



**Affordable Housing Trust Fund
Board of Trustees**

Date: March 10, 2022
Time: 8:30 AM – 10:00 AM
Location: Conducted via remote participation

To join this Zoom meeting, please visit: <https://town-arlington-ma-us.zoom.us/j/86806988992>

Or call: (646) 876-9923
Meeting ID: 868 0698 8992

Agenda

1. Review and Approve Minutes of February 10, 2022 (5 minutes)
2. Election of new Secretary (10 minutes)
3. Orientation Topic: Arlington Housing Authority, Jack Nagle (45 minutes)
4. Action Plan Update (30 minutes)

Upcoming Meetings: April 14, May 12, June 9, July 14, August 11, September 8, October 13, November 10, December 8

Attachments

- Links to Resources and Reference Materials
- Group Agreements
- Draft Minutes of Arlington AHTF Meeting of February 10, 2022

Arlington AHTF Governing Documents and Municipal Affordable Housing Trust Fund Reference Materials

- [Title II, Article 14 of the Town Bylaw](#) (Affordable Housing Trust Fund & Board of Trustees, ART. 8, STM 11/18/2020)
- [Municipal Affordable Housing Trust Fund Guidebook v.3](#), published by Massachusetts Housing Partnership
- [Municipal Affordable Housing Trust Fund Operations Manual](#), published by Massachusetts Housing Partnership
- [Arlington Affordable Housing Trust Fund Board Webpage](#)

Other Relevant Reference Materials

- [Massachusetts Open Meeting Law Guide and Educational Materials](#), published by Attorney General Maura Healey (includes statute, regulations and guidance)
- [Summary of the Conflict of Interest Law for Municipal Employees](#), State Ethics Commission

Affordable Housing Trust Group Agreements

- **Be fully present**
Limit distractions, show up as fully as possible to the extent that you are able. Take care of yourself as needed.
- **Use “I” statements (speak based on your own experience)**
Speak from your own experience, where you’re coming from, rather than projecting your experience onto others. Frame your comments about how you are thinking and feeling, and avoid making assumptions about others and how they are feeling.
- **Take space, make space**
If you’ve been speaking a lot, consider listening to others. If you often talk a lot, make sure to share information geared toward the goal of the meeting. If you have not spoken up much, consider speaking up/contributing. Every member’s input is valuable.
- **Share the lesson, not the story (although if there’s time, it’s helpful to hear the story)**
Focus on sharing outcomes and lessons learned. If there is time, sharing the story can be helpful for context and visualize the issue/concern.
- **One microphone**
Talking over others can be very disruptive to the flow of the conversation. If someone is talking, it is important to recognize that they have the proverbial mic and wait for them to finish before you respond or join in.
- **Joint inquiry over advocacy**
Approach our work together as a process of inquiry together and sharing our perspectives. There is a time

and a place for advocacy, but we should prioritize exploration of opportunities instead of a competing over ideas.

- **Use simple, accessible language, avoid jargon or acronyms**
Please use simple, accessible language and avoid jargons and undefined acronyms. If you use an acronym, make sure to define it for the group.
- **Listen for understanding**
Focus on listening and appreciating what others are trying to say, not only what you are hearing.
- **Offer what you can, don't be afraid to ask for what you need**
You are responsible for your actions and for ideas you share. You are also responsible for taking care of yourself in the meeting.
- **Lean into the edges**
Some of our conversations might put us at the end of our comfort zone and trying on new ideas. Some of these conversations might be uncomfortable, and each of us might experience that during a meeting. If you're experiencing discomfort, that's okay. It is often a sign of growth.
- **Seek to build consensus, but accept and expect lack of closure**
We are not always going to solve problems or come to final conclusions in a single meeting. There may be ideas, concepts, conversations that we may want to go deeper with. We hope to be able to do that in future meetings, but it's important to acknowledge that it may not always happen in the span of a single meeting.
- **Think outside the box**
Sometimes we are used to thinking of certain structures or frameworks for our work. Dare to think outside the structures we are used to and unlock your creative energy.
- **Dare to dream**
Be bold with your ideas and dare to dream big.
- **Everyone contributes energy to this space**
We each have our own experience and mood that we contribute to our meeting space. We welcome different energy and strongly feel it will get us closer to our desired outcome.
- **Mutual respect, always**
We respect each other as individuals, and for the perspective that we each bring to our discussions.

Adopted 11/18/2021



Affordable Housing Trust Fund Board of Trustees

Date: February 10, 2022
Time: 8:30 AM – 10:00 AM
Location: Conducted via remote participation

Attendees: Karen Kelleher, Phil Tedesco, Eric Helmuth, Calpurnya Roberts, Jaclyn Pacejo, Neal Mongold, Benjamin Bradlow
Staff: Jennifer Raitt, Kelly Lynema
Guests: Ellen Schacter and Hannah Carillo of the City of Somerville, Len Diggins

DRAFT Minutes

Announcements:

Karen explained that Mariann had stepped down from the Trust due to personal circumstances. We will move as quickly as possible to appoint a new person: the vacancy will be posted today, and the Select Board will try to make an appointment in the next month's meeting. The seat must be filled by a tenant in income-assisted housing to include on the Trust a member who will be the voice representing tenant issues. Karen has reached out to Jack Nagle of the AHA. Jack and others will help spread the word of the vacancy to help identify a liaison.

As Mariann was also the Secretary, a new Secretary will need to be elected at a future meeting. Kelly will take minutes in the interim.

1. Review and Approve Minutes of January 13, 2022

Jaclyn made a motion to approve minutes. Neal seconded. The minutes were unanimously approved.

2. Applications, Technical Assistance, and Plans

CPA Presentation Update

Phil thanked everyone who attended the CPA presentation. Trustees thanked Karen for leading on the presentation and advocating for the funding and all her work and leadership.

The CPA Committee looked favorably on the presentation and really understood this as the first step in a partnership. We invited a CPA Committee member to coordinate with us. The Trust has requested \$250,000 in CPA funding and has invited the CPA

Committee to put restrictions they want on the funding to make sure it complies with CPA rules.

Karen will follow up with CPA Committee and verify whether Sue Doctrow will be the official liaison. She will invite Sue or the appointed liaison to attend future meetings.

Proposed MHP Technical Assistance Application

The Trust has applied but has not yet received a response. MHP will issue decisions in early February. Karen is reaching out to them today regarding the Action Plan.

Action Plan – Consultant RFP Update

Karen reported that most consultants have indicated that they are too busy right now to take on this work. Phil asked if the timeline is too tight; he wants to make sure we get the right person. Calpurnia asked how long we are willing to wait.

Karen responded that we must figure out how to balance interests: we need to demonstrate a combination of flexibility and action. Losing six months or a year could be problematic.

3. Orientation Topic: Housing Corporation of Arlington, Neal Mongold

Neal gave a presentation on the Housing Corporation of Arlington, discussing the organization's history, evolution, how projects have been funded, services it provides, and portfolio.

Regarding next steps, the HCA is looking for a new executive director; Jeff Katz is currently serving as interim director. HCA is working with Ann Silverman Associates to fill the position and conducting wide outreach.

The HCA is also trying to close out the rent-up portion of DSBI. The first tenants are moving in within a week or two. In the future, they're excited about possibility of doing more development in Arlington. They have looked at property by the Ottoson School and submitted a proposal to St. Athanasius for redevelopment of their vacant rectory. Finally, given the recently passed Accessory Dwelling Unit bylaw, HCA is looking at their two-family properties to see if there is extra space to add or subdivide a unit.

Discussion:

Len asked if there was a scenario where the HCA could build the 900 affordable units necessary for Arlington to reach the 10% threshold if they had the money. Neal shared that over 20 years, HCA has developed 150 units. Development is often driven by how much funding is available, but also by whether they can acquire properties at a reasonable cost.

Adding 900 units involves adding some additional density. A Housing Production Plan is critical to identify where additional units can and should go. Neal mentioned that as architect, he has certain sensibilities about density and infrastructure needed

to support different kinds of development. Jenny added that doing a creative exercise with the Trust to think of three or four paths to adding those affordable housing units would be helpful.

Jaclyn thanked Neal for the Board stepping up to bring projects to completion during HCA's time of transition. She asked about committees within the HCA and their role.

Neal said they have three standing committees and some ad hoc: Finance Committee, Real Estate Development Committee, which looks at development opportunities and helps to oversee capital management, and the Outreach Committee, which organizes the Annual Walk for Housing, Annual meeting, fundraising appeals. They currently have a Transition Committee, which is assisting with leadership search.

4. Transfer Fee Update

Hannah Carrillo (City of Somerville), Ellen Shachter (City of Somerville, Director of the Office of Housing Stability), and Len Diggins presented on the work of the Transfer Fee Coalition.

Hannah and Ellen are leading the statewide coalition. They've rebranded as the Local Option for Housing Affordability Coalition (LOHAC). They've been leading this effort for several years. There are two pieces being worked on right now:

- Home Rule Petitions: e.g., what was recently passed by Town Meeting.
- Enabling legislation: this is what LOHAC is focused on.

All Home Rule petitions in committee received a favorable report out. Regarding the enabling legislation, they've received an extension through May 9, which is not as favorable, but still good. LOHAC is revamping their outreach efforts.

Ellen provided additional context on enabling legislation. Politically, they recognize that there are nine cities and towns with Home Rule legislation and three considering it. The message from legislation is that because there are so many considering this, it makes sense to advance as statewide legislation. This is important because:

- They've actively working for three years to get this passed. It is time consuming to get Home Rule petitions passed.
- Affordable housing is not a local problem – it's a regional and statewide problem. They want to empower as many municipalities as possible to do this in a way to get this done in a way that makes sense for them. The key is local control over how transfer fees are implemented. For example, Somerville opted to exempt all owner-occupied housing sales from the fee, whereas other cities and towns have a financial threshold for when and how transfer fees are calculated. All are perfectly viable options.
- The statewide legislation would provide autonomy to cities and towns and would only establish a minimum threshold. At present, this would be for sales over the state median sales prices (currently \$529,000), but if county medians

are lower than the state a municipality in that county can use the county's median.

Their aim is to create a floor that gives flexibility to cities and town to do what they want to do and can get political support locally.

Ellen closed by explaining the process for a bill moving through committee: when a bill gets filed, it gets sent to a committee (this bill was sent to the Housing Committee); the committee has a hearing and then sets a deadline for a recommendation (favorable recommendation, go to study (a.k.a. it dies), or gets continued/extended). This session, many of the housing bills were extended.

Eric asked if Home Rule petitions come to a floor vote and whether the governor will support it. Ellen said that a favorable report does not necessarily mean that it will come to the floor for a vote. Favorable means that your bill is part of a smaller group (e.g., 500 bills instead of 5000 bills). After a favorable vote is delivered, you then need to do the work of making it a priority for leadership.

Jenny thanked the coalition for their work. If it hadn't been for our Arlington's Town Counsel and Select Board finalizing home rule language and keep it moving, we wouldn't be in the position we are in today. Local leadership is very important and continuing to regularly check in with our local delegation to keep this moving forward is critical.

Jenny asked Kelly to share the analysis that DPCD did when drafting the Home Rule petition, including how much revenue it could raise in Arlington. Kelly noted that DPCD drafted a memo to the Select Board and the Finance Committee in 2021 (attached), in advance of the warrant article going before Town Meeting. The revenue produced would depend on the threshold or the percentage agreed upon, so at the time the revenue could have ranged from \$225,000 to \$3.2 million.

Ellen noted that sales prices across the greater Boston region have increased significantly over the last 12 months, so this is a good time to advocate for a 0.5% to 2% fee, which is a reasonable one-time fee.

Karen asked LOHAC to stay in touch with the Trust to let members know when and how to advocate for their work. She thanked Ellen, Hannah, Len, and Neal for presenting. Next month, Jack Nagle of the Arlington Housing Authority will be joining the meeting to talk about the work of the AHA, their portfolio, programs, future strategies, and how the AHA and the Trust can work together.

Meeting adjourned at 10:02am

Upcoming Meetings: March 10, April 14, May 12, June 9, July 14, August 11, September 8, October 13, November 10, December 8



TOWN OF ARLINGTON
DEPARTMENT OF PLANNING and
COMMUNITY DEVELOPMENT

TOWN HALL, 730 MASSACHUSETTS AVENUE
ARLINGTON, MASSACHUSETTS 02476
TELEPHONE 781-316-3090

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: March 16, 2021

RE: Warrant Article 25 – Real Estate Transfer Fee

For the 2020 Annual Town Meeting, the Housing Plan Implementation Committee (HPIC) submitted two companion articles: the adoption of a municipal affordable housing trust fund and authorization to establish a real estate transfer fee through a home rule petition. Both were deferred due to the ongoing pandemic, and the Arlington Affordable Housing Trust Fund was overwhelmingly adopted by the 2020 Special Town Meeting. The companion home rule petition has now been resubmitted to the 2021 Annual Town Meeting for consideration.

Since the fall of 2019, the HPIC conducted research, with the support of the Department of Planning and Community Development (DPCD), on real estate transfer fees (RETFs) as a way to create revenue dedicated to affordable housing purposes to be directly deposited into the Arlington Affordable Housing Trust Fund (AAHTF).¹ The HPIC believes that having a dedicated revenue source would ensure that the AAHTF has a continual stream of revenue to achieve the goals of its action plan. Simply put, the RETF would allow the Town to assess a fee on the purchase price of residential and commercial real estate transactions. The AAHTF would only be able to use the funds to address housing affordability.

As of 2019, RETFs were assessed by 38 states, numerous counties, and jurisdictions, and the District of Columbia.² A number of communities in the greater Boston area have submitted or plan to submit Home Rule petitions to establish a RETF, including Boston, Concord, Brookline, Somerville, Nantucket, and Provincetown. With the beginning of the current Legislative Session in early 2021, through the advocacy efforts of the Real Estate Transfer Fee Coalition, a consensus bill was filed in both branches ([HD.1911](#) & [SD.565](#)) to create a local option allowing municipalities to establish a real estate transfer fee.³ As there is no local option for Massachusetts cities and towns, the Warrant Article is filed as a

¹ The HPIC and DPCD staff continue to consider options for other revenue sources for the AAHTF due to the lengthy home rule petition process. The HPIC and DPCD anticipate that the Board of Trustees, once appointed, will consider revenue sources in the development of their action plan outlining goals and actions to address affordable housing needs in Arlington.

² <http://www.ncsl.org/research/fiscal-policy/real-estate-transfer-taxes.aspx>

³ <https://www.realestatetransferfee.org/>

Home Rule petition, which would eventually have to be added to a ballot for an upcoming election in Arlington. The Home Rule petition is aligned with the local option legislation.

As part of the research completed by the HPIC and DPCD, I would like to draw your attention to some key differences between other home rule petitions and the local option legislation. Key among these includes the threshold where the fee is triggered, the percentage established for the fee, and which party pays the fee. This information is presented to the Finance Committee and the Select Board to provide the context of the possible range of options for consideration.

The HPIC researched three different thresholds to trigger a RETF:

1. Sales equal to or greater than the Massachusetts the median single-family home sale price for the preceding 12 months (\$445,500 for calendar year 2020⁴), consistent with the local option legislation;
2. Sales equal to or greater than the Arlington median single-family home sale price for the preceding 12 months (\$860,000 for calendar year 2020⁵); and
3. Sales equal to or greater than one million dollars.

In 2020, there were 556 arm’s length real estate transactions in Arlington.⁶ The number of sales greater than or equal to the statewide median was 515. The number of sales greater than or equal to the Arlington median was 239. The number of sales greater than or equal to 1 million was 127. The home rule petition gives the Select Board the authority to set this threshold with the limitation that it is not less than the statewide median single family home sale price.

The HPIC researched different percentages: 0.05%, 0.5%, 1%, and 2%. The home rule petition gives the Select Board the flexibility to set the percentage. The local option legislation allows a local jurisdiction to set the fee between 0.5% and 2%. The petitions reviewed range in percentages, and the HPIC prepared the following chart to present the revenue that could be captured at different transaction thresholds and percentages based on the 2020 median statewide sale price, the 2020 median Arlington sale price, and transaction of one million dollars:

Transaction Threshold	Total Value in Sales	0.05%	0.5%	1.0%	2.0%
Greater than or equal to \$445,500	\$453,341,983	\$226,671	\$2,266,710	\$4,533,420	\$9,066,840
Greater than or equal to \$860,000	\$265,484,487	\$132,742	\$1,327,422	\$2,654,845	\$5,309,690
Greater than or equal to \$1,000,000	\$162,009,056	\$81,005	\$810,045	\$1,620,091	\$3,240,181

In regard to which party should be assessed the fee, the HPIC reviewed examples from other communities. In the examples reviewed, other municipalities have required the fee to be paid half by the seller and half by the buyer, or entirely by the buyer, or entirely by the seller. There was no appreciable trend. The home rule petition gives Arlington the flexibility to identify the party responsible for the fee through bylaw.

⁴ Data from Banker and Tradesman for calendar year 2019.

⁵ Data from Banker and Tradesman for calendar year 2020.

⁶ Data provided by the Assessor’s Office.

There are also a number of exemptions outlined in the Warrant Article. To be consistent with the local option legislative, the exemptions included in the home rule petition are exactly the same as the local option legislation. In addition to the exemptions listed, other communities have exempted transfers between an expanded number of family or household members, owner occupants, first time homebuyers who live in the home for at least 5 years, and transfers between parties with an annual income below 80% of Area Median Income as established by the U.S. Department of Housing and Urban Development for that city or town.

The Warrant Article provides the Town with the ability to, via bylaw, adopt additional requirements, exemptions, waivers, and regulations to implement or enforce the real estate transfer fee. The allowance to create a waiver process ensures that the special circumstances of any transaction might be considered by the Town, and the fee waived or reduced in some fashion.

In summary, the HPIC strongly supports this Warrant Article as a way to create sustainable and continuous revenue for the AAHTF. This type of funding could enable the AAHTF to be prepared to assist low- to moderate-income households in a holistic and well-capitalized way that Arlington has not yet been able to achieve. Furthermore, a well-funded AAHTF would serve as a vehicle to aggregate resources to support the creation and preservation of affordable units by AHA, HCA, and others.