

Article 49. Request for Home Rule Legislation Allowing Concord To Adopt Fees To Finance Affordable Housing

- To determine whether the Town will vote to request the Select Board to ask our legislative representatives to file and seek passage of legislation authorizing the Town of Concord to adopt a fee structure substantially in the form shown below, for the purpose of financing a Town fund to support affordable housing.

Article 49. Request for Home Rule Legislation Allowing Concord To Adopt Fees To Finance Affordable Housing

1. Concord shall initiate a one-time fee to be assessed on certain new and newly expanded single-family houses.
 2. The fee shall be assessed on new single-family houses built to exceed 3000 square feet in living area, at a rate of \$35 per square foot of the excess over 3000.
 3. The fee shall be assessed on newly expanded single-family houses when the resulting house exceeds 3000 square feet in living area. If the house prior to expansion was below 3000 square feet, the fee will apply in the same manner as in item 2 above. If the house prior to expansion was over 3000 square feet, the fee will be \$35 per square foot applied to the living area after expansion minus the living area before expansion.
 4. The living area of a house shall be measured in accordance with the method established by the Assessing Department of the Town of Concord.
 5. The construction of single-family houses in Planned Residential Developments (PRDs) for which affordable housing is required will be exempt from this legislation.
 6. The fee shall be paid by the owner of the property lot who initiates the plan for a new or expanded house on that lot at the time of issuance of the building permit.
 7. The Town fund that results from the fees shall be held by the Town Treasurer in an account to be used at the direction of the Select Board for affordable housing purposes.
- or take any other action relative thereto.

Purpose

- To enable preservation of some lower-priced single-family houses
- Houses with income-qualified deed restrictions would be available to enable those with important middle income jobs (e.g. teachers, nurses, retail employees) to live among us

Background

- At present, affordable housing financing comes from CPA funds
- Four different uses for limited CPA funding (this year \$1.3 million)
- The Concord Housing Development Corporation (CHDC) was formed for creating new affordable housing, but needs added revenue

A New One-Time Fee

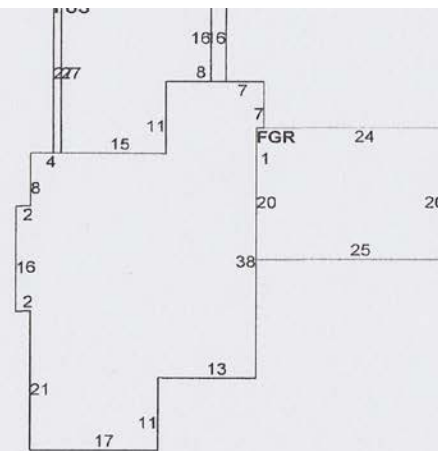
- Most of the new real estate investment in Concord is creating new or expanded single-family houses
- New and expanded houses have sale prices unaffordable to middle-income families
- Most of the new houses have displaced older, more affordable houses

New Single-Family Houses

- Fee assessed on new single-family houses which exceed 3000 square feet in living area
- Fee at a rate of \$35 per square foot of excess over 3000
- Town Assessor's definition of living area:
 - The portion of a house above grade and used as living space, not including unheated space

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Stories	1	1 Story	Frame Type		Baths/Plumbing			
Occupancy			Ceiling/Wall		Rooms/Prtns			
Exterior Wall 1	11	Clapboard	% Common Wall		Wall Height			
Exterior Wall 2								
Roof Structure	03	Gable/Hip	CONDO/MOBILE HOME DATA					
Roof Cover	03	Asphalt	Element	Code	Description	Factor		
Interior Wall 1	03	Plastered	Complex					
Interior Wall 2			Floor Adj					
Interior Floor 1	12	Hardwood	Unit Location					
Interior Floor 2	14	Carpet	Number of Units					
Heating Fuel	02	Oil	Number of Levels					
Heating Type	05	Hot Water	% Ownership					
AC Type	01	None	COST/MARKET VALUATION					
Bedrooms	04	4 Bedrooms	Unadj. Base Rate		45.00			
Bathrooms	3	3 Bathrooms	Size Adj. Factor		0.99854			
Total Rooms			Grade (Q) Index		1.19			
Bath Type			Adj. Base Rate		53.47			
Kitchen Style			Bldg. Value New		156,560			
			Year Built		1950			
			Eff. Year Built		1980			
			Nrml Physicl Dep		21			
			Functl Obslnc					
			Econ Obslnc					
			Specil. Cond. Code					
			Specil Cond %		79			
			Overall % Cond.					
			Deprec. Bldg Value		123,700			
MIXED USE								
Code	Description	Percentage						
1010	Single Fam	100						
OB-OUTBUILDING & YARD ITEMS(L) / XF-BUILDING EXTRA FEATURES(B)								
Code	Description	L/B	Units	Unit Price	Yr.	Dp Rt	%Cnd	Apr. Value
FPO	EXTRA FPL OPEN	B	1	800.00	1980	1	100	600
FPL	FIREPLACE	B	1	2,300.00	1980	1	100	1,800
BUILDING SUB-AREA SUMMARY SECTION								
Code	Description	Living Area	Gross Area	Eff. Area	Unit Cost	Undeprec. Value		
BAS	First Floor	1,852	1,852	1,852		99,026		
FGR	Garage	0	500	200		10,694		
FUS	Upper Story, Finished	533	533	533		28,500		
UBM	Basement, Unfinished	0	1,716	343		18,340		
Ttl. Gross Liv/Lease Area		2,385	4,601	2,928	Bldg Val:	156,560		



Newly Expanded Houses

- Fee applies to expansions where resulting living area exceeds 3000 square feet
- If house prior to expansion had living area less than or equal to 3000, same rule as for new houses
- If house prior to expansion was over 3000, fee applies to living area after expansion minus living area before expansion

Examples

- A new house is built with 4000 square feet of living area. Fee is $\$35 \times (4000 - 3000) = \$35,000$
- A house is expanded from 2700 to 3200 square feet. Fee is $\$35 \times (3200 - 3000) = \$7,000$
- A house is expanded from 3500 to 4500 square feet. Fee is $\$35 \times (4500 - 3500) = \$35,000$

Additional Considerations

- Planned Residential Developments (PRDs) that already have an affordable housing requirement are exempted, e.g. Finigan Way
- Fee paid when building permit is issued
- Funds held by Town Treasurer in a fund to be used primarily for preserving a few lower-priced single-family houses

Use of Funds

- Average annual revenue ~ \$2 million
- Enables CHDC to purchase 4 to 5 less costly houses per year, repair and renovate, deed restrict them, resell to income-qualified buyers
- The number of converted houses depends on market prices and target level of buyer income

Use of Funds (cont.)

- Among single-family house sales in years 2014 through 2016, an average of 33 houses per year were available in the \$500,000-\$700,000 range
- Houses subject to demolition delay would be good candidates for this program

Implementation

- Passage of warrant article by Town Meeting
- Select Board presents proposal to our State Legislators for consideration by Legislature
- State Government passes Home Rule legislation
- Prepare a new Bylaw at a future Town Meeting that includes coordination between Building Department and Town Treasurer

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