



***Town of Salisbury***  
***5 Beach Road***  
***Salisbury, Massachusetts 01952***  
***Affordable Housing Trust***

RECEIVED  
APR 13 2021  
SALISBURY  
INSPECTION DEPT.

Jerry Klima, Chairman  
George Burtch  
Freeman Condon  
Dianne Masiello  
Ronalee Ray-Parrott  
Deborah Rider  
Rebecca Taylor

April 13, 2021

Salisbury Zoning Board of Appeals  
5 Beach Road  
Salisbury, MA 01952

Re: Meadowview Condominiums Comprehensive Permit Application

Dear Madame Chairman and Members of the Board,

The Trustees of the Salisbury Affordable Housing Trust have reconsidered the recommendations made to you in our letter dated February 9, 2021, concerning the Meadowview Condominiums Comprehensive Permit application because of the significant increase in the proposed prices of the affordable housing units proposed in the development.

As noted in the letter and memorandum we sent to you on March 15, the proposed price of the affordable units has increased almost \$100,000 per unit from the price proposed in the original application. For example, the proposed price of 2 bedroom 80% AMI affordable units has increased from \$186,200 to \$282,100 and the proposed price of 3 bedroom 80% AMI affordable units has increased from \$217,400 to \$317,000.

Since the median family income in Salisbury is significantly lower than the Boston Metropolitan Area median income, this increase in the price of the affordable units will make them significantly less affordable for a typical Salisbury resident. Therefore the Trustees believe that more of the affordable units in the development should be restricted to purchase by eligible buyers earning 70% of AMI and should be priced to be affordable to purchasers earning 60% of AMI.

The Trustees appreciate the offer of the developer to make five 2 bedroom units available on these terms, but feel that this will not address the needs of any families with two children. Therefore, the Trustees recommend that you require that one of the 3 bedroom affordable units also be made available on the same terms in addition to the five 2 bedroom units that have been offered.

Accordingly, if the ZBA decides to approve the application, the Trustees request that the ZBA condition its approval as follows: 1) to require at least five of the affordable 2 bedroom units and at least one of the affordable 3 bedroom units be restricted to purchase by eligible purchasers earning 70% or less of AMI and that these units be priced to be affordable to families earning 60% of AMI, 2) to assure that the af-

fordable units are substantially identical to and distributed randomly amid other market-price units, (3) to assure that the affordable units are substantially equivalent to the market price units in terms of interior and exterior appurtenances and finishes, including equipment, fixtures, flooring, doors, windows and appliances, (4) to provide a local preference for current and former Salisbury residents and Town of Salisbury and Triton Regional School District employees.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jerry Klima". The signature is stylized, with a large, sweeping initial "J" and "K".

Jerry Klima, Chairman, for the Salisbury Affordable Housing Trust



***Town of Salisbury***  
***5 Beach Road***  
***Salisbury, Massachusetts 01952***  
***Affordable Housing Trust***

RECEIVED  
MAR 15 2021

SALISBURY  
INSPECTION DEPT.

Jerry Klima, Chairman  
George Burtch  
Freeman Condon  
Dianne Masiello  
Ronalee Ray-Parrott  
Deborah Rider  
Rebecca Taylor

March 15, 2021

Salisbury Zoning Board of Appeals  
5 Beach Road  
Salisbury, MA 01952

Re: Meadowview Condominiums Comprehensive Permit Application

Dear Madame Chairman and Members of the Board,

I wrote a letter to you on behalf of the Trustees of the Salisbury Affordable Housing Trust on February 9, 2021, making recommendations for consideration by the Zoning Board of Appeals (ZBA) in their deliberations regarding the Meadowview Condominiums Comprehensive Permit Application. Since that date I have been informed that the proposed selling prices of the affordable housing units in the development have increased significantly. These price increases, together with a lesser increase in the price of the market rate units, will increase the expected profitability of the development by almost \$2.3 million. I am enclosing a memorandum that I sent to the Trustees summarizing the new pricing information and calculating the increase in profitability.

Since the Trustees did not have this information when we made our original recommendation to the ZBA, I plan to call a meeting of the Trustees for March 29, 2021, to reconsider the recommendation. If the Trustees decide to revise the recommendation, I will advise you promptly after the March 29 meeting.

Sincerely,

Jerry Klima, Chairman

cc. Neil Harrington, Town Manager  
Steve Paquette  
Don Egan, Chairman of the Planning Board

## Memorandum

To: Trustees of the Salisbury Affordable Housing Trust

From: Jerry Klima, Chair

Date: March 13, 2021

Subject: Revised Meadowview Condominiums Financial Information

This document presents some financial information that is included in the original Meadowview Condominiums Comprehensive Permit Application and analyzes some changes in the financial information I have recently learned that would result in a significant increase in the developer's profit.

In the Pro Forma financials presented in the application the Sales Revenue of the development is stated as \$23,134,000 based on the following sales prices of the units:

57 market rate units	\$19,503,000, an average of \$342,157 each
16 2 Bed 80% affordable units	\$2,979,000 or \$186,200 each
3 3 Bed 80% affordable units	<u>\$652,200 or \$217,400 each</u>
Total Sales Revenue	\$23,134,000

Steve Paquette recently informed me and Lisa Pearson that he is willing to sell four of the affordable units at a price that would make the units affordable to buyers earning 60% of AMI. He also informed us that the price of the affordable units was being recalculated and would be increasing substantially. He has now informed Lisa Pearson of the new prices of the affordable units which are set forth below. Mr. Paquette also previously informed the Housing Trust that the price of the market rate units would be increased to \$360,000. Based on this new information the Sales Revenue of the development will increase by \$2,527,000 to a total of \$25,661,000. The new information on the price of all the units and the resulting Sales Revenue is as follows:

57 market rate units	\$20,520,000, an average of \$360,000 each
13 2 Bed 80% affordable units	\$3,667,300 or \$282,100 each
2 3 Bed 80% affordable units	\$634,000 or \$317,000 each
3 2 Bed 60% affordable units	\$610,200 or \$203,400 each
1 3 Bed 60% affordable unit	<u>\$229,500 or \$229,500 each</u>
Total Sales Revenue	\$25,661,000

In the Pro Forma financials presented in the application, the land cost is presented as \$790,000. However, in the Purchase and Sale Agreement that was included in the application the purchase price of the land is \$800,000, plus an extra \$10,000 per unit for each additional unit if 40 to 50 units are approved, plus an extra \$5,000 per unit for each additional unit beyond 50 units. The application seeks approval of a total of 76 units and , if this number of units is approved, the land cost will be \$1,030,000, an increase of \$230,000.

After adjusting for the increased land cost of \$230,000, the price increases in the units will increase the Sales Revenue and overall profitability of the development by \$2,297,000. This substantial increase in profit should allow the developer to reduce the sales prices of many more of the affordable units. In fact, reducing the price of all of the affordable units so that they are affordable to buyers earning 60% of AMI would only cost the developer \$1,198,100, leaving the developer an additional profit of \$1,098,900. This additional profit could be used to pay for some of the improvements in the development requested by the Planning Board and other Town boards.





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***Affordable Housing Trust***

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FEB 09 2021  
SALISBURY  
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Jerry Klima, Chairman  
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Rebecca Taylor

February 9, 2021

Salisbury Zoning Board of Appeals  
5 Beach Road  
Salisbury, MA 01952

Re: Meadowview Condominiums Comprehensive Permit Application

Dear Madame Chairman and Members of the Board,

The Trustees of the Salisbury Affordable Housing Trust met on January 25, and February 1 and 8, 2021, to review the Meadowview Condominiums Comprehensive Permit Application. I am writing this letter on behalf of the Trustees to provide recommendations for consideration by the Zoning Board of Appeals (ZBA) in their deliberations regarding the application.

The Salisbury Affordable Housing Trust's is primarily concerned that the current plans do not meet the affordable housing needs of the Town of Salisbury.

Since 2000 the Salisbury ZBA has approved a number of Chapter 40B projects when less than 10% of the Town's housing stock was affordable under the rules of the Massachusetts Department of Housing and Community Development (DHCD). We understand that the ZBA was advised that if the ZBA did not approve the earlier developments, the DHCD's Housing Appeals Committee would overrule the ZBA. As a result, the ZBA approved the projects after negotiating a few concessions by the developers.

The Town responded to the influx of 40B projects by working to meet the 10% threshold and restore local control of 40B applications. The Town adopted new zoning bylaws that encouraged affordable housing development and allowed more density in Salisbury Square, Salisbury Beach Center and in the Lafayette Road Corridor. The Town also obtained CDBG grants to be used to rehabilitate homes of low income residents and the Town's CDBG housing rehab program has added 115 rehabilitated homes to the Town's affordable housing inventory. The Town also created the Affordable Housing Trust and adopted an inclusionary zoning bylaw requiring developers either to include affordable housing units in developments with three or more housing units or to make financial contributions to the Housing Trust which could be used to develop affordable housing. Since that time the Housing Trust has invested these funds in over 60 new affordable housing units.

The Town's affordable housing efforts have been successful and currently over 10% of the Town's housing units are included in the affordable housing inventory. As a result, if the ZBA rejects the proposed Meadowview Condominiums 40B development, the ZBA's decision cannot be overruled by the DHCD's Housing Appeals Committee.

In these circumstances the Trustees believe that the ZBA should only approve a 40B development if it offers significant affordable housing and other benefits to the community and if the ZBA imposes conditions on the proposal that maximize the affordable housing and other benefits it offers to the community and minimize its negative impacts, especially on nearby neighborhoods.

The Meadowview Condominiums proposal offers the benefit of relatively quickly adding a significant number of units to Salisbury's affordable housing inventory. The development offers one floor living which should be attractive to seniors. The proposal also offers safe and relatively convenient walking access to Salisbury Square that should benefit residents. At the same time many nearby residents and others in town object to the large size and density of the proposed multi-family development on land that is zoned for one or two acre single family residences.

The Trustees are deeply concerned that the Meadowview Condominiums application does not meet Salisbury's affordable housing needs because the "affordable" units in the development would not be affordable to typical Salisbury residents. Under the proposal families earning 80% of the Boston Metropolitan Area's median income (AMI) or \$96,250 would be eligible to purchase the affordable units, whereas according to the US Census in 2019 the median family income in Salisbury was \$81,304 (approximately 68% of AMI). The Trustees believe that the ZBA should not approve developing new affordable units in Salisbury as part of a 40B development unless at least 20% of the affordable units are priced so that families earning Salisbury's median income can afford them.

If the Meadowview Condominiums application is considered for approval, the Trustees request that the ZBA condition its approval: 1) to assure that the affordable units are affordable to typical Salisbury residents - specifically, the Trustees request that at least 20% of the affordable units be restricted to purchase by eligible purchasers earning 70% or less of AMI and that these units be priced to be affordable to families earning 60% of AMI, 2) to assure that the affordable units are substantially identical to and distributed randomly amid other market-price units, (3) to assure that the affordable units are substantially equivalent to the market-price units in terms of interior and exterior appurtenances and finishes, including equipment, fixtures, flooring, doors, windows and appliances, (4) to substantially reduce the size and density of the development, and (5) to provide a local preference for current and former Salisbury residents and Town of Salisbury and Triton Regional School District employees.

Sincerely,



Jerry Klima, Chairman, for the Salisbury Affordable Housing Trust