



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Mr. Phillips moves: That the Town Meeting adopt Article 49 as printed in the handout, with changes to the original language of the Article noted.



Article 49

Home Rule Legislation Allowing 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 in the handout, for the purpose of financing a Town fund to support affordable housing.



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Purpose

- To enable families with middle income jobs (e.g. teachers, nurses, retail employees) to live among us
- To provide local housing for middle income families with a Concord connection
- To preserve some of Concord's smaller houses



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Background

- At present, affordable housing financing comes from CPA funds
- Four different uses for limited CPA funding (this year \$1.6 million)
- The Concord Housing Development Corporation (CHDC) was formed for creating new affordable housing, but needs added revenue



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

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



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

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



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Newly Expanded Houses

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



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

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 $\$35 \times (4500 - 3500) = \$35,000$



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

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 for affordable housing purposes, primarily the program described below



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Use of Funds

- Average annual revenue ~ \$2 million
- Enables CHDC to purchase 4 to 5 lower-priced, single-family 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



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Use of Funds (cont.)

- An average of 33 houses per year are for sale in the \$500,000-\$700,000 range
- Houses subject to demolition delay would be good candidates for this program
- Prospective owners will be selected by lottery with Concord preference



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Implementation

- Passage of warrant article by Town Meeting
- Select Board works with our State Legislators to present proposed bylaw for consideration by Legislature
- State Government passes Home Rule legislation
- Select Board presents proposed bylaw as authorized to a future Town Meeting for vote



Article 49

Home Rule Legislation Allowing Fees To Finance Affordable Housing

Mr. Phillips moves: That the Town Meeting adopt Article 49 as printed in the handout, with changes to the original language of the Article noted.