



Memorandum

To: Amanda Chiancola, Planner, City of Salem
From: Karina Milchman, Chief of Housing + Neighborhood Development, MAPC
On: April 11, 2019
Re: Salem Advisory Committee Meeting #4 on April 10, 2019

On April 10, 2019, MAPC staff Karina Milchman and Alexis Smith met with City staff, the Advisory Committee for Homes for Salem!, and the Affordable Housing Trust to discuss draft inclusionary zoning and prepare for a forum on April 23, 2019. This memo summarizes discussion at this meeting and next steps.

ATTENDEES

In addition to a couple members of the public, the following attendees participated in the meeting.

Project Team

- Amanda Chiancola, Planner, Planning and Community Development, City of Salem
- Tom Daniel, Director, Planning and Community Development, City of Salem
- Karina Milchman, Chief of Housing + Neighborhood Development, MAPC
- Alexis Smith, Senior Housing + Land Use Planner, MAPC

Advisory Committee

- John Boris, Salem Housing Authority and Salem AHT
- Andrew DeFranza, Harborlight Community Partners
- Jen Lynch, League of Women Voters
- Cynthia Nina-Soto, real estate professional and Salem AHT
- Mickey Northcutt, NSCDC and Salem AHT
- David Pablich, developer
- Patricia Zaido, Co-chair of the Salem for All Ages taskforce

Affordable Housing Trust Board Members (in addition to those listed above)

- Ben Anderson
- Mayor Kim Driscoll, City of Salem
- Rebecca Curran
- Steve Dibble, Council President

Others

- Eileen Driscoll, resident
- Alice Merkl, resident

DRAFT INCLUSIONARY ZONING

After a quick recap of the March 5th housing forum, the group discussed various aspects of the proposed inclusionary zoning ordinance.

Questions to Consider/Clarify

- How does this apply to projects with multiple owners?
- How does this apply to mixed-tenure projects; what affordability is required (60% or 80% of AMI)?
- If a project converts to condo, would the unit(s) be deed restricted at 60% or 80% AMI?

Areas Requiring Further Work

- The homeownership requirement of 10% set-aside for households with 80% AMI may not be right for Salem
 - Is 80% very different from market rate?
 - Is 60% AMI feasible?
 - Would buyers' ability to secure mortgages be impeded if there were units at 60% AMI?
Look into mortgage lending practices
 - Right of first purchase upon turnover to the City with a designee; can the AHT provide gap financing to bring a unit from 80% AMI to 60% AMI?
- Incentives
 - These are truly incentives in downtown (B5), where there already is 1:1 parking; perhaps 0.75 spaces/DU would work
 - Density
 - Should there be lot size relief as well as setback and height?
 - For reuse, you often can't change setback or add a story, so the bonus isn't usually usable
 - How does this work for Historic Tax Credit projects where a density bonus usually can't be used
 - Can we offer stronger incentives for deeper affordability?
- Fractional Units
 - Should the square-foot construction cost be based on average unit size in the project?
 - Add "payable upon certificate of occupancy"
- Administration
 - In concert with the City; how can the City support developers?
- TDM
 - Measures must be written into project approval
 - TDM isn't necessary downtown

Other

- Messaging
 - The policy is progressive; the 'gets' are 60% AMI, no PILU, no off-site units, fractional payments (rather than rounding down)
 - More supply relieves pressure overall

- Comparison to other policies in the region
- Other tools
 - Incentives for homeowners to rent at below market rates
 - Preference for seniors
- Need for online City housing portal, universal application for Affordable units

UPCOMING HOUSING FORUM

Some new ideas were suggested for the housing forum on April 23rd, which will be discussed by City staff and the project team.

- Raise awareness of development costs
- Raise awareness of the benefits of housing
- Provide discussion questions to guide small group discussions; provide a facilitation guide
- Share input from the last forum (key themes from group discussions, who was in the room)
- Share handout on inclusionary zoning and ADUs in advance
- Engage the business community

NEXT STEPS

MAPC project staff will research outstanding questions pertaining to the draft inclusionary zoning and make recommendations. MAPC project staff will coordinate with City staff to prepare for the upcoming forum.