

**City of Salem Massachusetts
Public Meeting Minutes**

Board or Committee:	Redevelopment Authority, Regular Meeting
Date and Time:	Wednesday, August 12, 2020 at 6:00 pm
Meeting Location:	Zoom Virtual Meeting
SRA Members Present:	Chair Grace Napolitano, Dean Rubin, Russ Vickers, Cynthia Nina-Soto
SRA Members Absent:	David Guarino
Others Present:	Tom Daniel – Director of Planning and Community Development, Kate Newhall-Smith, Principal Planner
Recorder:	Colleen Brewster

Chair Grace Napolitano calls the meeting to order at 6:05PM. Roll call was taken.

Projects Under Review

Executive Director's Report

Mr. Daniel stated:

1. **Economic Development Update:** The work of the task force continues for the community including meeting regularly and having focus groups. They met with landlords this past week to see how things were going with their tenants and discuss the future months. The landlords said rent collection had gone fairly well and the PPP has helped businesses pay rent. The months ahead are unknown, but they want to work with their tenants on future adjustments, possibly towards June of next year. Businesses are happy to be open despite their reduced revenue and the support of the Federal government and City have been good. The mask wearing requirements have gone well, however; October is something they haven't experience as well getting businesses through the winter, there are a lot of unknowns. They will be hosting a town hall Thursday @ 9AM and 150 people have signed up so far. It's open to all but people have to register. They've submitted a grant proposal to Economic Development Committee is looking for ways to support business for the next two years, as well as funding for diversification strategy that can help others in need employment and to support the community.

Rubin stated that the work done is commendable given these unprecedented times and hopefully the restrictions will be lifted as the year progresses.

Projects in the Urban Renewal Area

1. **30 Federal Street:** Development Project Review – Final review of construction of a mixed-use addition with retail and 2 residential units, construction of 4 on-site parking spaces, renovations to the exterior of the existing portion of the building, and a change in its use from commercial to mixed-use that incorporates two residential units, continued from 6/10/20

Attorney Scott Grover of Tinti & Navins, PC, Mike Becker (Owner), and Dan Ricciarelli and Sanir Lutfija of Seger Architects were present to discuss the project.

Mr. Nina-Soto recused herself since she wasn't present for earlier review and discussion.

Mr. Ricciarelli stated that they wanted to address some of the concerns with the project. First are the requirements for a parking variance. They moved two residential units into the existing building and created two new commercial units on the second floor of the addition. This parking with this arrangement will be 4 on-site parking spaces and one off-site in the garage, will satisfy the parking requirements for the project and eliminate the need for a variance. Second, a determination from the Building Inspector and City Solicitor letter regarding calling the proposed project an addition has been submitted to the Planning Department.

Mr. Ricciarelli stated the recent changes with the floor plan are that on the second floor, one of the two proposed residential units on the second floor of the addition was moved to the front of the existing building and the two spaces in the addition became two commercial spaces. The second proposed residential unit has been moved to the third floor of the existing building. There are two units on the upper floor of the addition, one being a townhouse and the other a flat.

Atty. Grover noted the concern at the last SRA meeting about receiving guidance from the Building Inspector in terms of treating this property under the B5 Zoning dimensional rules for existing buildings, because the addition is smaller than the existing building. Building Inspector/Commissioner, Tom St. Pierre, sent an e-mail confirming that a letter was sent to Planning Dept and that was sent to City Solicitor.

Mr. Becker noted that he understood the Boards concerns and read all the letters from abutters with many different opinions. Some want a taller building, think it's too tall, or want no addition. They withdrew the project and redesign it based on earlier feedback. They've spent nearly 2 years redesigning and changing aspects of this project with substantial investment of time and financial resources. Many oppose any addition or further development on the property, which make them difficult to work with. They've addressed concerns as best they can and the DRB did approve the project it unanimously.

Mr. Rubin asked when the DRB last reviewed the project and if there have been any changes since then. Ricciarelli replied May 27, 2020. The changes have been minimal and their comments from them would hold true today.

Mr. Vickers suggested a study comparing the proposed design to the Design Standards to ensure it's in compliance. Mr. Daniel noted that the Downtown Renewal Plan has Design Standards that are used for reference and address various elements of proposals. There are alternatives of compliance if an applicant can't meet a specific standard. Some issues don't comply and if so, alternatives need to be sought. Ms. Newhall-Smith added that she seems the plans are almost the same. There were design changes that were minor; the deck rail went from metal to clapboards for privacy, the rooftop deck has thin poles rather than a traditional wood pergola style, and the revised plans are dated. Mr. Vickers replied that if the DRB reviewed a different set of plans and the public has raised concerns that the standards are not being met; it should return to the DRB for another review. Ms. Newhall-Smith noted the interior has been redesigned except for the two items she raised but the plans are almost the same. Compared to the Design Standards there are some areas where this plan does not meet the standards; roofs – should match surrounding buildings, proportion and pattern of windows –

windows in addition don't match the same pattern as the existing building, the building's façade can only project 10-feet and it's unclear whether the building meets that standard, signage – location of signage hasn't been determined, landscaping – B5 allows for zero lot line building out shielding of negative views and on-site parking is encouraged from abutting residential properties, and landscaping at parking areas – landscaping can't be at abutting properties. The applicant should call out the standards they don't meet and determine if the Board is okay with that because those standards can be deviated if they see fit. Additionally; commercial and residential trash placement, snow storage, location of lighting, is the parking functional and does the plan include a turning radius, HVAC location & screening, and location of other mechanicals should be shown on plan after comparing the proposed plan to the Urban Renewal Plan Design Standards.

Mr. Rubin requested that the final addressing of inconsistencies to the DRB should include the abutters concerns too. It should also include images of the proposed design with the image of the Brix building at 65 Washington Street in the background, looking South, since abutters feel what's proposed is inconsistent with the Downtown.

Mr. Daniel stated that the SRA has discretion over what they want the DRB to review. The SRA approval could be based on approval by the DRB but there are enough small items it should be reviewed by the SRA again, in addition to the DRB which also reviews signage. Mr. Rubin requested a summary of comments raised by the abutters based on specific design elements also be sent to the DRB, to show the abutters that their concerns are being recognized.

Chair Napolitano opens Public Comment:

Pam Broderick, 28 Federal Street. Her comments are her own. The Northern rendering hasn't been corrected and mis-represents the size of the addition. This was discussed at the June 10th meeting and acknowledged by the Architect, however; the addition goes roughly to the drainpipe. The pathway to Washington Street was voted out of existence in mid-May but it still shown on the drawings. Also, the patio and L-shaped wall at the North door will invite others to use the patio and should have a 6-foot-high fence to eliminate people coming onto the property. She reviewed the Design Standards on her own and also wants a document of that topic to be reviewed by the DRB. Lastly, two mature trees would be there in place of this addition. Ricciarelli replied that the L-shaped area is a retaining wall and small stair to access the retail space. They've corrected the design perspective and the renderings will accurately portray the addition. Due to the size of the project they will return to the DRB for signage approval and they will also remove the path to Washington Street.

Steve Pelletier, 1 Washington Street, Unit 401. Agrees with Pam's comments, facing the parking area. Concerned with parking and whether the neighbors will they have the space they need to turn their vehicles with the overhang proposed. There is also the potential and there being 1-2-feet less space with snow piles. They've asked for a turning radius analysis before but haven't seen one. Ricciarelli replied that everything conforms to zoning, the building footprint hasn't changed, and they will confirm turning radiuses.

Joan Hopper, 28A Federal Street. Referred to an e-mail she sent about existing building size compared to the size of the addition when the basement space in the existing building isn't being included. Ricciarelli replied that there is no habitable space in the basement so it cannot be counted towards the existing square footage.

Steve Pelletier. Felt the answer given wasn't sufficient since snow drifts change once the building is in place. The design and parking need to be reviewed and those answers will be helpful to the owners at 28 Federal Street. Many things can happen to this space without changing this area of downtown.

Jane Stauffer, 1 Washington Street, Unit 404. Agrees with Pam Broderick and Steve Pelletier. She will look directly at the side of the addition. It's frustrating to hear that some don't want anything at all. She read part of the letter she submitted.

Barbara Cleary, 1 Washington Street. The project is going in the right direction, since many question how it fits in with the Downtown Renewal Plan and encouraged the DRB to also look at the specific design criteria as well as the overall goals of the Downtown Renewal Plan. Neighborhood compatibility is important but it's not just about matching materials and windows, it's how this affects the surrounding neighborhood. She found it confusing that the basement of the existing building was not included. Ricciarelli replied that the existing basement has a built-out office space which is why it's included in the square footage. Becker added that the parking area of the garage creates a reduced head height where the trash room is making it partially not habitable space.

Steve Pelletier. The conversation between Atty. Grover and Building Inspector on whether the proposed addition was actually an addition or new construction revolves around building size. Did that include habitable space? Atty. Grover replied that the Building Inspector determined that the space was not habitable. Becker added that the building code requires natural lights and ventilation, there is no opportunity for windows and a low ceiling height is reduced because of the vehicles.

Mr. Becker noted that he read Ms. Stauffer's letter and disagrees that the length of time someone has been a resident shouldn't be a concern in terms of rental units or a consideration by the SRA. Ms. Stauffer replied that her concern was that long-time residents don't feel valued.

Chair Napolitano closed Public Comment.

Mr. Daniel asked if tenants in existing commercial space be relocated to the new space. Becker replied he will discuss with the tenants if they want to stay and deal with construction. He will wait until the project receives their approvals on their final design.

Rubin: Motion to forward the final plans to DRB, along with a request to review the Design Standards compliance or alternate solutions, create the image with the BRIX building in the background, to include a summary of the abutters comments, and if no significant changes return to the SRA for review and approval.

Seconded by: Vickers. Rubin, Vickers, Napolitano. 3 in favor.

New / Old Business

1. SRA Goals for FY 2021

Mr. Daniel stated that the annual goals now align with fiscal year and annual report. First goal was RFP for the Courthouse Buildings. They've pushed the submission from April 30th to June 30th and will select developer this fall. The second goal is ensuring that stakeholders feel involved in the SRA review process, one specific item was abutter notifications, which will be kept as a goal since it's wasn't accomplished. They want an efficient and consistent method with all boards. The third goal is building a relationship with the City Council. They've had meetings

with four City Councilors to discuss projects and the history of the SRA. They want to keep these same three goals moving forward. The Covid-19 response has delayed progress on these goals, but the SRA will keep them and continue to work toward accomplishing them.

Mr. Rubin asked how can the SRA Board can help with those goals since so much goes back to the Planning Department. Mr. Daniel replied that notifications are a staff item but beyond that is people feeling involved. Using networks downtown and let people know you are on the SRA, engage them in the process, let them know their input is valued, and they should participate in meetings. Engage with the Councilors too. Ms. Nina-Soto suggested an added goal of building a relationship with the Affordable Housing Trust to make sure we are on the same page. Mr. Daniel noted that in terms of housing, the SRA has supported the Municipal and Religious Special Permit and to support the regulatory change to allow the reuse of 5 Broad Street, etc. with an affordable housing component. The SRA has also supporting the Housing Development Incentive Program, which is for market rate housing, but they have been using it as a way to bring in affordable housing. The SRA will continue to support the City's housing and affordable housing development goals and work to building a relationship and understanding with the Affordable Housing Trust Fund Board. Ms. Nina-Soto suggested specifics to take a firmer stance in terms of affordability in Salem. Mr. Vickers support a closer relationship with the Trust but they need to take a closer look at the role of the SRA as it relates to downtown Salem, to make sure it's consistent with both the original and revised Urban Renewal Plan, so we don't lose sight of that. Mr. Rubin could include language stating that new developments will be looked at advantageously if affordable housing is included in the RFP. Mr. Daniel replied that there should be a separate discussion since the inclusionary requirement and is negotiated long before it gets to the Planning Board. Chair Napolitano and Rubin agreed that it can be a goal.

2. Superior Court and Crescent Lot: Update

Mr. Daniel stated that interviews have been scheduled with the development teams on September 15th and 17th at 5PM. The development consultant will help them review specific questions with the teams and each time will have approximately 1-month to prepare their responses. The proposals and the teams will give their presentations, take questions from the Board and public comment is permitted. They also have the opportunity from now until those interviews to collect public comments in advance to Ms. Newhall-Smith. Public comment and questions are also allowed during regular SRA meetings to provide to the teams in advance.

Mr. Rubin asked if the SRA can solicit public comment. Mr. Daniel replied by notifying specific interested parties, posts through the City news. Some may wait until after the presentations to comment because there is a lot of information in each proposal to review.

Mr. Daniel noted that at the Affordable Housing Trust Board's (AHT) most recent meeting, they discussed a desire to understand the affordability opportunity within this project and they will send a letter to the SRA. This relationship will allow the SRA to see what opportunities there are beyond the minimum, understand their Board's process when it comes to affordability, and schedule future meetings. The letter will be distributed to the SRA Board once it's been received and discuss how best to engage the AHT Board.

Mr. Daniel and Ms. Newhall-Smith continue to meet with DCAMM every other week and they are working on the subdivision plan between the two historic court buildings, which are on a shared single lot, which requires an approval of the Trial Courts. The discussion has gone well

and thanked Ms. Newhall-Smith for her efforts to date. The language of the draft deed for the MOU is also in the works with DCAMM. Progress has been made with the MBTA, they are moving in a good direction, and they hope to come to a final resolution soon. The City is initiating the Harbor Plan process with a public meeting to be held later this month. This relates to the Courthouse project because a portion of land that begins at the crescent lot and extends to the North River and across towards the Franklin Street portion of the river. The Harbor Plan has the potential to facilitate the regulatory framework under which the Ch. 91 license would be granted for the crescent lot.

Chair Napolitano opens Public Comment:

Mickey Northcutt, 18 Peabody Street, Member of the Affordable Housing Trust and CEO of Northshore CDC. A large part of what they do is bringing affordable housing to Salem. Asked the Board to consider what they want downtown Salem to look like in 20 years. Investments and growth in the downtown have their benefits and make it more livable. The high price points make living in the downtown barely affordable and very little economic diversity, which is important to the character of Salem. The sale of one of the most precious areas for residential development during an acute affordable housing crisis with no solid solution. There have been bidding wars during the pandemic and it will only get worse. There is nothing inherently wrong with market rate development, which provide taxes and encourage residents to spend their money downtown, and they are welcomed into the community. Inclusionary zoning is the only way to incorporate affordable housing into the sale of private land, and it was a painful process to get that passed. This land is public land and the SRA controls this process, sets the terms and expectations for affordability, and there is nothing that prioritizes it as high-end housing. For there to be no clear affordability requirement in 2020 is a major missed opportunity. More affordability is not impossible to achieve and affordable housing developments pay for the land that they are built on and they've developed 400 units of affordable housing, and they paid market value for the land, which is the hardest aspect of affordable housing development not zoning, because you can't control the price of land. It's just as easy to build affordable housing as it is market rate housing, but you do have to compete against market rate developers. When you can control the terms of the sale of land, its incumbent upon us to seize those opportunities. It's also possible to achieve two public policy goals at once, meaning renovate the courthouses and achieve affordability. Whether 100% affordability or another high percentage rate is possible, should be explored with achieving it as the focus. There is no clear standard or preference for maximum affordability and housing developer would spend the time or money to submit a response to a major RFP unless that affordability is clearly stated as a priority. Despite the Council not passing recent policies, the conversations revolving around affordability has grown, particularly within the past two years, because of the efforts of the Planning Department, Affordable Housing Trust, etc. But action is needed, and land shouldn't be sold with no affordability. It's not true that it's too late in this process to include or increase the affordability portion, because a decision hasn't been made. If the three proposals could have minimal affordability the SRA should request more. The RFP could be re-released with a stronger preference for affordable housing and some of the developer have done so elsewhere and could resubmit with a different financial outlook. In a Ch. 40 B project affordable housing project, Zoning Boards can impose conditions on permits and an independent consultant can determine whether a project is financially viable, and that process can be applied to each proposal with maximum affordability, and assume a reasonable but not excessive return. He asked if they want to see 100-150 high end units to be the symbol seen when they people arrive or leave downtown

Salem, or should it be a symbol of equity. He recommended a joint meeting/conversation with the Affordable Housing Trust or a future collaboration.

Steve Pelletier, 1 Washington Street, Unit 401. Agreed with Northcutt. Affordable housing should be a goal not a concept. Study, determine what is needed, and define it. Asked if they will they be affordable rental units, first time homebuyers, or a combination.

Alice Merkl, 28 Federal Street. Appreciated the affordable housing discussion even if it's not within their purview to set those markers, a collaborative effort between different entities is promising to hear. Supportive of Northcutt's recommendations given the opportunity that public land presents given that the price of land is obstacle for affordable housing. Appreciated the notion that 80% AMI is not affordable and affordable markers should be determined. Welcomes the inclusion of affordable in the proposals.

Lori Stewart, 7 Barnes Road. Agreed with Northcutt and Merkl. She works with affordable housing and making these properties high end condominium would be discouraging, given that affordable housing is a big issue that has been a hot topic in Salem for a couple years. The sold public land should do a public good, and there should be more public access at the courthouses too.

Flora Tonthat, 30 Northey Street. Agreed with all the previous public commenters and has supported affordable housing and inclusionary zoning for the past two years. Councillor Madore stated that affordable housing isn't being required of developers, but it should be required, and the Council should be asked to vote on it, which would require a majority vote not a super majority vote. Both sites should serve the public, including the Superior Court.

Rachel Lutts, 92 Orne Street. Agreed with all the previous public commenters. Loves the diversity of Salem and there should be a way to have a higher percentage of affordable housing on public land. Salem doesn't want to become a Cambridge or Somerville, where people are priced out of living there, like so many already are. Something beyond talking about it should be done.

Mike Becker, 22 Hawthorne Boulevard. Agreed with Northcutt about the cost of land and the barrier of entry for affordable housing competing with market rate housing. Market rate housing is outrageously expensive and continues to rise because Salem is a desirable city. Adding affordable housing is great for those that qualify, and the number of affordable units has minimal impact on the rents of market rate housing. His office does many rentals in Salem and landlords charge market rate, himself included. The only way to satisfy that is with transit-oriented development, to which there can be substantial resistance. Developments of less than 5 units have a much easier permitting path in a B5 than larger developments, but similarly difficult to develop, and single-family inventory is tight these days.

Chair Napolitano closed public comment.

Mr. Daniel stated that a letter requesting a joint meeting with the Affordable Housing Trust will be distributed to the Board and a meeting date scheduled prior to the interviews with the development teams.

Approval of Minutes

1. Review of June 10, 2020 regular (open session) meeting minutes.

Rubin: Motion to approve the June 10, 2020 regular (open session) meeting minutes.

Seconded by: Vickers. Rubin, Vickers, Napolitano. Passes 3-0. Nina-Soto abstained since she was not on the SRA in June of 2020.

Executive Session

To discuss the development proposals submitted in response to the Request for Proposals for the redevelopment of real property located at 32-34 Federal Street and 252 Bridge Street, Salem, MA because an open meeting may have a detrimental effect on the negotiating position of the public body.

Roll call vote to begin Executive Session.

Rubin: Motion to begin executive session.

Seconded by: Nina Soto. Nina-Soto, Rubin, Vickers, Napolitano. Passes: 4-0.

Chair states that the Open Session will or will not reconvene at the conclusion of the Executive Session.

Executive Session began at 8:25PM.

Nina-Soto: Motion to end executive session.

Seconded by: Rubin. Nina-Soto, Rubin, Vickers, Napolitano. Passes: 4-0.

Adjournment

Rubin: Motion to adjourn the meeting.

Seconded by: Vickers. Rubin, Nina-Soto, Vickers, Napolitano. Passes 4-0.

Meeting is adjourned at 9:45PM