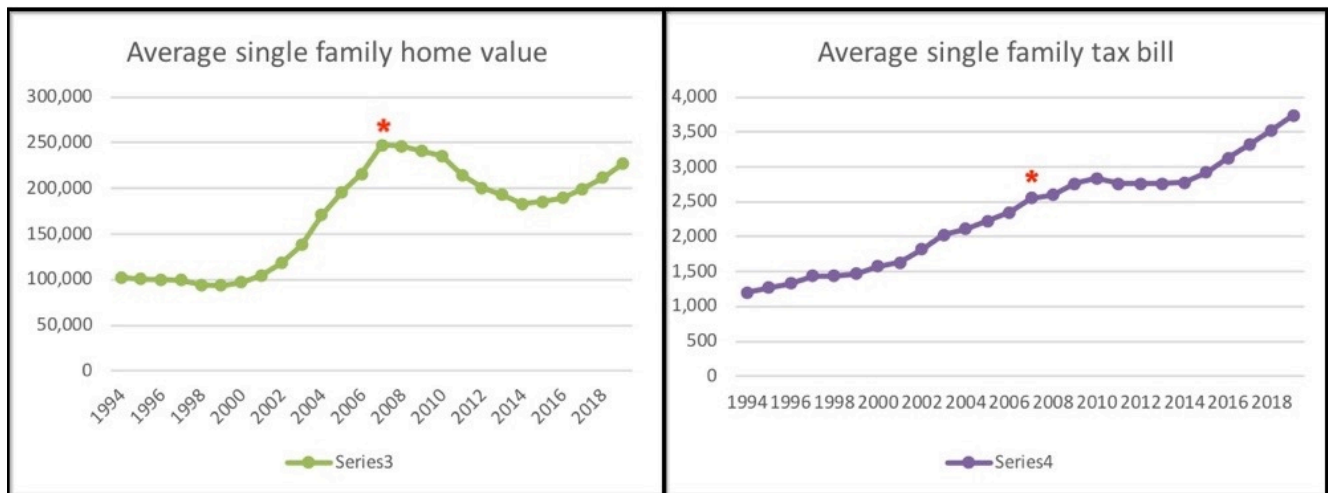


# Property valuation and appreciation have not kept up with government spending in New Bedford

There is a saying; the only two certain things in life are death and taxes. Well, it seems there's no place that statement is more accurate than right here in New Bedford.

But in a jurisdiction so overwhelmingly democratic, in nature and by count, it may raise an eyebrow that the main focus seems to be more concentrated on the government than on the people. In times of economic downturn, we would expect to see the entire population see that same downturn, proportionately. For instance, if we have a housing crash, and our homes lose value, we would never expect the taxes to then go up. If I saw something like that, I would tend to think that the government wasn't just taking from taxpayers only what they had to in order to keep afloat, but were actually treating taxpayers as though we were a personal workforce, pawns duped into exploitation by our government, to turn a profit and fund their endless shopping sprees.

The housing market suffered quite a bit from the recession of 2008. The star on each graph marks the beginning of the recession. As you can see, our home values have not fully recovered from the crash as of 2019. In fact, the average single-family home in New Bedford still has an average price that is 8.2% less than it was 2007 (-8.2%).



On the other hand, property taxes have continued to march forward, only falling by a few dollars one year, and then continuing to rise without exception. While our homes have lost, on average, 8.2% or -\$20,324 between 2007 and 2019. The property taxes have increased by 46.63%, or \$1190 per property, during that same time.

So while the people have been forced to cut spending and make sacrifices in their personal lives, whether that be much needed child care, medical insurance or even just vacation and recreational expenditures, our local government has not. Actually, in the years between 2007 and 2019, every salary has increased, some significantly. Our pension obligation has increased, our medical insurance liability has gone up, spending has charged on and it seems the only thing that didn't keep up, has been the assets of the people, which they corrected for with some of the heftiest increases in tax rates historically.

Since all government spending is a direct result of the taxpayers, shouldn't it follow that when the taxpayers suffer a loss, as a group, due to an economic downturn, that that loss and downturn also be translated into our government's spending levels? The people of Fall River thought so and opted to impose a pay cut of 8% on all municipal workers 9 years ago. This was done voluntarily by the city workers, to avoid layoffs that would have had to happen if they hadn't.

The city of Fall River also chose to freeze the pay of all elected officials at that time, and their pay remains frozen to this day, without cost of living raises. The other thing that was sacrificed was the health insurance of some elected officials. It seems that Fall River acted like a team, evenly distributing the burden of the recession, so as not to overstrain their population. Maybe a few of our residents would not have lost their homes, been forced to sell or sacrifice necessary services, had we a similar mentality here.

The information and data used for the graphs and opinions were supplied by the Municipal Databank and the Local Aid Unit, 2 divisions of the Commonwealth.

If you haven't had a chance to look at the extensive information offered to the public on their website, I highly recommend taking a moment and checking it out: [mass.gov/municipal-databank-data-analytics-including-cherry-sheets](https://mass.gov/municipal-databank-data-analytics-including-cherry-sheets).

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## **OPINION: 4 myths about buying a home in New Bedford**

### **1. You need a lot of money for a downpayment**

Gone are the days requiring a buyer to pony up a whopping 20% downpayment to get in on the American dream. In fact, programs are available that offer downpayment assistance, making it possible to get into a home of your own for zero percent down.

The Federal Housing Authority (FHA) also offers mortgages for qualified purchasers with a downpayment as low as 3.5%. Conventional loans can now be written with only 3% down, making the selection of homes available for very little

initial investment even wider. If you happen to be lucky enough to have VA loan eligibility, you can also qualify for a mortgage with zero downpayment.

## **2. You need great credit to purchase a home**

While it is true that good credit helps to secure a better rate on a mortgage, some may be surprised to find that FHA loans can be written for purchasers with credit scores of just 580. Although many low downpayment or downpayment assistance programs will require an applicant to have a credit score of 600, many would agree that a score of 600 is quite attainable by most.

There are several agencies and organizations designed to help individuals address issues with their credit, and the majority of banks offer credit workshops as well. This variable should not be seen as an insurmountable obstacle. Credit scores are a constantly changing figure, once we know how to get that number to rise, it becomes an easy victory.

## **3. People in New Bedford pay more property taxes than anyone else**

Our tax rate here is \$16.47/1,000. While that is higher than our surrounding towns, New Bedford's property values are much lower. Regardless of what you may have heard, we still have the most affordable homes around.

City	Average taxes (yearly)	Average monthly housing payment with taxes.
New Bedford	\$3964.33	\$1468.00
Fairhaven	\$3502.17	\$1710.00
Fall River	\$3637.71	\$1483.00
Taunton	\$4728.00	\$1812.00
Dartmouth	\$3626.44	\$2029.00
Boston	\$6242.84	\$3320.00

*\*figures calculated using current market rates for mortgages and average home prices reported for year 2018 by individual city's assessments and verified through closed sales recorded*

*with the county registrar of deeds. All tax calculations utilized current, 2019 tax rates reported by each city's website.*

#### **4. With the additional costs of water, insurance and taxes most pay more for a house**

The average home is valued at approximately \$240,000. This means that using today's numbers for both interest rates offered by banks on mortgages (3.92% amortized over 30 years with a downpayment of \$0) and the current tax rate imposed on residential property by the city of New Bedford (\$16.47 per thousand), the payment on a home with a mortgage of \$240,000 would be about \$1,135 and the taxes would be \$3952.80 per year.

Bringing the total payment, with taxes to \$1,464.40/month. The only figure left out of that calculation is homeowner's insurance. Due to the amount this variable can change from one instance to the next, I'm unable to provide an average here, but I can tell you that Realtor.com estimates the monthly cost at \$65. Adding in that amount, we reach a grand total of \$1529.40/month. The average household pays \$1523/month according to rentjungle.com. though I can't speak for others, my personal water bill for my home is roughly \$60/month.

When making the decision to purchase a home, there are several factors to be considered. The age and condition of the property must be examined, as well as the price and location. We also must be realistic with our financial situations and our ability to meet payment obligations now and in the future.

Purchasing a home may be a long term goal for some, possibly something to come following a higher paying job or addressing issues with credit scores. But for others, this could be more of a short-term possibility. Either way, making homeownership a goal that is persistently worked toward is a wonderful idea for the financial stability and peace of mind of your family and future generations.

## Some available resources:

- *MassHousing home buyers:*  
[masshousing.com/portal/server.pt/community/home\\_buyers/225/loans\\_for\\_home\\_buyers](https://masshousing.com/portal/server.pt/community/home_buyers/225/loans_for_home_buyers)
  - *MassHousing Mortgages:*  
[masshousing.com/portal/server.pt/community/home\\_buyer\\_loans/226/masshousing\\_loan](https://masshousing.com/portal/server.pt/community/home_buyer_loans/226/masshousing_loan)
  - *MassHousing downpayment assistance:*  
[masshousing.com/portal/server.pt/community/home\\_buyer\\_loans/226/down\\_payment\\_assistance](https://masshousing.com/portal/server.pt/community/home_buyer_loans/226/down_payment_assistance)
  - *New Bedford first time home buyers seminar calendar:*  
[newbedford.wpengine.netdna-cdn.com/community-development/wp-content/uploads/sites/34/Calendar-of-2019-Seminars-1.pdf](https://newbedford.wpengine.netdna-cdn.com/community-development/wp-content/uploads/sites/34/Calendar-of-2019-Seminars-1.pdf)
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## OPINION: One New Bedford Charter School down, several to go

Charter schools are strangling the life out of the public school system. The theory behind charter schools initially made a lot of sense. Their original purpose was to provide a real-time testing place for new and emerging ideas within the educational community. The intended purpose was never to form permanent schools, but rather to try out new ways of doing things on a smaller test group of students. Then if the methods being tested proved successful integrate that ideology into the public system.

Instead, we have charter schools remaining open permanently

with a curriculum that is all their own and not conforming to the standard of the public school system. Without a doubt, change provides the pathway to growth and growth should always be something we seek, especially in the education of our future generations. But at what cost?

The process behind selecting students for enrollment in charter schools only furthers the problem by exacerbating financial strains upon an already strained public school system. To best describe the dilemma, let's consider a hypothetical public system consisting of 10 classrooms – all with 10 students, 1 teacher, and 1 assistant. Say a new charter school opens and needs to enroll 10 students, they would pull one student from each of the 10 classrooms, leaving 10 classrooms with 9 students, 1 teacher and 1 assistant each. This will form a new charter class with 10 students and 1 teacher and 1 assistant. So the end result is that we have educated the same number of students, with more resources.

Where we were educating 100 students with 10 teachers, 10 assistants, and 1 building, now we are educating 100 students with 11 teachers, 11 assistants, and 2 buildings. Anyone who has worked for the school system, or has looked over our budget in New Bedford can easily see this is a step in the wrong direction, not only for the city but for the public school system as well.

Needless expenditures on facilities, maintenance and faculty are only forcing our class sizes to be larger and the salaries of our public school teachers and educational support personnel lower than they already are. Add to this the state's tendency to not make good on reimbursements for charter schools, once paid for by the city, and **soon the closure of the City on a Hill charter school** becomes an event worth celebrating.

*Have an opinion to share? Send your essays to [info@newbedfordguide.com](mailto:info@newbedfordguide.com).*

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# **OPINION: For the better of New Bedford, let's stop granting residency waivers**

New Bedford is not a steppingstone and should not be used as such. The goal of our municipal workers should not be to make enough money to leave, it should be to work together to make New Bedford the kind of city people WANT to live in. I believe the residency requirement should be enforced.

We have poorly-rated schools partially due to the residency waivers. Most of the waivers are granted to individuals that have at least twice the income of New Bedford's average household. This is money our taxpayers are providing and if the workers lived in New Bedford the money would have a better chance of being recaptured by New Bedford's economy and small businesses. Economic studies have shown that the majority of the money we spend is in the cities and towns we live in. This includes New Bedford's largest expenditure; housing, as well as food, gasoline, taxes, entertainment, insurance, and other general shopping.

Some of the highest paid individuals and most affluent households in New Bedford are municipal employees. Statistically speaking, these households are more likely to be homeowners, have multiple vehicles and if there are children present in the home are statistically more likely to have 2-parent households. Studies show that this contributes to higher graduation rates, more involvement in after school activities, better attendance and higher grades in school. Many of our educators and principals already reside outside the city, which makes it more difficult for our students to



relate to their teachers and creates a divide between educators and students. Also, the tensions between police and the community are only exacerbated by having the majority of our force living in neighboring communities; we see less compassion and understanding and less community policing and diminished respect for the authority by members of our community.

If we didn't grant residency waivers we could have a higher rate of homeownership, which would raise our property values, decrease violent crime and increase community involvement as well as investment in the city by developers and businesses. We could collect more in excise taxes thus recapturing more of the money spent by taxpayers for our small businesses and local economy. Then we'd be making one of the largest, single-action impacts on our children's education and the future of the entire population of New Bedford.

*Have an opinion to share? Send your essays to [info@newbedfordguide.com](mailto:info@newbedfordguide.com).*

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## **OPINION:      Shouldn't      New Bedford's Assessor live in New Bedford?**

Many have noticed their properties being assessed at higher and higher values, especially recently. New Bedford assesses all properties each year by the first day of January. Every three years this information is sent to the Department of Revenue and certified.

The City of New Bedford prides itself on its in-house staff of

assessors. The City's website states: "While most communities hire professional appraisal firms to perform this task, we in New Bedford have a full-time in-house staff to conduct this ongoing effort."

While most cities hire professional appraisers, New Bedford relies on staff. But many may be surprised to hear that the department head of New Bedford's assessor's office does not live in New Bedford. The individual in charge of the valuation of all the city's properties, who is essentially responsible for determining the value of each and every property and also each tax bill, does not live in the very city that he is responsible for putting the valuation on.

The only reason I could understand the benefit of having a full-time assessor's office staff, rather than hiring appraisers when needed, is if those employees somehow had a greater understanding of the market within the city because they were privy to the current trends and tribulations experienced by our property owners here. Aside from that benefit, I can't understand why we would ever not want to hire appraisers when necessary; when contracted out our costs become much less.

Not only do we have to pay the department head's annual salary of over \$91,000 but we are also responsible for his medical insurance and his pension. So, rather than hiring professional appraisers, when necessary, we choose to employ an entire staff of 12 full-time and 3 part-time employees, costing us roughly \$670,000 in salaries alone. That does not include health insurance and pensions, because we need to pay our full-time employees forever.

So Mr. Motta, the head of the assessor's office, who does not live within the city of New Bedford, who determines the value of our homes and thus finalizes the amounts we pay in property taxes, is being paid over \$91,000 a year, and will continue to be paid for the rest of his life.

Yeah, those private appraisers are sounding better and better. It must be nice for Mr. Motta, to never have to pay one of his own tax bills in the city!

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## **OPINION: A nation divided – an optimistic west and a pessimistic east**

During the Civil War, in 1862, the United States created a piece of legislative history entitled The Homestead Act. This important piece of American history served many purposes and essentially said that any U.S. citizen or an intended citizen could claim a parcel of land up to 160 acres in the western parts of our early nation for a mere filing fee.

The Homestead Act served many purposes and worked to put people that had never before been eligible to own property into ownership positions. For the first time, freed slaves, as well as women and even unnaturalized immigrants, were given the opportunity to become landowners.

The reasoning behind this act of incredible generosity by the U.S. government was excessive population on the eastern-most cities was leading to density levels that were becoming a problem for our growing infrastructure, and with newly acquired and cleared land in the west, the government saw an opportunity to gain a little breathing room.

Another reason was that the government felt that if the land won from wars with the Native American Indians wasn't soon settled, the tribes would return to claim their land, the battles would have to be refought or the U.S. would lose

ground that they had successfully taken from the Native inhabitants.

Upon hearing of this offer of free land, and what could only be described as the bargain of the century, the densely-packed residents of the east coast and Massachusetts specifically could probably be described as falling into one of two categories: the naysayers, and the go-getters.

The naysayers looked at the Act with skepticism. They didn't trust anything that seemed too good to be true, and since never before had the government done anything but take from them, they saw this as a scam and a trick. Likely, many of them made statements like 'if something sounds too good to be true, it usually is.' They probably saw people that were going west to take advantage of the opportunity as gullible, idealistic or maybe even downright foolish.

The go-getters, being gullible, idealistic and maybe even a tad bit foolish, didn't even hear what the naysayers had to say about the matter. They, having just heard the news, were too busy loading up their families and all their earthly possessions into large, covered wagons to set off on the greatest adventure of their lives. They believed that opportunity for fortune and stability and innovation lay in their future, and they were going to seize that opportunity. They were likely the type that trusted blindly, were often taken advantage of, but were the dreamers of society, envisioning change and growth.

While many times things that seem too good to be true, are false, this rare and special time in history, it wasn't. The effects of this have, quite possibly, had some of the furthest reaching changes and developments our nation has ever seen.

Because the go-getters had their dreams come true, had trusted blindly and been rewarded for the trust and faith that they had in their government, and because they were able to see

their dreams and goals reach fruition, they developed an ultimately optimistic outlook. They went on to raise their children with that optimism and the general thought that you can do and have absolutely anything you put your mind to. They taught their children to trust first, that dreams do come true and that if they take chances, though they may fail, they have the possibility of achieving any goal they set before themselves.

Because means of communication over long distances was in its infancy, and because nobody likes to hear about opportunities that they missed out on, the information of the government's claims being true were either poorly communicated to those who had remained in the east or were largely ignored. The naysayers went on naysaying, raising their children to be cautious and not immediately trusting of others. They encouraged rational and logical planning over extravagant and possibly foolish or unobtainable dreams and goals. While they wanted to see their children succeed in life, they were more realistic and limiting of their assertions of the future their children could realize.

This one simple act effectively split our nation into an optimistic west and a pessimistic east. The results of this are still seen to this day, not only in the general attitudes of people you will meet and interact with on either coast of our nation but also in the ventures that have come from these regions. The west has been responsible for nearly all of our technological companies and continues to lead the nation in new innovations.

The west coast has more start-ups and more failures than the east, but there is a higher percentage of people willing to take that risk. It could be argued that the west is full of gamblers, constantly rolling the dice of life. Some of the largest west coast companies include Google, Microsoft, Apple, Intel, eBay, Expedia and Amazon. The businesses seen on the east coast are more of an 'old money' origin, focusing on

banking, investments and securities. These are traditionally seen as the safer, more conservative entities, less likely to take a risk and always requiring proof before offering faith and rarely taking a gamble.

Some of the largest East coast companies include JP Morgan, Berkshire Hathaway, New York Life, Freddie Mac, Fannie Mae, Bank of America and Prudential. Although there are exceptions to this, and this is in no way anything more than mere speculative theory, having lived on both coasts, owned properties in both places, and begun businesses on both the west coast and the east coast, this is the most significant difference I've noticed between the two.

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## **OPINION: New Bedford's Subsidized Slumlords**

New Bedford is a city with a high rate of rental units. While the average rate of owner-occupied homes in the U.S. is 63.9%, New Bedford's rate of owner-occupancy stands at just 41%. This is a problem for many reasons, but many would agree, properties with absentee landlords present the most challenges for a city. But what, exactly, is an absentee landlord, and who is the largest landlord in New Bedford? The answer just might surprise many: the largest landlord in New Bedford is actually the New Bedford Housing Authority (NBHA).

Owning 2,459 units, the NBHA is heads and tails above any private landlord. If these units were owned by private landlords, the people would be outraged, as well. Not only are the conditions deplorable in some of these units, but many could also describe the NBHA as an absentee landlord, caring

more about the profit of its units than about the health and wellbeing of its residents.

Let's take a look at the numbers: 2459 units, each rented at an average of \$800 per month (a figure that is a very conservative estimate) and operating with a vacancy rate of 5%, would mean that each month the NBHA pulls in \$1,868,840, on average. Nearly \$2 million dollars being collected in rents every month, \$24 million each year! But unlike private landlords, who then must pay for operating expenses, maintenance, debt service and common utilities out of the rents collected, the NBHA gets a pass on the majority of those expenses.

The property taxes on the units are waived, which represents a savings of nearly \$4 million dollars annually for the housing authority. The maintenance on the dwelling has a backlog that is 7 pages long and has been deferred, in some cases, for decades, representing even more savings. The NBHA does pay the city a PILOT, or a payment in lieu of taxes, in an attempt to offset the cost of the resources the housing authority uses, in the way of medical, fire, police and emergency services, but the payment is a very low \$300,000 per year. You might think that with expenses this low, the New Bedford Housing Authority is a large contributor to the revenue of the city, helping our city to grow economically and helping to foster both business and residential members of the community. But what you would find is that none of the profits make their way to the general fund of the city. That's right, none of that \$24 million ever goes toward New Bedford's budget.

You might be thinking that, while the units may not necessarily contribute to the revenue of the city, they are, at the very least, helping families and individuals in need, with one of the most basic human requirements; housing. While it is true that the housing authority does provide many low-income families and individuals with shelter, the fact is that those that have, possibly, the most need, are those on the

waitlist. Our waitlist for public housing in New Bedford is extensive, with families and individuals waiting as long as 5 or even 10 years to get needed housing assistance.

Why is the wait so long, you might wonder. Well, the waitlist is upwards of a decade long due to many reasons: not enough units are available for our low income population, decreased landlord education or acceptance of subsidized housing vouchers, and possibly the most frustrating reason for this wait is abuse of the housing assistance by the very people who receive it, combined with complacency of the housing authority itself. Rather than use the assistance as an opportunity to save money to become more financially stable or to gain training or education to secure higher-paying jobs or become more gainfully employed, many individuals who receive housing assistance don't see the assistance as temporary help, they see it as an indefinite entitlement.

The reason that is, possibly, is due to the extensive wait prior to receiving the help, and residents may feel that they have 'put in their time on the waitlist' and now have permanently secured their spot. Another explanation for the thought process is the Housing Authority's policy to not require the residents to maintain their low-income status, once in the system. Income levels and low-income statuses are much less strict, once a family or individual has moved into housing, allowing some residents to take advantage of the low rental prices while making incomes higher than what is allowed when they initially received the assistance.

Another common misconception is that the housing units provide a rental history for the residents that will better equip them, at a future date, to go on to rent units from private landlords. But with over 6,000 past eviction cases filed against their residents, the NBHA is also the largest plaintiff in eviction cases in the city as well. Having a history of eviction, regardless of outcome or reason, is enough to be denied housing by most landlords, both private



and corporate, and these cases, unlike other court proceedings, will stay with a tenant for life and can't be removed from their record.

And let's take a look at the costs. The units are a mixture of state and federally funded units, meaning that a percentage of the rental amount of each unit is paid for either by state or federal funds, with the remainder being paid by the resident. The amount a resident pays is calculated, most times, based on their income and the remainder is paid for with the aforementioned state or federal funding.

For instance; say that a resident has a monthly income of \$1,000, and their project requires they pay no more than 29% of that income toward their housing expenses. Their portion of the rent would then be \$290 per month, and the remainder of the rent would then be paid via state or federal funding. It's important to note, that the funding for these units is not paid solely by the taxpayers of the city, but by the taxpayers of the state and nationwide, as well.

A shift toward the privatization of public housing units has been the goal of HUD for many years, and many programs have been initiated to give builders and developers incentives to both build and manage affordable units, in the private sector. Certainly, this would be a more economically beneficial situation for municipalities as well, as the privately-owned affordable units would contribute to the revenue of the city, by paying property taxes and utility services. This is also a better eventuality, many times, for the individual residents, as the maintenance can not so easily be deferred without significant fines and penalties being imposed upon the management, as well as other city-level violations being imposed for excess use of police, fire and emergency services.

With so many costs to the city and taxpayers, and such a large expense to bring the public units out of the status of 'deferred maintenance' it may be time to ask, could

privatization be the better choice, here in New Bedford. Also, with income levels of \$24 million dollars and expenses so low they could be seen as negligible, together with minimal upkeep and maintenance being performed, where is the revenue going, if not to the very communities where the public units are found?

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