

Concord Affordable Housing Funding Committee

Draft Meeting Minutes: February 13, 2018

Committee members present: Todd Benjamin (Chair), Ruth Bennett, Sue Myers

Others Present: Steve Ng, Select Board Liaison

Funding Strategy Summaries

Sue and Todd emailed drafts of funding options (transfer fees and bonding) to the group. Todd will also email an abridged spreadsheet of PILOT info.

The group agreed that each committee member should plan to provide a draft of their funding option summaries to the group by the March 13 meeting.

Todd summarized some of his finding on PILOTs:

- Concord Municipal Light pays more than \$400,000
- The Concord Housing Authority pays \$19,000
- MA is a leader in receiving PILOT payments from non-profits.
- 85 cities/towns in MA have PILOT agreements; some do it on an ad hoc basis, others have a policy across the board.
- Phillips Andover agreed to PILOT for \$3 million for 8 years.
- The public school cost per child per year in Andover is \$13,000. Teachers at Phillips Andover have the option for their children to go to Andover public schools, even if they are not Andover residents. Total cost to the town for these children is \$700,000+ per year.
- Five of the 6 largest private landowners in Concord are schools, including Harvard University. (The other landowner is Emerson Hospital.) Teachers at these schools have the option for their children to go to Concord public schools, even if they are not Concord residents.
- In Burlington, Lahey makes a PILOT of \$550,000.
- The Lincoln Institute study suggested that a fair way to establish PILOTs is to determine what the organization would have paid in property tax.
- The top six landowners in Concord have a total assessed land value of \$228 million. The tax bill on these properties is approximately \$3.3 million. If these entities paid just 50% of their tax bill, it would result in \$1.6 million to the town. If the 7 other institutions with land value over \$4 million were included, \$682 thousand dollars would be in payments would be realized.
- Assessors often are not allowed into non-profit buildings by the organizations.
- When institutions acquire private property it removes it from the property tax rolls and reduces tax collections by the town. e.g. UMass Lowell acquired a private property, reducing Lowell's tax income.

The group discussed PILOTs. Ruth suggested that a graduated scale of something like 10 to 30% could be fair and appropriate.

Everyone agreed that it will be important to review how the town and local institutions currently deal with PILOTs, donations, support of local businesses/groups, etc. and what support there might be for formalizing a program that would result in a predictable revenue stream.

Other Topics

Committee Outreach

Todd suggested we should be looking forward to plan outreach to various organizations and groups in town to let them know what we are doing and get their feedback. Groups such as the long-range planning committee, LWV and others are important to include in this conversation. Sue suggested that each committee member could become a liaison to a group to keep them informed.

Planning is underway for a meeting of all the housing organizations in town in mid-March, similar to the meeting last November. In addition, various groups are working on putting together information for public education on affordable housing.

Todd and Steve reiterated that the committee won't be presenting at Town Meeting because it is reserved for action on warrant articles. Todd suggested having a table with handouts at Town Meeting to inform voters about the committee's activities. The group also discussed other public outreach options ... Concord Journal articles, public hearings, etc. Sue suggested developing an outreach campaign schedule to communicate with groups, committees, town staff and other interested parties in the spring, then do public outreach in the fall, culminating with final recommendations for Town Meeting by December.

Steve said the committee does not have to present findings initially at meetings to inform groups about the committee's work, but discuss how it is taking a balanced approach to carefully research, collect data and analyze a wide variety of funding options, furthering the discussion on affordable housing that began at the 2017 Town Meeting.

There are upcoming opportunities to present to the Select Board – March 5 - and Finance Committee – March 8. Todd will attend the Fin Com meeting and it was believed Holly had said she would go to the Select Board meeting. Sue volunteered to put together a handout for these meetings.

The Future of Affordable Housing

Ruth said that federal tax changes that affect low-interest tax credits for affordable housing development could make it more difficult or unappealing for developers to do new projects. Todd reported that an editorial in the NY Times outlined the effects this could have on affordable housing ... 250,000 fewer units could be built over the next 10 years because of it, while the financial pressures on low-income individuals and families continue to rise, with many forced to choose between paying for food or child care or rent.

This tax change could make it harder for MA communities to achieve the 10% affordable housing level, leaving cities and towns more open to 40B projects.

Todd suggested that Concord's affordable housing funding strategies might want to be focused on the 10% level, beyond the time it is expected that the town will fall below that. This could help Concord continue to offer new affordable housing options while making sure the town develops in a well-thought out way, and not be subject to developer projects that might not be in the best interest of the town long-term, even if they included affordable housing units. It was suggested that the advocates of Concord maintaining or exceeding the 10% affordable housing level might be advocates to support new funding strategies.

Meeting Schedule Review

February 27 – No meeting

March 5 – Select Board update (Holly?)

March 8 – Finance Committee (Todd)

March 13 – Committee meets (In Assessor's Office at 24 Court Lane)

March 20 – Joint meeting of all Concord housing groups

7:30 PM, Peter Bulkeley Terrace Community Room, 115 Stow Street, Concord

New Business

New Committee Member

Steve reported that the nomination of Ray Andrews to join the committee is expected to be on the agenda at the next Select Board meeting.

Committee Charter

On February 5, the Select Board approved extending the committee's charter through 2018 to the next Town Meeting.

Wait Lists for Affordable Housing

As a way to possibly further quantify the affordable housing need in Concord, Todd and Sue researched past wait lists and application activities. Todd suggested that a break-even amount of affordable housing might be determined by defining a reasonable waiting period.

Todd summarized information from the Concord Housing Authority on wait lists for affordable rental housing in Concord and cited some examples of what is happening locally, state-wide and nationally:

- The wait for families for a 2-bedroom unit in Concord in 2011 was 4 years, now it is 6-7 years.
- There are 154,000 applications for Section 8 vouchers in the state and the wait is 7+ years.
- In Los Angeles, wait lists have been closed for a decade.

Sue summarized the situation for buyers of affordable housing, where there is no wait list per se because people who are purchasing affordable units do so at the time they become available and the process for buyers is not town specific. A qualified buyer might look at available units in many towns depending on their priorities (close to work, in a specific school system, on a bus line, the physical characteristics and amenities of the home, etc.) The state maintains a centralized online list of affordable units available for purchase.

In Concord, an affordable unit at Millstone in 2016 had 25 applicants. However, a similar affordable unit at the same time (a re-sale) had five applications. New units are generally preferred over older units, according to Liz Rust of the Regional Housing Services Office. She has offered to summarize past data about the number of applicants for units in Concord. (The town has done 31 units in 10 years.)

Review & Approval of Meeting Minutes

The committee unanimously approved the meeting minutes of January 30 as amended. Sue mentioned that none of the approved committee minutes are posted on the town web site past December 5.

Public Comment

There were no members of the public in attendance.

