

CITY OF SOMERVILLE

JOSEPH A. CURTATONE  
MAYOR

SOMERVILLE BOARD OF ASSESSORS

MARC A. LEVYE, RMA, MAA  
CHIEF ASSESSOR AND CHAIRMAN

HUMPHREY MOYNIHAN, MAA  
MICHAEL FLYNN, MAA

CITY OF SOMERVILLE

BOARD OF ALDERMEN HEARING NOVEMBER 22, 2011

ADOPTION OF TAX LEVY PERCENTAGES FOR FY2012

MASSACHUSETTS GENERAL LAWS CHAPTER 797 OF THE ACTS OF 1979

RECOMMENDATIONS:

1. A MOTION THAT THE BOARD OF ALDERMEN ADOPTS A MINIMUM RESIDENTIAL FACTOR OF 86.3556 THE LEGAL MINIMUM FOR THE CITY OF SOMERVILLE FOR FY2012.
2. A MOTION THAT THE BOARD OF ALDERMEN ACCEPTS THE PROVISIONS OF CHAPTER 59, SECTION 5C APPROVING A RESIDENTIAL EXEMPTION OF 30% OF AVERAGE ASSESSED VALUE FOR OWNER OCCUPIED PROPERTIES FOR FY2012.
3. A MOTION THAT THE BOARD OF ALDERMEN ACCEPTS THE PROVISIONS OF SECTION 4 OF CHAPTER 73 OF THE ACTS OF 1986 AND VOTES AN ADDITIONAL STATUTORY EXEMPTION OF UP TO 100% FOR FY2012.

## **PUBLIC HEARING**

### **ALLOCATION OF LOCAL TAXES**

After the assessors receive the Commissioner of Revenue certifications, the Board of Alderman must conduct a public hearing on the issue of allocating the local property tax levy among the four classes of real property and of personal property for FY2012. G.L. Ch. 40 S.56. The public hearing called by the Alderman must comply with the requirements of the Open Meeting Law, as supplemented by local by-laws or ordinance.

The Board of Assessors must provide notice of the conduct of the hearing to taxpayers by a public information release in a newspaper of general circulation in the community, as well as any other appropriate news media. The release should provide the date, time and place of the public hearing.

At the public hearing, the assessors must provide all information and data relevant to making a decision on allocating the tax levy including the fiscal effect of the available alternatives.

### **THE MINIMUM RESIDENTIAL FACTOR**

At the public hearing, the Board of Alderman, together with the Mayor's approval, must first adopt a residential factor. In a city, if the Mayor vetoes the Aldermans's factor, the Alderman may override the vote with a vote equal to two-thirds of the members elected. The residential factor adopted must be an amount not less than the minimum residential factor calculated by the Commissioner of Revenue.

### **THE RESIDENTIAL EXEMPTION**

At the option of the Mayor with the approval of the Board of Alderman, an exemption of not more than 30 percent of the average assessed value of all Class One, Residential, parcels may be applied to residential parcels that are the principal residence of the property taxpayer as used by the taxpayer for income tax purposes as of January 1, 2011. G.L. Ch. 59 S5C.

### **ADDITIONAL EXEMPTION UP TO 100%**

Since FY 1986, Section 4 of Chapter 73 of the Acts of 1986 allowed an additional exemption of up to 100% of the amount for the Statutory Elderly, Blind, Widowers and Veteran Exemptions. This would be triggered whenever tax increases are incurred.

Under this provision, anyone who qualifies for a statutory exemption, (and after the residential exemption is applied) will pay no more taxes than they did in the previous fiscal year, (provided however that the statutory amount granted in the current year cannot exceed more than double the base rate amount). See base rate amounts and a "statutory" example on the next 2 pages.

**Somerville Board of Assessors**  
**Clause Exemptions- Fiscal Year 2012**

The laws of the Commonwealth of Massachusetts provide for real estate tax relief for certain people. Each category of tax relief is defined, and the allowable amount stated, in the various clauses of Chapter 59, Section 5 of the General Laws. The table below summarizes who qualifies for these exemptions and the amounts of the various exemptions. State law also gives each city and town the option of increasing the exemption up to double the amounts. The Somerville Board of Aldermen, with the approval of the Mayor, has elected this option each year. The exemption amounts shown in the tables are therefore base exemption amounts. They can be increased up to double the amounts shown depending upon the amount each applicant's tax bill has increased over the prior years' taxes (except for senior work-off). Certain deductions are allowed from the income limits shown for the clause exemptions. You should call or come into the Assessors Office in City Hall to find out details. The asset limits **do not** include the value of owner occupied properties.

Clause Name	Clause#	Basic Qualifications	Other Qualifications	Income Limits	Asset Limits	\$\$\$ Amount
Elderly	17D	Age 70 or older	Own & occupy property 5 years	None	\$54,045	\$236.00
Widows	17D	Surviving Spouse	None	None	\$54,045	\$236.00
Other	17D	Minor	Parents are deceased	None	\$54,045	\$236.00
Hardship	18	Age, Infirmary, Income	Must meet all three (3)	Poverty		Varies
Veterans	22	10% Service Disability or Purple Heart	Mass resident 6 months prior to service or 5 years Mass residency	None	None	\$400
Veterans	22B	Loss of two limbs or both eyes	Mass resident 6 months prior to service or 5 years Mass residency	None	None	\$1250
Veterans	22C	Disability requires specially adapted housing	Mass resident 6 months prior to service or 5 years Mass residency	None	None	\$1500
Veterans	22E	100% disability, file V.A. certificate annually	Mass resident 6 months prior to service or 5 year Mass residency, unemployed for all of previous years	None	None	\$1000*
Paraplegic	8A of 58	Paraplegic due to wartime injury	Mass resident 6 months prior to service or Mass residency for 5 years V.A. certificate	None	None	100%
Blind	37A	Legally Blind	Yearly blind certificate	None	None	\$500
Tax Deferral	41A	Age 65 or Older, tax deferred 8% interest per year	Own & Occupy Property for 5 years	\$40,000	None	Defers Up to 100%
Elderly	41C	Age 65 or older	Own / Occupy 5 yrs. in MA & MA resident 10 yrs.	(S)\$20,000 (M)\$30,000	(S)\$40,000 (M)\$55,000	\$750
Senior Work-off	5K	Over 60	Somerville resident	1 person: \$32,150, 2 persons: \$36,750, 3+ persons: contact Council on Aging	None	Up to \$1,000

\*for veterans owning two family or larger houses, Clause 22E is reduced to the same portion as the veterans' occupancy of the property.

**The qualifying date for the Clause Exemptions Is July 1, (each year).** If you think you may qualify for any of the above exemptions, do not hesitate to contact the Assessing Department at 617-625-6600 ext. 3100.

**The application deadline is three months from the date the Third Quarter Bill was mailed.**

**EXAMPLE (using Clause 41C)**

ADDITIONAL (UP TO) 100% EXEMPTION AMOUNT

SECTION 4 OF CHAPTER 73

ACTS OF 1986

FY 2011

\$450,000 VALUE  
X 12.71 TAX RATE  
\$5,719.50  
-1,738.02 RES. EXEMPTION  
\$3,981.48  
- 750.00 STAT. AMOUNT  
\$3,231.48 NET

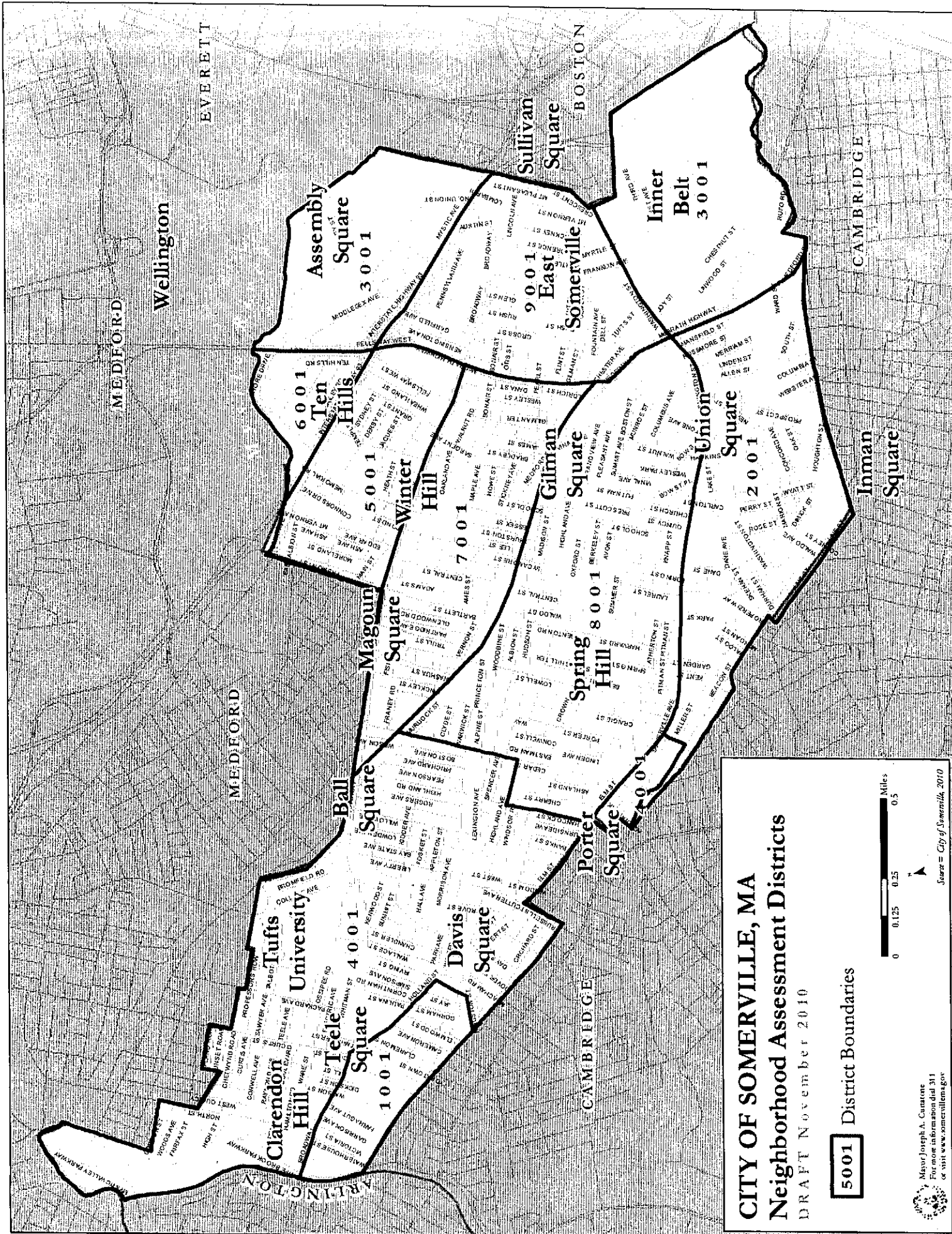
FY 2012

\$450,000 VALUE  
X 13.10 TAX RATE  
\$5,895.00  
-1,801.00 RES. EX.  
\$4,094.00  
- 750.00 STAT. AMT.  
\$3,344.00 NET

\$3,344.00 FY 2012 NEW NET  
\$3,231.48 FY 2011 OLD NET  
\$112.52 INCREASE FROM PREVIOUS YEAR

CERTIFICATE      \$750.00 STATUTORY AMOUNT  
+      \$112.52 INCREASE  
            \$862.52

THIRD QUARTER BILL DEDUCT      \$431.26  
FOURTH QUARTER BILL DEDUCT      \$431.26  
**EFFECTIVE INCREASE IN TAXES      \$ 0**



FY2012 ASSESSMENT & PARCEL COUNT CHANGES BY USE & NEIGHBORHOOD SINCE FY 10

ASSESSMENT DISTRICT	FY10 PARCEL COUNT	FY11 PARCEL COUNT	FY12 PARCEL COUNT	PARCEL COUNT PERCENT CHANGE FY11-12	FY10-AVG ASSESS.	FY11-AVG ASSESS.	FY12-AVG ASSESS.	ASSESSMENT PERCENT CHANGE FY11-12
<b>SINGLE FAMILY</b>								
1001 (W. SOMERVILLE SOUTH/CAMBRIDGE LINE)	93	95	95		452,900	458,700	458,700	
2001 (WARD 2, UNION SQ. SOUTH)	269	269	269		373,700	375,900	383,000	1.89%
3001 (WARD 2, COBBLE HILL)	N/A	N/A	N/A		N/A	N/A	N/A	
4001 (WEST SOMERVILLE)	427	428	429		560,400	562,200	566,300	0.73%
5001 (WINTER HILL NORTH)	153	152	152		314,700	309,300	295,300	-4.53%
6001 (TEN HILLS)	30	30	30		369,700	366,200	366,200	
7001 (WINTER HILL/MAGOUN SQ.)	480	480	480		338,000	334,100	336,900	0.84%
8001 (CENTRAL, SPRING, & PROSPECT HILL)	638	635	636		420,200	415,600	419,600	1.01%
9001 (EAST SOMERVILLE)	270	269	270		277,400	276,600	276,400	-0.07%
PARCEL COUNT CHANGE FROM PREVIOUS YR.	-5	-2	+3		401,000	399,700	402,000	0.58%
CITY AVERAGE-SINGLE FAMILY								
<b>TWO FAMILY</b>								
1001 (W. SOMERVILLE SOUTH/CAMBRIDGE LINE)	267	265	264		517,600	515,400	517,600	0.43%
2001 (WARD 2, UNION SQ. SOUTH)	481	478	475		443,200	442,600	451,300	1.97%
3001 (WARD 2, COBBLE HILL)	N/A	N/A	N/A		N/A	N/A	N/A	
4001 (WEST SOMERVILLE)	1,935	1,917	1,910		566,500	565,000	567,200	0.39%
5001 (WINTER HILL NORTH)	196	196	194		395,800	385,000	368,500	-4.29%
6001 (TEN HILLS)	204	204	204		436,900	424,500	425,300	0.19%
7001 (WINTER HILL/MAGOUN SQ.)	622	622	614	-1.29%	407,900	401,900	402,100	0.05%
8001 (CENTRAL, SPRING, & PROSPECT HILL)	1,131	1,127	1,116	-0.98%	486,100	482,000	483,000	0.21%
9001 (EAST SOMERVILLE)	517	517	517		365,000	361,800	362,400	0.17%
PARCEL COUNT CHANGE FROM PREVIOUS YR.	-35	-27	-32		486,900	483,300	484,800	0.31%
CITY AVERAGE-TWO FAMILY								
<b>THREE FAMILY</b>								
1001 (W. SOMERVILLE SOUTH/CAMBRIDGE LINE)	120	119	119		620,700	619,400	621,200	0.29%
2001 (WARD 2, UNION SQ. SOUTH)	368	367	367		540,000	541,000	546,900	1.09%
3001 (WARD 2, COBBLE HILL)	N/A	N/A	N/A		N/A	N/A	N/A	
4001 (WEST SOMERVILLE)	623	615	609	-0.98%	631,900	631,300	635,600	0.68%
5001 (WINTER HILL NORTH)	208	208	206		483,800	476,500	459,100	-3.65%
6001 (TEN HILLS)	8	8	8		473,000	460,900	460,900	0.00%
7001 (WINTER HILL/MAGOUN SQ.)	280	278	277		485,600	482,900	482,500	-0.08%
8001 (CENTRAL, SPRING, & PROSPECT HILL)	512	508	506		560,100	559,000	560,200	0.21%
9001 (EAST SOMERVILLE)	295	293	292		438,500	438,000	439,000	0.23%
PARCEL COUNT CHANGE FROM PREVIOUS YR.	-12	-18	-12		548,000	546,400	547,500	0.20%
CITY AVERAGE-THREE FAMILY								
<b>CONDOMINIUM</b>								
1102 (W. SOMERVILLE SOUTH/CAMBRIDGE LINE)	302	312	319		384,900	384,300	397,800	3.51%
2102 (WARD 2, UNION SQ. SOUTH)	639	710	723	1.83%	323,500	327,300	331,700	1.34%
3102 (WARD 2, COBBLE HILL)	146	146	146		270,100	288,100	296,400	2.88%
4102 (WEST SOMERVILLE)	812	861	891	3.48%	378,700	382,000	385,400	0.89%
5102 (WINTER HILL NORTH)	263	264	274		216,700	213,000	219,400	3.00%
6102 (TEN HILLS)	51	51	51		308,300	311,900	319,100	2.31%
7102 (WINTER HILL/MAGOUN SQ.)	461	502	529	5.38%	248,900	239,300	246,600	3.05%
8102 (CENTRAL, SPRING, & PROSPECT HILL)	908	941	981	4.25%	318,800	322,100	328,200	1.89%
9102 (EAST SOMERVILLE)	318	323	325		255,300	253,400	254,100	0.28%
PARCEL COUNT CHANGE FROM PREVIOUS YR.	+275	+210	+121		313,100	314,000	320,500	2.07%
CITY AVERAGE-CONDOMINIUM								
NOTE THAT FOR FY 2012, 3 BUILDINGS WITH BETWEEN 4 AND 8 APARTMENTS CONVERTED TO CONDOMINIUMS.								

AVERAGE SALE PRICES 2008, 2009, 2010 & YEAR TO DATE 2011								
	CALENDAR 2008	CALENDAR 2009	CALENDAR 2010	CALENDAR 2011 (YEAR TO DATE*)	PERCENT CHANGE 08-09	PERCENT CHANGE 09-10	PERCENT CHANGE 10-11	
SINGLE FAMILY	493,000	432,200	541,800	517,800	-12.33%	25.36%	-4.43%	
TWO FAMILY	522,500	502,300	540,300	524,200	-3.87%	7.57%	-2.98%	
THREE FAMILY	518,700	575,200	613,400	598,200	10.89%	6.64%	-2.48%	
CONDOMINIUM	378,300	380,100	388,500	391,200**	0.48%	2.21%	0.69%	
*2011 SALES ARE THROUGH SEPTEMBER AND NOT ALL HAVE BEEN VERIFIED AS MARKET SALES								
** DOES NOT INCLUDE 2011 SALES OF UNITS TO BE ASSESSED AS CONDOS FOR THE FIRST TIME IN FY2013								
NOTE THAT OTHER THAN CONDO SALES, THE NUMBER OF CALENDAR YEAR SALES IS LIMITED FOR 1, 2, & 3 FAMILY PROPERTIES. AS A RESULT THE DOR REQUIRES THAT 2 YEARS OF SALES BE ANALYZED IN ANY GIVEN FISCAL YEAR.								
NUMBER OF CONDOMINIUM UNITS								
FISCAL YEAR	NUMBER OF UNITS	NUMBER ADDED FROM PREVIOUS YR.	PERCENT CHANGE FROM PREVIOUS YR.					
2006	2258	N/A	N/A					
2007	2867	609	26.97%					
2008	3367	500	17.44%					
2009	3653	286	8.49%					
2010	3928	275	7.53%					
2011	4138	210	5.35%					
2012	4259	121	2.92%					
2013(THRU SEPT. 2011)	4362	103	2.42%					
FORECLOSURES								
CALENDAR YR.	NUMBER	PERCENT CHANGE FROM PREVIOUS YR.						
2007	37	N/A						
2008	56	51.35%						
2009	41	-26.79%						
2010	56	36.59%						
2011(THRU SEPT.)	31	-44.64%						
THE 31 FORECLOSURES IN CAL.2011 TO DATE INCLUDE 12 CONDO UNITS, 12 TWO FAMILY, 6 ONE FAMILY, & 1 THREE FAMILY.								

MEDIAN SALE PRICES 2008, 2009, 2010 AND YEAR TO DATE 2011 (VARIOUS CITIES)								
	CALENDAR 2008	CALENDAR 2009	CALENDAR 2010	CALENDAR 2011 (THRU AUGUST)	% CHANGE 08-09	% CHANGE 09-10	% CHANGE 10-11	
<b>SOMERVILLE</b>								
SINGLE FAMILY	391,000	366,250	397,500	436,250	-6.33%	8.53%	9.75%	
CONDOMINIUM	351,250	360,000	350,000	360,000	2.49%	-2.78%	2.86%	
<b>MEDFORD</b>								
SINGLE FAMILY	350,000	340,000	342,000	345,000	-2.86%	0.59%	0.88%	
CONDOMINIUM	310,000	275,000	286,250	280,000	-11.29%	4.09%	-2.18%	
<b>ARLINGTON</b>								
SINGLE FAMILY	475,000	472,500	496,175	517,500	-0.53%	5.01%	4.30%	
CONDOMINIUM	349,500	340,250	375,000	346,500	-2.65%	10.21%	-7.60%	
<b>BOSTON</b>								
SINGLE FAMILY	1,438,750	1,958,000	2,150,000	1,900,000	36.09%	9.81%	-11.63%	
CONDOMINIUM	542,500	510,000	561,000	531,250	-5.99%	10.00%	-5.30%	
<b>CAMBRIDGE</b>								
SINGLE FAMILY	750,000	680,000	755,500	775,000	-9.33%	11.10%	2.58%	
CONDOMINIUM	405,000	408,000	415,000	420,000	0.74%	1.72%	1.20%	
<b>EVERETT</b>								
SINGLE FAMILY	253,000	225,000	225,000	215,000	-11.07%	0.00%	-4.44%	
CONDOMINIUM	201,000	115,000	187,950	170,000	-42.79%	63.43%	-9.55%	
<b>BROOKLINE</b>								
SINGLE FAMILY	1,018,000	1,169,250	1,113,000	1,245,000	14.86%	-4.81%	11.86%	
CONDOMINIUM	445,000	451,000	470,000	515,000	1.35%	4.21%	9.57%	
<b>CHELSEA</b>								
SINGLE FAMILY	190,000	168,900	200,000	215,450	-11.11%	18.41%	7.73%	
CONDOMINIUM	158,654	163,000	176,500	152,500	2.74%	8.28%	-13.60%	
<b>MALDEN</b>								
SINGLE FAMILY	290,000	261,000	269,500	253,000	-10.00%	3.26%	-6.12%	
CONDOMINIUM	233,500	185,000	174,000	188,000	-20.77%	-5.95%	8.05%	
SOURCE-THEWARRENGROUP.COM								
RAW NUMBERS WITH NO SCREENING FOR ARMS-LENGTH NATURE OF SALES								



**TAX BASE LEVY GROWTH FY 2012 - LA13**

Retain documentation for 5 years in case of DOR audit

PROPERTY CLASS	REVAL %	[F] + or - REVAL ADJUSTMENT VALUES	[G] TOTAL ADJUSTED VALUE BASE	[H] FY 2012 PROPOSED VALUES	[I] NEW GROWTH VALUATION	[J] PRIOR YEAR TAX RATE	[K] TAX LEVY GROWTH
<b>RESIDENTIAL</b>							
SINGLE FAMILY (101)	0.00060	565,800	943,195,300	949,124,200	5,928,900		
CONDOMINIUM (102)	0.01354	18,017,300	1,348,929,800	1,364,968,000	16,038,200		
TWO & THREE FAMILY (104 & 105)	0.00001	56,800	3,849,514,800	3,871,825,700	22,310,900		
MULTI - FAMILY (111-125)	-0.00042	-292,000	695,774,875	705,898,800	10,123,925		
VACANT LAND (130-132 & 106)	-0.00381	-39,200	10,252,700	10,259,200	6,500		
ALL OTHERS (103, 109, 012-018)	0.00403	777,340	193,880,022	196,991,212	3,111,190		
<b>TOTAL RESIDENTIAL</b>	<b>0.00272</b>	<b>19,086,040</b>	<b>7,041,547,497</b>	<b>7,099,067,112</b>	<b>57,519,615</b>	<b>12.71</b>	<b>731,074</b>
<b>OPENSACE</b>	0.00000	0	0	0	0		
OPEN SPACE - CHAPTER 61, 61A, 61B	0.00000	0	0	0	0		
<b>TOTAL OPEN SPACE</b>	<b>0.00000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>COMMERCIAL</b>	-0.00077	-639,043	827,344,678	836,954,788	9,610,110		
COMMERCIAL - CHAPTER 61, 61A, 61B	0.00000	0	0	0	0		
<b>TOTAL COMMERCIAL</b>	<b>0.00077</b>	<b>639,043</b>	<b>827,344,678</b>	<b>836,954,788</b>	<b>9,610,110</b>	<b>21.21</b>	<b>203,830</b>
<b>INDUSTRIAL</b>	-0.00050	-133,783	270,025,400	276,018,500	5,993,100	21.21	127,114
<b>PERSONAL PROPERTY</b>				178,531,790	31,914,010	21.21	676,896
<b>TOTAL REAL &amp; PERSONAL</b>				8,390,572,190	105,036,835		1,738,914





FISCAL YEAR 2012 WITH 175% CLASSIFICATION WITH	RECOMMENDED	AS OF:	10/12/2011						
30% RESIDENTIAL EXEMPTION TAX LEVY % INCREASE =	4.2%								
FY2012 TAX LEVY:	104,829,090								
FY2011 TAX LEVY:	100,575,528								
SINGLE TAX RATE:	12.49								
COMMERCIAL % VALUE =	15.3923								
RESIDENTIAL % VALUE =	84.6077								
IF COMM=1.75%, SHARE= THEN RES SHARE=	26.9365 73.0635								
LOWEST RES SHARE =	64.2641								
RES % OF TOTAL LEVY:	73.0635								
COM % OF TOTAL LEVY:	26.9365								
MINIMUM RES FACTOR:	86.3556								
COMMERCIAL FACTOR:	175								
RESIDENTIAL LEVY:	76,591,802								
COMMERCIAL LEVY:	28,237,288								
RESIDENTIAL TAX RATE:	THIS YEAR \$13.10 LAST YEAR \$12.71 CHANGE \$0.39 3.1%								
PROPERTY CLASS	NUMBER OF FY2012 PARCELS	AVERAGE FY2011 VALUE	AVERAGE FY2012 VALUE	CHANGE					
AVER CONDO	4,259	\$314,000	\$320,500	\$6,500					
AVER 1 FAMILY	2,351	\$399,700	\$402,000	\$2,300					
AVER 2 FAMILY	5,294	\$483,300	\$484,800	\$1,500					
AVER 3 FAMILY	2,384	\$546,400	\$547,500	\$1,100					
AVER 4-8 FAMILY	511	\$722,100	\$731,000	\$8,900					
AVER MULTI APT.	136	\$2,311,100	\$2,349,500	\$38,400					
AVER COMM., INDUST.	716	\$1,442,300	\$1,459,600	\$17,300					
					*CONDO, 1, 2, 3, & 4-8 FAMILY INCLUDE RESIDENTIAL EXEMPTION				

TAX RATE CHANGES SINCE FY08			
FISCAL YEAR	RESIDENTIAL TAX RATE	CHANGE FROM PREVIOUS YR.	PER CENT CHANGE
FY 2012	\$13.10	\$0.39	3.07%
FY 2011	\$12.71	\$0.41	3.33%
FY 2010	\$12.30	\$0.59	5.04%
FY 2009	\$11.71	\$0.76	6.94%
FY 2008	\$10.95		
COMMERCIAL TAX RATE			
		CHANGE FROM PREVIOUS YR.	PER CENT CHANGE
FY 2012	\$21.86	\$0.65	3.06%
FY 2011	\$21.21	\$0.77	3.77%
FY 2010	\$20.44	\$1.19	6.18%
FY 2009	\$19.25	\$1.28	7.12%
FY 2008	\$17.97		
INDICATES THAT RATES HAVE INCREASED BUT AT A DECREASING RATE			