

Affordable Housing Trust Fund Board Meeting
Approved Meeting Minutes
February 16, 2021

A meeting of the Salem Affordable Housing Trust Fund Board was held on Tuesday, February 16, 2021 at a Remote Zoom meeting at 7:00 p.m.

Members present: Mayor Kim Driscoll, Councilor Christine Madore, Mickey Northcutt, Filipe Zamborlini, John Boris, Councilor Patricia Morsillo, and Councilor Ty Hapworth.

Staff present: Amanda Chiancola, Senior Planner.

Chair Mayor Kim Driscoll called the meeting to order with a roll call vote at 7:00 p.m.

NEW BUSINESS

A. Meeting Business

Amanda Chiancola says the regular meeting schedule is the first Tuesday each month at 6pm. Ms. Chiancola asks if that meeting time still works for the Affordable Housing Trust Fund Board members. There were no objections to this meeting time. Mayor Driscoll asks the board members to contact Amanda if they have concerns about that time to make sure it is still consistent.

UNFINISHED BUSINESS

A. Housing Choice Legislation Discussion

Mayor Driscoll explains that the Governor's proposal for Housing Choice was adopted by the legislature. This legislation enables communities that want to engage in smart growth zoning amendments to do so with a simple majority.

Ms. Chiancola says that there is an overview of the Housing Choice legislation, put together by CHAPA, in the AHTF Board's sharepoint link. That link is located on the salem.com website under the planning board page and is accessible to the public.

Councillor Hapworth notes that there is a thought among some that this was done for Salem or done locally here in Salem. He asks that they discuss how this impacts other communities. Mayor Driscoll responds that the final legislation includes some positive changes that were not in the initial proposal, for instance requiring communities to allow multifamily housing near train stations if they have the benefit of such public transportation. It is encouraging other communities to add housing. This wasn't done for Salem, it is the third time it was filed by Governor Baker, this time it was filed in the economic development bill. Generally the reasons it didn't get adopted in the past is people wanted it to do more- they wanted more tools and it would get push back from leaders and communities that didn't want it to go further. It does allow accessory dwelling units and 40R smart growth districts to be approved through simple majority. It puts in place additional protections from frivolous lawsuits folks taking on opportunities to delay projects that have gone through robust processes. There are many other pieces of it, Mayor Driscoll welcomes commentary from other board members. Filipe Zamborlini

says that one of the points that Councillor Hapworth brought up- that other communities are not doing enough- is something that he has also brought up. But also noting that Salem is doing something but not enough. Looking at our neighbors and Boston they are doing much more to build and mitigate cost. The Housing Choice legislation offers opportunities for communities to do more- specifically the communities that want to do more but have not been able to do so because they have been stonewalled by the supermajority. We know that folks want to do more, the majority of people want affordable housing but when we have the supermajority stonewalling it across the commonwealth then it is virtually impossible. He is happy there is some tool in the toolbox to move forward with housing policies that the majority of people want. Mr. Zamborlini cautions that none of these policies alone will solve the housing crisis but if you only have a Philips head in your toolbox you will not be able to do everything, we need multiple tools and a major federal investment. It is a small step in the right direction, a good step it is good to see this forward.

Mayor Driscoll wants to be clear the change to a majority approval for zoning amendments is only within a super narrow lane for zoning proposals targeted to smart growth.

Councillor Madore notes she wants to get to work and put an action agenda together. The bill authorizes housing choice funding for planning and housing production, she hopes we look into that. Mayor Driscoll explains there is a lot more in the bill including funding for Low Income Housing Tax Credits, lots of support for ensuring there is housing meeting community needs, allowing communities to work in partnership with nonprofits.

B. Discussion of the housing needs report and a community housing goal.

Ms. Chiancola says that at the last meeting the AHTF Board started a discussion of a goal- what goal should the community strive for. The AHTF Board discussed an ambitious goal of 50% of new housing being affordable and came up with that number because 49% of households are low to moderate income. Ms. Chiancola asks the Board to consider thinking about it under the lens of housing cost burdened households. Although 49% of households are low to moderate income, some of those households are housing secure- they have housing that is either subsidized in some way or live in naturally occurring affordable housing. The new housing produced annually what if we peg it to low to moderate income households who are housing cost burdened. Because we know if you are housing cost burdened you are struggling to pay for other essential needs, 32 percent of Salem's total households are both low to moderate income and housing cost burdened. Even 32 percent would be ambitious- looking at our production in the last 5 years about 18 percent of new housing created has been affordable but keep in mind a lot of that housing is at 80 percent area median income, moving forward we have set up policies to lower that target to 60 percent area median income and that could reduce the total units created.

Mayor Driscoll asks Ms. Chiancola to give an update on the housing production plan because that assist in setting up a goal. Ms. Chiancola notes they are looking for funding opportunities- the grant that is the best fit from the state would not release funding until November.

Mayor Driscoll says we tend to get hung up on inclusionary housing but she wants to look at the frame of all housing- some will be deeply subsidized some will not be some will be 100 percent affordable some will be less, how do we think about this as an overarching goal. She asks if

people think the idea of a housing goal is a good one and if we should continue this discussion. Mr. Zamborlini says that at the last meeting across the board they felt that the goal should be 50 percent. Mr. Zamborlini notes he is concerned as disregarding folks who are currently housing stable from that number, because if you have a voucher it has income limits so if you increase your income you lose the voucher thus the housing security so you go back to losing income, he has seen this first hand as a career couch- it is often that a household gets a better job then their rent goes up so much they cannot afford it. These households are not housing secure, many are on transitional housing assistance and rely on other supports such as catch assistance and SNAP benefits and overall costs go higher and faster households that are currently stable are not permanently stable. So if we are really going to set this number up we should include individuals and households that do not on their own have the ability to maintain housing.

Mickey Northcutt says he has been involved in Housing Production Plans (HPP) for other communities and they are good documents, but they are usually not as specific as what we are talking about here. He asks that we think about this in a different direction, as an exercise of laying out the financial tools and subsidies that a city like Salem can maximize. We can say we want 40% of all new housing stock to be affordable and he agrees that what we need from a demand perspective but if we set that goal we would never achieve it not because of a lack of will but because there are not enough subsidies available. We need to be careful to not to shoot ourselves in the foot by not having too many projects all at the same time, that would not be well received by the state for a variety of reasons. There are only a certain number of ways to create new housing with state resources, so it would be great to have the HPP done by someone who knows the financial realities around affordable housing. The North Shore Community Development Coalition (NSCDC) have five tax credit deals in the pipeline in Salem other developers will be apply for tax credits such as Winn for the project near the train and Beacon for the housing authority project so there are lot of people going after a lot of resources. The NSCDC is thinking about what other housing programs they can do to keep supporting affordable housing because the resources are so limited finite. Maybe it bears both- what we need and how we maximize resources and that identify the gap between what we can produce and what we need.

Mayor Driscoll says there is no rush to set the goal but something we can work towards framing, this is the AHTF Board there will be other folks that want to weigh in too. There is a debate about growth in Salem every day. If we are going to grow what kind of housing are we looking to achieve what is in our control (public land) what is not in control (private land) but we can shape it. IT sounds like we need to continue discussing it and having a tighter timeline around the HPP, before going too granular it would be good to have more data. Mr. Zamborlini asks whether we have funds to have a HPP with the analysis that Mickey discussed- what can we actually do. Mayor Driscoll says we need to find the right consultant that will not just look at the census data but actually interview our partners and have something grounded in reality. Maybe it is not a percentage at all maybe another metric to use. Councillor Madore agrees with the Mayor, she is hesitant to talk about any community goals without seeing data but she is also cognizant of the nature of the HPP, it is a complicated process many communities embark on that effort just to check the box, it is important for us to not go in that direction, the community goal should not just focus on how many units or an SHI percentage we want to achieve we need to think about policy goals and reducing housing cost burdens, e.g. we want to reduce the number of Salem residents that are housing cost burdened by 10% in 5 years or local programs to encourage

building wealth, e.g. through homeownership. There are lots of nuisances we can dig into, she does not want the discussion driven by the HPP, we need to come back to Salem and think about Salem's goals in the long term. Mayor Driscoll agrees, this is not just a Census math exercise. While we chase down funding, if there are good example of housing production plans that other communities have undertaken we should look at those. Try to capture the scope we would be interested in.

C. Public Disposition Ordinance Discussion

Mayor Driscoll notes the current ordinance is clunky, it needs updating. Mayor Driscoll asks if the trust would like to work on this or if the Councillors on the trust want to put something in. Mr. Northcutt says he thinks it is important to focus on this, especially since it is something that could actually pass. We are never going to get private property owners to do more than 10 percent affordability but when public land is sold, especially well-located public land, that is how we get from 10 to 40 percent. Exactly how and when that land gets prioritized is to be determined in light of resource availability, it should be pushed out given the large pipeline now but to get that in place now so we do not get luxury condos on public land is critical. For the record there are condos being sold for a million dollars on Washington Street on public land with units at 80 percent affordability he wants to use that as an example of what not to do going forward. Is it appropriate for the Councillors or for this board to study and draft something and refer an ordinance to Council or whether this is something that we refer the issue to Council and it go to OLLA for them to figure it out.

Councillor Madore has two thoughts about this. First, if we are to talk the first road and amend the ordinance and take it on by a project by project basis imposing affordability deed restriction every time there is a sale of land it is good but it is very reactive. If we are talking about a long term goal this is a good opportunity to think bigger, look into how we can create a community land trust or land bank model so the public land is under one inventory. That goes beyond the developer has to give back a certain amount, it gives th city the ability to hold onto these properties and the affordability would live on in perpetuity, it requires long term management but there is benefit that would outlive everyone in this group rather than just going sale by sale.

Councillor Hapwork mostly agrees with Councillor Madore, this is the one controllable that we have and it would outlive what we do here. He would prefer the ordinance come out of the ATHF Board and have it be more formed before it hits the council. He would like to focus conversations around this topic for the next few months.

Councillor Morsillo says when she was reading through the example she questions how effective are the policies that are outlined, the entire state of Florida has a whole state rule regarding public land and keeping an inventory but how successful are they? Using any of the examples as best practices we need to know how successful they are. Councillor Morsillo agrees we should work on it here before it goes to the City Council.

Mr. Northcutt says he thinks it is a good idea to use this body to form a land trust. We do not hear about land trusts often in the northeast, in other parts of the country they are used. There is lots of good research and evidence of successful land trusts. Especially when you know an area that will be developed in the future so it could be parceled out over time. He will look into it to see if there is a good case study. The city is not that big putting key parcels into a land trust

prevents future administrations from being able to revoke the policy opinion from a board like this in 2021. It could help with timing we cannot develop all the parcels now, but we can bank them for when we are ready. Perhaps this is a twostep process, update the ordinance and the land trust model be a year long goal. Councillor Madore explains that the land trust is not just for public land it is also a mechanism for private land to be donated, so it would not be static it creates a seed for more availability of land. The most famous example is DSNI they took land in Roxbury that was blighted, and it has been a successful model, it is a completely different socioeconomic condition than Salem but worth looking into.

Mayor Driscoll explains the AHTF Board also has the repository to hold land. She is hearing there are two lanes to proceed one is to look updating the ordinance and the other is to look into the land trust model. There is limited sale of publicly owned land but when it happens there is a desire, we do not have that clunky ordinance. Mr. Zamborlini asks about permanence, if we were to do something would it still require our municipal ordinance say the AHTF Board be the land trust manager? Mayor Driscoll responds it is a two-fold, the current ordinance talks about the disposition of public owned land much of which is regulated by the state. The question is to we want to put additional restrictions on the sale of land beyond what is required by the state level, we can do that by local ordinance. If we are talking about land be transferred from the city to the AHTF Board or a land trust model that is an asset allocation, City Council would have to take that action. Often that happens with the Salem Redevelopment authority so they can figure out how to dispose of it, reuse it and put together a plan. If we are thinking we want to have a land trust if we had assets as the board, we could buy land, acquire land or have land donated or have the Council transfer land to the AHTF Board for land banking reuse. It is in an interesting concept, owning land is a good thing but it is also a responsibility, so we need to think that through- what agency is better positioned to do that. Right now the ordinance is not user friendly the prioritization of affordable land is in there but it is clunky. So we can look at the ordinance and also look into the land trust model whether we want to proceed with that or use the AHTF board to act as a land bank.

Staff Updates

Ms. Chiancola explains that an accessory dwelling unit (ADU) ordinance filed with the City Council last week. There is an FAQ on the website last week with a direct link to the ordinance. Ms. Chiancola provides a high-level overview of the proposal:

- Requires affordability by capping the rent at 70% of the fair market rent which is pretty close to what 60% of the area median income rents would be based on bedroom size.
- It is mostly a by right option which means a building permit is required to create an ADU within the primary home or within an existing detached structure, it does not allow a new detached structure.
- Parking is required unless the unit is within half a mile or less from public transit.
- The owner of the property is required to live on the property either in the ADU or the primary structure.

Ms. Chincola says the City Council referred it to joint public hearing with the Planning Board so planning staff is working with the City Clerk on identifying a date for that meeting.

Mr. Zamborlini asks what the framing is behind not allowing ADUs in new construction. Ms.

Chiancola says because it is what we have heard previously. Mayor Driscoll notes that we are trying to build off of the base of what we previously had support for.

Councillor Hapworth asks about the section that says the ADU cannot significantly alter the appearance of the primary dwelling. What is the intent? Ms. Chiancola says that is not new, if you have a single-family home you want it to still like a single-family home so the door for the ADU would be on the side. Councillor Hapworth asks how that is enforced, would a dormer be disallowed? Ms. Chiancola responds it is enforced through the zoning enforcement office when the building permit is applied for so if a dormer is allowed by height and dimensional standards if it is a historic district it also has a layer of historical commission review. Councillor Hapworth says he has heard push back on not having a requirement for renting to someone not meeting a certain income level. Mayor Driscoll explains that given it is owner occupied we wanted to give homeowners the ability to rent to who they want, especially since they are living on the site may be a disincentive to creating the unit, also people want to rent to family members that might exceed set income limits- the goal is to create an affordable unit not to hamstring who it is rented to. There is a lot of administrative work to that, to quantify everyone's household income on an annual basis. Whereas the rent cap is easier to manage long term from an administrative perspective.

Ms. Chiancola says the Planning Board adopted an inclusionary housing policy that requires 10 percent of units at 60 percent of area median income, inside the policy it says the developer will be required to meeting with the ATHF Board if that income cannot be achieved. So development projects will be coming through the AHTF Board.

Filipe asks the status of the prioritization list there are questions around 40R and condo conversion ordinance and senior housing and health-housing linkage. Mayor Driscoll recommends bringing this back for discussion at the next meeting.

APPROVAL OF THE MINUTES

- A. November 4, 2020 draft minutes
Councillor Madore makes a motion to approve the minutes, seconded by John Boris- passes unanimously with a roll call vote.
- B. December 1, 2020 draft minutes
Motion to approve the October 6, 2020 minutes by Councillor Hapworth, seconded by John Boris— passes unanimously with a roll call vote.

PUBLIC COMMENT

Mayor Driscoll opens the meeting up to public comment. No members of the public offer comments.

ADJOURNMENT

Motion to adjourn by Councillor Hapworth, seconded by Mickey Northcutt—passes unanimously by a roll call vote.

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Meeting adjourned at 8:05 p.m.

Approved by the Affordable Housing Trust Fund Board **3/2/2021**

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.