

Information on Condo Conversion Ordinance, in Response to Flyer Being Circulated

Below please find information provided to address the content of a flyer produced by the Somerville Property Owners Coalition about Somerville's Condominium Conversion Ordinance (CCO). *Italicized* statements are from the flyer, non-italicized text is clarifying information from the City Housing Division prepared in response.

Flyer: *"The new CCO takes away your fundamental right to control YOUR private property."*

City: There has been a condominium conversion ordinance in Somerville since 1985. Property owners always had to appear before the Condominium Review Board to convert existing property to condominium units.

Flyer: *"Owners of 2 and 3 family homes can no longer convert, or sell to a developer to convert, their private property, without first offering units 'as is' to tenants, a 'non-profit', or the City and before offering to the open market."*

City: The tenant right to purchase already exists under both state law and Somerville's current ordinance. The City/designee right to purchase is a new provision and runs concurrent with the tenant's right - no additional time is added for the City/Designee. The right to purchase is structured so that the price, which is set by the owner, will reflect current market values.

Flyer: *"Tenants now have up to 7 years to move out of your property!"*

City: All tenants are entitled to one years' notice. Seven years is the maximum, which only applies if a property owner willfully neglects to fulfill their obligation to assist in housing search for vulnerable tenants who are either low/mod income, elderly and/or disabled being displaced through conversion. Otherwise, vulnerable tenants who are either low/mod income, elderly and/or disabled are entitled to five years' notice.

Flyer: *"During this time:*

- *You are not allowed to raise rents without permission from the City."*
- *You cannot improve your units without permission from your tenants."*

City: City review of rent increases is done to verify that the rents do not exceed market rents. Necessary repairs required by State Sanitary and Building Code are permissible, and vacant units can be renovated during the waiting period. Cosmetic and other discretionary improvements that have in the past had the effect of disrupting tenant 'quiet enjoyment' rights to their units are limited.

Flyer: *"You must pay up to \$10,000 to relocate your tenants!" "You must find 'comparable' housing within the city of Somerville for your tenants!"*

City: All households are entitled to a relocation payment of \$6,000. The \$10,000 payment provision is limited to especially vulnerable households including elderly, disabled or low/mod-income tenants. Owners must make a good faith effort (defined in CCO Rules) to assist vulnerable tenants who are either low/mod income, elderly and/or disabled in finding comparable housing.

Flyer: *"The restrictions of the CCO have now devalued your property because it makes it harder to sell."*

City: City staff are unaware of any empirical data demonstrating that the ordinance has devalued property since its passage.

Flyer: *"Your tenant, a nonprofit or the city can buy your property, without first offering it to the open market - develop the property themselves and FLIP it at a profit and capitalize on your loss."*

City: The tenant right to purchase is recognized by state law. If the City/Designee were to purchase a property, it is required to be for the purposes of maintaining the unit as an affordable unit, in perpetuity. In other words, it cannot be sold at a profit.

Flyer: *The city is setting the rules for how, when and to whom you sell your property.*

City: This ordinance only applies to transactions involving Condominium Conversion. All other transactions are not impacted. Condominium Conversion remains allowable, so long as owners abide by the Ordinance.

For additional clarifying information or questions, please contact Condominium Review Board staff at 617-625-6600, ext. 2575 or condoboard@somervillema.gov.