



CITY OF SOMERVILLE, MASSACHUSETTS CLERK OF COMMITTEES

May 17, 2018

REPORT OF THE LEGISLATIVE MATTERS COMMITTEE

Attendee Name	Title	Status	Arrived
Mark Niedergang	Chair	Present	
Lance L. Davis	Vice Chair	Absent	
Mary Jo Rossetti	Alderman at Large	Present	
Matthew McLaughlin	Ward One Alderman	Present	
Katjana Ballantyne	Ward Seven Alderman	Present	
Jefferson Thomas ("J.T.") Scott	Ward Two Alderman	Present	
Ben Ewen-Campen	Ward Three Alderman	Present	
Jesse Clingan	Ward Four Alderman	Present	
William A. White Jr.	Alderman At Large	Present	
Stephanie Hirsch	Alderman At Large	Present	
Wilfred N. Mbah	Alderman at Large	Absent	

Others present: Jason Grossfield - Law, David Shapiro - Law, Michael Glavin - OSPCD, Mike Feloney - OSPCD, Tim Snyder - Mayor's Office, Annie Connor - Legislative Liaison, Peter Forcellese - Legislative Clerk.

The meeting took place in the Aldermen's Chamber and was called to order at 6:11 PM by Chairman Niedergang and adjourned at 9:12 PM.

204954: Requesting approval of a Home Rule Petition to authorize the City to impose a Real Estate Transfer Fee.

Alderman Davis briefly discussed how the changes to the Home Rule Petition (HRP) were made over the course of the meetings and said that he had worked with a community member and the City Solicitor's Office on clarifying and improving the language of the HRP without making substantive changes. The committee members reviewed the HRP, line by line, corrected typos and adopted the latest version of the document as the current working draft.

Several motions to make additional changes to the document were made, as follows:

Motion by Alderman Davis to amend Sec 2 (b) (ii) by deleting the words "Class One". APPROVED

Motion by Alderman Ballantyne to remove the words "Class One" throughout the document. APPROVED

Alderman Hirsh discussed making a motion to exempt sellers whose homes are in foreclosure, however Chairman Niedergang suggested that it be held until the HRP is returned to the BOA

from the legislature. He said that he had heard many community members advocate for an exemption for properties sold at a loss, and he had considered proposing such an exemption, but ultimately decided not to at this time but to raise the issue if the Legislature approves the HRP and the BOA begins work on an ordinance to implement it. Other members thought that it was an interesting discussion to have, but not at this time. Alderman Hirsch continued to advocate for including it now. She decided to drop the foreclosure exemption but advocated for the sale at a loss one instead.

Motion by Alderman Hirsch to add a new line Sec 2 (b) (iii) - ‘transferring the property at a loss as defined by the city.’ Alderman Scott think that this would protect banks selling foreclosed homes and Alderman Davis feels that it is highly likely that this could result in some financial shenanigans taking place. Alderman White commented that this is almost an incentive against residential purchases. Alderman McLaughlin cautioned that if the amendment is put in now, it CANNOT be removed. **The motion was defeated** on a voice vote of 1 in favor (Alderman Hirsch), 9 against and 1 absent (Alderman Mbah)

There was a lengthy discussion of the wording of Sec 2, dealing with ‘controlling interest’ and various scenarios were put forth that might, or might not, trigger the fee having to be paid. Questions were raised about the legislature’s consideration of the HRP if the term “controlling interest” were omitted. The discussion continued with members considering a change from “controlling” to “substantial” and Mr. Grossfield explained that the phrase “substantial interest” is dialed back and he would opt for with this rather than “controlling interest”. Alderman White had concerns about using the word “substantial” before the legislature, since it's a broader term. Chairman Niedergang is concerned about tying the city's hands and thinks that the phrase “controlling interest” creates a loophole.

Motion by Alderman Davis to amend Sec 2 by changing the next to last sentence to read “In the case of a transfer of a controlling interest, the City of Somerville may define by ordinance what constitutes a controlling interest and the calculation of the fee.” APPROVED

Alderman Rossetti spoke about some people who do not take advantage of the residential exemption and made a motion to insert language in Sec 2 (b) (ii) that would cover those parties. APPROVED

Alderman Davis made a motion to include the same language in Sec 2 at the 'heir-at-law' section. APPROVED

Alderman Rossetti inquired about the Administration’s response to comments made by Lee Auspitz and Mr. Snyder explained that Mr. Auspitz’ concern is that the transfer fee would end up generating less revenue for the general fund, and that this consequence is important and should be acknowledged and addressed. It could lead potentially to increased taxes, for example. Mr. Snyder said that the question is: are there funds that would otherwise be going to the general fund that with the transfer fee would go to the Affordable Housing Trust Fund? The answer is yes, but Mr. Auspitz’ calculations may not be accurate for a number of reasons, the amount would be small, and the Administration does not have any objection or concern if some funds that would have been in the general fund are used for affordable housing.

Members discussed “transfers of convenience’ as written in Sec 2 (a)(ii) and **Alderman White made a motion to strike the words "with consideration under \$100" from that section. APPROVED**

Alderman Davis made a motion to amend Sec 1 by replacing the first three “Whereas, ...” sections with the language shown on one of the handouts distributed this evening (attached) and to insert a

fourth “Whereas, ...” section with the language shown on the same handout, and to replace the “Therefore, ...” section with the language shown on the same handout. APPROVED

Members discussed the phrase 'as defined by the city' vs. 'as defined by ordinance' and Mr., Shapiro recommended using 'to be set forth by ordinance'. Alderman White made a motion to replace any similar language in the HRP with the phrase “to be set forth by ordinance”. WITHDRAWN

Alderman White made a motion to replace any similar language in the HRP with the phrase “as established by ordinance”. WITHDRAWN

Alderman White made a motion to replace any similar language in the HRP with the phrase “as may be defined by ordinance”. APPROVED

The committee voted to recommend approval of the Home Rule Petition to the full Board, as amended, on a roll call vote of 10 in favor (Aldermen Scott, Rossetti, Clingan, White, Ewen-Campen, Davis, Hirsch, Niedergang, McLaughlin and Ballantyne) and 1 absent (Alderman Mbah).

RESULT:	APPROVED AS AMENDED
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205493: That the Administration draft the minimally necessary language to amend the Real Estate Transfer Fee Home Rule Petition to allow a separate fee on the buyer and seller based on their status as a resident/owner-occupant, and including estate protection for a decedent who has such status.

RESULT:	WORK COMPLETED
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205439: That the Director of SPCD prepare a detailed explanation of how funding from a transfer fee or other local sources could fund housing initiatives.

RESULT:	WORK COMPLETED
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205440: That the Director of SPCD share options for establishing the residency status of prospective buyers, as related to exemptions and the proposed transfer fee.

RESULT:	WORK COMPLETED
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205445: That the Administration establish a dedicated fund within the Affordable Housing Trust Fund to provide direct housing assistance for municipal employees struggling to remain in Somerville, which could be funded through revenue from a real estate transfer fee.

RESULT:	KEPT IN COMMITTEE
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205446: That the Administration establish a dedicated fund within the Affordable Housing Trust Fund to support community land trusts in Somerville, which could be funded through revenue from a real estate transfer fee.

RESULT:	KEPT IN COMMITTEE
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205492: That the Director of SPCD prepare a report analyzing why the current 20% affordable housing requirement, the \$10.00 per sq ft linkage fee, and other city initiatives are not sufficient to meet the affordable housing needs of the city.

RESULT:	KEPT IN COMMITTEE
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205489: That the Administration compile a report for this Board of all emails and letters received on the proposed Real Estate Transfer Fee, and work with this Board to host community forums that bring all interested parties to the table.

RESULT:	KEPT IN COMMITTEE
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205680: 5 residents submitting comments re: #204954, a Home Rule Petition for a Real Estate Transfer Fee.

RESULT:	PLACED ON FILE
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205783: 6 residents submitting comments re: #204954, a Home Rule Petition for a Real Estate Transfer Fee.

RESULT:	PLACED ON FILE
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205789: Housing Programs Coordinator submitting a summary of the Affordable Housing Trust Fund FY18 activity.

RESULT:	KEPT IN COMMITTEE
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