



TOWN OF ARLINGTON
DEPARTMENT OF PLANNING and
COMMUNITY DEVELOPMENT

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MEMORANDUM

To: Select Board
Finance Committee

From: Jennifer Raitt, Director, Planning and Community Development
on behalf of the Housing Plan Implementation Committee

CC: Housing Plan Implementation Committee
Adam Chapdelaine, Town Manager

Date: October 21, 2020

RE: Warrant Article 8 - Municipal Affordable Housing Trust Fund

The Housing Production Plan (HPP), adopted in 2016 by the Select Board and Redevelopment Board and approved by the Massachusetts Department of Housing and Community Development, identifies establishing a Municipal Affordable Housing Trust (MAHT) per M.G.L. Chapter 44 Section 55C, as strategy 14 (see page 69). Under MGL Chapter 44, Section 55C, a MAHT creates a separate fund for local initiatives to create and preserve affordable housing. The HPP points out that a benefit of having a MAHT is that resources can be allocated to the Trust and can be expended by the Board of Trustees without a lengthy approval process. More information about MAHTs can be found in the 2018 Municipal Affordable Housing Trust Fund Guidebook published by the Massachusetts Housing Partnership: https://www.mhp.net/writable/resources/documents/MAHTGuidebook_2018.pdf.

The Housing Plan Implementation Committee (HPIC) has discussed the benefits of a MAHT since the adoption of the HPP, and had more serious conversations about this tool since the fall of 2019. At its meeting on January 17, 2020, the HPIC voted to support the filing of a Warrant Article that would enable the Town to create a Municipal Affordable Housing Trust Fund for Arlington, which was refiled for this Special Town Meeting. If adopted by Town Meeting, the Trust would be governed by the bylaw and its authority would be limited by MGL Chapter 44 Section 55C. The Trust would be a public body and the Trustees would be "special municipal employees." The Trust and the Trustees would be subject to the Open Meeting Law and the Conflict of Interest Law. The Trust is required to work with the Arlington Treasurer/Collector as the custodian of funds, prepare an annual budget, and report annually on its activities. The HPIC voted on October 20, 2020, to submit the attached draft bylaw to the Select Board.¹

The HPIC discussed possible uses for the MAHT including acquisition and preservation of market-rate affordable units, rental assistance for households at risk of homelessness, buy down/ down payment assistance, and the ability for the Town to exercise the right of first refusal on existing affordable units. The HPIC believes that these actions are outside of the important housing options that the Arlington Housing Authority (AHA) and the private Housing Corporation of Arlington (HCA) provide for the

¹ All six members of the HPIC voted affirmatively. One member indicated that her affirmative vote is conditioned on the Trust not providing any financial support to Chapter 40B projects.

community. Furthermore, the MAHT would serve as a vehicle to aggregate existing resources as well as leverage new public and private resources to support the creation and preservation of affordable units by AHA, HCA, and others.

This is not the first time that a MAHT has been proposed. In 2008, a Warrant Article was advanced to Annual Town Meeting, but no action was taken on the article following the recommendation of the Select Board. The Select Board's 2008 Report to Town Meeting noted that MAHTs work well in concert with the Community Preservation Act (CPA), which Arlington had not yet adopted. Based on 2019 data from the Massachusetts Housing Partnership, 110 cities and towns have adopted MAHTs and 87 of those 110 cities and towns have also adopted the CPA. Arlington adopted the CPA at the 2014 Annual Town Meeting. If a Trust is established, the Board of Trustees may apply to the CPA Committee for funds based on the Trustee's goals.

The HPIC sees that one of the major benefits of a MAHT is to act quickly and nimbly particularly when a real estate opportunity becomes available that aligns with the Trust's goals. Currently, if the Town of Arlington wanted to acquire property in order to create or preserve affordable units, the Select Board and Town Meeting would need to approve the transaction. However, the long process to Town Meeting puts any transaction at risk, and therefore, is not ideal for the main goals of the HPIC in advancing a MAHT. The HPIC sees this level of autonomy as being crucial for a MAHT to be successful in its goals.

The HPIC recommended a Board of Trustees with 7 members who would bring a range of experiences. The Board would develop a reasonable action plan, with assistance from the HPIC, Select Board, Department of Planning and Community Development and input from the community. With a well-developed action plan, the Board can function without a dedicated staff person as do many MAHTs function. In the future, if the MAHT is well-capitalized, the Board may find that a coordinator is necessary, and that position could be funded through the Trust Fund.

Overall, the concerns of the Select Board in 2008 may have been addressed by actions of the Town has taken since 2008. The HPIC values input from the Select Board on the level of autonomy afforded to the Board of Trustees and the types of projects that may be funded. Specifically, the HPIC recommends that the Select Board have oversight on decisions sell, lease, exchange, transfer or convey any personal, mixed, or real property as well as borrowing, mortgaging, and pledging assets, as a way to retain the flexibility of the trust while ensuring accountability.

Adopting a MAHT is another way for the Town to support low- to moderate-income individuals and households to achieve housing stability. We hope that the Select Board would support this effort, and through a public process, a Board of Trustees would develop an action plan to identify its goals and strategies in operating the Trust.

Lastly, this proposal is a concrete step for the Town to take in advancing race and equity goals. Generally enabling the town to have more efficient and effective mechanisms for investing in affordable housing both helps to remove barriers to creating and preserving affordable housing and demonstrates and affirmative commitment by the Town to people who earn lower incomes.