

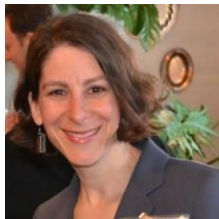
# Arlington Affordable Housing Overlay Working Group



**Preliminary Presentation**  
**Arlington Redevelopment Board**  
**January 8, 2024**

# Affordable Housing Overlay Working Group

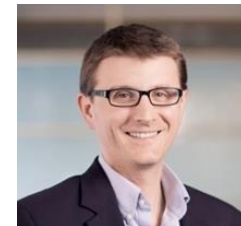
A working group comprised of affordable housing, zoning and legal experts formed a working group to develop a proposed affordable housing overlay. Representatives of the Affordable Housing Trust, Arlington Redevelopment Board and Housing Corporation of Arlington were included to reflect our continuing commitment to cross-functional collaboration to achieve our affordable housing objectives.



**Erica Schwarz**  
Executive Director  
Housing Corporation of  
Arlington



**Beth Elliott**  
Affordable Housing Lawyer  
The Community Builders, Inc.  
Member of Affordable Housing  
Trust (nonvoting)



**Phil Tedesco**  
Real Estate Lawyer  
Member of Affordable  
Housing Trust

**Pro Bono Counsel: Goulston & Storrs**



**Steve Revilak**  
Former member of ZBA and  
Zoning Recodification  
Working Group  
Member of Redevelopment  
Board



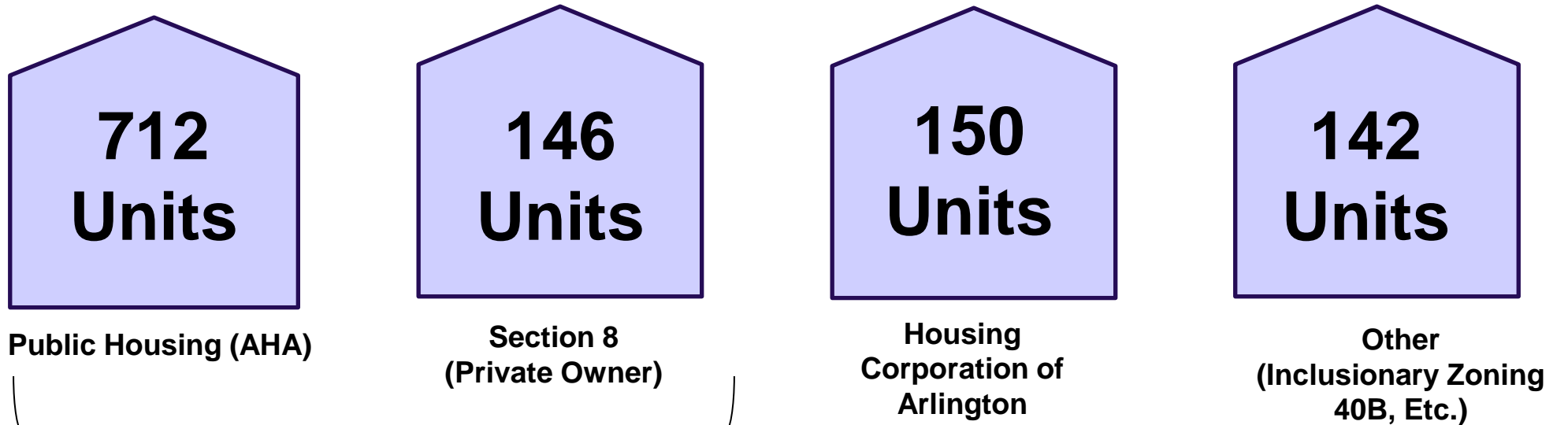
**Karen Kelleher**  
Affordable Housing Lender  
Member of Affordable Housing  
Trust



**Adrienne Rosenblatt**  
Real Estate Lawyer

# Arlington Affordable Housing Facts

What is included in our current affordable housing stock of just over 1,000 units? These numbers are approximate, but show the general scale and type of affordable housing in town.



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. The government does not fund new projects of this type.

HCA has projects in development that are expected to add at least 44 more affordable units to its inventory.

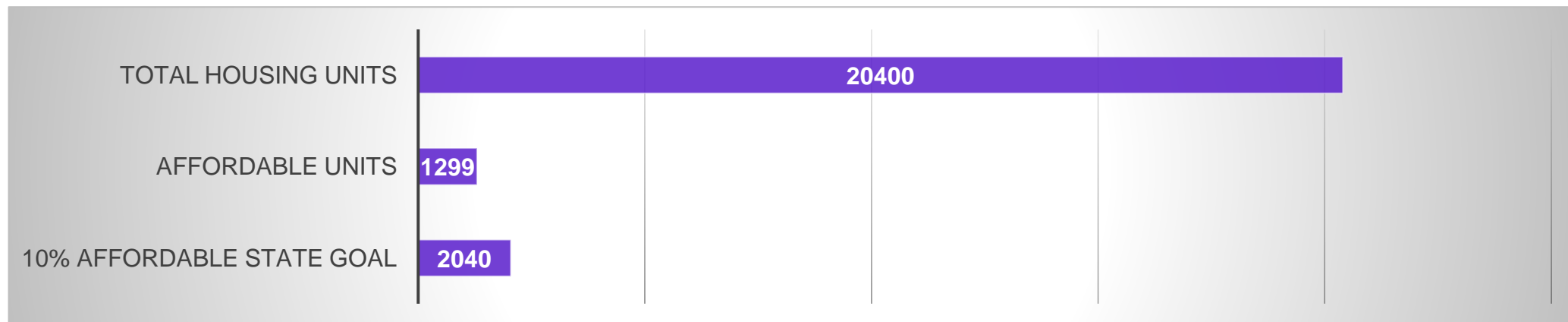
Additional affordable units may/will be added by 40B projects already in the development pipeline (13 units at 1021-1027 Mass Ave and 34 units at Thordike Place)

# Arlington Affordable 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. According to the state's Subsidized Housing Inventory, 6.37% of Arlington's housing qualifies as affordable for this purpose.\*

6.37%  
Affordable

**Arlington is 741 units shy of the Commonwealth's minimum housing affordability goal for each municipality.**



\*The State's numbers may not reflect the most recent information available to the Town.

# Arlington Affordable Housing Facts

The growing regional and national housing crisis has exacerbated the need for affordable housing for low and moderate income households. To better respond to this need Arlington is seeking to grow the tools in our affordable housing toolbox.

Local Housing  
Authority

Inclusionary  
Zoning and  
Chapter 40B

Community  
Preservation Act  
(CPA) and  
CDBG Funds

Housing  
Corporation of  
Arlington

Affordable  
Housing Trust  
Fund

Accessory  
Dwelling Units

Real Estate  
Transfer Fee?

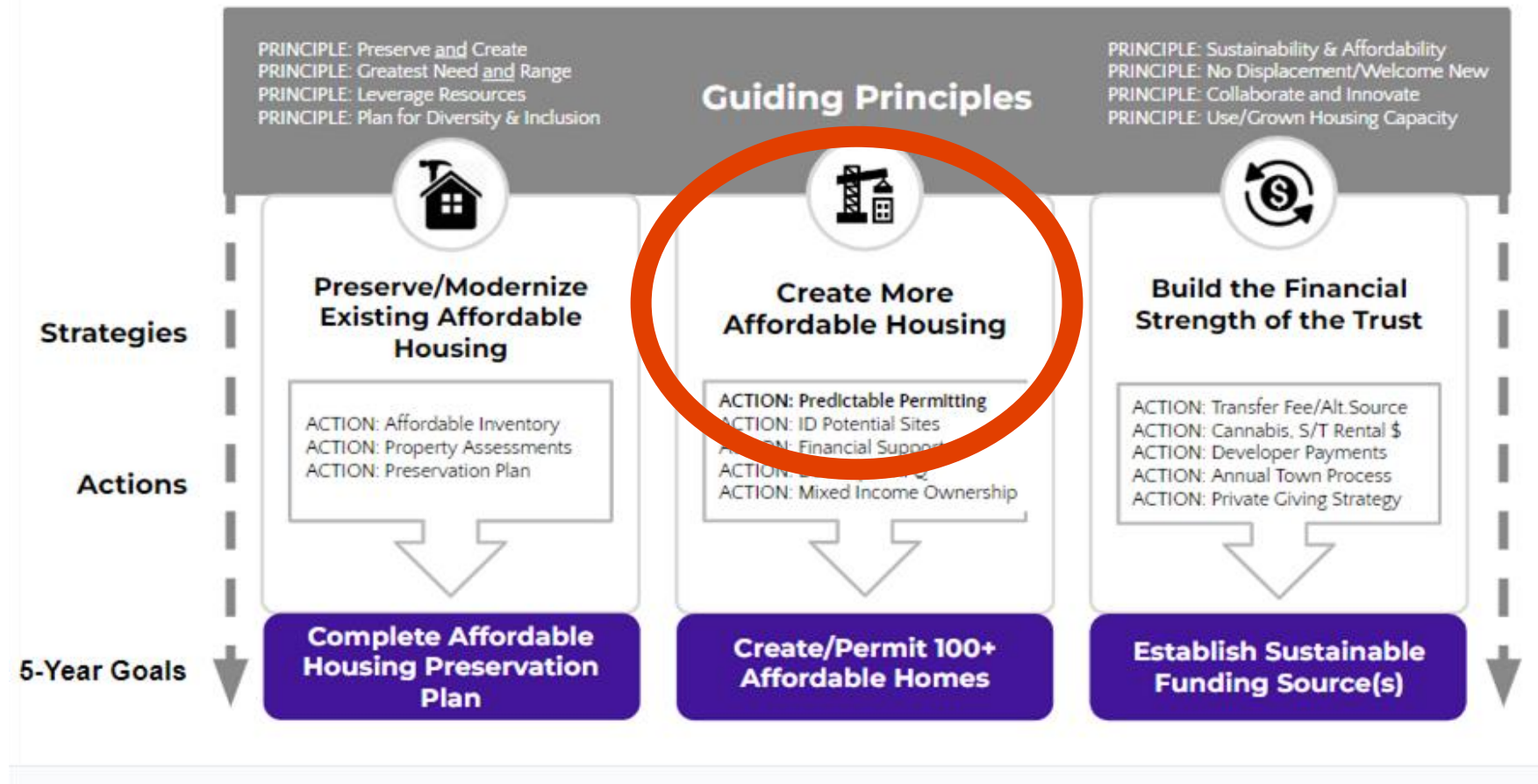
Affordable  
Housing Zoning  
Overlay?



# Creating More Affordable Housing

The Affordable Housing Trust Fund made the creation of more affordable housing a key strategy in its action plan. Predictable permitting for affordable housing was identified as a part of that strategy.

This chart summarizes the strategies incorporated into the Trust Fund's Action Plan. The next few slides come from a public presentation regarding that strategy.





## **STRATEGY 2**

Create additional affordable housing

*Affordable housing requires subsidy to be financially feasible. A minimum subsidy of \$400K - \$500K is required per rental unit. With expertise, flexibility and smart planning, we can stretch limited local dollars a long way.*

# Strategy 2: Two Ways to Subsidize Affordable Housing

*An affordable housing zoning overlay contributes to this strategy.*

## 1. Leverage State & Federal Subsidies

State and federal subsidy is limited and competitive, but multiple projects move forward regularly in other communities attracting affordable housing developers with regulatory and financial expertise. HCA's most recent project received more than **\$22 million, leveraged with only about \$1M of local funds** - just about 4% of total development costs. There are limits on how much subsidy will flow to one developer or one town, but we have far to go before we maximize it.

*MBTA communities is expected to advance this strategy by unleashing the potential of our Inclusionary Zoning Bylaw:*

## 2. Get Developers to Pay for It

We have two laws designed to capture the value of high market costs to subsidize affordable housing.

- Arlington's **Inclusionary Zoning Bylaw**
- State **Comprehensive Permit Law (Chapter 40B)**

Both require market rate developers to provide long-term, use-restricted affordable housing at no cost to the Town. Combined, these laws have produced ~3-4 units/year over the last 40 years, because our zoning laws make market-rate housing difficult to build. Two new 40B's may change that.



## Strategy 2: Leveraging Subsidy

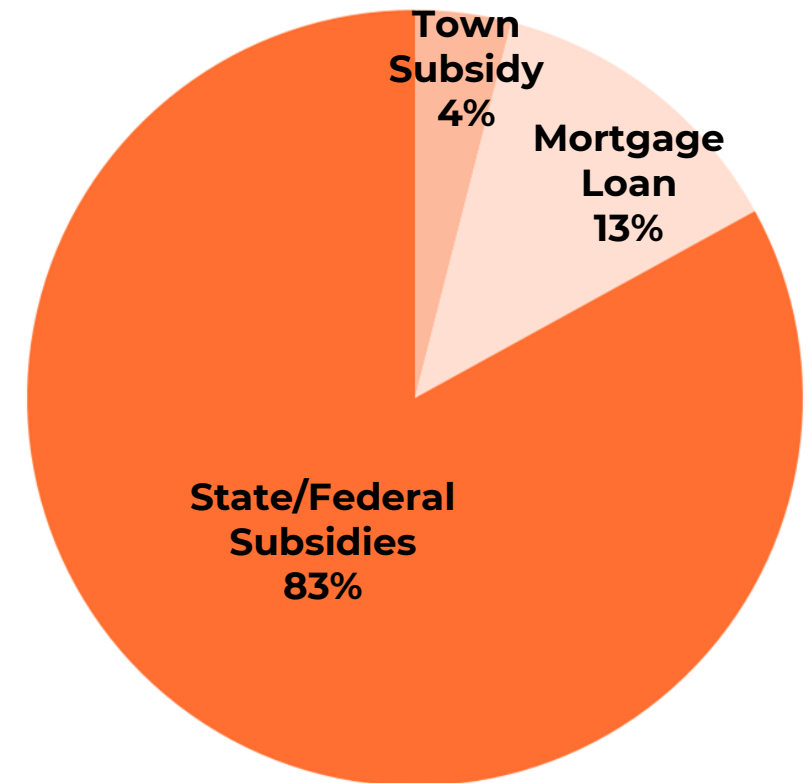
In the first 8 months of 2022,  
DHCD awarded developers

**\$435 Million**

for 52 affordable housing deals in  
31 other communities.

Requests  
from  
Arlington **\$0**

### Downing Square Broadway Initiative Leverage for Town Subsidies



# Strategy 2: What the Experts Said

When asked what would cause them to create affordable housing here, experienced affordable housing developers' responses were very consistent.

***“It’s easy—projects where Town players can help to fast-track: land + financing + community support + permitting and transparency have our interest.”***

*— Affordable Housing Developer*

Identify & offer public sites for redevelopment, such as underutilized commercial sites. ID and negotiate or purchase other acquisitions.

## Sites

## Funding

Early local financing commitments, affordable ADU funding, subsidy for small acquisitions for conversion to affordable.

Affordable housing overlay, friendly 40B, permitted site disposition, MBTA Communities opportunities.

## Permits

## Alignment

Clear, consistent indication of what community wants, the resources & will it offers to support the development (i.e., RFQ).

# **The Proposed Affordable Housing Overlay Approach**

The overlay would apply **throughout the town** and will require a **high percentage of deed-restricted affordable housing**, but will allow some **income mixing to promote housing diversity and inclusion**.

What makes it work are **developments with enough units to attract state and federal subsidies**. The overlay would create a transparent path to create buildings of this size.

The size of the building and location on the lot will be **related to the surrounding buildings and underlying zoning**.

# Preliminary Assumptions for Discussion & Feedback

<b>Affordability</b>	At least 70% of units deed restricted to be available at or below 60% of area median income
<b>Geography</b>	No specific district - this is a townwide overlay
<b>Height</b>	2 stories more than allowed under current zoning
<b>Setbacks</b>	Minimum setbacks driven by prevailing setback in the neighborhood or underlying setback (plus existing nonconformities)
<b>Parking</b>	0.5 Space minimum per unit in residential districts No parking minimum in commercial districts
<b>Commercial Use?</b>	May [shall?] include 1+ floor of commercial or community space in commercial/industrial districts

# Potential Timeline for Development

Date	Forum	What?
December 12	AHTF	Preliminary Review
January 8	ARB	Review of Proposed Warrant Articles
January 26	Warrant Closes	Warrant Article Proposed (ARB or Citizen Petition)
Date TBD	Public Forum (Co-Sponsored)	Why Do We Need an Affordable Housing Overlay?
Date TBD	Public Forum (Co-Sponsored)	Stakeholder Forum
Feb. - March	AHTF, ARB, Precinct Meetings	Overlay Language Review & Comment
April 22, 2023	Town Meeting	Opening Night of Town Meeting



# Arlington Affordable Housing Overlay Working Group

## Discussion



**Thank You**