

**Affordable Housing Trust Fund Board Meeting
Meeting Minutes
June 29, 2022**

A meeting of the Salem Affordable Housing Trust Fund Board was held on Wednesday, June 29, 2022, at a Remote Zoom meeting at 6:30 p.m.

Members present: James Willis, Councilor Patti Morsillo, Vice Chair Filipe Zamborlini, Councilor Caroline Watson-Felt, Chris Malstrom, Mickey Northcutt.

Members joining late: Councilor Jeff Cohen at 7:00 pm

Members absent: John Boris, Mayor Kim Driscoll, Becky Curan, Lynda Fairbanks-Atkins

Staff present: Senior Planner Cassie Moskos, DPCD Deputy Director Amanda Chiancola, Senior Accountant David Rodrigues

Vice-Chair Filipe Zamborlini called the meeting to order with a roll call at 6:37 p.m.

NEW BUSINESS

A. Accessory Dwelling Unit Grant Program

Mr. Zamborlini introduced the ARPA Grant to help homeowners construct Accessory Dwelling Units (ADUs). Ms. Chiancola gave an overview of the project, stating that there are two components. The first is for soft costs/design elements, up to \$2500. The second part is for the actual construction. Half the cost up to \$45,000. The ADU ordinance already in place has a rent cap, but if someone utilizes the grant the affordability component is increased to 50% Fair Market Rent (FMR). Staff is trying to make this as easy a process for homeowners as possible. The restriction is only on the rent, they can rent to anyone so no lottery component or state housing index requirement. Limited to twenty years. The ask from Staff is that the AHTF board hold the restriction and allow staff to administer the program.

Mr. Willis asks if there is adequate staff to enforce the rent restriction. Ms. Chiancola states the plan is to request an annual attestation from the homeowners and is confident we have the staffing level to achieve this. Mr. Zamborlini asked if they must provide any evidence. Ms. Chiancola responds that these are often rented to family members, so no leases are drawn up. The homeowner would only have to provide the attestation.

Councilor Morsillo asks what happens if the property changes hands. Ms. Chiancola states that the restriction goes with the land. It would carry forward to the next homeowner.

Mr. Zamborlini asks what role the Board would have, or is it just oversight? Ms. Chiancola answers, just oversight. Mr. Rodrigues adds that the Board would be the holder of the restriction, and therefore able to act on it. If there was a violation it would be the trust that would take action. Councilor Watson-Felt asks what enforcement or penalty options does the Board have? Mr. Rodrigues states that the Board could utilize injunctions to have the homeowner charge the rent they are under contract to charge or try to reclaim the funds.

Councilor Watson-Felt wants to better understand the ask of the Trust, that it is to accept the responsibility. Mr. Rodrigues responds that it would be administered by Staff with oversight by the AHTF

to make it easy on people to utilize the funds, this was the easiest way to set up the program. Staff would not like to the direction to go where the Board must approve each request, as it will slow down the process and make it more cumbersome for homeowners to take advantage of. Mr. Willis asks if the Board has the authority to act without City Council? Mr. Rodrigues responds that the statutory enforcement is already in place. Mr. Malstrom ask what the oversight would look like? Ms. Chiancola answers that Staff would report to the Board on a regular basis, likely quarterly, but dependent on the number of applications and the rate at which they are received. Mr. Rodrigues adds that regular updates on general ARPA funds will be available as well.

Councilor Morsillo asks about the status of the video promoting ADUs and if the information regarding this program would be available somewhere else besides salem.com. Ms. Chiancola responds the video is should be released at the same time the press release for all of these programs goes out. It is not specific to this program and is a more generic promotional video for ADUs in general. All the programs and information will live on the Imagine Salem website (www.imaginesalem.com). Councilor Morsillo would like to know about the amount of traffic, calls received, and types of questions asked in the first few months after the program is released.

Mr. Zamborlini asks why \$45,000; how did Staff arrive at this number. It seems construction of ADUs would be much higher, especially for detached. Ms. Chiancola answers that new detached units are not permitted under the ADU ordinance, so this would be for conversion of existing spaces in properties. Additional reporting to the federal government is required by the homeowner at \$50,000. Staff chose to do \$45,000 because it is a round number and if they also utilize the design grant they would stay under the \$50,000 (total of \$47,500).

Councilor Watson-Felt asks if this is an incentive program for affordability, it is not tied to the income of the homeowner? Mr. Rodrigues answers, yes. The value added to the community is in lower rents. Mr. Northcutt clarifies that there is no income restriction on the renter. Ms. Chiancola confirms. Mr. Zamborlini asks about threshold goal or is it just first come first served? Ms. Chiancola states that we are asking optional demographic questions on the application. Staff sees this as a pilot program. The goal is to create ADUs, which are naturally affordable by nature, the goal of this program is to get more of them out there. Mr. Rodrigues stated that we have an allocation of one million, the program can be adjusted. Ms. Chiancola said staff looked at homeowner income, but the numbers didn't work.

Mr. Northcutt asks what additional ARPA funding is the city making available for affordable housing? Mr. Rodrigues states that the next item on the agenda is a one million dollar appropriation to the trust. Staff is also looking a right of first refusal program (ROFR), but this is still being flushed out. The goal of that is to buy time to stop affordable housing from being converted to non-affordable housing. Staff really wants to target this in a strategic way and is open to suggestions from the Trust.

Mr. Northcutt would like to propose a letter to the ARPA allocation committee that Affordable Housing spending be spent on creating housing for 30% AMI, homeless and poor young adults and seniors. There is an inequity in ADU creation with no income restrictions.

Mr. Zamborlini states he sees no further questions or comments and is willing to accept a motion.

Councilor Morsillo motions accept the allocation and to hold the restriction, seconded by Mr. Willis.

Councilor Cohen seeks clarification that this is just a recommendation. Ms. Chiancola states that the board

is accepting holding the restriction. Councilor Cohen is satisfied with the response.

A roll call vote took place with the following response:

Councilor Patti Morsillo	Yes
Councilor Caroline Watson-Felt	Yes
Mickey Northcutt	No
Councilor Jeff Cohen	Present
James Willis	Yes
Chris Malstrom	Yes
Filipe Zamborlini	Yes

The motion passes 5-1-1.

B. Acceptance of an appropriation of one million on APRA money to support AHTF activity.

Mr. Rodrigues introduces the matter by stating this is an appropriation of one million dollars to be used at the discretion of the Trust to perform tasks as outlined in their formation ordinance. The money will be held in a special account under the umbrella of the ARPA funds. Councilor Watson-Felt asks how the Board spends it-simple majority vote, votes in public meetings, etc? Mr. Rodrigues responds that nothing special is needed on the ARPA side of things; staff will take care of the reporting on that front. Councilor Watson-Felt states that the Board will need to decide how to spend the money. Mr. Rodrigues states that the money needs to be allocated by a specific calendar year, not fiscal year. Councilor Watson-Felt clarifies that the money needs to be spent, not just invested. Mr. Rodrigues confirms that yes, the money needs to be out the door by the end of 2026, or it needs to be returned to the federal government.

Mr. Willis asks if they need to vote on how to spend it tonight. Mr. Rodrigues states no. Councilor Cohen moves to accept the money with the condition that votes to spend the money have a super majority of the Board. Councilor Morsillo asks Ms. Chiancola if the rules and regulations allow for this type of condition. Ms. Chiancola reads from the [rules and regulations](#). Mr. Zamborlini asks for clarification on if a super majority is members present or of the board as a whole. Ms. Chiancola responds that it is of the board as a whole. Councilor Cohen responds that he is willing to remove the super majority condition, but that this is a lot of money, and it shouldn't be a 50% plus one to approve spending.

Mr. Zamborlini adds that this board has never had money before, and this allocation will enable the Board to do a lot but feels the super majority requirement is very restrictive. The goal, as the board, is to move affordable housing forward. Councilor Cohen reiterates that he doesn't feel that a majority plus one is sufficient to spend that much money. Mr. Malstrom agrees with Jeff, but notes that struggles with attendance are real. Mr. Northcutt adds that agrees with the spirit of Councilor Cohen's motion but doesn't feel the Board should change the way it votes. Especially as it is going to come time to spend the money quickly. Mr. Zamborlini adds that in the scheme of things this is not a lot of money, even though it feels big. Ms. Moskos adds that the Housing Roadmap is close to being approved and has a large matrix of strategies and priorities in it. A discussion of that will be upcoming. Councilor Cohen states he is willing to amend motion, but still feels are losing affordable housing too fast. Urgency is there. Motion to accept the money. Ms. Chiancola states that normally we do public comment nearer the end of the meeting, but we

have an expert in the attendees panel with her hand raised. The Board acknowledges Christine Madore.

Ms. Madore states that when she saw the agenda, she was very excited. She fully agrees with the sentiment of the ideas being thrown around, but less pleased with the discussion around adding policy. This is a large board with several City Council members which makes it very political and vulnerable. I feel the urgency, but don't see it. She urges the board to take the money and let staff administer. The Board sets up rules and establishes criteria. If the people meet the criteria, they get the money. If Council doesn't like that, then they need to amend the rules of the Board. Trust City Staff to disperse the money.

Mr. Malstrom seconds the motion to accept the money. Passed unanimously by roll call vote 7-0.

C. Hybrid Meetings

Ms. Moskos informs the Board that the special acts that allowed for remote meetings is set to expire on July 15th. She went over the highlights of the hybrid policy, mentioning that a quorum of board members must be present in the room and specifically the person chairing the meeting must be in the room. Mr. Zamborlini, the current vice chair, stated that he will not be attending an in person meeting due to the current vaccination status of his child. There was discussion about extensions from the State. Ms. Moskos stated that as of the time of this meeting, those items had not been approved, the City had to work under the assumption the Special Acts would expire and was preparing its Boards and Commissions accordingly. Mr. Zamborlini and Mr. Northcutt concurred that this policy will be difficult for this Board, they questioned if new officers should be considered given the current situation. Councilor Morsillo stated that the activity at the state should be monitored.

No action was needed or taken on this item.

D. Future Items.

This is a time for members to bring up items for future agendas.

Items brought up were conversations around the configuration of the board. Councilor Cohen asked if there was a minimum number of meetings needed to be attended to remain on the Board. Ms. Chiancola responded no. He responded that a rule like that should be considered. Mr. Zamborlini broadened it to be a discussion around the rule of the Board in general. Councilor Morsillo added that if it is changing of the ordinance, Division 14 [Chapter 2, Art IV], the Board can discuss it but it would need to be framed as an ordinance discussion. Mr. Zamborlini asked Ms. Chiancola to differentiate between the ordinance and the rules and regulations. Ms. Chiancola stated there are two separate documents. The ordinance sets forth the membership (how many members are elected officials, length of term, etc) where the rules and regulations are the policies of the trust. Depending on what is desired to be changed, would determine the process. Councilor Cohen stated that if it has to be an ordinance amendment he withdraws, it would be too cumbersome.

Councilor Watson-Felts adds a planned discussion around the course of action for the \$1 million, understanding that it is best timed to be after the Roadmap is approved.

Mr. Northcutt adds a discussion around the makeup of the Board with a possible recommendation to the City Council.

Councilor Watson-Felt would also like a discussion and more information about the formation of a community land trust as a part of her earlier agenda item request.

UNFINISHED BUSINESS

A. Housing Roadmap Update

Ms. Moskos informs the Board there is a tentative date of July 14th for a Joint Public Meeting of the City Council and Planning Board. She encouraged the members of the Trust to attend to speak in support and of their outreach efforts for the plan.

B. Status of the condominium conversion ordinance

Ms. Chiancola stated there is the draft is not ready yet. It should be ready at the August meeting. It would likely be undergoing concurrent legal review at that time. Councilor Cohen added that he had been in contact with Senator Joan Lovely and Representative Paul Tucker's offices regarding the home rule petition. It had been voted favorably out of committee, but it was still in the process. Mr. Zamborlini adds that the City's multifamily housing stock is depleting rapidly and he likes the idea of the concurrent Board and legal review.

C. Disposition Ordinance

Ms. Chiancola states that the ordinance has been submitted to the Mayor's office, but she has not passed it on to City Council yet. No additional comments or questions are received on the topic.

APPROVAL OF MINUTES

Mr. Northcutt motioned to approve the minutes from May 3, 2022, seconded by Mr. Malstrom. Passed unanimously by roll call vote 7-0.

PUBLIC COMMENT

No comments were received.

ADJOURNMENT

Motion to adjourn by Mr. Malstrom, seconded by Councilor Morsillo—passes unanimously 7-0 by a roll call vote.

Meeting adjourned at 8:07 p.m.

Approved by the Affordable Housing Trust Fund Board on 08/23/2022.

Respectively submitted,
Cassie Moskos, AICP
Senior Planner