

Affordable Housing Trust Fund Board Meeting
Approved Meeting Minutes
December 1, 2020

A meeting of the Salem Affordable Housing Trust Fund Board was held on Tuesday, December 1, 2020 at a Remote Zoom meeting at 6:00 p.m.

Members present: Mickey Northcutt, Filipe Zamborlini, Rebecca Curran, John Boris, Ben Anderson, Councilor Patricia Morsillo.

Planning Board present: Ben Anderson, Kirt Rieder, Carole Hamilton, Helen Sides, Bill Griset, Tom Furey, Noah Koretz.

Staff present: Tom Daniel, Director Planning and Community Development, Mason Wells, Planner and Amanda Chiancola, Senior Planner.

Vice Chair Mickey Northcutt called the joint meeting to order with a roll call vote at 6:03 p.m.

NEW BUSINESS

- A. Joint meeting with the Planning Board to discuss an affordable housing policy.

Amanda Chiancola provides an overview of the proposed draft policy. It would urge developers to require deeper levels of affordability at 60% of AMI as part of market rate development projects. Vice Chair Mickey Northcutt explains that when the AHTF Board was talking about this it was in the context of the IS failed to get the supermajority so how can they propose policies to get enacted with or without City Council support. Not being in the Planning Board's shoes the AHTF Board felt well they have been imposing 10% at 80% for a while without an ordinance so why not try to go lower 60% was a really important aspect of that proposed ordinance so we wanted to talk to the PB about it since they enforce, Ben Anderson as an AHTF Board member he supports the policy whole heartedly reading through the housing analysis its startling more than he originally anticipated. Putting on his Planning Board hat, he questions what kind of teeth the policy has, Mr. Anderson asks for clarification on what the policy is noting a lot of the negotiations and discussions happen in the planning department he would like to understand how this would work. Ms. Chiancola responds it does not have the teeth an ordinance would have but it would be a written policy, the current unwritten policy that 10% of units are required at 80% AMI and that is well known to folks who regular work in Salem but we want this to be transparent so it would a written policy that make it very clear that new development is expected to contribute to our affordable housing goals, there is a need at 60% AMI and there is a clear link in how it can be required with a PUD- there is clear nexus in that we need the employees who need the housing. The City would still work with the developers on the front end. Mr. Anderson questions whether it would be a document that would be discussed when a developer applies and the PB would be the teeth that enforces it but a lot of this is done prior to the applicant coming before the planning board. Helen Sides questions why speeding up the process would be an incentive; the path is clear and what holds things up is the developer. What could be helpful is an idea of each of the boards is part of a discussion ahead of the meetings, they do that in other towns particularly with this format of zoom it may make a member of each of the board available if they planned ahead. There might be an easier way to include board members to learn about projects ahead of time

with one another and judge the order in which the project will be presented, think about the difficulties etc. Rebecca Curran Cutting agrees with Ms. Sides, but notes it is important to not deliberate on the merits of the project and just talk about the process and the order and the regulations, we could get into trouble if we form opinions or voice them in a meeting like that. Ms. Sides explains that from her experience on this board and others her and her colleagues are careful to not represent the whole board when stating something.

Kirt Rieder conveys that we received a message that a participant is unable to get in. Ms. Chiancola says after the meeting she will post the meeting on the City website so anyone who could not attend will be able to watch after.

Carole Hamilton asks if there is a suggestion in the policy how many units would be at 60% AMI. Ms. Chiancola responds it is recommended that the full 10% for Planned Unit Developments and be project by project for Site Plan Review.

Mr. Northcutt asks what procedurally would need to occur to change the policy. Ms. Chiancola says she thinks it makes sense to be a Planning Board policy for them to adopt by vote and could be revised by the Planning Board at any time. Tom Daniel agrees. He notes that most of this would be discussed with the developer before the applicant gets to the Planning Board. During the course of the review before the Board some new information may come up that wasn't known prior to the application, a modification that needs to be made or other challenges or considerations come in and the policy might need to be adjusted. Mr. Daniel reiterates that the operating requirement of 10% at 80% AMI is not a written document it is just what we have been doing but having something written that we can post and point to. Ms. Chiancola says that in being transparent it would also be transparent to land sellers when the sale of land is negotiated between private parties, the buyer can point to this policy to negotiate the cost of the land that would allow for their project to be financed while carrying a requirement for 10% of units at 60% AMI.

At 6:21 Mr. Northcutt notes for the record that DJ Napolitano has joined the meeting. Mr. Northcutt asks if it is possible for the policy to invite developers who are not pursuing a Planned Unit Development to still comply with this. Ms. Chiancola responds that the policy as proposed says a site plan review 10% of the units shall be required at 80% AMI; however, the applicant is urged to set aside a portion if not all the units at 60% AMI or deeper- it is looking to get as many as possible at 60% AMI. Ms. Hamilton and Mr. Northcutt are pleased with this language. Ms. Hamilton notes that a number of projects before the Planning Board receive some sort of variance before the board of appeals, it is not without reason to think if they achieved a variance for parking or other variances that they can afford to put several units into the deeper subsidy.

Mr. Northcutt notes that some Planning Board members have time cutoffs, he asks if they have questions or comments. Mr. Koretz says the proposal as present to them is good he is in support. His only note of caution is with expedited permitting, the permitting procedures are set forth with City Council so he is not sure if it could be done and even if it could he is not sure he would be in support, the requirement in PUD and lighter requirement in SPR is definitely important and because the ordinance could not get through City Council we have to do something and this seems like a good thing to do, dropping from 80% to 60% AMI impacts a different segment of the population that is difficult to house so he is in favor of doing thing.

Mr. Zamborlini says while not speaking for Councillor Hapworth but he also agreed with the concept of expedited permitting, it wasn't that they wanted to see expedited permitting as part of this policy but to consider mechanism in their toolbox, he appreciates that the Planning Board has explained that it may not be as feasible as they thought it could be. The underlying question is we have this one tool and we are interested in figuring out if there are other tools we can utilize to help get to deeper affordability. Ms. Hamilton comments on the expedited permitting. If planning staff did an analysis of how things proceed through the Planning Board now, we meet the goals of expedited permitted, so as far as she is concerned that is off the table as a negotiated tool. The kinds of things that are worth while are what would save the developer money, the size and width and roads, the ability to eliminate a sidewalk, extras the planning board might consider putting into a project, those are things that might be able to increase the subsidy on various units within the project.

Mr. Rieder responds that you want to be very careful about calling basic accessible routes whether vehicular or pedestrian as basic or extra. He gathers that was not Ms. Hamilton's intent, but he cautions that they would need to be shy about making those debatable or discardable. Mr. Koretz comments that parking is another option but they thing he is getting caught up on is what they have leeway on what they have the ability to create rules on whereas what has to be an ordinance rather than a rule created by the Planning Board. They need clarify on what that line is. Mr. Koretz thanks the Affordable Housing Trust Fund Board and notes he has to leave the meeting early.

Mr. Anderson has a question about the policy. It says "in the event the developer cannot achieve the goal" he asks if we are going to ask the developer to provide back up documentation for that. Mr. Anderson asks if in the term of affordability, in the 10% of units at 80% AMI have we always required 99 years? Ms. Chiancola responds yes. Mr. Anderson asks if this would need to be an agenda item on the Planning Board for a vote. Mason Wells responds says. Ms. Chiancola responds to the first question, if the developer cannot achieve it then the Planning Board could ask the developer to demonstrate that to the Affordable Housing Trust Fund Board. Ms. Sides wonders if part of the presentation is that they do meet with the Affordable Housing Trust Fund Board and not offer the option to not meet it, Ms. Sides asks if that is possible or would it not have to happen. Ms. Chiancola thinks that if they do meet the 10% at 60% AMI they wouldn't need to meet with the Affordable Housing Trust Fund Board. Mr. Daniel thinks it is helpful to layout that if you are not able to do this, it is not just the Planning Board that is going to review it, there is another step that is recommended to be taken to see what else could be achieved. Through that discussion the Affordable Housing Trust Fund Board may be looking at process/thought from the Inclusionary Zoning ordinance to guide that. Mr. Northcutt asks if there are other comments from the Planning Board. Mr. Zamborlini asks about next steps. Mr. Northcutt says if they know when the Planning Board will be considering it some of the Affordable Housing Trust Fund Board would be happy to attend. Ms. Sides says she feels very positivize about this and appreciates that the Affordable Housing Trust Fund Board took the initiative to put it together.

Motion to adjourn by Ben Anderson, seconded by Filipe Zamborlini, all Affordable Housing Trust Fund Board members vote in favor.

Before closing the meeting, Tom Daniel asks if Mr. Northcutt would like to take public comment. He apologizes and says yes they welcome public comment.

Heather Famico, 195 Essex Street #2B. Ms. Famico says she is one of the people who had a difficult time getting into the meeting, the meeting ID and password were not working, she apologizes for missing the beginning of the meeting. Ms. Famico thanks the Planning Department for sharing documents on sharepoint, having the content on the website is something all the boards and commissions could learn from. She would love if the Affordable Housing Trust Fund Board and Planning Board could take a look at accessible units for the City. We have an aging population. This past year the AARP did something about making homes more livable. A lot of attendees at the meeting said they couldn't find accessible units to move into but if they could they would sell their homes. She recommends looking at bedroom counts and advocates for more 3 plus bedrooms. She questions which sites in Salem would qualify as a planned unit development now, she wonders if a planned unit development could qualify as a 40B, that would create expedited permitting.

Alice Merkl, 28A Federal Street. As a community member she appreciates the effort to bring in a deeper level of affordability. Ms. Merkl says there is a huge difference between 80% and 60% AML, every marker we hit to improve the affordability is huge. She thanks both boards for their efforts in pursuing this and it has her support.

Ms. Chiancola notes that after the joint meeting is closed it will be reopened for the remaining Affordable Housing Trust Fund Board meeting.

Planning Board member Bill Griset makes a motion to adjourn the joint meeting seconded by Ben Anderson motion carries 6-0.

Mickey thanks the Planning Board for taking the time to attend, if there is ever anything the Planning Board are working that the Affordable Housing Trust Fund could assist with, they would be happy to attend.

Vice Chair Mr. Northcutt opens the Affordable Housing Trust Fund Board meeting with a roll call vote at 6:54pm.

1. New Business

- A. Discussion of the Community Preservation Plan and vote on whether to send comments to the Community Preservation Committee.

Vice Chair Mickey Northcutt says that the Community Preservation Committee (CPC) is updating the annual plan and inviting comments from all the boards and commissions. Mr. Northcutt notes he is on the CPC. Ms. Curran asks what the CPC how much of the CPA funding has been allocated towards affordable housing, i.e. whether it is over the 10 percent requirement. Mr. Northcutt responds yes; it has been over the 10 percent requirement, early in 2020 was the first time that the CPC spent a considerable amount more towards affordable housing than any amount previously. That was to support two affordable housing projects (NSCDC projects) as well as a couple rental assistance projects. They do not typically support rental assistance projects but given the crisis and the concern with the vast amount of people facing evictions they felt it was important to support those proposals. Ms. Curran proposing sending a letter

that says that, the minimum of 10% is fine but in these times, we recommend that they support more. Mr. Zamborlini questions whether it is additional beyond 10 percent of total units or is it we want to support households who do not earn more than 60% of the area median income (AMI). Mr. Zamborlini notes that the current preservation plan is focused on 80% of area median income, noting that the only place where the lower AMI is discussed is secondary criteria. He asks if that is possible.

Mr. Northcutt says that the password is not working for the meeting. He received a message from Cynthia Nina-Soto requesting the link.

Mr. Northcutt responds to Mr. Zamborlini's question, there is not any reason to encourage the CPC to think about prioritizing projects that offer deeper affordability. That said, of all the projects that the CPC have invested in serve households even below 60 percent of the area median income. Ms. Chiancola says that the Community Preservation Statute defines affordable housing as serving households that do not exceed 100% AMI. However, the City of Salem's plan has gone a step further to set forth a primary funding criterion at 80% AMI and a secondary criterion of 60% AMI. The plan could be amended to require the primary criteria change to 60% AMI. Mr. Northcutt asks what the board members think about asking the CPC to amend the plan. Councillor Morsillo is in favor but thinks the primary criteria should be even deeper. Either more units or even deeper affordability. Mr. Northcutt says he does not recall subsidizing any projects on the CPC that have been less than 100% affordability, all of the projects have included all if not at least some of the units below 50% AMI, so when they come to the CPA they are looking for capital to build the project. Mr. Anderson asks if it helps to define COVID related rental assistance. Mr. Northcutt responds that the CPA generally gets requests from non-profit agencies for affordable housing, the rental assistance applications were both proposed as COVID response.

Mr. Zamborlini asks whether CPA funds have been used for affordable home ownership. Mr. Northcutt replies no. He notes that since the credit crisis DHCD has not awarded funds towards homeownership. Nearly all state resources have been allocated towards rental housing, so that could be why the CPC has not seen applications for homeownership.

Councillor Morsillo requests for Ms. Chiancola to pull up the draft comments with the redlines. Councilor Morsillo questions why the long-term affordability is at 30 years rather than the long term and recommends that the board discuss the primary criteria. Mr. Northcutt says that he believes the community preservation act requires a long-term deed restriction, that's what the CPC has been doing, so he thinks it would be find to include a restriction in perpetuity and he proposes including a recommendation that requires more than 10 percent.

Rebecca Curran makes a motion to send a letter to the CPC recommending the primary criteria be reduced to 60 % AMI and update the long-term affordability to perpetuity. Filipe Zamborlini seconds the motion, the motion carries unanimously by roll call vote.

2. Unfinished Business

- A. Discussion of the housing needs report and a community housing goal.

Ms. Chiancola shows a chart with an overview of how much affordable housing has been permitted since 2015, it is an average of 18% of the total units permitted in the past five year. Mr. Zamborlini has been thinking about cities that are similar to Salem and the Northshore region, including global comparisons. Other communities tend to set a mid-moderate goal, San Francisco set it about 33 percent by law then later increased it. He does not from a data perspective to realistically set it at a 33 percent level that would be more reasonable/achievable or be idealist and set it at 50 percent, his concern with 50 percent is whether there are enough tools in the toolbox for that to be reached. Ben Anderson read through the needs assessment points to a compelling statement, "This analysis indicates that the 2020 year-round housing units, per the 2020 Decennial Census and for purposes of the state's SHI affordable housing goal, will increase, possibly as much as 490 units (however, note that this indicates new units constructed, and not net new unit gain)." This is a fact that startled him, it seems we are already 50% behind and that is potentially going to get worse. We should start with the actual number needed then come up with a formula to project what we will need in future years and formulate around that.

Mr. Northcutt recommends that if we are going to set a goal it should reflect the reality of what the residents need. One of the frustrations he in the discussion around affordable housing is when communities feel that 10 percent is some sort of achievement, it is a minimum goal that prevents communities from being subject to punitive zoning measures it does not reflect the community's needs when we are in an affordable housing crisis. Salem could lead on this by identifying the actual need, even if it is an unachievable goal the goal is to meet the needs more than just the minimum. Mr. Zamborlini responds that if 49 percent of the households are low to moderate income, the goal should be 49 percent, even if we consistently fail it, it would be best to have a metric that we strive to meet. Mr. Northcutt agrees. Mr. Northcutt doesn't consider 49 percent to be a shocking number, he provides an example of how this is dealt with in the Netherlands, 49 percent of the housing stock is restricted in some way and that is within the full range of extremely low income to moderate income. Mr. Anderson notes that in the report that one of the criteria is for people who live and work in Salem but there are people who live in Salem but work outside of Salem but still need affordable housing, so it may even be worse than what we see. Mr. Daniel responds that it is an aspirational goal pointing to the needs of the community. Mr. Anderson comments that there are realities, noting an aspirational goal and realistic goal are different, should we strive for something in the middle, could we have an aspirational goal out there but in order to meet the goals there has to be something achievable. Councillor Morsillo responds that having the type of aspiration goal shines a light on the fact we cannot rely on developers to resolve our affordable housing needs, so that is why we need to talk about better tools, things such as Accessory Dwelling Units because it is an easy lift for affordability, a 49 percent goal would be a valuable discussion point. Mr. Zamborlini notes that new federal policies might come out after the inauguration, he encourages the AHTF Board to consider lobbying for housing policy efforts with our state elected officials and keep our eyes out on what is to come for January 20th.

Before going to public comment Mr. Northcutt lets the board know that the Salem Redevelopment Authority awarded the development rights for the courthouse projects to Winn Residential, which is one of the proposals that included about 1/3 affordable, 1/3 moderate income and 1/3 market. He is thrilled

with the outcome of the process and thanks the SRA for taking the discussion around affordability so seriously.

Public Comment:

David Friedberg, 57 Britannia Circle My comment is that I am definitely in favor of affordable housing in Salem be it 80%, 60% or any other percentage of the median income.

Unfortunately, proposing a change of the percentage of median income for the affordable units sounds wonderful but in practice, will a developer earn enough profit (not a dirty word) to build? One incentive is to allow an increased density. Consider the constraints of a project that is totally affordable like a 40 B. That automatically offers additional density albeit a long and involved and expensive process for a developer to pursue.

Can a survey of other communities who have changed from an 80% to a 60% and see what was the impact of the change on the number of projects or number of units that were proposed in those communities.

Heather Famico, 195 Essex Street #2B. Ms. Famico urges the AHTF Board to consider accessibility when thinking about the housing goal and look at universal design as a need that the city values. Ms. Famico also encourages three plus bedrooms; we are overflowing with two bedrooms but not enough three bedrooms, especially considering kids doing schoolwork from home. Ms. Famico also recommends the AHTF Board consider discussing the definition of affordability and how it is calculated at other levels of government with representatives and senators.

Cynthia Nina-Soto, apologizes for not catching the first part of the meeting, she was able to catch the tail end. Ms. Nina-Soto thanks the AHTF Board for the work they are doing. She shares that the National Association of Realtors just had their national conference and housing/accessibility was a hot topic not only at the state and local level but nationwide. She reminds the board to lean on their realtor friends and the North Shore Association of Realtors for data points and resources. Ms. Nina-Soto also discusses messaging, pointing to green signs that say "not for sale" she is afraid that Salem is becoming a nimby community, Ms. Nina-Soto says that she learned at the national realtors conference that affordable housing has a negative connotations and suggestions the board consider use alternative terminology, messaging in important and should be considered in the goal planning in 2021.

Geoff 29 Boardman Street # 2, feels ill-equipped because it took him over an hour to get logged into the meeting because the information posted for the meeting was invalid, he had to look in other places to find the correct id. He feels it is sad and wrong that the joint meeting of the planning board and affordable housing trust fund board was allowed to continue as they probably missed out on a lot of public comment. It is quite sad we did not find a way to pass an inclusionary housing ordinance that would make it more tenable for a developer to provide more affordable housing than the ten percent that we typically look for. Following up on what Ms. Famico said, he encourages the affordable housing trust fund board to work with the planning board to permit projects that are not the standard 2 bedrooms, and never more than 2 bedrooms. It is difficult to find market rate housing that fits that.

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Ms. Chiancola says if anyone had difficulty providing public comment today to please note the planning board will be discussing the draft housing policy at a future meeting and there will be an opportunity to provide public comment, comments are also welcome after the meeting they can be sent to her email, achiancola@saalem.com and if received they will be brought to the board at the next meeting. The video of the meetings -both the joint meeting and the current meeting, will be posted on the city website. And Ms. Chiancola apologizes for issues accessing the meeting.

Motion to adjourn by Councillor Morsillo, seconded by Ben Anderson—passes unanimously.

Meeting adjourned at 7:41 p.m.

Approved by the Affordable Housing Trust Fund Board on **2/16/2021**

Respectively submitted,
Amanda Chiancola, AICP
Senior Planner

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