



## **Committee on Finance and the Northampton City Council**

*Councilor David A. Murphy, Chair  
Councilor Maureen T. Carney  
Councilor Marianne L. LaBarge  
Councilor Gina-Louise Sciarra*

**City Council Chambers, 212 Main Street  
Wallace J. Puchalski Municipal Building  
Northampton, MA**

Meeting Date: February 7, 2019

Note: The Finance Committee Meeting took place during the City Council Meeting as announced. The City Council Meeting began at 7 p.m.

1. **Meeting Called To Order:** At 7:08 p.m. Councilor Murphy called the meeting to order.
2. **Roll Call:** Present were committee members David Murphy, Maureen Carney, Marianne LaBarge & Gina-Louise Sciarra. Also present from the City Council were Bill Dwight, Jim Nash, Ryan O'Donnell, Dennis Bidwell, and Alisa Klein.
3. **Approval Of Minutes From The Previous Meeting**
  - A. **Minutes of January 17, 2019**

Councilor LaBarge moved to approve the minutes of January 17, 2019. Councilor Sciarra seconded. The motion passed 4:0 by voice vote.
4. **Financial Orders**
  - A. **18.233 An Order To Acquire Land On Chestnut Mountain Road In Hatfield For Water Supply Protection**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order with a positive recommendation. Councilor Carney seconded.

Mayor Narkewicz referred to a plan showing the location of the parcel in relation to the rest of the watershed for the Mountain Street Reservoir. 1.5 acres of the parcel is within Zone A, the most sensitive zone of the watershed, he presented. The proposed acquisition is largely forested land with wetlands covering the western part of the property. The property was appraised at \$22,000 by an outside appraiser and that is the proposed purchase price. As part of the Capital Improvement Program (CIP), the City Council appropriated money for watershed land acquisition, he reminded.

City Council Committee on Finance Meeting Minutes for February 7, 2019

The 9.125-acre parcel is being purchased from Gerard and Jeanette Marchand.

Councilor Bidwell asked if the city is purchasing a fee interest in the property. He noted that the order contains the word 'easement' in the final paragraph.

Mayor Narkewicz confirmed that the city is buying the property. He suggested changing the word 'easement' to "property" to correct the typo. He doesn't think the word actually has any operative value since the first paragraph clearly authorizes the property's purchase/acquisition, he shared.

Councilor Klein asked the condition of the property. She wondered if forest management would be necessary or whether there were any invasives that would need to be cleared.

It is mostly wooded, forested land with some wetlands, Mayor Narkewicz confirmed. He said he didn't know the answer to the second question but noted that the city has active forest management plans for all the land it owns for watershed protection. The city generally leaves such land forested.

Councilor LaBarge asked if any of it is buildable, and Mayor Narkewicz said he didn't believe so. Certainly the city would not want building on it, he pointed out.

Councilor LaBarge noted that, in working with the Planning Department in the past to acquire conservation land in Ward 6 and elsewhere, the sale price is usually \$900 to \$1,000 an acre.

He could try to get more information, but he does know an outside appraiser was used to assess the value of the land, Mayor Narkewicz responded. There may be some timber value incorporated into the price, he suggested.

Since the land is in another community, the city is not forgoing taxable value which would otherwise be realized if the land were developed, Councilor Dwight pointed out. Mayor Narkewicz confirmed that is the case. Obviously, the city would not want development in Zone A of the watershed, he added.

Councilor Dwight expressed his understanding that, since the land would be under Northampton's aegis and control, Northampton police would respond to an incident at the property. However, the city's ownership would not necessarily preclude police from another community from responding, Mayor Narkewicz said. It is somewhat common for cities to have reservoirs in other communities, he observed.

Councilor Murphy said he's pretty sure the land wouldn't be developable since it doesn't have any road frontage.

Referring to the map, Mayor Narkewicz confirmed that all of the green area is presently owned by the City of Northampton.

Councilor Carney said she assumed the city is trying to acquire as much of the land within the watershed in private hands as possible, and Mayor Narkewicz confirmed that watershed managers typically have feelers

out to owners in the vicinity. That is indeed what happened in this case and why city officials appropriate money in reserve for when such opportunities arise.

The motion passed unanimously by voice vote with 4 Yes, 0 No.

**B. 18.234 An Order To Accept M.G.L. 64G, 3D(A) To Impose Community Impact Fee On Short-Term Rentals**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order with a positive recommendation. Councilor Sciarra seconded.

The next two orders are complementary and are part of the new short-term rental law, Mayor Narkewicz explained. The measures are specifically aimed at addressing some of the negative impacts of the room-sharing (i.e. – short-term rental, Air bnb) economy, principally that it is taking rental units out of the housing stock in some communities - primarily big cities.

The definition of “professionally-managed unit” in state law specifically exempts units located in one, two and three-family dwellings, he clarified. ‘What we’re really talking about is professionally-managed apartment buildings,’ he explained. In big cities like Boston, this typically takes the form of non-owner-occupied, professionally-managed buildings being rented as short-term rentals rather than apartments. The trend has been accused of driving up rents and creating a shortage of rentals in some communities.

To counteract these negative impacts, the public policy response is to impose a community impact fee on short-term rentals, Mayor Narkewicz elaborated. The state is requiring that at least 35% of the money be directed toward affordable housing, but he is proposing that 100%.of the fee be devoted to this purpose.

He doesn’t have a sense of the number of units involved locally, he acknowledged, confirming that it is mostly a big city phenomenon. He wants to insure Northampton has enough affordable housing and rental stock available, he concluded.

Councilor Dwight asked the definition of ‘short-term rental.’

Mayor Narkewicz read the definition from state law as follows: “an owner-occupied, tenant-occupied or non-owner occupied property including, but not limited to, an apartment, house, cottage, condominium or a furnished accommodation that is not a hotel, motel, lodging house or bed and breakfast, where:(i) at least 1 room or unit is rented to an occupant or sub-occupant; and (ii) all accommodations are reserved in advance; provided, however, that a private owner-occupied property shall be considered a single unit if leased or rented as such.”

It basically exempts hotel/motels and bed and breakfasts, he stressed. In the past, alternative accommodations [such as offered on Air bnb] fell into a loophole in the definition, he indicated.

Councilor Dwight expressed his understanding that the law doesn’t define ‘short-term.’

The law says that properties rented for 14 days or less are exempt, Mayor Narkewicz said. If rental days exceed 14 days, the rental revenue would be subject to the fee.

Councilor LaBarge cited market statistics provided to her by Dee Clapp, a local bed and breakfast owner. According to Clapp, in February of 2019, Northampton's stock of short-term rentals included 260 homes/apartments, 142 bedrooms, 22 'other' rentals and six farmhouses. Clapp and fellow realtor and B & B operator Craig Della Penna both had great concerns about the lack of regulation of short-term rentals and the fact that the wording of the proposed order includes the word "professional," Councilor LaBarge shared.

The definition specifically exempts bed and breakfasts, Mayor Narkewicz stressed.

A lot of people don't know about the proposed fee, and she feels uncomfortable voting on something without first reaching out to the affected communities, Councilor LaBarge related. She would like to see this go to the Committee on Community Resources (CCR) to hear what people think and let them hear firsthand the Mayor's proposal. Clapp and Della Penna also would like consideration given to directing some of the revenue to the arts in addition to affordable housing, maybe going 50/50. She voiced the opinion that anybody involved should have the right to participate in a public hearing.

Mayor Narkewicz said he has no objection to the measure being referred to committee, especially since the law doesn't go into effect until July 1<sup>st</sup>. Mr. Della Penna has been an outspoken advocate for the proposed regulation, he volunteered.

Councilor LaBarge reiterated that Mr. Della Penna is also bothered by inclusion of the term 'professional.'

One point of confusion for him is that the provision they're accepting (M.G.L. Chapter 64G Sec 3D (a)) says the community can impose a community impact fee upon an "operator," Councilor O'Donnell noted. The definition of 'operator' in the same chapter includes a person operating a bed and breakfast establishment.

The word 'operator' in the section of statute being accepted is not meant to refer to bed and breakfast operators, Mayor Narkewicz assured. They can sort that out in the course of review, he suggested.

The proposal is for a local option fee that gives the city the opportunity to extract some money to offset the impacts to the community; it doesn't speak to the regulations that already regulate hotels/motels, bed and breakfasts, etc., Councilor Dwight clarified. The two are not mutually exclusive as the state may [yet] give them regulations that allow them to regulate short-term rentals, he observed.

It actually has, Mayor Narkewicz noted.

Councilor Bidwell said he is totally supportive of this concept; he has been frustrated for some time with the inability of the legislature to tax and regulate a growing section of the economy. He thinks it makes sense to refer the measure to a committee to address, he added. He wondered if the plan is to introduce a companion piece of legislation to address public health and safety regulations that presently apply to other forms of occupancy and to also have these in place by July 1st. Referring to the fact that the money reportedly goes directly to the city, he also wondered what the collection mechanism would be.

It's a little unclear that the money actually goes directly to the city; it may be collected at the point of sale, Mayor Narkewicz advised. If not, the collector's office would collect it just like all other fees. An internal working group consisting of the Building Commissioner, Health Department and Planning Department are looking at all aspects of this, he assured. The law literally just passed so many of them around the state are scrambling to interpret it and figure out the details. Administrators are planning to look at health and safety regulations and bring them forward at a later date.

The Department of Revenue (DOR) has a pretty good FAQ that covers pretty much all of the things being asked and addresses many of the concerns that have been raised, Councilor Klein shared. The FAQ says municipalities are not actually collecting the excise tax; DOR is collecting it and redistributing it to the respective cities and towns. She recommended that constituents be referred to the DOR website.

The phenomenon this is trying to address which has caused problems in metro Boston is that of complex owners taking what normally would be affordable housing units for full-time occupancy and renting them out as Air bnb's or hotel rooms, Councilor Murphy volunteered. This does two things: it takes the unit out of the available housing stock for people looking for permanent housing and also creates a quality of life issue. For someone living in a complex where the majority of occupants are full-time but the next-door unit is run as a hotel room, it is very disruptive. Air bnb in particular has used the word 'professional' as a loophole since an individual unit owner in a large complex can claim not to be a professional and thereby get around the requirement to comply with conditions imposed on 'professionally-managed units.'

This does happen in Northampton because he has dealt in his practice with condominium complexes where owners are doing this with their individual units, and the neighbors really don't like it, he added.

He has no objection to referring this and the following order to Community Resources for a public forum, Mayor Narkewicz reiterated.

They talk about metro Boston, but Councilor O'Donnell agreed it wouldn't surprise him if this is a substantial issue here, since Northampton is an attractive destination. He appreciated the Mayor's going above 35% for affordable housing, he added.

In line with Councilor Murphy's comment, Councilor LaBarge said Mr. Della Penna also stressed that the word 'professional' should not be included. "We want all of the currently illegal air bnb's to be included and become legal," she quoted from an e-mail written by Mr. Della Penna. The objection to non-professional operators being excluded is that legally-recognized operators pay for permits, and "these people are getting away with it," she exclaimed.

Mayor Narkewicz said this is something he will have to work out with Mr. Della Penna since he may not be understanding what this particular piece of legislation is all about.

Councilor Murphy said he also would be very comfortable with the full council referring this to committee since the effective date is not until July 1<sup>st</sup>. He suggested that fellow members get it out of Finance by forwarding it to the full council for action. Councilor LaBarge said her recommendation would be to forward it with a neutral recommendation.

Councilor Klein asked about the mechanics of using the money for affordable housing.

The law says it may be used for 'affordable housing projects,' Mayor Narkewicz responded. Any proposed project would have to come before the City Council for an appropriation, he confirmed.

Councilor Murphy reminded members that the motion presently on the floor is for a positive recommendation. The motion maker – Councilor LaBarge – said she would like to change this to a neutral recommendation, and her second - Councilor Sciarra - seconded. The motion passed unanimously 4:0 by voice vote.

C. 18.235 An Order To Accept M.G.L. 64G, 3D(B) To Impose Community Impact Fee On Short-Term Rentals Within Two- And Three-Family Dwellings

Councilor Murphy read the text of the order, noting that it is a companion to the previous one.

Councilor Sciarra moved to forward the order to the full City Council with a neutral recommendation. Councilor LaBarge seconded.

This order is the same thing but for a separate class of property, Mayor Narkewicz said.

Referring to the following sentence within the order, Councilor O'Donnell commented that it is kind of bizarre to have a self-referential 'Whereas' clause:

**“Whereas, by vote of the City Council immediately preceding this vote, the Council voted to impose a community impact fee upon the total amount of rent for each transfer of occupancy of a professionally managed short-term rental unit;”**

He made a note to the committee to take a look at this wording.

The motion passed unanimously 4:0 by voice vote.

D. 18.236 An Order To Reprogram AOM Funds From Foundation Repair To Stage Door Handicapped Access

Councilor Murphy read the text of the order.

Councilor Carney moved to forward the order to the full City Council with a positive recommendation. Councilor LaBarge seconded.

City officials tried to bid this handicapped-access project last year; but the bids came in higher than expected, Mayor Narkewicz confirmed. In the meantime, workers finished the foundation repair with a remaining balance so they want to transfer the \$6,000 tailings from that project into the other project.

Councilor O'Donnell asked if the vote could include fixing the typo (changing 'state' door to 'stage' door), and Councilor Murphy said he corrected it in his reading of the order.

The motion passed unanimously 4:0 by voice vote.

E. **18.237 An Order To Appropriate Community Preservation Act Funds For Creation Of Affordable Housing Units At Village Hill Apartments**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order to the full City Council with a positive recommendation. Councilor Carney seconded.

Conservation, Preservation and Land Use Planner Sarah LaValley was present to answer questions.

Councilor Bidwell asked about the reference to open spaces and playgrounds. There has been a lot of interest among Village Hill residents in having more playgrounds up there, he shared. He asked if she could provide more details.

The project received a lot of community support from residents of Village Hill, Ms. LaValley related. The project includes protection of some Riverfront area in the front of the parcel and creation of playgrounds open to all residents of the city, she confirmed.

In response to a question about the location of the playgrounds, Ms. LaValley said they would be located on the parcel to the rear of the former state hospital. She does not have additional details, she said.

Councilor Carney asked if this was put out to bid, and Ms. LaValley said the construction work has not yet been advertised. Community Builders will put the work out to bid once it receives funding, it was noted.

Regarding the 35 affordable units, Councilor Sciarra asked if they will have access to the same amenities as other units, and Ms. LaValley said yes.

The motion passed unanimously 4:0.

F. **18.238 An Order To Appropriate CPA Funds For Parsons Brook Pine Barrens Acquisition Project**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order to the full City Council with a positive recommendation. Councilor Sciarra seconded.

Councilor LaBarge said she attended the Community Preservation Committee (CPC) meeting. The project has a lot of support from Ward 6 and she was very pleased to see CPC members recommend the award of Community Preservation Act (CPA) funds to be approved by City Council.

"If you lived up there, you'd understand why people love this area," she commented. "It's absolutely beautiful."

The City Council already approved acquisition of the property when it came before them together with a request for authorization to accept a land grant, Ms. LaValley reminded. The city thankfully received the grant last week. The parcel is the far eastern part of the former Willard's Gravel pit abutting the Parsons Brook Conservation Area.

City Council Committee on Finance Meeting Minutes for February 7, 2019

Councilor Klein said a map would be useful, and Ms. LaValley referred to a slide prepared as part of a Powerpoint presentation. Councilor Klein said she was trying to determine if the property is contiguous to parcels acquired in the past. It doesn't directly connect to other recently-acquired parcels but it is adjacent to other open space, Ms. LaValley confirmed.

Councilor Klein asked if it does anything to protect the turtles they've heard about, and Ms. LaValley said it does. The area is Natural Heritage & Endangered Species habitat, she advised.

The motion passed unanimously 4:0 by voice vote.

**G. 18.239 An Order To Appropriate CPA Funds For Rocky Hill Trail At Burts Bog**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order to the full City Council with a positive recommendation. Councilor Carney seconded.

She was also present for this discussion, Councilor LaBarge volunteered. The project calls for a 3/4 mile handicapped-accessible trail through Burts Bog Greenway. The new trail will replace an informal 'desired line' trail created by users ignoring sensitive resources with a trail that recognizes and respects the eco-system. As she told CPC members, the trail is very valuable as it is going to connect three neighborhoods - including Sandy Hill Road, Brookwood Drive, Overlook Drive and Burts Pit Road - with the Ryan Road School. It is now impossible to walk the 2.1 miles from Sandy Hill Road to the Ryan Road School because the roads do not have sidewalks and are extremely dangerous. With this 9/10<sup>th</sup> of a mile trail, some families may choose to walk and Ward 6 residents can start a walking school bus. She has talked to some families who are very interested in this option, she reported. In the long run, she expressed confidence that the trail will connect to the city's 11-mile long multi-use trail, providing even more transportation and recreation opportunities. For this reason, a good crowd from Ward 6 came out in support.

The trail will connect neighborhoods that don't currently have a safe route to Ryan Road School, Ms. LaValley confirmed. As Councilor LaBarge noted, existing paths that were created when the land was privately owned don't really respect sensitive resource areas, she observed.

The motion passed unanimously 4:0 by voice vote.

**H. 18.240 A Order To Appropriate CPA Funds For Restoration Of 125-Year Old Window At Forbes Library**

Councilor Murphy read the text of the order.

Councilor LaBarge moved to forward the order to the full City Council with a positive recommendation. Councilor Sciarra seconded.

This request has been kicking around capital improvement for a long time looking for funding, Councilor Murphy attested.

In response to a question from Councilor Nash, Ms. LaValley confirmed that the request is for more than one window. The ones in question are large, custom windows put in when the building was originally built, Councilor Murphy added.

The request came before the CPC a few years ago but, at that point, it was a more piecemeal approach to replace the most heavily-damaged windows and members didn't feel it was an appropriate treatment for the historic building, Ms. LaValley reported. Members really support this proposal.

Money has been included in the Capital Improvement Program (CIP) for other components of the building, Councilor Murphy related.

The original application was for \$400,000 but, because of funding constraints, the CPC was only able to award \$100,000, Ms. LaValley said. The committee made it clear to Central Services that they could come back with an additional application.

They probably will be coming back to the City Council for additional CIP funds, Mayor Narkewicz advised.

The motion passed unanimously 4:0 by voice vote.

5. **New Business**

*-Reserved for topics that the Chair did not reasonably anticipate would be discussed.*

None.

6. **Adjourn:** There being no other business, Councilor LaBarge moved to adjourn. Councilor Sciarra seconded. The motion was approved on a voice vote of 4 Yes, 0 No. The meeting was adjourned at 8:11 p.m.

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