

Chapter 5: Mitigation Recommendations

Managing Neighborhood Change

New transit service can present numerous opportunities that may bring forth changes in neighborhoods surrounding station areas. Major infrastructure investments, like new transit, can spur revitalization and create amenities that benefit residents of all income levels. At the same time, however, it can increase demand and may escalate housing prices, leading to displacement of low- and moderate-income households. The cities of Medford and Somerville can guide development opportunities in station areas by designing clear policies and programs to mitigate neighborhood changes - change that would result in loss of neighborhood diversity and limit housing choices. Strong regional policies and plans, such as *MetroFuture*, can bolster local policies and programs to help build local business and community support for equitable development. This chapter will explain anti-displacement strategies to mitigate potential displacement in Medford and Somerville and provide background information on tools and techniques to ensure that this potential transit opportunity is accessible for all.

While the previous chapters address issues related to land use, economic development and transportation, this section will focus on ways to create and preserve affordable housing as a way to mitigate potential displacement. This comprehensive list of strategies and policies is meant to act as a toolkit, and no one single policy or strategy on its own will mitigate impacts. Several policies and strategies will likely need to be implemented as a package to have the greatest impact for mitigation.

Recommendations for Existing Housing Stock and Protecting Households

Given the potential for rising property values in areas undergoing large-scale investments in transit, it is imperative to maintain the affordability of existing rental homes and mitigate potential property tax increases that may result from rising property values in adjacent neighborhoods. Loss or conversion of existing rental homes and rises in property taxes can make it more difficult for low-income homeowners to afford their housing costs. Local communities can take steps to preserve existing affordable rental homes and create new homeownership and rental opportunities for low- and moderate-income households over the long term.

Preserve Existing Affordable Rental Housing

The areas around Mystic Valley Parkway and College Avenue are heavily residential, but include other uses such as commercial and industrial. Preservation of existing affordable housing in this area is critical. Community Development Block Grant (CDBG) and HOME funds can be used for these activities – both housing rehabilitation and tenant-based rental assistance. Preservation of units ensures that housing is affordable to low- and moderate-income households by protecting the units in a deed restriction.

Somerville and Medford operate CDBG and HOME programs to fund activities such as housing rehabilitation. Guided by Consolidated Plans, each community allocates funds annually toward these activities and targets them to priority populations such as the elderly and disabled. The cities can choose to target neighborhoods for funding, including those along the Green Line Extension. This would enable at-risk, income-eligible owners along the corridor to qualify for priority access to housing rehabilitation funds. Funding might be targeted to preserve existing affordable housing resources and also minimize displacement of owners and tenants in single to four-family homes.

Whenever property values rise, there is a danger that owners of properties with federal housing subsidies may choose to opt out of their subsidy contracts and that owners of unsubsidized affordable rentals may raise rents or sell the buildings in preparation for conversion to condominiums or higher-priced housing units. The cities can consider adopting a preservation strategy that specifically targets location-efficient areas to help stem the loss of affordable rental homes in strong market neighborhoods, particularly around transit.

A preservation strategy may include the following elements:

- Creating a “preservation catalog” to identify and track subsidized housing near transit stations that is at the highest risk of loss (similar to the current work of the Somerville Community Corporation)
- Prioritizing the use of Low Income Housing Tax Credits and other funding sources to recapitalize and modernize location-efficient affordable homes
- Creating tax incentives to encourage the preservation of affordable rental housing
- Forging partnerships with area nonprofit organizations (including community-based organizations, housing nonprofit organizations, or community development corporations) to play an active role in the preservation of affordable housing units. This may include transferring the deed of a private property to a nonprofit organization to ensure that the property is affordable to low- or moderate-income households.

Create and Preserve Affordable Homeownership

“Shared equity” programs bring the cost of homeownership within reach of low and moderate-income households by using a formula to balance long-term affordability goals and individual asset accumulation. These programs provide an initial subsidy to lower the cost of a home and then split any price gains realized upon home resale between the seller and the city or a housing program sponsor. The sponsor’s appreciation share may either remain with the home to ensure affordability for the next qualified buyer (this is essentially a transfer of the deed restriction at the time of sale), or the appreciated value is returned to the program sponsor who might collect these funds into a larger pool to benefit other future lower-income buyers.

Homeownership programs that incorporate shared equity mechanisms are particularly useful for creating and preserving affordable homes in areas where new transit stations or other neighborhood improvements are expected to contribute to long-term home price increases. Common forms of shared equity homeownership include community land trusts, deed-restricted housing and limited equity cooperatives.

As the demand for neighborhoods around transit areas grows, existing residents can be impacted by increases in their assessed home values, leading to increases in property taxes. Those living on a limited or fixed income may be unable to find room in their budgets to cover these added costs. Some communities have taken steps to ensure that existing low-income homeowners can afford to remain in their homes as property values increase. “Circuit breaker” programs provide tax relief by freezing the assessed home value at an earlier level or freezing or reducing the overall tax bill to prevent dramatic increases. While these programs commonly target disabled households and elderly homeowners, some communities have broadened eligibility to include all low- income households³³. The Circuit Breaker program also covers eligible renters.

Increase Public Housing Authority Units for Seniors and People with Disabilities

It is critical for long-term affordability planning to include public housing. Both cities have sizable portfolios of both state and federal public housing for families, individuals, seniors, and the disabled. Somerville continues to work with the Somerville Housing Authority (SHA) and other partners on the redevelopment of Capen Court, a 95-unit state senior/young disabled environment located in West Somerville directly off Route 16, and the adjacent Visiting Nurses Association (VNA) development.

In Somerville, the SHA demolished the existing Capen Court which was 64, one-bedroom Project-Based Section 8 units for the elderly and disabled. The SHA built 95 one-bedroom units and provided the VNA Assisted Living Residences with land to develop 99 additional units. The \$7.4 million project was funded by the Massachusetts Housing Partnership (MHP) Match Program, Massachusetts Department of Housing and Community Development (DHCD) public housing funds, HOME, Community-Based Housing funds through the Community Economic Development Assistance Corporation (CEDAC), MassDevelopment tax-exempt bond financing and bond cap allocated Low-Income Housing Tax Credits for the project. As part of this study, MAPC is recommending redeveloping the Walkling Court senior housing complex in Medford to expand the number of units from 144 to 200. The City of

³³ Information about Massachusetts Circuit Breaker Tax Credit Program can be found here <http://www.massresources.org/circuit-breaker-tax-credit.html>

Medford has also expressed interest in redeveloping the site to accommodate more senior public housing. If the Medford Housing Authority (MHA) does not have additional land or property to leverage for a redevelopment in the way that the Somerville Housing Authority did via their Capen Court redevelopment, then the MHA might consider forming either a separate non-profit or working in partnership with Medford Community Housing to carry out development. There are many successful examples of housing authorities forming a non-profit charitable arm or working in partnership with an existing non-profit organization to raise necessary funds to carry out new affordable housing development. Through their public comment process on their Five-Year Strategic Plan 2010-2015, Medford has been encouraged to look at the reuse and improvement of this property³⁴.

Other examples of housing authorities increasing housing opportunities include the Manchester-by-the-Sea Housing Authority. The Authority formed a separate nonprofit 501(c)(3) corporation, the Manchester Affordable Housing Corporation, to achieve their mission to create additional affordable housing and mixed-use development near transit. Working in partnership with the Manchester Housing Authority, the Corporation secured funding from Wainwright Bank for construction financing and permanent financing from MassDevelopment, DHCD, the Federal Home Loan Bank of Boston, the State HOME program, and MHP. The development includes commercial units, condominiums and apartments. Cable Gardens in Ipswich, Lincoln Way in Cambridge, and Summer Street in Manchester are a few examples of successful redevelopments³⁵.

Provide Additional Assistance to Very-Low-Income Households

Additional layers of assistance may be needed to reach the lowest-income households (at or below 30% of the area median income) who do not earn enough to afford the housing costs associated with a given unit. The cities can maximize benefits to very low- and extremely low-income households by combining a variety of approaches (of those listed above) while leveraging state and federal subsidy programs. It would be up to each city to determine the appropriate approaches which would work best in leveraging subsidies.

One example of this might be, using state or federal Section 8 Housing Choice Vouchers to help cover the gap between the amount extremely-low and very-low income households can afford to pay and the rent of a basic market-rate unit. Households often use vouchers wherever they choose (making the voucher mobile); however, the public housing agencies that administer the program can also attach up to 20 percent of their vouchers to specific developments, including those near transit and in other location-efficient areas. This authority to “project-base” vouchers can be used to ensure that very low-income households have access to well-located communities. MAPC recommends that both cities look at attaching vouchers to new development around transit and making a condition of development approval be based on a commitment to give voucher-holders first priority to rent a share of available units. A preference for funding could also be given to projects that set aside units for voucher recipients.

Provide Tenant Relocation Assistance

There is the possibility that with higher rates of development and redevelopment, changes may occur within the neighborhood which may necessitate tenant relocation. To help with tenant relocation, municipalities can adopt a relocation assistance program. This could come in the form of a Condominium Conversion Ordinance. This type of ordinance provides assistance to renters whose unit’s tenure is being converted from rental to ownership.

Somerville utilized Tenant Relocation Plans for past developments as part of the Somerville Condominium Conversion Ordinance. Under that ordinance, when a landlord’s tenants might be displaced by a conversion, they become eligible for assistance through the Tenancy Stabilization Program offered by the Somerville Community Corporation and funded through the Somerville Affordable Housing Trust. The Program helps tenants search for affordable rental housing opportunities throughout the City of Somerville. The program also helps income eligible tenants with utility arrearages, one time rental assistance and moving costs at a cap of \$3,000 per eligible household.

³⁴ City of Medford Five-Year Strategic Plan 2010-2015

http://www.medford.org/Pages/MedfordMA_ComDev/StrategicPlan.pdf, p. 30.

³⁵ For additional examples and models, refer to *The Faces of 40B: Profiles of Families in Affordable Housing*. Citizens’ Housing and Planning Association. 2003.

The PASS Program is administered by the Somerville Homeless Coalition (SHC) and funded with city HOME funds as well as funds from the Somerville Housing Trust Fund. The program provides rental assistance to households at risk of becoming homeless.

Somerville also makes owners of properties aware that some tenants are low- to moderate-income households, and others are elderly or disabled. In those cases, the owner is required to provide a 2-year notice to tenants prior to displacement per City of Somerville Code of Ordinances Chapter 7 Article IV §7-67, Notification of Conversion.

MAPC recommends that Medford consider adoption of a program such as the above-referenced Condominium Conversion Ordinance that addresses the loss of existing rental units and that Medford provide an accompanying Tenant Relocation Plan for the loss of any rental unit around station areas.

Tenants may be afforded the opportunity to purchase a converting unit. In Washington D.C., the Tenant Purchase Opportunity Act allows tenants the right-of-first-refusal when a landlord decides to sell their property. Under TOPA, a landlord must provide tenants with an offer of sale. This can occur either before or after the landlord has signed a contract with a third party. The offer must include the asking price, a statement regarding whether a third-party contract is in place, and a statement by the owner to make available to the tenants, within seven days after receiving a written request, certain information about the property, including a floor plan of the building if available, and monthly operating expenses³⁶.

Another strategy for relocating lower-income households in transit areas to prevent displacement is through an Accessory Dwelling Unit (ADU) Program. A municipality can adopt two types of ADU Bylaws: a general ADU Bylaw and an Affordable ADU. In either case, the ADU is a self-contained housing unit within a single-family dwelling. The purpose of the bylaw is to provide the following:

- Safe and decent housing
- Provide financial stability to homeowners at risk of displacement
- Companionship and security for elderly homeowners and people with disabilities
- Housing for persons with disabilities

The Affordable ADU would provide the same benefits outlined above and also be rented to income-eligible households, whose gross household income does not exceed 80% of the area median income. The Affordable ADU is an additional means for cities to maintain their affordable housing stock. In order for affordable units to qualify for inclusion on the cities' Subsidized Housing Inventories they must have a deed restriction that outlines income-eligibility and rental limit requirements. Cities must also conduct affirmative outreach and fair marketing for the unit.

Requirements for either unit typically specify that:

- The property owner must reside in the home. Absentee landlords are not allowed
- The rental unit must be a complete, separate housing unit containing both a kitchen and a bathroom
- Only one accessory dwelling unit may be created within a dwelling
- The accessory unit shall contain no more than two bedrooms and may not be occupied by more than three occupants
- The accessory dwelling unit must meet the State Building Code, Title V of the State Sanitary Code, and local, state, and federal fire codes

As with market rate units, the homeowner may select their tenants. In this case, the selection pool is narrowed based on a list of interested and income-qualified tenants that would be maintained by the cities or a sponsor organization. Federal and State Fair Housing Laws would apply to these units and would therefore prohibit the discrimination of tenants on the basis of race, creed, color, sex, age, disability, marital status, familial status, veteran status, sexual orientation, national origin or any other basis.

³⁶ For more information about the effectiveness of this strategy, see <http://content.knowledgeplex.org/kp2/cache/documents/1834/183436.pdf>

Recommended Future Land Use and Policy Strategies

Consider Land Banking and Disposition Policies

Research by the Center for Housing Policy shows housing prices and land values are affected by transit in two instances: from the time a new line is announced but before it opens and from up to six years after new transit service becomes available³⁷. Given the timeframe for the Green Line Extension, acquiring land and buildings along the transit corridor may have a long-term benefit for local efforts to ensure and preserve housing affordability. Because of the potential for speculation of land prices and values, acquisitions for the creation of affordable or mixed-income development would need to occur in the near term. Through the U.S. Department of Housing and Urban Development Community Challenge Grant, the City of Somerville is developing a Land Bank with the intent of preserving and developing affordable housing. With land and building values being potentially high, development scenarios would likely benefit from a mix of affordability levels such that the market rate units would offset a portion of the cost of affordable unit creation. Depending on how the Land Bank is structured, the City may choose to directly purchase property or might issue lower-cost loans, forgivable loans, or grants to enable a purchase by a third party, such as a community-based organization. Due to the potential for market shifts, either strategy involves an element of risk and loss. Public funding to capitalize a local fund is critical for this reason.

An accompanying strategy relates to the disposition of public land or buildings. Neither Medford nor Somerville has an official public land or building disposition policy that could lead explicitly to the preservation or creation of affordable housing. This type of strategy may be useful in areas around proposed stations. Either city might own undeveloped, surplus or underutilized land and buildings that might be re-purposed while accommodating higher density mixed-use or residential development that includes affordable homes.

Through this strategy, either City would define the type of affordable housing development they are seeking through a Request for Proposals (RFP) process. The RFP would provide prospective developers with direction regarding:

- The number of affordable units
- The affordability terms for units
- The tenure of units created
- The building program (e.g. housing for veterans or housing for seniors)
- Available subsidies for affordable units or residents
- Outline the ownership model: either the City would sell the land or building to a developer/owner or the City would provide a long-term lease for property disposition

Either method is viable; discussion with legal counsel is critical for compliance with state requirements applicable to the disposition of public property. Regardless of the chosen model, this strategy would help ensure that future land or buildings within the area include affordable housing³⁸.

The Land Bank and Disposition Tool might eventually be supported by the Regional Transit-Oriented Development Fund; currently being studied by MAPC and eventually developed by Local Initiatives Support Coalition (LISC) and Conservation Law Foundation (CLF) Ventures, to support project debt and equity respectively. The Regional TOD Fund could potentially assist in the acquisition, construction, or rehabilitation of property near existing or planned transit. The eligibility and location guidelines for these funds are currently under development, but we hope they will lead to the development of new affordable homes and the preservation of existing rentals.

At the state-level, the Executive Office of Housing and Economic Development (EOHED) recently consolidated six separate funding programs into the new MassWorks Infrastructure Program. This program provides grant funding

³⁷ This literature review provides further information about transit impacts in a variety of settings. Wardrip, Keith, Public Transit's Impact on Housing Costs: A Review of the Literature. Center for Housing Policy. 2011.

³⁸ For more information about this strategy, refer to Developing Affordable Housing on Public Land: A Guide for Massachusetts Communities. Massachusetts Housing Partnership. 2005.

for publicly owned infrastructure with the specific aim of job creation and economic development. One of the focus areas of the program is funding infrastructure supporting transit-oriented development, which includes supporting projects that advance the development of affordable housing.

There are a range of zoning and financial tools that can be used to facilitate the development of new market-rate housing units while preserving affordability which include: inclusionary zoning, tax-increment financing with an affordable housing set-aside, linkage fees, affordable housing trust funds, and developer agreements.

Strengthen Inclusionary Housing Policies

Building off of recommendations in the 2006 Medford Housing Plan, MAPC recommends that Medford adopt an Inclusionary Housing policy. Inclusionary Housing would require or provide incentives for developers of new market-rate homes to set aside a percentage of units for low- and moderate-income households. Participating developers typically qualify for a variety of benefits to offset the cost of providing the affordable units, including expedited permitting and review processes, and density bonuses. Density bonuses allow the creation of more units on a site than would otherwise be permitted by the underlying zoning. Reduced parking requirements can also be applied. When tailored to local conditions, inclusionary housing can be an effective tool to increase the availability of affordable housing. These cost offsets would be especially effective near transit stations typically characterized by higher-density housing and a mix of uses with connectivity for walking or biking. The neighborhoods adjacent to the Green Line Extension would therefore be ideal locations for effective inclusionary housing.

While many municipalities allow, and occasionally encourage, developers to make payments in lieu of building on-site affordable housing, MAPC recommends that affordability be incorporated on-site into new developments. MAPC also recommends that more stringent inclusionary requirements be targeted toward station areas or have higher requirements directed toward areas and households with specific income thresholds vulnerable to displacement. The City of Somerville currently has an Inclusionary Housing program.

Develop Tax Increment Financing (TIF) Districts

Municipalities can create TIF districts to stimulate economic development within a targeted area³⁹. Upon designation of a TIF district, the locality establishes a base property tax level, based on the assessed value of existing properties within the district, and then invests in infrastructure improvements intended to catalyze additional private investment. Over the life of the TIF district, the incremental increase in property tax revenues (above the base) is used to repay the cost of the improvements. In the context of transit-oriented development, tax increment financing can be an effective tool for covering the cost of infrastructure such as roadway improvements, streetscape improvements, and bike and pedestrian paths around new transit stations.

In addition to transit-related infrastructure, the Cities may decide to set aside a portion of TIF proceeds to support the creation or preservation of affordable homes within the district. The affordable housing funds help to ensure that affordable housing remains in these neighborhoods. Given the intense competition for TIF funds once they materialize, it is important to require the set-aside of TIF funds for affordable homes when the TIF District is first established.

Strengthen or Develop Linkage Fee Programs

Linkage fees are modest charges that are levied from new non-residential and/or market-rate residential construction at the time of development to help ensure that the creation of affordable homes keeps pace with local economic development and job growth. Fee revenue is typically deposited into an affordable housing trust fund, for use in accordance with local needs and priorities. For example, the City Somerville has a commercial linkage fee program which funds their Affordable Housing Trust Fund. In Somerville, a fee of \$3.91 per square foot on new development above 30,000 sq. ft. is collected. Neighboring communities have similar fee structures: Cambridge has

³⁹ For more information about TIFs, go to

http://www.mass.gov/?pageID=eheadterminal&L=3&LO=Home&L1=Start%2C+Grow+%26+Relocate+Your+Business&L2=Tax+%26+Incentives&sid=Ehed&b=terminalcontent&f=mobd_fin_fund_tif_info&csid=Ehed

a \$3.20 fee and Boston has a \$7.28 fee⁴⁰. Linkage fees could be specifically tied to transit areas and then used to create affordable housing opportunities.

Consider the Role of Municipal Affordable Housing Trusts

A local housing trust allows municipalities to collect funds for affordable housing, segregate them out of the general municipal budget into a trust fund, and use the funds for local initiatives to create and preserve affordable housing. The City of Somerville's Affordable Housing Trust Fund (SAHTF) was established to "preserve and create affordable rental and homeownership units in Somerville and carry out programs to directly assist homeowners and renters. All of its activities must benefit low to moderate-income households (with incomes at or below 110% of area median income)." MAPC recommends that the City of Somerville amend the AHTF's annual action plan to allocate funds for preservation of properties along the transit corridor to lower-income households (at or below 60% of the area median income).

A new state law enacted in 2005, the Municipal Affordable Housing Trust Fund Law (MGL c.44 s.55C), effectively simplified the process of establishing a local housing trust fund. Under the new law, towns are no eligible to create their own trust funds and can do so through their local legislative body. The law also set guidelines on what local housing trusts can do and specifics as to who can serve on a local housing trust board and what powers a community can grant the board.

Examples of what a local affordable housing trust fund can do include:

- Provide financial support for the construction of affordable homes by private developers (non-profit or for-profit)
- Rehabilitate existing homes to convert to affordable housing
- Increase affordability in new housing development projects
- Develop surplus municipal land or buildings
- Preserve properties faced with expiring affordability restrictions
- Create programs to assist low- and moderate-income homebuyers
- Create programs to help low- and moderate-income households make health and safety repairs
- Educate and advocate advancing affordable housing initiatives

In conjunction with the above local tools, the cities of Medford Somerville have previously formulated Developer Agreements in order to gain community benefits from larger-scale developments. MAPC recommends that the cities consider formulating Developer Agreements that ensure a share of new development is affordable to low- and moderate-income households. To address the housing needs of households with lower incomes, a developer agreement might include the preservation of existing low-income housing or the development of new low-income housing near station areas.

Ensure Long-Term Affordability

Public funds will be needed to ensure that a portion of housing units near transit are affordable to low-and moderate income households. To protect this public investment and ensure that such households have continued access to sustainable communities, these public investments should be accompanied by legal requirements that ensure housing remains affordable over the long-term. The affordability requirements built into many inclusionary housing programs expire after a relatively short period, sometimes within 10 to 15 years, after which units may be rented or sold at market rates. In contrast, fixed-rail transit systems are designed to operate for many decades, outlasting even the 15- or 30-year federal affordability requirements. Once the below-market units are lost, the high cost of land around station areas will likely make it difficult to create additional affordable homes. Building long-term affordability requirements into inclusionary housing and other affordable housing programs can help to limit the loss of these units over time, preserving affordable housing opportunities for future generations.

⁴⁰ For more information about the Linkage Ordinance see An Act Establishing a Project Mitigation Contribution or Linkage Program for Affordable Housing in the City of Somerville

<http://www.malegislature.gov/Laws/SessionLaws/Acts/2005/Chapter159>

Affordable housing can take between five to ten years on average to develop and often requires between seven to ten funding sources. Many of the major programs that fund affordable housing do not require or effectively encourage long-term affordability. For instance, the HOME program—the largest federal program dedicated to affordable housing—requires a minimum affordability period of only 15 years for major investments in affordable homeownership and a minimum affordability period of only 20 years for new construction of rental housing. In addition, regulations for other major tools that support homeownership for lower income households, like FHA insurance, are not always compatible with programs that seek to provide long-term affordability, such as a community land trust. The Commonwealth of Massachusetts M.G.L. Chapter 40B requires a minimum 15-year term of affordability for units to be counted on the Department of Housing and Community Development’s Subsidized Housing Inventory.

A 15- to 20-year term of affordability may not be long enough to ensure that lower-income households are provided the opportunity to benefit from the transit opportunity. Given the price impact of transit access over time (according to studies by the Center for Housing Policy), it is recommended that affordability periods are extended for a longer-term 30 to 40-years or in perpetuity. Examples of programs that might effectively provide a longer term of affordability are shared-equity homeownership, community land trusts or longer term deed restrictions on rental housing.

Engage Residents in the Participation Process

Future development plans should include the participation of residents in the planning and approval process. Engagement during the planning process may ensure their long-term participation in planning activities and plan implementation. This may also assist with minimizing the displacement of residents with greater information about the planning and development process and the associated opportunities.

Achieving any of the aforementioned strategies may take effort to gain community agreement. Outreach and education helps existing residents to vocalize the need for affordable housing. Significant community reinvestments and investments in development around transit might benefit from the inclusion and support of community members. The community may be instrumental in designing community benefits agreements (CBAs) that include larger than required affordable housing set-asides and other assistance or offsets, including open space subsidies or parking set-asides.

Devise Community Benefits Agreements

CBAs are contracts executed between community-based organizations and one or more developers. They outline the developer’s commitment to provide mitigation to offset potential impacts associated with a proposed development. “CBAs are legally binding and are commonly incorporated into the City’s developer agreements.”⁴¹

The Partnership for Working Families contends that CBAs work because:

- Community benefits help generate public support for economic development projects
- CBAs hold developers accountable for their promises to local governments and residents
- Community benefits programs can transform regions through stronger, more equitable economies
- Public input results in better projects that benefit the whole community and attract local customers
- Time is money, and projects with CBAs often enjoy a faster, smoother entitlement process

One of the biggest challenges of community benefits agreements is enforcement. If components of the community benefits agreement are included in a Special Permit Order of Conditions, the developer of the property must meet all conditions prior to a Certificate of Occupancy is issued. This is often enforced by a Zoning Enforcement Officer in coordination with city planning officials.

⁴¹ The Partnership for Working Families, <http://www.communitybenefits.org/section.php?id=155>, 2011

Coordinate Long-Term Planning

The effective coordination of long-term housing and transportation plans is critical for the future success of many of the aforementioned programs and policies. To encourage housing agencies to consider locating affordable housing investments under HOME and CDBG near transit and in other location-efficient areas, Medford and Somerville could coordinate their individual Consolidated Plans with the Boston Metropolitan Planning Organization's Long-Range Transportation Plan, the Regional Housing Plan⁴², and *MetroFuture*.

Among other things, such coordination should involve consideration by city housing, economic development and planning officials responsible for submitting the Consolidated Plans of:

- The impacts of planned transportation investments on housing affordability
- How their plans advance regional housing affordability and fair housing goals
- How their plans will help to reduce the combined costs of housing and transportation for low- and moderate-income households, in light of the accessibility and affordability of transportation options near planned housing investments
- How they plan to ensure that low- and moderate-income households have access to permanently affordable rental housing and homeownership within close proximity to public transit stops, job centers and other essential destinations
- How their plans for both housing and economic development investments align with regional and neighborhood transportation investments

For example through the Comprehensive Plan process, Somerville has identified housing goals that align well with the aforementioned strategies including: providing housing choice; encouraging mixed-use transit-oriented development; mitigating displacement of low- and moderate-income residents by retaining the existing affordable housing stock; and creating policies that allow residents to remain in their homes in the face of a changing city. Further, the Comprehensive Plan states that the city wants to promote affordable housing and foster employment and economic opportunities for low and moderate income residents of Somerville.

Medford also clearly states in their Consolidated Plan their intention to increase affordable housing stock. They explain that “low to moderate income working people who do not qualify for housing subsidies are most affected by rapidly increasing housing prices in the City of Medford. The key to creating more affordable rental units is production.” Strategies include:

- Develop strong partnerships with local or regional for profit and non-profit organizations capable of developing low and moderate income housing.
- Encourage and partner with private developers to include affordable units in their projects via providing support and access to HOME and other federal and state incentives.
- Support housing development proposals that use project-based Section 8 vouchers
- Target the need for greater housing options for extremely low income and very low income households (from 0 to 50 percent of median income) by identifying state and federal resources that can provide deep subsidy for rental housing units in new projects
- Encourage the North Suburban Consortium to develop new Tenant Based Rental Assistance Program for individuals who need short-term rental assistance. This would help households who have significant housing cost burdens. The targeted population for this potential program would be for families who are at or below 60% median income and do not currently participate in another rental subsidy program⁴³

The city has also recognized the potential impact on businesses and residents in stations areas of Medford. The Plan also states support for a strategy to create transit-oriented development related to the Green Line Extension to Medford Hillside and Mystic Valley Parkway as a component of expanded economic opportunity, livability and community well-being.

⁴² The Regional Housing Plan, being developed by MAPC and other regional partners, is a regional assessment of housing needs and a regional housing policy action plan.

⁴³ City of Medford 5 Year Strategic Plan 2010-2015

http://www.medford.org/Pages/MedfordMA_ComDev/StrategicPlan.pdf, p. 44-49

Strategies for Preventing Displacement of Businesses and Jobs

Business and job displacement may occur indirectly in an area facing development pressure or undergoing revitalization. This may be caused by changing demographics, shifting demand for retail products, rising commercial rents, or the challenge of maintaining business operations due to infrastructure and construction activity in a revitalization zone. Similar to the strategies focused on ensuring stable housing options, strategies to ensure business stability focus on ways to direct funding and programs while ensuring that local policies reflect the cities interest in preventing displacement.

Preserve Local Commercial Activity

Increased property values can also result in the displacement of existing businesses. Business owners who are faced with higher rents or property taxes may be forced to move unless their incomes keep up with the increased costs. Businesses also rely on their customer base and may be challenged by a shifting base if the residential community they rely on is displaced from the neighborhood.

Strategies to prevent indirect displacement of businesses are similar to those that can be used to prevent indirect displacement of residents:

- **Inclusionary Business Development Policy** – Somerville and Medford should develop a policy that any new mixed-use development agreement require developers to set aside at least 10% of all retail spaces for locally-owned small businesses

Boost Local Economy with Local Hiring

Local Chambers of Commerce might assist with job creation and business development by instituting a program that encourages local employers to hire local people. Businesses in the program could help identify potential employees and match them with employers. New businesses might be required to hire at least 50 percent of their workforce from the local community.

- **First Source Hiring** - First Source hiring programs are gaining popularity throughout the U.S. These programs help recruit and screen low-income job-seekers, coordinate job training and support services and most importantly, establish agreements with local employers to hire new employees through the First Source center before advertising positions to the public at large. A Community Benefits Agreements discussed on page 86 could outline specific First Source requirements
- **Wage Standards** - Jurisdictions throughout the U.S. have living wage requirements. These laws require businesses that receive government subsidies to pay their workers a family-sustaining wage. That wage might be related to housing and other needs, for example the National Low Income Housing Coalition provides a rental housing wage in their annual Out of Reach report⁴⁴

Both the City of Medford and Somerville have taken steps to identify and prioritize economic development needs that address some of the potential issues outlined above. For example Somerville identifies the following economic development needs and priorities as high:

- Redevelopment of Under-Utilized Districts
- Improved Transportation Access
- Revitalization of Commercial Districts
- Increased Job Growth⁴⁵

⁴⁴ Reports are available at www.nlihc.org including a searchable database of housing wages by metro region

⁴⁵ City of Somerville Five Year Consolidated Plan 2008-2013, p. 89

The City of Somerville also discusses strategies to achieve these priorities, including that they will:

- Provide technical assistance to business owners to ensure health of businesses
- Facilitate access to capital and financing through programs such as the City's Small Business Loan Program
- Assist with physical improvement of commercial spaces, such as through the Storefront Improvement Program
- Encourage collaboration among businesses in commercial districts such as through a shared marketing program, area-wide events, and possible establishment of a Business Improvement District
- Inform businesses about federal and state programs that encourage and support local hiring
- Encourage local workforce development organizations to initiate programs and services in Somerville
- Increase the opportunity of jobs for youth and disabled in collaboration with business community
- Continue to support Main Street organizations⁴⁶

The City of Medford states the following objectives to achieve their economic development goals:

- The Storefront and Business Improvement Program provides financial incentives toward storefront and related rehabilitation in economically deteriorating business areas and to those that create jobs for low and moderate income individuals
- A business and retention plan, as well as a parking plan, will be done to foster job growth and retention in the downtown area
- A partnership with ACCION, USA will enable the support of business expansion for low and moderate income persons⁴⁷

The City of Medford commits to economic development and job creation goals in West Medford by, "...providing financial incentives towards streetfront rehabilitation in addition to providing parking, lighting, landscaping, tree planting, and related street and sidewalk improvements."⁴⁸

Both cities might strengthen these goals and objectives by concentrating greater funding and other resources in areas where there is a displacement risk. When possible, the cities might strengthen their individual efforts by working collaboratively to achieve job creation and retention goals and goals to protect existing commercial districts, including joint participation in area workforce development programs, joint marketing and outreach programs to businesses, and joint business development and funding programs for local businesses.

⁴⁶ City of Somerville Five Year Consolidated Plan 2008-2013, p. 91-94

⁴⁷ City of Medford 5 Year Strategic Plan 2010-2015

http://www.medford.org/Pages/MedfordMA_ComDev/StrategicPlan.pdf, p. 113

⁴⁸ Ibid, p. 115