



**Town Council Finance Committee
Tuesday, October 22nd, 2019 2:30pm
Town Room, Town Hall
MINUTES**

Committee Members Present: Councilors Lynn Griesemer; Andrew Steinberg, Cathy Schoen; Shalini Bahl-Milne; Dorothy Pam; Resident Members: Robert Hegner Mary Lou Theilman

Committee Members Absent: Sharon Povinelli

Staff or Speakers Present: Holly Bower, Asst Comptroller; Nate Budington, Chair of the Community Preservation Act Committee (CPAC).

Video of meeting available: <https://amherstmedia.org/content/amherst-finance-committee>

1. Call to Order at 2:35

Chair Steinberg called the meeting to order at 2:35 PM. He noted that the Committee was expecting John Hornick to attend to discuss affordable housing and issues raised by the Finance committee. While waiting, he announced the order of the agenda would be adjusted to take up other issues before housing.

He provided an update on decisions made regarding the Centennial Water Plant during the previous night's Council meeting. For the benefit of Committee members who are not on the Council he described the discussion about including an assessment of the feasibility of installing solar panels for the purpose of plant processes. The Town Manager and DPW agreed this would be included in the study design but implementation would likely not occur until after the plant construction in order to avoid delays. This was a verbal agreement during the Council meeting and the recommendation of the Finance Committee in its report to the Council regarding the water plant study and larger construction project.

2. Percent for Art Bylaw Ad Hoc Committee Update

Steinberg called on Schoen, Chair of the Ad Hoc Percent for Art Bylaw committee to provide an update on deliberations to date. She reported that the committee was just beginning to draft and revise the bylaw and would focus on larger issues first. She expected to be able to report on key elements at the next Finance Committee meeting.

3. Amherst Regional Schools budget and Assessment Method, initial discussion of process

Griesemer and Steinberg announced that the Four town Regional School meeting would be on December 7 at 9 AM. A central issue will be the formula and method that will determine each town's share of the total regional budget. Each year this is controversial. Steinberg noted that Shutesbury would prefer to move to the statutory method but that this method would shift substantial costs onto Amherst. Last year's negotiations were very difficult. Steinberg noted that Martha's Vineyard negotiations broke down and they needed to turn to mediator. There might be an opportunity to learn from their experience.

Griesemer urged that the Council develop additional people with in-depth knowledge of the complex formula to be able to add breadth to Steinberg's long-time knowledge and depth regarding the issues involved in the formula. Thielman suggested both Griesemer, as President of the Council, and Steinberg speak on behalf of Amherst at the meeting. Griesemer concurred and noted that this will be determined later. She also remarked that in December 2018 the Town's met in small groups of each town and reported back after an initial presentation on the issues and choices. She agreed we need depth and breadth on this issue.

4. Proposed Amherst Affordable Housing Priorities Policy

When it became apparent that John Hornick would not be joining the Committee, Steinberg turned to the discussion of the proposed affordable housing policy and the Finance questions regarding costs and related matters.

Schoen opened the discussion by referring to a memo she had drafted with questions and issues based on the initial proposal. She itemized a list of issues and data questions regarding the context for thinking about any policy development. She offered to share the list of questions and issues.

The group discussed a ranged of issues with Schoen leading off with the need to have a firmer picture of what has happened to growth over the past 5 years of both affordable units and total housing.

Various related issues were discussed including: Fact finding questions such as how many added units in past 5 years, how we count the total (in units) etc. Need more exploration of details and impacts of proposed ideas - example, an affordable housing unit in downtown Amherst, how do we account for parking? Discussions about possible modifications to inclusionary zoning that would apply without a special permit. Need to include recommendations around location, construction, ordinance, etc. - all the factors that go into making housing sustainable. Factors for housing policy - including safety standards. Need to have a joint discussion with CRC. Need to have a central listing or streamlined process for the inventory of available affordable units. Thinking through a list of possible tools if wanted to have a set of goals and strategies.

Bahl-Milne referenced a website called Strong Towns that outlines steps that communities can take that do not involve town money to implement. She asked what is already in Amherst. And for more information on incentives the Town now has. How effective have these been?

Pam discussed current inclusionary zoning provision and special permits. She remarked that she would like to see developers investing in affordable units – not just Town funding. She also remarked that she is worried that we are not considering transportation and other forms of support. She noted there are multiple discussion underway at this point.

Steinberg noted that Pam and he are both on the Community Resources Committee and they are discussing a range of issues. There is likely no easy way to separate financing issues from other issues. Schoen noted that tax incentives are also spending money – the issue is whether a good use of Town’s resources and the mix of tools. She referenced early discussions that perhaps inclusionary zoning might need to be expanded and not be tied to special permits. Not just look to CPAC funding.

Steinberg noted the inclusionary zoning had been revised to broaden use through special permits. Need to learn more as time to implement. Committee members continued with more discussion about inclusionary zoning and need to look at other towns and own history. Including the need for longer discussions with the Planning department about experience to date and potential risks that developers will not build in Amherst.

Griesemer observed that the Town also has a need for major investments in buildings and will be receiving recommendations from Climate Action. Thus, the Town will need to consider Housing policy in light of broad needs of the Town. She endorsed Schoen list of need for data and context.

Bahl-Milne added that it will be important to consider maintenance over time and safety, housing standards. These types of concerns should be part of any robust housing policy. Steinberg responded that these issues pointed to the need to merge CRC and Finance issues and discussions.

Steinberg than asked Nate Budington, Chair of CPAC to remark on CPA reactions to the proposed policy and to describe how CPAC housing proposals originate. He also called on Holly Bowser to comment.

Budington reported that the Committee had a presentation by Hornik but did not yet have an extended discussion. The proposal would have CPA become more involved in defining housing policy. He commented that CPA waits to receive proposals and makes decisions on a project by project basis. He observed that it would be helpful to have an over-arching Town policy.

Griesemer stated that any such housing policy would need to be one adopted by the Council. This would be the origin and need to consider in the big picture.

Schoen asked how a policy might affect the way CPA now operates. Budington responded that this would be difficult to predict. He gave the example of Amherst Community Connections and homeless. In the past housing discussions have focused mainly on needs for lower income and homeless and consider each on its own. But this evaluation does not require a discussion of each in the context of an over-arching policy. CPAC waits for proposals to come to them for consideration – they do not have plans in advance.

Pam raised concern that some of the housing in rentals have lead paint. Quality of housing is an issue.

Budington noted that now hearing more about working families with incomes above affordable cut offs. This includes housing needs for people who work in the public school and town employees.

Holly Bowser emphasized that CPAC does not define proposals – we wait for people to bring a proposal. The Committee is also likely to be wary of tying their hands to specific types of proposals and would want to remain flexible and open to new types of housing proposals and approaches that might come to CPAC

She also said that rent subsidy such as ACC do not count as affordable units. These are negotiated and temporary subsidies to help pay rent during the year are not part of affordable housing numbers because they are temporary and not in units certified as “affordable” in the Town’s inventory. These are negotiated arrangements for apartments.

She referenced a document provided by Nate Malloy listing new units in the past several years. She observed that this was not complete yet – they will need to compile. She said they would need to compile the investments – including tax incentives and Bowling Green.

She observed as Budington had that CPAC has not yet had a full discussion about the Hornik proposal. Yet, as CPAC gears up to accept proposals and not likely to make long-term changes to general policies or tie their hands that provide guidance regarding what types of proposals are eligible for funding.

Griesemer built on comments about employees and that there is a need to be concerned about workforce housing. That policy is missing the center core of workforce housing – Town is becoming bifurcated – expensive housing and affordable units.

Schoen asked about CPA flexibility in terms of income definitions. Can CPA fund projects that go higher? Answer is yes.

Hegner observed that land costs are high in Amherst thus housing is expensive. Schoen observed need to think regionally and local towns. Twenty-minute commute to other towns. How do we think of the “stock” if not in the boundaries of Amherst.

Griesemer noted that some of the units built that cluster people help build community – with smaller lot sizes. Sense of community is very strong where living closer together.

The committee has a brief discussion of subsidies for renters vs homeowners. Theilman noted that State income tax allows rental deduction. Bahl-Milne asked how much of the current support is for home-owners vs renters.

Discussion of the earlier Housing Production Plan - how have we progressed towards achieving goals, and how does that influence setting future goals. There will be a need for working with other groups to create housing. Steinberg noted that in the past some of the effort has gone into

protecting units and preserving – such as Rolling Green. This did not create units but preserved units. The creation does not come from CPA.

Budington described that they have the ability to commit to sizeable projects. They can leverage with a bond.

Bowser remarked that when a project comes before CPA can make decisions about how to support. She noted that CPA guidelines each year have to commit at least 10% of estimated available funds to affordable housing, 10% to open space, 10% to historical preservation. For housing, there is usually no lack of proposals to meet that 10%. CPA also has the ability to put money into reserve beyond the 10% from leftover funds, etc. CPA could spend will more than 10% – a substantial percentage. 10% is just the minimum.

Steinberg observed that it would be good to quantify how much has been allocated to housing over the past years. Looking forward there is a need for investment in the community fields. Need to consider competing needs. CPA funds can be used for recreation

Budington remarked that CPA looks to have a balance – quality of life for people in Amherst.

Steinberg ended the discussion with plan to compile questions and issues raised in the discussion and Schoen memo into one document. And then also work with CRC to frame and consider constraints on the policy. Committee agreed on this as a plan.

Theilman asked if the document moved forward would it be reworked to “look like a policy”. Organized as a policy. Schoen responded yes if it moves forward. This appears to be the direction that CRC is also taking.

Schoen then asked Budington if CPA looks in particular for projects that bring in additional funds and does the Town track this additional support. Budington said yes, the Committee looks favorably on proposals that bring matching grants or leverage larger funding support from the State such as projects recently supported. Bowser observed that they do not track the additional funds – not likely in one central location – this would require work to compile.

Steinberg concluded the discussion. He thanked Budington and Bowser for participating. And that he looked forward to how CPA addresses the Hornik proposal.

5. Approval of Minutes

Schoen reported the Committee used to rotate taking minutes. But now has a person assigned to taking minutes. Schoen has been reviewing and finalizing by reviewing the Amherst Media tape. Steinberg said there would be an effort to get the minutes posted. Schoen said the Clerk of the Council is helping post minutes.

The process will make the minutes available to the public. We are just getting caught up. The clerk and support staff are also working to update packets so that public can see charts, presentations, and other materials reviewed during the meeting will also be uploaded as meeting packets. These are all publicly available but have not always been easy to find.

6. Potential Future Agenda Items

Steinberg said he has two requests for future agenda items. These are:

1. PILOTS: payments in lieu of taxation from the colleges, universities, etc.
2. Explanation of how water and sewer rates are set before the fy21 rates are presented to the council and reserves

He welcomed additional suggestions.

Griesemer alerted Committee members that on November 7 would have Town Manager presentation on anticipated revenues and expenses and would then have Public Forum on the budget in advance of decisions. She encouraged Committee members to attend.

Steinberg announced would have a Finance meeting on November 5th.

Meeting Adjourned by Councilor Steinberg at 4:20pm

Minutes drafted by Megan. Edited by Schoen after watching the video. Approved 11.26.19