

Concord Affordable Housing Funding Committee

Meeting Minutes: January 2, 2018 meeting

Committee members present: Holly Darzen (clerk), Todd Benjamin (chair), Ruth Bennett

Others Present: Mary Hartman, Finance Committee Observer; Tom McKean, Select Board observer; Steve Ng, Select Board liaison

1. Todd Benjamin distributed copies the Report Format document prepared by Sue Myers. This is very helpful in our efforts to record and communicate our progress to date. Todd will look into the deadline for submitting something to get on the Town Meeting agenda to do a Town Meeting update and extend our committee charge. We need to summarize all the strategies we discussed, including those we feel are not workable. Summaries for the strategies were assigned as indicated:
 1. Raise building permit fees (Holly and Elizabeth)
 - a. Across-the-board increase, both residential and commercial (could be sliding scale)
 - b. Increase only for larger homes (<3000 SF livable sq ft)
 2. Increase funds from Community Preservation Act
 - a. Increase tax (from current 1.5% to a maximum of 3%) Holly
 - b. Increase guaranteed annual CPA portion funds for affordable housing from current 10% (Elizabeth will check with CPC head if this is possible)
 3. Institute transfer tax upon sale of real estate (Sue Myers) see also #3 below
 4. Issue bonds (Todd)
 5. Payment by developers in lieu of affordable units (Holly w/Marcia's input)
 6. Fee on special permit developments (Holly w/Marcia's input)
 7. Annual transfer from free cash, if it exceeds 8% of budget (Todd)
2. Todd will email Laurie Livoli of the Building Department to see if she can be available to discuss the building permit surcharge approach either during the day some time or at our next meeting. He will cc Chris Whelan on the email.
3. Ruth Bennett explained her opinion that the building permit fee surcharge strategy seems more logical and possibly more acceptable to Concordians since there is the inherent assumption that the permit applicant is getting an added value to their property, so they should be ok with paying something for this. The real estate transfer tax seems less logical and connected to affordable housing to her. In the discussion of this it was mentioned that going through the Building Department for the fee may be a tidy way to collect the fee. Holly read information from a Charles Phillips email about how on Martha's Vineyard there is a form given to the property buyer at the closing to fill out and submit to the Land Bank Commission along with payment, which is separate from the required transfer tax for the registry. This can be out of an escrow account or by certified check. There was some discussion but not consensus on whether we should pursue both the building fee surcharge and the transfer tax or just one of them, but both should be summarized for the Town Meeting update. We could ask for input on this at hearings.
4. Todd informed us there is some talk that the state is considering setting up a charitable trust that citizens could donate to and get a tax write off. He also passed out three very good articles. One is about the new state donation tax credit, which provides an incentive for property owners

to donate structures for affordable housing (structured to allow them to get fair value for the property). The second discussed the Metropolitan Mayors Coalition of Greater Boston's commitment to set up regional goals for affordable housing production; Todd referred to our regional consultant (Liz Rust) who might help us cooperate with neighboring towns. The third article discusses how the suburbs lag behind the substantial progress the City of Boston in producing affordable units. Boston is including multifamily mixed income projects and is ahead of the suburbs in considering the need for small units (near transit when possible) for millennials and seniors.

5. The schedule for doing the strategy summaries and our upcoming meetings is as follows:
 - Our committee to meet 1/16 and 1/30
 - Get reports done by the end of January
 - Go to a regular meeting of the Finance Committee maybe 3/8?, with clear summary and proposal(s) that run projected numbers for revenue production and how the money might be spent to leverage its ability to get the most units.
 - Get put on the agenda of the hearing of the Select Board in March 3/5? 3/13?
6. The 12/19/17 meeting minutes were accepted by a unanimous vote with revisions to #8 regarding sending an article to Henry Schwann.
7. Public Comment: Tom McKean stated that he feels the transfer tax might have advantages over the permit surcharge. He feels that using the money just for small house buy downs, as proposed in last years petition is not the best way to get the most out of the money in the way of affordable units, although it does provide diversity in Concord's housing stock. This point about the very large subsidy needed for buying down a single family home should be pointed out in our update summary to the Town. Tom also suggested that when the Town takes property for tax delinquency, there should be an effort to utilize it for affordable housing. Also, there should be discussion with the Select Board/Town Manager about mandating that town land acquisition include a process for consideration of affordable housing. This might be raised in our presentation to the Select Board.
8. All voted to adjourn the meeting unanimously passed.

Respectfully submitted, Holly Darzen clerk