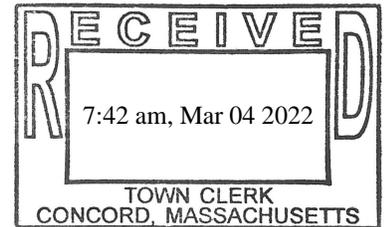


Concord Municipal Affordable Housing Trust
Thursday, February 24, 2022 at 1:30 pm
[Virtual Meeting via Zoom](#)
Approved Meeting Minutes



1. *Call to Order / Roll Call* – Chair Keith Bergman called the meeting to order at 1:33 pm on Zoom. Roll call of members present: Linda Escobedo, Mike Lawson, Frank (“Rich”) Feeley, and Keith Bergman. Kerry Lafleur was absent. Also present were Ray Andrews, Stephan Bader, and Dee Ortner.

2. *Approval of minutes* – Rich Feeley moved to approve the meeting minutes of February 10, 2022; seconded by Mike Lawson; motion approved by unanimous vote (4-0).

3. *Further review of CMAHT Guidelines proposed for Select Board approval* – On February 10, 2022, the Trustees had voted to approve an initial set of proposed interim guidelines for the Trust, subject to the Select Board’s approval under CMAHT Bylaw Section 6, Item 18. Following that vote, those proposed guidelines were circulated to housing stakeholders and staff, with comments received by and heard on February 17, 2022. Rich Feeley then volunteered to prepare an updated iteration of the guidelines based on that input, for further discussion and vote at today’s meeting. Following that further discussion, Rich Feeley made a motion to approve the Concord Municipal Affordable Housing Trust’s proposed set of Interim Guidelines for Use of Funds, as amended, subject to approval of the Select Board under CMAHT Bylaw Section 6, Item 18. The motion was seconded by Mike Lawson, and passed unanimously (4-0) with Linda Escobedo, Mike Lawson, Rich Feeley, and Keith Bergman voting in favor. The interim guidelines as adopted are attached to these minutes.

4. *Sources of Trust funds. Updates on real estate transfer fee & building permit surcharge legislation; use of ARPA funds; exploring additional/alternative funding sources; annual town meeting articles and appropriations.* The Trustees are still seeking clarity on whether ARPA funds-- if transferred into the Trust fund by the Select Board-- could be used for moderate income households, or whether those funds would be restricted to low income.

For consideration by the Trustees regarding 2022 Annual Town Meeting Article 33, Zoning Map & Thoreau Depot Business District, Rich Feeley had drafted the following comments: “CMAHT supports the concept of multi-unit housing in appropriate locations, including the provision for housing units within mixed use buildings in the Thoreau District rezoning as proposed by the Planning Board in Warrant Article #33. We note with particular approval the requirement for affordable housing in Section 7.11.4 for payments when the by law would require creation of a number of affordable units that is more than an integer but less than 0.5 units below the next integer. In this way, there is no incentive for a developer to manipulate unit numbers to avoid affordable housing obligations. The money so collected could be used by CMAHT for a variety of purposes to increase the stock of affordable housing units.” After discussion, Mike Lawson made a motion to authorize the chair to offer comments, as drafted, on behalf of the Trust regarding 2022 Annual Town Meeting Article 33 to the Planning Board’s March 8, 2022 public hearing on proposed zoning articles; seconded by Rich Feeley and approved unanimously (4-0).

For the Trust's next meeting on Thursday, March 3, 2022, Rich Feeley volunteered to draft a proposed statement relative to ATM Article 35, a citizen petition to amend the Planned Residential Development Zoning Bylaw to increase the minimum amount of upland common open space from 50% to 75%, which would make it more difficult to increase the number of affordable units through the PRD process.

5. *Use of Trust funds. Assabet River Bluff land acquisition project status* – Keith Bergman relayed an update from Concord Housing Development Corporation chair Lee Smith that the purchase & sale agreement for the Assabet River Bluff land acquisition project has not yet been finalized, but it still under negotiation with the seller's attorney.

6. *Public Comment* – Ray Andrews and Stephan Bader thanked the Trustees for their work on developing proposed guidelines for the Trust. Dee Ortner had questions about the Assabet River Bluff Memorandum of Understanding (MOU).

7. *Future Meetings* – The Trust's next meeting will be on Thursday, March 3, 2022 at 1:30 PM on Zoom. Other upcoming meetings to attend include the Finance Committee's hearing on ATM financial articles on Thursday evening, March 3, 2022; the Select Board's meeting on Monday, March 7, 2022 to review with the Trustees (and, hopefully, approve) the Trust's guidelines; the Planning Board hearing on ATM zoning articles on Tuesday evening, March 8, 2022; the quarterly meeting of the Concord Housing Roundtable & Housing Production Plan update kickoff on Wednesday, March 9, 2022 at 4 pm; and the Finance Committee meeting on Thursday evening, March 24, 2022 to discuss the Trust's guidelines.

8. *Adjournment* – Mike Lawson made a motion to adjourn the CMAHT meeting, seconded by Rich Feeley. Motion passed unanimously (4-0). The meeting adjourned at 2:37 pm.

Document attached

- CMAHT Interim *Policy*¹ Guidelines for Use of Funds, as adopted on February 24, 2022, subject to approval by Select Board pursuant to CMAHT Bylaw Section 6, Item 18.

¹ By its vote on March 3, 2022, the Trustees voted to insert the word "Policy" in the title of the Interim Guidelines as adopted on February 24, 2022.

Concord Municipal Affordable Housing Trust (CMAHT)

Interim Policy Guidelines for Use of Funds

Adopted by the Concord Municipal Affordable Housing Trust on February 24, 2022, subject to approval of the Select Board pursuant to CMAHT Bylaw Section 6, Item 18.

Background

To provide dedicated long-term funding sources for affordable housing in the Town of Concord, Annual Town Meeting (ATM) in 2019 authorized filing of home rule petitions for a real estate transfer fee and a building permit surcharge. In recommending these actions, the Affordable Housing Funding Committee estimated they might yield \$2.76 million per year for affordable housing programs. After approval by Town Meeting, home rule petitions were duly filed with the state legislature, but still remain pending at this date. A state-wide bill enabling any municipality to adopt a transfer fee for affordable housing is also currently pending in the legislature.

To hold and manage these and other affordable housing funds, 2020 Town Meeting adopted a Concord Municipal Affordable Housing Trust (CMAHT) Bylaw, with the purpose of the Trust being “to provide for the preservation and creation of affordable housing in the Town of Concord for the benefit of low and moderate income households and for the funding of community housing, as defined in Massachusetts General Laws c. 44B (the ‘Community Preservation Act’).”

The CMAHT Bylaw took effect in 2021 and established a Board of Trustees appointed by the Select Board. With the Trust in place, the Town can act on affordable housing opportunities on short notice and outside the annual cycle of budgets and town meetings. Section 6, Item 18 of the CMAHT Bylaw requires the Trustees to “develop policy goals and statements, consistent with the Town’s adopted housing goals, and subject to approval by the Select Board, to serve as guidelines for the Trust.”

For the 2020, 2021 and 2022 fiscal years, Town Meeting approved annual appropriations of \$500,000 for affordable housing, the balance of which has now been deposited in the Trust by the Select Board. For FY 2023, the CMAHT Trustees have requested that the Select Board continue this current funding level for the Trust, drawing such funds from Federal American Recovery Act of 2021 (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funds or from Town appropriation, such appropriation to be voted on at the ATM 2022 in May.

Purpose of This Document

The ATM in 2020 adopted the Concord Municipal Affordable Housing Trust Bylaw with the expectation that CMAHT would hold funds acquired by the Town for affordable housing and make expenditures from this fund. This document is intended to provide interim guidelines for expenditure of CMAHT funds at the current funding level.

This document sets forth the guidelines, including qualifying projects and selection criteria, to be used by the Trust, once approved by the Select Board. These interim guidelines are intended to serve until such time as reliable annual funding sources for the Trust (real estate transfer fee and/or building permit surcharge) have received final approvals and the annual flow of funds into the Trust can be anticipated with some certainty.

The following interim guidelines are suggested for current use. Modification of the guidelines may occur when one or more of the documents referred to below is updated, superseded or amended, particularly when the housing needs of the Town are further defined or modified by the Housing Production Plan anticipated to be updated and approved in late 2022 or early 2023.

Policy Goals

In the interim period prior to creation of a new Housing Production Plan and prior to final approval of one or more additional affordable housing funding mechanisms within the control of the Town of Concord, use of Funds in the CMAHT will be opportunistic but should reflect:

- Housing plan element goals (Section 4.3) of *Envision Concord: Bridge to 2030*
- Goals in the *2015 Concord Housing Production Plan*
- *Community Preservation Committee Funding Priorities and Project Application Guidelines*.

Qualifying Projects

CMAHT funds may be expended in furtherance of Town Policy Goals and the enumerated **Selection Criteria** below on any of the following types of projects, provided that the resulting housing units shall be affordable at 150% of Areawide Median Income (AMI), or less, and the use complies with the applicable legislation/regulation underlying the funding source. See Reference Document below, identifying low and moderate household income limits (% of AMI) by program and funding source.

Projects qualifying for CMAHT funding include:

- Purchase of land on which affordable housing can be built, provided that if the CMAHT is the purchaser of the land prior approval of the Select Board is also required
- Development, legal or other soft costs required to seed or determine the feasibility, scope and cost of proposed new affordable housing projects
- Purchase (and required renovation) of existing homes, through collaboration with public, non-profit, or private partners, so that such units may be retained in, or added to, the stock of affordable homes in Concord
- Subsidies and/or funds for renovation required to prevent a home from being sold out of the Subsidized Housing Inventory (SHI) stock, provided that enforceable income restrictions shall govern future *sale*

- Capital expenditures in excess of normally programmed maintenance, upkeep and systems replacement which are required to maintain the structural integrity and safety of a home/unit currently on the SHI list.
- Subsidies to developers to increase the number of affordable units, or lower the level of qualifying household income, within a new Planned Residential Development. Such subsidies would only be for the increase in affordability beyond the requirements imposed by zoning approval and would be subject to continuing affordability restrictions.

Selection Criteria

The CMAHT was created to enable the Town to aggregate affordable housing funds and take advantage of affordable housing opportunities without waiting on the Town’s annual budget process and Town Meeting. At this time, priority will be given to expenditures for the purchase of land or housing units, construction or renovation of existing housing units (as described in the Qualifying Projects section) or the subsidy of privately owned units to affordable levels. Projects will be ranked more favorably if they meet one or more of the following criteria:

- Will increase the supply of units qualifying as “affordable” under State Comprehensive Permit Law M.G.L. Chapter 40B Subsidized Housing Inventory
- Subject to the requirements of other project funding sources, maximizes the portion of units available to Concord residents or employees
- Will increase the inventory of land on which affordable units can be built
- Will prevent the loss (due to market sale or structural deterioration) of existing units which are currently affordable, provided that continuing affordability restrictions will be placed on the property
- Will make Concord a more inclusive community
- For Planned Residential Developments (PRD) and other multi-unit projects, effectively integrates affordable units into the design without differentiation of such units
- Will minimize the total cost to the Town per unit for maintaining or adding units to the affordable housing stock
- Will leverage other funds for affordable housing from sources such as the Community Preservation Act, Federal and State affordable housing programs, in-lieu of or other payments from private sector developers, and/or private donations
- Meets Concord’s sustainability and energy efficiency goals.

Reference Document:

Low and Moderate Income Limits (% of Areawide Median Income) by Program/Funding Source

<i>Program/Funding Source</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Note/Reference</i>
Municipal Affordable Housing Trust statute – per Massachusetts Housing Partnership’s 2018 MAHT Guidebook	See Note	See Note	MHP 2018 MAHT Guidebook p. 27: “The trust statute [M.G.L. C.44, s.55C] does not include definitions for key terms such as . . . ‘low- and moderate-income.’ A trust can consult existing programs and statutes in the state to adopt definitions for terms. . . . Each funding source has restrictions and requirements for uses of funds. Certain programs and projects may not be eligible under all funding programs. It will be particularly important to secure funds from sources that will enable the housing trust to accomplish its priority initiatives. Once funds are secured, particularly if secured from multiple sources, the board of trustees will need an accounting system that tracks revenue by original funding source.”
Community Preservation Act (CPA) community housing	80% of AMI	100% of AMI	As defined in M.G.L. C.44B, s.2
Comprehensive Permit Law M.G.L. C.40B, ss.20-23 Subsidized Housing Inventory (SHI)	80% of AMI	See Note	See DHCD regulations . If ownership units, SHI counts only those for HH incomes at/below 80% of AMI; if rental units, SHI can count all rental units in a project if at least 25% of the total number are at/below 80% of AMI; otherwise, only those at/below 80% of AMI are counted.
Massachusetts Affordable Housing Trust administered by MassHousing		110% of AMI	Funding threshold criteria include: “Affordability of all AHTF units to households earning no more than 110% of area median income.”
Concord Zoning Bylaw Section 10, Planned Residential Development (PRD)		“Starter-priced housing” <110%; “moderate-priced housing” <150%	“10.2.3.2 Affordable dwelling units are those units made available for sale, lease or rent at below market rates based on the following: (a) Starter-priced housing: Dwelling units set aside for sale, lease or rental to households with incomes of less than one hundred ten (110) percent [of AMI] . . . (b) Moderate-priced housing: . . . incomes of less than one hundred and fifty (150) percent [of AMI]”

<i>Program/Funding Source</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Note/Reference</i>
American Recovery Act of 2021 (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). See US Treasury SLFLF Final Rule , pp. 102-110.	Rental: 60-80% Ownership: 80%	To be determined	SLFLF Final Rule p. 106: "Treasury will presume that any projects that would be eligible for funding under either the National Housing Trust Fund (HTF) or the Home Investment Partnerships Program (HOME) are eligible uses of SLFRF funds." HOME : For rental housing, at least 90% of HHs w/income below 60% of AMI; remainder below 80% of AMI. For homeownership, all below 80% of AMI. <i>Note</i> : Both HTF and HOME programs can be used to fund site acquisition and improvement, among other activities.
<i>Proposed home rule petition: S.2437</i> - An Act establishing a real estate transfer fee upon the transfer of property in the town of Concord	See Note above	See Note above	Bill provides in proposed Section 4 that, "All fees received pursuant to this act shall be deposited in the Concord Affordable Housing Trust Fund established pursuant to section 55C of chapter 44 of the General Laws ."
<i>Proposed home rule petition: S.2438</i> - An Act establishing a building permit surcharge in the town of Concord		120% of AMI	Bill provides in proposed Section 3 that, "For the purposes of this act, 'affordable housing' shall mean as defined under section 1 of chapter 60 of the General Laws "—i.e., below 120% of AMI
Proposed statewide bill. S.868, H.1377 , An Act empowering cities and towns to support affordable housing with a fee on certain real estate transactions		175% of AMI	Bill's definitions include: "Affordable Housing Purposes" as "uses allowed by the municipal or state affordable housing trust fund into which funds are deposited, or, if the funds are deposited into a community preservation act fund, the housing uses allowed thereunder." and "Affordable Housing Restriction" of 30+ years "limited to use as a residence occupied by a low or moderate income household which earns less than a specified income level, the upper limit of which may not exceed 175 per cent of the median income for a household in that city or town; provided, however that moneys derived from a transfer fee implemented pursuant to this section and deposited into a state or municipal Affordable Housing Trust Fund or Community Preservation Fund, may be subject to the lower income restrictions that govern said Fund. . . ."