



Committee on Finance and the Northampton City Council

*Councilor Gina-Louise Sciarra, Chair
Councilor Marianne LaBarge, Vice Chair
Councilor Michael J. Quinlan, Jr.
Councilor John Thorpe*

On-line Zoom Meeting

Meeting Date: July 15, 2021

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

1. **Meeting Called To Order:** At 10:12 p.m., Councilor Sciarra called the meeting to order.
2. **Roll Call:** Present were committee members Gina-Louise Sciarra (Chair), Marianne LaBarge (Vice-Chair), Michael J. Quinlan, Jr. and John Thorpe. Also present from the City Council were William H. Dwight, Alex Jarrett, Karen Foster, Rachel Maiore and Jim Nash. Also present were Mayor David Narkewicz, Finance Director Charlene Nardi, Office of Planning and Sustainability (OPS) Director Wayne Feiden and Administrative Assistant Laura Krutzler.
3. **Approval of Minutes of June 3, 2021 and June 7, 2021**
Councilor LaBarge moved to approve the minutes of June 3, 2021 and June 7, 2021. Councilor Thorpe seconded. The motion passed unanimously 4:0 by roll call vote.
4. **FINANCIAL ORDERS**
 - A. **21.301 An Order To Appropriate FY2022 Cash Capital Funds To Various Capital Projects**
Councilor Sciarra read the order.

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

This is an annual vote, Finance Director Charlene Nardi presented. Councilors approved the cash capital projects as part of the FY2022 budget. The council already voted the \$407,500 and, at this point, is just allocating the money to the individual projects.

Councilor Quinlan asked about the \$15,000 appropriated to the Parks and Recreation Department for city field improvements. He is curious as to why this goes to Parks and Rec since his understanding is that the DPW maintains the fields.

Director Nardi said she is not sure exactly what the money is for, but she understands that it is an annual allocation under the direction of Parks and Rec Department Director Ann-Marie Moggio.

Councilor Jarrett said he is getting questions from his constituents about the upgrades to the senior center.

Finance Director Nardi said she knows Senior Services Director Marie Westburg is working with Central Services Director David Pomerantz on the renovation but doesn't have the specifics on what is being done. When she was speaking with Director Westburg she was talking about making it feel more welcoming and lowering the desks to give it less of a hotel feel. She said she would be happy to get more information, but Councilor Jarrett said he would reach out to Ms. Westburg directly.

Councilor Jarrett said he noticed in the capital plan that the Planning Department request for Multi-Use Trails was actually \$60,000 so he was wondering why the appropriation is for only \$50,000.

Director Feiden said he doesn't know why they are being funded for less than what they asked for. They're greedy and will take all the money they can. The planning office is soliciting proposals for feasibility studies for the next 10 years for bike path extensions, so if they don't get all the money they will do fewer studies. They would like more funding but it is not a crisis for them.

Councilor Jarrett asked if the specific traffic calming projects being funded with the \$25,000 for DPW – Traffic Calming are known, since these aren't listed in the Capital Improvement Program (CIP).

Director Nardi said she doesn't know since she wasn't part of building this budget, but she would be happy to get that information.

There being no further questions, the motion passed unanimously 4:0 by roll call vote.

B. 21.302 An Order to Approve FY2021 Budget Transfers

Councilor Sciarra read the order.

Councilor Quinlan moved to forward the order to the full City Council with a positive recommendation. Councilor Thorpe seconded.

The transfer to Legal Services is for land acquisitions for the Roundhouse parking lot and for legal services related to a law suit that was active this past spring, Director Nardi explained. The Health Department slightly exceeded its budget for office supplies, she added.

The motion passed unanimously 4:0 by roll call vote.

C. 21.303 An Order To Surplus City Land For Affordable And Attainable Housing At Chapel Street, Oak Street And Evergreen Road

Councilor Sciarra read the order.

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

The City Council has done two things in recent months that made these projects possible, Director Feiden reminded. First, councilors passed a series of zoning changes in the spring that allowed more density when City Council Committee on Finance Meeting Minutes for July 15, 2021

creating affordable housing and creating half-scale units, thus solving some site constraints of the particular properties. Second, the council approved Community Preservation Act (CPA) funding for a revolving fund for pre-development activities related to affordable housing. In the past, planners used block grant money and CPA funds to respond to specific development proposals before them. In speaking to affordable housing developers, one of the things planners heard is that it would be helpful if, besides being a funding agency, the city could actually help find parcels suitable for development.

Most of the affordable housing being created in Northampton for the foreseeable future is rental units as that is what is strongly encouraged by federal and state programs. That makes sense for places like downtown and Florence. Affordable housing home ownership is always going to be a niche market or harder-to-get funding, but some of the smaller sites like Oak Street and Evergreen Road are perfect for it.

As they begin to think about the so-called missing middle - this is where the 800 s.f. units come in – they try to see whether there's a way to do both. Affordable housing zoning only applies if at least 50% of the units are affordable housing. Evergreen can at most be two units so the thought is doing one affordable unit and one market-rate unit but limited in size to 800 s.f.

They are asking for authorization now because they don't want to spend a lot of money on due diligence until they are sure they are going to be able to do something at the end of the day. As an example, when they started planning for the development of Woodland Drive, they thought they were going to be able to do two affordable-rate units and one market rate. After engaging the neighborhood, they ended up with a compromise of one affordable unit. At this point they don't know exactly what they are going to do but having the council's authority allows them to spend the money and engage the community to come up with a proposal.

Councilor Dwight asked for clarification of what is proposed for the Chapel Street property; whether affordable, attainable or market-rate housing.

Director Feiden answered by first reviewing definitions: "affordable housing" is a federal definition referring to housing affordable to people earning 80% of the Area Median Income (AMI) which includes Springfield. Most rental programs are intended for applicants earning 60% of the AMI or below. "Attainable" doesn't really have a definition since it means something different depending on the market; i.e. - attainable housing in San Francisco is more expensive than attainable housing in Northampton.

Aspirationally, they like mixed income projects, but the challenge is that federal programs - which are the biggest source of funding - don't really reward doing mixed-income. The North Commons project is big enough to do it. The smallest project for which a tax credit is available is 20 units. All that said, most likely Chapel would just be affordable but it would really depend on the development partner. It takes a big project like North Commons to do mixed income. 155 Live is the only affordable housing project that is mixed income but most of the smaller affordable projects are not. He assumes Chapel would be all affordable. They are aiming for Oak Street and Evergreen to be mixed.

Councilor LaBarge said she is a little leery about mixed development because of the failure of the model on Emerson Way in Ward 6. Although the development received approval from the Planning Board, a new owner could no longer afford to build the affordable units and they were instead transferred to the Burts Bog development. "We really got hurt with that development," she commented.

Director Feiden said she raised some important points he'd like to address. The only way Northampton can deal with the housing crisis in general is an 'all of the above' strategy; there's no silver bullet he asserted. The subdivision regulations have a provision to allow waivers from certain requirements for developers in exchange for providing affordable housing. In his 32 years in Northampton the city has never had a totally private-sector driven affordable housing project that works. In San Francisco, Boston, New York, etc., developers can do what are called cross-subsidies, which are possible in very hot markets. Northampton has not been successful in getting a cross-subsidy program. Doug Kohl thought it could work but he didn't have outside money. It worked in the Ice Pond subdivision, but developers there had deep subsidies. Doug Kohl aspirationally thought he could do it with outside money but proved to be mistaken. The subdivision regulations don't require the affordable housing to be on site. Doug Kohl offered to do it on site, but the numbers didn't work.

They are still working with the developers. At last count, they were doing eight affordable units, two on Emerson Way and six on Burts Pit Road.

In response to a question from Councilor Jarrett, Director Feiden said they will be doing more due diligence for Oak Street, including neighborhood meetings. He did a back of an envelope sketch some years ago which showed 1.3 acres being used for affordable housing and the remaining four acres for some other city purpose. They are doing some due diligence on the entire property, including wetland delineation and hazardous waste investigation.

Councilor Sciarra offered huge appreciation to Director Feiden and the Office of Planning and Sustainability (OPS) for helping to identify these possibilities and the much more active city involvement in development of affordable housing they've seen recently. She really appreciates this shift she's seeing, she enthused.

The motion passed unanimously 4:0 by roll call vote.

5. **New Business**

None.

6. **Adjourn:** There being no further business, Councilor Quinlan moved to adjourn. Councilor Thorpe seconded. The motion carried on a roll call vote of 4 Yes, 0 No. The meeting adjourned at 10:43 p.m.

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