

Concord Affordable Housing Funding Committee

Meeting Minutes: April 24, 2018 meeting Revised 5.13.18

Committee members present: Holly Darzen (clerk), Todd Benjamin (chair), Sue Myers,

1. The 3/28 minutes were approved. Sue requested that the #13 regarding upcoming Select Board and Fin Com meetings from the 4/18 minutes be deleted and reported in these 4/24 minutes. We can vote on approving 4/18 and 4/24 minutes at our next meeting.
2. Sue reported upcoming meetings between May 15-June 30:
FinCom: May 24, June 26, June 28 Select Board: May 21, June 4, June 18 She suggested we ask for FinCom May 24 and Select Board June 4. All agreed these would be good dates for us to attend. Holly noted that when appropriate, she would report to the League of Women Voters.
3. Sue submitted a summary about definition of affordable housing. It includes a HUD table of our area AMI by household size (e.g. for a household size of 3 AMI = \$97,100). Regarding our Town Meeting petition article, we discussed using less than or equal to 80% AMI as the limit for units funded by the revenue we proposed to raise, since that is the threshold that defines the Article 40B affordable units for the state. That state regulation allows developers to override zoning if the Town falls below the 10% required affordable units, as long as those developers' projects include at least 25% affordable units at 80% or lower. We noted that "starter housing", which we are considering to be affordable to between 80% and 110% AMI households, and "moderate" housing, affordable to families earning up to 150% AMI are also needed in Concord, but would not be funded by our petition revenue. Families earning below 80% AMI are considered "low income"; they currently cannot find housing in Concord except for CHA units, even though many have jobs in town government and at local businesses. According to Marcia Rasmussen we need to add ten 80% units per year to stay above the 10% threshold. We need workforce housing to enhance diversity and for a healthy economic environment in Concord. Sue points out that for Concord's Zoning Bylaw, PRD defines "low-income" dwelling units are those that count toward the MA SHI (Subsidized Housing Inventory), while affordable dwelling units are those set aside for sale or lease to households with less than 110% of the median family income as starter-priced housing (eg. \$118,580 income for a family of 4) or moderate-priced housing for households with less than 150% of the median family income (eg. \$161,700 for a family of 4).
4. Funding strategies were reviewed:
 - Using a budget line item annually to raise funds needs a detailed summary.
 - Sue reissued a shortened summary on the transfer tax (cutting out research notes). Her summary indicated revenue examples for various transfer values with a 0.25, a 0.5% and a 1% transfer fee surcharge. We discussed whether a certain level should be recommended, since our committee charge is to make a specific recommendation. We decided to revisit this after reviewing the strategy with the Select Board and Finance Committee. The advantages of this strategy is that it has the potential to raise \$1.5 million - \$2 million a year for affordable housing, depending on the level, and that it could be paid for by buyers who are essentially buying into the value of diversity of housing in the community.

- The PILOT strategy was reviewed. Marcia Rasmussen has told the committee that there was a PILOT effort in the 90's. Todd will ask Chris Whelan about former/recent PILOT discussions.
 - Todd had a spreadsheet for using a portion of free cash to subsidize affordable units, comparing the Fin Com reserving 8% vs 9%, or in other words 2% vs 1% of free cash for Affordable Housing. The loss to affordable housing is the Fin Com reserves 9% vs 8% would be over \$1.1 million.
 - Holly revised the Building Fee surcharge strategy to correct the base fee column. The annual surcharge total was low (<\$400,000 for 2016 permit fees) with the original 1.30.18 draft fee set at a flat level (\$4/\$1000 construction value), and has been revised (4.15.18) to be a graduated to different levels for different values of construction, which would have raised roughly \$900,000 for 2016 permit fees. The advantage of this fee is still that it is levied across the board of permit applicants rather than just residential builders. Sue felt that an additional scenario for this strategy should be presented with a third level.
5. We discussed the presentations for the Fin Com and Select Board meetings. Holly suggested there be slides of existing affordable housing in Concord. Sue suggested Power Point presentations, with a slide for each strategy. It was suggested that we end up with a range of revenues that add up to \$5 million - \$8 million annually. Each person should do 5 bullet points for their strategy.
6. The next meeting will be 5/15 at 7PM.

Respectfully submitted,
Holly Darzen clerk