

**Affordable Housing Trust Fund Board Meeting  
Meeting Minutes  
February 17, 2022**

A meeting of the Salem Affordable Housing Trust Fund Board was held on Thursday, February 17, 2022, at a Remote Zoom meeting at 7:30 p.m.

**Members present:** Vice-Chair Mickey Northcutt, Councilor Jeff Cohen, James Willis, Lynda Fairbanks Atkins, Councilor Morsillo, Chris Malstrom, Filipe Zamborlini, Councilor Caroline Watson-Felt.

**Members joining late:** none

**Members absent:** John Boris, Mayor Kim Driscoll, Becky Curan

Staff present: Senior Planner Cassie Moskos and DPCD Director Tom Daniels

Vice-Chair Mickey Northcutt called the meeting to order with a roll call at 7:33 p.m.

**NEW BUSINESS**

**A. Gentrification and Displacement Discussion**

Cassie Moskos gave an update to the Salem Housing Roadmap that several additional surveys were obtained from outreach efforts from the Trust at a wide variety of demographic groups that were missing.

Jenn Goldson started her presentation by thanking the Trust for taking a short survey and shared some of the quotes she received from that survey. She stated that the overall intention for the session was to “Hold space to consider anti-displacement issues and ways to minimize/mitigate negative impacts to Salem residents.” Specifically, discuss best practices for anti-displacement policies and initiatives, and create a short-list of anti-displacement policies.

To provide some background information, Jenn shared some of the findings from the executive summary of the draft version of the Salem Housing Roadmap. Some of those findings included, the rate of wage increases vs housing price increases, incomes broken down by racial groups, the percentage of low to moderate income households, average median income for Boston Metropolitan area vs Salem average income.

Displacement occurs when attractive neighborhoods have lower home values and higher income residents begin to move there. Rents and home values rise to the demand. Longtime residents must leave because they can no longer afford the rising rents and property taxes. She went on to show median incomes and professions that make various levels of AMI. Salem is losing housing stock via condominium conversions, about 5% of the rental units (all housing types) have been converted since 2016, once single-family homes are removed from the count, that percentage increased to 6%

Causing of displacement: rising rent, condo conversion, redevelopment of naturally occurring affordable housing, discrimination.

One framework to think strategies is to protect tenants and tenants’ rights, produce more units, and preserve existing units. A successful roadmap will balance all three because it makes a more effective plan. A second framework: the three S’s: supply, stability, subsidy. She mentioned the book *The*

*Affordable City* by Shane Phillips. Supply means when there is a scarcity of home it causes home prices to increase. Stability means to recognizing the dignity of housing because its more than an investment vehicle, means protecting renters and NOAHs. Subsidy means recognized that there will still be a gap and will still be needed, but it is there to ensure everyone benefits from having a home in a stable community. Supporting those who need additional assistance beyond what the market can provide.

Pro-housing or pro-tenant, it's a false choice. City policies can be both. The two questions about this are: Who benefits and who is harmed? Good policies look at both questions.

Key questions:

How do we create more housing with sensitive to impact on vulnerable or historically oppressed populations?

- 1.Strategic Up zoning
- 2.Incentive-based inclusionary zoning
- 3.Reduce Parking minimums
- 4.Permit Streamlining for affordable/multi-unit/mixed use (including and especially more by-right options)
- 5.Eliminate density maximum-focus on regulating form/bulk/massing (form based-zoning)
- 6.Disposition of public property prioritized for affordable housing production.

Jenn also stated that she wanted to keep the focus of the discussion this evening around stability, but recognized that supply, stability, and subsidy are all related and some discussion is needed on all three topics. Being mindful that where we promote development is an important consideration to minimize displacement of rental households in naturally occurring affordable housing (NOAH).

Felipe made the comment that supply, and strategic zoning directly intersect. Felipe asked what the municipal bandwidth to utilize bond measures to help subsidize production to support federal and state efforts. He feels we lack placement, how does the City help finance it. How do we create ourselves or partner with other agencies to create more?

A member of the public had a question about what strategic up zoning was, so Jenn explained that is increasing the allowances that would normally be allowed with the current underlying zoning of a property.

Being mindful that where we promote development is an important consideration to minimize displacement of rental households in naturally occurring affordable housing (NOAH).

Moving on to the Stability aspect of the discussion, the main question of

How do we stabilize rent (and retain rental housing stock) without making housing developments infeasible?

1. Rent stabilization/anti-gouging for existing stock,
2. Just cause eviction protections,
3. Displacement compensation program,
4. Neighborhood stabilization program,
5. Condo conversion protections,
6. Enforce fair housing laws,
7. Community land trust,
8. Prioritize displaced tenants for affordable housing.

Subsidy: a tool to apply where supply and stability fall short such as

1. Local rental vouchers,
2. Rehab programs,
3. Proper tax abatements,
4. Adopt real estate transfer tax.

A few other options that don't fit neatly in the 3 S's: tracking, capacity, awareness, enforcement. A rental registry to get basic details on rentals, a housing stabilization office can serve a variety of services.

Jenn asked the Trust if they had any questions.

Councilor Patricia Morsillo asked for more information on the transfer tax. Jenn referenced a 1990s era example from the Cape where every real estate transaction had an approximately 3% tax on it. Since then several communities have been pushing the state to approve enabling legislation to allow them to do the same thing. Councilor Jeff Cohen clarified that 3 years ago this bill failed, but it's making a comeback. There are multiple items that the money can be used for and one of them is housing.

The Trust transitioned to an Miro board activity, that discussed the 3 S's categories plus the other options that did not fit within the 3 S's.

Jenn started with a straw poll of different approaches with some additional explanation of them. Starting with rent stabilization/anti-gouging for existing stock. This is two policies in one, similar to rent control, it creates a cap to how much rents can increase in any one year, anti-gouging is the lowest level of this. Rent stabilization is only while a tenant is currently in there, in between tenants landlords can raise rent as much as they want.

Filipe questioned if we were allowed to do this, Jenn clarified it is not currently allowed by State Legislation, but something that could be pushed for. There were 3 thumbs down and 5 thumbs up for this idea.

The next idea was just cause eviction protections. Councilor Watson-Felt stated that she was struggling with this particular format. In theory she would like to thumbs up everything so it can be on the table for consideration, the reality is different in regards to the political and legal ramifications of various policies.

They pivoted to starting out with items that the Board felt are not worth discussing. Mr. Willis stated that he agreed with Councilor Watson-Felt that in a broad sense, everything was on the table, but it would take in-depth discussion to know what he was not in support of.

Felipe felt that Condo Conversions don't need to be discussed because the City is already in the process of approving legislation around this. He said that he put his thumb down for the rent stabilization item because it's not possible to achieve. He also in theory would like to thumbs up all the items on the board, but has concerns on how they all get implemented and funded.

The Board switched to providing comments on the items on the Miro Board, a summary of the comments provided on shown on the next several pages.

# Anti-Displacement Working Session with Salem Affordable Housing Trust 2/17/22

☆ Three things that should be prioritized

Stability	Approach (policy/initiative)	Rent stabilization/anti-gouging for existing stock	Just cause eviction protections; right to counsel and legal assistance for at-risk renters	Displacement compensation program/right to return	Neighborhood Stabilization Program (purchase NOAH)	Condo conversion protections ☆
Thumbs up (consider) or Thumbs down (non-starter) 	5 3	5 3	2			<div data-bbox="1772 630 1940 802" style="border: 1px solid black; padding: 5px;">                     short-term rentals (high numbers / competitive with cape) - conversion to units - many 3 and 4 bedroom units are short term rentals -                 </div>
Comments/Post-its 	<div data-bbox="457 862 600 1008" style="border: 1px solid black; padding: 5px;">                         multifamilies purchased recently near jeff's house (cash) - rent raise from \$1000-1200 each - very urgent that we enact these things to avoid rapid relocation outside of Salem                     </div> <div data-bbox="632 1000 831 1192" style="border: 1px solid black; padding: 5px;">                         what resources do we need in the future? shouldn't necessarily take things off the table because there's not currently funding                     </div>	<div data-bbox="814 878 898 951" style="border: 1px solid black; padding: 5px;">                         push for state legislation, bill in the works                     </div>	<div data-bbox="1003 927 1247 1062" style="border: 1px solid black; padding: 5px;">                         larger developments (Shetland park) - any development there will have an impact on very low income people - both reparations and long-term loss of NOAH                     </div>	<div data-bbox="1268 862 1425 1029" style="border: 1px solid black; padding: 5px;">                         Oregon bill - 90 day notice, property owner is required to pay the tenant one month's rent - in MA can charge first/last/security now                     </div>	<div data-bbox="1745 911 1824 992" style="border: 1px solid black; padding: 5px;">                         already in progress                     </div> <div data-bbox="1856 919 1934 1000" style="border: 1px solid black; padding: 5px;">                         Our draft ordinance is a model.                     </div>	<div data-bbox="1562 1349 2011 1398" style="border: 1px solid black; padding: 5px;">                         Stability continued on next page                     </div>

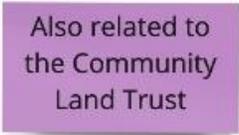
Stability continued from previous page					
<p>Enforce fair housing laws</p>	<p>Community Land Trust (and right of first refusal)</p>	<p>Prioritize displaced tenants for affordable housing placement (preferential placement)</p>			
<p>funding questions - perhaps not prioritize due to lack of local level ability to tackle</p>	<p>Not used often in MA but would be great - perhaps implement this in the disposition of public land - even if not going to be developed soon</p>	<p>displacement is much more relevant and stark now than 10 years ago</p> <p>doesn't require resources we don't yet have - could tackle without state level interaction (but what happens to our current waiting list?)</p> <p>in special permit requirement - this could be a condition that their marketing process include a priority for this - NSCDC would do this if asked, hasn't been brought up before - more helpful if the request comes from the city rather than the developer - mechanism to skip the line (for private development)</p> <p>City policy could create affirmative right for displaced residents to assert their priority when they apply for a housing lottery - NSCDC advocacy would speak to whatever city policy is enacted - objective way to educate people about programs</p>			
			<p>how do we get ahead of the ball who are at risk for displacement before it happens?</p>	<p>lots of questions about local preference - council / woman's friend society etc - people want to stay in Salem</p>	<p>Community to decide what they want - example: Salem residents with kids in the school system, seniors not able to move out of their homes, etc</p>

# Supply



<b>Approach (policy/initiative)</b>	Strategic upzoning	Incentive-based inclusionary zoning	Reduce parking minimums
<b>Thumbs up (consider) or Thumbs down (non-starter)</b> 		<div data-bbox="1163 737 1299 878" style="border: 1px solid black; padding: 5px; background-color: #e0f2f1;">                         This is important but we can't lose sight of what is happening to people in Salem - people being priced out - anti-displacement is important too                     </div>	
<b>Comments/Post-its</b> 	<div data-bbox="621 902 680 961" style="background-color: #fff9c4; width: 28px; height: 36px; margin-bottom: 5px;"></div> <div data-bbox="709 906 837 1036" style="border: 1px solid black; padding: 5px; background-color: #d9ead3;">                         consider - can't build downtown or historic salem under today's laws                     </div>	<div data-bbox="1077 902 1157 987" style="border: 1px solid black; padding: 5px; background-color: #f4cccc;">                         Should pick this up again                     </div> <div data-bbox="1163 919 1243 1003" style="border: 1px solid black; padding: 5px; background-color: #f4cccc;">                         could be strong drill that we don't have yet                     </div> <div data-bbox="1289 911 1409 1036" style="border: 1px solid black; padding: 5px; background-color: #e0f2f1;">                         Maybe IZ shouldn't be a focus on the point but in other neighborhood where not as many BIPOC people are living                     </div> <div data-bbox="1140 1019 1318 1198" style="border: 1px solid black; padding: 5px; background-color: #e0f2f1;">                         but if only use IZ then will not have affect wanted - also need to use strategic upzoning                     </div> <div data-bbox="1356 1052 1465 1166" style="border: 1px solid black; padding: 5px; background-color: #fff9c4;">                         Should take this into serious consideration again this cycle                     </div>	<div data-bbox="1587 902 1646 961" style="background-color: #d9ead3; width: 28px; height: 36px; margin-right: 5px;"></div> <div data-bbox="1661 902 1719 961" style="background-color: #fff9c4; width: 28px; height: 36px;"></div>

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Permit streamlining for affordable/multi-unit/mixed-use	Eliminate density maximum - focus on regulating form/bulk/massing (form-based zoning)	Disposition of public property prioritized for affordable housing production 
  	  	 <p>Also related to the Community Land Trust</p>   <p>We need to have convos about this</p>

# Subsidy

What other ideas can we think of to help incentivize property owners to keep rents affordable? Want to prioritize this.

How can we broaden our perspective for how we protect people in the community; very difficult to apply this to absentee landlords

Filipe: Municipal bond measures to help create supply sooner/ Municipal mixed-income buildings? Other partnerships possible for financing?

Approach (policy/initiative)	Local rental vouchers	Rehab program that prioritizes rehab funds for properties who rent to housing voucher holders	Property tax abatements for owners who rent to LMI HH	Adopt real estate transfer tax (home rule petition or through pending enabling legislation)
Thumbs up (consider) or Thumbs down (non-starter)				
Comments/Post-its		 <p data-bbox="850 943 1003 1101">Salem is working to have a sustainability and resilience dept/program - perhaps this can factor into that goal to incentives property owners to fossil fuels - can tie into keep rents low</p>	 <p data-bbox="1129 943 1255 1068">incentivize property owners to keep units as affordable rental units</p>	

# Tracking, Capacity, Awareness, Enforcement

<p><b>Approach (policy/initiative)</b></p>	<p>Rental registry</p>	<p>Housing Stabilization Office</p>	<p>Public awareness campaign for renter rights</p>
<p><b>Thumbs up (consider) or Thumbs down (non-starter)</b></p> 	<p>this is a tool, should be in a different place - avoid just following the problem/need</p>	<p>need to collect information to understand what your needs are. could be community registry - housing database, etc - fundamental to properly gear up for the other things that are on this list (including enforcing code)</p>	<p>people were fearful of evictions even though there was a moratorium - short term possibilities in education - tenants understand their rights and where to go to discuss their rights.</p>
<p><b>Comments/Post-its</b></p> 	<p>would be administered by City - to track evictions, etc</p>	<p>How to fund?</p>	<p>Who would run this - city? nonprofit? board or commission? Try to think outside the box on this</p>
	<p>also key program to help get ahead of displacement</p>		

Some additional comments and from the Board on the topic categories of stabilization, supply, subsidy, and tracking/capacity/awareness/enforcement were as follows:

Mr. Malstrom felt that we shouldn't block off an idea just because we don't have the resources right now because we can push for those ideas so we can use them later.

Mr. Northcutt felt that the displacement compensation was an interesting plan. Shetland Park has proposed a large amount of unit deeply embedded in Salem's lowest income community. He felt that we shouldn't be all development or no development but finding a way to balance. He also agrees with the idea of enforcing fair housing laws but would rather focus on things we can actually accomplish at the local level. The Community Land Trust would be fabulous, the disposition ordinance would be a great place for this to be utilized. The Salem Redevelopment Authority owns a lot of land which is counterproductive to housing. It would help affordable housing developers with a local preference if the municipality requested it as part of the affordable housing policy from the Planning Board.

Councilor Cohen stated he generally agrees with Mr. Zamborlini's comments, but also agreed with Mr. Malstrom. He can see several multi-family buildings from his living room and the several of them have had their rents raised and the families that are not moving to another location in Salem. He also mentioned Oregon's rent stabilization process. It's hard for people to come up with first, last, and security deposit.

Councilor Morsillo had questions about displaced tenant prioritization, Ms. Goldson stated that Mr. Northcutt made a good point and that it is a newer idea and the rental registry would be a vital part of it, a staff member or office, if fundable, would also be important for capacity and management.

Mr. Zamborlini does not feel rental registry is the right place because you don't know what you don't know and you don't know what you don't ask. Registry can be used to do other things on the list. If you only following people you will always be a step behind. The registry is a step towards knowledge gathering not preventive.

Councilor Jeff Cohen the changing and evolving market, a while back short term rentals were an issue, lately its been conversions Jeff was shocked by the # of conversions to short term rentals

Mr. Northcutt raised it is 9:25 pm is there anything else needed to be focused on and what are the next steps. Ms. Goldson stated that this would be taken to the steering committee for a discussion with them, and then it will get be included in public forum for the community's feedback. Ms. Goldson gave an overview of the remainder of the Roadmap Process.

#### **PUBLIC COMMENT**

Ms. Christine Madore comments in the Q&A "anti-displacement policy and programs should protect renters at risk of displacement and not only find a way to follow them \*after\* displacement. it's really hard to bring people back. prioritization should be based on population that is most harmed by displacement + informed by data"

Christine said that she was listening to the meeting, feels frustrated that we are talking about the same things as we were 4 years ago. The research and engagement and drafting has been done. We need more action. She just really wished there was more action and frustrated with lack of action.

Councilor Morsillo where do we go next, Felipe responded that he joined because it has a policy angle, and it hasn't moved much. Let's get the 3 done and then move on, and see energy come back to the board.

Joseph Severe, at Salem State senior dorms, how do we make sure we include people less involved in the process. Does the city collaborate with people who develop affordable housing? Will the City sell land to develop housing?

Mr. Northcutt stated that yes the City does collaborate the CDC

Ms. Fairbanks-Atkins answered stated how she did MIB at LifeBridge

Councilor Cohen stated that we use best practices and other city models for survey outreach

Mr. Malstrom stated that we are trying to meet the community where they are at.

Joseph Severe what is the City doing to support individuals with disabilities? Ms. Moksos stated that she would follow up after the meeting with additional information for Mr. Severe.

### **ADJOURNMENT**

*Motion to adjourn by Caroline, seconded by Chris—passes unanimously 8-0 by a roll call vote.*

Meeting adjourned at 9:54 p.m.

Approved by the Affordable Housing Trust Fund Board on 4/5/2022.

Respectively submitted,  
Cassie Moskos, AICP  
Senior Planner