, at 6:00 p.m. the Planning Board and Land Use Committee of the Board of Aldermen jointly held a duly advertised public hearing in the Aldermanic Chambers in City Hall. The purpose of the hearing was to solicit public comments on the proposed amendments and

to evaluate the amendment in the context of testimony received and information provided by the Planning Staff at the hearing.

PUBLIC HEARING

At the public hearing on November 27, George Proakis from the Planning Division introduced the first two ordinances and provided a comparison with the two ordinances submitted by registered voters. Mr. Proakis noted that, for the most part, the ordinances were identical, but they separated in points where the numbers were set out. Fred Berman, speaking on behalf of the group that submitted the petition introduced the other two ordinances. Mr. Berman noted that the housing ordinance (204524) was designed mainly to focus on housing linkage in the event that jobs linkage could not be completed. He noted that, because we can now introduce the jobs linkage as well, he would focus on the other item that includes both (204525)

Public testimony included comments about the differences between the ordinances. The public was supportive of creating the new jobs linkage program, and generally supportive of the increase in housing linkage. Most speakers preferred that the Board use the numbers in the voter petition, which are based on the top of the range recommended in the nexus study.

Mr. Proakis noted that we are all supportive of these programs and working on the same page – we just want to make sure we can get the right numbers in the ordinance.

At the conclusion of the hearing, the Planning Board left the public hearing open for written comments until November 29, 2017

FOLLOW UP MEETING

After the public hearing was closed, the Planning Board held a public meeting to discuss the amendment on November 30, 2017. After further discussing the ordinances, the Planning Board made a recommendation for the Land Use Committee to consider in their deliberations.

RECOMMENDATION

The Planning Board noted their general support for both the housing and jobs linkage programs. Members of the Board had varying suggestions and concerns and agreed to have them listed together as a recommendation on the four amendments. The Board does therefore **RECOMMEND CONSIDERATION OF THE ITEMS BELOW:**

1. That the Board of Alderman adopt the new linkage regulations in the format that is included in the ordinances.
2. That the Board adopt the linkage rates in the voter petition:
 - \$10.00 per square foot beyond 30,000 for housing linkage
 - \$2.46 per square foot beyond 15,000 for jobs linkage

3. That the Board consider the impact of the payment schedule on the development of individual projects, as well as the impact on the ability to finance affordable housing and job programs
 - Consider the impact of both the three-year and the five-year schedule for housing linkage
 - Consider the impact of the one-year or two-year schedule for jobs linkage, but in either case, DO NOT adopt a linkage program that requires any payments prior to a certificate of occupancy
4. That the Board consider both indexes (regional and national index) indicated in the ordinances, study them both and make an informed decision on which index to use for future increases in fees
5. That the Board consider starting with the lower fee, and having the fee increase to the recommended fee in future years, particularly in the case of housing linkage – this would thereby allowing projects that quickly advance new commercial buildings an opportunity to get into the market prior to a fee increase.
For example:
Set housing linkage at:
 - \$8.15 per sf for projects approved from now to the end of 2018
 - \$9.15 per sf for projects approved in calendar year 2019
 - \$10.00 per sf for projects approved after January 1, 2020
 - Index the fee for years after 2020
6. That the Board require a review 24 months after the fee increase goes into effect to determine the impacts of the increased fees on the finance and construction of commercial development in the City, and determine if any adjustments are necessary

The Planning Board adopted this list of recommendations by general consensus and agreed to forward them all to your Honorable Board.

Sincerely,



Kevin Prior Chair