



**CITY OF SOMERVILLE, MASSACHUSETTS**  
***MAYOR'S OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT***  
**KATJANA BALLANTYNE, MAYOR**

TOM GALLIGANI  
ACTING EXECUTIVE DIRECTOR

**HOUSING DIVISION**

**Date:** October 24, 2022

**CONDOMINIUM REVIEW BOARD FY21 ANNUAL REPORT**

As per Somerville Condominium Conversion Ordinance (SCCO) Section 7-70, this document serves as an annual report of the business of the Somerville Condominium Review Board (CRB) for Fiscal Year 2020 (July 1, 2020-June 30, 2021). The delay in presentation of this report is due to staff transitions at the time the report would normally have been presented.

**Board Membership and Organizational Information**

As of June 2021, the Condominium Review Board had three seats filled of the five members called for under the SCCO. Members included Board Chair Zachary Zasloff, Board Vice-Chair Patrisha Paul, Board Member William Medeiros, and Board Member Vikram Kanda. Board Member Medeiros informed previous Mayor Joseph Curtatone and the Board that he would be stepping down after 17 years of service as soon as a successor was named.

Board meetings continued to be held virtually using GoToWebinar due to Covid-19. Hearings during this period were held in accordance with Open Meeting Law and continued to follow the standard hearing schedule. Applications were submitted via email and attendees joined hearing either virtually or by phone. All CRB members were able to participate virtually.

**Condominium Conversion - Summary Information and Process Overview**

The current version of the Somerville Condominium Conversion Ordinance went into effect in October 2019 and the application process for conversion was updated in conjunction with the ordinance changes.

Prior to these changes, applications usually went before the Board once, for a preliminary permit. A final permit was issued after any applicable waiting periods elapsed or missing documentation was submitted. Under updated processes, properties now generally receive a Preliminary Rental Conversion permit or a Preliminary Non-rental Conversion permit, depending on whether the property was previously owner-occupied. After an application for conversion is submitted, the Board votes on whether to grant a preliminary or final permit at its monthly meeting.

The granting of a Final permit is usually contingent on the City or tenant of the unit receiving a first right of refusal, followed by the submission of a master deed, property condition report, proof of payment of any applicable relocation fees to a tenant, and the conclusion of any applicable waiting period. A Final permit is issued once all requirements are met and the application goes before the Board for a second time. (Occasionally, applicants for Non-rental Conversion permits are well prepared and can be issued a final permit after a single Board meeting.)

As of the end of FY21, there were 16,411 parcels of land in Somerville, with approximately 31,700 units being used for residential purposes in the city.<sup>1</sup> Seventy-two percent (72%) of these units were being used, or had the potential to be used, as rental units. Property sizes in Somerville are primarily made up of small properties between 1-3 units. In FY21 there were 2,313 single-family homes in the City of Somerville; 1,843 (80%) of these were owner-occupied<sup>2</sup>.

Most small properties are two-family homes, of which there were 4,938, and 55.6% of these were at least partially owner-occupied. There were approximately the same number of three-family homes as single-family, 2,236, but far fewer of them were owner-occupied: only 729 by comparison, or 33%. Condominium units made up the next largest share of properties with 6,282 units throughout the city, with 56% of them owner-occupied.

While there are far fewer large parcels than small - 498 are between 4-8 units and 144 have 8+ units - they have a large impact on unit counts. Collectively, these parcels account for approximately 6,500 units throughout the city. Roughly 67% of that 6,500-unit total (around 4,000 units) are in the very large 8+ unit building category.

### Application Data Summary

The number of conversion applications declined in FY21, likely due to pandemic-related issues and eviction moratoriums first implemented in spring 2020. In FY21, (July 1, 2020-June 30, 2021) 56 applications, with 125 units, went before the Board. As shown in Figure 1 below, 49 of these were new applications –totaling 109 units. This is compared to applications for 94 properties making up 199 units in FY20 depicted in Figure 2. Figure 1 also shows that of those 109 units, 68 were submitted for current or former rental units, 39 were units that were/are owner-occupied, and 2 were courtesy permits for newly constructed units. Eighteen (18) of the 48 new applications were submitted by property owners who had purchased within two years of applying.

**Figure 1- FY21 Application Data**

# of New Applications - FY21	# of Units in All Apps - FY21	# of Units in New Apps - FY21
49	125	109

Date/Permit Type	# of Units Submitted	% of Total
<b>FY21 Non-rental Conversion Permits (NRCP)</b>	39	36%
<b>FY21 Rental Conversion Permits (RCP)</b>	68	62%
<b>FY21 Courtesy Permits</b>	2	2%
<b>FY21 Total</b>	109	100%

<sup>1</sup> All data courtesy of City of Somerville Assessor's Office

<sup>2</sup> Owner-occupancy determined by active Residential Exemption

**Figure 2- FY20 Application Data**

<b>Date/Permit Type</b>	<b># of Units Submitted</b>	<b>% of Total</b>
<b>FY20 NRCP</b>	65	32.30%
<b>FY20 RCP</b>	134	67.60%
<b>FY20 Total</b>	199	100% (rounded)

Figure 3 below shows the breakdown of Final and Courtesy permits issued by the Board in FY21. In FY21, 45 units received a Final permit or a Courtesy permit. An additional 21 applications, for a total of 50 units, were granted conditional approval, bringing the total number of units either approved for or conditionally approved for condominium conversion to 95, the remaining units and applications were issued a final permit in FY22.

**Figure 3- All FY21 Unit Data**

<b># of Units with Courtesy Permits FY21</b>	<b># of Units with Final NRCP FY21</b>	<b># of Units with Final RCP FY21</b>	<b>Sum of All Final Permits FY21</b>
2	16	11	45

<b># of NRCP from FY20 Completed FY21</b>	<b># of RCP from FY20 Completed FY21</b>
6	10

<b># of Apps for 1-Unit Properties</b>	<b># of Apps for 2-Unit Properties</b>	<b># of Apps for 3-Unit Properties</b>	<b># of Apps for 4-Unit Properties</b>	<b># of Apps for 5-Unit Properties</b>	<b># of Apps for 6-Unit Properties</b>
5	34	8	1	0	1

The Conversion Ordinance requires that the City or its Designee be offered a first right of refusal on a unit unless the owner is selling it to a family member within the 4<sup>th</sup> degree of kindred, or the existing tenant is purchasing the unit. The City was offered first right of refusal on 83 units in FY21. As shown in Figure 4 below, of these offers 37 were for 3-bedroom units, 23 were 2-bedroom units, and 18 and 5 were 4-bed and 1-bed respectively.

Average offer amounts per bedroom count are also shown below in Figure 4: Offer Amounts for City Right to Purchase.

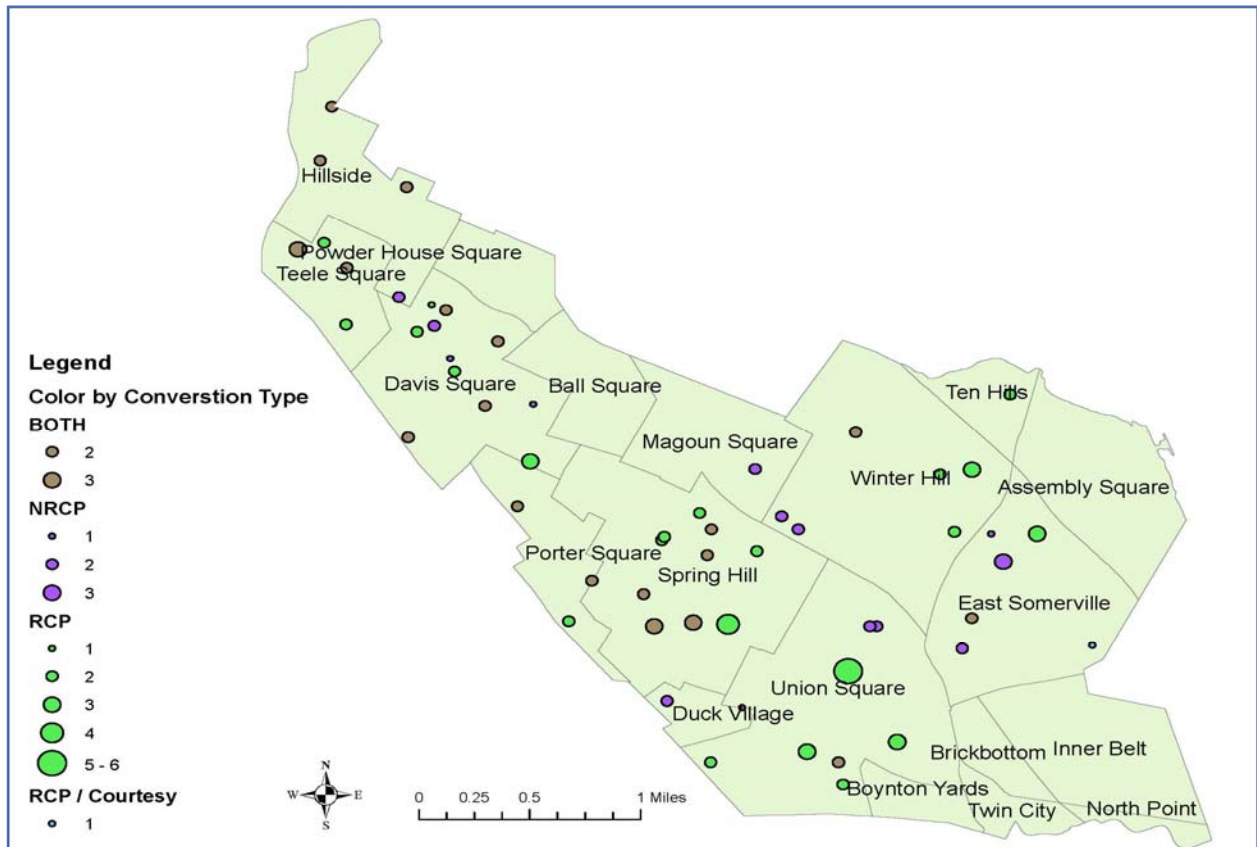
**Figure 4 Offer Amounts for City Right to Purchase**

City Right to Purchase Offer			
# of 1 bdrms	# of 2 bdrms	# of 3 bdrms	# of 4 bdrms
5	23	37	18
Average Offer Amount	Average Offer Amount	Average Offer Amount	Average Offer Amount
\$571,200	\$822,035	\$1,014,878	\$1,030,806

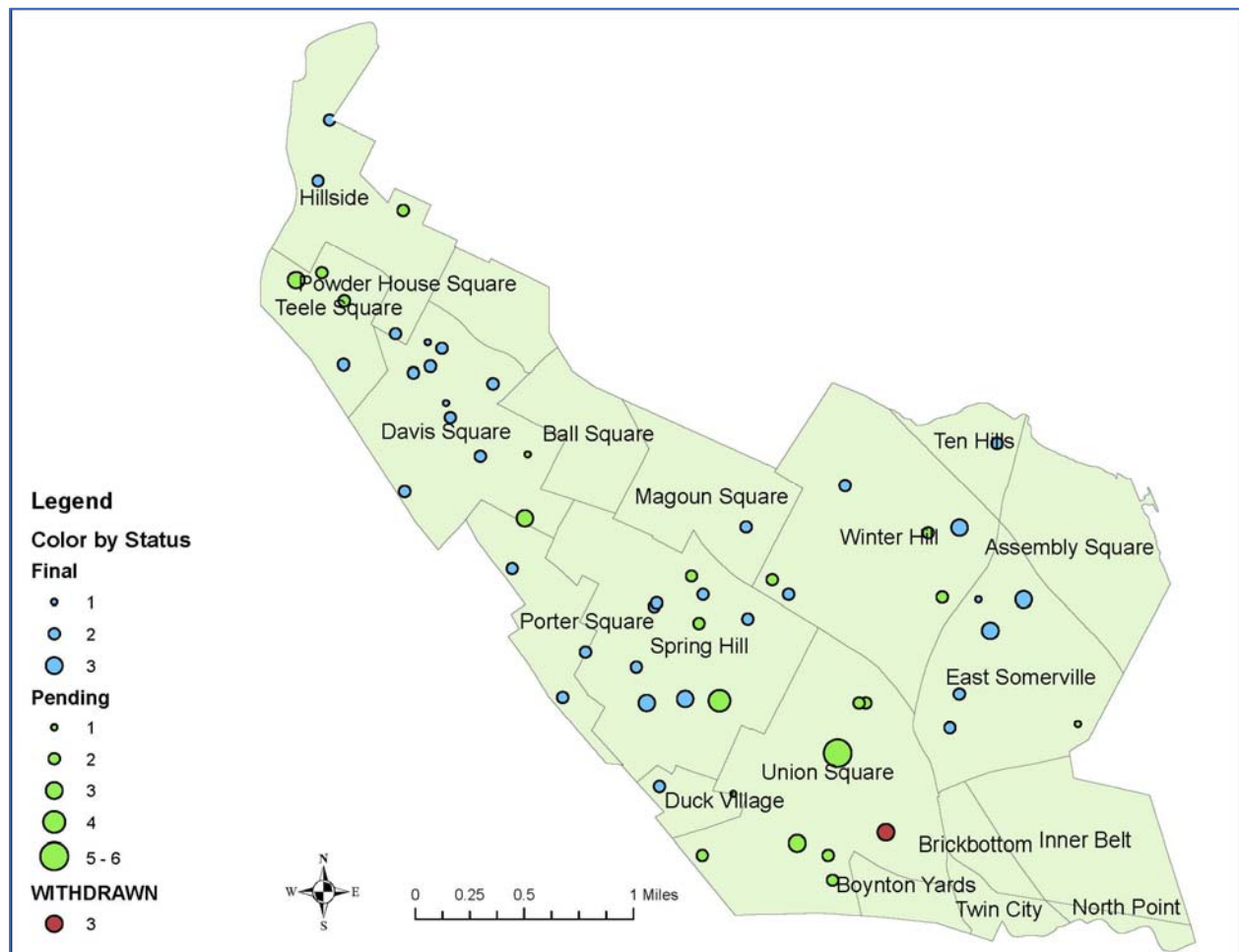
Thirty-four (34) of the 56 properties the Board heard applications for were vacant at the time of purchase by the converting owner. Fifteen (15) properties had tenants who received permanent relocation, though there were a few instances of a tenant purchasing their unit or staying past their notice period and waiving the relocation. Additionally, the majority of properties before the Board, 32 of the 49 new applications, were vacant at the time of conversion application submission; few owners appeared to be renting their units during the conversion process despite provisions that allow for it.

The two maps below provide a visual representation of areas in which conversions occurred during FY21, first by type of conversion and unit size (in Map 1) and then by status of the conversion and unit size (Map 2). As shown in the maps below, courtesy of SomerStat and based on CRB tracking, the areas of Spring Hill and Davis Square saw the most conversion application activity.

**Map 1- Conversion by Type and Unit Size**



**Map 2 - Conversion by Status and Unit Size**



### Broader Trends and Concluding Notes

Between FY10 and the end of FY21, there have been 1,738 rental units removed from Somerville's rental market and converted to condominiums, for an average of 145 units converted per year, during that 12-year period.

FY20 and FY21 saw steep declines in number of units converted from the prior two years, due primarily to two factors in the view of CRB and Housing Division policy staff. The first is pandemic related eviction moratoria. The second factor would appear to be an unusually high level of conversion activity prior to implementation of the Condominium Conversion Ordinance in October 2019, as applicants sought to convert prior to the ordinance update taking effect.

Pandemic protections have made it difficult to truly assess what impact the ordinance update has had on conversion activity in Somerville. As eviction protections are lifted, applications are expected to increase in FY22 and the ongoing impact of the ordinance update can be assessed under less anomalous circumstances.