

**Affordable Housing Trust Fund Board Meeting
Meeting Minutes
November 22, 2021**

A meeting of the Salem Affordable Housing Trust Fund Board was held on Monday, November 22, 2021, at a Remote Zoom meeting at 6:00 p.m.

Members present: Mayor Kim Driscoll, Councilor Ty Hapworth, Councilor Patricia Morsillo, Councilor Madore, Chris Malstrom, Mickey Northcutt and Filipe Zamborlini

Members absent: John Boris, Rebecca Curran, Caroline Watson-Felt and Lynda Fairbanks Atkins

Staff present: Senior Planner Cassie Moskos and DPCD Deputy Director Amanda Chiancola

Chair Mayor Kim Driscoll called the meeting to order with a roll call vote at 6:07 p.m.

NEW BUSINESS

- A. New Affordable Housing Trust Fund Board members welcome and introductions.
Mayor Driscoll welcomes new board members Chris Malstrom has been sworn in. Soon to be a board member, James Willis is also in attendance we just have not finalized getting him sworn in yet. Lynda Atkins is not here tonight but is also a new member she previously worked on the Lifebridge board and several other agencies.

- B. Review draft condominium conversion ordinance and vote on funding for a legal review
Amanda Chiancola says that a draft of the ordinance is available on the sharepoint for the AHTF Board to review and we welcome comments on that. Ms. Chiancola explains that the ask of the board tonight is whether it will fund the legal review. Councilor Madore provides a summary of the background then key highlights of the ordinance.

Background: In 1983 there was a state law that passed in response to a surge of conversions because the economy was doing really well, there was some political will to reduce displace as a result of conversions, they also empowered cities and towns to enact local policies of their own. It was amended twice in 1989 and 2005. One of the requirements of a local condo conversion ordinance is it must be accompanied by a declaration in the form of findings where local conditions constitute and acute rental housing emergency.

There are three major gaps in the state law:

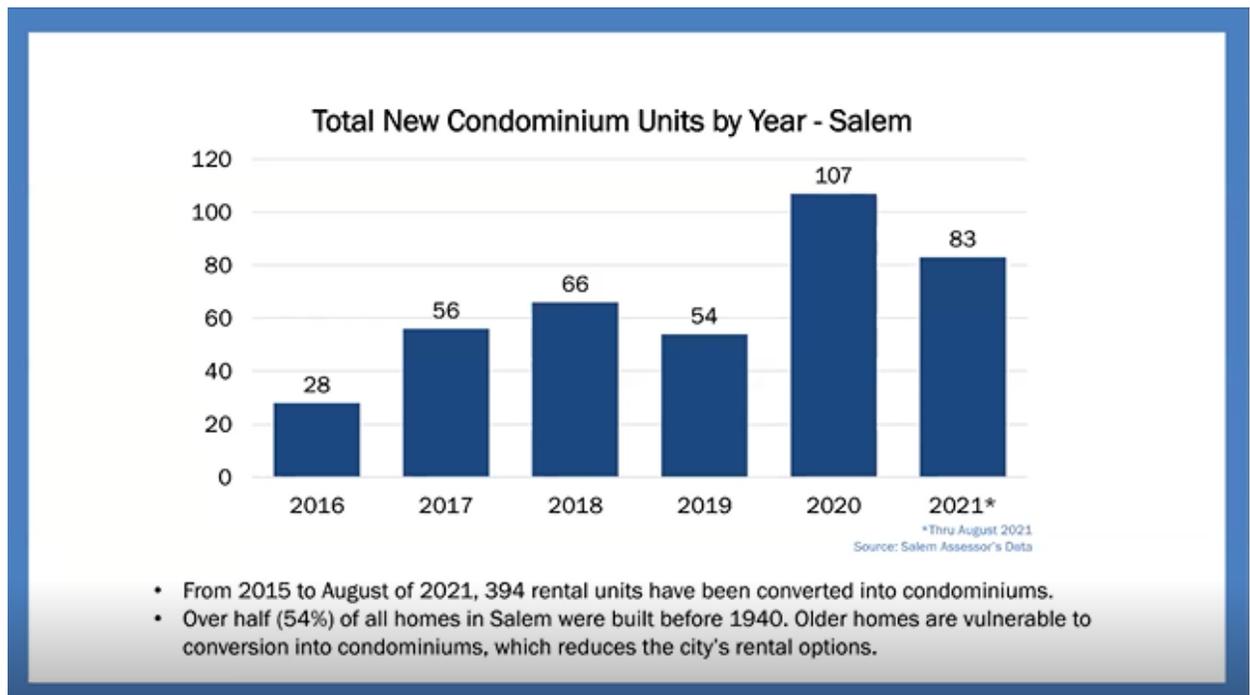
- 1. The state's condo conversion law does not provide regulations by which municipalities should implement the law.** Therefore, there is no enforcement mandated through state law. Usually when the state enacts a law there are CMRs to help guide municipalities implement and enforce the law.
- 2. The law only applies to buildings with 4 or more housing units; local action cannot lower this threshold.**
Salem has a lot of 2-3 family building being rapidly converted, we will need to go through home rule petition to overcome this threshold.

3. Meaningful enforcement is not possible without devoting local staff and resources; therefore, the law is not enforced even in municipalities that have adopted local condo conversion bylaws/ordinances.

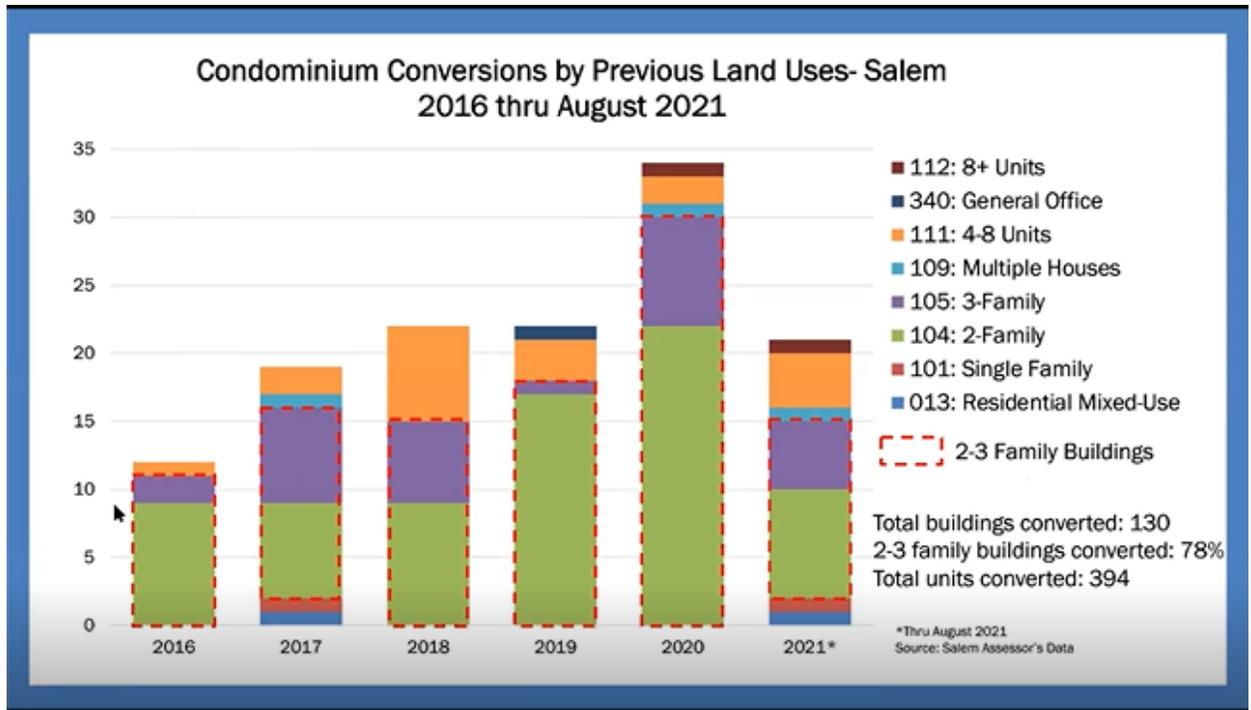
A key piece of the ordinance is to assemble a board and staffing so whatever we move forward is meaningful and not just a redundancy of the state law.

Why now? There is a rapid rate of conversions, especially in 2-3 family housing stock. When the apartments get converted, the tenants are often displaced. We are recognizing that these small units as condos are typically starter homes; however, the rate of conversion is just too fast without enforcement. It is detrimental to the rental housing stock. Displacement due to conversions importunately impacts people of color since 1 in 4 renter housing in Salem identify as non-white (ACS 2019).

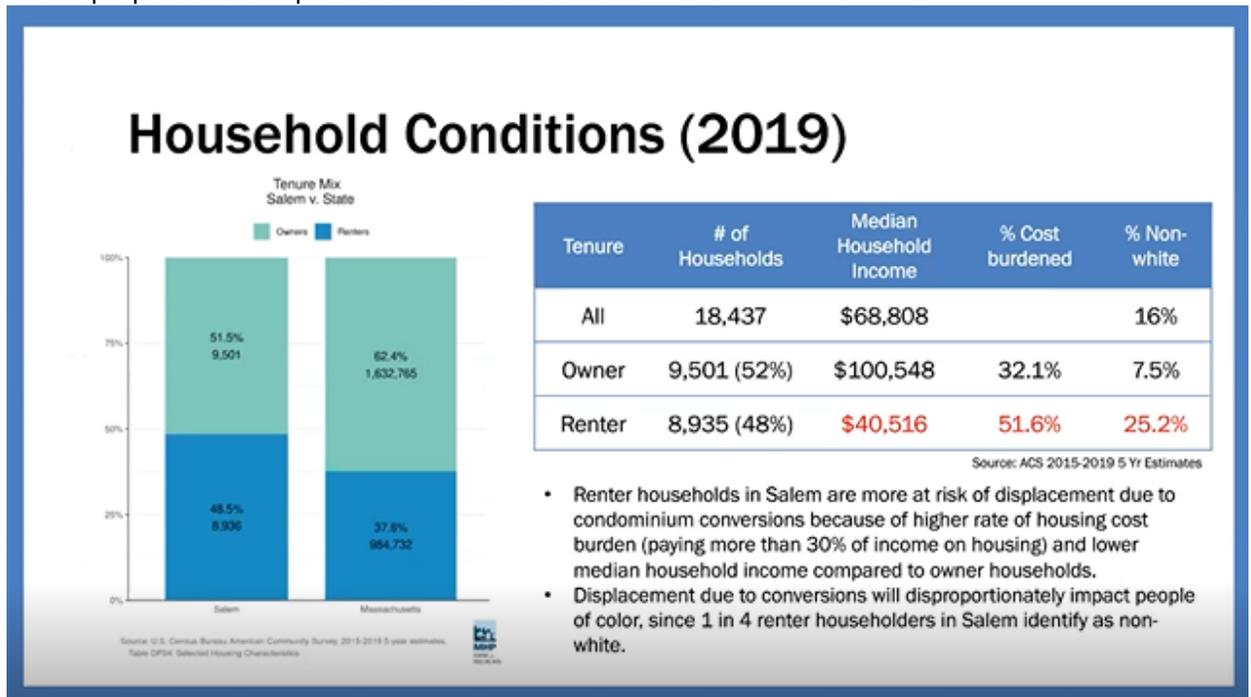
The graph below shows the pace of conversions in the past six years. Councilor Madore explains that it spiked in 2020. The tight housing market has driven some of these conversions, and just through August of this year it is keeping or exceeding the pace of past years.



The graph below shows that a significant portion of the conversions are occurring in 2-3 family buildings. The data shows this and you may have heard it anecdotally from your neighbors- the vast majority of new condo units are from 2-3 family buildings.



The disproportionate impact is on households that are low income and non-white.



Councilor Madore explains that the chart below also shows the pace. By aggregating the land use codes, you can see the land use code for condos (102) has grown 8.3% but 2-3 homes have decreased significantly more so than other land uses.

The condominium conversion working group (which is a subcommittee of the AHTF Board) looked at other communities. Somerville has meaningfully implemented an ordinance so we modeled after what they have done. Other communities have passed ordinances as a gesture to show they see it as a problem but have not dedicated staff to implement it. Somerville has a robust community development planning staff with a staff member whose primary job is to oversee the condo conversion ordinance. The primary purpose of the proposed ordinance in Salem is to:

1. To decelerate the rate of conversion of naturally affordable rental housing stock into condominiums and cooperatives, especially in multifamily residential buildings.
2. To minimize residential displacement of renter households by strengthening tenant’s rights during a condominium conversion.
3. To preserve the supply of housing and diversity of housing options, in response to demographic changes such as smaller and older households.
4. To provide a permitting pathway for the owner of an existing multifamily building to convert rental housing into condominium or cooperatives.

Councilor Madore explains that with this ordinance we cannot stop a homeowner from converting their rental unit into a condo as that would be a taking. We are trying to empower tenants by providing them awareness and more rights as tenants- and that is important as we discuss this ordinance.

Councilor Madore goes through the tables below that compare the state law to the proposed Salem ordinance:

State Law	Salem Proposed
Requirements	
Buildings with 4 or more units	Applicable to buildings with 2 or more units that have been used in part of whole as rental housing for at least 1 year (requires Home Rule Petition)
An intent to convert is triggered by property owner’s preparation or filing of a Master Deed; preparation of Purchase and Sale Agreements; inspections, measurements, surveys, showings, advertising, etc.	A fully completed application for a Conversion Permit must be submitted by the owner within one month of notice of intent to convert
Tenant Notification	
1 year prior to intent	2 years for all tenants
2 years for protected classes, up to 2 more if unable to find housing in same city/town	4 years for protected classes + up to 2 years extension if unable to find housing in Salem

	Notices to the tenants must be translated into the tenant's primary language
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Permitting

Silent on permitting body	Condominium Review Board 5 members: <ul style="list-style-type: none"> • 2 renters • 2 homeowners • 1 member of protect class • AHTF Board member must be 1 of 5
Silent on permitting procedure	<ul style="list-style-type: none"> • 1 year notice to CRB for vacant units • Conditional permit • Final conversion permit

Protected Classes

Older adults aged 62+	Older adults aged 60+ at notification date
People with a disability	Intellectual disabilities included

Lease Terms, Eviction, Relocation

Rent cap at 10% or Consumer Price Index during notice period	Add: Tenant lease is extended through notice period upon notification
Eviction prohibited during notice period	Add: Right to vacate within 30 days of notice without penalty
Relocation payment: \$750 per tenant; \$1,000 for protected classes	\$2,500 per tenant; \$3,500 for protected classes, paid within 10 days after vacating

Next Steps:

Legal review, then file with the City Council.

- Hoping we can file with the City Council before the end of the year, then it will require Council adopted (super majority) sometime in 2022 then staffing and implementation in 2022. There have been discussions about American Plan Rescue funding with putting together a recovery office that includes provides housing services that are centralized in place, that is lacking and would be beneficial to tenants and homeowners.

Mayor Driscoll notes it would be beneficial for timing purposes and for belts and suspenders to have this reviewed by both the City Solicitor and our on-call law firm, K.P. Law. It would cost a couple thousand dollars.

Mickey Northcutt responds it is fantastic, he thanks Councilor Madore for all the work she has done, he is supportive of the legal review. Mr. Northcutt asks what the balance in the fund is. Ms. Chiancola responds the balance is \$6,446.58, the city solicitor estimates \$2,500 for the legal review.

Mickey Northcutt makes a motion to appropriate \$2,500 to hire K.P. law to review the condominium conversion ordinance, seconded by Filipe Zamborlini. Motion passes with Mickey Northcutt, Filipe Zamborlini, Councilor Madore, Councilor Morsillo, Councilor Hapworth, Chris Malstrom, and Mayor Driscoll (7 in favor and no members against).

Councilor Hapworth asks if there is a data on what impact their ordinance has had. Councilor Madore responds that they have a one-year reporting requirement, those reports are available on their website. They have seen 1-2 permits a month, the biggest benefit is tenants have more rights to exercise, the know before being evicted but they are still seeing a similar pace. Councilor Hapworth explains he is impressed with this, it creates a lot of clarity on the process and hopefully creates incentives to keep rental stock. Mayor Driscoll notes it is interesting we don't see many single families being broken up into condos- you see that in other locations that have large historic properties, instead we are losing 2s and 3s which tend to be naturally occurring affordable rental units. The counter is the units that are being created are they an entry into homeownership, there is value in that too. But seeing the pace that tradeoff doesn't win out most of the time. Mr. Zamborlini explains that there are several tools for the tenants to tap into to assist with homeownership so once we are staffed up and have a better enforcement mechanism this could be an opportunity to assist people transition from renter to homeownership.

Mayor Driscoll asks the Board if we should share this ordinance with the public so we can get feedback ahead of time, that helps make the ordinance better and this is not on the radar screen for many residents. Mr. Zamborlini asks if the community input can occur concurrently with the legal review. Mayor Driscoll is open, we can do them concurrently it will give us an opportunity to hear concerns upfront. Councilor Morsillo responds it is difficult to read its existing state, it is very long. We need outside counsel to clean it up and make it easier to read, she is not sure how many people would make it through the ordinance and understand what we are trying to do. Mayor notes we should build the community input into the timeline. Councilor Madore responds she wanted to file it next month, but she is not opposed to filing it later, and she will stay involved through her day job. The short term rental and ADU processes were robust

and made the ordinances better but she does not want this to get to bogged down, making the ordinance readable would be a good first step before putting it out into the public.

Councilor Hapworth asks if it could be filed at the next meeting. Councilor Madore responds that she is agnostic to that. If it were filed as is, it would be on the agenda as is- without community input. She could go either way but sees more setback with filing early. Councilor Hapworth says that makes sense, noting he does not want it to get bogged down, he wants to get them out to the public and start moving onto the next thing. Ms. Chiancola responds that even the legal review it will still be dense and long. She explains an option is including the slide deck from this meeting maybe with a webinar that explains the ordinance and attaching the full ordinance so people could look through it deeply or review the higher-level information in the slides. We could also set up office hours where folks can provide input/ask questions of staff. Councilor Madore explains that this is not a zoning ordinance so it is not tethered to the zoning clock, so she could file something symbolically by the end of this year, a referral to the ordinance licenses and legal affairs (OLLA) committee to hold a hearing to discuss a condo conversion ordinance. Then when everyone is ready the hearing could be held from the public to discuss and the City Solicitor to attend without filing the full language of the ordinance, it would be a public hearing to engage as a first step. Mr. Zamborlini asks if we should have a summary section by section, he could assist with that. He wonders if we should hold off on putting it out before hearing the legal review, he asks about the timeline. Ms. Chiancola responds she does not have a timeline for the legal review. Mr. Zamborlini asks what the deadline is to file. Councilor Madore says for this year the deadline is next week but we don't have to decide on the timing for filing tonight. Mayor Driscoll notes the question is how do we provide folks an opportunity to review it before we file it. If we can build out time to get it out there ahead of time that would serve us well. Councilor Madore responds we are not filing this year, someone else can file on her behalf next year. Mayor Driscoll says we can put out a draft this year after K.P. law reviews it. The expectation is it will be filed next year, getting advance review, the real estate board and other key stakeholders- the sooner they review it the better. Ms. Chiancola asks if the board would be okay with posting the powerpoint on the Imagine Salem website. Mayor Driscoll asks the board to provide key stakeholders to Amanda so we can send that info out.

C. Community preservation plan discussion

The Community Preservation Committee is asking for comments on the preservation plan, it is annual plan. Mayor Driscoll says we can state that we support affordable housing as being a key component of the plan and see it as an area that the CPC will continue to invest in. The Board agrees. Amanda Chiancola will draft a letter.

UNFINISHED BUSINESS

A. Review and discuss draft disposition ordinance amendment

Mayor Driscoll explains this is for the disposition of municipal land there is currently a city ordinance there is also a state uniform procurement act that governs the disposition of public land.

Ms. Chiancola says the draft is available in the sharepoint file, it is currently being reviewed by the Procurement Officer. She provides a summary:

The purpose of the amendment is to ensure that real property owned by the city serves a valid public purpose. When the public purpose is found to be best served by a disposition for a private purpose, the city's objective shall be to ensure a public benefit will be provided to the city. The public benefit must be consistent with the city's priorities, including:

- Prioritize public land that is suitable for housing and or the adaptive reuse into housing as affordable housing as defined herein; or
- Park and or open space;
- Historic preservation; or
- Other priorities reflected in or adopted by city policies or plans.

And to establish a policy to encourage public agencies, other than the city, that own surplus and underutilized public lands in Salem to prioritize land uses that accomplish the city's priorities identified in this division.

Changes from the current ordinance

- Remove the biannual inventory/process to "retain" land.- this is reflective of the current process.
- Update processes to align with 30B.
- Require a front-end process for disposition for less than the appraised value.
- Include an evaluation of the property with a recommendation of the development objectives.

Current processes that will not change:

1. The city planner and director of public property shall consult with city department heads to determine if the city land is underutilized.
2. The city council shall vote to declare the land surplus.

Three paths for the land, all three paths must follow the above two steps.

- Disposition by sealed bid (due to zoning restrictions)
- Disposition by public auction (tax title)
- Disposition by request for proposals (over \$35k)

Disposition by RFP, most of the proposed changes are in this section.

- An evaluation must be prepared (see Sec. 1635 for what is to be included in the report).
Priorities for use of city-owned Properties. The director of public property and city planner's joint recommendation for the disposition of city property should reflect assessment of the potential use of the property consistent with City priorities. The assessment should include a recommendation of the development objectives, including the public purpose to be achieved if the council decides to accept a bid lower than the appraised value.

- After the evaluation is complete, it is provided to the Mayor for approval. Then the City Council will vote on the development objectives and the lowest acceptable bid. The current ordinance allows council to accept less than the lowest acceptable bid if the project is for affordable, low income, elderly, or veterans' housing in the city at the end of the process after the RFP has been posted.

The proposed revision front ends the Council's ability to sell for less than the appraised value.

There are a minimum of three city council votes, but typically it would be four because an appraisal is typically required which can be expensive and would often require a vote of city council to allocate funds for it. Below are the votes:

1. Vote to Declare Surplus
2. Vote on funding for the evaluation report which includes appraisal.
 - City Planner and Director of Public Property prepare evaluation report with joint recommendation of the property, including recommended public purpose.
3. Vote on the public purpose to be achieved and the lowest acceptable bid. City Council will instruct planner to dispose of parcels (over \$35k) by RFP. The RFP shall include the public purpose voted on by City Council and the lowest acceptable bid if less than the appraised value.
 - RFPs posted
 - Designation Committee evaluates and ranks the RFPs.
 - City Council holds a public hearing to solicit input on the development and sale.
4. City Council votes on the selected developer.

Next Steps:

Will need to be reviewed by the Purchasing Officer. In the ordinance we included criteria that usually you would see in an RFP rather than an ordinance, so she wants to make sure that language works for the Procurement Officer.

Ms. Chiancola asks if there are comments/edits from the AHTF Board?

The next step is for the comments to be reviewed and incorporated into the draft. Then the draft ordinance will be brought back to the AHTF Board for another review.

Mr. Zamborlini is curious about language that would permit or encourage mixed use.

Mayor Driscoll explain there is a state component of this that we cannot ignore so hopefully we get comments back from the Procurement Officer at our next meeting so we can vote on this (as a recommendation) at our next meeting. The ordinance will need to be filed with the City Council. If you have comments send them to Amanda so she can refine the ordinance before the next meeting.

B. Update on the Salem Housing Road Map: A Housing Plan for All

Mayor Driscoll says there is a community forum on November 30th. Ms. Chiancola says she is hoping the AHTF Board members can help share the meeting information, there are flyers and infographics, we also have business cards with QR codes that you can hand out to people. The meeting on the 30th is at 6:30pm it will be virtual it is the first community forum. We also have a survey we don't have any Spanish or Portuguese responses as of a week ago, we want this to be a well-informed plan so if you have ideas or strategies on how to reach out to non-English speakers in Salem please share.

We included two senior housing forums in the project. The objective of the first forum is to obtain targeted input from older adults in Salem. Whereas the objective of the second forum is to discuss the spectrum of types of senior housing available, from universal designed homes to

assisted care facilities and to discuss what the senior housing needs/gaps are in Salem. Thus, the audience for the second forum is much more general.

For the senior targeted forum, rather than holding a webinar forum targeted towards seniors, we have shifted this strategy to several one-on-one and small group sessions, including a “Meeting-in-a-Box” (MIB) format. It will have a packet with basic information and questions, it can be one on one or with a group of people. It will be a conversation more intimate than a community forum. We would like board members to also participate. The Trust mentioned at the last meeting ideas of ice cream sessions, etc. so it is taking that idea and running with it.

Mayor Driscoll responds that we are trying to maximize opportunities to connect with people around this, to make sure they are aware and get their feedback. Any ideas folks have we are interested in to make sure we are leveraging our relationships to maximize input. Councilor Morsillo asks if we reached out to the schools to see if we can hold meetings through PTOs. Mayor Driscoll says we have family engagement councilors but they are also inundating people with lots of other resources so we will engage with them but don’t want to rely solely on them. We also have community meetups with root- if anyone is interested in going to that providing the QR code asking them to take the survey- there is a mix of folks that show up to that. Cassie Moskos addresses the question about the schools, we did touch base with the staff member that puts out the weekly newsletter, we included the graphic with information about the meeting and survey in there with the QR code in English, Spanish and Portuguese. We also partnered with the Community Life Center – they were doing a Thanksgiving drive-through, so we put a flyer in all the packages. Mr. Zamborlini asks if we put flyers in the pharmacies? Mayor Driscoll says we will do follow up on that, it is hard to get deep at these places. Mr. Zamborlini asks if we have access to door-to-door database, he could possibly do some deep canvassing. Mayor Driscoll asks the timeline for getting input. Cassie responds the survey will close sometime in December but participating in other ways will go through the new year. The senior forum will take place in January so at least through then we will try to solicit information. A timeline will be put up on the housing roadmap.

Councilor Madore recalls that Maggie from the Health Center was discussing how many of the people who visit, the biggest issues they face are housing and health, so that would be a good central place to put out flyers and hold officer hours to capture underrepresented folks.

Other Items:

Ms. Chiancola says the next meeting is two weeks from today. She doesn’t think we will have legal review ready or substantial input from the Procurement Officer by then she asks if the next meeting could be pushed back a week or two.

Caroline Watson-Felt joins the meeting at 7:23

APPROVAL OF THE MINUTES

Ms. Chiancola explains the wrong date was identified on the draft minutes posted on the agenda. The draft minutes will be voted on at the next Affordable Housing Trust Fund Board meeting.

PUBLIC COMMENT

No public comment.

ADJOURNMENT

Motion to adjourn by Councilor Ty Hapworth, seconded by Filipe Zamborlini—passes unanimously 7-0 by a roll call vote.

Meeting adjourned at 7:29 p.m.

Approved by the Affordable Housing Trust Fund Board on **December 15, 2021.**

Respectively submitted,
Amanda Chiancola, AICP
Deputy Director