

City of Somerville FY2022 Classification Hearing

November 23, 2021

Adoption of Tax Levy percentages for FY 2022

Somerville Board of Assessors

Francis J. Golden, MAA
Chief Assessor
& Chairman

Michael Flynn, MAA
Richard Scanlon, MAA

Joseph A. Curtatone
Mayor



Recommendations

1. A motion that the City Council adopts a minimum residential factor of 86.0377, the legal minimum for the City of Somerville for FY 2022.
2. A motion that the City Council accepts the provisions of Chapter 59, section 5C approving a residential exemption of 35% of average assessed value for owner occupied properties for FY 2022.

Comparison of State Form LA-4

FY21 & FY22

USE CODE	DESCRIPTION	FY 2021 PARCEL COUNT	FY 2022 PARCEL COUNT	FY 2021 ASSESSED VALUE	FY 2022 ASSESSED VALUE
101	SINGLE FAMILY	2,313	2,308	\$2,092,957,700	\$2,216,809,500
102	CONDOMINIUM	6,282	6,514	\$4,105,218,086	\$4,420,923,419
104	TWO FAMILY	4,938	4,900	\$4,851,630,100	\$5,045,722,200
105	THREE FAMILY	2,236	2,228	\$2,722,074,500	\$2,876,422,000
109	2 OR MORE RES. BUILDINGS/1 LOT	73	74	\$114,218,000	\$127,415,900
111-125	APARTMENTS 4+	657	664	\$1,836,120,024	\$2,148,673,635
130-132,106	VACANT RES. LAND	179	171	\$22,402,600	\$19,271,500
300-393	COMMERCIAL	591	596	\$1,895,798,155	\$2,197,734,149
400-452	INDUSTRIAL	94	95	\$411,238,800	\$452,559,300
012-043	MIXED USE RESIDENTIAL	261	257	\$663,936,570	\$724,991,255
	MIXED USE COMMERCIAL			\$174,747,273	\$175,885,487
501-508	PERSONAL PROPERTY	1354	1,407	\$407,549,990	\$446,617,260
TOTAL REAL & PERSONAL PROPERTY VALUE		18,978	19,214	\$19,297,891,798	\$20,853,025,605
900-990	EXEMPT REAL ESTATE	391	390	\$2,169,941,878	\$2,297,225,407

Parcel Count Changes FY21-FY22:

- Added 232 residential condo units (154 conversions/78 new)
- 38 fewer two family properties
- 8 fewer three family properties

Average Valuation Changes FY21-FY22

	Market & Growth	Growth Only
Single family	6%	1%
Two family	4%	1%
Three family	6%	1%
Condominiums	8%	2%
Res/Mix & Apartments 4+	15%	8%
Commercial	16%	15%
Industrial	10%	10%
Personal Property	n/a	n/a



Average Assessment Changes By Neighborhood: Single Family

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	1,038,181	1,091,200	5.11
2001 Ward 2 Union Square South	923,414	987,973	6.99
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,221,526	1,269,290	3.91
5001 Winter Hill North	650,316	714,503	9.87
6001 Ten Hills	719,690	802,469	11.50
7001 Winter Hill & Magoun Square	770,084	820,467	6.54
8001 Central, Spring & Prospect Hill	918,046	983,244	7.10
9001 East Somerville	689,706	722,234	4.72
City Average	904,867	960,489	6.15

Average Assessment Changes By Neighborhood: Two Family

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	1,045,346	1,083,064	3.61
2001 Ward 2 Union Square South	995,011	1,054,526	5.98
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,127,863	1,163,987	3.20
5001 Winter Hill North	712,119	761,794	6.98
6001 Ten Hills	744,265	824,344	10.76
7001 Winter Hill & Magoun Square	833,512	886,212	6.32
8001 Central, Spring & Prospect Hill	967,314	1,027,245	6.20
9001 East Somerville	809,207	843,294	4.21
City Average	982,509	1,029,739	4.81

Average Assessment Changes By Neighborhood: Three Family

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	1,362,578	1,437,229	5.48
2001 Ward 2 Union Square South	1,333,943	1,401,583	5.07
3001 Ward 2 Cobble Hill	n/a	n/a	n/a
4001 West Somerville	1,332,193	1,398,323	4.96
5001 Winter Hill North	1,062,188	1,131,446	6.52
6001 Ten Hills	868,060	992,680	14.36
7001 Winter Hill & Magoun Square	1,044,696	1,133,403	8.49
8001 Central, Spring & Prospect Hill	1,213,541	1,303,580	7.42
9001 East Somerville	1,038,552	1,097,091	5.64
City Average	1,217,386	1,291,033	6.05

Average Assessment Changes By Neighborhood: Condominium

	FY21 Value	FY22 Value	% Change 21-22
1001 West Somerville South & Cambridge Line	777,980	793,894	2.10
2001 Ward 2 Union Square South	666,521	686,879	3.05
3001 Ward 2 Cobble Hill	640,548	641,314	0.12
4001 West Somerville	758,886	778,605	2.60
5001 Winter Hill North	507,546	534,107	5.23
6001 Ten Hills	580,197	619,435	6.76
7001 Winter Hill & Magoun Square	541,235	562,490	3.93
8001 Central, Spring & Prospect Hill	664,244	694,417	4.54
9001 East Somerville	558,895	589,420	5.46
City Average	653,489	678,680	3.86

FY22 Growth

Use Type	New Growth Valuation	Tax Levy Growth
Single Family	11,477,200	
Condominium	94,059,932	
Two & Three Family	57,523,500	
Four+ Units	124,697,700	
Mixed-Use Residential & Other	70,529,531	
Total Residential	358,287,863	3,650,953
Commercial	290,273,264	4,844,661
Industrial	44,277,900	738,998
Personal Property	89,257,540	1,489,708
Total Commercial, Industrial & Personal Property	423,808,704	7,073,367
Total Real & Personal Property	782,096,567	10,724,320

Major Contributors to New Growth Valuation

Assembly Row	New Valuation	FY22 Tax (Estimate)
Grand Union Blvd – Corporate Office Under Construction – 56% Complete	\$22.4M	\$374,105
301 Assembly Row – Apartment/Retail Under Construction – 67% Complete	\$49.8M	\$831,496
Cambridge Crossing – Boynton Yards		
250 Dawes Street – Inner Belt (Office/Lab) Under Construction – 43% Complete	\$137.8M	\$2,299,854
0 Dawes Street – Inner Belt (Office/Lab) Complete 1/3 Som 2/3 Camb – 33% Complete	\$17.9M	\$299,556
101 South Street – Boynton Yards (Office/Lab) Under Construction – 45% Complete	\$69.4M	\$1,157,809



FY22 Tax Levy & Classification

FY22 Levy Limit: \$198,051,137

FY22 Proposed Levy : under levy limit **\$ 194,794,087**

FY22 Debt Exclusion \$ 6,033,611

FY22 Proposed Levy: **\$ 200,827,698**

FY21 Levy: \$ 182,757,870

Tax Levy Change: \$ 18,069,828

Excess Levy Capacity: \$ 3,257,049

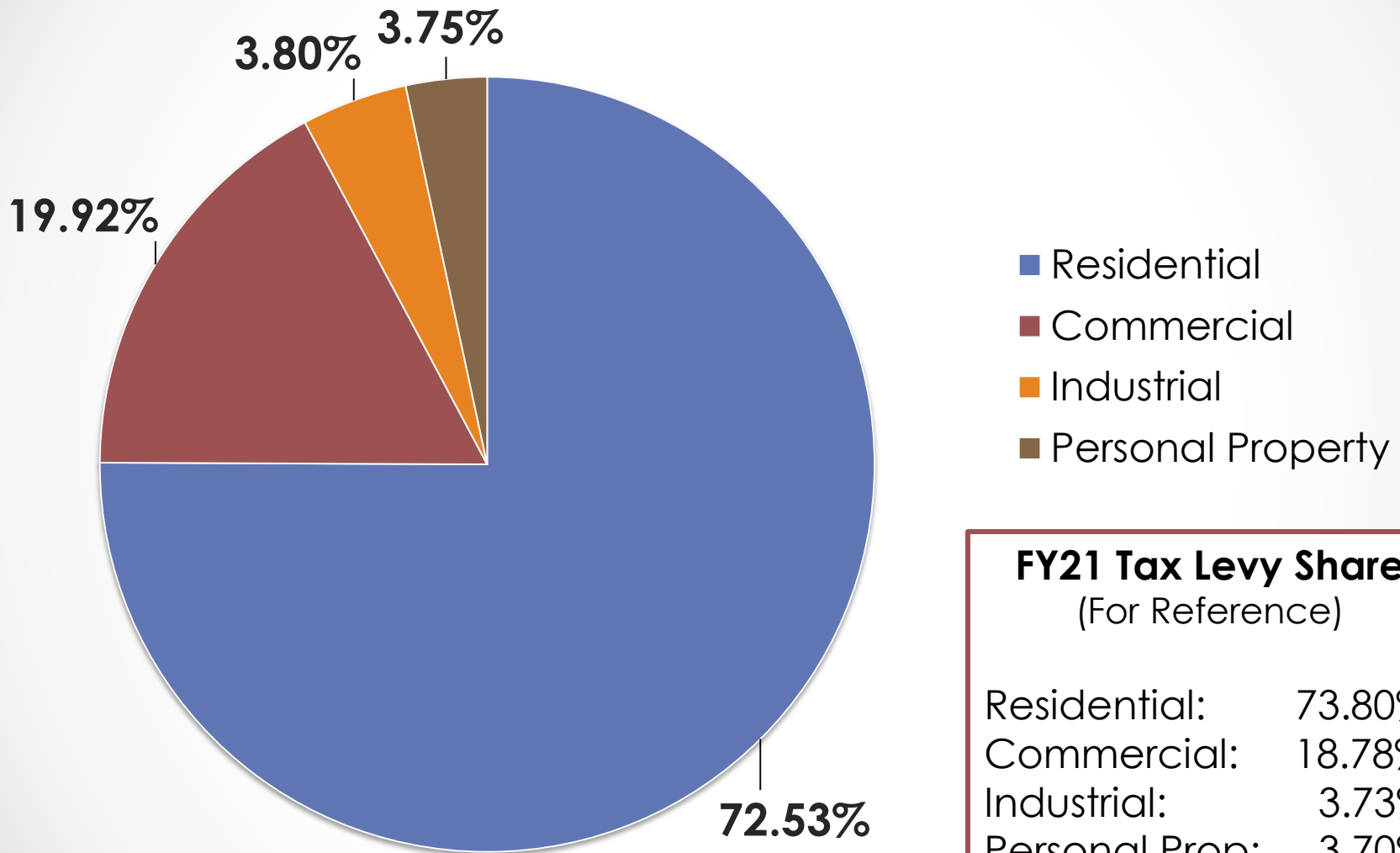
FY22 Change:
9.9%

	As Assessed	With 175% Classification
Commercial Value Percentage	15.6946	27.4656
Residential Value Percentage	84.3054	72.5344

Commercial Levy: \$ 55,158,532.22

Residential Levy: \$145,669,165.78

Tax Levy Share: FY22



FY21 Tax Levy Share (For Reference)

Residential:	73.80%
Commercial:	18.78%
Industrial:	3.73%
Personal Prop:	3.70%

Option 1: No Classification & No ResX

- Single Tax Rate: \$ 9.63

NOT RECOMMENDED

Use Type	FY21 Average Value	FY22 Average Value	FY21 Average Tax	FY22 Average Tax	Tax Change FY21-FY22
CONDO	653,489	678,680	\$6,234	\$6,536	\$302
1 FAMILY	904,867	960,489	\$8,632	\$9,250	\$618
2 FAMILY	982,509	1,029,739	\$9,373	\$9,916	\$543
3 FAMILY	1,217,386	1,291,033	\$11,614	\$12,433	\$819
4-8 FAMILY	1,652,492	1,776,072	\$15,765	\$17,103	\$1,338
COM/IND	2,623,451	2,981,201	\$25,028	28,709	\$3,681

Option 2: With Classification & No ResX

- Residential Rate: \$ 8.29
- Commercial Rate: \$16.85

NOT RECOMMENDED

Use Type	FY21 Average Value	FY22 Average Value	FY21 Average Tax	FY22 Average Tax	Tax Change FY21-FY22
CONDO	653,489	678,680	\$5,411	\$5,626	\$215
1 FAMILY	904,867	960,489	\$7,492	\$7,962	\$470
2 FAMILY	982,509	1,029,739	\$8,135	\$8,537	\$402
3 FAMILY	1,217,386	1,291,033	\$10,080	\$10,703	\$623
4-8 FAMILY	1,652,492	1,776,072	\$13,683	\$14,724	\$1,041
COM/IND	2,623,451	2,981,201	\$43,785	\$50,233	\$6,448

Option 3: With Classification & ResX

- Residential Rate: \$10.17
- Commercial Rate: \$16.85

ResX Value Reduction: \$359,493
Tax Savings of \$3,656.04

RECOMMENDED

(ResX included for condo, 1, 2, 3 & 4-8 family)

Use Type	FY21 Average Value	FY22 Average Value	FY21 Average Tax	FY22 Average Tax	Tax Change FY21-FY22
CONDO	653,489	678,680	\$3,207	\$3,246	\$39
1 FAMILY	904,867	960,489	\$5,771	\$6,112	\$341
2 FAMILY	982,509	1,029,739	\$6,563	\$6,816	\$253
3 FAMILY	1,217,386	1,291,033	\$8,959	\$9,474	\$515
4-8 FAMILY	1,652,492	1,776,072	\$13,397	\$14,407	\$1,010

ESTIMATED IMPACT OF THE DEBT EXCLUSION FOR FY 2022 ACTUAL THIRD & FOURTH QUARTER BILLS

THE DEBT EXCLUSION IS ABOVE & BEYOND THE LEVY LIMIT - THE DEBT EXCL DIVIDED BY THE PROPOSED LEVY = THE RATIO
 PERCENTAGE APPLIED TO EACH USE
 THE AVERAGE TAXES OF EACH USE MINUS THE RESX TIMES THE RATIO = DEBT EXCLUSION
 IMPACT PER USE
 DEBT EXCLUSION TAX TOTAL FOR EACH USE IS SPLIT BETWEEN THE THIRD AND FOURTH
 QUARTER TAX BILLS

FISCAL YEAR 2022

<u>EST RATES / FY22 AVG VALUES</u>		<u>WITHOUT RES EXEMPTION</u>		<u>WITH RESIDENTIAL EXEMPTION</u>	
RATES/AVG VAL	FY22	USE	FY22	USE	FY22
RES TX RATE	\$10.17	FY22 PROPOSED LEVY	194,794,087	FY22 PROPOSED LEVY	194,794,087
COM RATE	\$16.85	DEBT EXCLUSION	6,033,611	DEBT EXCLUSION	6,033,611
RES EXEMPTION	\$3,656	TOTAL PROPOSED LEVY	200,827,698	TOTAL PROPOSED LEVY	200,827,698
		RATIO	0.0300437	RATIO	0.0300437
101 AVG VAL	960,489	101 - SINGLE FAMILY	\$294	101 - SINGLE FAMILY	\$184
102 AVG VAL	678,680	102 - CONDOMINIUM	\$207	102 - CONDOMINIUM	\$98
104 AVG VAL	1,029,739	104 - TWO FAMILY	\$314	104 - TWO FAMILY	\$205
105 AVG VAL	1,291,033	105 - THREE FAMILY	\$394	105 - THREE FAMILY	\$285
4-8 / 9+ APT AVG VAL	3,235,954	4-8 FAMILY & 9+ APARTMENT	\$989	4-8 FAMILY & 9+ APARTMENT	\$879
COM AVG VAL	2,782,672	COMMERCIAL	\$1,409	COMMERCIAL	\$1,409
IND AVG VAL	4,763,782	INDUSTRIAL	\$2,412	INDUSTRIAL	\$2,412
ASSUMES RESIDENTIAL EXEMPTION FOR CONDO, 1, 2, 3, 4-8 & 9+ UNIT USES					

Reviewing the Impact of the Residential Exemption FY22

Use Type	FY22 Average Value	Taxes w/o ResX	Taxes WITH ResX	Difference
CONDO	678,680	\$5,626	\$3,246	\$2,380
1 FAMILY	960,489	\$7,962	\$6,112	\$1,850
2 FAMILY	1,029,739	\$8,537	\$6,816	\$1,721
3 FAMILY	1,291,033	\$10,703	\$9,474	\$1,229
4-8 FAMILY	1,776,072	\$14,724	\$14,407	\$317

FY21 Residential Tax Community Comparison

Municipality	Residential Tax Rate	Comm/Ind/ PP Levy Share	Average FY21 Res Value	ResX Percentage	ResX Savings	Average Residential Tax Bill
Waltham	\$11.32	58.50%	\$658,429	35%	\$2,609	\$4,844
Boston	\$10.67	58.30%	\$844,293	35%	\$3,150	\$5,859
Cambridge	\$5.85	65.44%	\$1,442,221	30%	\$2,531	\$5,906
Somerville	\$10.19	26.20%	\$968,685	35%	\$3,455	\$6,416
Watertown	\$12.25	38.28%	\$733,688	25%	\$2,247	\$6,741
Newton	\$10.76	17.30%	\$1,089,833	no	-	\$11,727