

# City of Somerville FY2024 Classification Hearing

November 21, 2023

Adoption of Tax Levy percentages for FY 2024

Somerville Board of Assessors

Francis J. Golden, MAA  
Chief Assessor  
& Chairman

Michael Flynn, MAA  
Richard Scanlon, MAA



Katjana Ballantyne  
Mayor

# Recommendations

1. A motion that the City Council adopts a minimum residential factor of 82.6433, the legal minimum for the City of Somerville for FY 2024.
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 2024.

# Comparison of State Form LA-4 FY23 & FY24

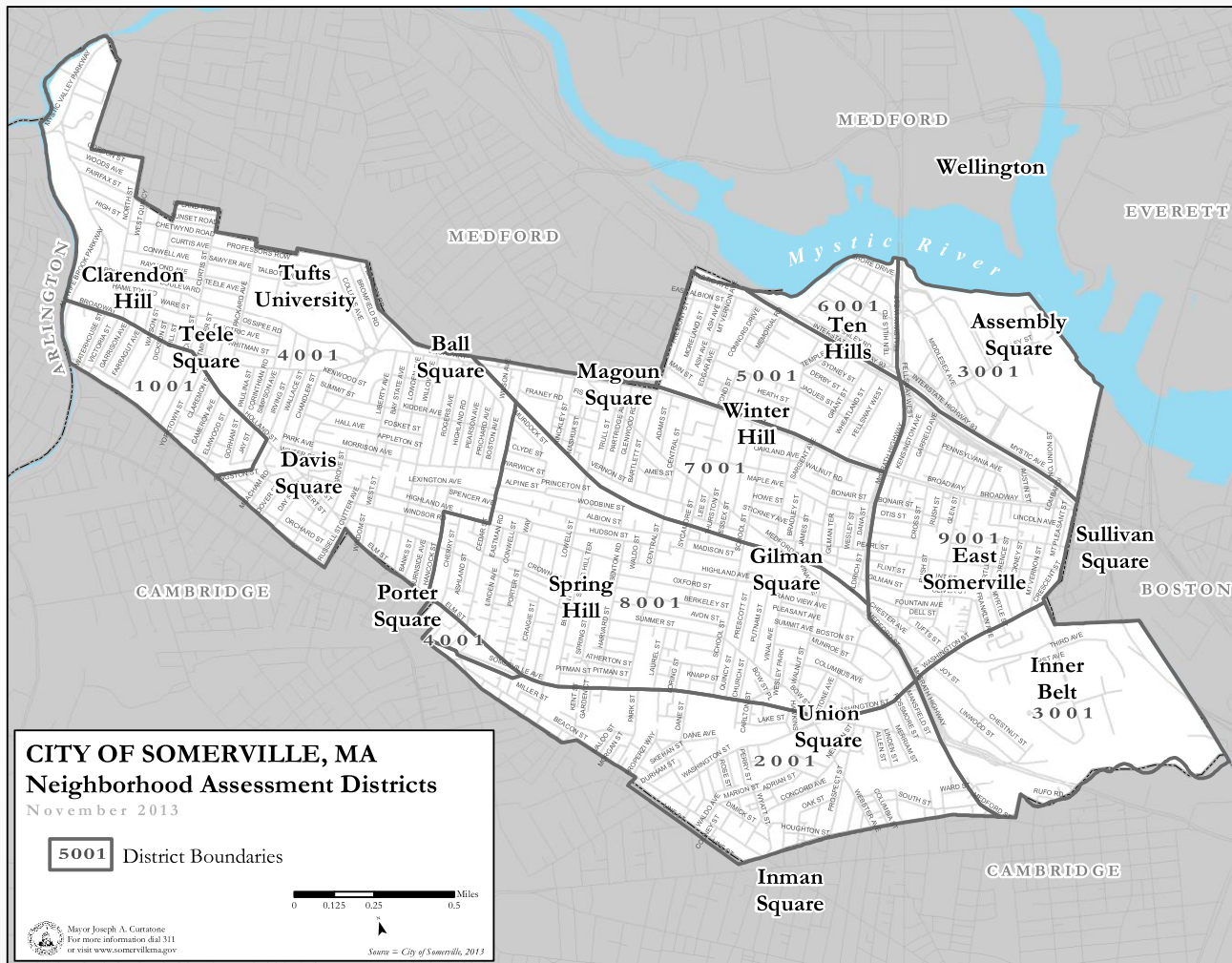
USE CODE	DESCRIPTION	FY 2023 PARCEL COUNT	FY 2024 PARCEL COUNT	FY 2023 ASSESSED VALUE	FY 2024 ASSESSED VALUE
101	SINGLE FAMILY	2,303	2,303	\$2,357,203,800	\$2,473,878,700
102	CONDOMINIUM	6,667	6,888	\$4,751,278,705	\$5,002,905,362
104	TWO FAMILY	4,858	4,829	\$5,268,290,720	\$5,327,284,990
105	THREE FAMILY	2,214	2,200	\$2,944,176,080	\$2,928,138,675
109	2 OR MORE RES. BUILDINGS/1 LOT	68	66	\$117,852,900	\$114,358,300
111-125	APARTMENTS 4+	668	665	\$2,360,846,005	\$2,432,480,606
130-132,106	VACANT RES. LAND	171	167	\$20,573,200	\$18,553,700
300-393	COMMERCIAL	596	595	\$2,653,965,569	\$3,261,575,051
400-452	INDUSTRIAL	91	90	\$433,342,800	\$433,862,500
012-043	MIXED USE RESIDENTIAL	253	250	\$767,941,288	\$792,294,696
	MIXED USE COMMERCIAL			\$176,402,406	\$179,445,485
501-508	PERSONAL PROPERTY	584	658	\$450,822,700	\$549,882,130
TOTAL REAL & PERSONAL PROPERTY VALUE		18,473	18,711	\$22,302,696,173	\$23,544,660,195
900-990	EXEMPT REAL ESTATE	388	388	\$2,361,468,525	\$2,430,889,468

## Parcel Count Changes FY23-FY24:

- Added 221 residential condo units (50 conversions)
- 29 fewer two-family properties
- 14 fewer three-family properties

## Average Valuation Changes FY23-FY24

	Market & Growth	Growth Only
Single family	4.9%	0.542%
Condominiums	5.3%	0.955%
Two & Three family	0.9%	0.572%
Multi – Family 4+ Units	3.0%	6.925%
Commercial	22.9%	25.755%
Industrial	0.1%	0.334%



## Average Assessment Changes By Neighborhood: Single Family

	FY23 Value	FY24 Value	% Change 23-24
1001 West Somerville South & Cambridge Line	1,153,476	1,202,045	4.21
2001 Ward 2 Union Square South	1,049,622	1,090,748	3.92
3001 Ward 2 Cobble Hill			
4001 West Somerville	1,359,134	1,432,541	5.40
5001 Winter Hill North	759,714	788,284	3.76
6001 Ten Hills	845,262	896,159	6.02
7001 Winter Hill & Magoun Square	874,828	921,137	5.29
8001 Central, Spring & Prospect Hill	1,045,211	1,100,553	5.29
9001 East Somerville	768,621	805,730	4.82
<b>City Average</b>	<b>1,023,536</b>	<b>1,074,198</b>	<b>4.95</b>

## Average Assessment Changes By Neighborhood: Two Family

	FY23 Value	FY24 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	1,144,109	1,180,510	3.18
2001 Ward 2 Union Square South	1,107,894	1,132,842	2.09
3001 Ward 2 Cobble Hill	n/a	n/a	
4001 West Somerville	1,226,546	1,252,524	2.14
5001 Winter Hill North	809,339	830,011	2.55
6001 Ten Hills	884,552	897,622	1.48
7001 Winter Hill & Magoun Square	930,530	954,615	2.55
8001 Central, Spring & Prospect Hill	1,080,090	1,109,038	2.68
9001 East Somerville	888,616	901,988	1.50
<b>City Average</b>	<b>1,084,457</b>	<b>1,109,398</b>	<b>2.30</b>

## Average Assessment Changes By Neighborhood: Three Family

	FY23 Value	FY24 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	1,479,081	1,484,369	0.36
2001 Ward 2 Union Square South	1,443,945	1,457,169	0.92
3001 Ward 2 Cobble Hill	n/a		
4001 West Somerville	1,443,109	1,439,682	-0.24
5001 Winter Hill North	1,165,438	1,163,149	-0.06
6001 Ten Hills	1,004,940	1,010,460	0.55
7001 Winter Hill & Magoun Square	1,169,744	1,172,170	0.21
8001 Central, Spring & Prospect Hill	1,341,886	1,338,270	-0.27
9001 East Somerville	1,125,195	1,127,750	0.23
<b>City Average</b>	<b>1,329,800</b>	<b>1,330,972</b>	<b>0.09</b>

## Average Assessment Changes By Neighborhood: Condominium

	FY23 Value	FY24 Value	% Change 22-23
1001 West Somerville South & Cambridge Line	826,038	830,837	0.58
2001 Ward 2 Union Square South	727,776	741,849	1.93
3001 Ward 2 Cobble Hill	644,395	661,136	2.60
4001 West Somerville	819,142	836,975	2.18
5001 Winter Hill North	596,932	597,667	0.12
6001 Ten Hills	648,775	655,618	1.05
7001 Winter Hill & Magoun Square	584,709	601,295	2.84
8001 Central, Spring & Prospect Hill	729,163	750,104	2.87
9001 East Somerville	620,366	621,909	0.25
<b>City Average</b>	<b>712,656</b>	<b>726,322</b>	<b>1.92</b>

# FY24 Growth

Use Type	New Growth Valuation	Tax Levy Growth
Single Family	12,774,500	
Condominium	45,390,326	
Two & Three Family	47,004,800	
Four+ Units	163,480,400	
Mixed-Use Residential & Other	27,212,283	
<b>Total Residential</b>	<b>296,250,809</b>	<b>3,063,233</b>
Commercial	683,537,167	11,859,370
Industrial	1,445,900	25,086
Personal Property	162,321,800	2,816,283
<b>Total Commercial, Industrial &amp; Personal Property</b>	<b>847,304,867</b>	<b>14,700,739</b>
<b>Total Real &amp; Personal Property</b>	<b>1,143,555,676</b>	<b>17,763,972</b>

# Major Contributors to New Growth Valuation

<b>Assembly Row</b>	<b>New Valuation</b>	<b>FY24 Tax (Estimate)</b>
Grand Union Blvd – Corporate Office Under Construction –	\$20.9M	\$363,569
74 Middlesex Ave Assembly Row (Office/Lab) Under Construction –	\$91.6M	\$1,590,114
<b>Cambridge Crossing – Union Sq - BoyntonYards</b>		
250 Water Street – Inner Belt (Office/Lab) Under Construction –	\$96M	\$1,665,820
20 Prospect St - Union Sq Apartment /Retail Under Construction –	\$67.1M	\$694,236
101 South Street – Boynton Yards (Office/Lab)	\$124.5M	\$2,161,272



u/vanhoosear on Flickr

# FY24 Tax Levy & Classification

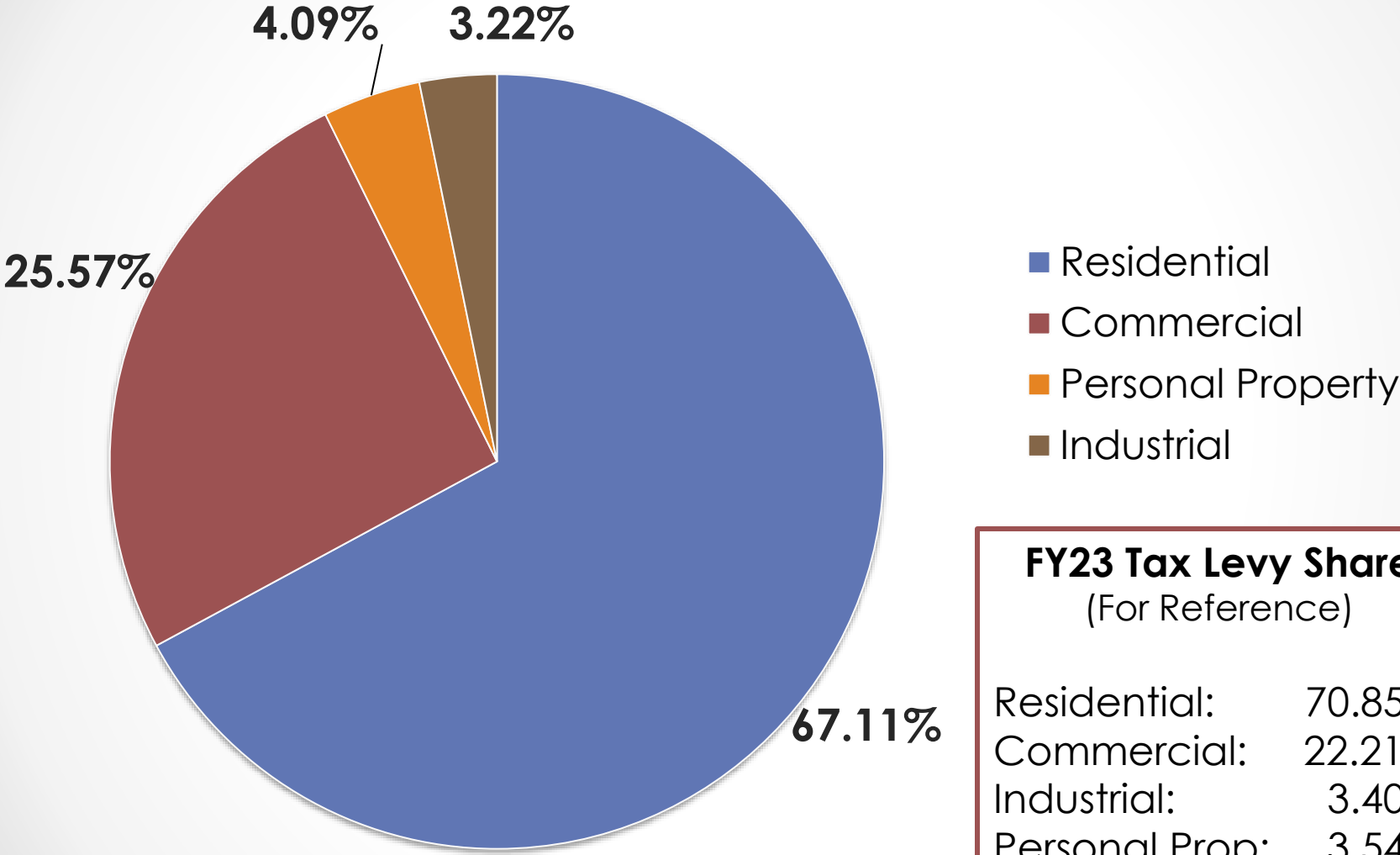
FY23 Levy Limit:	\$215,317,042
FY24 Add 2.5%:	\$ 5,382,926
FY24 New Growth	\$ 17,763,972
FY24 Levy Limit:	\$238,463,940
FY24 Debt Exclusion	\$ 6,705,968
FY24 Max Allowable Levy	\$245,169,908
FY24 Estimated Tax Levy	\$ 244,925,954
Excess Levy Capacity:	\$ 243,954

FY24 Change:  
10.44%

	As Assessed	With 175% Classification
Commercial Value %	18.7931	32.8879
Residential Value %	81.2069	67.1121

Commercial Levy: \$ 80,551,003  
Residential Levy: \$164,374,951

# Tax Levy Share: FY24



FY23 Tax Levy Share (For Reference)	
Residential:	70.85%
Commercial:	22.21%
Industrial:	3.40%
Personal Prop:	3.54%

# Option 1: No Classification & No ResX

- Single Tax Rate: \$10.39

**NOT RECOMMENDED**

Use Type	FY23 Average Value	FY24 Average Value	FY23 Average Tax	FY24 Average Tax	Tax Change FY23-FY24
CONDO	712,656	726,322	\$7,070	\$7,546	\$476
1 FAMILY	1,023,536	1,074,198	\$10,154	\$11,161	\$1,007
2 FAMILY	1,084,457	1,109,398	\$10,758	\$11,527	\$769
3 FAMILY	1,329,800	1,330,972	\$13,232	\$13,829	\$597
4-8 FAMILY	1,854,005	1,876,932	\$18,392	\$19,501	\$1,109
COM	4,452,962	5,481,639	\$44,173	\$56,954	\$12,781

# Option 2: With Classification & No ResX

- Residential Rate: \$8.59
- Commercial Rate: \$18.19

**NOT RECOMMENDED**

Use Type	FY23 Average Value	FY24 Average Value	FY23 Average Tax	FY24 Average Tax	Tax Change FY23-FY24
CONDO	712,656	726,322	\$6,008	\$6,239	\$231
1 FAMILY	1,023,536	1,074,198	\$8,628	\$9,227	\$599
2 FAMILY	1,084,457	1,109,398	\$9,174	\$9,530	\$356
3 FAMILY	1,329,800	1,330,972	\$11,213	\$11,433	\$220
4-8 FAMILY	1,854,005	1,876,932	\$15,629	\$16,123	\$494
COM	4,452,962	5,481,639	\$77,259	\$99,711	\$22,452

# Option 3: With Classification & ResX

- Residential Rate: \$10.52
- Commercial Rate: \$18.19

**ResX Value Reduction: \$385,327**  
**Tax Savings of \$4,053.64**

**RECOMMENDED**

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

Use Type	FY23 Average Value	FY24 Average Value	FY23 Average Tax	FY24 Average Tax	Tax Change FY23-FY24
CONDO	712,656	726,322	\$3,458	\$3,587	\$129
1 FAMILY	1,023,536	1,074,198	\$6,673	\$7,247	\$574
2 FAMILY	1,084,457	1,109,398	\$7,303	\$7,617	\$314
3 FAMILY	1,329,800	1,330,972	\$9,840	\$9,948	\$108
4-8 FAMILY	1,854,005	1,876,932	\$15,260	\$15,692	\$432

# FY24 TAX IMPACT

DEBT EXCLUSION IS ABOVE & BEYOND THE LEVY LIMIT - THE DEBT EXCL DIVIDED BY THE MAX 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

<u>DEBT EXCLUSION</u>				<u>FISCAL YEAR 2024</u>			
<u>WITH RESIDENTIAL EXEMPTION</u>		<u>WITHOUT RESIDENTIAL EXEMPTION</u>		<u>ESTIMATED RATES / FY24 ESTIMATED AVG VALUE</u>			
USE	FY24	USE	FY24	EST RES TAX RATE	10.52		
FY23 LEVY	221,093,409	FY23 LEVY	221,093,409				
DEBT EXCLUSION	6,705,968	DEBT EXCLUSION	6,705,968	EST COM TAX RATE	18.19		
MAX LEVY	245,169,908	MAX LEVY	245,169,908	EST RES EXEMPTION	385,327		
RATIO	0.027352	RATIO	0.027352				
101 - SINGLE FAMILY	198	101 - SINGLE FAMILY	309	101 AVG VAL	1,074,198		
102 - CONDOMINIUM	98	102 - CONDOMINIUM	209	102 AVG VAL	726,322		
104 - TWO FAMILY	208	104 - TWO FAMILY	320	104 AVG VAL	1,109,398		
105 - THREE FAMILY	272	105 - THREE FAMILY	383	105 AVG VAL	1,330,972		
111- 4 TO 8 UNIT	429	111- 4 TO 8 UNIT	541	111 - 4 TO 8 UNIT	1,876,932		
<u>FY24 ESTIMATED TAX INCREASE</u>		<u>FY23 ESTIMATED TAX INCREASE</u>		<u>FY22 ACTUAL TAX INCREASE</u>			
<u>WITH RESIDENTIAL EXEMPTION</u>		<u>WITH RESIDENTIAL EXEMPTION</u>		<u>WITH RESIDENTIAL EXEMPTION</u>			
USE	FY24	USE	FY23	USE	FY22		
101 - SINGLE FAMILY	\$574	101 - SINGLE FAMILY	\$560.74	101 - SINGLE FAMILY	\$341.00		
102 - CONDOMINIUM	\$129	102 - CONDOMINIUM	\$212.24	102 - CONDOMINIUM	\$39.00		
104 - TWO FAMILY	\$314	104 - TWO FAMILY	\$486.67	104 - TWO FAMILY	\$253.00		
105 - THREE FAMILY	\$108	105 - THREE FAMILY	\$365.50	105 - THREE FAMILY	\$515.00		
111- 4 TO 8 UNIT	\$432	111- 4 TO 8 UNIT	\$852.79	111- 4 TO 8 UNIT	\$1,010.00		

# FY23 Residential Tax Community Comparison

Municipality	Residential Tax Rate	Comm/Ind/PP Levy Share	Average FY23 Res Value	ResX Percentage	ResX Savings	Average Residential Tax Bill
Waltham	\$10.32	60.74%	\$744,153	35%	\$2,688	\$4,992
Boston	\$10.74	58.28%	\$919,525	35%	\$3,456	\$6,419
Cambridge	\$ 5.86	65.77%	\$1,569,411	30%	\$2,759	\$6,438
Somerville	\$10.34	29.15%	\$1,080,581	35%	\$3,910	\$7,263
Watertown	\$13.58	39.05%	\$802,987	33%	\$3,599	\$7,306

# Exemptions & other options to Reduce RE taxes:

- Other than ResX
- Reside at property
- City allows double the allowed amount for exemptions depending how much their tax bill increased from previous year

Exemption	Requirements	Income limits	Asset limits	Exemption amount	Other requirements	#FY23
Elderly 17D	Over 70	--	\$74,221	\$323 25% water	--	55
Elderly 41C	Over 65	\$25,970 (S) \$38,953(M)	\$51,938 (S) \$71,426(M)	\$1000 25% water	--	47
Blind 37A	Blind certificate	--	--	500	--	16
Veterans 22	VA disability cert over 10%	--	--	\$400 up to 100%	Amount depends on disability	90
Deferral 41A	Over 65 Constitutes lien payable upon transfer/death	\$86,000	--	100% gaining 2.5% interest	Consent other lien holders (mortgage)	9
Senior work off	Over 60	--	--	Up to \$1500	Contact council on aging	7