

Affordable Housing Trust Fund Board
Approved Meeting Minutes
April 10, 2019

A meeting of the Salem Affordable Housing Trust Fund Board was held on Wednesday, April 10, 2019 in the first-floor public meeting room at 98 Washington Street, Salem, Massachusetts at 11:00 a.m.

Members present: Mayor Kim Driscoll, Councillor Steve Dibble, Ben Anderson, Mickey Northcutt, John Boris, Rebecca Curran, and Cynthia Nina-Soto.

Other present: Inclusionary Zoning Advisory Committee members: Andrew DeFranza, Jen Lynch, David Pabich, Patricia Zaido. Staff: Amanda Chiancola, Senior Planner and Tom Daniel, Planning and Community Development Director. MAPC Consultants: Karina Milchman, Chief of Housing and Neighborhood Development and Alexis Smith, Senior Planner.

Mayor Kim Driscoll called the meeting to order at 11 a.m.

DRAFT INCLUSIONARY ZONING

Karina provides a quick recap of the March 5th housing forum, the group discussed various aspects of the proposed inclusionary zoning ordinance.

Questions to Consider/Clarify

How does this apply to projects with multiple owners?

How does this apply to mixed-tenure projects; what affordability is required (60% or 80% of AMI)?

If a project converts to condo, would the unit(s) be deed restricted at 60% or 80% AMI?

Areas Requiring Further Work

Mickey comments that the homeownership requirement of 10% set-aside for households with 80% AMI may not be right for Salem. He has experience with these units not selling, perhaps they should also be at 60% ami.

Right of first purchase upon turnover to the City with a designee; can the AHT provide gap financing to bring a unit from 80% AMI to 60% AMI?

Alexis has two thoughts:

- 60% AMIT ownership are tough to pencil. One solution could be for the City to have first right to purchase so the unit would not be lost in the event it does not sell.
- Mickey recommends that data on the cost difference between 60% ami and 80% ami be reviewed.
- Andrew DeFranza recommends that the first right of refusal should be assignable to a non-profit.

Cynthia Nina-Soto comments that a buyers' ability to secure mortgages could be impeded if there were units at 60% AMI? A lender looks at the condo complex as a whole, how many units are there and how much does the condo complex as a whole bring in. Having 60% AMI units in the mix may render the complex as "risky" to lenders. It is recommended that the City look into mortgage lending practices

Discussion regarding incentives ensues. David Pabich notes that what is proposed are not truly incentives for adaptive reuse in the downtown (B5). Therefore, he is concerned that the ordinance

having a chilling effect downtown- additional incentives for downtown are recommended. Alexis asks whether 0.75 spaces/DU would work. This needs to be further analyzed.

Density

Should there be lot size relief as well as setback and height?

- For reuse, you often can't change setback or add a story, so the bonus isn't usually usable
- How does this work for Historic Tax Credit projects where a density bonus usually can't be used?
- She thought there would be a suite of incentives to choose from to get more units and deeper levels of affordability. The AHTF board discusses whether we should offer stronger incentives for deeper affordability. Karina notes that there has not been an appetite for greater incentives. It can be included, but she is doubtful that folks would take advantage of it. Karina asks whether this is a messaging problem- people see 10% and feel it is not enough, but the huge win is the 60% AMI.

David Pabich asks what level of affordability is required if a rental unit is later converted to a condominium. This has to be clarified in the ordinance.

Fractional Units

Should the square-foot construction cost be based on average unit size in the project?

Add "payable upon certificate of occupancy"

Administration

In concert with the City; how can the City support developers?

- should offer a universal application. The City should also make it easy to create and monitor units.

TDM

o Measures must be written into project approval

- TDM isn't necessary downtown

Other

Messaging

o Andrew DeFranza notes that the policy is progressive; the 'gets' are 60% AMI, no PILU, no off-site units, fractional payments (rather than rounding down), Mickey concurs that the "get" is a huge win for the City.

o More supply relieves pressure overall

Ben Anderson recommends we show the benefits of creating more affordable housing- reach a broader audience. Cynthia Nina-Soto recommends the City look at the realtor association data- it shows job creation etc. for every home created/sold.

Other tools

- o Incentives for homeowners to rent at below market rates

- o Preference for seniors

Need for online City housing portal, universal application for Affordable units

UPCOMING HOUSING FORUM

Some new ideas were suggested for the housing forum on April 23rd, which will be discussed by City staff and the project team.

- Raise awareness of development costs
- Raise awareness of the benefits of housing
- Provide discussion questions to guide small group discussions; provide a facilitation guide
- Share input from the last forum (key themes from group discussions, who was in the room)
- Share handout on inclusionary zoning and ADUs in advance
- Engage the business community

NEXT STEPS

MAPC project staff will research outstanding questions pertaining to the draft inclusionary zoning and make recommendations. MAPC project staff will coordinate with City staff to prepare for the upcoming forum.

Meeting adjourned at 12:30 p.m.

Approved by the Affordable Housing Trust Fund Board on 05/07/2019

Know your rights under the Open Meeting Law M.G.L. c. 30A § 18-25 and City Ordinance § 2-2028 through § 2-2033.