Madalyn Letellier

| From: | Adam Dash |
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| Sent: | Monday, July 7, 2025 1:15 PM |
| To: | Public Comments; Mayor; All City Council |
| Subject: | Chamber of Commerce letter with comments on Item 25-1044 |
| Attachments: | Chamber of Commerce Letter regarding Item 25-1044.pdf |
| Follow Up Flag: | Follow up |
| Flag Status: | Flagged |

Dear Mayor Ballantyne and the Somerville City Council,

The Somerville Chamber of Commerce has asked that I submit the Chamber's attached formal written comments regarding City Council Item 25-1044, which is regarding proposed amendments to the Somerville Condominium Conversion Ordinance.

It is expected that the City Council will take this Item up at its July 10, 2025 meeting, so the Chamber asks that you review the attached before discussing this Item.

Best,

Adam Dash, Esq. Adam Dash & Associates

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Dear Mayor Ballantyne and Members of the Somerville City Council:

We, members of the Somerville Chamber of Commerce Government Affairs Committee, are sending this letter to formally object to City Council Item 25-1044, which seeks to amend the City's Condominium Conversion Ordinance, being Sections 7-64 and 7-65 of the Code of Ordinances, by doubling the condominium conversion waiting period for vacant units from one to two years, and by nearly doubling the tenant relocation payments to be \$18,000 for low or moderate income, disabled or elderly tenants and \$14,000 for all other tenants.

These proposed changes are fundamental and profound, and they will hurt a lot of people who own, or are in the process of purchasing, property, as well as disincentivizing the creation of more housing units in the City.

Said Item was voted out of the Legislative Matters Committee on July 1, 2025 and is scheduled to be taken up for ordainment by the full City Council on July 10, 2025. We ask that said Item not be ordained on July 10, 2025 for the reasons stated below.

There has been no public comment allowed on this proposal, and it was abruptly taken up right before the Independence Day holiday by Legislative Matters in a meeting when impacted stakeholders were not available.

We ask that the City Council on July 10, 2025 either not ordain said Item or else send it back to the Legislative Matters Committee for a public hearing, which it did not have.

Our objections are based on both substance and process.

SUBSTANCE

1. The City's stated goals are to create more housing units of all kinds. As Somerville has little in the way of vacant land on which to build new housing, existing structures will have to be demolished in order to construct buildings with more units. This entails removing tenants from those existing structures, with the goal of having more tenants in the new structure.

The new, larger structures will also bring in more badly needed tax revenue to the City. If they need to be condominiums in order for the projects to financially work, then restricting the ability to create condominiums is going to decrease developments.

The proposed changes to the Condominium Conversion Ordinance will disincentivize development by adding risk, cost and delay, as developers would be forced to either

purchase properties with the tenants in place and then have to pay them the new, increased relocation payments, or else purchase the properties vacant and then wait for two years (or five years if the tenants are low or moderate income, disabled or elderly), being incentivized to keep those units vacant during said years.

Purchasing a property with the tenants adds the risk that the purchaser is taking on tenants they did not select, and that the purchaser will have to go through the long and expensive eviction process if the tenants fail to vacate after the relevant time period expires.

There is additional risk in that the purchaser of the property is not likely to know in advance whether the tenants are low or moderate income, disabled or elderly, so they cannot know which waiting period applies.

There are major restrictions on renovation and construction work during the waiting period.

All of this adds time, money and risk to a developer who wants to redevelop a property and, thereby, add more dwelling units in a City which desperately needs them.

It is worth noting that these larger residential structures will be required to provide affordable units, but only if the existing structures are demolished, which requires them to be vacant first.

- 2. Somerville already has the most restrictions on condominium conversion in the Commonwealth, and this proposal will double two of the most fundamental restrictions already in place. There is no stated reason for this, especially at a time when condominium conversions, and construction in general, are down.
- 3. Condominiums are often the only way that people can afford to purchase a home in Somerville.
- 4. There is nothing about restricting condominium conversion itself which promotes affordable housing or prevents resident displacement. Just because a unit is a rental does not make it affordable. The only way to create permanently affordable units is to construct new, larger structures, which will be required under the Somerville Zoning Ordinance to have at least 20% of the units be affordable. Whether condominiums or rentals, affordability should be the goal.
- 5. If developers, or current property owners, need to construct such new housing as condominiums, then this proposal to amend the Condominium Conversion Ordinance will stop them from constructing anything. In that scenario, what we have for housing is all that we will have. If the City wants more units, then it needs to incentivize developers to build them. This proposal does the opposite.

- 6. While increasing the waiting period for condominium conversions if properties are purchased vacant may incentivize keeping the tenants in place, the nearly doubled tenant relocation payment pushes against that and incentivizes purchasing properties vacant. The two proposed changes are in conflict with each other in this way.
- 7. There was no data provided about why the proposed new waiting period and tenant relocation payment amounts were chosen. Doubling the current requirements is a huge change. It is not clear why tenants need \$14,000 or \$18,000 to change apartments, nor why developers have to wait two years to create a condominium, during which time they will likely keep the units vacant to avoid the increased tenant relocation payments and the restrictions and risks stated above associated with having tenants in place.
- 8. The proposal will decrease the value of properties for residents for whom their home is their only major asset. Developers will not pay the same prices for properties with the increased delays, risks and costs the proposal will impose. The impact of that will be on current homeowners. This is not just about developers.
- 9. The proposal was for the changes to take effect on October 1, 2025, however, several Councilors at the Legislative Matters Committee on July 1, 2025 expressed a desire for the changes to take effect immediately. This will greatly harm people who recently bought properties, have properties under agreement to purchase, or who are in the condominium conversion process in reliance on the current ordinance. Changing the rules abruptly with minimal notice will cause them major financial harm.
- 10. It is unclear what would happen to people who are currently in the condominium conversion waiting period under the current version of the ordinance. The proposed amendment does not say anything about how they would be impacted.
- 11. The City of Somerville does not have the power to prevent condominium conversions, and this proposal seems to be an end run around that restriction. Additionally, this is a taking of property rights which could lead the City to have to pay affected property owners for the diminution in property values thereby caused. If adopted, it is likely that the new proposal will be challenged in court at great cost to the City.

PROCESS

- 1. As stated above, this amendment was taken up on July 1, 2025, being right before the Independence Day holiday when many stakeholders were away. There was no public comment taken at the Legislative Matters Committee meeting, even though one of our Committee members was in attendance with their Zoom hand raised.
- 2. The proposal came out of work done by two task forces which were made up solely of City people and which did not solicit any public comment or reach out to any

stakeholders in this subject area. The Substance issues stated above could have been discussed had public comment been allowed.

- 3. There was no affirmative outreach to the Chamber of Commerce, real estate brokers, attorneys, developers, bankers, property owners, or other stakeholders. The matter was simply added to the Legislative Matters Committee agenda quietly on a vacation week, and then voted out in one meeting. The lack of transparency in this process is deeply troubling.
- 4. There was comment from at least one Councilor at the Legislative Matters Committee that they had already made up their mind on this proposal and that public comment would not change it. It is important to hear opposing points of view as an elected official, as nobody can know the possible impact of a vote without hearing from those on all sides who will be impacted by it. Public comment is the only way to make a fully informed decision on anything, but that did not happen here.
- 5. We see that there is another condominium conversion matter, being Item 24-1740, although there are no documents associated with it. We ask that no action be taken on this item without public outreach to stakeholders and a full public hearing.

Sincerely,

The Somerville Chamber of Commerce

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Wendy Dalwin, Executive Director