

Article 49: Request for Home Rule Legislation Allowing Concord to Adopt Fees to Finance Affordable Housing

We hear a lot about the “mansionization” of the suburbs and the lack of affordable “starter homes.” Alas, this trend is happening in Concord. Yet surveys show that maintaining our housing diversity is extremely important to Concord residents. Meanwhile, we are rapidly losing modest homes for our teachers, nurses, small-business owners, and others who make Concord a vibrant community. No one should be precluded from living here because they choose to be teachers, social workers, or nurses. At Town Meeting, we have an opportunity to finance the preservation of some of our more affordable housing stock. The following is a summary of how this could work.

The Mechanics of Article 49. Article 49 asks the Select Board to seek legislative approval for the bylaw described below. If approved, citizens would need to pass the implementing ordinance at a subsequent Town Meeting.

Under the proposed bylaw, builders of new houses (greenfield or tear down) would pay a fee of \$35 per square foot for all living area in excess of 3,000 square feet. A renovation of an existing house would pay the same \$35 per square foot for resultant living area in excess of 3,000 square feet, or exceeding the existing living area if the home was already more than 3,000 square feet. The town’s definition of “living area” excludes basements, attics, garages, and screened porches. Construction of an extra bedroom on a small house, or a screened porch on a larger one, would not incur the fee. A Planned Residential Development (PRD) that already provides affordable housing as part of the approved PRD would not be subject to the fee.

The money collected from these fees would be deposited in a town account, to be used to purchase small houses when they come on the market. The town would fix up the house if necessary, then sell it at a “below market” price deemed affordable under State guidelines to an income-qualified family. The deed would be restricted so that the house, when sold again, would go to another qualified buyer and no one would profit unduly from the subsidized price. The amount that the initial buyer pays for the home would go back into the fund. Only the difference between “market” and “affordable” prices would be subsidized by the fees imposed on construction or expansion of large homes.

How Big Would This Program Be? Records from the

Building Department and the Board of Assessors show that from 2014-2016, an average of 33 houses per year were sold in the \$500,000- \$700,000 range, the target range for this bylaw. At the same time, an average of 32 new houses per year were built in Concord, with 79% having more than 3,000 square feet of living space. This shows that fears about the mansionization of Concord are real. These larger new houses are clearly replacing the smaller houses of Concord.

Based on these figures, the fee of \$35 per square foot of living space in excess of 3,000 square feet collected from large new houses and large additions would yield about \$2,000,000 per year. If the Town resells the houses acquired at the price of around \$300,000 (deemed affordable by the state for a family of four with the regional median income of \$98,000), then it should be possible to move 4 to 5 smaller homes per year into the deed-restricted stock available in Concord.

Benefits. Over 10 years, the town would be able to purchase and make available to these families some 50 or more existing homes. The opportunity to buy these houses would go to families having income around the regional median (now below the average household income for Concord), and would be allocated by lottery, possibly with a preference for current Concord residents and family members.

Some will worry that the net assessed value of real estate in Concord may fall because of this program. Yes, the smaller houses preserved will have a lower assessed valuation than a 5,000 square foot “replacement.” But we can think of it as an investment to maintain the character of the town we love. The Town budget need not suffer, since tax rates are always adjusted to yield the necessary revenue when the aggregate market value of our real estate fluctuates.

In big cities, developers must pay offsets or invest in projects in outlying neighborhoods in order to develop on the most profitable sites. With this program, we are asking those who build the more costly homes in Concord to do something similar, to pay a fee that enables us to maintain some of the traditional social fabric and neighborhood character of our town

**HELP KEEP CONCORD AFFORDABLE.
VOTE YES ON ARTICLE 49!**

Prepared by the Concord Housing Foundation, PO Box 751, Concord, MA 01742
Nancy McJennett, Treasurer
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