



Town of Arlington
Housing Needs and Strategy
Adopted July 7, 2004
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Written by Arlington Affordable Housing Task Force
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Town of Arlington Housing Needs and Strategy

Table of Contents

1. Introduction	4
2. Characteristics of Housing in Arlington	4
3. Census Data comparing Arlington to State	4
4. Population Characteristics	5
5. Cost of Housing	5
6. Indicators of Housing Need	6
7. Housing Need by Special Population	6
a. Elderly	6
b. Renter households	7
c. People with Special Needs	8
8. Affordable Housing Strategies for Arlington	8
A. Existing and Continuing Initiatives	8
1. Inclusionary Zoning	8
2. Two Family Acquisition Program	8
3. Fund to Prevent Homelessness	8
4. Symmes Hospital Redevelopment	9
5. Arlington Home Improvement Loan Program	9
6. First time Homebuyers Program	9
B. Strategies for the Future	
a. Preserve affordability of Millbrook Square	9
b. Create an effective dialog with the Archdiocese	9
c. Inventory all vacant land in Arlington	10
d. Inventory underutilized sites in Arlington, including Town owned property	10
e. Look at commercial centers for adding housing units	11
f. Creating Housing and Land Banking Cemetery Land	11
g. Support the creation of affordable housing at former Symmes Hospital (Arlington Conservation and Improvement District)	11
C. Population Specific Strategies	11
a. For Elderly and Disabled	11
b. For Single and Disabled People	11
c. For Families	11
1. Rentals	11

2. First time homebuyer opportunities	12
D. Conclusions	12
E. Attachments	13
a. Current Housing Statistics for Arlington	14
b. Affordable Housing Task Force Members	15
c. Inventory of Affordable Housing in Arlington	16
d. Projected New Development in Arlington	17

Housing Needs and Strategy Arlington, MA

July 7, 2004

During the last year, Arlington has embarked on a comprehensive look at its housing needs, based on Year 2000 census data, and then developed some strategies for addressing those needs over the coming years. Overseeing this effort was the Town's Affordable Housing Task Force. The Task Force is chaired by Selectman Charles Lyons, and has representation from the local Housing Authority, the local non-profit Housing Corporation of Arlington, the Fair Housing Advisory Committee, the Redevelopment Board (our Planning Board), and the community. It is staffed by the Director of Housing, working within the Planning Department.

In many ways Arlington's housing problems are similar to those of most communities in eastern Massachusetts. Housing prices have escalated at a rate that far outpaced incomes, leaving behind many long time Arlingtonians, including many municipal employees, elderly, and other renters in Town. One way that Arlington is different from some other communities is its very low growth rate. The number of households has increased slightly, by 1% over a 10 year period. The number of units, however, has declined very slightly, and the number of rental units has declined more, by 3%. The overall vacancy rate is even lower than it was in 1990.

Following is some descriptive information about Arlington's housing and population, and our strategy to help alleviate our housing problems.

Characteristics of housing in Arlington

1. Rental housing
Arlington has a total of 19,411 housing units. Of that total, 7,815, or 41.1% are rental units. Statewide, 38% of all units are rental. Forty percent (40%) of our rental housing supply is in 2 family houses, and another 40% is in large, multi-family structures. The remaining 20% is in single family, and 3-4 family structures.
2. Subsidized housing
Arlington has 921 subsidized units, a total of 4.7% of its housing stock. Of those, 205 are family units, and 716 are for elderly and disabled. (see attachment 1)
3. Growth

The growth rate in Arlington is alarmingly small, because of the shortage of available land. While Arlington's population grew by 192 households during the 90's (1% growth) the number of units actually declined by 10. Statewide growth during that decade was 6%. Of further concern for renters is that there was an **actual loss of rental units**, due to condo conversions. The number of owned units grew slightly by 4.2%, while there was a **3% loss of rental units**. Consequently, the **vacancy rate for rental housing in Arlington is only 2.1%**. This compares to a statewide vacancy rate of 3.7%, and a 1990 rate in Arlington of 3.3%.

Growth since 2000. Since the 2000 census, the number of units added to the total has increased by 245. The Legacy added 134 high-end rental units to the total. The remaining 111 are ownership units, either single family homes or condominiums.

Population Characteristics

Arlington's year 2000 population was 42,389, representing a loss of 5% from its 1990 population of 44,630. However, the number of **households** has actually **increased** slightly, by 1%, from 18,819 to 19,011 households in 2000. This apparent contradiction is explained by a reduction in average household size from 2.36 in 1990 to 2.22 in year 2000.

Median income of all Arlington households is \$63,344. Median family income is \$78,741, which is slightly above the Boston area median family income of \$74,200. Renters however earn only 60% as much as homeowners. The median **renter** household in Arlington earns \$46,000, compared to the median owner household, which earns \$77,600.

About 52% of **renter households** are considered low or moderate income, in other words, they make below 80% of median income. (4,044 households) Of those low and moderate income (LMI) renter households, 2,510 pay more than 30% of their income for rent, and 876 households pay more than half their income for rent. The Federal Department of Housing and Urban Development has set a standard of affordability at paying no more than 30% of family income for housing costs. **More than 1/3 of all renter households (35.7%, 2,678 households) in Arlington pay more than 30% of their income for rent.** For comparison, statewide, 36.4% of all renters pay too much for rent.

Cost of housing

Rental. The median gross rent in Arlington, as of 2000, was \$870. This is lower than the market rent, which for a 2 bedroom apartment is reported by realtors to be around \$1400. Because renters who have lived in the same place for many years tend to pay a below market rent, the median gross rent is lower than current market rent. For comparison, the median gross rent in

Massachusetts in 2000 was \$605. Median gross rent in the Boston SMSA was \$727. Arlington's median gross rent was \$143 higher than the rent in the Boston area as a whole.

Ownership. While the median income of an Arlington household that owns their own home is \$77,600, the median renter household earns only \$46,001. A family with income at the median for renters can afford to purchase a home that costs **\$170,000**. By contrast, the median single family house in Arlington sold for **\$435,000** in 2003. Looking only at the **lowest quartile**, the homes most likely to be purchased by first time homebuyers, the median of the lowest quarter of homes sold was **\$355,000**. **Income needed to purchase a house in the lowest quartile of prices is \$93,000**. The lowest price house in Arlington sold for \$285,000 (\$75,000 income needed to purchase). There were only 2 houses that sold for under \$300,000 in 2003.

Conclusion: Purchasing a first home is **out of reach for 74% of all renters**. The remaining 24%, earning over \$75,000 annual income, have some chance of purchasing a first home in Arlington. Only **12% of renter households have incomes over \$100,000**, putting them in a good position to be able to purchase a first home in Arlington.

Indicators of Housing Need

1. Excessive rent burden—Over 1/3 (**35.7%**) of renter households have **an excessive rent burden** defined as paying over 30% of their income for rent. (2,678 households) Over half (54.7%) of elderly renters pay more than 30% of their income for rent. Roughly 1/3 of non-elderly renter households pay more than 30% of their income for rent.
2. Low vacancy and low growth rate—Arlington has a very low rental vacancy rate (2%), and a very low growth rate (1%). We have lost 3% of our rental housing to condo conversion in the last decade. We are not meeting the demand for rental housing.
3. Renter income insufficient to buy—The 2000 median renter income is insufficient to purchase a home even in the lowest quartile of prices. Only 24% of renter households have a hope of purchasing in Arlington.

Housing Need by special population

1. **The Elderly.** Arlington's elderly population (defined as over 65 years of age) is 16.8% of its total. Of that group 68% are owners, and 32% renters, somewhat higher than the townwide figure of 59% owners. In total, 1,582 elderly households pay more than 30% of their income for housing. That is 32% of all elderly households. By contrast, 20% of the total number of Arlington households pays too much for housing

- a. Elderly renters. There are **876 elderly renter households** (55% of all elderly renters) who pay more than 30% of their income for housing. These households have very limited resources since they do not own a home. These are the primary candidates for subsidized elderly housing in Arlington, in dire need of assistance. There are roughly 577 elderly subsidized units in Town, primarily owned by the Arlington Housing Authority.
- b. Elderly homeowners. In addition to the above, there are 706 elderly homeowner households (21% of all elderly owners) who pay more than 30% of their income for housing. These people are also eligible for elderly subsidized housing. Since they own a significant asset in their home, but pay a significant part of their income to support housing, they are sometimes described as property rich yet cash poor. These residents are in an extremely vulnerable state, sometimes forced to make choices between housing and other necessities. Arlington needs to do more to help these elderly homeowners at risk.
- c. In total, there are 2,624 elderly households who meet the eligibility requirements for subsidized housing. There are 618 households currently being subsidized. There are roughly **4.2 eligible elderly households per affordable unit in Arlington.**

2. Renter households

- a. **Low Income Renters.** There are **1,802 non-elderly, renter households** in Arlington who pay more than 30% of their income for rent. This group is made up of single person households, small unrelated households, and families. Roughly 2/3 (1200 households) are considered low income, at or below 50% of median income. These renters are most in danger of becoming homeless, and with the most need of subsidized rental housing. There are roughly 200 units of affordable rental housing for families in Arlington. **(1 affordable unit for 6 families in need).** An additional 85 families have section 8 certificates. Arlington has 52 single room occupancy units (rooms for rent by the week, with shared kitchen and bath facilities) for low income individuals, and 74 of our Section 8 certificate holders are single. In total, there are 2,689 non-elderly households who meet the eligibility requirements for subsidized housing. There are 418 households currently being subsidized. There are roughly **6.4 eligible non-elderly households per affordable unit in Arlington.**

- b. **Moderate Income Renters/First time homebuyers.** There are roughly 800 renter households in Arlington between 50% and 80%

of median income, who can afford to rent in Arlington, but cannot afford to buy a home here. The median income for all renters is \$46,000. A family with that income can afford to purchase a home that costs \$170,000. By contrast, the median single family house in Arlington sold for \$435,000 in 2003, and the median of the lowest quartile, in 2003 was \$355,000. Income needed to purchase that house is \$93,000. **Between 74 and 88% of all renters cannot afford to purchase a first home in Arlington.** Only 12% of renter households can comfortably buy a home here, with income over \$100,000. Due to Town Meeting's enactment of the Inclusionary Zoning Bylaw, during the past year, 6 units became available for sale to moderate income renters. But that provided only **1 unit per 133 eligible households**. Arlington needs to do more to assist this group of neighbors in need.

- 3. People with Special Needs.** About 15% of Arlington's population have a disability. Nine percent (9%) (2,586 people) have a disability that precludes their working. Arlington has 113 units of housing specifically designated for people with special needs. Most of these are within developments owned by the Arlington Housing Authority. There may be others throughout Town that are not designated. There are **roughly 20 people with disabilities per unit of designated special needs housing.**

Affordable Housing Strategies For Arlington

Introduction

The Town of Arlington lacks affordable housing for elderly, for families, for individuals, and for people with disabilities. Arlington has significant numbers of elderly renters and homeowners who pay more than 30% of their income for their housing. The same is true for families and disabled persons. Opportunities for affordable homeownership for families in Arlington are rare and, with the median selling price for a home in Arlington in 2003 at \$435,000, increasing those opportunities will be difficult. Arlington is also very land-poor making the creation of any type of housing, but especially affordable housing very difficult. Arlington has one HUD financed development with an expiration date of 2007. The loss of these affordable elderly units would create great hardship for its residents. Arlington simply cannot afford to lose this affordable development.

During the past four years, Arlington has taken the following steps to address its affordable housing needs.

- **Inclusionary Zoning**—In spring, 2001, Arlington Town Meeting approved a by-law, requiring that 15% of all new developments with more than 6 units be affordable. As a result of this zoning change, 6 affordable

condominiums are occupied by moderate income first time homebuyers. Eight more are permitted or under construction.

- **Two-Family Acquisition Program**—Starting in 2000, the Town began to allocate a significant portion of its CDBG funds to assist the local non-profit Housing Corporation of Arlington (HCA) in purchasing market rate housing for conversion to affordable rentals. Between July 2001, and July 2004, 24 units have been purchased in 12 two-family houses. This program is ongoing. HOME funds, though the North Suburban Consortium, are also used.
- **Fund to Prevent Homelessness**—In December of 2000, the Town, in conjunction with the Housing Corporation of Arlington, began an emergency housing fund with private donations, to help tenants facing eviction, or needing help with security deposits. Each December, HCA sends a request for donations to all owner occupants in Town. To date, over four years, over \$180,000 has been collected, and over 100 grants have been made. Many have gone to single individuals living on the edge, who are ineligible for family or elderly affordable housing.
- **Symmes Hospital redevelopment**—In 2002, when Lahey decided to sell Symmes Hospital, the Town bought the site, in order to control its future use. Following a protracted planning process, the designated preferred uses were medical office building, residential with 15 to 30% affordable, and open space. The chosen proposal has proposed 20% affordable, of which 5% will be designated for middle income, workforce housing.
- **Arlington Home Improvement Loan Program**—Arlington has a well established home improvement program for low income homeowners, many of whom are elderly. It allows low income homeowners to stay in their homes when improvements are needed. During the last program year, 18 loans covering 28 units of housing received loans.
- **First time Homebuyers Program**—Arlington participates in a First time Homebuyers Program with the North Suburban Consortium. This program offers training and preparation classes for first time homebuyers, down payment assistance, and access to the state's Soft Second Loan Program, which extends the affordability of moderately priced single and two family housing in Arlington.

Strategies

Because Arlington's existing housing stock is expensive and its land scarce, strategies for improving the availability of affordable housing opportunities for its residents must be creative and most will, in all probability, be expensive.

General Strategies:

1. Preserve affordability at Millbrook Square

Millbrook Square is 146 units of affordable elderly rental housing owned by Corcoran, Mullins, and Jennison (CMJ), and financed by HUD. In 2002, CMJ was able to refinance with HUD for an additional five years. Arlington needs to

establish and maintain regular contact with the owners of this development to insure it remains an affordable project. The current owner maintains that they will keep the property affordable so long as they have the help and support from HUD. One option would be to negotiate a purchase of the site by the Housing Authority (AHA) or the Housing Corporation of Arlington (HCA) before the current affordability period ends. A combination might also be possible. For example, this development could be divided into market-rate and affordable units with the AHA owning the affordable units as one condominium and the HCA owning the market-rate units for families over 80% of median income as a second condominium.

2. Create an effective dialogue with the Archdiocese of Boston

The Archdiocese of Boston has designated two churches for closing in Arlington. The Town should take a very active role in determining their reuse. St. Jerome's Parish in East Arlington sits on 1.6 acres of land, and St. James' Parish in Arlington Heights is 2.4 acres. Both are zoned for single family residential use. The Town should work actively with the Archdiocese to ensure that affordable housing is a significant part of any redevelopment plans.

3. Inventory all vacant land in Arlington

The Town should inventory all vacant land in Arlington, both public and private. It should then rank each parcel in terms of their potential for housing development. Such an exercise will show parcels the Town may be able to help get developed by the HCA, the AHA, or private owner for affordable housing. Perhaps there are parcels the Town and the neighborhood might want to keep as vacant land, but ringing the site with housing might be a viable compromise.

4. Inventory underutilized sites in Arlington, including Town owned property.

Just as with the vacant land mentioned above, the Town should inventory all underutilized sites in Arlington. This means sites owned by the Town, the schools, the AHA, the state, and the private sector. For example, could more housing be produced at Housing Authority owned Drake Village, Chestnut Manor or Menotomy Manor? Is there other land around Chestnut Manor that could be purchased for housing? Are there any school or church sites in Arlington that could produce some housing? Are there any existing apartment or condominium complexes that could produce additional housing?

5. Look at commercial centers for adding housing units.

Arlington has three commercial centers, all with excellent public transportation. East Arlington has a number of one-story commercial buildings. There is one public building in East Arlington, the Fox Library. Arlington Center has a mix of one and two story buildings, and some residential as well as commercial uses. Publicly owned property includes a parking lot located behind a row of stores and a historic structure housing the Chamber of Commerce and a small museum. Arlington Heights has mostly single story commercial structures,

and a site owned by the MBTA. These three commercial centers should be inventoried and explored for possible transit oriented development. The commercial areas are zoned for business, with residential uses allowed by special permit.

6. Creating Housing and Land Banking Cemetery Land

The Town should work closely with the HCA and the Cemetery Commission to try to purchase all properties that become available on Mystic Street abutting the cemetery. These properties could be used for housing in the short term and sold to the Cemetery Commission in the long term for future cemetery expansion. The Cemetery Commission could provide some upfront funds to help purchase the property and perhaps be a joint owner. HCA could then provide rental housing similar to its Two Family Rental program.

7. Support the creation of affordable housing at the the former Symmes Hospital (Symmes Arlington Conservation and Improvement District)

As stated earlier, the Town purchased the 18 acre Symmes Hospital campus from Lahey in Burlington in 2002, in order to control its reuse. Affordable housing was one of three stated priorities in the report of the Symmes Advisory Committee. The Affordable Housing Task Force has advocated for maximum number of affordable units at the site, and should continue to do so throughout the process. The site may include housing for all of the identified sectors of the population with housing needs.

Population Specific Strategies

1. For Elderly and Disabled

- a. The Town should work with the Housing Authority to find ways to increase the number of units for elderly and disabled residents on or near their existing housing. For example, could the garden style units at Drake Village be replaced with a multi-story building? Such a move could provide two or three times the number of units at the site. Could the front of Chestnut Manor be used for additional housing for the elderly and disabled? Could some of the commercial property around Chestnut Manor be converted for its expansion?
- b. The Town, through the AHA and the HCA, could purchase one-bedroom condo units at condo developments such as Old Colony and subsidize the purchases to make them affordable rentals. The AHA may also purchase units that become available through Inclusionary Zoning.
- c. The Town, through the AHA and the HCA, could seek to purchase an existing apartment building and make some or all of the units affordable.

2. For Single and Disabled People

- a. Many of the strategies described above could also benefit disabled households, such as expanding AHA owned properties, accessory apartments, and purchase of small condominiums.
- b. Purchase storefront properties and develop units above and/or encourage commercial property owners to develop housing over their storefronts. The Town could assist the private property owner to accomplish this and the AHA could manage the housing for a fee. This would produce housing and provide an additional income stream to the AHA.
- c. Look at large older homes in areas such as Pleasant Street, Park Avenue, and along Mass. Ave. for conversion to studio and one-BR apartment units. Such housing normally would have lead paint, but for this population, lead removal would not be required.

3. For Families Rentals

- a. Continue purchasing two-family properties using CDBG and HOME funds to provide affordable rental housing for families.
- b. Look at older multi-family buildings along major thoroughfares. The original owners are aging now, and might be interested in selling these buildings to a non-profit corporation such as the Housing Authority or HCA. This should be explored for affordable or mixed income housing.
- c. Examine the land inventory for possible sites to add small development by the AHA, HCA, or a private developer.
- d. The AHA may be able to create more family units at Menotomy Manor, especially in the area of the duplexes.

First time homebuyer opportunities

- a. Some vacant or underutilized land may make sense for homeownership opportunities. All affordable homeownership should carry a deed restriction requiring resale to low and moderate income buyers.
- b. Continue the Inclusionary Zoning program, with units for sale to qualified first-time homebuyers.

Conclusions

Since the year 2000, Arlington has made major strides to increase the number of affordable units toward its 10% goal. Because in Arlington vacant land is scarce, and because prices are so high, the increase has come slowing, one or two units at a time. Still, the Town has added over 30 units to its inventory

in that time. We have done this through approval of an Inclusionary Zoning bylaw, and through a Two Family Rental Acquisition Program. The Town is committed to the goal of providing rental housing for low and moderate income elderly, and low income families, and homeownership opportunities for Arlington's moderate income families, town employees and other hard working residents.

This strategy outlines a blueprint for future efforts. It involves continuing what we are doing, and some new initiatives that include housing production, and conversion of market rate units to affordable units. In this way we hope to approach the goal of 10% affordable housing in Arlington.

Attachments

Attachment A—Some Housing Statistics for Arlington

Attachment B—Affordable Housing Task Force Members

Attachment C—Inventory of Affordable Housing in Arlington

Attachment D—Projected New Development in Arlington

ATTACHMENT A.

**CURRENT HOUSING STATISTICS
FOR ARLINGTON
As of January, 2004**

Median purchase price for single family home (2003)	\$435,000
Income needed to purchase for first time homebuyer: (with 10% downpayment)	\$119,000
Median family income in Arlington :	\$ 78,741
Median renter income:	\$ 46,000

Current market rent for 2 bedroom apartment:	\$1400/month
Income needed, using HUD's 30% of income rule:	\$60,000
Median renter income:	\$46,000

Number of low and moderate income households (below 80% of median income):	5,543
Number paying more than 30% of income for housing:	2,678

	<u>Annual Salary</u>	<u>Affordable Rent</u>	<u>Affordable Purchase</u>
Minimum wage worker	\$14,500	\$365	not possible
Starting teacher	\$33,000	\$825	\$120,000
Starting police or fire	\$40,000	\$1,000	\$140,000
Median income family	\$78,741	\$1,968	\$255,000

ATTACHMENT B.

Affordable Housing Task Force Members

Selectman Charles Lyons, Chair
82 Hathaway Circle
Arlington, MA 02476

Ann DiNoto
840 Massachusetts Avenue, #11
Arlington, MA 02476

John Griffin (Arlington Housing Authority)
111 Wildwood Avenue
Arlington, MA 02476

Diane Harrington

Brigid Kennedy-Pfister
90 Fairmont Street
Arlington, MA 02474

Nora Mann (Arlington Redevelopment Board)
45 Wollaston Avenue
Arlington, MA 02476

Judith McConnell
72 School Street
Arlington, MA 02576

Nick Minton (Fair Housing Advisory Committee)
244 Highland Avenue
Arlington, MA 02476

Neal Mongold (Housing Corporation of Arlington)
12 Brattle Place
Arlington, MA 02474

Patricia Worden
27 Jason Street
Arlington, MA 02476

Laura Wiener, staff
Director of Housing, Planning Department

Attachment C—Inventory of Affordable Housing in Arlington

<u>Address/ Name</u>	<u>Owner</u>	<u>Total Units</u>	<u>Elderly</u>	<u>Family</u>	<u>Special Needs</u>	<u>Single Person hh</u>
Decatur	AHA	5	5			
Chestnut Manor	AHA	100	87		14	
Cusack Terr	AHA	67	58		9	
Drake Village	AHA	72	62		10	
Hauser Building	AHA	144	125		19	
Winslow Towers	AHA	132	114		18	
Millbrook Square	CJ	146	126		20	
Menotomy Manor	AHA	176		176		
Scattered site 2 families*	HCA	24		24		
Russell Pl condos	homeowners	6		6		
36 Wright St.	homeowners	1		1		
SRO Russell Terrace	Caritas Comm.	22				22
SRO Fessenden Rd.*	Caritas Comm.	15				15
998 Mass. Ave.	AHA	13			13	
Broadway Homes 8	Broadwal	11			11	
Wellington Street	Salvation Army	15				15
Total units		949	577	207	113	52
Section 8's in Arlington	AHA	200	41	85	N/A	74

Total units plus vouchers	1149	618	292	113	126
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Key to Abbreviations:

AHA is Arlington Housing Authority, an independent public agency.

CJ is Corcoran Jennison, a private real estate company, formerly CMJ.

HCA is Housing Corporation of Arlington, an independent non-profit community development corporation.

SRO is single room occupancy housing, with private bedrooms and shared kitchen and bath.

Section 8 is a federal program that provides vouchers to pay a portion of a tenant's rent in the private housing market.