

Affordable Housing Trust Fund Board
Approved Meeting Minutes
June 4, 2019

A meeting of the Salem Affordable Housing Trust Fund Board was held on Tuesday, June 4, 2019 in the Board Room at the Community Life Center, 401 Bridge Street, Salem, Massachusetts at 6:00 p.m.

- 1. Roll Call: Members present:** Mayor Kim Driscoll, Grace Napolitano, Christian Bednar, John Boris, Rebecca Curran, Councillor Christine Madore, Councillor Arthur Sargent, Councillor Steve Dibble, and Cynthia Nina-Soto.

Absent: Ben Anderson

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

Vice Chair Mickey Northcutt called the meeting to order at 6:10 pm.

- 2. Approval of the minutes:**

- a. *Cynthia Nina-Soto makes a motion to approve the May 7, 2019 Affordable Housing Trust Fund Board meeting minutes, seconded by Christian Bednar and the motion carries unanimously.*

- 3. Unfinished Business**

- a. Updated on Homeownership Data

- Ms. Chiancola provides an update on the scope and schedule of homeownership data analysis being conducted by MAPC for the City's inclusionary zoning ordinance.
- An analysis of Home Mortgage application data to understand 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 will be ready by July 19.
- Data analysis of the price gap between market rate and affordable homeownership units price gap to determine the area median income for ownership units will be ready by July 12.
- Research whether there is precedent to allow rental units within homeownership projects under inclusionary zoning will be ready by June 14.

- b. **Accessory Dwelling Unit Update**

Ms. Chiancola informs the Trust that she is meeting with the City Solicitor later in the week to review the ordinance, and their goal is to submit the ordinance to the City Council for their June 13th meeting. Ms. Curran asks about the timing, Ms. Chiancola responds that the City Council will need to refer the ordinance to a joint public hearing with the Planning Board. Mr. Northcutt asks for highlights about the ordinance. Mr. Daniel provides the highlights. Ms. Chiancola responds the only new change since the last discussion is expanding accessory units to be allowed in all residential districts rather than limiting them to the R1 zone.

Ms. Napolitano asks what the process is for a “by right permit”. Ms. Chiancola responds that it would be reviewed for compliance with the ordinance by the Zoning Enforcement Officer/Building Inspector. If the application complies with the requirements, then a building permit would be issued. Mr. Daniel notes that a building inspection is required prior to releasing a certificate of occupancy.

Councillor Sargent comments that the accessory unit can end up in a non-occupied home. Ms. Chiancola confirms that he is correct, the recommendation is the owner occupy either the primary unit or the accessory unit for at the time of permit issuance and a minimum of two years thereafter. Councillor Sargent expresses concern with this, he says the intent is for families to help each other. He asks about the point of sale. Ms. Nina-Soto notes that a single-family home is not required to be owner occupied since it can be rented, she asks what the difference is. Councillor Sargent responds that it turns R1 zoning into R1, he wants it to be owner occupied. Ms. Nina-Soto responds that if a bank forecloses, they will not live in the property, if it has to be owner occupied the unit would need to be removed, what is the concern with them renting it out? Councillor Sargent explains his concern is a two-family could become a problem property on a single-family street. Mayor Driscoll asks if the concern is regarding the volume of people of a problem property? Councillor Sargent responds that it is a luck of the draw. Councillor Dibble says that there is a lower percentage of problem properties in single-family neighborhoods than in multi-family neighborhoods. Chris Bednar explains that the two-family is a misnomer, these units are small accessory to the main home.

Mr. Northcutt suggests that the maximum size for the “by-right” option be limited to 800 square feet, rather than 1,000 square feet and notes that the spirit of the ordinance is for small 1-bedroom homes thus it should be one bedroom rather than two. Ms. Curran concurs with the limiting to 1-bedroom. Mr. Northcutt explains an 800 square foot 1-bedroom would be a perfect option for a young single parent or a minimum wage employee. Ms. Curran asks why not limit it to 1-bedroom. Ms. Chiancola responds it would be difficult to monitor. The Mayor responds that what if you have a single parent with a kid- these units should be an option for that family. Ms. Curran agrees.

c. Public Owned Land

Ms. Chiancola passes out images of some public owned land to consider. Councillor Dibble says he wants to review the materials ahead of time.

First property discussed is 56 Memorial Drive. The site is owned by the park department but does not appear to be dedicated park land. It is currently used for passive recreation. The property is zoned R1, which has a minimum lot size of 15,000. Ms. Chiancola suggests this site could be a starter home district under chapter 40R, which is an overlay that would allow smaller lot sizes and the City would receive money for each “bonus” home created. The average size of the neighboring lots is approximately 8,700 square feet. Councillor Dibble notes that that property has had several issues in which the police had to be called due to nuisance activity. Councillor Sargent suggests this could be homes for veterans. Several Board members suggest grouping 22 Victory and 23 Victory (both owned by the City as well) with this property. It is noted that some of the parcels are owned by the

South Essex Sewerage District (SESD). Board members suggest that staff evaluate those sites too. Councillor Madore suggests that the City approach the property owners of the vacant properties along the perimeter too.

The next property discussed is the Salem High School, which is 61 acres in size. The Mayor notes there could be an opportunity for a teacher residency program that could offer professional development for new teachers while lowering the cost of housing- this could be an opportunity to attract star teachers to our district. Ms. Chiancola notes there appears to be potential for development along the edges. Ms. Chiancola also explains that the Massachusetts Housing Partnership (MHP) has offered to provide technical assistance to review the property, including sponsoring a Technical Assistance Panel (TAP) through the Urban Land Institute.

Councillor Dibble says he will want a link to the hiking trails. Councillor Sargent notes to look at where the High School wants to expand their practice fields. Becky asks about MSBA funding. The Mayor responds that yes, the school does have restrictions from the funding so all of that would be looked into. Councillor Madore suggests this could be a good site for a 40R. The Board agrees to further explore this site.

5R Fredrick Street- adjacent to Witchcraft Heights School. Ms. Chiancola says that MHP is has offered to provide the City with technical assistance on this property too. The property is zoned R1, so it would need to a zoning change or a friendly 40B. This is another property that appears to be a good fit for a teacher residency program. It could fit approximately 30 townhomes, parking would need to be redone. Councillor Sargent explains this could be senior housing for community members who live in the neighborhood but are no longer able to stay in their home- this would let them stay in their neighborhood. John Boris suggests congregate housing. Board members note that parking is an issue here.

Several single lots zoned R1 are reviewed. Councillor Madore notes there is a lot of upfront work associated with these sites. Perhaps it is better to declare the land as surplus and put the money in the trust fund.

The Board reviews an image of Mack Park. Ms. Chiancola explains this is dedicated parkland and would require an act of the legislature, it is a lengthy process but is looking for input from the Board on whether there is an appetite to explore the potential at this property, particularly along the edges. Mayor Driscoll says the edges are underutilized area currently overgrown by vegetation, they could have development that matches what is across the street at Tremont. Ms. Curran says they could process Approval Not Require's (ANR'S) along the edge. Councillor Sargent suggests looking at the land at the top of the site, it could be used for seniors.

The Board also looks at Gallows Hill. Mayor Driscoll provides an overview of the renovations proposed, including a skate park and a regulation sized baseball field. Across from Witch Hill there is potential to carve out parcels along the edges.

The Mayor explains that further analysis of all the sites would need to occur to determine whether it is feasible to leverage the properties for affordable housing. The discussion

tonight was to determine whether staff should evaluate these sites for potential affordable housing development- the Board is supportive. Mayor Driscoll will add the two school sites to the next Building and Grounds Committee Meeting agenda item. Ms. Chiancola will move forward with applying for a ULI TAP for the High School (which will be funded by MHP), start working with MHP on a Phase I environmental study of 5R Fredrick and continue to evaluate the other sites.

4. New Business

Housing Development Incentive Program (HDIP) Guidelines

Mr. Daniel provides an overview of HDIP, explaining it is a State program to support market rate development in Gateway Cities, 80% of the units must be market rate. It is the residential version of tax increment financing (TIF)- the City can exempt a percentage of property taxes in increments. Staff has contacted the Department of Housing and Community Development to ask about applying the HDIP boundaries over the entire city. We can flip this and use it as an affordable housing program. Thus, the City would be subsidizing affordable housing by exempting a percentage of property taxes over a set increment of years. The guidelines would be to outline the number of affordable units required and the level of affordability. Councillor Madore asks whether it would be guidelines or requirements. Mr. Daniel says the guidelines would be required. The suggested requirements would match the recommendations for inclusionary zoning:

- 10% of units required to be affordable at 60% of the area median income
- In-lieu fees would not be allowed
- the units must be located within the market rate project

Ms. Curran suggests changing the format- currently the guidelines are written as questions and answers. Councillor Madore recommends these are referred to as requirements rather than guidelines. Tom Daniel responds yes- they will be reformatted. Mr. Daniel also explains that when Inclusionary Zoning is passed, the HDIP requirements would be updated to require other more units or deeper levels of affordability. The Board is supportive of submitting the HDIP requirements to the City Council.

Councillor Sargent asks about capacity. The Mayor responds that the South Essex Sewerage District (SESD) is not at capacity, as for our utility lines, developers of these projects are tasked with making improvements that are proportional to the increase in capacity required for the new development; therefore, these new development projects are helping the city improve infrastructure. Councillor Sargent says the City cannot handle everyone who wants to live here, if we could, we'd be a city of 100,000 people. Councillor Sargent notes he wants local preference for all new housing units.

Motion to adjourn by Cynthia Nina-Soto, seconded by John Boris—passes unanimously.

Meeting adjourned at 8:00 p.m.

Approved by the Affordable Housing Trust Fund Board on 0722/2019

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