



November 12, 2022

Christian Klein, Chairperson  
Arlington Zoning Board of Appeals  
23 Maple Street  
Arlington, MA 02476

Re: **Comprehensive Permit Application, 1021-1025 Massachusetts Avenue**

Dear Chairperson Klein:

Reference is made to that certain Comprehensive Permit Application for 1021-1025 Massachusetts Avenue in Arlington (the “Application”) submitted by 1025 Mass Ave LLC (the “Applicant”). The proposed 50-unit home ownership development (the “Development”) would include thirteen (13) units affordable to families earning at or below 80% AMI, as required under M.G.L. c. 40B (the “Comprehensive Permit Law”), as well as approximately 1,000 square feet of ground floor commercial space.

### **About the Arlington Affordable Housing Trust**

Established by Town Meeting, the purpose of the Arlington Affordable Housing Trust Fund (the “Trust”) is “to provide for the preservation and creation of Community Housing in the Town of Arlington.” The Trust is authorized to support low-income and moderate-income housing, including senior housing for those 60 years and over. We respectfully submit these comments regarding the Development for the consideration of the Zoning Board of Appeals. We are grateful for the ZBA’s collaboration with us in the preparation of our Five-Year Action Plan, which was just this week approved by the Select Board, and are pleased to have the opportunity to comment on the subject Application.

### **Arlington’s Affordable Homeownership Gap**

Arlington presently has only 13 deed-restricted affordable home ownership units. This is unfortunate, since, as Arlington’s Housing Plan, approved by DHCD on June 13, 2022 (the “Housing Plan”) highlights, Arlington has few or no viable options for first-time homebuyers to find a home they can afford<sup>1</sup>. According to the Housing Plan, in 2019, households earning Arlington’s town-specific median family income of \$145,141 could reasonably afford a

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<sup>1</sup> Housing Production Plan, p. 71

single-family home priced at not more than \$592,500 or 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>2</sup>. The situation has only worsened since 2019, with median sales prices for single-family homes and condominiums at \$950,000 and \$695,000, respectively, in 2021<sup>3</sup>.

### **Creating Affordable Homeownership Opportunities**

As described above, homeownership is particularly out of reach for low- and moderate-income households in Arlington. Unfortunately, there are few state and local subsidies available to bridge the substantial gap between a price affordable to low-income purchasers and actual single family home and condominium prices in Arlington. While there are state and federal homeownership programs that reduce mortgage rates or costs, or help with downpayments, these programs help low-income buyers increase their purchasing power, but not likely by enough to put Arlington's high homeownership prices within reach.<sup>4</sup>

For example, a 4-person family with income equal to 80% of AMI would earn \$111,850 per year, and is estimated to be able to afford a home priced at \$290,300.<sup>5</sup> However, the median purchase price of a single family home in Arlington right now is \$950,000, or \$695,000 for a condominium. That means each affordable homeownership unit would require at least \$400,000 of subsidy, most of which would need to be provided by the Town. The cost of just the 13 units proposed at the Development could be estimated to exceed \$5 million - funds Arlington does not currently have available for this purpose.

As a result, a deal like the subject Development - where profit from market rate home sales would cross-subsidize affordable ownership opportunities without the need for public subsidy - represents one of Arlington's only realistic pathways to homeownership for low- and moderate-income households. Accordingly, the Trust's Five Year Action Plan, developed in consultation with the Zoning Board of Appeals and approved just this week by the Select Board, commits to encourage the creation of affordable homeownership opportunities for low- or moderate-income purchasers in mixed income homeownership developments like the subject Development. Adding 13 deed-restricted affordable homeownership units would double the number of affordable homeownership units in Arlington and represent a rare chance to offer families earning less than 80% of area median income ("AMI") an opportunity to purchase homes in Arlington.

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<sup>2</sup> Housing Plan at pg. 43.)

<sup>3</sup> <https://tamelaroch.com/statistics/arlington-ma/>

<sup>4</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>5</sup> Affordable Housing Trust, 5-Year Action Plan (2022-2027), p. 5.



## **Increasing Affordability**

While the Comprehensive Permit Law requires that 25% of the units in the development be affordable to purchasers with incomes at or below 80% of area median income, we encourage you to urge the developer to consider offering either more affordable units to the community, or to make some of the required units affordable to purchasers with incomes below 80% of AMI, as suggested by the Select Board in their initial support letter submitted with the Development's request to MassHousing for site approval. In either case, the Trust would be happy to meet with the developer to discuss the financial feasibility of additional affordability, and we or other Town bodies may be in a position to provide some limited subsidy to mitigate the cost of affordable units in excess of - or at income levels below - the minimum thresholds set by the Comprehensive Permit Law.

The Trust conducted an extensive community engagement process during 2022 and heard from many residents a deep concern about home prices in Arlington being out of reach for all but relatively affluent purchasers. While the Trust's particular mission and mandate is limited to households with incomes at or below 100% of area median, the community expressed a strong desire for housing solutions that sustain full economic diversity in our community, including housing for what is increasingly considered the "missing middle." Accordingly, the community may value additional homeownership units of various sizes priced to be affordable to middle-income people who are teachers, office workers, first responders, young professionals, or retirees looking to downsize. The ZBA is in a unique position to advocate for such outcomes as you review the developer's request for a comprehensive permit.

## **Plan for Diversity and Inclusion**

Arlington's Fair Housing Action Plan and Housing 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 moving to or staying in Arlington. The creation of housing affordable to such groups, and designed to meet the needs of such groups, is an important priority for the Trust, and we have committed to be guided in our work by the principle of planning for diversity and inclusion in our community.

The Federal Reserve Bank of Boston has found that greater Boston has alarming racial wealth gaps.<sup>6</sup> It should come as no surprise that Massachusetts also has wide racial homeownership gaps - with 69% of white households owning their homes, while only 35% of households of color own.<sup>7</sup> Reducing these gaps even incrementally requires particular

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<sup>6</sup> The Color of Wealth report found that the average wealth of white households was \$247,500, vs. just \$8 for a U.S. Black household and less than \$15,000 for Caribbean Black, Puerto Rican, Dominican and other Hispanic households.

<https://www.bostonfed.org/publications/one-time-pubs/color-of-wealth.aspx>

<sup>7</sup> file:///C:/Users/KKelleher/Downloads/REACH-presentation%20(4).pdf



commitment in communities like Arlington, where home prices are high, and in 2019, there was only one home loan made to a Black purchaser in Arlington.<sup>8</sup>

While these facts add particular urgency to the need to create affordable homeownership opportunities wherever we can, they also support the need to include, in any comprehensive permit issued for the Development, conditions that maximize the opportunity for the affordable homeownership units to advance diversity and equity in our community and our region. Such conditions would presumably include a prohibition on the use of local preference to select affordable home buyers,<sup>9</sup> and intentional outreach and homeownership training partnerships with organizations like the Massachusetts Affordable Housing Alliance - specifically MAHA's Saving Toward Affordable & Sustainable Homeownership ("STASH") program, which assists first-generation homebuyers to buy their first home, in an effort to address the Commonwealth's deep racial homeownership gap.<sup>10</sup>

We also note that the Commonwealth recently announced a new MassDREAMS program which provides grants to help certain first-time homebuyers living in communities disproportionately impacted by the pandemic with their downpayment and closing costs.<sup>11</sup> The eligible communities are diverse low-income communities and do not include Arlington, but the funds can be used to buy a home in any community in the Commonwealth. When Arlington does have affordable homeownership opportunities, we hope that they will be proactively marketed to purchasers participating in the MassDREAMS program, or others like it.

In any event, we hope that any process to select affordable purchasers would include early planning to ensure that purchasers are prepared for homeownership with homeownership counseling, post-purchase counseling and other structural supports to ensure they have the information and resources they need to succeed as homeowners.

The Zoning Board of Appeals plays an important role in advancing housing affordability in Arlington, and we are grateful for its thoughtful review of the Development. We recognize that the Application presents other issues of interest to the Town, such as with respect to wetlands and other conservation matters, transportation and traffic impact, and utilities, water and waste management. We strongly support incorporating climate resiliency in all aspects of the Development, but respectfully defer to you and other appropriate Town bodies with respect to such matters and appreciate the difficult work of the Zoning Board of Appeals in evaluating and incorporating such feedback in its decision.

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<sup>8</sup> <http://financialeguity.net/wp-content/uploads/2021/08/MCBC-FY21-Mortgage-Lending-Report-final.pdf>

<sup>9</sup> This would be consistent with the recommendations of the Town's Housing Plan and Fair Housing Action Plan, and would follow a similar condition imposed by the ZBA in the comprehensive permits for both 1165R Massachusetts Avenue and Thorndike Place.

<sup>10</sup> <https://mahahome.org/STASH>

<sup>11</sup> <https://www.masshousing.com/en/home-ownership/homebuyers/massdreams>



In conclusion, the Development presents an opportunity to substantially increase the number of permanently affordable homeownership units in Arlington, without subsidy from the Town. This is a critical opportunity without recent precedent, that the Arlington Affordable Housing Trust Fund urges you to capitalize on. We hope that you will also explore with the Developer whether additional affordable units, or units affordable to a broader range of residents, could be included in the Development, and we stand ready to join those discussions and to consider how such units might be financially feasible.

Many thanks for your consideration and your thoughtful and dedicated service to the Town.

Respectfully submitted,

**Arlington Affordable Housing Trust Fund**

By:   
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Karen E. Kelleher, Chair

