

# City of Somerville FY2022 Classification Hearing

November 23, 2021

Adoption of Tax Levy percentages for FY 2022

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 86.0377, the legal minimum for the City of Somerville for FY 2022.
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 2022.

# Comparison of State Form LA-4 FY21 & FY22

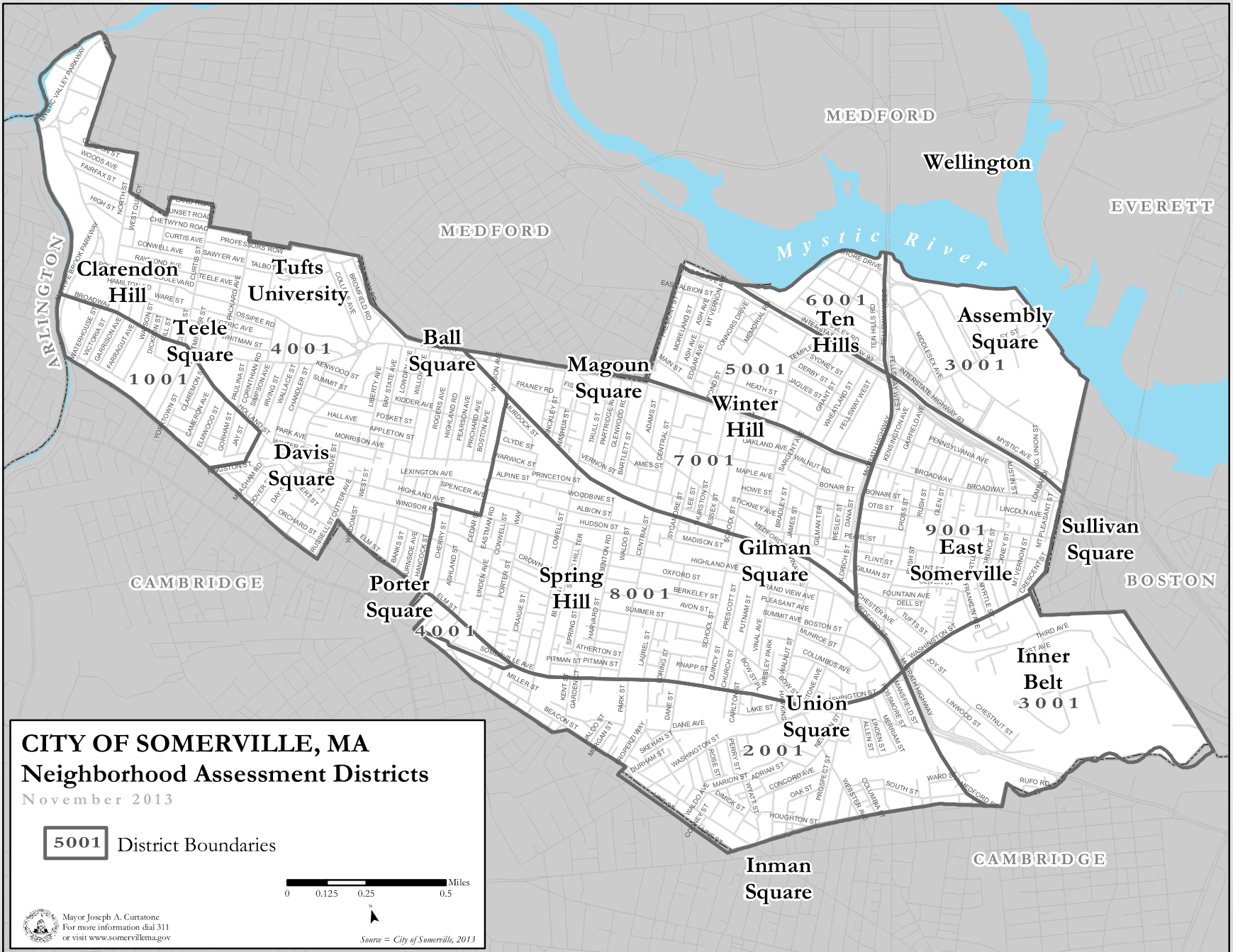
USE CODE	DESCRIPTION	FY 2021 PARCEL COUNT	FY 2022 PARCEL COUNT	FY 2021 ASSESSED VALUE	FY 2022 ASSESSED VALUE
101	SINGLE FAMILY	2,313	2,308	\$2,092,957,700	\$2,216,809,500
102	CONDOMINIUM	6,282	6,514	\$4,105,218,086	\$4,420,923,419
104	TWO FAMILY	4,938	4,900	\$4,851,630,100	\$5,045,722,200
105	THREE FAMILY	2,236	2,228	\$2,722,074,500	\$2,876,422,000
109	2 OR MORE RES. BUILDINGS/1 LOT	73	74	\$114,218,000	\$127,415,900
111-125	APARTMENTS 4+	657	664	\$1,836,120,024	\$2,148,673,635
130-132,106	VACANT RES. LAND	179	171	\$22,402,600	\$19,271,500
300-393	COMMERCIAL	591	596	\$1,895,798,155	\$2,197,734,149
400-452	INDUSTRIAL	94	95	\$411,238,800	\$452,559,300
012-043	MIXED USE RESIDENTIAL	261	257	\$663,936,570	\$724,991,255
	MIXED USE COMMERCIAL			\$174,747,273	\$175,885,487
501-508	PERSONAL PROPERTY	1354	1,407	\$407,549,990	\$446,617,260
TOTAL REAL & PERSONAL PROPERTY VALUE		18,978	19,214	\$19,297,891,798	\$20,853,025,605
900-990	EXEMPT REAL ESTATE	391	390	\$2,169,941,878	\$2,297,225,407

## Parcel Count Changes FY21-FY22:

- Added 232 residential condo units (154 conversions/78 new)
- 38 fewer two family properties
- 8 fewer three family properties

## Average Valuation Changes FY21-FY22

	Market & Growth	Growth Only
Single family	6%	1%
Two family	4%	1%
Three family	6%	1%
Condominiums	8%	2%
Res/Mix & Apartments 4+	15%	8%
Commercial	16%	15%
Industrial	10%	10%
Personal Property	n/a	n/a



# Average Assessment Changes By Neighborhood: Single Family

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	1,038,181	1,091,200	5.11
2001 Ward 2 Union Square South	923,414	987,973	6.99
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,221,526	1,269,290	3.91
5001 Winter Hill North	650,316	714,503	9.87
6001 Ten Hills	719,690	802,469	11.50
7001 Winter Hill & Magoun Square	770,084	820,467	6.54
8001 Central, Spring & Prospect Hill	918,046	983,244	7.10
9001 East Somerville	689,706	722,234	4.72
<b>City Average</b>	<b>904,867</b>	<b>960,489</b>	<b>6.15</b>

# Average Assessment Changes By Neighborhood: Two Family

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	1,045,346	1,083,064	3.61
2001 Ward 2 Union Square South	995,011	1,054,526	5.98
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,127,863	1,163,987	3.20
5001 Winter Hill North	712,119	761,794	6.98
6001 Ten Hills	744,265	824,344	10.76
7001 Winter Hill & Magoun Square	833,512	886,212	6.32
8001 Central, Spring & Prospect Hill	967,314	1,027,245	6.20
9001 East Somerville	809,207	843,294	4.21
<b>City Average</b>	<b>982,509</b>	<b>1,029,739</b>	<b>4.81</b>

# Average Assessment Changes By Neighborhood: Three Family

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	1,362,578	1,437,229	5.48
2001 Ward 2 Union Square South	1,333,943	1,401,583	5.07
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,332,193	1,398,323	4.96
5001 Winter Hill North	1,062,188	1,131,446	6.52
6001 Ten Hills	868,060	992,680	14.36
7001 Winter Hill & Magoun Square	1,044,696	1,133,403	8.49
8001 Central, Spring & Prospect Hill	1,213,541	1,303,580	7.42
9001 East Somerville	1,038,552	1,097,091	5.64
<b>City Average</b>	<b>1,217,386</b>	<b>1,291,033</b>	<b>6.05</b>



# Average Assessment Changes By Neighborhood: Condominium

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	777,980	793,894	2.10
2001 Ward 2 Union Square South	666,521	686,879	3.05
3001 Ward 2 Cobble Hill	640,548	641,314	0.12
4001 West Somerville	758,886	778,605	2.60
5001 Winter Hill North	507,546	534,107	5.23
6001 Ten Hills	580,197	619,435	6.76
7001 Winter Hill & Magoun Square	541,235	562,490	3.93
8001 Central, Spring & Prospect Hill	664,244	694,417	4.54
9001 East Somerville	558,895	589,420	5.46
<b>City Average</b>	<b>653,489</b>	<b>678,680</b>	<b>3.86</b>

# FY22 Growth

Use Type	New Growth Valuation	Tax Levy Growth
Single Family	11,477,200	
Condominium	94,059,932	
Two & Three Family	57,523,500	
Four+ Units	124,697,700	
Mixed-Use Residential & Other	70,529,531	
<b>Total Residential</b>	<b>358,287,863</b>	<b>3,650,953</b>
Commercial	290,273,264	4,844,661
Industrial	44,277,900	738,998
Personal Property	89,257,540	1,489,708
<b>Total Commercial, Industrial &amp; Personal Property</b>	<b>423,808,704</b>	<b>7,073,367</b>
<b>Total Real &amp; Personal Property</b>	<b>782,096,567</b>	<b>10,724,320</b>

# Major Contributors to New Growth Valuation

<b>Assembly Row</b>	<b>New Valuation</b>	<b>FY22 Tax (Estimate)</b>
Grand Union Blvd – Corporate Office Under Construction – 56% Complete	\$22.4M	\$374,105
301 Assembly Row – Apartment/Retail Under Construction – 67% Complete	\$49.8M	\$831,496
<b>Cambridge Crossing – Boynton Yards</b>		
250 Dawes Street – Inner Belt (Office/Lab) Under Construction – 43% Complete	\$137.8M	\$2,299,854
0 Dawes Street – Inner Belt (Office/Lab) Complete 1/3 Som 2/3 Camb – 33% Complete	\$17.9M	\$299,556
101 South Street – Boynton Yards (Office/Lab) Under Construction – 45% Complete	\$69.4M	\$1,157,809



u/vanhoosear on Flickr

# FY22 Tax Levy & Classification

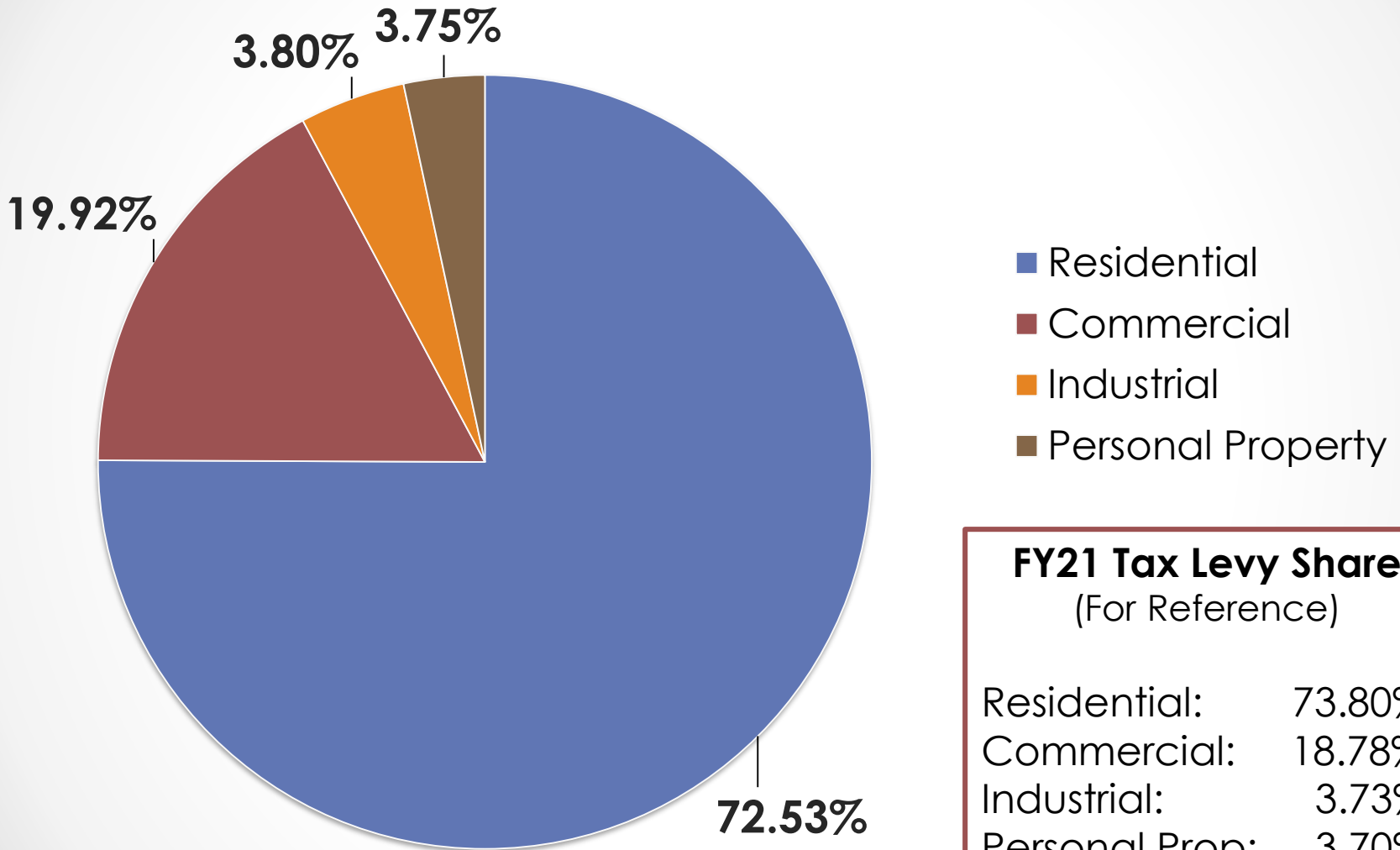
FY22 Levy Limit:	\$198,051,137
<b>FY22 Proposed Levy</b> : <small>under levy limit</small>	<b>\$ 194,794,087</b>
FY22 Debt Exclusion	\$ 6,033,611
<b>FY22 Proposed Levy:</b>	<b>\$ 200,827,698</b>
<u>FY21 Levy:</u>	<u>\$ 182,757,870</u>
Tax Levy Change:	\$ 18,069,828
Excess Levy Capacity:	\$ 3,257,049

FY22 Change: 9.9%
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	As Assessed	With 175% Classification
Commercial Value Percentage	15.6946	27.4656
Residential Value Percentage	84.3054	72.5344

Commercial Levy:	\$ 55,158,532.22
Residential Levy:	\$145,669,165.78

# Tax Levy Share: FY22



<b>FY21 Tax Levy Share</b> (For Reference)	
Residential:	73.80%
Commercial:	18.78%
Industrial:	3.73%
Personal Prop:	3.70%

# Option 1: No Classification & No ResX

- Single Tax Rate: \$ 9.63

**NOT RECOMMENDED**

Use Type	FY21 Average Value	FY22 Average Value	FY21 Average Tax	FY22 Average Tax	Tax Change FY21-FY22
CONDO	653,489	678,680	\$6,234	\$6,536	\$302
1 FAMILY	904,867	960,489	\$8,632	\$9,250	\$618
2 FAMILY	982,509	1,029,739	\$9,373	\$9,916	\$543
3 FAMILY	1,217,386	1,291,033	\$11,614	\$12,433	\$819
4-8 FAMILY	1,652,492	1,776,072	\$15,765	\$17,103	\$1,338
COM/IND	2,623,451	2,981,201	\$25,028	28,709	\$3,681

# Option 2: With Classification & No ResX

- Residential Rate: \$ 8.29
- Commercial Rate: \$16.85

**NOT RECOMMENDED**

Use Type	FY21 Average Value	FY22 Average Value	FY21 Average Tax	FY22 Average Tax	Tax Change FY21-FY22
CONDO	653,489	678,680	\$5,411	\$5,626	\$215
1 FAMILY	904,867	960,489	\$7,492	\$7,962	\$470
2 FAMILY	982,509	1,029,739	\$8,135	\$8,537	\$402
3 FAMILY	1,217,386	1,291,033	\$10,080	\$10,703	\$623
4-8 FAMILY	1,652,492	1,776,072	\$13,683	\$14,724	\$1,041
COM/IND	2,623,451	2,981,201	\$43,785	\$50,233	\$6,448

# Option 3: With Classification & ResX

- Residential Rate: \$10.17      **ResX Value Reduction: \$359,493**
- Commercial Rate: \$16.85      **Tax Savings of \$3,656.04**

**RECOMMENDED**

(ResX included for condo, 1, 2, 3 & 4-8 family)

Use Type	FY21 Average Value	FY22 Average Value	FY21 Average Tax	FY22 Average Tax	Tax Change FY21-FY22
CONDO	653,489	678,680	\$3,207	\$3,246	\$39
1 FAMILY	904,867	960,489	\$5,771	\$6,112	\$341
2 FAMILY	982,509	1,029,739	\$6,563	\$6,816	\$253
3 FAMILY	1,217,386	1,291,033	\$8,959	\$9,474	\$515
4-8 FAMILY	1,652,492	1,776,072	\$13,397	\$14,407	\$1,010



# ESTIMATED IMPACT OF THE DEBT EXCLUSION FOR FY 2022 ACTUAL THIRD & FOURTH QUARTER BILLS

THE DEBT EXCLUSION IS ABOVE & BEYOND THE LEVY LIMIT - THE DEBT EXCL DIVIDED BY THE PROPOSED LEVY = 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 2022

<u>EST RATES / FY22 AVG VALUES</u>		<u>WITHOUT RES EXEMPTION</u>		<u>WITH RESIDENTIAL EXEMPTION</u>	
RATES/AVG VAL	FY22	USE	FY22	USE	FY22
RES TX RATE	\$10.17	FY22 PROPOSED LEVY	194,794,087	FY22 PROPOSED LEVY	194,794,087
COM RATE	\$16.85	DEBT EXCLUSION	6,033,611	DEBT EXCLUSION	6,033,611
RES EXEMPTION	\$3,656	TOTAL PROPOSED LEVY	200,827,698	TOTAL PROPOSED LEVY	200,827,698
		RATIO	0.0300437	RATIO	0.0300437
101 AVG VAL	960,489	101 - SINGLE FAMILY	\$294	101 - SINGLE FAMILY	\$184
102 AVG VAL	678,680	102 - CONDOMINIUM	\$207	102 - CONDOMINIUM	\$98
104 AVG VAL	1,029,739	104 - TWO FAMILY	\$314	104 - TWO FAMILY	\$205
105 AVG VAL	1,291,033	105 - THREE FAMILY	\$394	105 - THREE FAMILY	\$285
4-8 / 9+ APT AVG VAL	3,235,954	4-8 FAMILY & 9+ APARTMENT	\$989	4-8 FAMILY & 9+ APARTMENT	\$879
COM AVG VAL	2,782,672	COMMERCIAL	\$1,409	COMMERCIAL	\$1,409
IND AVG VAL	4,763,782	INDUSTRIAL	\$2,412	INDUSTRIAL	\$2,412

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

# Reviewing the Impact of the Residential Exemption FY22

Use Type	FY22 Average Value	Taxes w/o ResX	Taxes WITH ResX	Difference
CONDO	678,680	\$5,626	\$3,246	\$2,380
1 FAMILY	960,489	\$7,962	\$6,112	\$1,850
2 FAMILY	1,029,739	\$8,537	\$6,816	\$1,721
3 FAMILY	1,291,033	\$10,703	\$9,474	\$1,229
4-8 FAMILY	1,776,072	\$14,724	\$14,407	\$317

# FY21 Residential Tax Community Comparison

Municipality	Residential Tax Rate	Comm/Ind/PP Levy Share	Average FY21 Res Value	ResX Percentage	ResX Savings	Average Residential Tax Bill
Waltham	\$11.32	58.50%	\$658,429	35%	\$2,609	\$4,844
Boston	\$10.67	58.30%	\$844,293	35%	\$3,150	\$5,859
Cambridge	\$5.85	65.44%	\$1,442,221	30%	\$2,531	\$5,906
Somerville	\$10.19	26.20%	\$968,685	35%	\$3,455	\$6,416
Watertown	\$12.25	38.28%	\$733,688	25%	\$2,247	\$6,741
Newton	\$10.76	17.30%	\$1,089,833	no	-	\$11,727