



**CITY OF SOMERVILLE, MASSACHUSETTS**  
**Office of Strategic Planning and Community Development**  
**JOSEPH A. CURTATONE, MAYOR**

**MEMORANDUM**

**Office of the Executive Director**

**MEMORANDUM**

**TO:** Mayor Joseph A. Curtatone

**FROM:** Michael F. Glavin, Executive Director

**DATE:** April 9, 2013

**SUBJECT:** An Ordinance Amending the Somerville Zoning Ordinance to Revise Article 15 Linkage

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The Office of Strategic Planning and Community Development (OSPCD) respectfully requests that you forward the attached proposed amendment to the Board of Aldermen for their review and consideration. This ordinance will amend Article 15 of the SZO by revising project applicability and updating the project mitigation contribution.

**Background**

The City of Somerville has had a linkage ordinance, Section 15 of the Somerville Zoning Ordinance, since 1990. The ordinance was originally developed based on a 1989 nexus study and was amended most recently in 2004 after an updated nexus study. The Linkage Fee is triggered by Applicants seeking special permits or special permits with site plan review for projects of new construction or substantial rehabilitation (including Planned Unit Developments) to be occupied by any single use or combination of uses as defined in Section 15.2 of the SZO.

The current ordinance imposes a linkage fee of \$3.91 per square foot for projects exceeding 30,000 gross square feet (the first 30,000 square feet are exempt from the fee). All funds generated by the current linkage fee are dedicated to housing for low and moderate income households and are deposited into the Somerville Affordable Housing Trust Fund for distribution for these purposes. Both the Somerville Affordable Housing Trust Fund and the Affordable Housing Linkage Ordinance are allowed in Somerville via a Home Rule Petition.

As laid out in SomerVision, the City's 20 year Comprehensive Plan, Somerville has the capacity and plans to achieve some ambitious development goals. SomerVision sets a goal for the creation of

6,000 new housing units, 1200 of which should be affordable, by 2020. According to Goal V.B of the Housing Committee, "The City should ensure that there is an established basis for fees on development." Part of this goal includes reviewing and updating the current linkage nexus study for affordable housing.

### **Justification for changes to the Affordable Housing Linkage Program**

In order to quantify the impact of this planned development on the demand for low and moderate income housing in Somerville and the need for job training for low and moderate income Somerville residents, OSPCD commissioned a report to update the nexus for the affordable housing linkage fee and to evaluate and determine the basis for a jobs linkage policy to fund employment and training services. The attached Somerville Linkage Fee Nexus Study explored both necessary revisions to the Affordable Housing Linkage ordinance and the potential for the creation of a new Job Creation and Retention Linkage ordinance.

The study found that there is a nexus between new development and demand for affordable housing, recommending an affordable housing linkage fee of \$5.15/sf. In addition, the study found that there is an additional nexus between new development and the need for job training for low and moderate income Somerville residents, recommending a job creation linkage fee of \$1.40/sf.

### **Next Steps**

While the Somerville Affordable Housing Trust and Article 15 of the Somerville Zoning Ordinance (SZO) establishing a Linkage for Affordable Housing are already allowed as a result of Home Rule Petitions, the recommendations of the nexus study to establish both a Jobs Trust and a Job Creation Linkage Fee will require Home Rule Petitions. A separate Recommendation to the Board of Aldermen will propose Home Rule Petitions for this purpose.

### **Recommendations for Amendments to the Affordable Housing Linkage Ordinance Article 15:**

The report found that projected development of 901,000 square feet of commercial space in the next 10 years in Somerville will result in demand for an additional 89 units of affordable housing and establishes a nexus for an increased fee to achieve this goal. It also identified several additional concerns. First, the current ordinance specifies land uses that trigger the linkage fee, but does not take into account updates and new sections to the SZO and as a result is unwieldy to interpret and may not cover all of the applicable land uses. Second, the current ordinance does not provide for any regular increases of the linkage fee, other than to say it should be updated every 3 years, but specifies no methodology. Lastly, the trigger for the linkage fee is 30,000 sf, but the report found that developments of 20,000 to 30,000 sf have the highest impact on the demand for affordable housing.

The amendment attached addresses the findings of the report by making the proposed changes to Article 15.

1. Increase the linkage fee for affordable housing from the current \$3.91 per sf to \$5.15 per sf
2. Apply the linkage fee for affordable housing uniformly across all land uses and specify only those that are exempt from the fee
3. Provide for a regular increase of the Linkage Fee every 3 years by using the Consumer Price Index (CPI) to account for inflation

4. Lower the threshold for development trigger of the Linkage Fee from 30,000 sf to 20,000 sf.

**Recommendation:**

It is recommended that the Board of Aldermen accept the proposed amendments to Article 15 Linkage.