



CITY OF CHELSEA, MA
Planning Board

City Hall, 500 Broadway, Room 101 · Chelsea, MA 02150
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Vice Chair
Sara Arman
Member
Eric Asquith
Member
Sharon Caulfield
Member
Sylvia Ramirez
Member
Mimi Rancatore
Member
Alejandra Rodriguez
Member
Todd Taylor
Member

**CHELSEA PLANNING BOARD
MEETING MINUTES
TUESDAY, AUGUST 27, 2019**

A meeting of the Chelsea Planning Board was called to order by Chair, William “Tuck” Willis, at 6:03 pm on Tuesday, August 27, 2019 at City Hall, Conference Room 305, 500 Broadway, Chelsea, MA 02150 with the following members in attendance: Sara Arman, Eric Asquith, Shuvam Bhaumik, Sharon Caulfield, Sylvia Ramirez, Mimi Rancatore, Alejandra Rodriguez and Tuck Willis. Todd Taylor arrived at 6:20 pm.

Also present: John DePriest, Director of Planning & Development
Alex Train, Assistant Director of Planning & Development
Lad Dell, Planner and Land Use Administrator

Approval of Minutes from July 23, 2019:

On a motion by Mimi Rancatore and seconded by Eric Asquith, it was voted unanimously ~~8-0-0~~ to approve the minutes from the July 23, 2019 meeting.

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Zoning Amendments: *to amend Section 34-156, Inclusionary Housing, to replace the existing definition of “Qualified income eligible household”, at least 15 percent of the dwelling units shall be affordable housing units providing a mix in equal quantities at or below 30 percent AMI, 50 percent AMI and 80 percent AMI, the fee in lieu of providing one or more AHUs shall be a minimum of \$400,000 per required AHU not provided within the development.*

Lad Dell gave an overview of the history of the Inclusionary Housing ordinance, explaining that the initial version was introduced to the City Council in 2016 and adopted in March 2017. The reasoning for the ordinance was that the cost of housing in the Boston area had grown astronomically and that longtime residents of Chelsea were being priced out and had to move out of the City. The initial ordinance had set affordability at 80% Area Median Income (AMI). The dilemma was that AMI was based on the greater Boston area; for a family of four, 80% AMI is \$89,200. The average family income for a family of four in Chelsea is \$55,800. 80% AMI for many Chelsea families is not even in reach. The current proposal takes into account a broader affordability mix at 30%/50%/80% AMI to better reflect the median income specific to Chelsea.

Eric Asquith- what is the rationale for setting fee-in-lieu? Alex Train- the actual costs to build an affordable unit are more akin to \$400,000 after you factor in all the requirements and regulations.

Sara Arman- where does the payment for a fee in lieu go? Alex Train- the payment goes into the Affordable Housing Trust Fund Board.

Sara Arman- why don't we have it higher than 15% affordable? Alex Train- we benchmarked it with neighboring communities and wanted to provide affordable units without stifling development.

Mimi Rancatore- do we even have land to develop 10 units any longer? Alex Train- yes, mainly through redevelopment.

Alex Train- the proposed changes include monitoring of affordable units and deed restrictions in collaboration with Planning & Development, establishing guidelines and requirements that developers need to abide by, and provisions in the event an affordable unit goes into foreclosure.

Sharon Caulfield- is anything grandfathered from previous projects? Would this ordinance be applied to projects that have been completed or permitted prior to adoption? Alex Train- no, it would only apply to projects approved after adoption.

Shuvam Bhaumik- is there a differentiation between affordable rental and ownership? Alex Train- Affordable rental units have a 30/50/80% AMI mix, whereas for affordable ownership units it is only at 80% AMI. Deed restrictions for both are in perpetuity.

Alex Train- for privately funded projects, there is a 100% preference for Chelsea residents. For projects that receive state or federal funding, the local preference for Chelsea residents is set at 70%.

Shuvam Bhaumik- how do you verify income? Alex Train- we verify 2 years of pay stubs and tax returns. If a tenant's income level rises, they will not be forced to move out of their affordable unit.

Shuvam Bhaumik- would you consider changing this if their income does rise? Alex Train- we may not be allowed to according to fair housing guidelines.

Alex Train- with regard to foreclosure, there has been a rise of affordable units foreclosing. Previously, these units went to market for sale at public auction and the deed restriction was lost. With this amendment, we are aiming to protect the affordable deed restriction.

Alejandra Rodriguez- what if my income is big one year and the next year drops drastically? Alex Train- we will look beyond a 2-year timeframe to account for large changes in income.

Todd Taylor- what are you proposing to do for foreclosures? Alex Train—we are proposing that the City retains the first right of refusal.

John DePriest—for section (h)(1) "AHTFB" should be deleted from the text.

Todd Taylor- for section(g)(3) the text that reads "The Department of Planning & Development shall set the initial sales price or initial rent" should be changed to "The Department of Planning & Development shall calculate the initial sales price or initial rent, in accordance with State and Federal guidelines, and pursuant to the AHR".

On a motion by Eric Asquith subject to the suggested edits from Todd Taylor and John DePriest, and seconded by Joan Cromwell, it was voted unanimously (9-0-0) to recommend that the City Council adopt the amendments as proposed with the recommendation to incorporate revisions to the ordinance that pertain to the affordable housing restriction and monitoring and enforcement as proposed by the Department of Planning & Development.

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Community Development Block Grant (CDBG) Update – Alex Train, Planning & Development:

The Community Development Block Grant is provided by the MA Department of Housing and Community Development with funding from the federal Department of Housing and Urban Development. Community Development Block Grant activities are undertaken throughout the City of Chelsea's designated target area, composed of census tracts 1601, 1602, and 1605, and 1604 Block Group 2, including the Shurtleff-Bellingham, Addison-Orange, Mill Hill, and Downtown neighborhoods.

Alex Train, Assistant Director of Planning & Development, explained that this was an annual update to the Board on CDBG projects and initiatives the Department was working on that focused on housing, infrastructure and economic development to benefit low-and-moderate income populations. The public hearing also provided an opportunity to hear feedback from the Board and members of the general public.

CDBG activities include the following:

Housing:

Targeted Code Enforcement Program, in collaboration with the Department of Inspectional Services, ensures compliance with the City's Certificate of Habitability Ordinance. Inspections of rental housing units occur once every five years.

Housing Rehabilitation Deferred Payment Loan Program provides a source of low-interest or no-interest loans to income qualified property owners of one-to four-family dwelling units to bring their properties into code compliance and address health and safety issues. The rehabilitated units will have a deed restriction that requires them to be maintained at affordable rent levels for a term of 15 years. After the 15 year period has elapsed, the balance of the loan becomes a grant. The program financed five projects that rehabilitated a total of ten housing units. The FFY'18 program has \$170,000 available for loans.

First Time Home Buyers Down Payment Assistance Program assists Chelsea residents who want to buy in Chelsea. In FFY'18, CDBG provided \$90,000 in funding for nine (9) loans, up to \$10,000 each, to income-eligible first time home buyers to assist with the acquisition of single family homes and condos within the CDBG target area. To become eligible for the program, applicants must obtain a certificate from a certified first time home buyer course. This down payment assistance can be paired with other assistance from local and state organizations. The program is structured as a zero-interest, five-year declining loan program. If the household resides in the property after the fifth year, the loan converts to a forgivable grant. If the property is sold or refinanced within this five-year window, a pro-rated amount is repayable.

Public Social Service Programs – Three social services programs currently receive funding from the CDBG grant (1) Community Schools' English for Speakers of Other Languages (ESOL) Program, which offers English language classes at the Williams School throughout the year; (2) the REACH Program at the high school which has the overarching goal to prevent at-risk students from dropping out of school; and (3) the Citizenship Program, operated under a contract with the Chelsea Collaborative, to provide citizenship classes as well as immigration consultation and services throughout the year for residents. In total, the City's obtained \$147,500 in FFY'18 social service program funding.

Division Street Reconstruction Project – The Department of Planning and Development, in conjunction with the Department of Public Works, is overseeing a sidewalk reconstruction and roadway repaving project along Division St., from Hawthorn St. to Williams St. The contractor mobilized in August of 2019, with work schedule to culminate by October 31st, 2019. Upgrades will be accompanied by public art initiative, managed by the

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Department, which will install murals and public art along portions of the alleyway. This project complements the City's other investments in the downtown's central business district. A previously neglected and uninviting alleyway, Division St. will be strengthened as a safe, accessible pedestrian connection to local businesses, public transit, and civic and cultural institutions, while serving as a freight delivery space for local businesses.

MicroEnterprise Program – The MicroEnterprise Program provides free technical assistance to income-qualified (low-moderate income) small business owners along the Broadway Corridor. Ranging from guidance on interior design and layout to guidance on the formation of strategic business plans, this technical assistance provides small business owners an opportunity to objectively evaluate and propel their enterprises. This year, the program provided technical assistance to six downtown businesses. Following the provision of services, the Department is also offering up to \$5,000 implementation grants to bring the recommendations from each session to fruition.

Eric Asquith- How much is the block grant funded for? Has funding levels fluctuated? Alex Train- Annual funding of \$825,000 has remained steady (only 20% can go to administrative costs).

Alex Train- Any census tract that has a population of 51% low-to-moderate income can now be served with CDBG grants.

Todd Taylor- would opportunity zones be areas that CDBG programs and funds? Alex Train- Yes

Shuvam Bhaumik- Opportunity zones allow for the sheltering of capital gains. I was under the impression that the areas for opportunity zones in Chelsea were limited. Alex Train- There are two designated opportunity zones in Chelsea. I can connect you with Karl Allen, our economic development planner.

Sharon Caulfield- How will the façade program be funded? Alex Train- There are city funds earmarked for this program.

Sylvia Ramirez- Is the micro-enterprise funding capped? What happens if the funds aren't allocated? Alex Train- We are initially allotting \$5,000 per grantee. Unspent funds would have to be reprogrammed and introduced in a public hearing

Sara Arman- How are these programs marketed? Alex Train- In the particular area of housing programs, marketing is crucial. We reach out through social media and working closely with community organizations. We have also organized downtown business forums to coordinate with business owners.

Mimi Rancatore- How long does it take to get approval for the various housing programs? Alex Train- It usually takes about 3 weeks from intake, application, review and notification.

Todd Taylor- In review of the past year's projects, how do you evaluate efficacy? I am happy that there are more programs geared towards home ownership. Alex Train- We evaluate key performance indicators. For instance, we analyze what amount of time and resources it takes to qualify someone for the FTHB program. We are constantly reevaluating our work with small businesses and trying to create forums for dialogue and collaboration.

Sharon Caulfield- Where does code enforcement come in? Alex Train- It is linked to housing rehab and other programs that we collaborate with Inspectional Services Department.

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Other Business:

Board Discussion: Zoning and Development Case Review

John DePriest referenced the recent proliferation of petitions that sought the overdevelopment of undersized lots, particularly on Spencer Avenue. Though the Residential 3 Zoning District allows for more density, the projects coming before the board are seeking relief at up to five times more than what a Special Permit would allow. Some proposals where the developer is able to build one or two units by right are asking to build nine or ten units. The height, bulk and massing are of great concern because some of the previously approved projects that are now completed do not fit the character of the neighborhood. These buildings tower over the other residential structures. Parking in these already impacted areas are only made worse with these oversized developments. In most cases, these projects are also not providing enough parking and are seeking relief.

John DePriest asked the Board members to try to put the project in the context of the neighborhood. The Department drafts memos for each case and includes a table of relief that is required for the project. The longer the list and the more relief that is required likely means that project is "nullifying or substantially derogating from the intent or purpose of the zoning ordinance". He encouraged the members to be critical of the amount of relief that is being requested with regard to special permits and variances. He also encouraged Board members to ask the Department what their stance is on any projects. In many cases, the Department memo will include a recommendation for the project. The Department is seeking Board support to curb the overdevelopment of undersized lots.

Todd Taylor- what is the breaking point? Where do we draw the line? There is this tension that is not being resolved. What is the City's vision? John DePriest- there was a proposal before the City Council to engage in a master plan for the City, but it did not gain enough support due to high costs required to conduct such a study. We continue to conduct studies throughout the City, but something more holistic is needed.

Sara Arman- what kind of training is available to help us review cases better? John DePriest- The Citizen's Planning Training Collaborative conducts trainings sessions and we have hosted them in the past that have focused on site plan review and special permits and variances. Since we have had quite a bit of turnover on the Board, we may want to introduce the session on special permits and variances again.

Adjournment:

On a motion by Todd Taylor and seconded by Shuvam Bhaumik, it was voted unanimously (9-0-0) to adjourn the meeting at 7:34 pm.


Minutes Approved

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