

# CREATING AFFORDABLE HOUSING IN ARLINGTON: ASK THE EXPERTS

**TUESDAY, OCTOBER 5, 6-7:30 P.M.**

## Speakers:

- Neal Mongold, Housing Corp. of Arlington
- Sean Hope, Hope Construction
- Rodger Brown, Preservation of Affordable Housing
- Bill Grogan & Amarillys Rodriguez, Planning Office  
for Urban Affairs



## Sponsors:

- Housing Corporation of Arlington
- Envision Arlington
- Town of Arlington
- Town of Arlington Housing Plan Implementation Committee

# WHAT IS AFFORDABLE HOUSING?

U.S. Department of Housing and Urban Development (HUD) definitions of affordable housing are used for most federal, state and local affordable housing subsidy programs. They use a percentage of area median income (AMI) to set income eligibility levels and calculate rent limits, which vary by the size of the household. The below chart shows what they translate to in Arlington for a household of two. They are lower for single person households (31% of all Arlington households) and higher for larger households.

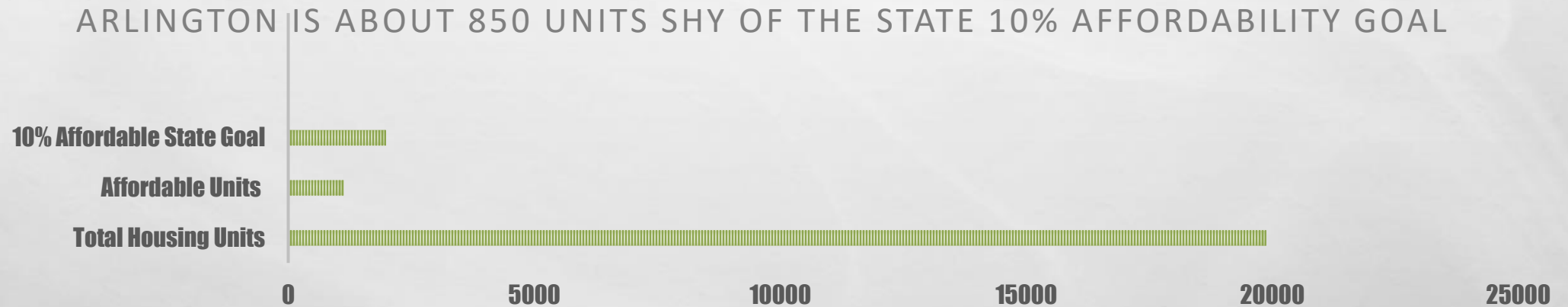
HUD Term	What it Means	Income Level (Household of 2)
Low Income	At or below 80% of Area Median Income.	\$80,850
Very Low Income	At or below 50% of Area Median Income	\$53,700
Extremely Low Income	At or below 30% of Area Median Income	\$32,200

Source: FY 2021 Income Limits Summary for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area, huduser.gov, accessed 10/2021

# ARLINGTON HOUSING FACTS

In 1968, Massachusetts passed a law based on the goal of having each community have at least 10% of its housing stock affordable to low-income people. Over 75 communities across the Commonwealth have met the goal. 5.7% of Arlington's housing qualifies as affordable for this purpose.

**5.7%**  
**Affordable**



Source: State Subsidized Housing Inventory, as of December 21, 2020. This has not yet been updated with 2020 census data. Note that the number of qualifying units differs from the number of affordable units on the next slide due to the way DHCD credits certain unit types.

# ARLINGTON HOUSING FACTS

**Arlington continues to put tools in our toolbox that can help drive affordable housing creation and preservation and housing diversity.**

## Local Housing Authority

Arlington has a local housing authority and a sizable portfolio of existing public housing.

## Inclusionary Zoning

Arlington has an Inclusionary Zoning Bylaw that Requires 15% Affordability (at 70% of AMI) for developments with more than 6 Units.

## CPA and CDBG Funds

Arlington has adopted the Community Preservation Act. A portion of our CPA and CDBG funds are regularly invested in affordable housing.

## Housing Corporation of Arlington

Arlington has an active nonprofit community development corporation that is producing new affordable housing.

## Affordable Housing Trust Fund

93% of Town Meeting voted in 2020 to form a Municipal Affordable Housing Trust Fund. Initial trustees were recently appointed.

## Real Estate Transfer Fee

78% of Town Meeting recently voted for a home rule petition that would allow a real estate transfer fee to fund the AHTF, if approved by the State legislature

## Accessory Dwelling Units

In Spring of 2021, Arlington modified its zoning to allow accessory dwelling units.

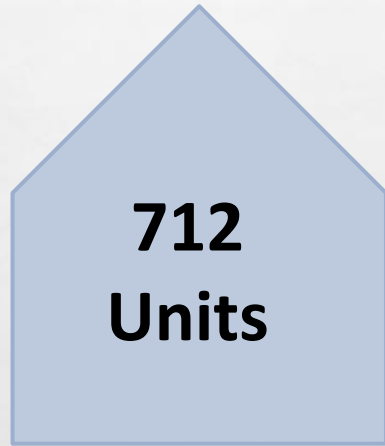
## Fair Housing Action Plan

Arlington Recently issued a plan framing steps the Town can take to eliminate housing discrimination and segregation.

**What's next?** Arlington is updating its housing production plan and seems poised to invest at least \$6 million of ARPA funds on affordable housing.

# ARLINGTON HOUSING FACTS

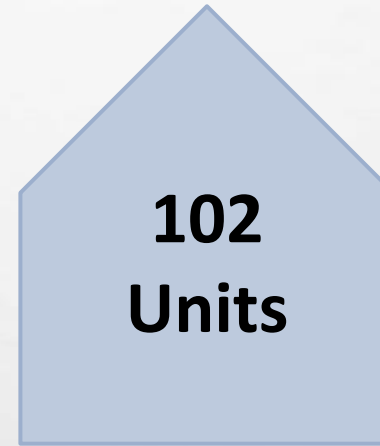
What is included in our current affordable housing stock of just over 1,000 units?



**Public Housing (AHA)**



**Section 8  
(Private Owner)**



**Housing Corporation of  
Arlington**



**Other  
Inclusionary Zoning  
Chapter 40B**

These types of housing, built between 1940 and 1983, are affordable to very low and extremely low-income households, because the federal government provides operating subsidy to pay most of the rent.

HCA will soon add 48 more units to its inventory.

There are as many as 65 more affordable 40B units in the development pipeline (31 permitted). Many 40B affordable units are subsidized by the market rate units in the development and do not require public funds.

These numbers are approximate for purposes of demonstrating generally the types of affordable housing available in Arlington today.

# THE EXPERTS/DEVELOPERS

How can Arlington accelerate its creation of additional affordable housing?



**Neal Mongold**  
Housing  
Corporation of  
Arlington and  
Narrow Gate



**Sean D. Hope, Esq.**  
Hope Ventures and  
Hope Real Estate  
Enterprises, LLC



**Bill Grogan**  
Planning Office  
for Urban Affairs



**Amarillys  
Rodriguez**  
Planning Office  
for Urban Affairs



**Rodger Brown**  
Preservation of  
Affordable  
Housing (POAH)

# SPONSORING ORGANIZATIONS

Envision  
**Arlington**



**Alex Bagnall**  
Envision  
Arlington  
*Welcome*



**Abhidnya Kurve**  
Housing Corporation  
of Arlington  
*Co-Moderator*



**Karen Kelleher**  
Housing Plan  
Implementation  
Committee  
*Co-Moderator*



**Jenny Raitt**  
Town of Arlington  
Department of  
Planning and  
Community  
Development

# DOWNING SQUARE BROADWAY INITIATIVE

<b>Location</b>	Arlington (3 buildings, 2 sites)
<b>Developer(s)</b>	Housing Corporation of Arlington
<b>Type</b>	New Construction
<b>Permitting</b>	Special Permit (3 months)
<b>Total Units</b>	48 (rental)
<b>Affordable %</b>	100% 32 units at or below 60% of AMI 16 units at or below 30% of AMI
<b>Special Feature(s)</b>	5 units set aside for formerly homeless Arlington Eats food pantry on ground floor Solar panels on roofs Remediated a contaminated lot
<b>Operating Subsidy</b>	16 units subsidized by Section 8 project-based vouchers and Somerville Homeless Coalition

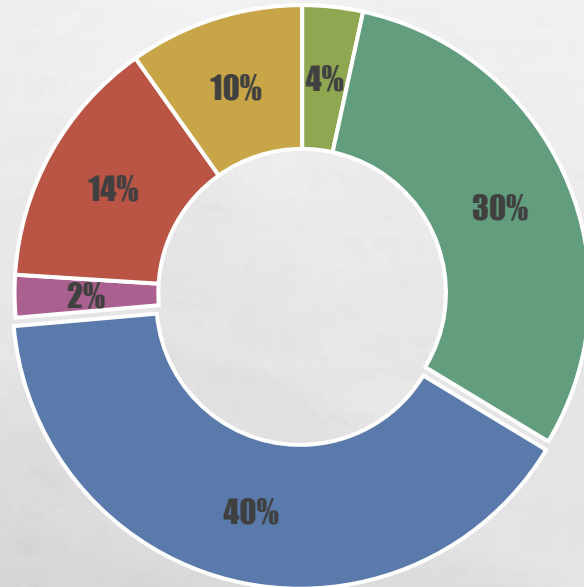




# DOWNING SQUARE BROADWAY INITIATIVE



Total Development Cost      \$25,264,982



■ City/Town   ■ State   ■ Federal   ■ Developer   ■ Mortgage   ■ Other

## Development Financing Sources

Supportable Mortgage Loan:	\$ 3,560,000	(Leader Bank)
Town Subsidy:	\$ 855,000	(CPA and CDBG)
State Subsidy:	\$ 7,600,000	(HIF, HSF, AHTF, LIHTC)
Federal Subsidy:	\$ 10,038,996	(Low Income Housing Tax Credit)
Other Subsidy:	\$ 2,470,000	(North Shore Home Cons.)
Developer Contribution	\$ 800,986	(fee deferral, cash contribution)

**Acquisition Cost:**    \$2,450,000    (\$51,041/unit)

**Only 4% of the total development cost was provided by the Town of Arlington.**

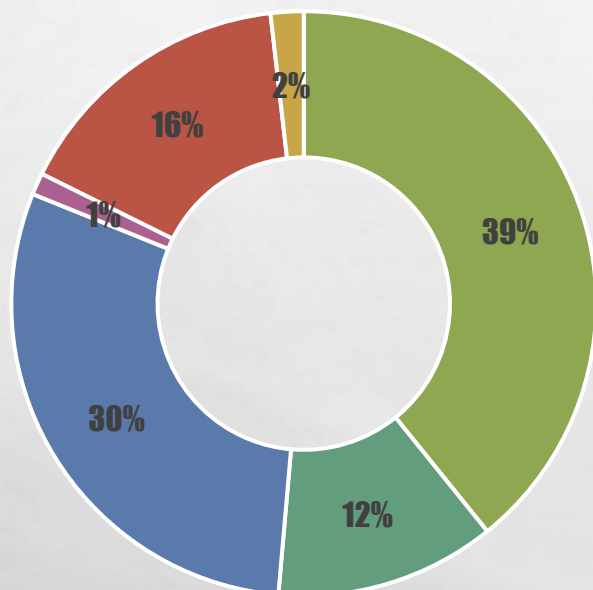
# FROST TERRACE

<b>Location</b>	Cambridge, 1791 Massachusetts Ave.
<b>Developer(s)</b>	Hope Real Estate Enterprises and Capstone Communities
<b>Type</b>	New Construction & Adaptive Reuse Rental
<b>Permitting</b>	40B Comprehensive Permit
<b>Total Units</b>	40
<b>Restricted Unit %</b>	100%
	4 units at or below 30% of AMI
	4 units at or below 50% of AMI
	32 units at or below 60% of AMI
<b>Special Feature(s)</b>	Moved & renovated historic homes Transit-oriented, very little parking
<b>Operating Subsidy</b>	None



# FROST TERRACE

Total Development Cost      \$31,989,122



■ City/Town   ■ State   ■ Federal   ■ Developer   ■ Mortgage   ■ Other

## Development Financing Sources:

Supportable Mortgage Loan:	\$ 5,205,596
City Subsidy:	\$ 12,869,054
State Subsidy:	\$ 4,000,000
Federal Subsidy:	\$ 9,758,461
Other Sources:	\$ 597,792
Developer Contribution	\$ 397,219

**Acquisition Cost:**    \$10,820,000 (\$270,500/unit)

**39% of the total development cost was provided by the City of Cambridge.**

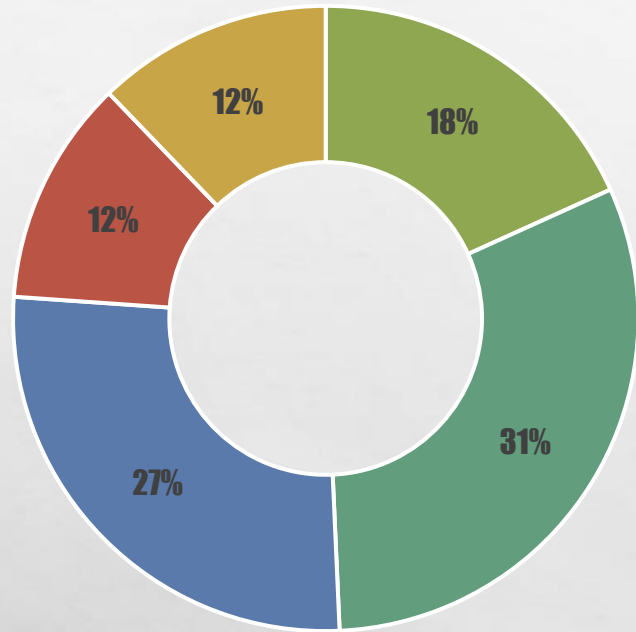
# MORTON STATION VILLAGE

<b>Location</b>	Boston (Mattapan)
<b>Developer(s)</b>	Planning Office for Urban Affairs and Caribbean Integration Community Dev.
<b>Type</b>	New Construction Rental and Homeownership
<b>Permitting</b>	(5 months, after extensive community process)
<b>Total Units</b>	40 (28 Rental and 12 Homeownership)
<b>Affordable %</b>	100% 7 units at or below 30% of AMI 17 units at or below 60% of AMI
<b>Moderate %</b>	16 units at or below 120% of AMI
<b>Special Feature(s)</b>	City sought developers for mixed-income housing and park on city-owned vacant lot via RFP. Community room, fitness room, wellness space, resident services coordinator. Artist preference for 6 units. Adjacent to transit stop.
<b>Operating Subsidy</b>	7 MRVP Vouchers (State)



# MORTON STATION VILLAGE

Total Development Cost      \$22,101,390



■ City/Town   ■ State   ■ Federal   ■ Mortgage   ■ Condo Sales

## Financing Sources

Supportable Mortgage Loan:	\$2,584,275
City Subsidy:	\$4,030,488
State Subsidy:	\$6,863,000
Federal Subsidy:	\$5,927,751
Condo Sales Proceeds	\$2,695,876

Acquisition Cost:    \$200 (\$5/unit)

**18% of the total development cost was provided by the City. Plus free land.**

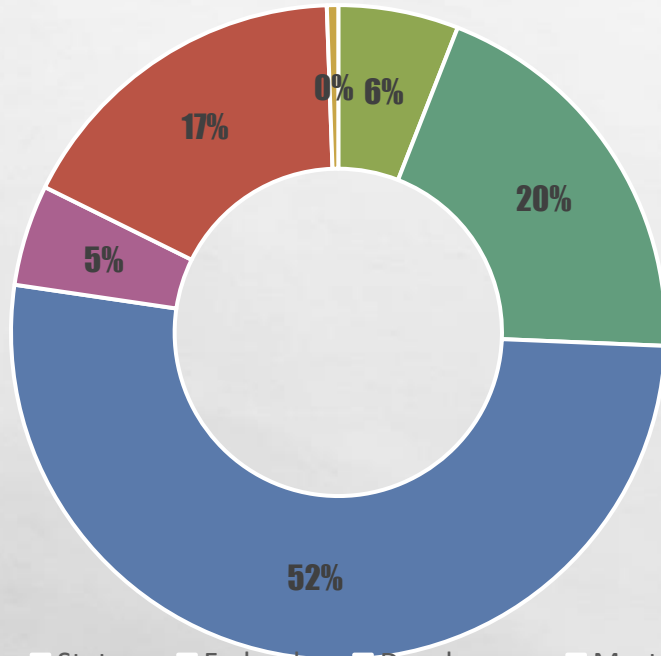
# 41 LA GRANGE STREET

<b>Location</b>	Boston (Chinatown/Downtown)
<b>Developer(s)</b>	Planning Office for Urban Affairs and St. Francis House
<b>Type</b>	New Construction (Part of 2-phase project)
<b>Permitting</b>	Article 80 Large Project Review (twice)
<b>Total Units</b>	126
<b>Affordable %</b>	100%
	54 units at or below 80% of AMI
	2 units at or below 60% of AMI
	70 units at or below 30% of AMI
<b>Special Feature(s)</b>	70 units have formerly homeless preference LEED Silver, exploring all-electric HVAC No car parking. Bicycle storage for all units.
<b>Operating Subsidy</b>	(Ongoing Subsidy of Operating Costs)
	13 project-based Massachusetts Rental Voucher Program (MRVP) vouchers
	57 project-based Section 8 vouchers from Boston Housing Authority



# 41 LA GRANGE STREET

**Total Development Cost      \$88,838,634**



■ City/Town   ■ State   ■ Federal   ■ Developer   ■ Mortgage   ■ Other

## Financing Sources

Supportable Mortgage Loan:	\$15,210,000
City Subsidy:	\$ 5,280,957 (IDP, NHT)
State Subsidy:	\$ 17,514,200
Federal Subsidy:	\$ 45,901,438 (LIHTC Equity)
Other Subsidy:	\$ 500,000 (FHLB)
Developer Contribution	\$4,432,039 (\$3.3M deferred fee)

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**Acquisition Cost:** \$5,025,000 (\$39,880/unit)

**6% of the total development cost is being provided by the City.**

# MELPET APARTMENTS

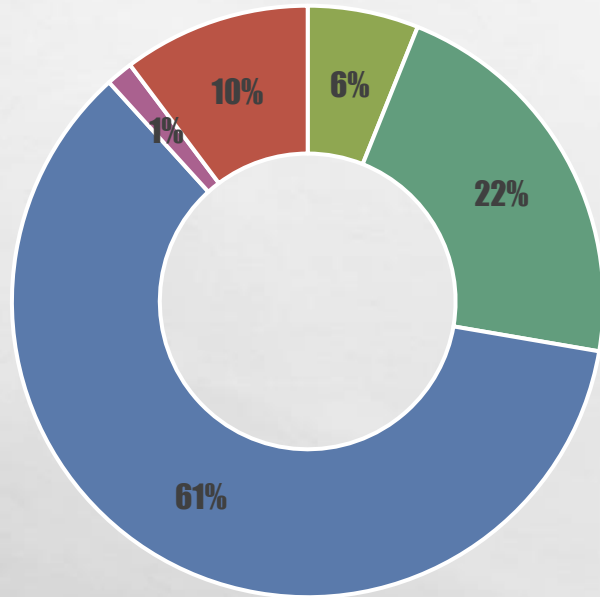
<b>Location</b>	South Dennis
<b>Developer(s)</b>	Preservation of Affordable Housing
<b>Type</b>	New Construction
<b>Permitting</b>	Special Permit (3 months)
<b>Total Units</b>	27
<b>Affordable %</b>	100%
	20 units at or below 60% of AMI 7 units at or below 30% of AMI
<b>Special Feature(s)</b>	Near net zero I/A septic system Solar/Metering Community impact coordinator
<b>Operating Subsidy:</b>	7 project based vouchers from DHCD





# MELPET APARTMENTS

Total Development Cost      \$10,631,773



■ City/Town   ■ State   ■ Federal   ■ Developer   ■ Mortgage

## Financing Sources

Supportable Mortgage Loan:	\$ 1,090,000
Town Subsidy (CPA, HOME)	\$ 645,000
State Subsidy (AHT, HIF, HOME)	\$ 2,300,000
Federal Subsidy (LIHTC):	\$ 6,440,773
Developer Contribution	\$ 156,000

**6% of the total development cost is being provided by the Town.**

**ASK THE EXPERTS/DEVELOPERS**

**DISCUSSION**

**ASK THE EXPERTS/DEVELOPERS**

**Q&A**

**WHAT ELSE WOULD YOU LIKE TO LEARN ABOUT?**

**POLL**

**THANK YOU!**