

To: The Somerville Board of Aldermen
Re: Comments on Proposed Zoning Ordinance

Zoning is just one of the tools that Somerville will have to use if we want to keep our city a diverse, affordable, and livable place, but it is an important part of achieving those goals. We support the desire to increase the city's tax base by incentivizing commercial development, but we also want to make sure that there is an incentive for balance between commercial and affordable residential development.

We believe that as potential profit for developers is increased by the transition to a form-based code, to the City must ensure that some profit comes back to the local community through linkage payments, affordable housing, good jobs, and other community benefits.

Affordable Housing

Inclusionary Requirement (p253) – We would like to see table 9.1 replaced by a **citywide inclusionary zoning requirement of 20%**, with developments of 4 or fewer units exempted. As currently proposed, much of the area slated for the increased 20% inclusionary requirement is in transformational zones where there is a 65% minimum requirement for commercial development and special permits are needed in order to build housing, potentially limiting housing development. A 20% requirement citywide will ensure that the corridors and areas around future T stations also generate desperately needed affordable housing. In addition, a city-wide requirement of 20% inclusionary housing will be easier for developers and residents to understand. We believe that it is critical that the City not meet the need for “middle income” housing by reducing the number of inclusionary units that would otherwise go to low-and moderate-income tenants and re-directing them toward higher income renters/homeowners. However, we think the City has struck a reasonable balance between preserving units for those most economically vulnerable and beginning to meet the need for affordable housing for those above the 80% AMI income bracket. **We support the income tiers proposed in table 9.2 and the provision that at least 20% of the inclusionary units in large developments be 3 bedrooms or larger.**

Parking and Other Amenities in Inclusionary Units (p253): If access to onsite parking or other amenities for which there is a supplemental charge is routinely offered to occupants of the building in which the inclusionary unit is located, **the total charge to the household occupying such unit, including access to such amenities, should not exceed the Unit Price calculated in section 4.** In the case of parking, denial of access to the amenity should not create a burden on the abutters, if residents of inclusionary units have to park on the street; nor should access to on-site parking by residents of inclusionary units increase their housing costs beyond the intended level of affordability.

Alternative Compliance (p254) – We agree with the City that onsite inclusionary units are preferable to offsite units, both in terms of cost-effectiveness and of promoting socioeconomic integration. If developers are permitted to build offsite units there must be a compelling reason, such as the ability to provide more affordable family-sized units (3-bedroom or larger). To the extent that developers seek to satisfy the requirement by building their inclusionary units offsite, those units should all be family sized-units, affordable to the same tier 1 & 2 households as would be the onsite units, and should include an extra unit for every five units that would have been required onsite. Section 7 should therefore read: **“Offsite units must be affordable to Tier 1 and 2 households according to chart 9.1, should consist of a mix of 2-bedroom and larger units with at least as many multi-bedroom units as would be required to satisfy the on-site inclusionary requirement, and must include at least one additional inclusionary unit for every five required units that would have been required had the units been built onsite.”**

Buyouts and Payments (p254) – For developments of exactly 4 units and for developments of 5 or more units in which all of the required inclusionary units will be built, **the payment for fractional units required should be based on 100% of the cost of the subsidy required for the next inclusionary unit.**

For developments of 5 or more units in which ANY of the required inclusionary units will NOT be built: **the payment for each unbuilt unit and fractional unit that was required should be based on 150% of the cost of the subsidy required for each of the required inclusionary units and fractions thereof that were not built.** This creates an important disincentive for buying out of the inclusionary requirement.

In calculating the subsidy required for any of the inclusionary units not built or the subsidy required for the next inclusionary unit, the schedule of affordability prescribed in Table 9.4 should be used; that is, if the next inclusionary unit required would have been a Tier 1 rental unit affordable to households with 40% of the AMI, then the payment calculated should be based on the subsidy needed to make such a unit affordable to households with income equal to 40% of AMI.

Household Selection (p255) – In order to promote housing stability and remedy displacement, **lotteries for inclusionary units should prioritize income-eligible households in the following order:**

- First priority: Households currently residing in Somerville
- Second priority: Households that have been displaced from Somerville in the last four years by:
 - inability to pay rent
 - sale of the property by the owner
 - conversion of the property to a condominium
 - foreclosure on the property
- Third priority: Households with at least one member working in Somerville

Compliance and Enforcement (p255) – In order to protect property owners and tenants from the human and financial costs of eviction, **all inclusionary zoning units shall have a City-approved lease that includes the following provisions:**

- Eviction from inclusionary units shall be only be based on good cause related to tenant fault. Good cause is defined as a substantial or repeated violation of a material lease term including but not limited to the obligation to pay rent
- Any notice of termination or non-renewal shall state the complete reasons for the proposed eviction and the facts upon which such reasons are based.

Linkage Fee (p256) –As you may know, AHOC supported the increase of the affordable housing linkage fee to **\$5.15 in 2013 and we are pleased to see it in the new code. However, we recommend that the City commission an updated nexus study to explore the possibility of requiring a higher linkage fee** to more adequately address the crisis of displacement and to better reflect the increased need for affordable housing in the City created by non-residential development. (Cambridge recently did such a study, which found that the impact on Cambridge from non-residential development could be calculated at \$24.30/square foot. It nonetheless recommended a \$10-12 linkage fee to remain competitive with neighboring cities). The study should take into account the possibility of a job linkage fee. We would like to see community benefits in commercial as well as residential development, such as good jobs and training programs that could be funded by a job linkage fee. Raising the linkage fee significantly would bring the cost of community benefit requirements for commercial development more in line with the 20% inclusionary requirement for residential development, and could potentially be used to subsidize additional affordable units in a mixed-use development.

Special Districts

Purpose (p3) – The purpose section is very strong. In particular, **we support section G:** “To provide a range of housing types, unit sizes, and price points to accommodate the diverse household sizes, and life stages of Somerville residents at all income levels, paying particular attention to providing housing affordable to individuals and families with low and moderate incomes.”

Homeless Shelters and SROs (pp116, 126, 136) – Under the current proposal, homeless shelters and single room occupancy homes are not allowed in the Inner Belt, Brickbottom, and Grand Junction special districts. They are allowed by special permit only in the neighborhood residence areas, where NIMBYism makes it unlikely that they will be approved. This essentially prohibits the construction of any such facilities. **We recommend that shelters and SROs be allowed by special permit in these districts.**

Accessory Units (p174) – **We support the code’s inclusion of accessory units** such as basement apartments as legal dwelling units, provided they comply with specified minimum requirements. Such units often provide an important source of informal affordable housing in the private market..

Other Items

The following issues may not be best addressed through the zoning code, but we would like to bring them to the board's attention so they can be referred to the Planning Department, Housing Department, or Sustainable Neighborhoods Working Group, as appropriate.

Single waiting list – We recommend that the Housing Division consolidate the waiting list for all inclusionary units, as appropriate to household size.

Income assistance – We recommend the creation of a mechanism (possibly through the Affordable Housing Trust Fund or the Community Preservation Act) to support tenants in inclusionary units who lose income by subsidizing rent beyond a fixed percentage of the tenant's income. This rental assistance could be administered by a local non-profit organization, and would provide a temporary rental subsidy and the payment of rental arrears for those tenants in inclusionary units who have an unexpected loss of income such that the tenant's housing costs (rent plus utilities) exceed 40% of gross income. It is critical that the City develop a program that prevents the displacement of tenants in inclusionary units who, after move-in, have a change in circumstances such that the units are no longer affordable to them. Such a program would also give assurance to developers that tenants in inclusionary units will not be in situations where they simply can't pay the prescribed rent.

Group Living – Somerville and surrounding cities should work to require universities and colleges to build affordable on-campus housing and require students to live in that housing, so as to minimize the impact of those students on the availability and cost of the City's housing. In the meantime, we propose the creation of a "Non-Program-Based Group Living" category of residence to allow occupancy by four or more unrelated adults, so that the number of such adults is appropriate to the number of bedrooms and bathrooms.

Special District Buildout – In Special Districts and Union Square, we recommend revising the phasing portion of each buildout section to specify that non-residential construction must be phased in along with a required minimum of residential construction. This will ensure a balance between commercial and residential development. We recommend that no more than 25%, 50%, and 75% respectively of the total residential construction will be permitted until at least a corresponding percentage of the non-residential construction has been permitted and construction of that non-residential development has begun.

AHOC is a group of Somerville tenants, homeowners, and community members who are devoted to preserving and increasing affordable housing opportunities and stabilizing existing communities in Somerville. AHOC is organized by the Somerville Community Corporation.

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