

Approved: 7/12/15

Amherst Finance Committee Minutes  
Thursday, April 2, 2015  
First Floor Meeting Room, Town Hall

ATTENDANCE: Kay Moran (Chair), Marylou Theilman (Vice-Chair), Steve Braun, Bernie Kubiak, Sandy Pooler, Janice Ratner, Anurag Sharma, Douglas Slaughter.

OTHERS IN ATTENDANCE: Robert Crowner, Jonathan Tucker, Mary Wentworth, Vincent O'Connor, Joan Burgess

Meeting was called to order at 7:00 pm.

**Article 24: Zoning Petition – Municipal Parking (MP) District Amendments (Petition Wentworth et al)**

Through a zoning petition, Wentworth et. al. seek to revert the exemption from full parking for residential uses in the Municipal Parking (MP) district. A lively discussion followed the introduction of the article, with representatives of the Planning Board saying that the article aims “to remove the ability of permit-granting bodies to modify parking requirements in that district.” Tucker and Crowner stated that the Planning Board recognizes the many concerns about parking downtown and that there had been a series of parking forums in recent months to hear concerns and start tackling the subject. The petitioner’s article, they said, seeks to undo an important chapter of the zoning bylaw. In their view, this article would hinder commercial and residential development in downtown.

The discussion turned to the financial impact on the town. Wentworth noted that the impact could be significant as the continued building would necessitate public parking or, perhaps, a new garage which would be non-trivial expenditures for the town. Crowner responded that one might lead to the other but they are separate issues. He argued that the article, if approved, will not have immediate financial consequences but in the long run will hinder development. The cost of lost development may need to be weighed against the need for parking facilities in the future.

Theilman pointed to the handout that showed only Amherst not having a space requirement for new units. Tucker responded that was not an exhaustive list and that, instead, increasingly the requirements for parking spaces per unit are going down. Since the article required two spaces per unit, parking would eat up a lot of land. Kubiak spoke of his discussions with those knowledgeable about economic development in western Massachusetts and noted that what seems to work is mixed use developments. This article, he argued, would hinder mixed use development. If we have to construct a parking garage then that has a revenue stream with it.

Ratner noted that if the town is allowing multiple unit buildings, people will have cars and they will need parking. We should not just count on parking in streets. Several merchants, she noted, have indicated that they fear a lack of parking spaces deters people from coming to town. One business in town will be closing, she reported, because of worries about clients not having places to park. Additionally, we lose street parking during winter. Crowner responded that, indeed, the town needs to find place to put the cars but did not think the current article would provide needed parking. Kubiak emphasized that the provision of parking will be a crucial factor in downtown development. Having a burdensome parking requirement will torpedo future mixed use development. Thorny issue, he said.

Braun asked if the Finance Committee could refer it to the Planning Board. Moran noted that was an option; the Planning Board has voted to refer it back. Theilman and Ratner agreed.

Crowner noted a 2008 or 2009 parking study that found there was plenty of space in some parts of town, but not enough in the southern part of downtown. O'Connor expressed the view that in spite of acknowledgement of parking issues, parking alternatives for new buildings are not forthcoming. On two previous occasions, including the building on Olympia drive (90 units - 5 story), building was permitted without a parking space but with handicap space later provided.

#### **MOTION**

Braun: Move that FC recommend referral of article 24 to Planning Board.

Kubiak: Second.

Vote: 6-0

#### **Article 23: Zoning Petition – Butterfield Terrace Rezoning (Petition Alpert et al)**

The article seeks to change the zoning designations of four properties located on the east side of Butterfield Terrace, from R-N to R-G. Tucker noted that this was a logical place to increase density as the change allowed multifamily uses, apartments, and duplexes adjacent to downtown and the university. Planning Board voted in favor of the article 5-1. Crowner reported that the negative vote was his out of concern that the change would have a negative effect on the existing neighborhood. Currently there are 4 houses on the location and, under current zoning with no changes, 6 units could be built; if zoning changes to RG, 21 units could be built and that number rises to 36 units if the proposed inclusionary zoning article is passed by Town Meeting. Parking would be required but difficult to construct given the terrain.

As to the financial impact, it was noted that several buildings on one lot would generate revenue for the town. Ratner asked if there was opposition from neighbors; Crowner replied that one neighbor on Mount Pleasant opposed and spoke at Planning Board meeting; the neighbor (Joan Burgess) was in attendance at the meeting tonight. Some discussion of other neighbors who opposed. Tucker noted that a couple living directly above the site oppose it. Apartments and townhouses in RG require a special permit. ZBA can also impose conditions.

#### **MOTION**

Braun moved that FC recommend approval of Article 23.

Kubiak: Second.

Vote: 6-0.

#### **Article 22: Inclusionary Zoning.**

Planning Board Summary: Working on changing inclusionary Zoning for quite a few years and this effort relies on the fact that there can be no affordable units unless we get units in the first place; hence, development is necessary. If accomplishing development is a goal, the town should not impose costs on developers without compensation or some other ways for developers to offset costs to make the project economical viable. Currently, affordable housing is required of all development of 10 or more units that require a special permit. The proposed plan would stipulate that in return for provision of affordable units, the town would offer various cost offsets.

Here is a hypothetical to illustrate this: A 30 unit building that is required to have 10 percent affordable units would have 27 market rate units and three affordable units. PLUS, at a 1.5 ratio, it would have 4.5 (rounded to 5) offset units, meaning the total building size would be 35 units. This offset requires that the town adjust the dimensions of the project to accommodate the one additional unit. The Planning Board continually tries to make this process streamlined, and such is the intent of this article. The Planning Board may propose adding provisions in the future.

Kubiak wanted to know if these incentives were sufficient to generate development. Crouner responded that their recommendations emerged from advice the Planning Board has received by affordable housing experts from Boston and Washington. Numbers-wise, the cost of providing affordable units is over one unit but less than two units. Discussions with developers and attending conferences are other sources of learning. The main objection developers seem to have is uncertainty about the regulations, so having clear expectations out allows them to produce a clear proforma statements and provide something to their financial sources.

Version of the article last year this time, pulled it back because felt that the incentives were not right. In some cases it may not be possible to achieve all the cost offsets through development; tax incentives etc. may be appropriate in some instances.

Braun asked if the article has been reviewed by town counsel, to which Tucker replied that it has been. Moran wanted to know what the financial impact would be. Crouner explained that the article has been designed to encourage development and affordable units. Kubiak opined that the financial impact depends on the kind of housing. If housing is large enough for families with kids, then the town must absorb costs associated with school age children.

Braun asked whether pegging the requirement for affordable units to developments of 10 units or larger creates an incentive for developers to build small-scale buildings. Crouner explained that this is a market tool. Subdividing large homes into units will not serve what the market is demanding. Tucker explained that developers have to start with the existing zoning before doing the math.

#### **MOTION:**

Ratner: Take no position.

Theilman: Second.

Vote 6-0

#### **Article 21: Affordable Housing Property Tax Incentive**

Inclusionary zoning in and of itself, though it mandates affordable housing in projects, does not ensure development. This article is a companion tool to provide tax incentives via a temporary reduction in taxation, ten years or less. Monitoring is required—July 1 developers file documentation attesting that they have the correct number of units. Affordability restrictions will last longer than tax incentives. Staff would negotiate deals on a case by case basis, and Select Board would ratify. For a big project, a very rough cost to the town would be on the order of \$50,000 per year.

Pooler explained that the incentive allow developers to recoup lost income from affordable housing units. Home rule petition being drafted is aimed at developments having at least 10 units. Smaller units may be incentivized in other ways.

To the extent that this allows the project to be built at all as opposed to it not being built at all, this could, on the whole, have a positive financial impact.

### **MOTION**

Kubiak: move to approve the article

Second: Braun.

Vote: 6-0

### **Article 25: Mixed Use Buildings**

O'Connor explained that, as seen in two projects Kendrick & East Pleasant Street, the definition of mixed use contains no parameters as to what the percentages ought to be in mixed usage. In theory an ATM on the ground floor would qualify as mixed use. He claims that would be inappropriate especially for downtown. The two approved projects are disappointments, in his opinion, in that they have displaced roughly 20 businesses.

Crowner agreed with O'Connor. It may be that it's a good idea to define what a mixed use building is or force a certain commercial-residential ratio. This article needs a lot more work. Realistically, Planning Board has other priorities in the next few years.

Planning Board recommended dismissal by a vote of 6-1. Crowner was the dissenter because he wanted to have it referred back to Planning Board but this item being taken up by the Planning Board is not realistically feasible in the next few years. Referral, he said, is no different from defeat, just sends a different message.

Ratner wanted to know if there was financial impact. Theilman noted that commercial properties pay the same rate as residential properties. Pooler added that commercial properties generate more tax revenue over time, and tend to be a richer source of revenue for the town.

Moran: Can't guarantee we can get to it next week. Maybe hold this off until the TM.

Operating budget votes:

11 a, \$1,833,246, total budget of 2,411,805

11 b, \$6,483,937

11 c, \$ 9,943,955

11 d, \$2,162,004

11 e, \$1,285,577

11 f, \$1,724,276

11 g, \$2,264,807

11 h \$3,731,688

11i \$3,857,510

11j \$474,298

11k \$716,751

**All Votes: 6-0 in favor.**

Member/Liaison reports:

Theilman: Had sent/mailed the report about the number of children in Amherst public schools who live in tax-exempt UMass residences.

Pooler: Roger Hatch is coming to town! Shutesbury Town Hall, Wed April 8 at 7 pm.

Theilman: Presented formula we use for assessing the towns for students, as in regional agreement that dates back to 1950s. From statutory method to rolling 5 years. Study this summer showed that this smoothing method is better than the statutory method. Some people in Shutesbury do not like it, but it evens out over the long run.

Next meeting: to discuss remaining petition articles. May not need to meet.

Adjourned 9:45 pm.

Acting Clerk: Anurag Sharma

#### **HANDOUTS/DOCUMENTS**

1. Planning Board Articles 22-25
2. Selected Zoning Parking Requirements for Multi-Family Residential Uses in Mixed-Use Centers in Massachusetts
3. Article 23-24 Map
4. Article 24 Zoning Petition – Municipal Parking (MP) District Amendments Options for Regulating Downtown Parking
5. Memo from Musante to TM: Article 21, Affordable Housing Property Tax Incentive