

**Affordable Housing Trust Fund Board Meeting**  
**Approved Meeting Minutes**  
**November 4, 2020**

A meeting of the Salem Affordable Housing Trust Fund Board was held on Wednesday, November 4, 2020 at a Remote Zoom meeting at 6:00 p.m.

**Members present:** Mayor Kim Driscoll, Mickey Northcutt, Filipe Zamborlini, Rebecca Curran, John Boris, Ben Anderson, 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 6:03 p.m.

**NEW BUSINESS**

A. Update on housing response to COVID.

Amanda Chiancola provides a summary of the City's COVID relief efforts that relate to housing. There are several housing resources available from local rental assistance to assistance from the Residential Families in Transition (RAFT) program. However, navigating the resources has been challenges from many households. Ms. Chiancola explains the additional concern now that the eviction moratorium as ended. To that end the City is collaborating with the Salem Housing Authority to set up a hub for housing resources. The Housing Authority have hired staff to assist in guiding residents to what resources they should apply for and even help prepare applications and scan documents.

Mayor Driscoll explains that we want to do quick intakes to get people in the right lines noting that various rules apply depending on a household's situation, e.g. whether they have previously applied, whether they are documented. Another thing we are hoping to do is get data from housing court and district court on summary process complaints in Salem. We asked for a list so we can do targeted interventions. If we know there has been eviction proceeding that started how can we connect with these individuals to make sure they are aware of these resources and connect with the landlords too because there are programs for landlords as well. We have not been able to obtain that data yet. The Department of Housing and Community Development (DHDC) is assisting us with trying to pull together that information. We do not know if there are 200 summary process complaints or 2000, we are trying to get a better handle on it and give us an opportunity to reach out to those folks and help understand whether we want to do targeted interventions in a particular neighborhood or area or work with particular landlords.

Filipe Zamborlini responds that he is happy to hear there is some capacity to assist folks navigate the application process. He asks about language capacity and language needs. Mr. Zamborlini asks if any landlords that have already claimed they would not be doing evictions, most of whom are out of Boston (such as Wynn Properties) and if not, what could our strategy be to create an ad hoc promise which is essentially what these landlords have done with both small and large landlords. Mayor Driscoll responds that employees have assigned by the Housing Authority for this effort are bilingual with Spanish. There is some access point that they utilize as a housing authority for other 34 languages some of that is a dial in system with computerized translations,

they also have staff who speak Portuguese. We do not have all the languages in Salem covered but the primary need is Spanish, so the Mayor thinks we are in good shape there. With respect to the other landlords, we need to get that list, but she would not be surprised if we have some of those landlords here. We haven't done outreach to our large landlords but notes this is a good suggestion.

Mayor Driscoll asks Mickey Northcutt what he thinks since he is a large landlord. Mr. Northcutt says that the Massachusetts Association of Community Development Coalitions (CDCs) have done a pledge that was signed by the North Shore Community Development Coalition (NSCDC), it is not limited to CDCs, but they were one of the instigators. It is not a blanket "we will not evict under and circumstances" but it has strong language it strikes a good balance. The CDCs are affordable housing advocates, but they are also property owners so they cannot say no evictions whatsoever because while rare there are times, they are forced to do that for reasons not associated with COVID. He says you could share that with the bigger property owners in Salem. He says he is surprised they ended the moratorium rather than just amending it. We should all find ways to voice that we want some sort of moratorium brought back because the patchwork of doing it landlord by landlord is not as effective the landlords who will sign in are not the ones to worry about. The winter is scary because the loss of income in the service industry is major. The other pressure is on the banking industry to be more forthcoming and long term about the interest suspensions because a lot of the for-profit banks did it up front, but they do not want to anymore. Mr. Northcutt says his understanding is it is they do not view it as an economic hit to them because their value is on the note (the asset) rather than the cashflow, suspending mortgage payments as long as it does not diminish the asset (just moving payments to the end of the loan period) does not appear to be an issue for them, so being able to suspend mortgage payments coinciding with the eviction moratorium. Mayor Driscoll responds that she wants the data and is trying to get it from the courts, how many summary process complaints were filed in Salem, what is the scale of the issue? Mr. Zamborlini is concerned about the illegal evictions; he can attest that there were at least two properties on Perkins Street that had an entire unit's worth of furniture on the curb. Mr. Zamborlini explains that he grew up in East Boston and he knows from living there when that that much furniture is on the curb it is not voluntary it means stuff got tossed, That is alarming to him that on his small street it happened twice, it is alarming that the tools available have been pulled from under us. He has already heard RAFT inform households they are not eligible for various reasons. It is essential to have our landlords come to the table and work with the tenants as this is a dual crisis of housing compounded on a health crisis. One family evicted is one more family added to the shelter system one family with kids that could be destabilized in so many ways. Mr. Zamborlini urges the board to pressure the state leaders as a board to look beyond the December 31<sup>st</sup> eviction moratorium. Mr. Northcutt adds that it appears there will be an administration change and assumes there will be pandemic aid so some policy change will probably happen. Mayor Driscoll responds that there is an imbalance of power so while Massachusetts has strong tenants rights laws, tenants do not know about them so one of the things important things to do is education people, particularly folks who are undocumented who are so concerned about things happening to them from an immigration standpoint. So educating people is helpful, providing access to the tenants rights laws, get them in line into the right place. Hopefully we will have data from the courts next month meanwhile we are keeping data. All these applications need to go to the Lynn Housing Authority for RAFT.

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

Ms. Chiancola provides an overview of the updated housing needs assessment. Councillor Morsillo notes the report talked about the loss of affordable units because they reached a deadline, she asks for more information about them. Mayor Driscoll explains that they are expiring use restrictions, they played out at Loring Towers but we worked with that developer to extend them, they were going play out at Pequot Highlands but part of the deal to renovate that space was refinancing, made upgrades to the property and reupped their restrictions. Salem Heights on Hope Street, just prior to the Mayor's term there was a fight with the owner who wanted to create market rate units, the tenants worked with the current owners to form a non-profit to work out a deal to keep the units affordable. We can pull the list together of what is coming up. Princeton properties expired. They had no interest in extending the affordability and we do not have the legal authority to force them to extend the restrictions. Councillor Morsillo asks if all the units were affordable, Mr. Daniel responded that only a portion were around 25 percent. Mr. Zamborlini is trying to understand what tools might be available for the City, he asks if we could chip away at any goal, we set using public land, bonds or other measures. Mayor Driscoll responds that we are looking at public land but they are small scale sites, in terms of funding we have Community Preservation Act Funding but in total it is only around \$800,000 and portions of that need to be used towards historic preservation and open space. Last time around the CPA made a larger investment in affordable housing. The bonding rates are really low right now, so we are looking at a signature park initiative because we have park upgrades needed citywide. It would be interested to engage in a discussion with the Community Preservation Committee on bonding on a housing project in particular for workforce housing needs. The housing market got stronger during the pandemic, how do we (as in our partners) get in the game of buying scattered sites and collect rent rather than using voucher based or tax credits. Is there a model that goes back to looking at scattered sites? The housing authority has scattered sites and we see more housing authorities form non-profits to acquire scattered sites so they can nimbly buy the properties and have their staff help manage them through a memorandum of understanding. Mr. Northcutt responds that he never thought of the idea of buying capital, he explains that there is a wait for capital. We could not have eight low income housing tax credit (LIHTC) deals coming out of Salem at once because they would wait years and the later deals would tank. Just the North Shore CDC has about six LIHTC projects of different shapes and sizes in Salem. Three will start moving next year, that leaves another three to four depending on how things get funding. There is only so much state and federal resources to go around and the state looks at it from a community perspective so if there are multiple partners looking for LIHTC we need to coordinate timing. The other thing is the real difficulty of getting deals off the ground at the beginning. The North Shore CDC is looking to buy a site that would result in 50 plus units of extremely low-income housing but the acquisition is \$3 million dollars, they have to pay market price and need to come up with 20 percent (\$650,000) and for the 80% loan they are looking at a rate of 6% because for loans when they are rebuilding you cannot go to Eastern Bank to get that loan. You could buy an existing building and rehab it but if there are existing tenants who don't qualify make the deal impossible unless they are naturally occurring affordable housing. The early stage capital is the hardest part, if they pay 6% on \$2.5 million, the cost to carry that capital for four years while waiting for LIHTC is \$350,000 just in interest. It would be interesting to sketch out a ten year plan of the funding streams available and how to access them. There are programs in the state, but they require a significant local match and

getting \$100,000 from the community preservation act (CPA) is not considered significant in the eyes of the state when there are other towns or large cities that provide \$1million. The Mayor notes it is worthwhile to think about it, map out the local resources (CDBG, HOME, CPA) although there are not tons of local resources. Our interest rates are lower but if we are investing the bonding rates it has to be in capital that the City owns so none of them are clean and easy. The other piece is scale and time. If we could assist a non-profit buy a six unit building as a hypothetical and bought down some of the down payment and it was just going to be workforce not LIHTC not project based vouchers but if we can get the mortgage low enough with seed money up front does that math work? Mr. Northcutt asks what the Mayor is referring to as workforce housing. Mayor Driscoll responds she is referring to folks who earn 60% of area median income, such as the service industry employees in Salem. Could assistance on a down payment, and low interest work out to 60% AMI rents without subsidy? Mr. Northcutt says no, the construction cost, and cost of land or acquisition of buildings is too high, it is staggering how much is spent.

Is there a community housing goal that we try to hit, overall, at the end of the year do we have a percentage goal? This item will be continued to the next meeting in December.

**B. Discussion of the City of Cambridge's affordable housing overlay.**

This is a density allowance for 100 percent affordable projects. There is a consultation with boards, but it is as right so not a special permit process. There is allowance for density that is tied to size and square footage rather than number of units, it allows triplexes and multiunit properties in any zoning district in the city. Councillor Hapworth notes it is a different look at affordable housing, on this one it is 100% affordable it is a need and they were able to go after something ambitious it could be a north star that we look to in the future. Mr. Zamborlini concurs with Councillor Hapworth, it is bold and amazing. Cambridge is better aligned to use that kind of overlay given their built environment and willingness to be more dense near public transit, if we were to go in that direction we should think about transit access, where are bus lines and areas in the city that could have more stories at 100 percent affordable. It would be interesting to partner with some of the folks who had reasonable critiques of our ordinances that didn't go far enough and think about this as a tool.

**UNFINISHED BUSINESS**

**A. Staff update regarding a joint meeting with the Planning Board.**

Ms. Chiancola informs the board that the Planning Board will be attending the December 1<sup>st</sup> Affordable Housing Trust Fund Board meeting to discuss the draft affordable housing policy.

**APPROVAL OF THE MINUTES**

**A. September 22, 2020 draft minutes**

*Motion to approve the September 22, 2020 minutes by John Boris, seconded by Ben Anderson—passes unanimously with Filipe Zamborlini abstaining.*

**B. October 6, 2020 draft minutes**

*Motion to approve the October 6, 2020 minutes by Councillor Hapworth, seconded by Councillor Morsillo—passes unanimously.*

**PUBLIC COMMENT**

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

**ADJOURNMENT**

*Motion to adjourn by Filipe Zamborlini, seconded by Councillor Hapworth—passes unanimously.*

Meeting adjourned at 6:56 p.m.

Approved by the Affordable Housing Trust Fund Board **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.