

Let's talk about housing

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My Housing Story

Year	Type	Cost	2024 dollars
1993	1BR Split	\$650/month	\$1,405
2002	Studio	\$875/month	\$1,523
2005	2BR Apt	\$1,300/month	\$2,102
2007	2BR House	\$359,000	\$523,500
2024	Mortgage paid	\$740/month	\$740
???	???	???	???

House purchase was \$159k downpayment + \$200k mortgage @ 6.25%.

Current mortgage @ 3.25%; monthly payments of \$1,650.
Zillow estimates the home is worth \$719,600.

Without mortgage, housing costs are \$5500/year taxes, \$1900/year flood insurance, \$1500/year home insurance \approx \$740/month.

Some Arlington Home Sales (2022)

Recent Price	Prev Sale	Prev Sale Price	2024 Dollars
\$725,000	1972	\$33,000	\$242,300
\$885,000	1973	\$32,000	\$218,800
\$1,510,000	1976	\$72,000	\$386,800
\$1,045,000	1977	\$48,000	\$241,900
\$750,000	1980	\$71,600	\$265,100
\$925,000	1981	\$95,000	\$317,400
\$900,000	1983	\$105,000	\$323,200
\$1,255,000	1986	\$200,000	\$562,300
\$1,327,000	1992	\$240,000	\$525,300
\$1,450,000	1995	\$337,500	\$680,800
\$885,000	1998	\$262,000	\$494,500

Selection of 2022 real estate sales listed in the Arlington Advocate. Prices rounded to nearest \$100.

Note: these are all used homes.

A Realtor's Summary (2022)

Single family homes:

- ▶ Avg Sale price: \$1,236,000
- ▶ Sale/list ratio: 108%
- ▶ 16% year-over-year price appreciation
- ▶ \approx 7% new construction

Condominiums:

- ▶ Avg Sale price: \$790,000
- ▶ Sale/list ratio: 102%
- ▶ 12% year-over-year price appreciation
- ▶ \approx 6% new construction

<https://www.mapropertiesonline.com/arlington-market-review-2022>

Arlington Rents (early 2024)

Type	Avg Rent	Avg Size
Studio	\$2,258/month	501 sq ft
1BR	\$2,308/month	635 sq ft
2BR	\$3,459/month	1,292 sq ft
3BR	\$4,705/month	1,472 sq ft

<https://www.apartments.com/rent-market-trends/arlington-ma/>

Discussion

Housing prices in Arlington are

1. Kind of expensive
2. Cost 2–3x more than the 1970s–1990s

How'd we get here?

Housing (and related) Policies

- ▶ 1917 - Wilson Administration's Own Your Own Home Campaign
- ▶ 1920's - Use of racial covenants in Arlington deeds
- ▶ 1924 - Arlington adopts its first Zoning bylaw
- ▶ 1930's - Federal Housing Administration, 30 year mortgage, redlining
- ▶ 1940's - GI bill (mortgage assistance)
- ▶ 1950's - Interstate system, suburban sprawl, white flight
- ▶ 1968 - Fair housing act
- ▶ 1969 - Mass. "Anti-snob zoning act" (aka Chapter 40B)
- ▶ Late 1960's - mid 1970's: Metro Boston's great downzoning
- ▶ 1973 - Arlington's apartment moratorium
- ▶ 1974 - Boston ordered to desegregate public schools
- ▶ 1975 - Comprehensive rewrite of Arlington zoning bylaws
- ▶ 1994 - Mass. Rent Control Prohibition Act (Chapter 40P)
- ▶ 2021 - Housing Choice & MBTA Communities requirements

Affordable Housing

Three components of Capital-A Affordable Housing

1. Income Restrictions (typically a percentage of the Area Median Income, or AMI)
2. Affirmatively Furthering Fair Housing Marketing Plan
3. Procedures to ensure ongoing compliance (e.g., income verification)

Markets are tools, and very useful for certain things (e.g., producing goods).

Markets are not effective tools for producing things and selling them at a loss.

Affordable Housing Requires Subsidies

Affordable housing (in general) = housing for occupants that can't pay the cost to build/purchase/maintain/operate the units.

There's a funding gap, which has to be filled somehow.

First Axiom of Affordable Housing:

No subsidy → No affordable housing

(We'll talk about different forms of subsidization soon.)

2023 HUD Income Limits

2023 Median family (of four) income = \$149,300 for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

Persons	80% AMI	50% AMI	30% AMI
1	\$82,950	\$51,950	\$31,150
2	\$94,800	\$59,400	\$35,600
3	\$106,650	\$66,800	\$40,050
4	\$118,450	\$74,200	\$44,500

“Affordable” means no more than 30% of income spent on housing (aka “non-cost burdened”)

<https://www.huduser.gov/portal/datasets/il.html>

Subsidy #1: Inclusionary zoning (IZ)

Market rate units subsidize income-restricted units. Little/no direct cost to municipality.

Arlington Requirements:

- ▶ In new multi-family housing of 6+ units, 15% must be Affordable.
- ▶ Rental units. Priced at 60% of AMI, available to households earning 70% AMI.
- ▶ Owner-occupied units. Priced at 70% of AMI, available to households earning 80% AMI.
- ▶ Arlington's IZ typically produces 2–3 inclusionary units/year.

Discussion: what opportunities does Arlington provide for 6+ unit apartments or mixed-used buildings?

Inclusionary Zoning Subsidy Example

Small apartment building, with six 2BR apartments.

Unit #	All market rent	rents with IZ
1	\$3,459	\$3,750
2	\$3,459	\$3,750
3	\$3,459	\$2,004
4	\$3,459	\$3,750
5	\$3,459	\$3,750
6	\$3,459	\$3,750

\$3,459 = apartments.com avg 2BR rent for Arlington.

\$80,160 = 60% AMI for family of three.

Subsidy #2: Comprehensive Permit Act (Ch 40B)

Chapter 40B §20–23, plus regulations in 760 CMR 56.

- ▶ Enacted in 1969, to help ensure that fair housing laws could apply to suburbs.
- ▶ Seeks to balance the desire for local control with the regional need for low- and moderate-income housing.
- ▶ Allows applicants to request waivers from local requirements that would make a development uneconomic.
- ▶ When a community has met safe-harbor thresholds, deference is given to the community's desire for local control.
- ▶ When a community has not met safe-harbor thresholds, deference is given to the regional need for low- and moderate-income housing.

Comprehensive Permit Act (cont'd)

Chapter 40B

- ▶ Typically have 25% of units priced for 80% AMI
- ▶ Typically a mix of 1–3 bedrooms
- ▶ Little/no direct cost to the municipality

Recent 40B projects in Arlington

- ▶ 1165R Mass Ave (124 rental units)
- ▶ 1021–1025 Mass Ave (50 ownership units)
- ▶ 10 Sunnyside Ave (Housing Corp of Arlington, 43 rental units)
- ▶ Thorndike Place (6 duplexes + 124 units of senior housing)

(353 units permitted by ZBA since 2021)

Subsidy #3: Federal and State Funds

Funding for the Housing Corporation of Arlington's Downing Square/Broadway initiative:

- ▶ 83% State and Federal Subsidies (approx \$22M)
- ▶ 13% Mortgage
- ▶ 4% Town subsidy

In the first eight months of 2022, DHCD awarded \$435M to affordable housing developers for 52 projects in 31 communities. There were no funding requests from Arlington.

Source: Affordable Housing Trust Fund board presentation to ARB, Jan 8, 2024

Federal and State Funds (cont'd)

There are affordable housing developers that know how to pursue these funds. Things they need:

- ▶ Suitable sites. Generally need a 30–40+ unit project to get access to these funds.
- ▶ Permits. A predictable permitting process (e.g., Affordable Housing Overlay, friendly 40B)
- ▶ Funding. Subsidies for up-front soft costs, needed to pursue larger state and federal grants.
- ▶ Alignment. A clear, consistent indication of what the community wants, and what it will offer to support the development.

30–40 unit projects generally need 20,000+ square foot lots (around half an acre). There are over 100 such parcels in Arlington's single- and two-family districts.

Resources

- ▶ Segregated by Design
<https://www.segregatedbydesign.com/>
- ▶ Mapping Inequality
<https://dsl.richmond.edu/panorama/redlining/>
- ▶ MBTA Communities
<https://commonwealthmagazine.org/opinion/what-the-mbta-communities-law-means-for-your-town/>
- ▶ Exclusionary by Design
<https://www.tbf.org/news-and-insights/reports/2023/november/exclusionary-by-design-report>
- ▶ Route 128: Boston's Road to Segregation
<https://eric.ed.gov/?id=ED118666>
- ▶ The Color of Law (Richard Rothstein)
- ▶ Neighborhood Defenders (Einstein, Glick, Palmer)