



## **Housing Plan Implementation Committee**

Date: February 6, 2020

Time: 6:30 PM to 7:30 PM

Location: Mural Room, Senior Center, 27 Maple Street

### **Minutes**

Present: Lourie August, Pam Hallett, Karen Kelleher, Jonathan Nyberg, Jenny Raitt, Patricia Worden, Erin Zwirko.

Erin noted that the main purpose of the meeting was to continue to discuss the warrant articles for a municipal affordable housing trust fund and a real estate transfer fee. As reported, the Select Board requested the housing trust fund and the Town Manager requested the transfer fee. At this time, we do not know the hearing dates, but the Department of Planning and Community Development staff will let the Committee know once dates are known.

The first item the Committee discussed was the municipal affordable housing trust fund. Erin noted that Town Counsel made a few edits to the warrant article, which are reflected in the draft and she updated the composition of the Board per the discussion at the last Committee meeting. Erin noted that there were two outstanding items from the last meeting including whether the trust fund should consider funding 40B projects or if the Select Board and/or Town Meeting should review transferring, selling, leasing, etc, of assets. Patricia noted that 40B projects are not entirely affordable. The Committee agreed to present these differing opinions to the Select Board and let them decide.

Jenny noted that in 2008 the article to create a trust fund did not receive action because of comments about liability being a burden to the Town and that Arlington wouldn't also need a trust fund because it had not adopted the Community Preservation Act (CPA). There are different conditions now, so need to think about how to articulate why the Committee supports a trust fund now. Karen suggested that the Committee needs to identify the problems that need to be solved and how the trust fund could be used to solve those problems. She also noted that there is more awareness of displacement and affordability now than in the past. Pam noted the 10% of CPA funds set aside for housing will not be used this year, and for instance, if there was a trust fund, the funds could be allocated there and readily used.

The Committee discussed what the trust fund could be used to accomplish that is different than what the Housing Authority (AHA) and Housing Corporation of Arlington (HCA) does.

Based on the conversation acquisition was an important item for the Committee, as a way of preserving existing affordable housing that may not be deed restricted. Tenant rental assistance for households at risk of homelessness, buy down assistance for homeownership, and the ability to exercise the right of first refusal on existing affordable units were items that the Committee expressed interest in. In the future, after getting established, preservation of at risk multifamily housing would be of interest. Patricia mentioned adding to AHA's family housing portfolio. Jenny noted that the trust could be a partner to AHA. Karen also noted that the trust could accept excess funds in certain real estate transactions.

To kick off the discussion on the real estate transfer fee, Jenny provided text based on the Brookline adoption of a real estate transfer fee and noted that Town Counsel is currently reviewing. The Committee discussed that some tweaks might be necessary to the language to make it relevant to Arlington.

The Committee reviewed data that Erin provided on total sales in Arlington between 2015 and 2019, and various sale price thresholds and various transfer fee assessments. On the sale price thresholds, Erin used the statewide median sale price, the Arlington median sale price, and sales of \$1 million dollars or more. Erin also used 2%, 1%, 0.5%, and 0.05% as transfer fees to understand the potential revenue.

Jonathan suggested that the transfer fee should be all inclusive. Karen thought the fee should be on the seller as these households have reaped equity and some should stay in town. Patricia thought the fee should be assessed to the seller and should not affect transactions lower than the Arlington median sale price with appropriate exemptions. She also thought that there should be a higher fee for flips. Patricia noted that the proposal needs to be sold to Town Meeting, and anything lower than \$400,000 might result in failure at Town Meeting. The Committee thought that the best course of action would be to present to the Select Board a broad range of options and examples from other communities.

Lourie mentioned that the exemptions are important to understand. She pointed out that homeowners with reverse mortgages may not be in a position to pay this fee. She noted that we should not make presumptions of who has the wealth or equity to pay the fee. Karen asked about a waiver process, and Erin and Jenny will discuss with the Treasurer/Collector about that process.

Jenny noted that it sounded like the group was focused on 0.5%, the statewide median, and assessing the fee on the seller. Again, the Committee was unsure if they can really make a recommendation, and might need to present a range of options to the Select Board. Jenny also noted that it might be helpful to map out the 2019 sales to provide a visual representation.

On the minutes from January 17, 2020, Patricia has an addition to the discussion on which party should be assessed the real estate transfer fee. Lourie made a motion to approve the minutes as revised, Jonathan seconded the motion. The vote was unanimous.

Meeting adjourned at 8:30 PM.