

City of Salem, Massachusetts



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The meeting of the Committee on Administration & Finance, co-posted with the COW took place in the City Council Chambers on Wednesday, January 5, 2023, at 6:00 P.M. to further discuss UCH-TIF and TIF for Lee Fort Terrace. Notice of this meeting was posted on December 19, 2022, at 4:01 P.M.

ATTENDANCE: Members of the A&F Committee – C. Hapworth, C. Merkl, C. Stott, C. Watson-Felt, Chair McClain and members of the Whole Council – C. Cohen, C. Varela, C. Dominguez, C. Morsillo, C. Prosnowski. Also present Courtney Koslow from Beacon Communities, Planning Director Tom Daniel; Amanda Ciancola (Planning) via Zoom; Cathy Hoog (Salem Housing Authority) via Zoom, along with members of the audience In person, via phone and Zoom.

(This meeting is being recorded)

ABSENT WERE: _____

SUBJECT

To discuss UCH-TIF and TIF for Lee Fort Terrace.

Chair McClain begins meeting by reading the meeting Agenda. Invites Amanda Ciancola to make a presentation (on file in the City Clerk's office) which references written response from Department of Housing and Community Development (DHCD) regarding UCH-TIF area; copy of MOU between Salem Housing Authority (SHA) and Beacon Communities; and cost sheet of affordability.

Chair McClain invites Courtney Koslow of Beacon Communities to make a presentation (on file in the City Clerk's office)

Chair McClain: Public comment will be limited to 20 minutes. Just comments regarding TIF. Comments directed to Chair. Members of the audience must remain quiet while others are speaking. Does anyone have questions for Courtney? C. Hapworth?

C. Hapworth: Thank you, Mr. Chair & thank you Courtney. Please go through the Waitlist Process.

Courtney Koslow: 108 project-based Vouchers managed by Salem Housing Authority, with a strong local resident and low-income preference.

C. Hapworth: 30% AMI? Filled by SHA waitlist?

C.K.: Yes, by SHA.

Chair McClain: Cathy Hoog, you may present.

Cathy Hoog: Makes presentation (on file in the City Clerk's office) explaining Lee Fort Terrace waitlist.

Chair McClain: Any questions? C. Hapworth?

C. Hapworth: How do you determine rent with 60% AMI?

C.K.: SHA works with Beacon to determine eligibility.

C. Hapworth: Residents only pay 30% of their income?

C.K.: Correct.

C. Dominguez: Thank you Chair and Thank you, Courtney, for your presentation. How do you inform residents of the way they will be relocated?

C.K.: We are working with a special organization, Housing Opportunities Unlimited, to assist in notifying residents. They meet with residents to learn their specific needs to ensure proper relocation, ideally in Salem.

C. Dominguez: Notices in Spanish also?

C.K.: Yes. HOU uses 12 different languages, spoken by the employees, to communicate. This is a woman-owned and operated company with strong Spanish-speaking employee base. Spanish and Armenian. Beacon is required by law to have notices in multiple languages.

C. Dominguez: Do Salem residents have preference for entire site?

C. K.: Key priority is local priority for those who live or work in Salem.

C. Dominguez: Why do we need zone change to move through this project?

C.K.: UCH-TIF is a State program for housing development. Plan is used to identify area where TIF can be applied. Area must meet certain qualifications; commercial is part of it. Not rezoning; just an overlay. The area is only for Lee Fort Terrace.

C. Cohen: Question through the Chair (since not a member of the Committee): Do the Vouchers stay with LFT?

Cathy Hoog: Project based vouchers can only stay with specific development, such as with these vouchers.

Chair McClain: Questions or comments from Council? Being none, open to public comment. Comments restricted to establishment of UCH-TIF/ Tax Increment Zone and passing of financing. Comments and questions through me. Please remain quiet while others are speaking. I recognize Stephen Kapaintis.

Stephen Kapaintis, 23 Wisteria St.: Not happy with 20-minute public comment limit. Lots of miscommunication regarding this project and calculations of percentages. I expect the best outcome from this project. I ask the Council to delve deeper into the contract. Don't approve without looking at contract. Demand 50 units.

Chair McClain: Recognize Patricia Gozemba.

Patricia Gozemba 17 Sutton Ave.: Co-Chair of Safe Salem Alliance for Environment. In favor of project because of sustainability and resiliency. LFT will be a gem for Seniors and environment. Encourage Council to use TIFs in other areas of Salem.

Shannon Bailey 32 Lee Fort Terrace: Pres. Of LFT Tenants Association. Speaking to benefits of TIF. Have been in constant contact with residents and Beacon through process asserting Beacon's openness with residents. Current area is unsafe. Need new dwelling. In 10-15 years, existing units will be uninhabitable due to degradation and/ or flooding. SHA can't afford to fix anymore. This is an investment for current and future residents. SHA job is to protect residents. Elizabeth Ross (attorney) getting MOU between SHA residents and Beacon. Beacon is paying all legal fees. If project is unsuccessful, Beacon will cover those costs as well. With the TIF, SHA will begin to pay taxes.

Chair McClain: Please keep to subject at hand in interest of time. Phone call may connect.

Justin Whittier 10 River St.: (Via phone) Project doesn't meet criteria of TIF as required by law. Want guarantee all current residents will be able to return at a rate they can afford. TIF zone encompasses other buildings besides LFT.

Chair McClain: Thank you. Any other comment in room? Name and address, please?

Susan Kirby 45 St. Peter Street: Morency Manor part of SHA. I support UCH-TIF and TIF. Crucial for redevelopment. Of LFT. Pres. Of Morency Manor Tenant Assoc. and assisted in creation of LFT Tenant Assoc.

Chair McClain: Thank you for your comments.

Stacia Kraft 140 Federal St: Differing ideas of what to do. Why add more people to a dangerous flood zone? How long will this viable? Who is responsible when it becomes outdated and residents have to be moved? If approve TIF, ready to hand over to private institution, then what is next? Pioneer Terrace and Saltonstall School?

Kathy Harper 3 Allen St.: Won't the City need full taxation to prevent future flooding? Is Beacon going to pull out if they don't get a tax break?

Frank Kulik 3 Allen St.: Area is not commercial. How many Councillors have actually read the contract? Needs more scrutiny.

Chair McClain: Comments on Zoom? Back to in-person.

Joseph Doyle LFT: Have not received any communication regarding project.

Chair McClain: Please restrict comments to matter before us and not about other people in the room

J.D.: First consideration should be residents.

Chair McClain: Please restrict comments to LFT.

J.D.: Only should be talking about safety of residents! Want to know whose idea this was? Who put this idea forward?

Chair McClain: Comment from Ellen Simpson on Zoom

Ellen Simpson 1 Geneva St.: Happy there is the opportunity to create more affordable housing in Salem. I look forward to seeing project completed. Thank you.

Chair McClain: Thank you. No further Zoom. In the room? State your name and address for the record.

Gary Gill" Yes; I know routine. My name is Gary Wayne Gill 72 Flint St. (brand new with affordable housing). Work at Steve's Market. See folks who need affordable housing every day. My place was supposed to be affordable. I have a Traveling Voucher. Rent raises every year. Only 13 units in my building are affordable.

Chair McClain: Would you like to offer any comment regarding LFT?

G.G.: Yeah; it's a beautiful design. I like that it's higher up for flood zone. Take care of 50 units. Everything else is a little shady. Never will be affordable housing in Salem. Thank you, Mr. McKay.

Richard Stafford 30 Boardman St.: I'm in the LFT neighborhood. Project has received all necessary requirements from City. What happens if Council doesn't agree to this? Beacon never said they needed TIF to go forward. I want \$3 Million set aside for future affordable housing needs which will arise in Salem.

Chair McClain: Thank you. Reminder: Only talking about creation of TIF for LFT. No further comments directed to other members of the Council or audience members. Restrict comments and direct them to the Chair. We are not going to speak about people's character or intention. I've had enough of that! I will warn you once, then I will cut off public comment.

Bill Cass 92 Columbus Ave.: Good Evening, Mr. Chair & members of the Council. Please explain how zone is an appropriate fit? Thank you.

Chair McClain: Thank you. Reminding members of the public remotely you can raise hands. Michelle Martin?

Michael Martin.

Chair McClain: Sorry Michael.

Michael Martin 144 Bay View Ave.: Thank you for the opportunity. Who tracks down questions being asked and when will they be answered? Safety is a concern. Salem Willows is a peninsula. Will create a bottleneck for people in the neighborhood. Safety study done? Thank you.

Chair McClain: Thank you. No further hands remotely? In Chambers? Follow up for Courtney; applicability of construction to the zone: Will it meet legal definition of statute?

Tom Daniel: Director of Planning & Community Development. Program has requirements which must be met before can proceed. DHCD confirmed draft of plan meets program requirements. Gave go-ahead to receive local approval.

Chair McClain: Thank you. C. Watson-Felt?

C. Watson-Felt: Thank you, Tom. Courtney commented "Not all of other properties would qualify for further development." Please explain.

T.D.: Let Courtney speak about what she said. Within this area, only TIF has been determined eligible to be developed. As an example, if in future City determined no longer need Bentley School, could open up to development.

C. W-F: Program requires educational facility, does it not?

T.D: Program requires non-residential uses. School is not commercial, but not residential.

C. W-F: If take school out of inventory as educational facility, do other non-residential uses still qualify?

T.D.: Are you asking If area didn't have school, still qualify?

C. W-F: If down the line the school doesn't exist, does plan still exist?

T.D.: Yes.

Courtney: Through the Chair: With today's current zoning of the area, makes the area extremely difficult to make it anything other than what it is now.

C. W-F: Thank you for clarifying your comment.

Chair McClain: I'll take your public comment.

Sally Cass 92 Columbus Ave.: Would like to ask the Council members if any of you have actually read comments for UCH-TIF agreement. Only heard 3 comments about that. Please address. Thank you.

Chair McClain: Thank you for your comment. Worth addressing zoning. Endeavor to steer clear of the word "Zone", but let's address. Residents are clear about City zoning laws. How does this differ from City's zoning regulations?

T.D.: This does not change City's zoning Ordinance; completely separate. Use of word "Zone" used to define the geographic area within which this tool can be implemented.

Chair McClain: Any follow up questions from members of the Council on this particular point? Seeing non: What is eligibility and appropriateness of this "Zone"? What is legally binding to guarantee return of 50 current units?

T.D.: Defer to Cathy Hoog to speak on units.

Cathy Hoog: Provided Council copy of Memorandum of Understanding between SHA and Beacon. 50 units will remain public housing units and residents will be able to return paying only 30% of their income. Protected for a minimum of 99 years with 99-year Ground Lease.

Chair McClain: Thank you. Is MOU legally binding document?

C.H.: Yes. Further documents in addition to MOU.

Chair McClain: Any other questions or comments from Council or from audience?

Michael martin: Guarantee the residents won't have to pay additional fees on top of 30%?

Chair McClain: Please raise your hand if you want to comment.

M.M.: Residents may return paying 30%; but will they have to pay other fees?

Chair McClain: Cathy Hoog, with escalation of cost of living, how will inevitable increase of housing costs effect project-based vouchers and percent residents have to pay?

C.H.: Federal Government stipulates they will only pay percentage of income. Still only 30% of income regardless. Can't be charged additional fees by law.

Chair McClain: Thank you. C. Morsillo?

C. Morsillo: Thank you, Chair. Clarify that MOU and contract between SHA and Beacon, not with City of Salem. Thank you.

C.H.: MOU a legally binding document between SHA and Beacon.

Chair McClain: Thank you. Anything further from members of the Council?

C. Merkl: Thank you, Chair. Appreciate all additional information. Appreciate how project has evolved and changed due to public and resident feedback. Very helpful. Government is not creating public housing anymore. Public/ private partnership a pathway forward to create public housing. This will generate tax revenue for City. Appreciate TIF. Thank you.

Chair McClain: Thank you C. Merkl. Anything further from the Body? C. Cohen?

C. Cohen: Thank you, Chair. Instructive that all City Councillors not on this Committee are at this meeting and that we're at the last meeting. Incumbent upon this Committee to vote to send this to January 12th meeting so we can all vote on this.

Chair McClain: If no further questions or comments, we are – One more...

Gary Gill 72 Flint St.: Want to apologize for my mistakes tonight. In favor of project. Promise 50 people they will be taken care of. Thank you.

Chair McClain: Thank you. Reminding members of the Council what is actionable before us: Need to determine whether to continue hearing or not and two items: Creation of UCH-TIF zone and approval of financing instrument related to zone. With that, need motion which I cannot make. C. Stott?

C. Stott: Thank you, Mr. Chair. I move that we close public hearing.

Chair McClain: C. Stott moves we close public hearing; seconded by C. Hapworth.

RCV: C. Hapworth: Yes; C. Merkl: Yes; C. Stott: Yes; C. Watson-Felt: Yes; C. McClain: Yes. 5 Councillors voting, 5 in affirmative. Public hearing is closed. I will entertain any further motion anybody would like to make. C. Hapworth:

C. Hapworth: Thank you, Chair. I move we send a positive recommendation to the Full Council to establish UCH-TIF for Lee Fort Terrace.

Chair McClain: C. Hapworth moves that we send first Order to Council to recommend creation of UCH-TIF zone. C. Stott seconded.

RCV: C. Hapworth: Yes; C. Merkl: Yes; C. Stott: Yes; C. Watson-Felt: Yes; C. McClain: Yes. 5 voting, 5 in the affirmative. Matter carries. Motion on second Order. C. Hapworth?

C. Hapworth: Thank you, Chair McClain. I would like to send positive recommendation to approve TIF for Lee Fort Terrace.

C. W-F: I second.

Chair McClain: C. Hapworth recommends that we send approval of TIF with recommendation to approve, seconded by C. W-F.

RCV: C. Hapworth: Yes; C. Merkl: Yes; C. Stott: Yes; C. Watson-Felt: Yes; C. McClain: Yes. 5 for 5 in the affirmative. The matter carries. C. Stott?

C. Stott: Motion to adjourn.

Chair McClain: C. Stott makes motion to adjourn. All those in favor? So adjourned.

On the motion of C. Stott the meeting adjourned at 8:00 P.M.

(Chairperson)