

12. DEVELOPMENT BENEFITS

Buyouts & Payments

12.3 BUYOUTS & PAYMENTS

1. Compliance

- a. The Building Official may not issue any Building Permit, excluding a foundation permit, for development until any authorized fractional buyout or in-lieu payment has been made in accordance with this Section.

2. Open Space In Lieu Payments

- a. Payment Calculation
 - i. The in-lieu payment for open space is calculated as $(A*B)$ where:
 - i). A is the square footage of open space not provided; and
 - ii). B is fifteen dollars (\$15) per square foot.
- b. Payments in-lieu of open space must be paid to the Open Space Acquisition and Improvements Stabilization Fund.

3. Civic Space In Lieu Payments

- a. Payment Calculation
 - i. The in-lieu payment for civic space is calculated as $5*(A*B)$ where:
 - i). A is the square footage of civic space not provided; and
 - ii). B the average cost to acquire, design, and develop land as a civic space.
 - ii. The Director of Public Space & Urban Forestry shall calculate, publish on the City website, and annually update a fee schedule for a payment in lieu of civic space.
 - iii. Payments in-lieu of open space must be paid to the Open Space Acquisition and Improvements Stabilization Fund.
- b. Review Criteria
 - i. Master Planned Development
 - a). In addition to the review criteria for all Special Permits specified in §15.2.1.e. Review Criteria, the review board shall make findings considering the following in its discretion to approve or deny a special permit authorizing a payment in lieu of civic space:
 - i). The goals and objectives of the City of Somerville Open Space Plan.
 - ii). The availability and suitability of lots within a development site for development as a civic space.
 - iii). The plausible availability of sites located elsewhere in the city that are suitable for development as civic space.
 - iv). The need for funding to improve or maintain existing civic spaces, particularly athletic fields, located elsewhere in the city.

- ii. Contributing Lots in the MPD Overlay
 - a). In addition to the review criteria for all Special Permits specified in §15.2.1.e. Review Criteria, the review board shall make findings considering the following in its discretion to approve or deny a special permit authorizing a payment in lieu of civic space:
 - i). Consistency with the approved Urban Design Framework, as amended.
 - ii). If receipt of an in-lieu payment is advantageous to the City in creating or preserving civic space as compared to the civic space that would have been otherwise provided.

4. Commercial Space In Lieu Payments

- a. Payment Calculation
 - a). The in-lieu payment for commercial floor area is calculated as $10*(A*B)$ where:
 - i). A is the square footage of commercial floor area not provided; and
 - ii). B is the difference between the average price per square foot of non-residential floor area rented or sold over the previous twelve (12) months and the average price per square foot of the market-rate dwelling units proposed for the development.

5. ADU Fractional Buyouts

- a. The fractional buyout for an ownership or rental ADU is calculated as $(A*B)$ where:
 - i. A is the amount of ADUs not provided; and
 - ii. B is the difference between the average sales price of comparable market-rate units sold within the city of Somerville over the previous twelve (12) months and the sale price of an ADU in the ownership or rental price tier that would have been provided, as calculated according to §12.1.4 ADU Price.
- b. The The Director of Housing shall calculate, publish on the City website, and annually update a fee schedule for a fractional buyout of an ADU.
- c. Buyouts must be paid to the Somerville Affordable Housing Trust Fund or, alternatively, to the City of Somerville for transfer to a Massachusetts Non-Profit Housing Finance Corporation, at the discretion of the Director of Housing.

6. ADU In-Lieu Payments

- a. Applicants may request to make a payment in lieu of providing one (1) or more required ADUs by Special Permit.
 - i. In addition to the review criteria for all Special

Permits specified in §15.2.1.e. Review Criteria, the review board shall make findings considering the following in its discretion to approve or deny a special permit authorizing a payment in lieu of ADUs:

- a). If receipt of an in-lieu payment is advantageous to the City in creating or preserving affordable housing as compared to the ADUs that would have been otherwise provided.
- b. The in-lieu payment for an ownership ADU is calculated as $2*(A*B)$ where:
 - i. A is the amount of ADUs not provided; and
 - ii. B is the difference between the average sales price of comparable market-rate units sold within the city of Somerville over the previous twelve (12) months and the sale price of an ADU in the ownership or rental price tier that would have been provided, as calculated according to §12.1.4 ADU Price.
- c. The lieu payment for a rental ADU is calculated as $2.5*(A*B)$ where:
 - i. A is the amount of ADUs not provided; and
 - ii. B is the difference between the average sales price of comparable market-rate units sold within the city of Somerville over the previous twelve (12) months and the sale price of an ADU in the ownership or rental price tier that would have been provided, as calculated according to §12.1.4 ADU Price.
- d. In-lieu payments must be paid to the Somerville Affordable Housing Trust Fund or, alternatively, to the City of Somerville for transfer to a Massachusetts Non-Profit Housing Finance Corporation, at the discretion of the Director of Housing.

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Density bonuses

12.4 DENSITY BONUSES

1. Reserved