



CITY OF SALEM, MASSACHUSETTS

Kimberley Driscoll

Mayor

October 10, 2019

To the City Council
City Hall
Salem, Massachusetts

Ladies and Gentlemen of the Council:

Enclosed herewith is a request for an appropriation of Sixty-Nine Thousand and Twenty-One Dollars and Sixty Cents (\$69,621.60) from the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146).

This transfer is necessary to fund the retirement buybacks for School Department employees.

Name	Department	Amount
Dolores Donofrio	School	\$ 35,541.60
Dianne Haas	School	\$ 34,080.00

TOTAL:	\$ 69,621.60
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I recommend passage of the accompanying Order.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kim Driscoll", is written over the printed name.

Kimberley Driscoll
Mayor



CITY OF SALEM

In City Council,

Ordered:

October 10, 2019

That the sum of Sixty-Nine Thousand Six Hundred and Twenty-One Dollars and Sixty Cents (\$69,621.60) be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146) to be expended for the FY 2020 contractual buyback(s) listed below in accordance with the recommendation of Her Honor the Mayor.

Name	Department	Amount
Dolores Donofrio	School	35,541.60
Dianne Haas	School	34,080.00
		69,621.60



KIMBERLEY DRISCOLL
MAYOR

LISA B. CAMMARATA
DIRECTOR OF HUMAN RESOURCES

CITY OF SALEM, MASSACHUSETTS

HUMAN RESOURCES
120 WASHINGTON STREET
TEL. (978) 745-9595 EXT. 5630
FAX (978) 745-7298

MEMORANDUM

TO: Laurie Giardella, Director of Finance
DATE: September 12, 2019
RE: Retirement Stabilization Fund

Attached you will find a retirement buy back for a former employee of the Salem Public Schools.

This former employee is entitled to the following amount of sick leave buy back.

Dolores Donofrio

80 sick days @ \$444.27 per day	\$35,541.60
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Total:	\$35,541.60
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In accordance with the July 2008 Policy, I am requesting you verify the availability of the funds from the Retirement Stabilization Fund, prepare the Council Order, and continue the process in order that my staff can input the information in MUNIS and issue payments to this former employee upon Council approval.

Thank you for your cooperation, and if you should have any questions, please do not hesitate to contact me.

Finance Director

CITY OF SALEM
APPROVAL-SICK DAYS/VACATION BUY-BACK

From: Department _____ School _____ Date 8/14/19

Authorized Signature: [Signature]
Department Head/City or Business Manager/School

NAME: Dolores Donofrio

CALCULATION

VACATION DAYS # _____ @ \$ _____ = \$ _____

SICK DAYS # 80 @ \$ 444.27 = \$ 35,541.60

PRO-RATED STIPENDS # _____ @ \$ _____ = \$ _____

OTHER # _____ @ \$ _____ = \$ _____

Total Amount Due: \$ 35,541.60

Please attach corresponding PAF or other backup to this sheet.

Reason: Retirement

For Human Resources's Use Only:

- ☐ VACATION DAYS
☒ SICK DAYS
☐ PER ACCRUAL REPORT
☐ OTHER

Org and Object: 83113 - 5146

Recommendation:

☒ Approved

[Signature]
H-R Director/City or Superintendent/Schools



KIMBERLEY DRISCOLL
MAYOR

LISA B. CAMMARATA
DIRECTOR OF HUMAN RESOURCES

CITY OF SALEM, MASSACHUSETTS

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120 WASHINGTON STREET
TEL (978) 745-9595 EXT. 5630
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MEMORANDUM

TO: Laurie Giardella, Director of Finance
DATE: September 12, 2019
RE: Retirement Stabilization Fund

Attached you will find a retirement buy back for a former employee of the Salem Public Schools.

This former employee is entitled to the following amount of sick leave buy back.

Diane Haas

80 sick days @ \$426.00 per day	\$34,080.00
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Total:	\$34,080.00
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In accordance with the July 2008 Policy, I am requesting you verify the availability of the funds from the Retirement Stabilization Fund, prepare the Council Order, and continue the process in order that my staff can input the information in MUNIS and issue payments to this former employee upon Council approval.

Thank you for your cooperation, and if you should have any questions, please do not hesitate to contact me.

LB


Finance Director

CITY OF SALEM
APPROVAL-SICK DAYS/VACATION BUY-BACK

From: Department _____ School V Date 8/14/19

Authorized Signature: [Signature]
Department Head/City or Business Manager/School

NAME: Diane Haas 8/14

CALCULATION

VACATION DAYS # _____ @ \$ _____ = \$ _____

SICK DAYS # 80 @ \$ 426.00 = \$ 34,080

PRO-RATED STIPENDS # _____ @ \$ _____ = \$ _____

OTHER # _____ @ \$ _____ = \$ _____

Total Amount Due: \$ 34,080

Please attach corresponding PAF or other backup to this sheet.

Reason: Retirement

For Human Resources's Use Only:

- ☐ VACATION DAYS
☒ SICK DAYS
☐ PER ACCRUAL REPORT
☐ OTHER

Org and Object: 83/13 - 5146

Recommendation:

☒ Approved

[Signature]
H R Director/City or Superintendent/Schools



CITY OF SALEM, MASSACHUSETTS

Kimberley Driscoll
Mayor

Office of the Mayor

October 10, 2019

Salem City Council
City Hall
93 Washington Street
Salem, MA 01970

Ladies and Gentlemen of the City Council:

The enclosed Order establishes a Tree Replacement Revolving Fund, pursuant to City Ordinance Chapter 43, our newly adopted Tree Ordinance.

Our Tree Ordinance provides that certain tree removals require either an in-kind replacement or a contribution to a Tree Replacement Revolving Fund. The funds deposited into this account will pay for trees to be planted either at locations deemed appropriate by the Tree Warden.

I am proud of our City's commitment to our public tree canopy. Not only have we adopted a strong Tree Ordinance and established the Tree Commission, we have recently completed a City-wide tree inventory and assessment, which you can find by visiting www.salem.com/trees, and we have increased our budget for public trees by 4,900% from just four years ago: from \$5,000 in FY2017 to \$250,000 this year.

To help continue this positive momentum I recommend adoption of the enclosed Order.

Very truly yours,

Kimberley Driscoll
Mayor
City of Salem

CC: Salem Tree Commission



CITY OF SALEM

In City Council,

Ordered:

October 10, 2019

That the City of Salem hereby requests the adoption of a Tree Replacement revolving account in accordance with M.G.L. Chapter 44, Section 53E ½ which authorizes special purpose revolving accounts in accordance with the recommendation of Her Honor the Mayor



Kimberley Driscoll
Mayor

David H. Knowlton, P.E.
City Engineer/DPS Director

CITY OF SALEM

Engineering Department

98 Washington Street, 2nd floor
Salem, MA 01970
Phone: (978) 619-5673

September 26, 2019

Mayor Kimberley Driscoll
City Hall
Salem, Massachusetts

RE: Tree Replacement Revolving Fund

Dear Mayor Driscoll:

I am writing to request that a Tree Replacement Revolving Fund be established pursuant to City Ordinance Chapter 43, the Tree Ordinance.

As you know, the Tree Ordinance provides that certain tree removals require either an in-kind replacement or a contribution to a Tree Replacement Revolving Fund. The funds deposited into this account will pay for trees to be planted either at designated locations or locations deemed appropriate by the Tree Warden.

Thank you for your consideration of this request.

Sincerely,

David H. Knowlton, P.E.
City Engineer/ DPW Director

**FY 2020
Revolving Funds**

Dept.	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	Budget Request Maximum Annual Expenditures
Public Services	Tree Replacement Fun	New	To replace trees removed during construction as directed by the Tree Warden or Planning Board	Revenue from contributions per the Tree Ordinance or Planning Board decision	Director of Public Services And Mayor	\$ 30,000.00
Totals						\$ 30,000

MGL Chapter 44, Section 53E 1/2 authorizes the establishment of the revolving funds as herein described. Expenditures from said funds shall not exceed the amount of funds received in the respective accounts or as authorized as stated, shall come from any funds received by the respective boards for performing services, shall be used solely for the purpose of implementing the programs delineated and shall be approved by a majority vote of any respective boards.

David H. K.

9/26/19

Department Head Signature & Date

[Signature]
Finance Director



CITY OF SALEM, MASSACHUSETTS

Kimberley Driscoll
Mayor

Office of the Mayor

October 10, 2019

Honorable Salem City Council
Salem City Hall
Salem, MA 01970

Subject: Housing Update

Ladies and Gentlemen of the Council:

I am writing to provide you with a brief summary of the housing related matters that are currently before the City Council and to submit the Affordable Housing Trust Fund (AHTF) Board's FY2019 Annual Report. Over the past 18 months, we have had considerable education, outreach, and deliberation with the Council and the public at large regarding housing challenges and opportunities in Salem. The extensive prior analysis, data, and discussions have helped initiate several important housing policy initiatives within this calendar year.

I note that after this week's Council meeting, there are only three meetings left in 2019 and we hope to be able to wrap up several pending housing matters within this timeframe, including, but not limited to the following: the Accessory Living Area Zoning Amendment (aka ADUs) which is approaching a statutory deadline for action; the extension of the Housing Development Incentive Program (HDIP); a review of Inclusionary Housing options; and support for project specific initiatives. This correspondence provides a brief overview of several pending matters, as well as a copy of the Affordable Housing Trust Fund's FY2019 Annual Report.

Accessory Living Area Zoning Amendment

As you are aware, the Accessory Living Area Zoning Amendment was submitted to the Council on June 13, 2019. Here is a link to the proposed ordinance and cover letter.

https://www.salem.com/sites/salemma/files/uploads/06_13_2019_city_council_filings.pdf#page=81

The Planning Board has provided a positive recommendation for the Accessory Living Area Zoning Amendment. At the Council meeting on September 12, 2019, the matter was referred to

the Sub-committee on Ordinance License and Legal Affairs (OLLA). In order to meet the 90-day statutory requirement for action, the City Council must vote on second passage of the Accessory Living Area Ordinance by November 13th. As such, we are hoping that the OLLA committee will be able to meet this Thursday, October 10th, to take up the ordinance. **If this ordinance can be recommended out of the OLLA committee this week, it would allow for the Council to consider first passage on October 10th and second passage on October 24th. The Council's only meeting in November falls beyond the 90-day timeframe, which is why it's imperative that the Council take up the ADU ordinance this month.** I know that Planning Department staff have been doing outreach to Councillors on the ordinance, but in the event you need additional information, I am providing links to prior actions to date on the ADU ordinance, here:

- The Planning Board's recommendation can be found here <https://imaginesalem.org/s/PB-Recommendation.pdf>.
- The staff memorandum dated July 31, 2019 that responded the questions about the ordinance is also here: <https://imaginesalem.org/s/Accessory-Dwelling-Unit-update.pdf>.
- The staff memorandum dated August 29, 2019 that responded to questions after the close of the public hearing can be found here: <https://imaginesalem.org/s/Staff-Response-to-0815-ADU-questions.pdf>.

In addition to work on the ordinance itself, we are also working on a new loan fund project that would enable homeowners interested in creating ADUs to tap into a loan fund at a reduced interest rate in exchange for agreeing to an affordability restriction on the new unit created. This is one tool to incentivize the creation of these units in a way that will help achieve our affordable housing goals.

Zoning Map Amendment

There are currently two private development projects in the pipeline that will require City Council action to move forward. The first is a zoning map amendment proposed by KR Starr Realty Holding LLC to change the property located at 355 and 373 Highland Avenue and 2, 3, 5, 6 and 10 Cedar Road from Business Highway and Business Park Development to Residential Multi-Family. A Cinemaworld had previously been considered for the parcels; however, that project did not move forward. KR Starr Realty Holding LLC is proposing the zoning amendment to facilitate a mixed-use project on this site. The joint public hearing for the map amendment is scheduled for November 14th. The zoning map amendment is necessary in order to redevelop the site as mixed-use development. The project team has met extensively with the Ward Councillor and the neighborhood association from this area. Please keep in mind that even with the zoning amendment, the project will still require a special permit from the Planning Board. The project will also be seeking City support through a Tax Increment Exemption Agreement through the Housing Development Incentive Program (HDIP); however, the project lies outside the current program area (see HDIP Area Expansion below).

Tax Increment Exemption Agreement

The second current housing project is by Harbor Point Developers, who recently received Planning Board site plan review approval to adaptively reuse the former St. Joseph's rectory and school building into multifamily housing. This is an exciting opportunity to preserve the historic

buildings and create new housing opportunities. However, due to the complexities in redeveloping historic structures that have been neglected for nearly 20 years, the project will require significant effort including public partnerships for state and federal historic rehabilitation tax credits. Harbor Point Developers will be seeking local support from the City Council by way of a Tax Increment Exemption (TIE) Agreement through the HDIP before the end of the year.

Housing Development Incentive Program Area Expansion

The former St. Joseph's site is located in the Housing Development (HD) program area, but there are many challenging sites throughout the city, such as the Cinemaworld site, that are not located in the HD program area. The HDIP can increase the feasibility of residential development by providing an additional financial tool to overcome development challenges that we know exist throughout the city. This tool is similar to the Tax Increment Financing (TIF) program which has been used citywide to foster the creation of jobs. We would like to have similar flexibility with respect to the creation of mixed-use development throughout Salem. Not every project requires TIFs or TIEs, but it is a tool that can be useful for projects that have to overcome economic barriers on long vacant and/or hard to develop sites. As with TIFs, each TIE request requires individual and specific City Council approval. The expansion of the HD program area is currently before you. The public hearing for the matter closed on September 23, 2019. The matter is now waiting for the Community and Economic Development committee to move the proposal out of committee, for action by the full Council.

Lastly, as you know, the Affordable Housing Trust Fund Board reconvened in 2018 to help craft strategies that will produce and preserve affordable housing. Since it has reconvened, the AHTF has held numerous meetings and helped draft several affordable housing policies, including the accessory living area amendment that is currently before you. Please accept the enclosed 2019 Fiscal Year Report which provides a summary of the funds expended and a description of the activities commenced by the AHTF last fiscal year.

I look forward to continuing this conversation with the City Council and others in our community to move these efforts forward.

Sincerely,



Kimberley Driscoll
Mayor
City of Salem

encl. Affordable Housing Trust Fund, FY2019 Report

CC: Affordable Housing Trust Fund Board



Salem Affordable Housing Trust Fund
Annual Report
for
Fiscal Year 2019

Submitted to Salem City Council
October 7, 2019

FINANCIAL REPORTING REQUIREMENTS

According to Article Seventeenth of the City of Salem Affordable Housing Trust Fund's Declaration, the Trust shall submit a report for each fiscal year to the City Council. The report should entail a summary of affordable housing programs or properties the Trust assisted along with a description of funds received and expended during the year.

BOARD MEMBERS AND MEETINGS

The Affordable Housing Trust Fund reconvened in May of 2018 after nearly a decade of inactivity due to a lack of trust funds. Since the Salem Affordable Housing Trust Fund Board reconvened it has met seven (7) times; once during fiscal year 2018 on May 3, 2018 and six (6) time during the 2019 fiscal year: September 10, 2018; October 16, 2018; March 26, 2019; April 10, 2019; May 7, 2019; and June 4, 2019.

The following individuals served as Board members of the Affordable Housing Trust Fund during the period of January 1, 2018 to June 30, 2019.

Board Member	Term Expiration
Mayor Kimberley Driscoll, Chair	January 1, 2022
Mickey Northcutt, Vice Chair	January 25, 2020
Grace Napolitano, Treasurer	February 8, 2020
Ward 2 City Councillor, Christine Madore	December 31, 2019
Ward 7 City Councillor, Stephen Dibble - 2019 City Council President	December 31, 2019
At Large Councillor, Arthur Sargent III	December 31, 2019
Ben Anderson	February 8, 2020
Rebecca Curran	January 25, 2020
John Boris	May 24, 2020
Christian Bednar	February 28, 2020
Cynthia Nina-Soto	March 14, 2020
Ward 1 City Councillor, Robert McCarthy	December 31, 2018 <i>(expired)</i>
Ward 6 City Councillor, Beth Gerard - 2018 City Council President	December 31, 2018 <i>(expired)</i>

DESCRIPTION AND SOURCE OF FUNDS RECEIVED

The Affordable Housing Trust Fund did not receive any funds during Fiscal Year 2018 or 2019. However, in the Spring of 2018, the City was awarded a \$58,887 housing planning grant from MassHousing to support the Affordable Housing Trust Fund Boards work. The funds were used to implement the vision of the City's recent Imagine Salem planning process by conducting a citywide public engagement campaign around affordable housing needs, and advancing a new inclusionary zoning ordinance.

ACTIVITY

Throughout fiscal year 2019, the Affordable Housing Trust Fund Board worked on developing a comprehensive housing agenda. The housing agenda includes advancing the inclusionary zoning ordinance, managing the public engagement campaign around affordable housing; updating the accessory dwelling unit ordinance, analyzing opportunities to use city owned land for affordable housing and tracking housing units that have been permitted and built including affordable units.

Updating the accessory dwelling unit ordinance was identified as a top priority by the Affordable Housing Trust Fund Board in October of 2018. Subsequently, the Affordable Housing Trust Fund spent several meetings guiding staff on the zoning amendment, with a goal of creating housing options. Likewise, there have been three community meetings in which an update to the accessory dwelling unit ordinance was vetted through the community and ultimately resulted in broad support. To that end an amendment to the accessory dwelling unit requirements, Section. 3.2.8 of the Salem Zoning was submitted in June.

An inclusionary zoning ordinance is another key initiative the Affordable Housing Trust Fund worked on in fiscal year 2019, with technical assistance from the Metropolitan Area Planning Council (MAPC). In the Fall of 2018, an inclusionary zoning advisory committee was assembled to help guide MAPC and the Affordable Housing Trust Fund Board. The advisory committee included three members from the Affordable Housing Trust Fund Board; City Councillor Christine Madore, John Boris, and Mickey Northcutt, in addition to Co-Chair of the Salem for All Ages Task Force Patricia Zaido and housing development experts: Executive Director of Harborlight Community Partners, Andrew DeFranza; local Real Estate Broker, Cynthia Nina-Soto (Cynthia was later confirmed as an Affordable Housing Trust Fund Board Member), and a local developer, David Pabich as well as members from land use boards and the City Council who understand what is involved in development review: City of Salem Planning Board Chair Ben Anderson, former Chair of the Zoning Board of Appeals, Rebecca Curran and at large City Councillor Dominguez.

The advisory committee met four times: November 26, 2018; January 14, 2019; February 13, 2019; and on April 10, 2019. At these four meetings the committee reviewed provided input and guidance on the inclusionary zoning ordinance and methods for public engagement. Memorandums of the meetings are available on the Imagine Salem website.

A critical component of the technical assistance provided by MAPC for the Affordable Housing Trust Fund was to develop a financial feasibility model. The feasibility model was developed to test the market implications of various inclusionary zoning scenarios. The model is based on a pro-forma analysis that is typically used by a developer to understand whether a real estate project is financially feasible. A development proforma takes into account several project specific variables. The variable assumptions are based on housing market data from the Warren Group and the US Census Bureau and through qualitative data collected via focus groups and interviews with Salem residents and local housing experts which lenders, developers, and land use board members. A summary of the financial feasibility model is available in the housing portal of the Imagine Salem website, www.imaginesalem.org.

A draft inclusionary zoning ordinance has developed based on the financial feasibility model with consideration of comments received throughout three community meetings and the four advisory committee meetings. The last piece of the inclusionary zoning ordinance that is being analyzed is the appropriate affordability level for ownership units. MAPC is currently conducting an analysis of home mortgage application data to identify whether there are buyers for deed-restricted affordable homeownership opportunities (and at what income level) or whether lending practices reduce this population to the point that the units would sit empty. This data will inform the data analysis of the price gap between market rate and affordable homeownership units price gap to determine the area median income for ownership units. MAPC is also researching whether there is precedent to allow rental units within homeownership projects under inclusionary zoning. That data analysis will be complete by the end of July. The Affordable Housing Trust Fund Board is planning to submit the inclusionary zoning ordinance to the City Council for consideration this summer.

Several affordable housing documents were created as part of the public engagement campaign; including a “myth buster” flipbook that addresses common concerns regarding housing, an informational tri-fold and postcard of with Salem specific housing data, a small card on how to support affordable housing and a four-part video series that features Salem residents. All of the documents and the videos created are available on the Imagine Salem website. Three housing meetings and a pop-up event were commenced during fiscal year 2019. A summary of each meeting is also available on the Imagine Salem website. Input from these meetings have been used to inform the recommendations of the inclusionary zoning and updated accessory dwelling unit ordinance.

Housing Workshop 1

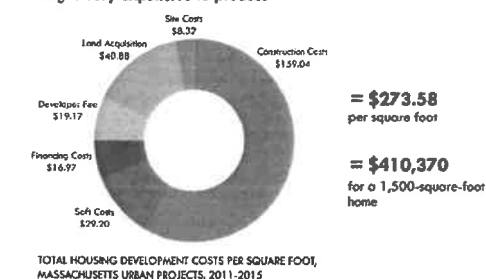
January 30, 2019 at the City Hall Annex

17 participants

Meeting Overview: The workshop included a presentation of the housing landscape in Salem, upcoming housing initiatives, trade-offs associated with Affordable Housing development, and talking points to respond to housing concerns identified in the myth buster flip book.

The housing crisis

Housing is very expensive to produce



Pop-Up Event



February 13, 2019 at the Saltonstall School
(at the Salem Meet & Eat hosted by Root)
Approximately 60 participants

Overview: Staff and MAPC consultants attended the Meet and Eat to promote the upcoming forum and increase awareness of and answer questions on new City housing initiatives. About 20 community members also wrote letters in support of housing to their City Councillors.



Housing Forum

March 5, 2019 at the Community Life Center

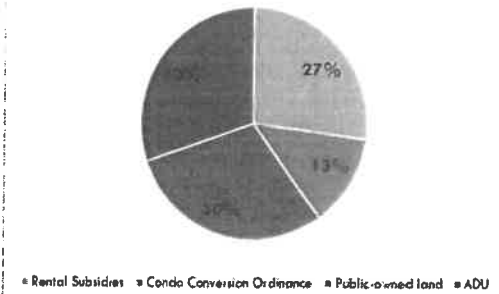
Approximately 150 participants

Meeting Overview: Strategies to increase the supply of affordable housing were presented and then discussed in small groups. The strategies included: accessory dwelling units, inclusionary zoning, rental subsidies, leveraging public owned land, and a condominium conversion ordinance.



After the presentations and discussions, the audience was polled to see what tools the City should pursue in addition to Inclusionary Zoning. Results from the poll showed public support for updating the accessory dwelling unit ordinance (30% in favor) and leveraging public owned land (27% in favor).

Poll results

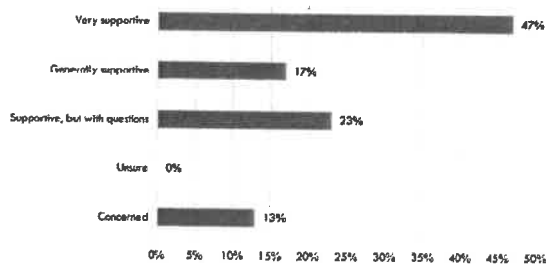


Housing Workshop 2

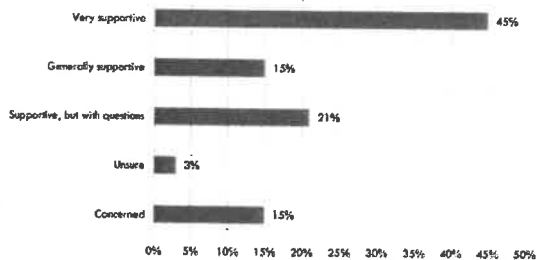
April 23, 2019 at the Community Life Center

Approximately 43 participants

ADU Poll Results



Inclusionary Zoning Poll Results



Meeting Overview: Recommended amendments to Salem's existing accessory dwelling unit (ADU) ordinance and recommendations for the inclusionary zoning ordinance were presented. After each recommendation was described, attendees engaged in facilitated small group discussions at their tables and filled out worksheets with their thoughts. After each presentation and discussion concluded, attendees were polled to gauge how supportive they did or did not feel about both the proposed accessory dwelling unit amendments and the inclusionary zoning recommendations. Results from the poll showed significant public support for both tools and the specific recommendations.

FUNDS EXPENDED

The Trust's total funds at the start of fiscal year 2019 was \$49,650. The Affordable Housing Trust Fund appropriated \$38,437.44 to hire a housing resource planner to provide administrative support to the Affordable Housing Trust Fund. At the end of fiscal year 2019, the trust fund has a balance of \$11,212.56.