

# AFFORDABLE HOUSING TASK FORCE

## REPORT TO TOWN MEETING

April 2008

The Affordable Housing Task Force (AHTF) was formed by unanimous vote of Town meeting on May 3, 1999. The purpose was to “review the existing supply of affordable housing, techniques to create additional housing and other methods to meet the needs of cost-effective shelter in Town...Said committee shall report back to the next (2000) Annual Town Meeting...” The Task Force convened in the Fall of 1999.

Since its inception, a Director of Housing position was created and filled, an Affordable Housing amendment – Section 11.08 enabling Inclusionary Zoning - was added to the Zoning Bylaw, and **61 new units of affordable housing created**, without use of municipal dollars. “Inclusionary Zoning” refers to the Section 11.08 provision adopted by Town Meeting in 2001 that requires all developments with 6 or more units to include 15% of the units as affordable to low and moderate income households. It is administered by the Arlington Redevelopment Board (ARB).

**What is affordable housing?** Affordable housing refers to housing (either rental or homeownership units) intended for occupancy by households earning up to 80% of median income (called low and moderate income households). Affordability is further defined as paying no more than 30% of income for housing costs. Eighty percent (80%) of median income is currently \$66,150 for a family of four. In reality, most of our affordable housing is occupied by families of much lower income. Any affordable housing subsidized by public dollars (CDBG included) limits occupancy to those earning less than 80% of median income.

**Has the housing market changed in Arlington?** The median single family house price has gone down 3% in Arlington between 2006 and 2007, from \$475,000 to \$460,750. It also went down about 3% in 2006. That was the first year Arlington’s single family home prices declined since 1991, when they went from \$188,000 to \$175,000. Yet, local real estate brokers report that the local market is strong. It would appear that Arlington has not seen the major changes in its market that more urban areas have experienced.

### **Changes in Median Single Family House Prices in Arlington, 2000 to present.**

Year	Median Single Fam. House Price	Change from Previous Year	% Change from Previous Year
2007	460,000	-15,000	-3.16%
2006	475,000	-18,000	-3.65%
2005	493,000	23,000	4.89%
2004	470,000	45,000	10.59%
2003	425,000	30,000	7.59%
2002	395,000	15,000	3.95%
2001	380,000	45,000	13.43%
2000	335,000		
Total Change		125,000	33.65%

**Foreclosures in Arlington.** There were 15 foreclosures in Arlington in 2007, and 19 in 2006. In the 5 years prior to that, there were a total of 17 foreclosures between 2000 and 2005. As in most municipalities, foreclosures are increasing. All of Middlesex County saw an increase of 61% between 2006 and 2007. Arlington's rate was steady between those 2 years, but a sizeable increase occurred compared to the first part of the decade.

**Need for Affordable Housing.** Arlington has 19,411 housing units. Of that total, 41%, are rental units. About 52% of renter households are considered low or moderate income, making below 80% of median income (4,044 households). Of those low and moderate income renter households, 2,510 pay more than 30% of their income for rent, and of those, **876 low and moderate income households pay more than half their income for rent.** These are the households that would be considered most at risk of homelessness. The Federal Department of Housing and Urban Development has set a standard of affordability at paying no more than 30% of family income for housing costs.

While the median income of an Arlington household that owns their own home is \$77,600, the median renter household earns only \$46,000. A family with income at the median for renters can afford to purchase a home that costs \$170,000. By contrast, the median single family house in Arlington sold for \$460,000 in 2007. The median condo price was \$351,000. In 2007, there were 19 single family houses that sold for under \$350,000, and only 2 houses that sold for under \$300,000. Purchasing a first home is out of reach for roughly 75% of all renters. In summary, many of Arlington's lowest income residents are paying too much for rent, and most renters have no real hope of being able to buy a home here.

On the ownership side, 16% of Arlington's homeowners (1223 households) pay more than 30% of their income for housing. Of those, 706 households (58%) are elderly (65 and over). There are 11,186 owner occupied housing units in Arlington. Six percent (6%) are owned by elderly householders paying more than 30% of their income for housing. These households would be considered the most at risk for becoming homeless.

**Existing Supply of Affordable Housing.** Arlington currently has approximately 1040 affordable housing units, with 30 more under construction at Symmes, and 420 Section 8 vouchers for scattered site affordable rental units administered by the Arlington Housing Authority. The Arlington Housing Authority provides over 900 units, the Housing Corporation of Arlington provides 46 units, and Caritas Communities, Inc. provides affordable housing for 37 individuals. There are a number of subsidized residences for people with special needs that are counted on the Town's Inventory of Affordable Housing. Lastly, there are 15 privately owned affordable condominiums. Attachment B provides a list of Arlington's affordable housing.

#### **Task Force Activities over the past year.**

**Inclusionary Zoning changes.** The Task Force advocated for changes to the "Affordable Housing" section of the Zoning Bylaw to change the way prices are set for affordable condos, and rents set for affordable rental units, such that the units will be affordable to people with lower incomes. Town Meeting adopted these changes unanimously.

**Affordable Housing at Symmes.** The redevelopment of the Symmes Hospital will result in the largest addition of affordable housing in decades. The 200 units of new housing will include 30 affordable units (15%), and 10 “Middle Income Affordable” units, affordable to households at 81% to 120% of median income. In addition, the developers will contribute \$150,000 into a fund to subsidize the affordable rents initially. This past year all of the agreements for affordable housing were put in place. Construction has begun, and we anticipate starting the marketing and lottery process about a year from now.

**Affordable Housing Trust Fund.** Town Meeting Warrant Article #19 provides for the establishment of an Affordable Housing Trust Fund, an independent Board that would oversee a Trust Fund account for the benefit of preserving and creating affordable housing for low and moderate income households. The specific powers are set forth in the Warrant Article. The Task Force feels that there are some possibilities of future income dedicated to affordable housing that should be segregated from Town accounts and controlled by Trustees with an interest in affordable housing.

**Home Rule Legislation regarding perpetual affordability.** Town Meeting Warrant Article #15 provides for special legislation to allow the Middle Income Affordable Housing at Symmes to be affordable in perpetuity. Existing law allows perpetual affordability for low and moderate income housing (up to 100% of median income), but only allows 30 years affordability for any units targeted to households making over 100% of median income. Passage of this warrant article, followed by endorsement by the Board of Selectmen and then the State Legislature, would assure perpetual affordability of all the units at Symmes, and any future affordable units targeted to households up to 120% of median income.

**New affordable housing.** Minuteman Village, Arlington’s first comprehensive permit project, provided four townhouse condominium units for moderate income families at about 70% of median income. The purchase price was \$170,000. The lottery was held in May, 07, with 104 applicants seeking 4 housing units.

**Foreclosure Prevention.** Arlington’s Planning Department, along with the Housing Corporation of Arlington, have been tracking foreclosures in Arlington, and trying to get people help before they lose their home. Working with a Cambridge based non-profit, we are contacting owners in the early stages of foreclosure to offer them financial counseling.

**Homelessness Prevention.** For the seventh consecutive year, Arlington residents stepped up to the plate to help their neighbors. More than \$45,000 was collected from private donations to help Arlington residents facing eviction and homelessness. The Fund to Prevent Homelessness was created under the direction of the Task Force in 2000 to provide emergency assistance for residents at risk of becoming homeless. In the 8 years since its inception, about 232 Arlington families and individuals have been helped to stay in their homes as a direct result of these donations, which have totaled \$300,000. This Fund is administered and overseen by the Housing Corporation of Arlington, with a three person review committee, made up of Leon Canter, Director of the Arlington Assistance Program, Mary Deyst, and Laura Wiener, Director of Housing for the Town. An independent fund, the Farmer Fund, is available to help elderly Arlington women and couples, including those in danger of homelessness, and is administered by John L. Worden III, Esq.

**Other housing issues on the table.** The Task Force began discussions on a number of other housing issues which we expect to continue into the coming year.

1. Accessory Apartments. The Arlington Redevelopment Board has been asked to study the issue of regulating accessory apartments in Arlington. An accessory apartment is a second unit in a single family home, or a third unit in a two-family home, that is smaller in size than the primary unit. The AHTF will work with the Redevelopment Board on this study.
2. Chestnut Manor redevelopment. The Task Force will continue to support the Housing Authority in its effort to add affordable special needs housing to its Chestnut Manor property.
3. Menotomy Manor. The Housing Authority has embarked on an expansion of its family housing stock at the Menotomy Manor development, by adding six (6) accessible and affordable units for families.

Respectfully Submitted,

The Affordable Housing Task Force,  
John Griffin, Chair, representing the Arlington Housing Authority  
Jack Hurd, Vice-Chair, representing the Board of Selectmen  
Patricia Worden, Secretary  
William Burke, community member  
Anne DiNoto, community member  
James Doherty, representing the Board of Assessors  
Diane Harrington, community member  
David Levy, representing the Housing Corporation of Arlington  
Christopher Loreti, representing the Redevelopment Board  
Nick Minton, representing the Fair Housing Advisory Committee

## **ATTACHMENTS**

ATTACHMENT A.	Housing Statistics
ATTACHMENT B.	Inventory of Affordable Housing in Arlington

**ATTACHMENT A.**

**CURRENT HOUSING STATISTICS FOR ARLINGTON**

**As of January, 2007**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Median purchase price for single family home	\$460,000	\$475,000	\$493,000
Income needed to purchase (10% downpymt):	\$120,000	\$120,000	\$125,000
Median condo price:	\$351,000	\$356,000	\$364,000
Income needed to purchase (10% downpymt):	\$ 92,950	\$ 95,000	\$ 96,500
Median family income in Arlington :	\$ 78,741	no new data	
Median renter income:	\$ 46,000	no new data	
Market rent for 2 bedroom apartment:	\$1,400	\$1,400	\$1,250
Income needed, using HUD's 30% of income for housing:	\$60,000	\$60,000	\$50,000
Number of low and moderate income households (below 80% of median income):		5,543	
Number paying more than 30% of income for housing:		2,678	
Number paying more than 50% of income for housing:		1,200	

	<u>Annual Salary</u>	<u>Affordable Rent</u>	<u>Affordable Purchase</u>
Minimum wage worker	\$15,600	\$390	
Starting teacher	\$33,000	\$825	\$120,000
Median teacher salary	\$50,000	\$1250	\$190,000
Starting police or firefighter	\$40,000	\$1000	\$140,000
Median income family	\$78,741	\$1968	\$255,000