

Affordable Housing Trust Fund Board
Approved Meeting Minutes
April 7, 2020

A meeting of the Salem Affordable Housing Trust Fund Board was held on Tuesday, April 7, 2020 at a Remote Zoom meeting at 6:30 p.m.

Members present: Mayor Kim Driscoll, Councilor Ty Hapworth, Filipe Zamborlini, Councilor Patricia Morsillo, Cynthia Nina-Soto, Rebecca Curran, Ben Anderson, Mickey Northcutt.

Vice Chair Mickey Northcutt called the meeting to order at 6:36 p.m.

1. UNFINISHED BUSINESS

- A.** The Board votes to support the Board of the Council on Aging's Community Preservation Act (CPA) application for a rental program.

Ben Anderson makes a motion to write a letter to the Community Preservation Committee from the Affordable Housing Trust Fund Board in support of the COA Boards CPA application and a letter recommending that the CPA maximize resources to affordable housing, seconded by Cynthia Nina-Soto. Motion carries by roll call vote unanimously.

2. NEW BUSINESS

- A. Introductions.** Mickey Northcutt welcomes the new Affordable Housing Trust Fund Board members, Councilor Morsillo, Councilor Hapworth are Filipe Zamborlini. Ms. Chiancola notes that the Board members all know the Councilors but suggests Mr. Zamborlini introduce himself. Mr. Zamborlini has a few board members at housing meetings and other city meetings. He is a public policy professional for over ten years, is formerly undocumented immigrant in the US he came from Brazil in 2001 spent over half his life here. He became a citizen this past primary election but before that he has experienced housing insecurity and knows how it feels to not have access to social net support systems and have to figure it out on your own. Housing has always been close to him. He is a public policy director at Rosie's Place the first Women's shelter in the United States which serves women across the commonwealth including some in Salem. Housing Affordability is an issue in his mind he is happy to be here. He lives across the street from the Harbor Sweets Chocolate Factory.

Ms. Chiancola says there are seven members of the public attending and asks Vice Chair Northcutt how he would like to handle public comments. Vice Chair Northcutt says they will hold public comments at the end noting that it is not a long agenda and wants to make sure the members of the public have a chance to hear the full discussion.

- B. Office Elections.** Ms. Chiancola says that the current officers could continue to serve this year but there has to be a vote. The current officers are as such: Chair Mayor Driscoll, Vice Chair Mickey Northcutt and the Treasurer was Grace Harrington-Napolitano, but she no longer serves on the board so that seat is open. Mayor Driscoll and Mr. Northcutt both say they would be happy to continue or if someone else wants those seats they are happy to step down if anyone is interested.

Cynthia Nina-Soto makes a motion to appoint Mayor Driscoll to serve as Chair, Mickey Northcutt

as Vice Chair and Filipe Zamborlini as Treasurer seconded by Ben Anderson. The motion is carried by a unanimous vote.

- C. Priorities for 2020.** Ms. Chiancola put together a table of suggested priorities for the AHTF Board to consider. The list of priorities are suggested strategies and says the Board members can also add in their own strategies. Ms. Chiancola asks the Board members to identify up to two strategies to focus on (not including the high priorities that are already being worked on). That will also help her work plan in understanding what this Board wants to focus on. She goes through the list, summarizing the table below. There are some priorities that are identified as high because they are already being worked on so it is assumed that those will continue to be high priorities.

STRATEGY	DESCRIPTION	PRIORITY
Condo Conversion Ordinance	<p>Currently, 49% of housing units in Salem are renter-occupied, and 51% are owner-occupied. However, Salem's housing stock is overwhelmingly old. Over half (54%) of all homes were built before 1940. Older homes are vulnerable to conversion into condominiums, which reduces the city's rental options. Since June of 2015, 305 rental units¹ have been converted into condominiums.</p> <p>This is particularly concerning because the median income of renters is about \$37,000 and half of all renter households (4,465) are cost-burdened. If these renters were to be displaced they would have very few options for relocation in Salem.</p> <p>A condo conversion ordinance could be developed to provide protection for tenants facing displacement. A condo conversion ordinance does not limit a landlord's ability to convert their property into condos, but it does require protections e.g. providing proper notice to the tenants. An MAPC case study of various condo conversion ordinances can be found here: http://www.mapc.org/wp-content/uploads/2017/11/Condominium-Conversion-Ordinances.pdf</p>	
Opportunities for a 40R District	<p>Chapter 40R of the Massachusetts General Law encourages cities and towns to zone for compact residential and mixed use development in "smart growth" locations by way of a 40R district.</p> <p>A 40R district is a zoning overlay. A 40R is beneficial to a developer in that it allows more homes than what would be allowed under the based zoning through a site plan review process, rather than by special permit. A 40R district is beneficial to the City in that it requires 20% of new units created to be affordable. The City may also include design guidelines to guide the design of new development in a 40R district. In addition, adoption of a 40R District provides the City two financial incentives: the first is an upfront payment that ranges from \$10,000 - \$600,000 depending on the number new units, the second financial incentive is a set of payments in increments of \$3,000 for every unit built in excess of what the base zoning would have allowed.</p>	

¹ The number of apartment units converted into condominiums is shown below. The year represents June 15 of the prior year to June 15 of the year shown:
2016: 37
2017: 45
2018: 60
2019: 52
2020: 80
2021: thus far, 31

STRATEGY	DESCRIPTION	PRIORITY
	More information about 40Rs can be found here: https://www.mass.gov/service-details/chapter-40r	
ADU Design Template	A design book of templates and suggestions on how to incorporate ADUs into the various housing designs found in Salem. For example, Santa Cruz County in California developed a design this booklet that can be found here . Their design booklet provides an overview of the process to create an ADU, links to financing opportunities, strategies to lower the construction costs, and design templates with dimensional standards and sample floor plans.	
City-owned Building and Land Opportunities	Staff and the AHTF Board have been reviewing publicly owned land to see if there are opportunities to use public land for new housing. sites being considered include: 77 Willson Street (the high school property), 5R Fredrick Street (a lot behind Witchcraft Heights Elementary School) and land off Memorial Drive. This work will continue throughout 2020.	HIGH
ADU Loan Program	Staff is currently working on setting up a loan program that homeowners will be able to borrow from to build an ADU. In order to qualify for the loan, the homeowner would need to restrict their home as affordable. The tenant's income will be set at 60% AMI and maximum rental amounts will be the fair market rents established by HUD for households at 60% AMI.	HIGH
ADU Tax Incentive	The City Council is reviewing an Order to submit a special act to the legislature to allow for the City to offer a property tax exemption for homeowners with ADUs if they offer their ADU at an affordable rent. The exemption must be applied for each year that the owner seeks to receive it, and the application must be accompanied by a copy of the lease and proof that the tenant does not earn more than the following per year.	HIGH

Councillor Hapworth suggests two priorities. He notes the first is rough right now but in thinking through the COVID-19 impact he has found in making calls to seniors that there are two categories seniors one set that are doing well. That set doing well have Netflix and insta-cart but there is another set of seniors that informed us they are running out of food, haven't seen anyone in days and they do not know what to do. He notes that every community will have to figure out the linkage between healthcare and housing. We are seeing lots of inequities and these three weeks are laying bare the issues we have around housing inequalities. Councillor Hapworth notes that this is really rough and very broad so he is not sure what it would like and suggested it would need some brainstorming but wants to include the healthcare housing linkage as a priority. The second priority for him is the condo conversion ordinance. He notes that the people being impacted by coronavirus are hourly employees he would like to the board to think about how to protect the rental stock or at least add additional rights for the tenants.

Mr. Zamborlini asks if this board has the capacity to address housing production. He explains that the housing report card for Greater Boston gave Salem a zero score in 2019 for housing production. On the condo conversion side housing production is important. If we are not building anything or supporting organizations who can build we will be in this limbo situation perpetually possible where we try to come up with good remedies such as the condo conversion ordinance but we would always be trying to come up with remedies instead of treating the underlying problem.

Mr. Northcutt responds that Salem has a good ecosystem of building. He can speak to the North Shore CDC's efforts which have a strong pipeline of affordable housing projects in Salem. That includes two

buildings, the school redevelopments that are in permitting and others that are not public yet. At a high-level production just takes so long. No matter how great the project is there is no such thing as a project that gets conjured up and built the next year. Any project with the majority affordable units requires public subsidy. The money that we have at the City level whether it is coming from CDBG, CPA, HOME always acts as a token amount of a local match that allows the developer to apply for state and federal financing which takes a long time. He is opportunistic about the outlook in the short term, even though the first three stimulus bills are focused on people, when Congress starts talking about infrastructure affordable housing will be on the list and the NSCDC has 100% affordable shovel ready projects in Salem. The NSCDC is also converting 18 existing rental units into renovated affordable units. Plus, the Salem Housing Authority is prioritizing opportunities in their portfolio. With just these four projects in the pipeline, that is a lot it will take 5-6 years and that is a good thing. If any city gets too many new construction projects that are all affordable at the same time they compete with each other. And he wants to encourage people to support the pipeline of projects the Salem has. So a couple of years ago the AHTF Board had a conversation noting we have that pipeline so what should they do, and decided to generate policies that support affordable housing (noting the trust does not have much money) and decided to not be as production focused because we have that pipeline. Policies such as Inclusionary Zoning and Accessory Dwelling Units are low hanging fruit and will create some affordable units and when taken together with the pipeline if we were to pass all the strategies on that list it would be the most comprehensive set of affordable strategies set in the state.

Rebecca Curran recommends that 40Rs are a good thing to look at, in thinking about doing things quickly without subsidy. It is streamlined mixed use development with design guidelines the result in affordable units built by the private sector. It doesn't change the zoning because it is an overlay so could be easier to pass. She does not know too much about condo conversions so wants to look at that more to understand the consequences of it. She agrees we should keep the things we are working on high but wants to add 40R to the high priority list.

Cynthia Nina-Soto would like senior housing identified as a high priority or medium. She has heard a lot of public comments during the Accessory Dwelling Unit conversation regarding the need for senior housing. It could be something the Salem Housing Authority supports. She agrees 40R should also be considered a priority and of course the COVID-relief efforts.

Councillor Morsillo would like to see a conversation around senior housing. She would like to see more universal design in the new buildings that are being built. Everyone has a different idea in their mind of what senior housing is she wants to know what people mean when they refer to senior housing. She asked the developers on Highland Avenue if they are using universal design and they did not know what it is, so education around that is needed and that is a good topic to start because it is discussed a lot. She does not know enough about the 40R or condo conversion ordinances they sound good but is not familiar enough to know how to prioritize them. She also notes the COVID relief efforts should be high.

Mr. Northcutt asks if there is a will of the City Council to take action and actually vote on the inclusionary zoning and accessory dwelling unit ordinances or is the council holding off until they can meet in person? That has a huge influence on how many priorities we can add to the list this year. Not knowing how long that goes on and knowing they fill our agenda he wonders how much policy gets proposed in the short run.

Mayor Driscoll responds that we filed the ADU with 8 Councilors supporting it so hopes it will get to the finish line quickly. Inclusionary zoning may need additional time to digest, but both are not cutting-edge

proposals. They are in place in many other communities. The public hearing was continued to April 13th but there is a lot of leg work even post-closing of the public hearing so hopefully if not on the April 13th meeting then sometime soon after that. There was urgency around affordable housing before COVID-19, it will only be deeper and harder post COVID and thinks there are definitely strategies here that could help. We need to keep the gas pedal on the work we are doing and map out what else we can do because we do not have the luxury to pause.

Ben Anderson says his two priorities are 1. The 40R district, it is comprehensive with the 20% of new affordable units and the upfront payments to the city and an overlay district is achievable and number 2. Is senior housing that warrants and needs a lot of study as well. That ties into city owned buildings. The category under city owned buildings and land, we talked about land but not city buildings. There should be further discussion related to that. He does not know the buildings available if there are any but that would be good to look at. The ADU design template is good but should be combined with the tax incentive and loan program as a bundle, to follow up with these other initiatives would be terrific for the city. The COVID-19 relief is critical. His least priority is the condo conversion because that could be scary for property owners.

Mayor Driscoll asks Filipe to elaborate on the housing production report card. Mr. Zamborlini explains that Salem scored a zero on production but well on other metrics. Ms. Chiancola notes that report card pulled census data to determine production levels; however, the City's building permits have not been captured by the census. Although there are still many other cities that have higher production levels than Salem, the City should have been higher than what it was. In the past five years the City has permitted (that is building permits issued) a little over 500 net gained units. She can share the chart of new units with the board if they are interested.

Ms. Nina-Soto says she would like to see the chart.

Mr. Northcutt is on a lot of the COVID-19 calls on the affordable housing worlds response to COVID and the aftermath. He says that he feels there is so much uncertainty with what kind of timeline we are talking about and the economy. No one can say what the next year will look like. He is a huge fan of moving forward and hopes the council will go ahead and act especially not knowing when things will be back to normal, this could go on for quite a while. He recommends sending the Council a letter from this body encouraging them to move forward with action to create those units but also free up the plate to work on more policy initiatives. He would like to think about what will have the most effect given that there will be a new realty and would like to see another layer or two of the federal response. Thus far they have come up with fairly decent programs, while not comprehensive there is good stuff in there, and he presumes that will continue. If the Council take action in April/May that would be fabulous and then we can revisit. Ordering up priorities today is difficult because every month will feel like a year of new knowledge and be able to have a better sense of the timeline of this stuff. He recommends adding the disposition of all public property to the list, including buildings.

Mayor Driscoll responds that in terms of public land we are shaking all the trees. They way Salem is developed there is not much that is not already used and there are not a lot of public buildings.

Mr. Northcutt says the SRA is overseeing the disposition of the crescent lot across from the train station and has seen the four finalists who are proposing market rate proposals. In thinking about time, energy, he wishes we had a chance as a board to discuss expectations for affordability there and suggestions sending them a letter.

Mr. Zamborlini suggests that what Mickey is bringing up, is tangential policy work that is not so much legislative, as our own act as a body. Another thing he recommends is taking out COVID response as a criteria to consider at all, that is just a reality that we have to address. He also says that he agrees with Councillor Hapworth in that we need to consider deeper ways to come up with strategies to address this and that affordable housing for seniors is something to keep on the block as a priority. Could we choose to include COVID, the current priorities we are working on and determine the other high medium and lows at a subsequent meeting.

Tom Daniel responds to Mr. Northcutt, to clarify there was a range in concepts on what he affordable housing component would be on the crescent property. The SRA has included affordability housing as adventurous on the RFP there are a lot of competing goals. It is a thin project the cost for the adaptive reuse is high the Chp. 91 designation of being on filled tided lands and the parking lot area are costly. The crescent lot was added in to help offset the cost of renovating the court buildings. At this point the process is so far along it would be a disservice to the overall objective to try to change some of the criteria we already put out there for the teams to respond to but have encouraged for the teams to go above and beyond the current affordably housing policy and they are aware of the draft inclusionary zoning ordinance as well.

Mayor Driscoll builds off these comments noting the historic preservation benefits of the redevelopment. The reason the two court buildings and the crescent lot were combined is the sheer cost of renovating the court buildings far exceed the return on investment from anybody undertaking anything in there so the goal is to attract investment that will have some level of affordability while also preserving these important historic structures. Her hope in Salem that they can balance the competing interests and feels they have been successful at getting win wins.

Councillor Hapworth suggests sending a letter to the City Council from the AHTF Board recommending they act on the zoning amendments. He acknowledges there is a crisis but with affordable housing we need to push forward with the easy stuff.

Filipe Zamborlini makes a motion to write a letter to the City Council from the Affordable Housing Trust Fund Board to the City Council urging them to move forward with the inclusionary zoning amendment and the accessory dwelling unit ordinance, seconded by Ben Anderson. Motion carries by roll call vote unanimously.

Mr. Northcutt notes it doesn't seem like there is consensus on the priorities so recommends continuing the discussion to the next meeting.

3. APPROVAL OF THE MINUTES

- A. Ben Anderson makes a motion to approve the March 3, 2020 Affordable Housing Trust Fund Board meeting minutes, seconded by Rebecca Curran and the motion carries unanimously.*

4. PUBLIC COMMENTS

Danielle from 43 Bayview Avenue: Says she has spoken with a lot of seniors who were born and raised in Salem, worked here but cannot afford their homes anymore and cannot find affordable housing, some are not feeling comfortable living with younger people some are being told they are not qualified. She suggests speaking with seniors. She asks about the status of the Memorial Drive lots.

Ms. Chiancola responds that the surveyor is taken longer than expected due to COVID-19. After the survey there will need to be a feasibility study, before that starts, we will provide a follow up letter. Mayor Driscoll responds that the Housing Authority is looking at an opportunity to create senior housing at Lee Fort Terrace.

Nick Hamm 12 Larkin Lane: Explains that the land at memorial drive is being used as a park, many people walk through there, there is a bmx bike area that has been up there for decades, lots of people view this as a park and have used it as a park for many years. Another point is the land was previously created for veteran housing and wonders why it is not going to be used for veteran housing.

Mayor Driscoll says nothing has been determined, we still need to determine if it is feasible to build there. If it is, we can add veteran preferences. The thought was it would be affordable starter homes but again, it is still an if and the type of homes and preferences.

Mr. Zamborlini notes that when we say affordable housing we are referring to all types of affordable housing which does not discriminate against one kind of person. He appreciates that Nick brought up the need for veteran housing and he will be bringing that up again if we are able to move forward with developing this land.

Cynthia Jerzalo 17 Bayview Avenue says that no one is saying the land is park land and wants the AHTF Board to keep that in mind, she is concerned that other parkland will be taken.

ADJOURNMENT

Motion to adjourn by Mickey Northcutt, seconded by Councillor Morsillo—passes unanimously.

Meeting adjourned at 8:00 p.m.

Approved by the Affordable Housing Trust Fund Board on 5/5/2020

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