

**City of Salem Planning Board and City Council
JOINT MEETING
DRAFT Minutes
Wednesday, July 8, 2019**

A joint meeting of the Salem Planning Board and the City Council was held on Monday, July 8, 2019 at City Hall Chambers, 93 Washington Street, Salem, Massachusetts.

Ben J. Anderson, Chair

Councilor Dibble, presiding, opens the meeting at 7:00PM

I. ROLL CALL

Planning Board Members present: Chair Ben Anderson, Kirt Rieder, Carole Hamilton, Bill Grisct, Noah Koretz, DJ Napolitano

Planning Board Members Absent: Matt Veno, Matt Smith, Helen Sides

City Council Members Present:

Thomas H. Furey, Councilor At Large
Domingo J. Dominguez, Councilor At Large
Robert K. McCarthy, Ward 1 Councilor
Christine W. Madore, Ward 2 Councilor
Lisa JB Peterson, Ward 3 Councilor
Timothy G. Flynn, Ward 4 Councilor
Josh H. Turiel, Ward 5 Councilor
Beth Gerard, Ward 6 Councilor
Stephen G. Dibble, Ward 7 Councilor – Presiding

City Council Members Absent: Elaine Milo, Councilor At Large, Arthur C. Sargent II, Councilor At Large

Also in attendance: Mayor Kim Driscoll, Planners Tom Daniel, Amanda Chiancola, Mason Wells

The purpose of the public hearing is to provide interested parties with an opportunity to comment on the proposed two (2) separate Zoning Amendments summarized below:

1. An Ordinance Amending Zoning Section 3.1 Table of Principal and Accessory Use Regulations of the City of Salem Zoning Ordinance to allow an accessory living area use in the RC, R1, R2 and R3 zoning districts.
2. An Ordinance Amending Zoning Section 3.2.8 Accessory Living Areas by deleting the existing text in its entirety and replacing it with a new ordinance. The existing text requires accessory units to be used solely by a family member or caregiver and for the unit to be dismantled once the need no longer exists. The proposed new ordinance is to help residents, and seniors particularly, to remain in their home by allowing small, accessory use within the same property by right, provide certain requirements are met. The proposed ordinance adds more flexibility to create housing options, removes the tenant restrictions of only a family member or caregiver (anyone may rent the unit), adds, among other things, the purpose of adding moderately priced rental units to the housing stock to meet the needs of smaller households and moderate-income households, to encourage efficient use of the city's housing supply while preserving the character of city neighborhoods, to preserve family bonds, and to permit the owner of an existing or proposed detached dwelling to construct one additional dwelling unit that is incidental and subordinate to the principal

dwelling. The Building Inspector shall administer and enforce the provisions of this section unless a special permit is required then the Zoning Board of Appeals will be the Special Permit Granting Authority. The ordinance provides procedures, application process, requirements for accessory dwelling units, Special permits and termination of use.

Letters and emails have been received and will be read later.

Presiding Councilor Dibble states that he would like the public hearing kept open until a date certain and points out the signup sheet.

Councilor Furey is optimistic about this opportunity and notes his history taking in adopted children.

Mayor Driscoll:

- Housing is a signature issue and its challenges are to be understood; community dialogue is described
- Statistics on current housing status are shared; this Ordinance is a tool, but not the only one, to address housing needs
- Over a year ago, an accessory ordinance was adopted with an eye to allowing elderly to remain in Salem, and required that the unit be occupied by a family member or caregiver, and dismantled once no longer needed
- A total of 5 permits have been sought for such an Accessory Dwelling Unit (ADU) so it has not been a catalyst for additional houses
- Hoping to add ADU (“in-laws”) to increase availability of housing to those of low and moderate incomes
- Slide: Incomes vs. Housing demands and availability; additional economic and demographic details are outlined. Additional units are needed to just accommodate those who live here now, not including new residents
- Slide: Housing is expensive, partly because of land and construction
- Slide: Demographics: Household size is declining; ADU’s mean that population densities will probably not increase
- Slide: Planning to Meet Housing Need

Tom Daniel, City Planner

- Slides are available online at Imagine Salem portal (<https://imaginesalem.org/accessory-dwelling-units>)
- Imagine Salem:
 - Diversity is valued, according to Imagine Salem; expensive housing = less diversity
 - Why doesn’t the City build housing? The City does not build housing. None planned in pipeline. Money for public housing is from state and federal gov’t and funds are not there. Not for profit community partners manage some units. State funding is slow
 - Thus private sector is who is building housing in Salem, some are “naturally occurring affordable” and others have affordable requirements
- The City can help the private sector produce new units (96% of new units are being built by private sector)

Amanda Chiancola

- Public input: Top 3 housing concerns and Top 3 fears about new housing
- Why ADU’s? What other tools in addition to inclusionary zoning should be used? Rental subsidies, public land, condo conversion ordinance, ADU’s; ADU’s and leveraging of publicly owned land were top two preferred strategies
- Many tools are being explored; this is only one
- Definition of ADU
- Who benefits from ADU’s
- Who builds ADU’s

- Current ADU ordinance adopted Jan. 2018: Disadvantages are that they are expensive to create, homeowner loses that investment once tenant no longer lives there
- Changes:
 - Amending the purpose b/c moderately priced rental units must be added to stock
 - Allowed in all residential zones
 - Remove tenant restrictions
 - Require owner occupancy (O/O) for at least 2 years
 - Prohibit short term rentals of less than 30 days (such as Air BnB) in order to add moderately priced rentals to housing stock
 - Amend the process; in order to address concerns up front, and in order to not require special permit; if you do not meet one or more criteria a ZBA special permit will still be needed (ADU's are allowed by right unless one or more requirements are not met)
- Other communities that allow ADU's by right are outlined

Councilor Gerard:

- Asks why two years for the owner occupancy; this is modeled after the IRS; after two years a house can be sold and not subject to paying capital gains on the investment. This is a starting point and that time frame is flexible

Councilor Madore

- Asks about the 5 ADU permits and if they were existing and made to be compliant, or new. 2 units were to become compliant; 3 were new, so three new units are all that has been produced with the current ordinance; 2 more are in process. Amanda Chiancola will check her notes re zoning district

Councilor Turiel

- Concept behind this is sound; he has reservations regarding the owner occupant requirement of only two years
- Existing system terminates if the unit is sold and new owner would have to go through process over again if property had an ADU to re-legalize it, and would only apply if met current requirements of needing for caregiver or family
- Concerned about a new owner potentially renting both units
- Mayor Driscoll clarifies that, if someone builds an ADU then no longer lives in that home, that's why 2 years is required, City is trying to avoid "flipping" a unit to create a rental. Once ADU is created, it is transferable with the property, so the owner could sell to someone who lives there and that person could then rent the ADU. If the owner sells to someone who wants to rent both, they don't have the right to make it a 2 family as they have to live there for 2 years
- Councilor Turiel is still concerned that after 2 years, they can sell it unrestricted? Mayor Driscoll thinks if you still own it but you had to move, but don't want to sell your house, you can now have a unit and an ADU. Not meant to be sold and someone else use it, meant to be owner occupied. It is not successive
- Amanda Chiancola says the City would need to tweak the language for it to not be successive
- Councilor Turiel is in favor of this going through special permit rather than by right use as it will generate income for people
- Mayor Driscoll wants to incentivize people to do this, as it is not impacting parking, units are of small size, etc. Owners should be able to obtain a permit w/out tying up the ZBA agenda, only to have the City tell ZBA, "they meet these criteria, allow the construction"

Presiding Councilor Dibble concurs with Councilor Turiel's comments, outlines original ADU process, and notes that it has only been in place a little over a year. He feels there is a need but the process should be done correctly. He is concerned that some councilors are not present.

The 800 square foot limit means that many ADU conversions will be in basements, attics or above garages; however additions are allowed. Units are small enough that they are not meant for large families, and are geared more toward single parent families and seniors.

Presiding Councilor Dibble notes that most communities that have ADUs are small vs. a City like Salem. The ones listed are only the ones in the MAPC (Metropolitan Area Planning Council) region; whole states are passing ADU laws to capitalize on producing housing that does not tax infrastructure, take land, etc. Whether the MAPC has numbers of those living in ADUs can be researched. Presiding Councilor Dibble wants to know how many units there could be in Salem if every single, single family (SF) home added an ADU, concerned about an influx of new residents into Salem.

Mayor Driscoll clarifies that this is meant to serve those who live in Salem but find it unaffordable, and these units meet their needs, though there is no requirement that they be used this way. Some new developments are housing Salem residents, while some come from outside the City.

Councilor Dibble is concerned that a two family structure could become, for example, a four family, being in residential districts. This is not possible; a duplex could become a two family + ADU, but not a three-family. Three families could live there, but it would not count as a three-family as an ADU is not technically its own unit. There is a distinction between an accessory apartment vs. a full scale unit, under the code. Presiding Councilor Dibble disagrees.

Councilor Turiel clarifies one difference between the proposed and the existing section 4F, is that utilities are not separated out, so utilities are the same for the main unit and the accessory. This is an important distinction along with the 800 square foot (sf) cap.

Councilor McCarthy:

- Agrees with Councilor Turiel
- Asks why extend it to different Residential zones and how many units it would be possible to put in, in Salem; some may not have the ability to do it by right, and would need special permit as there are no additional parking spaces available
- If owner occupied, a lot of these questions do not apply. If in an R2 and you own 1 unit, and it is large enough that you have extra parking and can carve out an 800 sf ADU, there aren't many of those, thus the "floodgates" of development will NOT be opened
- 50% of units are NOT O/O in Salem, according to Mayor Driscoll
- She notes that they added other zones b/c there are 2 and 3 families that could meet as of right requirements/standards or can pursue special permit
- Housing crisis especially among workforce who cannot afford rent, so why limit to R1 only
- Councilor McCarthy asks how to guarantee that units will be moderately priced. The Mayor answers that this is free enterprise, and owners can price as they wish, but in general basement, attic, and garage units will most likely not be at the top of the market, but families will need to make an investment and the City cannot regulate a private sector owner who chooses to add a unit, then hamstringing them on the price, as this will unduly limit units that get built

- Asks what special permit requirements are; making an average person go before ZBA is daunting to them, so making it special permit only may not help
- Some R2 zones have tough parking requirements vs. Chestnut St. that do not have parking issues; special permit is there for those zones
- Not concerned about density b/c 2 people in an 800 sf condo is crowded, 4 will not happen
- This is an option for seniors to either generate rental income or move into the ADU and sell the larger unit to family member and downsize
- Amanda Chiancola notes that a special permit: applicant has to hire a lawyer to help them, submit application, City mails abutters to notify them, legal ad is in paper, and outlines the many and complicated criteria that the applicant must demonstrate to ZBA:
- Parking requirements are discussed; the ZBA can deny a special permit if parking cannot be accommodated
- Mayor Driscoll cites the cost of a Special Permit: Lawyer advertising fee is \$500, application fee and time also add up, takes months to get on agenda and be heard. Can be costly in time and money to go through ZBA especially if they already meet the requirements and can build as of right, but if not they do have to go through ZBA special permit
- DJ notes that these are not “additional” units b/c they share utilities, and there is no additional infrastructure burden

Noah Koretz

- Data for affordability and prices show that one of the main issues is with younger families not having access, one of main causes of this in this area is that elderly people who do not have families are living in a large house alone, but they are stuck, and can't afford to move
- It's not just taking care of an elderly relative, it's the reverse. A young family priced out of the market could rent an ADU to an elderly person; if it happens to be your grandmother, great, but if any elderly person is willing to move into the smaller unit and not go anywhere, but sell their house to a family, that works too
- Re special permit/response to Councilor McCarthy: We live in a dense, complex City. Noah Koretz lives in an R2 zone but mostly single family houses are in it. Such a small % of the city is zoned R1, including lots of North Salem, Collins Cove, which have lots of single family houses w/lots of off and on street parking but happen to be zoned R2 and R3. The ZBA can make decisions on a case by case basis, but the City is so complex that if you limit it to very specific places, sections of R2 will not apply to it, but it is a perfectly reasonable way to provide affordable housing without raising the density of the City or built environment
- Mayor Driscoll reiterates that 50% or renters are housing burdened, 25% of homeowners are housing burdened (spend more than 30% of income on housing) so this is a win-win

Presiding Councilor Dibble

- SF in R2 could by right do this, and not need special permit, however Mayor says separate utilities are more expensive. Mayor Driscoll clarifies that a separate unit requires separate utilities; and ADU does

Kirt Rieder

Notes that the following will be discussed in Planning Board

- Clarify that owner reside either in ADU or main unit
- Set minimum lot size or sf of main residence
- Other municipalities set a year in which the principal dwelling unit is measured for its size
- 2 years occupancy may be too short
- Discuss whether 2 bedrooms vs. one
- Trees: distinguish caliper inches vs. just “trees”
- Limit maximum add'l parking

- Utilities: make it clear it is a shared account, building inspector must enforce single utility connection

Kirt Rieder will share the list

Ben Anderson

- Is a Member of Affordable Housing Trust Fund Board
- Comments that change is inherent; as a community we must understand that. We can decide to have a say or part in crafting that change
- Believes there is a housing crisis, and that the City can craft something to benefit everyone if we have a say. If we ignore it, it will not stop the change. People might move out of the City if they cannot afford to live here, if property owners cannot make changes to their properties.
- That could affect small business owners, property owners and residents, funding from the State
- Must consider how we will address this. City is seen as progressive, inclusionary, and altruistic, not NIMBY as that does not benefit anyone.
- Comments re special permit:
 - It is an expensive process so if we force those already making a substantial investment to undergo that process, it will stifle the development of ADU's
 - Is in support of allowing ADU's as of right, with stipulations listed in the Ordinance
- Two year requirement feels appropriate to him; it must be attractive to invest the money, if hurdles are put in place, development will not happen (this is why it is not successful today)
- Questions: Moderately priced units: Pricing cannot be controlled, but is related to the size of the unit; he worries that this could be abused and may not address what we are trying to do
- Workforce of moderate to low income individuals: if focusing on them, how to ensure that those are who is renting the ADU's. Need to consider how to focus this Ordinance amendment on assuring that those other than family members are in that demographic
- Email from Board Member w/comments: Helen Sides
 - Issues:
 - Under section 1 p.2: Purpose, 3.208 "forced to leave" = too strong. Aging in Place has too much focus, should have other focus than staying in house, let younger people move in.
 - This allows rentable apts to be added to sf in perpetuity
 - Limit to total # of parking spaces that any property can have
 - 2 years is too short, construction alone takes 6-8 mos, could then sell with no strings attached. 5 min for time of o/o
 - Purchaser must also meet requirements of family member, etc
 - Properties should be allowed to be sold but restrictions of use maintained
 - No separate entry shall be permitted unless from existing entries (language is confusing)
 - Suggests not more than 1 bedroom
 - Discontinue as separate dwelling unit – why would this be done if no restrictions are in place on use as rental property?
 - Short term rentals prohibited – change language

Bill Grisct

- Meeting need for rental units; that is what these units relate to; if constructing an ADU, is not expecting market rate or above with these units
- We don't have adequate affordable housing, so this is a built in opportunity to help rectify that situation, can be facilitated affordably for homeowners, whereas other construction cannot be.

Councilor Peterson

- Cites example that people are trapped in cycle of not being able to move; family in shelter, wants to stay, involved in community, but must move 1 hour away due to lack of housing availability

Councilor Gerard

- Pictures of ARP guide – they get this; cites example of her own grandmother in Revere, wanted to stay in her house but could only afford it by building an ADU, she stayed an extra 10 years
- Cites examples of other states where ADU's are allowed
- Providing community health care – Salem Hospital cares for the community; we can't pay Boston salaries so this matters. Salem Hospital employees come from NH b/c they cannot afford to live in Salem MA
- Current Ordinance is not working and must be expanded

Councilor Turiel

- Own home is single family in an R2 district, on a small lot that barely accommodates 2 cars, so for this type of situation to add an ADU would not be practical; could build out basement, but would not be attractive. Other option for such a homeowner would be to sell off and be broken off into condos, some character would be lost
- How to make sure they are for Salem people? These are units that, inherently, given constraints and location issues, he doesn't see a large amount of them being built every year; if there is concern, we could adopt a cap for a period of time. Intertwined utilities are a major factor. The 800 square foot cap will limit desirability, as well as limit rents to be charged and how many will be built. If a standalone 2 BR costs \$1500 with separate utilities, what can you get for something smaller and interlinked? It will be a lower cost, don't know who will rent or get them, but there is a market for low cost, which we do not have, to high cost, which we do have a lot of
- We are referring to this as "for Salem people" but if someone who lives here now with a roommate to pay the rent, wants to live on own, if they can do that, it is a net plus for the City. If we can keep them from driving from further away, we make their lives more affordable and reduce traffic and congestion in the area. If coming from other communities and want to live here, though, that is a good thing. Once they move here, they are "Salem people." So why differentiate? People who want to live in Salem should be accommodated and able to do so.

Presiding Councilor Dibble outlines the two matters under consideration.

Mayor Driscoll comments on one bedroom vs, two: such families that could benefit from a two bedroom unit would be divorced parents with shared custody, single headed households, women with one or two children; many such families are housing unstable. 238 homeless students ended the school year in Salem, with 67 in foster care. This housing proposal could help address those issues.

Public comment is opened to both matters.

In Favor:

Joe Riley 6 Travis Terrace Peabody, represents Salem Five bank. People living and working in same City is attractive but challenging, so he supports this part of the solution. ADU's are a means of adding affordable living space. Salem Five is growing, and needs to recruit employees for all banking business facets, but is a struggle to find people as they need to commute into Salem or live here but try to make ends meet (which is diminishing as an option). He cites 3 employee examples:

- One employee was given a promotion and a raise, but the raise was entirely eaten by a \$700 rent increase
- Another is a single mom, wants to stay with Salem Five, but must get a second job to support self and daughter. Her cost for her 2 BR is \$2300, so burdensome that she considered getting rid of her car, but this

is not an effective solution. The apartment she is in could generate more rent for the landlord and she is wondering when the rent will increase

- A 3rd colleague said she needs 3 roommates to make ends meet. The business reality is that Salem Five is a community bank, attractive in the community and as a workplace to those who live here, but people can't afford to both live and work here anymore

Nancy Stager of Eastern Bank notes Bank history. The company wants diversity, equity, and inclusion, of which housing is a key component. She is the Chief HR officer. She sees firsthand the impact of lack of affordable housing: difficulty of traveling employees and losses to the business due to absenteeism as normal family life intervenes. This issue also plagues other employers. If a company cannot find talent it needs, it moves out to where the talent is located. Housing stock in Salem must be expanded. This is one step in resolving the housing process. The community Development Lending portfolio of Eastern Bank is more than \$650 million. Eastern invests in gateway cities like Salem and awards Community Investment Tax Credit grants, and wants to continue to partner with Salem. ADU's increase the supply of rental housing without the changing character of neighborhoods, adding infrastructure, etc. Diversity of housing options is an economic imperative. They make it easier for local residents to participate in all facets of life. They also can't save if housing cost is too high. The final solution will be a patchwork of parts but this Ordinance is an important step.

David Freedberg 57 Britannia Circle, a Realtor, cites need for add'l units and notes there will be increased real estate tax. He does not seem opposed to short term rentals. He opines that elderly could live in the ADU and rent the larger unit to generate income

Darlene Millis 115 Federal. St. is concerned about the "loophole" for use as investment properties (the two year owner occupancy requirement)

Eric Miller of 19 Columbus Ave has questions.

- He asks how many ADU's have been denied under the current Ordinance.
- Have the Parking & Traffic Committee, Salem PD been reached out to regarding parking
- Utilities – some newly built multi families currently have single utilities
- Checks and balances
- Did Salem Five and Eastern Bank consider paying employees more?

Erick Duhamel 15 Symonds St. cites his own situation. He owns a 2 family building, of which the 2nd floor is a 7 bedroom unit, and he lives on 1st floor with his fiancée. The current upstairs family only occupies 4 bedrooms; it is a big building, and the lot is 1/3 acre so he has 12 parking spaces. He wants an easy avenue to utilize the space, so this would be an option

Nicole McLaughlin, 4 Roosevelt Rd., agrees that change is inevitable and notes the housing crisis. Some of her kids' friends in the HS marching bands were homeless. She works with kids in foster care and sees what families are facing. The questions raised are good, but she feels the Boards will address them.

Claire Kallelis, General Manager Hawthorne Hotel, notes that hospitality industry managers feel similar to those in local banking, in that staff do not have places to live. 70% of the Hawthorne's employees are Salem residents, but some walk to work, lacking transportation, so cannot move. Homelessness is happening, kids go into foster families, so even if only a small part of problem is resolved, it is a step in the right direction. Seniors are also in dire straits. She cites the case of an employee who worked at the hotel for 20 years, then was told she lost her housing while she was still at the hospital after the delivery of her fourth and last child. If she left to go to an ADU, it would not be possible as legal restrictions disallow this b/c each child is required to have a separate bedroom. People don't

come forward b/c they are embarrassed. Paying more per hour is not always an option, as businesses must remain competitive to stay in Salem. Some large colonial homes have space and ADU's could help.

Patricia Zedo of 10 Andrew St., Co Chair Salem for All Ages, shares how ADU's have impacted the quality of her life. Her first home in Reading had an ADU, without which they could not have afforded it; but tenants paid the mortgage, and Ms. Zedo and her husband lived in the ADU rent free for 30 years, and renovated the home. Upon selling the home, a young couple wanted it and could not afford it, but the wife's parents sold their house and moved into the ADU to help them do that. Ms. Zedo then moved back to Salem, to Chestnut St., because their renovated house earned a profit and had an apartment. The apartment there did not pay for mortgage, but paid for taxes and more. Also when her husband died, it gave her great comfort to have someone living in the house. Tenants of the ADU were very helpful. Historically, there have always been ADU's, even on Chestnut Street and she understands that, anecdotally, after the 1914 Salem fire, there were many ADU's through necessity, up through WWII, when single families came back into fashion. ADU's are a necessity that must happen. Young people and couples need these units, middle agers need them for parents, and senior citizens need them in order to downsize. She did downsize out of Chestnut St. but it took her four years she pounced on an opportunity.

David Robinson who runs NS Medical Center, the City's largest employer, speaks to the need of affordable housing for staff. Paying staff more is not an option, as everyone would need to make \$70-75K/year in order to pay rent, and it is impossible to pay that salary to all employees. The Hospital already loses \$10 million a year. Giving them a place to live would help. This would ensure that staff are able to be at the hospital to take care of patients. He notes the hospital's summer High School program, which allows students to work in the hospital and be exposed to jobs in health care. Some do not have a place to live because of high rents. Helping with housing would help with diversity and hospital employment.

Noreen Gashenard 16 Buchanen Rd, describes her current situation. As a registered nurse, she makes a decent amount, but can only afford to live in her house b/c of her partner. But partners may not last forever. If she could convert her basement into an ADU and stay in her house and make it accessible, she could live there through her life. She will not be able to stay in Salem without this Ordinance.

Jeff Cohen 12 Hancock St. thanks Ms. Zedo for her input. He notes that this is about people, and that he was against the original ADU Ordinance because he found it too restrictive. He feels that the Ordinance currently proposed will not affect neighborhood quality at all. He describes the plight of his mother, who was very active in the community and lived on her own. She requires 24/7 care after a stroke, and the current ADU Ordinance in place would not help with the caregiver issue. A nursing home would cost \$156,000 per year and having Elder Services come to the house would cost \$226,000 per year. His house is a three family with plenty of parking. Two couples with kids live in the apartments, and there are 7 parking spaces but only one car among the residents. He is concerned about who will care for his mother while he is at work. Under the new ADU Ordinance, he would be able to hire someone. He has spoken to several women who can't afford to live in Salem on their own, but have small children, and whose schedule complements his, and could be with his mother when he can't be. He could pay them a living wage and give them under-market rent, because he knows that once rent changes, it is hard to live with. His mom would tell you to pass this Ordinance, so he is here on her behalf.

Barbara Cleary, 104 Federal St. finds that opposed to/in favor of are artificial distinctions. She feels that the overall purpose of the Ordinance is good, as is the structure of it. She is concerned that there has not been adequate discussion about what it means to have ADUs in R2 and R3, feeling that an ADU is actually another unit despite sharing utilities.

Jessica Kane, 201 North St. Hosts for Family Promise, which provides housing for homeless families at churches and synagogues. Families stay overnight with parishioners. She and her family have hosted since December 2015. These families are working to take care of their children. Opportunities for them to have real housing are needed.

She tells stories of families and their housing difficulties finding them housing. One was a dad who lost job b/c of his wife's difficult pregnancy, and the family lived in car several months before being placed in Family Promise, and ultimately moved to another state to be closer to family and be able to afford permanent housing. Neighbors who are parishioners were concerned about having "those kinds of people" (the perception is that homelessness is due to drug and alcohol problems) close to their residences, though homelessness is not always a result of such issues. This is about affordable housing, and this ordinance would provide more of that. She also cites friend going through a divorce, who bought a house w/husband, and who could rent out the basement if renovated, which would allow her to keep the house. Ms. Kane is worried about her own parents, and if one of them would need to live with her family in the future.

Sarah Thomas 51 Howard St. notes that she has been in a text discussion with a friend who is closing on her first house in Salem. She wanted to move here because it is a community she can start a family in. The house in question is described. Some considerations were that it had an area, if in the long term she needed full time live in care, the house could be made to accommodate that as well as her use of a wheelchair. Salem was her first, second and third choice and this says a lot about our commitment to making this an accessible place to live; this is one tool in her toolkit to build her life in Salem. An ADU would allow them to save up for a down payment, and would be good for aging parents. At no point on her life plan or those of her friends who have moved and are moving to Salem, is it NOT a win for them.

Tanya Stepasiuk 10 Burnside St. has two condos and will be looking for a space that can house her father separately. Her thoughts on becoming a developer is that it allows private citizens to become small-scale developers, making a unit inside the house that can be used by friends and relatives, but can also be offered to "great tenants at a great rate." Owners can make individual units and keep their own individual values and identity and rent to fellow and future fellow Salemites.

Lorelee Stewart, 7 Barnes Rd., speaks on behalf of the League of Women Voters of Salem, which supports the ADU Ordinance

- Increase number of housing units, which would decrease rent
- Development of 800sf or less with lower rents
- Enable owners to stay via rental income, could live in main or accessory
- Protect against condo conversion as main unit may not be turned into condo, unlike multi family housing
- By right ADUs require 2 parking spots, and protects trees
- Special permits would allow for larger units, that have fewer than 2 parking spots
- Nonresident owners cannot create ADUs – this is fine
- Differential treatment of o/o vs. offsite landlords happens in many local governments

John Boris, Chairman, Salem Housing Authority, notes that he and his agency are in favor of this Ordinance

Ben Waxman, 4 Roosevelt Rd. is a small business owner of 20 years, and would like to have more employees from Salem. Employees are the lifeblood of his company, and he gives them all he can, and would give more if he could. He asks leaders to not lead from a place of fear but of managing opportunities for progress. Adjust to the "what ifs" which is why this body exists.

Tyler Terry 22 School St. tells about a neighbor who moved away. They wanted to build an ADU, but could not, so found a house elsewhere. Another neighbor cannot move, needs help with housing, and is planning to make an ADU, but only has one parking space so would need a special permit, but may just call it a roommate. He asks why there is a distinction between short term rentals in an ADU vs. in the primary unit; they are prohibited in former but not the latter, and he has no preference, just asking.

Erica Feldmann 26 Chestnut St. and owner of HausWitch, notes that she was part of the demographic mentioned by the Mayor for most of her adult life (below poverty line). She now has 5 employees in that same demographic, and she pays a living wage, much more than minimum. She has lived in an attic and in a garage, and is still dependent upon that level of housing. She would not be able to afford where she is now if she had not started her own business, noting that she has worked full time all her life, and put herself through college, grad school, and scraped together her savings, herself. It is hard out here for a millennial, and really hard in Salem. For her employees, part of the job is to love Salem, but she lost one to Rockport, who is now living in a garage apt. that she can afford. Another lived in the Point in a two bedroom with four other girls. There are many faces of this issue. She did what meritocracy tells you that you should to do live a life that resembles the “capitalist dream,” but she still depends on low to medium income housing.

Cindy Surroch 202 North St. owns and occupies a two family, and would like to add an ADU to help her ailing mother, lives on the 2nd and 3rd floors. That space is too big, but with a 2 bed ADU, they could live there. She rented the 1st floor to 3 elderly women who wanted to stay in Salem, but they all passed away since, and they did not want to leave Salem. Now she has a mother and daughter in the small apartment, and she would rather have someone live upstairs w/4 bedrooms, as she has lots of land in back, and plenty of parking for 4 cars.

Alice Merkl 28A Federal St. likes win-win scenarios such as this. It gives options to homeowners plus those in need of homes. She thanks the City for prioritizing the need for affordable housing, and we face losing the diversity and character of Salem that we love. We must take every step forward we can to meet the needs of our community.

Lindsay Marcello 53 Broad St. thinks we will hear from opposition who will speak against increased density and why this is a bad thing. When you hear that argument, it is a red herring. Those we have heard from already have made it clear that one of the main benefits of this Ordinance will be allowing people who have been in Salem, to stay in Salem. This would allow his kids, who have looked at other parts of New England, to be able to afford to stay in Salem.

Polly Wilbert, 7 Cedar St. states that she has mixed feelings. If council is not informed about density, it is an important factor. Condos in the 1980's forced many out of Boston. She has rented a 650 square foot, 1 bedroom unit since 1981. Her rent has doubled in the past four years to \$1475, including heat and hot water. If there was a second bedroom, she is sure rent would be \$1800. She is not sure this change will result in affordability. What if more units are not created? Will R1 zoning be discontinued if this does not create enough units to constitute a change? How many units per year are the goal? How many single family homes want to become landlords, especially if their property taxes increase? Increased taxes = increased rents. Salem residents in a Salem market are not preferred for housing that becomes available. There is no Salem preference for these units and we will be solving housing problems of surrounding communities. How can we solve Salem's problems of people wanting to stay? Units may not be affordable in reality. How can the City legally restrict these units from becoming condominiums? Apartments may be more affordable if the utilities were standalone. Landlords cannot control heat and hot water, so rents are higher; she speaks from personal experience. Properties that are not owner occupied are where problems occur. She is concerned about R2 and R3 units, and notes Transit Oriented Development, which is concentrated in the center of Salem. This is where we are hoping to increase housing, where people don't need cars, but data is lacking on all of this. At a minimum, she feels abutters should receive notification, especially in R2, if an ADU is to be created and density increased.

Opposed:

George O'Brien 5 Locust St. is appalled at the rents in Salem, and notes that homes are no longer owner occupied and rents have skyrocketed. Solving the problem of high rent should include rent control. This change will gut the already weak zoning ordinance, and cause parking, school and other problems. Salem cannot solve the problems of the region.

Faraz Avoshark 4 Harrison Rd. disagrees with the mayor's figures, and feels that taxes are too high. He is concerned that the ordinance will not create affordable housing. He notes that large families will move into these units. Shared utilities will lead to increased rent. Those who need the units most are refugees, immigrants, and those facing food and housing insecurity. He also feels it should be by special permit only, not by right.

Anne Whittier 10 River St. relates her experience. She was able to keep a two family house for many years, and tried to keep rent affordable by creating suites with bathrooms and common spaces, and renting to single women. The house has no parking so most of those who come do not have cars, and walk to work or to the train, and they don't want to leave. All are happy with this arrangement but the taxes have gone up. Utilities are included; taxes have been raised to the point where they may have to sell the home. Rent control may be a solution, but if the owners cannot afford the home, someone else will move in and rents will go up or homes will become condos. She asks if a carriage house can be put in the back to make another unit; can it be built as a new unit or must it be an existing structure?

Mayor Driscoll outlines her answers to the questions

- Number of units turned down: none
- Police PD or Traffic Dept been consulted? Chief of PD and all senior staff including Parking have been part of this process
- Part of zoning process is what we are doing right now; the PB looks at public health, safety, and general welfare before making its recommendation back to the council, who then considers and votes
- Short term rentals are prohibited b/c the purpose is to add moderately price units to the stock. Short term rentals would defeat that purpose. Short term rental ordinance: short term rentals can be offered right now, but ordinance was updated, so some were grandfathered but the City doesn't want to enhance the Ordinance to accommodate them
- Why not Salem residents only? This is prohibited under fair housing law, Which is a Federal law against imposing residency restrictions
- Rent control is illegal in Massachusetts, now stricken by the SJC, plus it stopped a lot of investment in housing
- How to restrict ADUs from becoming condos: They are NOT separate operating units, and have no separate utilities, so it is not allowed to create condo which does need separate utilities. This is simply another unit in, for example, a single family home
- If someone tried to make it a condo, they would need a certificate of occupancy from the building inspector, which would not be granted as it would not be allowed under zoning. All units must comply with underlying zoning with the exception of ADU's. Owners are not freed from existing restrictions allowed under current zoning. It can be clarified if needed but it is not permissible to make these into condos. Probably a lot of illegal in law units are being rented. The American Planning Association (APA) has research on ADUs and their impact; ADU ordinances or state laws allowing them by right do not result in a huge influx of units. There are lots of barriers to the creation of an ADU such as special permit, parking, ownership requirements, that serve to limit the number of units being built, and have been incorporated here. Salem is not the first community to enter into the process of making ADU's; research indicates they do not proliferate
- New construction vs. conversion of carriage house. This does allow for some standalone construction, which would require a special permit unless not impinging on setbacks
- Tax issues: Councilors are familiar w/process for setting the tax rate, which is reflective of housing values. Multifamily houses in Salem far outpaced their values. They are the fastest growing value price. It is uncertain if this is because rents are going up or if families need rental income, or there are not enough units. This is why taxes have gone up, higher on multifamily than on sf homes or condos. Most of setting tax rates is value based propositions, we are a desirable place to live but this raises values. We try to keep

assessed values within guidelines of law, within 85-90% of what you would get on open market. Also try to encourage commercial development b/c this pays 1.5x the taxes of residential

- Supporting mixed use can mitigate homeowner impacts
- Points to research, case studies, existing communities, reassures that ADU Ordinances do not open floodgates for ADU's, many owners want hurdles taken away, but this is not the most aggressive ADU Ordinance since we want to recognize that they support housing. Will be looking to strengthen inclusionary ordinance, use city owned land, etc. Need to do more, not less and happy to spend time sharing info and answering questions

Councilors Turiel and Flynn had to depart during public testimony

Presiding Councilor Dibble asks for clarification on condos, 1 ADU per lot and having 1 ADU allowed per condo. 1 ADU is allowed per lot, so if two condos are on a lot, 1 ADU is allowed. It is tied to the lot not to the units. Amanda Chiancola replies to Councilor Madore re zones; of the units already permitted, four were in R1 and one was in Industrial. Presiding Councilor Dibble asks what this means in R2 and R3. The same rules apply, 1 ADU per lot that must meet all the criteria. If all criteria are met, one ADU can be built by right, if not, a more complex special permit would be required.

This has not gone before the traffic and parking commission, because they look at specific cases and overall policy is not their purview. The Planning Board examines overall policy.

Darlene Millis is still concerned about the "loophole" and cites an editorial in the paper that said can now websites allow you to become an instant purchaser so once you know rental rates of neighborhood, you can buy sight unseen. She is still concerned about owner occupancy

Councilor Gerard clarifies re short term rentals, for Tyler Terry: 6 months is not a short term rental; these are defined as 30 days or less. TT asked what is preventing you from creating your ADU, living in that and using the main house as a rental. The Ordinance suggests that you cannot create ADU and use it for the short term rental, but you can do the opposite (build the ADU, live in that, but rent out the whole single family home as a short term rental – but it would be governed by the Short Term Rental Ordinance). This will be examined.

Councilor Madore:

Do laws preclude creation of a registry of ADUs so those looking for such units can search for them? How to get the word out about what these units are and making sure the right people have access? This is public record, but Mayor Driscoll is not sure how to "make the match happen" in a free enterprise system. May have to find a way to incentivize it but create a scenario to match ADU owners with renters. Add'l tools for homeowner to market the property? This can be explored.

Is it possible to provide an option for homeowner to apply use restriction on the unit itself? Like self imposed affordability? If bringing in less income, the assessed home value would also be slightly less. Affordability cannot be a requirement, though.

Owner occupancy requirements are discussed; how to keep units affordable if homes change hands will be explored. Amanda Chiancola notes that an affordability restriction is a lot for a homeowner to go through.

Carole Hamilton notes that rents are forced up by the assessed value of multi-family homes needing to cover taxes. How will ADU's be viewed vs. say a second floor apartment? Mayor Driscoll replies: Fees of building permits, and valuation, would have to be assessed the same way as they do residential property. Commercial tax is income based, residential is based on what is comparable in the neighborhood. DOR dictates how close you need to be to market rate. Is this considered a finished space or is there a metric? May or may not tip the scales but will explore. The metrics of property value assessment will be explored.

Councilor McCarthy asks how assessment would be affected in a single family home, where the ADU was put in and finished space stays the same, with the addition of a bathroom. It is uncertain.

Member of the public feel that it is unfair to charge the same tax rate to non ADU owner than an owner who has put in an ADU. Mayor Driscoll comments that normally taxes are based on market rate, not income. She is unsure how many market rate ADUs there are.

Councilor Dominguez is concerned about safety, but new additions must comply with safety laws. These do require a building permit, which will ensure compliance with safety codes. Illegal in law apts. may exist but this ensures those requirements will be met. Amanda Chiancola notes that as with any other apt. ADU requires certificate of fitness upon occupancy and every 3 years after.

Presiding Councilor Dibble asks to set a date for the next meeting; it is set for August 15th at 7PM.

Item 370

Councilor McCarthy motions to let the hearing remain open until August 15th, and the motion carries.

Councilor Dominguez motions to continue to Thurs. Aug. 15th and the matter carries.

Item 371

Councilor McCarthy motions to continue the matter to Thursday, August 15th, 2019, is seconded by Councilor Dominguez, and the motion passes.

Councilor Furey motions to adjourn, and the motion passes with all in favor.

The meeting ends at 10:26 PM

Respectfully submitted,
Stacy Kilb, Recording Clerk