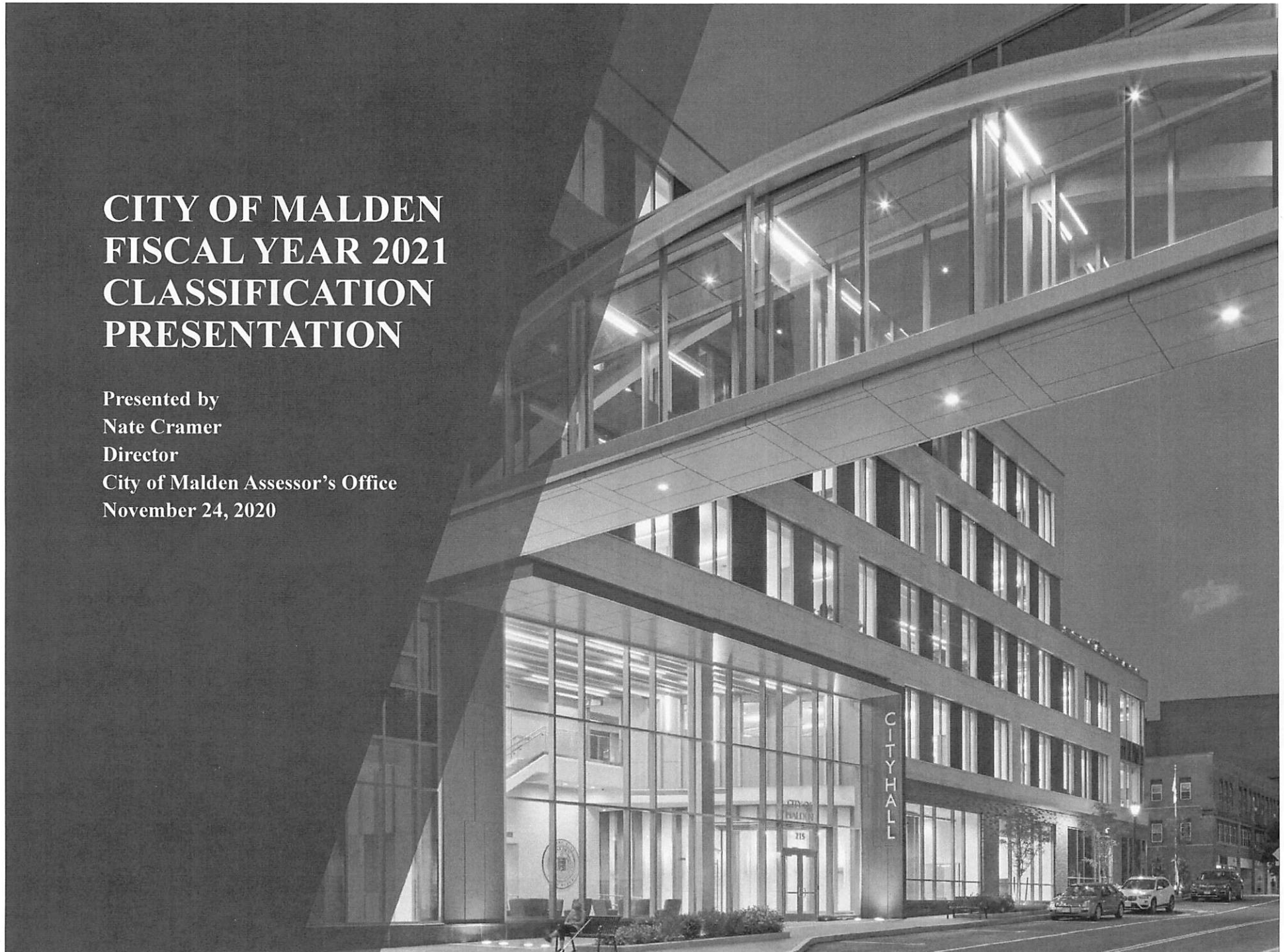


CITY OF MALDEN FISCAL YEAR 2021 CLASSIFICATION PRESENTATION

Presented by
Nate Cramer
Director
City of Malden Assessor's Office
November 24, 2020





Required Action

- Selection of a Minimum Residential Factor.
- Granting of a Residential Exemption.



MINIMUM RESIDENTIAL FACTOR

- A Residential Factor of 1 would yield a single tax rate of \$10.94 per thousand of value.
- Tax Levy: \$98,255,537/ Value: \$8,984,255,368 = (0.01094) X 1000 = Single Tax Rate of \$10.94
- Chapter 200 allows communities to select a factor less than 1 thereby shifting more of the tax burden onto the CIP classes of properties.
- Historically, Malden has chosen the maximum allowable shift factor to afford residential taxpayers the lowest share of the tax burden allowed by state law.

MRF OPTIONS

| CIP SHIFT | MRF | RES % | CIP % | RES TR | CIP TR |
|-------------|--------------|----------------|-----------------|----------------|----------------|
| 1 | 1 | 88.2282 | 11.7718 | \$13.66 | \$10.94 |
| 1.25 | .9666 | 85.2852 | 14.7148 | \$13.21 | \$13.68 |
| 1.50 | .9333 | 82.3423 | 17.6577 | \$12.75 | \$16.41 |
| 1.75 | .8999 | 79.3993 | 20.60007 | \$12.30 | \$19.15 |

- **Bold represents the max allowable shift for FY 2021.**

ESTIMATED TAX AMOUNTS RESIDENTIAL

The Average Single-Family Value is \$629,649

| CIP SHIFT | MRF | RES % | RES TR | EST BILL |
|-------------|--------------|----------------|----------------|----------------|
| 1.00 | 1.00 | 88.2282 | \$13.66 | \$8,601 |
| 1.25 | .9666 | 85.2852 | \$13.21 | \$8,318 |
| 1.50 | .9333 | 82.3423 | \$12.75 | \$8,028 |
| 1.75 | .8999 | 79.3993 | \$12.30 | \$7,745 |

- **Bold represents the max allowable shift for FY 2021.**
- **The Maximum Allowable Shift results in an \$856 savings to the average single-family taxpayer.**

ESTIMATED TAX AMOUNTS CIP

The Average Comm/Indust/PP Value is \$944,337

| CIP SHIFT | MRF | CIP % | CIP TR | EST TB |
|-------------|--------------|----------------|----------------|-----------------|
| 1 | 1 | 11.7718 | \$10.94 | \$10,331 |
| 1.25 | .9666 | 14.7148 | \$13.68 | \$12,918 |
| 1.5 | .9333 | 17.6577 | \$16.41 | \$15,496 |
| 1.75 | .8999 | 20.6007 | \$19.15 | \$18,084 |

Bold represents the max allowable shift for FY 2021.

FY 2021 EST TAX RATES

- At the Maximum Allowable Shift with the selected MRF of .8999, our est. tax rates will be:

\$12.30 Residential

\$19.15 Commercial/Industrial/Personal

Note: These rates can change slightly during the approval process.

RESIDENTIAL EXEMPTION

- An exemption of up to 35%
- Only 14 communities state-wide have adopted
- Malden adopted in 2008 @ 30%
- Exemption in FY2020 was \$2261.21
- Of the 12,859 residential properties, about 8,400 qualify for the exemption
- There is a break even point.....

Res-Exemption Break Even

Around \$950,000, the benefit of the residential exemption begins to diminish

| Land Use | Count |
|-------------------------------|-------|
| 101- Single Family | 10 |
| 104- 2-Family | 31 |
| 105- 3-Family | 34 |
| 109- Multiple Houses, One lot | 14 |
| 111 – 4-8 Unit Apts | 94 |
| 112 – 9+ Unit Apartments | 100 |
| 121-125 | 4 |

AVG TAX BILL FY 2020 – FY 2021

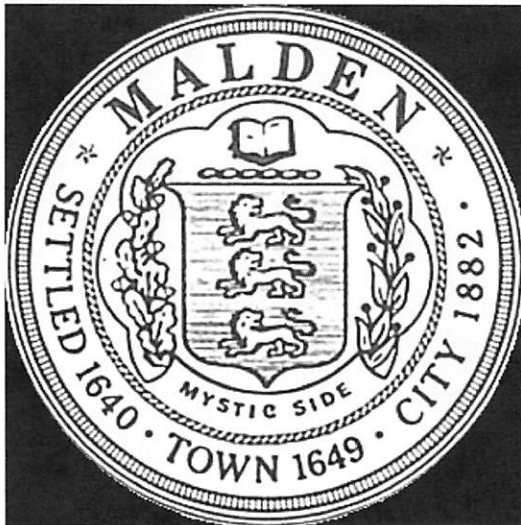
| | 2020 | 2021 |
|--------------------------|-----------|----------------------------|
| Avg. Single Family Value | \$595,843 | \$629,649 (+5.81%) |
| Res Tax Rate | \$12.65 | \$12.30 (-\$0.35) |
| Avg. Res Tax Bill | \$7,537 | \$7,745 (+\$208 or 2.7%) |
| | | |
| Avg. Commercial Value | \$901,504 | \$944,377 (+4.7%) |
| CIP Tax Rate | \$19.58 | \$19.15 (-\$0.43) |
| Avg. Comm. Tax Bill | \$17,651 | \$18,084 (\$+433 or +2.4%) |

**NEARBY COMMUNITIES THAT ALSO HAVE THE
RESIDENTIAL EXEMPTION (FY20)**

| COMMUNITY | RES TAX RATE | CIP TAX RATE | AVG SINGLE FAMILY VALUE | Exemption Amount (Value) | AVG SINGLE FAMILY BILL WITH EXEMPTION |
|------------|----------------|----------------|-------------------------|--------------------------|---------------------------------------|
| BOSTON | \$10.56 | \$24.92 | \$779,164 | \$272,707 | \$3,838 |
| CAMBRIDGE | \$5.75 | \$12.68 | \$1,371,052 | \$411,316 | \$5,515 |
| EVERETT | \$10.64 | \$24.72 | \$532,546 | \$133,137 | \$3,211 |
| SOMERVILLE | \$10.09 | \$16.32 | \$925,745 | \$324,011 | \$5,358 |
| CHELSEA | \$13.40 | \$27.17 | \$516,707 | \$160,179 | \$2,642 |
| MALDEN | \$12.65 | \$19.58 | \$595,843 | \$178.753 | \$5,276 |

FY 2020 TAX SHIFT NEIGHBORING

| COMMUNITY | FY2020 ACTUAL SHIFT | RES % OF TAX BASE | | CIP % OF TAX BASE | | Avg Single Family Tax Bill* |
|-----------|---------------------------|-------------------|--------|-------------------|--------|-----------------------------------|
| | | Before | After | Before | After | |
| MALDEN | 1.75 | 88.80% | 80.39% | 11.20% | 19.61% | \$7,537* |
| SAUGUS | 1.75 | 81.62% | 67.83% | 18.37% | 32.17% | \$5,368 |
| EVERETT | 1.75 | 69.08% | 45.90% | 30.914% | 54.09% | \$5,666* |
| MELROSE | 1.62 | 95.31% | 92.35% | 4.69% | 7.65% | \$7,015 |
| MEDFORD | 1.75 | 89.70% | 81.97% | 10.30% | 18.03% | \$5,646 |



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Greg Lucey

From: Nathaniel Cramer
Sent: Tuesday, November 24, 2020 8:40 PM
To: Peg Crowe; Paul Condon; Amanda Linehan; Ryan O'Malley; Barbara Murphy; David Camell; Neal Anderson; Jadeane Sica; Craig Spadafora; Stephen Winslow
Cc: Lisa M. Cagno; Greg Lucey
Subject: RE: Assessor's Classification Presentation

Hello Councilors--

I wanted to thank everyone for your feedback. I was taking notes and will incorporate your suggestions into next years presentation.

Below is what the rates would have looked like with a 35% shift. I will be sure to incorporate that into future presentations, as well as tax rates for neighboring communities with and without residential tax exemptions.

If there is anything else you would like to see that you think of between now and next Fall, please let me know.

I hope everyone has a great Thanksgiving!

Nate

Esimated Tax Rates

| total LA | Res ET | OS ET | Comm ET | Ind ET |
|-----------------|---------------|--------------|----------------|---------------|
| 255,537 | 14.27 | 0.00 | 10.94 | 10.94 |
| 255,537 | 14.17 | 0.00 | 11.48 | 11.48 |
| 255,537 | 14.08 | 0.00 | 12.03 | 12.03 |
| 255,536 | 13.98 | 0.00 | 12.58 | 12.58 |
| 255,536 | 13.89 | 0.00 | 13.12 | 13.12 |
| 255,536 | 13.79 | 0.00 | 13.67 | 13.67 |
| 255,536 | 13.70 | 0.00 | 14.22 | 14.22 |
| 255,536 | 13.60 | 0.00 | 14.76 | 14.76 |
| 255,535 | 13.51 | 0.00 | 15.31 | 15.31 |
| 255,535 | 13.41 | 0.00 | 15.86 | 15.86 |
| 255,535 | 13.32 | 0.00 | 16.40 | 16.40 |
| 255,535 | 13.22 | 0.00 | 16.95 | 16.95 |
| 255,535 | 13.13 | 0.00 | 17.50 | 17.50 |
| 255,534 | 13.03 | 0.00 | 18.05 | 18.04 |
| 255,534 | 12.94 | 0.00 | 18.59 | 18.59 |
| 255,534 | 12.84 | 0.00 | 19.14 | 19.14 |

From: Nathaniel Cramer

Sent: Tuesday, November 24, 2020 6:58 PM

To: Peg Crowe <pcrowe@CITYOFMALDEN.ORG>; Paul Condon <pcondon@CITYOFMALDEN.ORG>; Amanda Linehan <alinehan@CITYOFMALDEN.ORG>; Ryan O'Malley <romalley@CITYOFMALDEN.ORG>; Barbara Murphy <bmurphy@CITYOFMALDEN.ORG>; David Camell <dcamell@CITYOFMALDEN.ORG>; Neal Anderson <NAnderson@CITYOFMALDEN.ORG>; Jadeane Sica <jsica@CITYOFMALDEN.ORG>; Craig Spadafora <cspadafora@CITYOFMALDEN.ORG>; Stephen Winslow <swinslow@CITYOFMALDEN.ORG>

Cc: Lisa M. Cagno <lcagno@CITYOFMALDEN.ORG>; Greg Lucey <glucey@CITYOFMALDEN.ORG>

Subject: Assessor's Classification Presentation

Hello-

I wanted to get this out to everyone in case I have trouble sharing my screen.

Thanks!

Nate

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