



# ARLINGTON AFFORDABLE HOUSING TRUST

## Five Year Action Plan (2022 – 2027)

Adopted by the Affordable Housing Trust Fund Board on October 20, 2022

[Approved by the Arlington Select Board on November XX, 2022]



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## **From the Trustees**

This Action Plan is proposed to guide the work of the Arlington Affordable Housing Trust Fund during the five year period following its approval by the Select Board. It has been shaped by the voices of the many members of our community who responded to the Affordable Housing Survey, attended our public forums and listening sessions, and provided feedback regarding the draft plan. We extend our sincere gratitude to all who shared your time and insights with us.

Proactive work to preserve and expand affordable housing in Arlington will require significant consensus and coordination among multiple public and private organizations that have interest in or authority over housing in Arlington. Many thanks to our colleagues at the Select Board, Community Preservation Act Committee, Housing Authority, Redevelopment Board, Zoning Board of Appeals and Housing Corporation of Arlington, for their substantial input regarding the Plan and for working with us to build a foundation for alignment on housing goals and priorities.

Finally, we are grateful for the expert professional support and tireless work ethic of Kelly Lynema, Deputy (and temporarily Acting) Planning Director and the deep affordable housing expertise of consultant (and Arlington resident) Beverly Byer Gallo. Critical support was also provided by former Planning Director Jenny Raitt, former Trustees Calpurnya Roberts, Benjamin Bradlow and Mariann Donovan, current DPCD staff member Marisa Lau and former staff member Erin Zwirko, Jillian Harvey and Teresa Marzilli of the Town's Diversity Equity and Inclusion Division, community outreach chair Rebecca Gruber, and the Trust's many outreach partner organizations and volunteers.

We look forward to continuing to work with the community to implement this plan, and invite ongoing discussion and feedback. Please join our mailing list on our page of the Town's website, and email us at [ArlingtonAHT@gmail.com](mailto:ArlingtonAHT@gmail.com).

/S/  
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## **Introduction and Background**

The Arlington Affordable Housing Trust Fund (the “Trust”) was established by the 2020 Special Town Meeting “to provide for the preservation and creation of Community Housing in the Town of Arlington.” The Trust was approved by 93% of Town Meeting Members, and the resulting bylaw was subsequently approved by the Attorney General of the Commonwealth, as required by the state law governing municipal affordable housing trust funds. Municipal affordable housing trust funds are authorized by state law and have been adopted by more than 115 Massachusetts cities and towns. They provide opportunities for municipalities to be proactive in advancing the preservation and creation of affordable housing, as well as the flexibility and authority to aggregate resources and act quickly.<sup>1</sup>

The bylaw governing the Trust provides for an eight-member Board of Trustees, including one non-voting member appointed by the Town Manager and seven voting members who are residents or representatives of local housing organizations, and have experience in areas of expertise applicable to advancing the purpose and goals of the Trust, such as real estate, social services, banking, law, etc. It includes one member of the Select Board; a tenant who makes a low- or moderate-income, resides in subsidized housing, and understands tenant issues; and two representatives of local housing organizations dedicated to the creation and maintenance of affordable housing. Initial Trustees were appointed by the Select Board in September 2021, and the Declaration of Trust was approved by the Select Board in December 2021.

**The Role of the Action Plan.** This Action Plan (the “Plan”) sets forth the Trust’s initial guiding principles, goals and strategies. It is informed by a community engagement process open to the entire community, with a particular focus on those most likely to need and benefit from affordable housing, and has been prepared with support from an affordable housing consultant. It has also been prepared in consultation with Town bodies and private organizations that have authority over, or interest in, some aspect of the creation or preservation of affordable housing. Although the Select Board must approve certain future actions of the Trust, the Plan and the planning process are intended to build alignment between the Trust, the Select Board, other housing stakeholders and the public. This will increase predictability of outcomes for those whose support, skills, and resources are needed for the Town to meet its affordable housing goals, including, but not limited to, state funders and mission-aligned affordable housing developers.

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<sup>1</sup> For more about municipal affordable housing trusts, see Municipal Affordable Housing Trust Guidebook, v. 3 (2018), prepared by Massachusetts Housing Partnership, [mhp.net/writable/resources/documents/MAHTGuidebook\\_2018.pdf](http://mhp.net/writable/resources/documents/MAHTGuidebook_2018.pdf)

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**Term of the Plan.** This Plan will guide the actions of the Trust for a period of five years. A five-year timeframe has been selected to balance the fact that the Trust is a new organization with the reality that the creation and preservation of affordable housing is an inherently lengthy process. It is common for new developments (whether new construction or acquisition and rehabilitation of an existing building) to take two to five years or longer due to the time needed to plan, obtain permits, and assemble financing. Materially increasing affordable housing in Arlington is possible, but it will require a long-term commitment of ten or more years. Balancing these factors, we have developed a five-year plan that anticipates a longer-term strategy, but will provide annual reports to the Select Board and all other stakeholders, to invite continued engagement, feedback, alignment and accountability.

While the Plan represents a good faith effort to develop an actionable and feasible plan, it by necessity makes assumptions based on current facts and economic realities. The Plan may be updated periodically to reflect the Trust's experience, market changes, and new challenges, opportunities, ideas and priorities as they arise.

**What is Affordable Housing?** Often when we hear housing professionals, Town staff, or government representatives talk about affordable housing they mean income-restricted housing. That means housing with a rent cap that is affordable to—and only available to—households with incomes below a certain level.

Another way to consider whether housing is affordable is by looking at how much of a household's income is consumed by housing costs. Generally, a family that pays more than 30% of their income for housing is considered "*housing cost burdened*." A household that pays at least 50% of its income toward housing expenses is considered "*extremely housing cost burdened*."

The Trust can fund housing for this range of incomes

	Extremely Low ~30% AMI (less than \$42,050/yr)	Very Low 50% AMI (less than \$70,100/yr)	Low 80% AMI (less than \$111,850/yr)	Moderate 100% AMI (less than \$140,200/yr)	Middle 120% AMI (less than \$168,250/yr)
<b>Family size: 4</b>	Affordable 3BR rents <b>\$734</b>  Affordable 3BR sales <b>n/a</b>	<b>\$1,303</b>  <b>\$160,900</b>	<b>\$2,154</b>  <b>\$290,300</b>	<b>\$2,721</b>  <b>\$368,500</b>	<b>\$3,290</b>  <b>\$445,300</b>
	Extremely Low ~30% AMI (less than \$33,650/yr)	Very Low 50% AMI (less than \$56,100/yr)	Low 80% AMI (less than \$89,500/yr)	Moderate 100% AMI (less than \$112,200/yr)	Middle 120% AMI (less than \$134,640/yr)
<b>Family size: 2</b>	Affordable 2BR rents <b>\$659</b>  Affordable 2BR sales <b>n/a</b>	<b>\$1,164</b>  <b>\$137,000</b>	<b>\$1,921</b>  <b>\$252,000</b>	<b>\$2,426</b>  <b>\$326,000</b>	<b>\$2,931</b>  <b>\$394,100</b>
	Extremely Low ~30% AMI (less than \$29,450/yr)	Very Low 50% AMI (less than \$49,100/yr)	Low 80% AMI (less than \$78,300/yr)	Moderate 100% AMI (less than \$98,200/yr)	Middle 120% AMI (less than \$117,840/yr)
<b>Family size: 1</b>	Affordable 1BR rents <b>\$590</b>  Affordable 1BR sales <b>n/a</b>	<b>\$1,031</b>  <b>\$113,100</b>	<b>\$1,695</b>  <b>\$213,700</b>	<b>\$2,136</b>  <b>\$280,700</b>	<b>\$2,577</b>  <b>\$343,000</b>

**Sources:**

Extremely Low, Very Low, and Low income limits: HUD FY2022 Income Limits Summary (<https://www.huduser.gov/portal/datasets/il.html>)  
 Moderate income limit obtained by multiplying 50% AMI by two; Middle income limit obtained by multiplying Moderate income limit by 1.2.  
 Price limits: BPDA Income, Asset, and Price Limits (2022): <http://www.bostonplans.org/housing/income-asset-and-price-limits>

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Most federal, state and local housing funding programs describe what “low income” or “moderate income” means using a percentage of the median income in a particular area, as published each year by the federal Department of Housing and Urban Development (HUD) (the “areawide median income,” or “AMI”) and as adjusted for the size of the household. AMI’s are updated periodically, which allows affordability levels to adjust as income levels in the particular market change over time. The chart above shows what low- and moderate-income housing means in Arlington for households of various sizes in 2022 as we adopt this Plan. These current limits are helpful for discussion purposes, but will be subject to change on an annual basis.

The Trust is authorized to support low-income and moderate-income housing, including senior housing for those 60 and over. The Town bylaw that governs the Trust defines “low-income” housing as housing for people who earn less than 80% of AMI. “Moderate income” housing is defined as housing affordable to households with incomes below 100% of AMI. These are the same definitions used in the Community Preservation Act (CPA), which Arlington voters adopted in 2014. Arlington’s affordable housing investments made with CPA funds are accordingly governed by these same definitions.

**Mobile Housing Vouchers.** Often when housing professionals talk about affordable housing it is in reference to particular housing units that have been built with public subsidies and are subject to legal restrictions on who can live there and what rent can be charged. However, there is another form of housing subsidy that is provided directly to a tenant to pay a portion of their rent in a private rental property. These are called mobile or portable housing vouchers. Many tenants prefer them because they provide voucher holders with the option to choose where they live and the ability to move to a different home without losing their housing subsidy.

It can be difficult for voucher holders to find a home because there is a cap on the total rent that can be paid under the voucher. In high cost markets—like the Boston region—it may be difficult to find an apartment with rent that doesn’t exceed these caps. For this reason, vouchers issued in one city or town can generally be used in another community. And, although it is illegal for Massachusetts landlords to discriminate against voucher holders, voucher discrimination is nonetheless thought to be widespread.

The Arlington Housing Authority (AHA) administers 427 federally-funded Section 8 vouchers (including five new vouchers recently awarded), and an additional 8 vouchers provided under the state-funded Massachusetts Rental Voucher Program (MRVP). During the community engagement process, the Trust heard that there are very few units affordable to and available to voucher holders in Arlington, especially those who need three or more bedrooms. This is likely part of the reason why only 39% of the vouchers administered by the AHA are being used in Arlington. The others are being used to rent apartments in other communities. Increasing voucher utilization in Arlington’s market-rate apartments is one way to increase our income diversity.

**Housing Very Low and Extremely Low-Income Households.** Pursuant to community feedback, the Trust has proposed to prioritize those with the greatest need, and to make particular commitments to target housing for Very Low Income (“VLI”) and Extremely Low Income (“ELI”) households. As you might imagine, lower income renters pay lower rent,



although the cost of building and maintaining their housing is not less than market rate units. As a result, more subsidy is needed for housing for VLI and ELI households—both to build it and to cover the cost of operating it over the long term.

Much of Arlington's current affordable housing serves VLI or ELI residents. The 713 public housing units owned by the AHA and the 146 units at Millbrook Square all provide housing for VLI or ELI residents. These properties were built and received long-term operating subsidy contracts that they need to support the operation and maintenance of the buildings from the state or federal government many years ago. Unfortunately, the programs that made that possible are no longer in effect; the state and federal government changed the way that affordable housing is subsidized in the 1980s. There are no new subsidies available to create new public housing (state or federal) or project-based Section 8, which is the deeply subsidized but privately owned housing program under which Millbrook Square was created. There are still subsidy programs for affordable housing built mostly by private parties, but most result in rent levels affordable to people with incomes equal to 60% of AMI and do not include ongoing operating subsidies. These units are often unaffordable to VLI or ELI households.

It is still possible to make particular housing units affordable for ELI and VLI households on a long-term basis, but making it financially feasible most often requires mobile housing vouchers to be "project-based," which means they stay with the building, rather than move with the tenant. The Downing Square Broadway Initiative recently developed by the HCA includes 16 units available to extremely low income households (at or below 30% of AMI), made financially feasible by 16 project-based Section 8 vouchers provided by the Somerville Homeless Coalition. As an administrator of Section 8 and MRVP vouchers, the Housing Authority will likely have opportunities to project-base vouchers to help the Town and the Trust achieve income targeting goals.

**Other Housing-Related Reports.** The Town has invested considerable time and resources studying its housing needs and recommending actions that the Town should take to proactively address these needs—in particular, an updated Housing Production Plan and a Fair Housing Action Plan, each of which is an invaluable resource to the Trust and the Town. This Plan does not duplicate these efforts, but rather relies on their factual findings and considers the conclusions and strategies set forth in these documents to guide the Trust's work, which is specifically focused on affordable housing. These related plans are posted on the Trust's web page.

**Funding the Trust.** The Trust provides a vehicle for aggregating affordable housing funds in service of this Plan, but the Trust's ability to implement this Plan and a longer-term strategy depends on funding. Affordable housing is difficult to create because it is by definition not financially feasible without subsidy from other funding sources.

The Trust has received seed funding from payments made in lieu of new housing and an affordable housing payment made by the developer of Arlington 360 as part of a Local Development Agreement. The Trust also received a commitment of \$250,000 of fiscal year 2023 Community Preservation Act (CPA) funds approved by Town Meeting at the recommendation of the CPA Committee. The Town has also planned for \$3 million of its ARPA funds to be used for the production of affordable housing, and the Trust anticipates

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a significant portion of those resources will be available to fund strategies set forth in the Plan.

Although this initial funding is critical, the Trust's work is inherently long-term and requires sustainable, long-term funding at a level adequate to support the Trust's goals. Town Meeting approved a home rule petition in 2021 that would allow the Town to adopt a transfer fee for certain real estate transactions to provide a long-term source of revenue for the Trust. However, approval by the state legislature is uncertain, and implementation would also require approval of a more specific transfer fee by Town Meeting and approval by Arlington's voters in a referendum.

Short term rental fees and taxes on cannabis sales are other possible funding sources, but are not anticipated to generate substantial revenue at this time. If the Town is unable to implement a transfer fee, another sustainable funding source will be needed to make material investments in preserving and increasing affordable housing.





## **The Need for Affordable Housing in Arlington**

Arlington, along with all of Greater Boston, is experiencing a deepening housing crisis that makes decent, safe, affordable housing simply out of reach for far too many residents. Housing is at a premium in our community, and while this benefits some, it imposes unsustainable burdens on others, and makes it impossible for many to choose to live here. Furthermore, rising rental rates are making it harder for Arlington to remain a viable choice for those who have not been able to afford to purchase a home in Arlington. Understanding and communicating these housing needs and challenges to the public is important to the Trust's purpose.

**Many Arlingtonians are struggling with housing costs.** Nearly one in three Arlington households have low or moderate incomes (less than 80% AMI), and just over 10% of households have extremely low incomes (less than 30% AMI).<sup>2</sup> Many of them are struggling to keep up with housing costs. More than one quarter of all households are housing cost burdened, which means they pay 30% or more of their income on housing costs.<sup>3</sup> Both low-income and moderate-income (LMI) households are similarly cost burdened. But elderly households experience even higher rates of cost burdening: more than a third of senior households spend more than 30% of their income on housing and are considered cost burdened.<sup>4</sup>

**Housing Costs in Arlington are High.** Arlington's home purchase prices are no longer affordable even to families with middle incomes, let alone those with low or moderate incomes. In 2019, households earning Arlington's town-specific median family income of \$145,141 could reasonably afford a single-family home priced at not more than \$592,500 and a condominium priced at not more than \$521,500, both significantly below Arlington's median sale prices for both single-family homes and condominiums in the same year.<sup>5</sup> Arlington has few or no viable options for first-time homebuyers to find a home they can afford to buy and maintain. The relentless demand for homeownership opportunities in the greater Boston region has also contributed to a gradual drop in Arlington's rental supply, with just over 2,000 apartments converted to condominiums between 2010 and 2021.<sup>6</sup> Meanwhile, rental costs have escalated sharply, with the HUD

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<sup>2</sup> Arlington Housing Plan (referred to as the Housing Production Plan throughout this document), 2022, page 43: [arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000](https://arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000)

<sup>3</sup> Housing and Urban Development, Consolidated Planning/CHAS data, based on 2015-2019 ACS data for Arlington CDP: [huduser.gov/portal/datasets/cp.html](https://huduser.gov/portal/datasets/cp.html)

<sup>4</sup> American Community Survey, 2020 ACS 5-year estimates, table B25093.

<sup>5</sup> Based on Arlington's property tax rate and industry standards for housing affordability, mortgage terms, insurance rates, and other factors.

<sup>6</sup> Arlington Housing Plan (2022), page 37.

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Fair Market Rent for a two-bedroom apartment increasing by more than \$900 per month, or 60%, between 2015 and 2022.<sup>7</sup>

**Arlington Does Not Have Enough Affordable Housing.** Arlington currently has about 1200 units of income-restricted affordable housing, but has more than 5,700 households that make a low or moderate income, which qualifies them for affordable housing.<sup>8</sup> Nearly one quarter of our population needs affordable housing we are not providing. The Arlington Housing Authority has long waiting lists for public housing units and housing vouchers. Some wait many years for a unit or a voucher, and many who receive vouchers in Arlington are unable to use them here, because few Arlington apartments have rents low enough to be paid by the voucher.

Under M.G.L. Chapter 40B, Massachusetts has an affordable housing goal, established in the 1960's, that 10% of each community's housing should be income-restricted affordable housing to support statewide income diversity, distribute affordable housing throughout the state, and incent each municipality to do its part to create and preserve affordable housing. As of April, 2022, 6.54% of Arlington's 19,881 housing units are affordable within the meaning of this goal.<sup>9</sup>

The law that set the 10% goal for each community is sometimes referred to as Chapter 40B, and it offers a streamlined process a community can use to permit housing that includes substantial affordable housing. Where a community has not met the 10% affordability goal, the law creates a process whereby developers who will build and subsidize affordable housing can seek local zoning relief via a streamlined "comprehensive permit" process. Communities have the authority to negotiate many aspects of such developments, and to impose many conditions on the comprehensive permits they issue. Where such negotiations do not result in a permit, a developer of qualified housing containing at least 20-25% affordable housing can avail itself of an appeal to a state body with power to direct the municipality to issue the permit. This loss of local control is undesirable for any community. But it creates a powerful incentive for a proactive local strategy, and municipalities that consistently set and meet affordable housing production goals have many options for retaining local control over the process.

To work toward the state's 10% goal and more proactively provide for the creation of additional affordable housing, in 2001 Town Meeting voted to adopt an inclusionary zoning bylaw. Arlington's bylaw requires 15% of residential projects of six or more units to be affordable. Since the bylaw was adopted, a total of 55 inclusionary, affordable housing units have been constructed, with another five either under construction or permitted as of September, 2022.

Unless we take action, it seems likely Arlington will neither reach the state goal of 10% affordable housing nor keep pace with the growing need for affordable housing. But it is possible, over time, to regularly produce enough affordable housing each year to grow our inventory and keep local control of the development process.

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<sup>7</sup> Fair Market Rent Documentation System, [huduser.gov](http://huduser.gov).

<sup>8</sup> Arlington Housing Plan (2022), page 28.

<sup>9</sup> Department of Housing and Community Development Ch40B Subsidized Housing Inventory, Arlington. Dated 4/27/2022: [arlingtonma.gov/home/showpublisheddocument/60915/637866711498370000](http://arlingtonma.gov/home/showpublisheddocument/60915/637866711498370000)

We note that Chapter 40B also allows a community to deny developers' comprehensive permit requests without risk of appeal if it meets the General Land Area Minimum test, which requires low and moderate income housing to exist on sites comprising at least 1.5% of the municipality's total land area zoned for residential, commercial, or industrial use. The Department of Housing and Community Development determined in 2019 that the Town has not met this requirement. While the Trust takes no position on this matter in this Plan, we note for public consideration that the Town's commitment to proactively preserving and creating affordable housing is unrelated to whether Arlington meets a safe harbor under Chapter 40B.

**Equity.** High housing costs and housing insecurity disproportionately affect people of color, older people, and those living on low incomes, including people with disabilities. Arlington's high housing costs are one mechanism by which discrimination against certain protected classes occurs. In order to ensure fair housing choice, Arlington must ensure there is a reasonable supply of housing that is affordable and accessible to those protected classes. It is clear that for many members of protected classes, Arlington is inaccessible and unaffordable. For example, Arlington has proportionally few residents receiving public assistance compared to nearby communities.<sup>10</sup> Additionally, lower mortgage application volume and (largely) greater denial rates for loan applicants of color suggest a dynamic of exclusionary lending in Arlington.<sup>11</sup>

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<sup>10</sup> Fair Housing Action Plan (2021), page 29:  
[arlingtonma.gov/home/showpublisheddocument/57214/637620332766000000](https://arlingtonma.gov/home/showpublisheddocument/57214/637620332766000000)

<sup>11</sup> *ibid*, pg 90.



## Community Engagement

Prior to preparing this Plan, the Trustees sought community input regarding the Town's affordable housing needs and priorities in a number of different ways, including an affordable housing survey, two open public forums, small group listening sessions, meetings of housing stakeholders and the opportunity to submit ideas via email.

**Goals.** The community engagement process was designed around three goals: (1) to solicit feedback and ideas regarding priorities and initiatives for the Trust; (2) to garner interest and support for preserving and creating new affordable housing in Arlington, especially among underrepresented groups; and (3) to build consensus and alignment regarding short- and long-term affordable housing goals and strategies across Town bodies and other organizations involved in the preservation and creation of affordable housing.

**Focus on Inclusion.** In addition to the general public, the Trust specifically sought to engage those who need, want and will benefit from affordable housing, and those who are under-represented in our Town or do not typically participate in Arlington's public engagement processes. This included renters, people of color, residents in affordable housing, people with disabilities, young people and seniors.

The Trustees prioritized outreach to the target groups described above in the places where they live in the community. This was based in part on recent research highlighting a lack of diversity on housing-related boards and commissions, as well as lack of representation of such groups in public meetings and other political processes.<sup>12</sup> The community engagement plan was designed to seek a broader range of community feedback and to specifically seek the voices of those most affected by the Trust's work.

Outreach activities included "street intercept" volunteers, who handed out postcards in public spaces and at public events (i.e., the bike path near Alewife, the Thompson School playground, and the farmers market); leafleting housing authority and other



<sup>12</sup> *Representation in the Housing Process: Best Practices to Improve Racial Equity*, June 15, 2022, by Katherine Levine Einstein and Maxwell Palmer. (The authors are Arlington residents, and Prof. Einstein conferred with Trustees regarding design of the Trust's community engagement process.)

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multifamily rental properties; and recruiting local organizations, faith leaders and town diversity and inclusion staff as outreach partners to reach beyond those typically engaged in Town government. The Trust also held small group listening sessions for target demographic groups to create a safer space for participants to share their perspective.

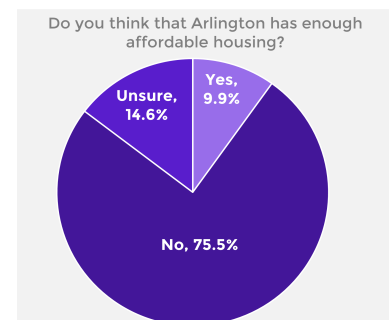
**Building Alignment Among Housing Stakeholders.** Proactive work to preserve and expand affordable housing in Arlington will require significant consensus and coordination among Town bodies and private organizations that have interest in or authority over housing. To lay a foundation for this, the Trustees hosted meetings of key housing stakeholders both before and after releasing a draft plan. These meetings included representatives of the following organizations, to invite their input regarding the Plan and to build a foundation for alignment around housing goals and priorities:

- Select Board
- Community Preservation Act Committee
- Arlington Housing Authority
- Arlington Redevelopment Board
- Zoning Board of Appeals
- Housing Corporation of Arlington

**The Affordable Housing Survey.** An Affordable Housing Survey was made available online and via volunteers using the street intercept approach described above. Outreach efforts also included email and in-person distribution of postcards. We received more than 800 responses. Although there was considerable age, precinct, and income diversity represented, survey respondents tended toward higher incomes, longer tenure in Arlington, and older ages. Racial/ethnic representation and percentages of renters vs. owners correlate roughly with town-wide percentages, but reflect greater participation than is typical among such groups in prior Town surveys, presumably due to the Trust's focus on inclusive engagement.

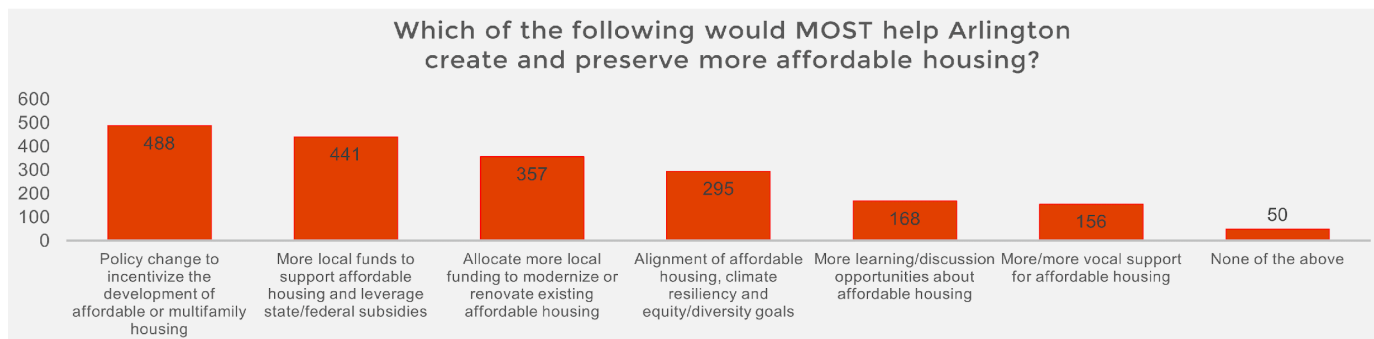
Key takeaways from the survey are described below, with more detailed survey results provided as an attachment to this Plan.

- The vast majority of respondents (75.5%) think Arlington does not have enough affordable housing. Another 14.6% are unsure, and many comments reflected a lack of knowledge about Arlington's affordable housing assets and opportunities.
- The survey showed very strong local support for both preserving existing affordable housing and creating more affordable housing. There also seems to be considerable will to pay for it, with 63% of respondents likely or highly likely to support a small fee on real estate transfers to fund affordable housing (and another 18% neutral or unsure), and local funding being included in two of the three most favored strategies to create more affordability.
- The most popular strategy to help Arlington create and preserve more affordable housing was "policy change to incentivize the development of affordable or multifamily housing." This is further underscored by the fact that 61% of



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respondents said that “additional” housing in Arlington could improve our community and help address our region’s housing shortage, with an additional 13% who support *more* housing if it’s a way to create *affordable* housing. While a minority opposes additional housing construction (20%, of which one third also opposes *affordable* housing generally), supporters of additional housing make up 3 of every 4 survey respondents.



- There is strong support for prioritizing those with low, very low and extremely low incomes (over 70% of respondents favor each), as well as families (63%), seniors (55%), those experiencing homelessness (53%) and people with special needs (48%), all groups identified in the Housing Production Plan and Fair Housing Action Plan as having unmet housing needs.<sup>13,14</sup> But at least 50% of respondents also support prioritizing moderate-income people, and there were many comments received about high housing cost burdens, displacement due to rising costs, and the inability of even middle-income renters to afford to purchase homes in Arlington. Commenters also suggested numerous other groups to consider prioritizing for affordable housing, including Black people, people of color, veterans, immigrants, victims of domestic violence, and artists.

**Public Comment Themes.** The Trustees reviewed and analyzed the hundreds of narrative comments provided in the survey responses, as well as the comments provided in the public forums and by email. Common themes were identified and the frequency of comments resonating with those themes was analyzed to identify key themes to inform the Plan. Below are the key themes that emerged:

- Educate the public about affordable housing: many respondents do not understand what affordable housing Arlington has, whether we are creating more or not, or how to go about creating it if we want it. Several commenters suggested our public discussion regarding housing is unnecessarily polarized and plagued by misinformation. There is a need and a desire for clear, accurate information sharing.

<sup>13</sup> Arlington Housing Plan (2022), page 11: [arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000](https://arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000)

<sup>14</sup> Fair Housing Action Plan (2021), pages 48, 84, 89: [arlingtonma.gov/home/showpublisheddocument/57214/637641171662530000](https://arlingtonma.gov/home/showpublisheddocument/57214/637641171662530000)



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- Work with existing affordable housing owners and developers: commenters are aware of the housing provided by the Housing Corporation of Arlington and the critical public housing owned by the Arlington Housing Authority, and want the Trust to work with them on a more proactive and impactful Town affordable housing strategy.
- Create zoning or regulatory flexibility needed for affordable housing creation: many commenters believe Arlington's zoning bylaws limit the town's ability to respond to the housing crisis. Some expressed concern about the town's ability to absorb additional housing, but many are eager for Town leaders to provide greater flexibility to build affordable - and mixed income - housing.
- Drive policy change to fund or sustain affordable housing: commenters expressed support for creativity and policy changes to fund affordable housing, including through real estate transfer fees or other local taxes, as well as other creative tools to sustain affordability, such as land trusts and land banks. Some also advocated for rent control to protect tenants from displacement.
- Align affordable housing with smart Town planning: commenters suggested that affordable housing be built where residents can access transit and commercial amenities, that the Town align housing plans with infrastructure and fiscal planning, and that Town planners be empowered to find ways to align Arlington's climate resiliency, fair housing and DEI plans with affordable housing strategies. Several commenters want low- and moderate-income housing spread throughout the community and for the Trust to consider income mixing within developments to maximize inclusion.
- Maintain Arlington's income diversity: while respondents expressed interest in creating more housing for a diverse range of groups with the greatest needs – including current and new Arlingtonians, many also commented about moderate and middle income people being increasingly priced out of Arlington, including seniors and families with children unable to buy here. Housing affordability challenges affect many groups in Arlington, and commenters want to see Town leaders consider a range of solutions that helps to maintain the full income diversity of our Town.

**Targeted Listening Sessions.** The Trust held listening sessions in July and August of 2022 to hear from under-represented groups, including seniors, young people, renters, residents in affordable housing, people of color and people with disabilities or special needs. In addition to publicizing these sessions in the same manner as the general listening session, the Trust did increased community outreach through local organizations, street intercept outreach and more. We tried to choose meeting times, formats and locations convenient to the target groups. Generally, virtual sessions were better attended than in-person, and attendance was limited for all the sessions, with



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about 25 people total attending the sessions. Participants were able to participate anonymously and offered modest gift cards in recognition of their time.

Although the takeaways from these sessions align with the survey results, they offered a safe space for residents to share their personal stories of housing instability, their fears of displacement, their experiences of discrimination, and their particular perspectives on the housing challenges facing residents. While this form of feedback requires a particular investment of time by both residents and facilitators, and recruiting participants was challenging, it prioritized underrepresented voices and it created an opportunity for some who might otherwise be drowned out in general public forums to be heard.

**Public Review and Comment on Draft Action Plan.** An initial draft of this Action Plan was published for public review and comment prior to finalization of the Plan, and was also presented to the public, a group of affordable housing professionals, and the housing stakeholder organizations. The comments received were generally supportive and consistent with the feedback previously received. A summary of comments was shared with the public, with salient suggestions and clarifications incorporated into the plan or identified for further consideration during the implementation process.

**Navigating Affordable Housing in Arlington.** During the community engagement process, a number of community members shared difficult experiences navigating our existing affordable housing programs. Some of the challenges mentioned were uncertainty about what affordable housing exists in Arlington and who is eligible for it, confusion about where to apply and complicated and/or duplicative processes, long waiting lists for housing or vouchers, lack of transparency in application processes, and challenges finding an apartment where a voucher could be used. The Trust also heard from some that residents in existing affordable housing would be hesitant to provide candid feedback for fear of reprisals by their landlord, and that some felt their housing was not well-maintained. While addressing these issues is beyond the scope of the Trust's primary mission, they suggest a need for resident experience to be prioritized in our current and future affordable housing programs, and point to a possible need for more resident empowerment and good faith engagement between residents and property owners or managers. In addition, it suggests the Town should invest in creating more transparency about our affordable housing assets and processes, and potentially in creating more robust housing counseling resources for tenants.

**Staffing the Action Plan.** Finally, multiple commenters noted that the strength of the plan depends on the Trust having the capacity to move forward on multiple strategies simultaneously, and urged the Trust to advocate for a dedicated housing staff position at the Town's Department of Planning and Community Development to support execution of the Plan, and/or funding for additional staff at HCA and/or AHA. Such a position would also create the potential for more robust Town support of residents applying for or living in affordable housing—a need identified by many commenters during the course of preparing this plan.



## **Action Plan Guiding Principles**

The following principles are intended to guide the work of the Trust during the term of the Plan. Although recognizing that the Trust's opportunities and strategies may need to adapt to changing conditions, these more general principles are intended to guide implementation throughout the term of the Plan:

**1. Plan to preserve and/or modernize existing affordable housing and create as much additional affordable housing as possible.**

Arlington, together with the region, is experiencing a housing affordability crisis, which, in part, explains the strong support shown by both Town Meeting and town residents for the Affordable Housing Trust Fund. While there is a strong desire to see the Trust create additional affordable housing, it is equally important that Arlington preserves the affordable housing it already has.

There are those that may worry it's not possible to do both. Although it certainly won't be easy, the Trust firmly believes that it is possible, and in fact critical, that both be achieved. Doing so will require creativity, innovation and, as emphasized in this Plan, townwide collaboration. While these two priorities shape most of the strategies laid out below, it is important to make it a guiding principle that Arlington, as a Town, is committed to both preserving and/or modernizing our existing affordable housing and creating as much additional affordable housing as is feasible.

**2. Prioritize those with the greatest need while advancing solutions for a range of affordable housing needs.**

As the Trust implements the Plan, the Trustees will seek to balance support for the creation and preservation of housing serving those with the greatest need, with the flexibility and agility to seize opportunities as they present themselves, and to increase the number of affordable units by encouraging new development. This will serve as a guiding principle, informed by the clear need for more housing affordable to Very Low-Income (VLI) and Extremely Low-Income (ELI) households. We note that lower income units require more subsidies, which may be limited, and that certain other priorities may require a different resident profile or income mix in a particular project or initiative.

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To that end, the Trust seeks to meet the following **income targeting goals**:

- The Trust will endeavor to have at least fifty percent (50%) of all housing units funded by the Trust during the term of the Plan be reserved for households with incomes less than or equal to 60% of areawide median income. This target balances the desire to support those with lower incomes with the goal of maximizing state and federal resources, because all units eligible for affordable housing tax credits - the primary state and federal affordable housing funding program - would meet this requirement.
- The Trust will also endeavor to have at least fifteen percent (15%) of all housing units in projects funded by the Trust during the term of the Plan be reserved for Extremely Low-Income (“ELI”) households with incomes less than 30% of areawide median income or Very Low Income (“VLI”) households with incomes less than 50% of areawide median.

Current Arlington residents eligible for Low- and Moderate-Income housing at incrementally higher income levels are also experiencing cost burdens leading to displacement and housing instability. And other households in these income bands are excluded from our community by Arlington’s high housing costs. This is particularly true with respect to homeownership, which is harder to subsidize, for lower income households. Accordingly, in response to clear affordability challenges across a range of incomes and in the interest of maintaining a full range of economic diversity in Arlington, the Trust retains the flexibility to support a range of Low- and Moderate-income units.

In connection with these goals, low-income units with higher rent levels (calculated based on 60%, 70% or 80% of area median income) can often be used by very low income and extremely low-income households who have portable or mobile housing vouchers – voucher holders that might otherwise have to leave Arlington to find rents within the voucher’s limits. The chart on the following page elaborates on the need for flexibility.

Finally, the Trust expects to seek opportunities to create and preserve housing that particularly serves groups with unmet housing needs, including (but not limited to) people with disabilities and special needs, the formerly homeless, families with children and seniors. Although state and federal laws generally preclude establishing race- or ethnicity-based housing priorities, we also hope to adopt policies and strategies that advance racial equity and increase the diversity of our community.

# Why Flexibility Matters

Here are six reasons why our goals and guiding principles point to retaining some flexibility to serve a range of incomes.

01	Range of Housing Needs	Data and community feedback show moderate- and middle income residents with high housing cost burdens and/or excluded altogether. Residents want solutions to a range of housing needs.
02	Avoiding Displacement	Converting existing apartments to affordable affects current residents, who may not fit into income bands needed to access other critical subsidies. We need flexibility to ensure moderate income families stay in their homes.
03	Income Diversity	The housing market favors high income residents. We can't retain meaningful income diversity by just subsidizing the lowest income residents. We need moderate and middle income housing too.
04	Leveraging Other Resources	Limited local resources mean we must follow public and private subsidy dollars and be flexible to make projects feasible and maximize outcomes. A 70%, 80% AMI or even 100% of AMI unit a developer agrees to build is better than a 50% of AMI unit they won't.
05	Homeownership	Ownership is entirely out of reach in Arlington for moderate income residents, and challenging for VLI or ELI households to reach or sustain anywhere. Our best opportunities to put ownership in reach for people who need it is likely between 60-100% of AMI.
06	Vouchers	Most extremely low-income and very low-income renters who receive housing vouchers from AHA are unable to find an apartment in Arlington with low enough rent. 70-100% AMI units could fix that.

### **3. Leverage resources for maximum impact.**

Developing affordable housing requires substantial subsidy, and Arlington's resources are limited. While this Action Plan seeks to increase local funding for affordable housing, to maximize impact, the Trust and all other affordable housing stakeholders will need to take advantage of as many third-party resources as possible. Substantial state and federal subsidies can be accessed and leveraged, but doing so will require Arlington to welcome affordable housing developers and consultants who share our goals and know how to secure these resources. In addition, Arlington's existing affordable housing inventory—consisting of housing units owned by entities other than the Town—is aging, has capital needs and requires careful stewardship and investment to be preserved. Managing all of these needs will require advance planning to anticipate future funding needs, identify potential third-party funding sources, and maximize leverage of limited resources.

### **4. Plan for diversity and inclusion in our community.**

The Fair Housing Action Plan and Housing Production Plan highlight a lack of substantial racial and ethnic diversity in our community, a trend away from economic diversity, and substantial housing challenges that are preventing, or have the potential to prevent, seniors, people with disabilities or special needs and people of color from joining or staying in Arlington. These circumstances have been created or are exacerbated by housing policy and the housing market. Accordingly, the creation of housing affordable to such groups, and designed to meet the needs of such groups, is an important priority for the Trust. Designing such housing in ways that integrate it within our community and create meaningful inclusion and diversity is a benefit to our community and will inform the Trust's implementation of the Plan.<sup>15</sup>

### **5. Advance sustainability and climate resiliency while increasing affordability.**

Increasingly, affordable housing in Massachusetts incorporates aggressive plans for healthy, energy efficient buildings and other features that drive climate resiliency. The Trust will embrace these goals and seek to incorporate sustainability into the design of housing it supports wherever feasible. For example, Trust-funded properties may be encouraged or required to seek subsidy and rebate funds from utility-sponsored programs such as Low-Income Energy Affordability Network (LEAN) or the Massachusetts Clean Energy Center (MassCEC), and designing new construction to include energy efficient building systems and materials often results in lower operating costs. The Trust will seek to balance affordable housing goals with environmental objectives, including preservation of open space, reducing reliance on automobiles, and ensuring healthy air quality. Where these priorities appear to be in

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<sup>15</sup> The Trust has worked with the Town's Division of Diversity, Equity, and Inclusion (DEI) during the community engagement process, and it is our understanding that the Town is currently working on a townwide equity audit, which will include housing. As the Town completes the Arlington Equity Audit, the Trust anticipates working with the DEI Division and will endeavor to incorporate the recommendations of the audit that pertain to housing into its implementation plans.

tension, the Trust will seek solutions and compromises that deploy creativity and flexibility.

**6. Limit involuntary displacement and welcome new residents.**

As described in this Plan, many low- and moderate-income Arlington residents are struggling to cover their housing costs and remain in their homes and in our community. Creating and preserving affordable housing can and will relieve some current residents of this burden, and activities supported by the Trust should be designed to avoid involuntarily pushing current residents out of their homes, particularly those with low- and moderate incomes. The Trust should also actively support housing that provides opportunities for new residents to join our community, particularly those who are experiencing homelessness or housing instability, and members of demographic groups that are under-represented in Arlington.

**7. Collaborate and innovate with other Town bodies and organizations that are housing stakeholders.**

Town Meeting created the Trust to increase Arlington's affordable housing creation and preservation, but the Trust is unlikely to succeed without the cooperation of and alignment with other housing stakeholder organizations to develop, fund, permit, regulate, oversee, manage and maintain such housing. Accordingly, the Trust will continue to prioritize collaboration with such Town bodies and organizations that are housing stakeholders and will seek opportunities to work together on innovative strategies to maximize outcomes.

**8. Use and grow the affordable housing knowledge and capacity in our community.**

Arlington has an active nonprofit community development corporation, a housing authority with a sizable portfolio of public housing units and housing vouchers, a committed Community Preservation Act Committee, and a community that has clearly expressed strong support for the Trust's mission, directly and through Town Meeting. As the Trust advances its mission, it will seek to do so by building on, investing in and growing the affordable housing capacity that is already present in our community, and by continuing to provide opportunities for community engagement in the Trust's initiatives and affordable housing more generally.





## **Affordable Housing Strategies**

Working with affordable housing leaders and professionals, the Trust has identified a range of strategies to pursue its mission: the preservation and production of high-quality affordable housing units that are sustainable, diverse and inclusive. This must be done with maximum efficiency in the use of public resources and balancing of the Guiding Principles set forth in this Plan. This will require the Trust to be proactive and disciplined, while also being creative and agile—seizing opportunities when they present themselves. Following are the primary strategies the Trustees expect to pursue, with each specific step the Trust proposes at this time labeled an **“ACTION.”**

### **I. Strategies to Preserve/Modernize Arlington’s Existing Affordable Housing**

The following are strategies that the Trust will seek to implement to support the preservation and modernization of the existing affordable housing within the Town. It is imperative to plan ahead for the properties’ capital needs and to identify funding sources to meet these needs. It is also crucial to support proactive efforts to secure renewal of any expiring use restrictions, which may also require funding sources to support them.

#### **A. Ensure deed restrictions are renewed or extended upon expiration.**

Subsidized affordable housing and the people who live in it are typically protected by legally-binding agreements that require the housing to remain affordable to households at certain income levels for a particular period of time. When that time runs out, the owner might have the right to convert the property to market rate or charge higher rents that may not be affordable to the existing tenants. Additional subsidies are often needed to sustain the affordability of the property over time. Although most affordable housing in Arlington is owned by public or nonprofit owners whose mission is to provide affordable housing, to ensure the long-term preservation of Arlington’s existing affordable housing, it is necessary to identify the existing units, what restrictions protect them and their residents, when those use restrictions will expire, and establish a plan to proactively address any risks identified.

#### **B. Plan for the capital needs and modernization of Arlington’s existing affordable housing.**

Affordable housing, like all buildings, needs to be maintained and improved over time, or risk deterioration, liability and loss of appropriate housing quality. Building components and systems need to be replaced, kitchens and bathrooms need to be updated, and the changing needs of residents need to be addressed. Renovations also present critical opportunities to modernize buildings to make them more energy



efficient, healthy and/or climate resilient, to incorporate modern features like universal wifi, electric vehicle charging, and space to work remotely from home, or include features that support target populations, like universal design. Although funding for maintenance and some capital improvements is structured into most affordable housing budgets, these developments eventually need substantial capital improvements that require new subsidies. If any owner of Arlington's existing affordable housing will need local subsidies to meet its property's capital needs, these potential costs must be factored into Arlington's plans for the limited local subsidy dollars available. The Town should also seek to rely as heavily as possible on State and Federal resources for these needs, which requires forethought and planning. The Town does not currently have enough information to plan for and support this.

Finally, existing affordable housing properties sometimes present opportunities to create additional affordable housing units. This could be through construction of additional buildings on excess land, redevelopment of existing buildings to include additional units, or even addition of an accessory dwelling unit. The Trust proposes to conduct an evaluation of opportunities to modernize existing units consistent with its Guiding Principles and an assessment of opportunities to create additional low- or moderate-income housing.

Most (78%) of Arlington's existing affordable housing is owned by just three entities, which provides for a more efficient planning process. The Arlington Housing Authority (AHA) owns 713 units of state-subsidized public housing<sup>16</sup>; 150 units of affordable housing in a variety of building types and ages is owned by the nonprofit Housing Corporation of Arlington; and 146 units of project-based Section 8 housing for elderly and disabled residents at Millbrook Square Apartments is owned by an affiliate of a for-profit company.

**ACTION: Complete an Affordable Housing Inventory.** The Trust proposes to work with DPCD and owners, including but not limited to the HCA and the AHA as well as the owners of Millbrook Square and smaller affordable properties in Arlington, to complete a comprehensive inventory of the Town's existing affordable housing, including income levels and subsidy types, application processes, affordable housing restrictions, and dates when such restrictions are expected to expire.

**ACTION: Obtain Capital Needs/Property Assessments/Plans for Existing Affordable Housing.** The Trust also proposes to work with owners of existing affordable housing to evaluate the short-term and long-term capital needs of their existing affordable housing, as well as to consider state, federal or other non-local sources that could be used to address them. This will likely involve hiring a consultant – or making a grant to the owner entity(ies) to hire a consultant – to complete a capital needs assessment and financing plan for each development. Assessments conducted for this purpose would include an evaluation of opportunities to modernize existing units and to create additional low- or moderate-income housing at existing properties.

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<sup>16</sup> The Arlington Housing Authority also owns two additional affordable units that it is planning to subject to deed restrictions as soon as feasible.

**ACTION: Create an Affordable Housing Preservation Plan.** Once the affordable housing inventory and capital needs/property assessments are complete, the Trust, together with Town leaders and other relevant housing stakeholders, proposes to review the Affordable Housing Inventory and the Capital Needs/Property Assessments to proactively identify expiring use restrictions and other preservation needs and modernization opportunities; and to create a long-term Affordable Housing Preservation Plan, which will include a long-term vision for preserving all of Arlington’s existing affordable housing.

## **II. Strategies to Create More Affordable Housing in Arlington**

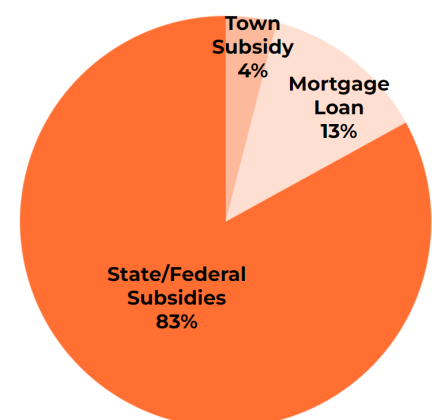
This section describes strategies the Trust will pursue to support the creation of additional affordable housing in Arlington, after some introductory discussion regarding the need for subsidy to make affordable housing financially feasible.

**Affordable housing requires subsidies to be financially feasible.** Rents and home prices affordable to low-income people are simply not enough to cover the cost of constructing and maintaining decent housing in our market. Affordable housing uses a variety of public and private sources of funds, collectively referred to as “subsidy,” to pay for that difference. Some will have to come from the Town, but there are several other sources of subsidy that can and must be leveraged to create affordable housing at a greater scale.

**State and Federal subsidies provide tremendous leverage for local dollars.** There are federal and state subsidies available to make certain types of affordable housing financially feasible – including HOME, Community Development Block Grant (CDBG) and Community Preservation Act (CPA) funds, which are, to some extent, allocated locally. The deeper subsidies that are nearly always necessary to create or preserve high levels of affordability in a development are allocated by the Commonwealth – most by the Department of Housing and Community Development (“DHCD”).

Here’s a powerful local example. The Housing Corporation of Arlington’s most recent development, the Downing Square Broadway Initiative (“DSBI”), created 48 units of housing affordable to low-income households, at a total cost of approximately \$26 million.<sup>17</sup> Conventional real estate developers cover that cost with debt and equity that must be repaid over time from the project’s net revenue. However, the limited rents collected in an affordable housing development severely limit its revenue and its ability to repay such sources. In this case, when operating expenses of the property are subtracted from the projected rents, the remaining funds (referred to as

**Downing Square Broadway Initiative**  
Leverage for Town Subsidies



<sup>17</sup> Information provided for the DSBI project was provided by HCA and reflected sources and uses at the time of closing on financing. Final project costs involved some additional local subsidy to fill project gaps, but the local % of funding did not change materially.

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net operating income) can only repay a mortgage loan of roughly \$3.5 million, because rent revenue will be limited by an affordable housing use restriction. The rest of the funds required to build DSBI came from 8 or 9 different types of subsidy. The Town provided approximately \$1 million of subsidy, with the remaining \$22+ million coming from Federal and State low-income housing tax credits, three other state subsidy sources, and HOME funds from the North Suburban Home Consortium. DSBI demonstrates the opportunity to best leverage local dollars by investing in projects that qualify for state and federal resources.

Another way to look at the costs of affordable housing is by the cost per unit of housing. The Trust's consultant evaluated fourteen affordable rental developments constructed in Massachusetts between 2012 and 2022 to estimate the amount of subsidy needed to create a single affordable housing unit.<sup>18</sup> The average subsidy needed to make the construction of one affordable housing rental unit financially feasible was \$416,000. However, there are significant limits to this exercise, as there are many variables that change with the project, the market, the income level and the subsidy program. This estimate is also artificially low, because the costs of the developments completed at the beginning of the sample period have not been adjusted for significant increases in construction and land costs, nor for inflation. In addition, this estimate only looks at the costs to develop the housing and does not include ongoing rental subsidies needed to support ELI and VLI units. With subsidy needs this high, it is clear that Arlington cannot create or preserve significant amounts of affordable rental housing using only its own resources. But Arlington can use its resources to attract state and federal subsidies, unlocking the potential to create substantially more affordable rental housing than it has over the last several decades.

Although Massachusetts spends more to support affordable housing than many other states, the need for these subsidies still greatly outweighs the funds available. As such, competition for subsidy is fierce, and affordable housing developers must often apply repeatedly, at times over multiple years, before their projects receive funding awards.



However, other communities are benefiting from the fact that developers are advancing multiple projects at a time in their community, such that they are receiving funding for one or more projects each year. For example, in just the first eight months of 2022, DHCD has publicly announced affordable housing subsidy awards to 52 developments in 31 Massachusetts communities, directing nearly \$435 million of affordable housing investment to affordable housing developers experienced with the regulatory and financial complexities of these programs. The funded projects include new construction, preservation of existing buildings, senior and supportive housing, historic

<sup>18</sup> Nearly all units included were affordable to households earning at or below 60% of AMI.

preservation, public housing redevelopment, energy-efficient passive house design and more. Arlington received none of these awards and, to the Trust's knowledge, no projects in Arlington are currently in DHCD's pipeline for future funding. The available information indicates that HCA's Downing Square Broadway Initiative and its Capitol Square project are the only two affordable housing projects of ten units or more developed in Arlington with state and federal subsidies in nearly forty years.<sup>19</sup>

Arlington can garner more such state and federal subsidy, but it will need to support additional production by the HCA and take steps to attract additional affordable housing developers to Town to partner with and supplement the capacity of the HCA and the Housing Authority. Arlington will need to

"It's easy -- projects where Town players can help to fast-track: land + financing + community support + permitting and transparency have our interest."

Affordable Housing Developer

provide local subsidy dollars, but the Town will also need to help identify and secure project sites, provide clear pathways to permitting, and be prepared to support projects' feasibility. Even under the best circumstances, affordable housing takes several years of predevelopment work and millions of dollars invested before construction begins or needed subsidies are secured. Any affordable housing developer will want to know that there is reliable political and financial support for its project and flexibility to adapt to the inevitable challenges that arise along the way. It is possible, over a period of years, to create the conditions that will lead to a robust pipeline and one or two Arlington affordable housing projects seeking state funding each year.

**Another way to subsidize affordable housing is to get developers to fund it with profits from market rate rents or sales proceeds.** Where the housing market is robust enough, Massachusetts has created laws that capture a part of the value of that market by requiring the developer to make a certain percentage of the units affordable. This effectively shifts the subsidy cost from the public to a private developer, and creates an additional pathway to create affordable housing. Two tools currently incentivize this in Arlington:

1. Inclusionary Zoning, which requires all developers of new projects above a certain size to include a minimum percentage of affordable housing. Arlington's zoning bylaw includes an inclusionary zoning provision requiring all new residential development with six or more units subject to Environmental Review to make at least 15% of the units affordable.
2. The Comprehensive Permit law, also known as Chapter 40B, can also result in market-rate developers providing restricted, long-term affordable housing units without public subsidy. A comprehensive permit requires at least 20-25% of the units to be affordable—a higher percentage of affordable units than most inclusionary

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<sup>19</sup> HCA's 9-unit project on Westminster Ave. received some state funding as well, but it can be difficult to finance such small projects using complex subsidy programs.

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zoning—and is accompanied by permitting flexibility in recognition of the fact that larger developments than are usually permitted under local zoning are required to drive the equities of scale needed to make the higher level of affordability financially feasible for the development. (The streamlined permitting process it allows can also be used proactively by a municipality to expedite permits for mission-aligned affordable housing developments. This is sometimes called a “friendly 40B”, and may, or may not, include market rate units that cross-subsidize the affordable units and create income diversity within the project.<sup>20</sup>)

Neither of these tools can be used to cross-subsidize affordable housing if Arlington does not allow developers to create market-rate housing developments large enough for the market units to support the affordable units. Arlington does not have much recent history of allowing this. Rather, the Town has a fifty-year history of restrictive zoning that prevents multifamily projects of meaningful scale without a discretionary and potentially long, costly and politically challenging public process.

As a result, very little affordable housing has been created under our Inclusionary Zoning bylaw: only 58 units total over 22 years, for an average of 2-3 units per year. Similarly, only 13 affordable housing units have been constructed under 40B in Arlington since its enactment more than fifty years ago in 1969.<sup>21</sup> The 16-unit Minuteman Village homeownership development, with four affordable housing units, was permitted under 40B in 2007, and the nine-unit, all-affordable HCA property on Westminster Avenue was permitted as a “friendly 40B” in 2019. Market units did subsidize four affordable homes at Minuteman Village, but the HCA project was 100% affordable and therefore relied entirely on public dollars for subsidy.

	Affordable Units Completed to Date	Years in Effect	Affordable Units/ Year (Avg.)
Inclusionary Zoning Bylaw Adopted 2001	60 (55 constructed; 3 under construction; 2 permitted but not yet under construction)	22 years	2-3
M.G.L. Ch. 40B: Comprehensive Permit Statute Enacted 1969	13	53 years	Less than one

Figure 1: Affordable housing laws have not produced substantial affordable housing in Arlington.

<sup>20</sup> HCA's 100% affordable Westminster Ave project was permitted with a comprehensive permit. In this case, it was merely an expedited permitting pathway, it did not include market-rate units as a source of subsidy.

<sup>21</sup> An additional 31 units are currently under construction at The Artemis at Arlington Heights, a 124-unit 40B development at 1165R Massachusetts Avenue.

It is not a secret why these laws are not producing more developer-subsidized affordable housing. They only produce subsidy when the municipality issues a permit for construction of multifamily housing. Arlington has permitted relatively little multifamily housing in the last fifty years, although that may be changing a little. A clear example of the robust housing market subsidizing affordable housing in Arlington will soon be leasing up. The 124-unit rental development under construction at 1165R Massachusetts Avenue was permitted by the Zoning Board of Appeals under Chapter 40B and is expected to create 31 low-income units. This is almost as many new affordable units as HCA's recent development created, but these will be subsidized entirely from the profit on the market-rate units, with no Town contribution, and will be incorporated into a mixed-income development. An additional homeownership development has also recently begun the process to be permitted under Chapter 40B. This development, and others like it, have the potential to create affordable homeownership units, which are otherwise difficult to create since the per-unit subsidy needed is high and state and local subsidy programs for homeownership are quite limited.

Chapter 40B is sometimes considered controversial because a project may exceed density or other local zoning requirements if the community has not met the statutory affordable housing production goals. However, in communities that are proactively and consistently driving affordable housing production at a reasonable scale, Chapter 40B has proven to be an important tool for producing affordable housing development in alignment with the town's vision.

**Affordable Housing Creation Strategies.** While Arlington has supported the HCA's work to create more affordable housing, it has not been enough for a community of our size. This Plan proposes to catalyze affordable housing creation at a more ambitious pace.

Arlington has an unrealized opportunity to seed more affordable housing developments that deliver high percentages of affordable units with limited local investment, by creating the conditions for developments that will compete well for state and federal subsidy. The Trust's affordable housing consultant interviewed six experienced affordable housing developers about what would make Arlington a desirable place to work. There was substantial consistency in their responses, each of which point to the following strategies:

1. Identify potential sites for development;
2. Create predictable, transparent zoning and permitting for affordable housing;
3. Demonstrate community support and the political will to work with the developer to secure local approvals needed for the project; and
4. Commit subsidy up front to facilitate leveraging state and federal resources.

The Trust proposes to pursue each of these strategies, in concert with other affordable housing stakeholders, as follows:

**ACTION: Create a predictable path for permitting mission-aligned affordable housing.** Catalyzing affordable housing development will require the Town to provide a clear path for permitting the affordable housing Arlington wishes to



create. The Trust proposes to work with other Town leaders and housing stakeholders to identify ways to provide a more predictable and transparent permitting process for affordable housing. There are a number of options that merit consideration, including but not limited to the following:

- Pursue an affordable housing overlay district that provides increased zoning flexibility for developments including certain amounts and types of affordable housing.
- Leverage the required M.G.L. Chapter 40A, Section 3A (MBTA communities) zoning changes to create opportunities for affordable housing.<sup>22</sup>
- Consider other zoning or bylaw changes to increase affordable housing creation under the inclusionary zoning bylaw; and
- Use Chapter 40B proactively to permit affordable housing developments that advance our strategy and goals.

*"We are very interested in Arlington, if the path is clear, but Arlington doesn't have a great reputation for making multifamily development easier."*  
- Affordable Housing Developer

**ACTION: Identify publicly-owned and privately-owned sites for development.**

Since open space for development is scarce in Arlington, the Town can encourage affordable housing development by identifying potential sites for development, with a particular focus on considering publicly-owned properties that might be redeveloped to create affordable housing.

Private sites will also be considered as they become available on the market. The Trust anticipates working with private owners to encourage cooperation with potential affordable housing developers. In addition, the Trust will work with aligned development partners and staff to identify under-utilized sites primarily along transit and commercial corridors such as Mass. Ave. and Broadway. Once potential sites are identified, the Trust will analyze the feasibility and cost of making specific proposals to independent property owners, to sell or redevelop the properties. The following types of sites may present opportunities for affordable housing creation:

- Under-utilized commercial sites and parking lots. Potential opportunities include sites along the Mass. Ave. and Broadway corridors that provide easy access to transit via MBTA bus lines and under-utilized commercial and former industrial properties located along the Minuteman Bikeway, where transition of these sites to residential could further enhance existing residential neighborhoods. Single-story commercial properties, primarily along Mass. Ave may have potential for adding three to four stories of housing above, which could also increase foot traffic to retail businesses. Mixed-use development that drives commercial revenue while providing housing should be considered for these properties, consistent with the Town's emerging vision for the long-term potential of these sites and

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<sup>22</sup> M.G.L. Chapter 40A, Section 3A:

<https://www.mass.gov/info-details/multi-family-zoning-requirement-for-mbta-communities>



commercial corridors.

- o Existing unrestricted multifamily rental housing with below-market rents, where acquisition and conversion to affordable housing could protect residents from market-driven displacement and increase the Town's inventory of restricted affordable housing. There are considerable challenges to converting older, occupied buildings, and substantial renovation may be necessary to meet housing quality standards or modernize buildings. Such properties may also present opportunities for redevelopment, including development of additional units. This approach would of course require measures to avoid involuntary displacement of existing residents, particularly those with low- and moderate-incomes.

**ACTION: Pilot at least two programs to financially support affordable housing creation.** In an effort to incentivize the development of additional affordable housing, the Trust will consider and formalize programs that provide financial support to develop affordable housing that align with the Trust's goals and strategies. Obviously, the Trust's efforts in this regard will need to align with available funding sources and other housing stakeholders, but programmatic approaches may include, without limitation, the following:

- o Provide capacity building or technical assistance to HCA, AHA or other affordable housing developers or consultants to explore the feasibility of mission-aligned affordable housing development opportunities;
- o Provide acquisition or pre-development financing to developers to advance mission-aligned affordable housing in Arlington;
- o Provide advance commitments of subsidy dollars to incent developers to purchase small buildings and convert one or more units to affordable housing;
- o Provide subsidy to homeowners wishing to create an accessory dwelling unit on their property that is available only to low- or moderate-income tenants; and
- o Provide a subsidy to mixed income developers to support the addition of more low- or moderate-income units or to make planned affordable units available to lower-income persons.

**ACTION: Issue an RFQ for Affordable Housing Developers.** The Trust proposes to issue a Request for Qualifications to identify developers interested in working with the Town to create mission-aligned affordable housing. This will both allow the Trust to hear from developers about the opportunities and challenges to development in Arlington and provide a visible way to communicate to the development community that Arlington wants to work with developers, rather than against them, to create the conditions necessary to create affordable housing. Identifying potential development partners will also better position the Trust to act quickly when acquisition or development opportunities are identified.

**Creating affordable homeownership opportunities.** Although affordable homeownership opportunities are particularly out of reach in Arlington, most state and

federal homeownership programs reduce mortgage costs or help with down payments, which can help low- or moderate-income buyers afford less expensive homes, but which are likely to be insufficient to put Arlington's high homeownership prices within reach.<sup>23</sup> There is one state funding program which provides substantial subsidy to construct new homes that is accessible to moderate- and middle-income purchasers,<sup>24</sup> but only communities of color such as Boston and the Gateway Cities are eligible to participate. Arlington could decide to provide similar homeownership subsidy in our community without leveraging state or federal funds, but the per unit subsidy amount needed would be quite high, since single family home and condominium prices in Arlington are so high, and we could exhaust our available resources creating just a handful of units. As a result, private market subsidies through the comprehensive permit or Inclusionary Zoning programs - where the profit from market rate home sales cross-subsidizes affordable ownership opportunities - appear to represent Arlington's best opportunity to create homeownership opportunities for moderate-income households.

**ACTION: Encourage Mixed-Income Homeownership Development.** Encourage the creation of affordable homeownership opportunities for low- or moderate-income purchasers through the development of mixed income homeownership developments (market rate and affordable) under zoning and permitting laws that require the creation of low- or moderate-income units without public subsidy.

### **III Strategies to Build the Financial Capacity of the Trust**

The early funding sources available to the Trust are critical to the execution of this initial Plan, but creating and preserving affordable housing is by definition a long-term and a costly investment. For the Trust to realize its mission long-term, it will require a sustainable source of annual funding that likely exceeds that available via the Town's existing resources for affordable housing. Accordingly, during this first five-year period, the Trust will seek to build the financial capacity of the Trust to implement this and subsequent Action Plans.

The Trust will of course ensure responsible stewardship of any funds entrusted to it. All funds, property and other assets of the Trust shall be accounted for by the comptroller of the Town of Arlington, who is required by the Trust's bylaw to issue quarterly reports to the Trustees, Select Board, Town Manager and the Finance Committee and an annual report to the Town Meeting. The books and records of the Trust will also be audited annually by an independent auditor appointed by the Select Board.

During the term of the Plan, the Trust will take the following actions to build the Trust's financial capacity:

**ACTION: Support passage of a real estate transfer fee or other sustainable taxpayer funding.** As stated above, preserving and creating more affordable

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<sup>23</sup> There has been limited success in other communities using Section 8 vouchers to subsidize homeownership, but the Trust will explore this option and add it to the Action Plan if it proves promising.

<sup>24</sup> The referenced program is MassHousing's Commonwealth Builder Program.

housing in Arlington will require sustained annual investments in the Trust Fund that exceed the Town's current resources. The Affordable Housing Survey results suggest that residents are strongly supportive of affordable housing, and that there is significant will to devote Town resources to it. Consistent with this support, Town Meeting approved a home rule petition in 2021 that would allow the Town to adopt a transfer fee for certain real estate transactions to provide a long-term source of revenue for the Trust Fund. Such a fee requires approval by the state legislature, followed by approval of a more specific transfer fee by Town Meeting and approval by Arlington's voters in a referendum. Arlington's state legislative delegation filed a bill seeking legislative approval to proceed with the fee in 2021.<sup>25</sup>

Unlike other local real estate taxes, a transfer fee would apply only when a property is transferred and the seller converts the increased value of the property into cash, and would not come out of annual household income. While home equity is a critical resource for funding college and retirement for many households, increases in home values in Arlington over many years have been extraordinarily high. Median home prices in Arlington went up 13.6% in just the last year.<sup>26</sup> While this creates many of the housing affordability challenges described elsewhere in this Plan, it also provides a substantial financial benefit to those who own homes in Arlington. A transfer fee asks those benefiting from steep housing price increases to leave a small part of the resulting financial benefit in Arlington when they sell, to create and preserve affordable housing. To avoid burdening lower-income buyers and sellers, the transfer fee would only apply to sales exceeding a threshold price to be set by Town Meeting and approved by the voters,<sup>27</sup> and it would not apply in a number of situations, including transfers of affordable housing, transfers to nonprofits, and gifts of property to family members.

Arlington is one of at least nine communities seeking similar authority to raise funds for affordable housing through a transfer fee, and legislation that would authorize all municipalities to impose transfer fees for affordable housing was also proposed.<sup>28</sup> Notwithstanding the efforts of a statewide coalition advocating for passage of these bills,<sup>29</sup> some real estate trade groups oppose them, and it seems unlikely that they will pass in the legislative session closing at the end of 2022. These bills will need to be reintroduced in the new two-year legislative session.

Federal recovery dollars may enable Arlington to increase our affordable housing investments in the next few years pending a source of substantial local funding for affordable housing. But continued investment will require sustainable annual

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<sup>25</sup> Bill H.4295, 192nd Session, An Act Imposing a Real Estate Transfer Fee Upon the Transfer of Property in the Town of Arlington, introduced by Senator Friedman and Reps. Garballey and Rogers.

<sup>26</sup> Redfin, Arlington Housing Market Trends, <https://www.redfin.com/city/36088/MA/Arlington/housing-market>

<sup>27</sup> The threshold may be set between 50% and 150% of the state median sales price of a single family home.

<sup>28</sup> See, for example, S.868, an Act Empowering Cities and Towns to Impose a Fee on Certain Real Estate Transactions to Support Affordable Housing (192nd Session). H.1377 and H.2895 introduced in the same session would also authorize municipalities to impose transfer fees to support affordable housing.

<sup>29</sup> Local Option for Housing Authority (LOHA) Coalition. LOHA's website, <https://www.realestatetransferfee.org/>, includes updated information about proposed transfer fee legislation, background information regarding the potential impact transfer fees could have on affordable housing creation and preservation, and information and resources for transfer fee advocates.

funding from a transfer fee or another funding vehicle. As indicated above, more than 100 other Massachusetts communities have affordable housing trusts, funded in a number of ways, including CPA Funds, issuance of municipal bonds, inclusionary zoning payments, negotiated developer fees, the municipality's general fund, municipal bonds, tax title sales, payments from special bylaws/ordinances, cell tower lease payments and private donations. Because sustained funding is so critical to the Trust's long-term effectiveness, it is important that adequate funding to sustain increased affordable housing investment be identified during the term of this Plan. While initial efforts should include advocacy for the transfer fee approved by Town Meeting, if this is not authorized during the next legislative session, the Trust should begin to propose alternative local funding strategies.

**ACTION: Secure revenue streams from short term rental fees and cannabis sales tax.** Identifying revenue sources for any affordable housing program is a challenge. The Housing Production Plan recommends applying short-term rental community impact fees as a revenue source for the Trust,<sup>30</sup> and other communities have dedicated a portion of cannabis sales tax to their local housing trusts.

Arlington has adopted the additional "local option" tax – known as a community impact fee – for short-term rentals. The Town's vote took effect on January 1, 2020, and it calls for the maximum allowable fee of 3 percent of the short-term rental occupancy charge.<sup>31</sup> It applies to short-term rentals in owner-occupied two- or three-family dwellings or any professionally managed short-term rentals that are not otherwise subject to some other type of room occupancy tax. Under the legislation allowing impact fees for short-term rentals, the Town can assign receipts to the Affordable Housing Trust. While the community impact fee generates very little revenue, it is still a funding source suited for affordable housing purposes and should be dedicated as such.

**ACTION: Explore options to increase inclusionary zoning payments to the Trust.** Arlington's Inclusionary Zoning (IZ) bylaw provides the Arlington Redevelopment Board (ARB) the ability to arrange for developers creating six or more housing units to make a financial contribution to the Trust in lieu of providing affordable units if the ARB finds that it is in the best interest of the Town or if the provision of affordable units would result in a hardship rendering the development financially infeasible. Financial contributions are to be equal to the difference between the full and fair cash market value of a market-rate unit and the affordable price of a comparable affordable unit.

As described previously, since adopted in 2001 the IZ bylaw has resulted in the creation of 60 affordable housing units, and only one payment to the Trust. The Housing Production Plan recommends studying opportunities to update the IZ

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<sup>30</sup> Arlington Housing Plan (2022), page 83:

<https://www.arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000>

<sup>31</sup> The local 3% is in addition to the 5.7% room occupancy tax collected and retained by the Commonwealth.

bylaw to make it more effective,<sup>32</sup> and during this review additional options for increasing payments in lieu of housing units should be evaluated.

**ACTION: Align annual process for Town housing investments with Trust Action Plan.** This Plan describes a number of reasons why its success depends on collaboration among Arlington's housing stakeholders, including those who steward our affordable housing subsidy resources, such as Community Preservation Act (CPA) funds or the Community Development Block Grant (CDBG) funds.

The Trust will work with the Town Manager, the Department of Planning and Community Development, the CPA Committee, the Select Board and other stakeholders over the five-year term of this Plan to align affordable housing resources with our shared affordable housing goals, and to create predictable, but flexible, planning processes to support the Town's affordable housing goals. It is common for municipalities to aggregate CPA and other funds dedicated for affordable housing in a municipal housing trust over time; this is particularly beneficial as housing trusts are able to disburse funding outside of Town budget cycles and respond nimbly to market opportunities as they arise. In the first year or two of this Plan, the Trust will simply continue to work to build alignment among housing stakeholders and to seek funding approvals needed to support the actions set forth in this Plan. As the Town's long-term affordable housing strategies emerge, the Trust will consider and may propose appropriate processes for best aligning our affordable housing investments and planning processes with our affordable housing strategies.

**ACTION: Develop and launch a private giving strategy for the Trust.** Some municipal housing trusts include private donations as a part of their funding strategies. In the Affordable Housing Survey, 22% of respondents said they would be willing to donate to an affordable housing organization, and the Trust received comments encouraging it to solicit private donations and donations of real property. Fundraising campaigns can also provide a way for residents to actively engage with the Trust, and to feel a personal stake in its outcomes. Accordingly, the Trust proposes to explore options for private giving to support the Trust's mission. However, the Trust is aware that private donations are an important revenue source for the Housing Corporation of Arlington (HCA), and is committed to avoiding a strategy that interferes with or limits private giving to the HCA, or confuses potential supporters, and will work closely with the HCA as it considers and adopts a private giving strategy.

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<sup>32</sup> Arlington Housing Plan (2022), page 76: [arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000](https://arlingtonma.gov/home/showpublisheddocument/61619/637909762217270000)



## 5-Year Goals

With respect to each of the three strategies set forth in this Plan, the Trust has set a single, high-level goal for the Trust's first five years that, if met, will reflect success in advancing the strategy. Reaching these goals will require the Trust to complete many of the Actions set forth in the Plan, but there may be other ways to reach these goals, and we have left enough flexibility in this Plan to adapt to changing conditions and take advantage of opportunities and ideas as they emerge. However, the Trustees have deliberately selected goals that we believe are ambitious but reachable, that will, if achieved, create a strong foundation for the Trust and the Town to advance a proactive, effective, long-term affordable housing strategy.

Accordingly, the Trust sets forth the following goals for the term of the five-year Action Plan. Through our community engagement process, we are specifically asking the other housing stakeholder organizations and the public to join us in taking on and realizing these goals. While this is the Trust's Action Plan, none of these goals can be achieved by the Trust in isolation.

- 1. Complete Affordable Housing Preservation Plan.** The Trust will work with the other Arlington housing stakeholders to prepare an Affordable Housing Preservation Plan and begin its implementation.

The strategies described above lay out a process for determining and planning for the needs and opportunities of Arlington's existing affordable housing. These units are all owned and operated by an entity other than the Trust, but which may look to the Town for resources to support this housing over time. This Plan proposes a collaborative process for taking inventory of these units, understanding the needs and opportunities this portfolio presents, and planning proactively to address the needs and seize the opportunities. Achieving this goal will require the collaboration and partnership of the Arlington Housing Authority, the Housing Corporation of Arlington, and other private owners and managers of affordable housing in Arlington, as well as Town funding partners, including the Department of Planning and Community Development and the Community Preservation Act Committee.

- 2. Create or Permit 100 Additional Affordable Units.** During the course of this five-year Plan, the Trust will finance, support or otherwise cause to be developed or created in Arlington at least 100 additional low- or moderate-income housing units. Units that are permitted or under construction will count for purposes of satisfying this goal. This is because the



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development of affordable housing typically requires several years to acquire a site, design the project, secure permits and obtain adequate financing to begin construction. Construction completion and occupancy can take another 1-2 years. Given the 5-year duration of this Plan, the Trust is able to set a more ambitious goal by measuring units permitted or under construction.

The Actions proposed in this plan are intended to catalyze affordable housing creation of different types in a number of different ways. Some of these will involve direct funding or other action by the Trust. Others may be driven by funding opportunities, changes in law, or proactive actions taken by other housing stakeholders, which may or may not have been catalyzed by Trust activity. The goal of 100 units is based on the following somewhat conservative assumptions. The scenario outlined below is just one example of how we might reach 100 units:<sup>33</sup>

- The Trust supports the HCA to produce at least one deeply affordable development including approximately 35 low- or moderate-income housing units, leveraging substantial state and federal subsidy. This may be new construction or acquisition and rehabilitation.
- The Trust supports at least one additional developer, hopefully working in collaboration with HCA or AHA, to produce another deeply affordable development including approximately 35 low- or moderate-income housing units, leveraging substantial state and federal subsidies. This may be new construction or acquisition and rehabilitation.
- The Trust causes or supports the creation of at least 15 units of affordable housing through creation of affordable accessory dwelling units, support of acquisition of existing housing and conversion to affordable units, support of new affordable homeownership units or other Trust financing programs.
- The Trust supports private developers of mixed income housing in creating approximately 15 low- and moderate-income housing units that exceed affordable housing requirements under zoning and permitting laws. This could include (a) deeper affordability for affordable units otherwise required by Chapter 40B or inclusionary zoning, such that they are affordable to very low- or extremely-low income households or (b) creation of more low- or moderate-income housing units than would otherwise be required under zoning and permitting laws. These 15 additional or more deeply targeted units are expected to require some local subsidy, leveraged as much as possible by state or federal subsidies.

To put this 100-unit goal in context, since 1986, an average of about 6 affordable housing units per year have been created in Arlington. Producing 100 units over the five years of this Plan would more than triple the average

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<sup>33</sup> In fact, there would likely be an additional 30-40 affordable housing units created by private developers and permitted under the comprehensive permit or inclusionary zoning laws, since the 15 units counted here are only those that exceed the legal requirement.



number of new affordable units, to 20 per year. Even so, this will still fall short of the production levels called for by the Town's Housing Production Plan.<sup>34</sup> Which is why many of the Actions included in this Plan are intended to create the conditions necessary to produce substantially more affordable housing on an annual basis in the future. The goal set forth in this initial Plan is both ambitious and realistic. That being said, we hope to exceed it, and when the Trust reports on this goal annually, the Trustees will consider whether any modification to this goal is merited.

- 3. Establish Sustainable Funding Source(s).** As set forth above, the long-term success of the Trust's efforts requires sustainable funding. Accordingly, this is a key goal that will be a primary focus of the Trust. The Trustees intend to set a minimum amount of annual funding to achieve, since it is clear that the sources currently available to the Town on an annual basis will not be adequate to an ambitious, proactive, long-term affordable housing strategy. However insufficient information is presently available to inform a meaningful minimum annual funding benchmark for this goal. During the first year(s) of this Plan, the Trust will pursue the actions described above and work to refine this goal to include a funding benchmark to be incorporated into an updated goal in the future.

The Trust will measure and report to the Select Board and the community at least annually, on the progress toward the 5-Year Goals during the term of this Action Plan, including progress updates regarding specific Actions pursued by the Trust and any material modifications proposed to the Plan.

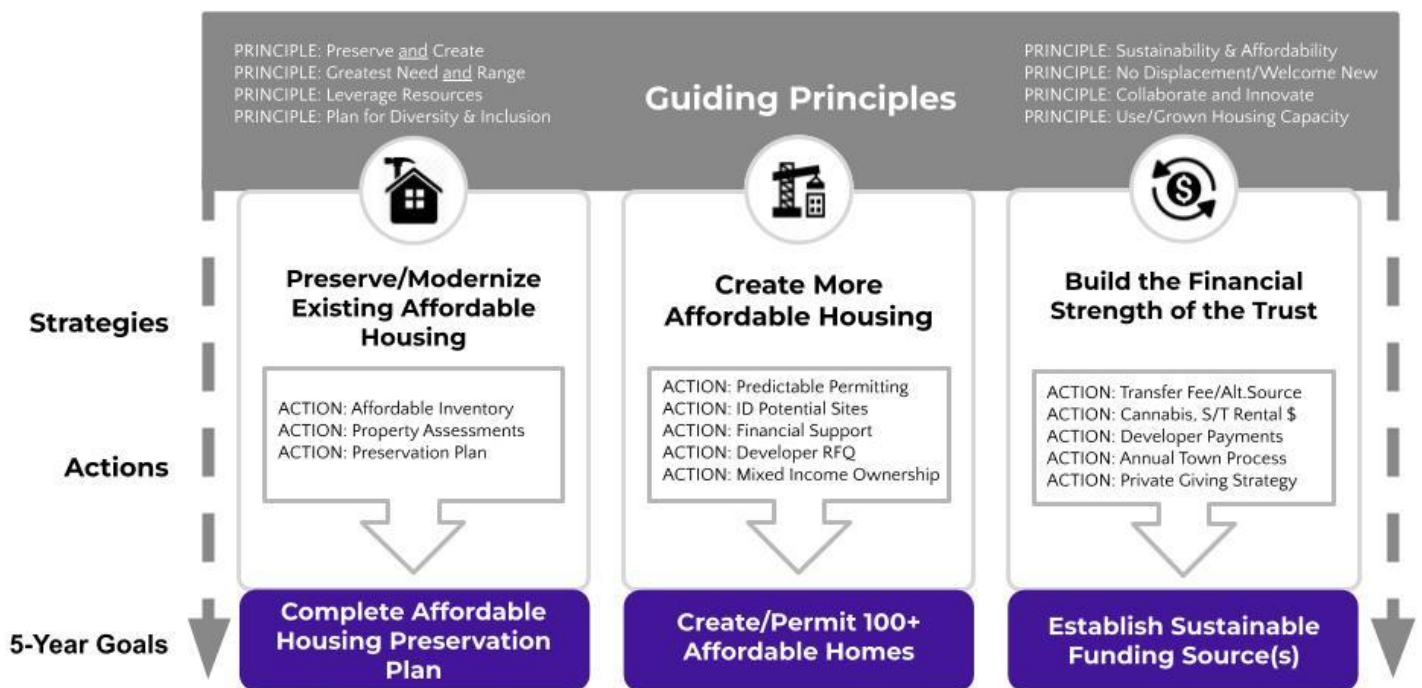
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<sup>34</sup> Arlington Housing Plan (2022), page 70. To qualify for safe harbor status that prevents a developer from overriding local zoning prior to meeting the state 10% affordability target, Arlington needs to meet an affordable housing production minimum equal to 0.5 percent of the Town's year-round housing inventory—currently 99 units—each calendar year.



## Appendix A: Summary of the Five Year Action Plan

The following sets forth the principles, strategies, actions and goals set forth in the Affordable Housing Trust Fund Five Year Action Plan in a summary form, for ease of reference. The Plan incorporates three Strategies, each with one clear, ambitious but reachable Five-Year Goal, and a variety of Actions that may be taken to achieve those goals. These actions and goals for the first five years are intended to create a foundation for more ambitious goals in the future. This diagram provides a visual depiction of key Plan elements.



The Five-Year Action Plan includes background regarding the Trust and affordable housing generally, describes the need for affordable housing in Arlington, and recounts the community engagement process that informed the Action Plan.

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**Guiding Principles.** The following principles will guide the work of the Trust during the term of the Plan:

1. Plan to **preserve** and/or modernize existing affordable housing **and create** as much additional affordable housing as possible.
2. Prioritize those with the **greatest need** while advancing solutions for a **range** of affordable housing needs.
3. **Leverage resources** for maximum impact.
4. **Plan for diversity and inclusion** in our community.
5. Advance **sustainability** and climate resiliency **while promoting affordability.**
6. Limit involuntary **displacement and welcome new** residents.
7. **Collaborate and innovate** with other Town housing stakeholders.
8. **Use and grow** the affordable housing **knowledge and capacity** in our community.

With respect to Principle 2, the Trust will endeavor to meet these **income targets**:

- At least 50% of all housing units *funded by the Trust* during the term of the Plan reserved for households with incomes at or below 60% of areawide median;
- At least 15% of housing units *in projects funded by the Trust* during the term of the Plan reserved for Extremely Low-Income (“ELI”) households (incomes below 30% of areawide median) or Very Low Income (“VLI”) households (incomes below 50% of areawide median.)

**Strategies to Preserve/Modernize Arlington’s Existing Affordable Housing**

ACTION: Complete an affordable housing inventory

ACTION: Obtain capital needs/property assessments/plans for existing affordable housing

ACTION: Create an Affordable Housing Preservation Plan

**5-YEAR GOAL: Complete Affordable Housing Preservation Plan**

**Strategies to Create More Affordable Housing in Arlington**

ACTION: Create a predictable path for permitting mission-aligned affordable housing

ACTION: Identify public and private sites for development

ACTION: Pilot at least two programs to financially support affordable housing creation

ACTION: Issue an RFQ for affordable housing developers

ACTION: Encourage mixed-income homeownership development

**5-YEAR GOAL: Create 100 Additional Affordable Housing Units**

**Strategies to Build the Financial Capacity of the Trust**

ACTION: Support passage of real estate transfer fee or other sustainable tax/funding

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ACTION: Secure revenue streams from short term rental fees and cannabis sales.

ACTION: Explore options to maximize developer payments to the Trust

ACTION: Agree on annual process for Town housing investments

ACTION: Develop and launch a private giving strategy for the Trust

**5-YEAR GOAL: Establish Sustainable Funding Source(s)**

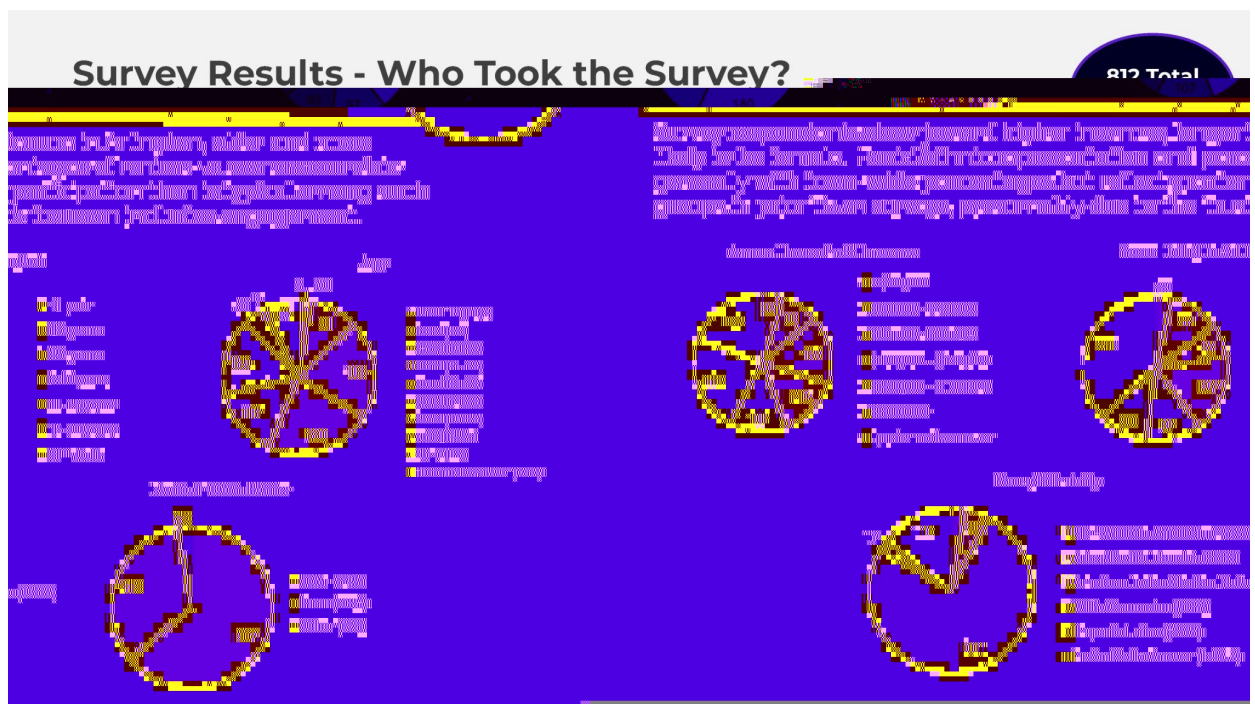


## Appendix B: Affordable Housing Survey Results

The Affordable Housing Survey was made available online and via volunteers using a “street intercept” format between June 16 and July 5, 2022. Outreach efforts included direct email to Town lists, a press release, street intercept outreach (offering a short in-person survey and a postcard directing to the online survey via QR code and URL) and outreach through community organizations and Town leaders.

We received more than 800 responses. The Department of Planning and Community Development indicated that the volume and diversity of responses exceeds the typical response to public surveys in Arlington.

The following slides summarizing survey results were presented for discussion and comment at a July 28, 2022 public forum, and an August 23, 2022 meeting of housing stakeholder organizations. The full presentation is available online at [tinyurl.com/ArlingtonAH](https://tinyurl.com/ArlingtonAH).



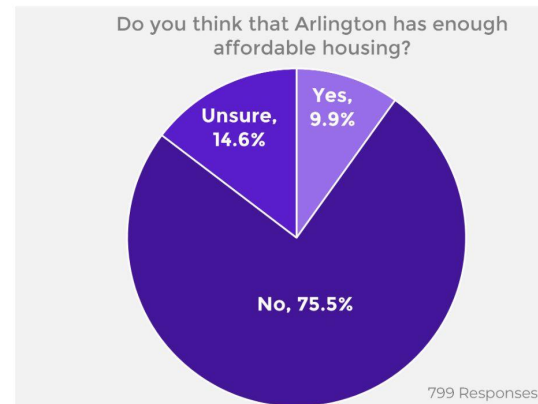
## Survey Results - Need for Affordable Housing

- 75.5% of respondents think Arlington does not have enough affordable housing.

**“We need to make it possible for our teachers, librarians, shop and restaurant owners and workers to live in the Town.”**

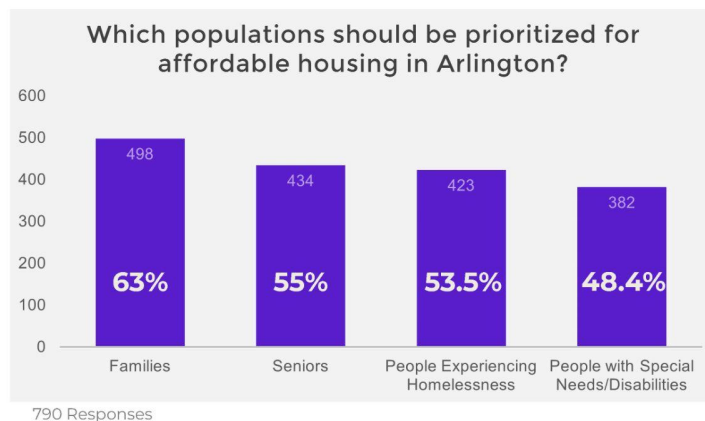
*“Housing, along with health care and education, is such a basic need. Providing a wide range of affordable housing (not just the top end) is crucial to building and maintaining a truly inclusive community.”*

**“Housing costs currently take 57% of my income. I do not believe I will still be in Arlington in another two years.”**



## Survey Results – Priority Populations

- Nearly two thirds of respondents favor prioritizing families.
- About half also support prioritizing seniors, people experiencing homelessness and people with special needs or disabilities.



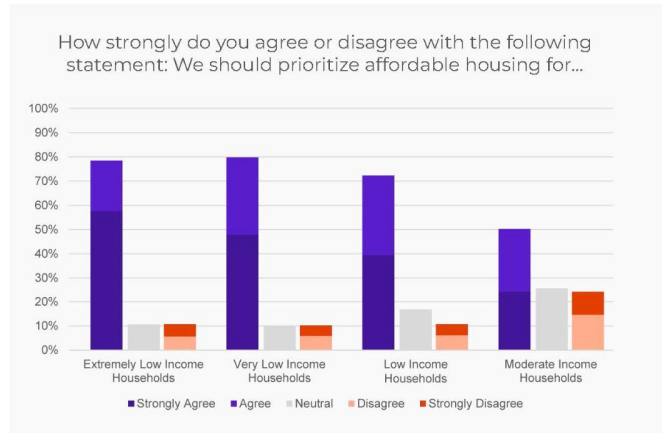
### Some Other Suggestions Shared

- Veterans
- Black/African American people
- People of color
- Immigrants
- Survivors of domestic violence
- Town employees
- Millennials
- Low Income working people
- People in service industries
- Young professionals
- LGBTQIA+ People
- People affected by systemic racism
- Workforce/Middle income families priced out of Arlington
- Live/work space for artists
- Everyone who needs it



## Survey Results – Income Targeting

- There is strong support for prioritizing **all low income households**, with the strongest support for those with the lowest incomes.
- 46% of respondents would prioritize **moderate income households**, while about 22% would not. Another 23% were neutral or unsure.

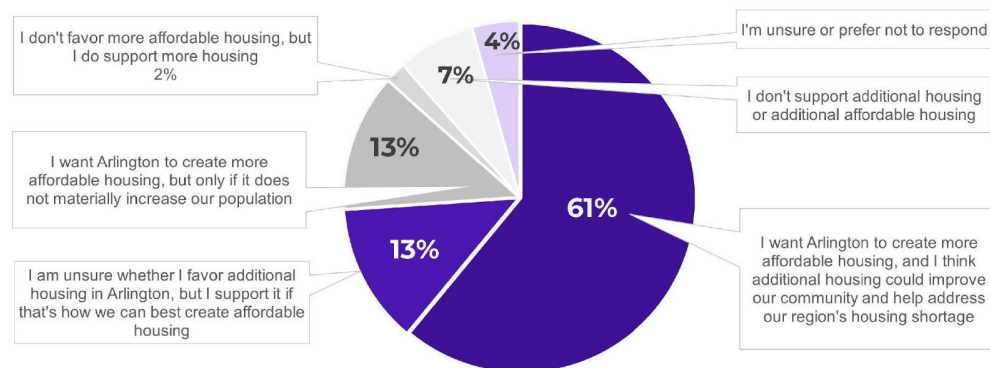


What do we mean by these terms?	
Extremely Low Income	Income below \$40,250 for a family of 4.
Very Low (50%) Income	Income below \$67,100 for a family of 4.
Low (80%) Income	Income below \$101,050 for a family of 4.
Moderate (100%) Income	Income below \$120,800 for a family of 4.
Income limits are lower for households with fewer people.	
These terms are defined and the income levels set for Arlington by the U.S. Department of Housing and Urban Development (HUD). They are used for most of the state and federal affordable housing subsidy programs that we and other towns can leverage to support our affordable housing goals.	
Source: huduser.gov FY2021 Income Limits for Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area	

## Survey Results - Support for More Housing?

- 87% of respondents want Arlington to create more affordable housing.
- 61% of them also favor more housing generally.
- 13% more are unsure about more housing, but favor more if it is affordable.
- 13% only support more affordable housing if it does not increase population.

Which of the following statements do you most agree with?



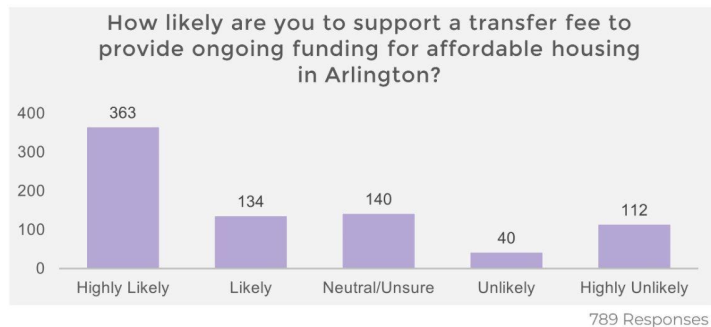
782 Responses

## Survey Results – Support for Transfer Fees

Arlington's Town Meeting passed a home rule petition last year (185-50) that would generate local funds to support affordable housing by imposing a small fee on the transfer of real estate. This still requires approval by the legislature and the voters.

- 63% of respondents are likely or highly likely to support a small fee on real estate transfers to support affordable housing. Another 18% are neutral or unsure.
- 19% say they are unlikely or highly unlikely to support a transfer fee.

“We need a  
dedicated source  
of funding for  
affordable  
housing.”



Members of the public were invited to comment on the following questions at the July public forum where the above results were presented. Housing stakeholders were similarly invited to comment on the results.

## Listening: Reflections on the Survey Results

How can the Trust be responsive to what we heard in the survey?	Do the survey results generate any new ideas for you?
What did you find surprising or interesting about the survey results?	Anything else?

Members of the public were also invited to offer comments on the following questions, during the July 28 public forum and at any time via email to the Trust. 35-40 people attended the virtual public forum. About a dozen comments were received by email.

### **Listening: General Listening Session**

What ideas do you have for creating and preserving affordable housing in Arlington?	How do you think we can best help people stay in or acquire housing in Arlington?
What have you seen other communities do that we can learn from?	What would you think the Trust can accomplish in the year? Next several years? In the long term?



## **Appendix C: Affordable Housing Advisory Council**

During the preparation of this plan, the Trust identified and convened a group of affordable housing professionals who live in Arlington to request the benefit of their professional judgment regarding the draft plan and the proposed principles, strategies and goals. Approximately fifteen people responded, either attending the virtual discussion convened by Trustees, providing comments, and/or expressing interest in ongoing discussion regarding implementation of the Action Plan.

- The group said they found the plan to be thoughtful, clear, and to focus on the right strategies. They asked insightful questions about the limited authority, resources and role of the Trust, and the need for collaboration from and with other Town stakeholders. In that vein, they acknowledged the need for the Trust to provide leadership and advocacy, while continuing to build understanding, alignment and public support for the Trust’s mission and activities.
- They felt strongly that 5 years is a short time to create or permit affordable housing, let alone be catalytic, and urged Trustees to retain flexibility in the Action Plan to respond to opportunities and changing conditions and maximize outcomes. Some expressed concern that the income targeting goals, while desirable, could limit the Trust’s effectiveness by constraining us from pursuing certain opportunities.
- They underscored the emphasis the Trust put on building the capacity of our existing organizations—especially HCA and the AHA, and the need for dedicated staffing at the Town and/or HCA/AHA—to make the enumerated strategies reality. They also discussed the need for ongoing public education.

The professional insights of so many affordable housing professionals were clearly valuable, and the Trust desires to continue to consult with this group from time to time regarding the implementation of the Action Plan. Accordingly, the Trust has invited affordable housing professionals who live or work in Town to become a part of an informal Affordable Housing Advisory Council to the Trust. Trustees will periodically request input from this group regarding implementation strategies and tasks, and occasionally solicit

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their assistance with the Trust's activities. Below is a list of affordable housing professionals who have been invited to be initial members of the Trust's Affordable Housing Advisory Council. Other experienced affordable housing professionals living in Arlington are encouraged to join this group. Please reach out to the Trust at [ArlingtonAHT@gmail.com](mailto:ArlingtonAHT@gmail.com) to join the Advisory Council.

**Initial Members of the AHT's Affordable Housing Advisory Council**

Kate Casa	Rebecca Davis-Karden	Gabby Geller
David Levy	Berley McKenna	Tom Nee
Ann Woodward	Angela Meehan	Erica Schwarz
Bev Gallo	Will Morgan	Barbara Thornton
Michelle Shortsleeve	Abhidnya Kurve	Marc Dohan
Shaina Korman-Houston	Katherine Levine Einstein	Betsey Crimmins

The following Trustees are also experienced affordable housing professionals: Beth Elliott, Neal Mongold, Jaclyn Pacejo, Karen Kelleher and Jack Nagle. Former Trustee Calpurnya Roberts is also an affordable housing professional, but unfortunately no longer lives in Arlington.