



**TOWN OF CONCORD  
COMMUNITY PRESERVATION COMMITTEE**

141 KEYES ROAD, CONCORD, MA 01742  
TEL. (978) 318-3290 FAX (978) 318-3291

**Application for CPA Funding**

**Due no later than 4:00pm on Friday, October 9, 2020**

Applicant: Concord Housing Development Corporation

Co-Applicant (if applicable): \_\_\_\_\_

Project Name: Affordable Housing Buy-Down

Project Location/Address: \_\_\_\_\_

Purpose: (Select all that apply)

- Open Space
- Community Housing
- Historic Preservation
- Recreation

Project Budget:

Amount of CPA Funds Requested: \$ 500,000

Amount from Other Funding Sources: \$ \_\_\_\_\_

Total Project Budget: \$ \_\_\_\_\_

(If multi-year project, note current phase only)

Please check which of the following is included with this Application:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> One Paragraph Project Summary *         | <input type="checkbox"/> Timeline *  |
| <input type="checkbox"/> Map (if applicable)                                | <input type="checkbox"/> Architectural plans, site plans, photographs<br>(if appropriate)                                |
| <input checked="" type="checkbox"/> Narrative *                             | <input type="checkbox"/> Copy of Audit or most recent Financial<br>Information ( <u>Non Profit Organizations Only</u> )* |
| <input checked="" type="checkbox"/> Selection Criteria and Needs Assessment | <input type="checkbox"/> Letters of Support (if any)   |
| <input type="checkbox"/> Detailed Project Budget *                          |  |
| <input type="checkbox"/> Feasibility Assessment                             |  |
| <input type="checkbox"/> Statement of Sustainability (if applicable)        |  |

\* Required Documentation

The Contact Person for this Project is: Lee Smith, Chair Liz Rust, RHSO

All Correspondence should be mailed to: 141 Keyes Road

The Contact Person can be reached by phone at: \_\_\_\_\_ or by email at: leesmith125@gmail.com

Signature of Applicant: 

Signature of Property Owner (if different): \_\_\_\_\_

**For Historic Preservation Projects Only** – please check the box below left and acknowledge:

- I/We have read the **U.S. Secretary of the Interior’s Standards for the Treatment of Historic Properties** and understand that planning for and execution of this project must meet these standards.

# Concord Housing Development Corporation – CPA Buydown Program

## Brief Project Summary

The CHDC requests funding for a Buydown Program to create at least one unit of affordable housing through the buy-down or conversion of existing market rate unrestricted housing, to restricted affordable housing. This request for \$500,000 of CPA funds from the Community Housing category meets many of the CPC guidelines for community housing and prior town planning strategies and will enable the CHDC to preserve existing housing stock while providing housing to an income-eligible household with long-term affordability restrictions when the opportunity presents itself.

## Narrative

The ‘buy-down’ strategy is not a new to housing strategy for Concord. It is an identified strategy in the 2015 Housing Production Plan, part of the 2018 Envision Concord Comprehensive Plan, and a specific CPC criterion for Community Housing. A buy-down program can preserve existing housing, to counter (for this one home) the trend towards demolition of smaller single-family homes while creating affordable housing opportunities for eligible households.

A buy-down strategy requires available funds, to be able to act nimbly when the opportunity presents itself. Generally, there is not time to await Town Meeting approval. It is important to have funds appropriated for this purpose ahead of time.

The CHDC has recently sponsored a buydown home. In 2019, the CHDC facilitated the purchase of a single-family home on Main Street, with previously appropriated funds from the CPA. These were joined with contributions from the Concord Housing Foundation, the Town (from previously appropriate funds from free cash), and the CHDC. This project is moving forward to create two units of housing with Greater Lowell Habitat for Humanity.

Another potential use for Buydown funds is to preserve any units with expiring deed restrictions should they come up for resale. There are a few homeownership units in Concord with deed restrictions that will expire upon resale if not preserved with buy-down funds. The timing of this sort of transaction is unclear (the recent ones occurring 2008, 2009, 2010, 2012) and it is important to have funds available if needed.

The amount of funding required for each buydown units, equates to the market price of the home, plus transaction costs and necessary repairs, less the proceeds of sale to an eligible purchaser. For example:

- Market Price: \$650,000
- Transaction Costs: \$ 50,000
- Proceeds to Eligible Purchaser: \$300,000
- Subsidy needed: \$400,000

This is an example only as each property will be different, so the details will vary. Note that the CPA funds will be reserved for the approved use, so any unused funds remain with the CPA.

The CHDC is a separate 501c3 entity from the Town. While the CHDC has a modest bank account, funded from its development of Lalli Woods in 2010), the CHDC has no source of revenue. The CHDC funds its Small Grants Program from its account, as well as its cost to operate. The CHDC has no funds to contribute to a buy-down transaction, but can utilize its organizational structure to purchase, hold, renovate and sell real estate outside the municipal procurement process. In the future, this sort of request might be sponsored by the affordable housing trust, once seated.

With funds appropriated, the CHDC will be open to housing opportunities for buy-down. Using the Main Street project as an example of the timeline, the opportunity first became available in February, and the CHDC completed the purchase in August, with a few months of back-and-forth with the owner in the beginning.

## Concord Housing Development Corporation – CPA Buydown Program

The CHDC will seek support from the Concord Housing Authority, the Concord Housing Foundation, the Select Board and the affordable housing trust (if seated) for this proposal.

### CPC's Selection Criteria

As mentioned above, the CHDC Buy-down program meets both the CPC's General Selection Criteria and the Specific Use Criteria for the Community Housing project category.

- a. The Buydown Program is eligible under the CPA legislation as it provides a long-term affordable housing restriction under the CPA definitions.
- b. The Buydown Program is consistent with the Town-wide planning efforts and reports that have received broad-based scrutiny and input, including the Housing Production Plan and the 2018 Comprehensive Long Range Plan. It increases housing choice and affordability and promotes inclusion and social equality – on the Systems Checklist.
- c. The Buydown Program underserved populations.
- d. The Buydown Program is administered by the CHDC who has demonstrated the ability to complete similar projects successfully in the past and has complied with all CPC reporting requirements.
- e. The CHDC will endeavor to seek other sources of funding to leverage the town CPA funds.
- f. The Buydown Program is generally sustainable by reusing existing housing stock for affordable housing.
- g. As referenced previously, the Buydown Program creates long term affordability through deed restrictions. Units created through the Buydown Program may be eligible for the State Housing Inventory units to maintain its goal of 10% affordability consistent with Chapter 40B.
- h. The Buydown Program create new affordable housing opportunities by buying-down the purchase price of condominium and other housing units, meeting the Community Preservation Committee recommendation, whenever possible, the reuse of existing buildings or the construction of new buildings on previously developed sites.
- i. The units created under the Buydown Program may be eligible for a local preference if more than one unit is included in the project.
- j. The Buydown Program will create units where the opportunity is offered and does not intend to locate community housing in any one area in the Town.