

**Opinion**

## **GUEST COMMENTARY: Transfer fee needed for affordable housing**

---

**By Frank (Rich) Feeley / Concord Housing Foundation Board of Directors**

Posted Mar 28, 2019 at 2:58 PM Updated Mar 28, 2019 at 2:58 PM

*This guest commentary appeared in the March 21 print edition of the Concord Journal. For more letters and opinions published in the journal, please visit <https://concord.wickedlocal.com/opinion>.*

If you care about affordable housing in Concord, attend Town Meeting. You have a chance to act on one of our most important town priorities.

At one public hearing during the preparation of the long-range plan, the most frequently cited concern was the availability of affordable housing. With an average sale price in 2017 of \$1.1 million for a single-family home and \$600,000 for a condominium, living in our town is not affordable for most of those who work here. When a smaller or older home comes on the market, its price is bid up by developers who tear down the house and build a large structure that only the wealthy can afford.

Concord has no continuing stream of revenue to support affordable housing. Subsidies for repairs at the Concord Housing Authority or “affordable” units in new development have come from Community Preservation Act funds and must compete with community amenities and historic preservation. We need a way to maintain our existing affordable housing stock and keep some of the homes which were once affordable within reach of our teachers, nurses, skilled trades and other workers. Articles 23 to 26 on the warrant give us an opportunity to fund what we say we want on a continuing basis.

Of these articles, we want to discuss Article 25, which would require buyers of residential property in Concord to pay a 1 percent transfer fee that would

be deposited in the Affordable Housing Trust Fund. Analysis by the Affordable Housing Study Committee showed that such a fee would have generated between \$2.7 million and \$3.4 million each year between 2012 and 2017.

The Greater Boston and Massachusetts organizations of realtors oppose any transfer tax for affordable housing. The real estate industry says they support affordable housing, but they do not want towns to generate these funds from the real estate industry. Some other source should pay, they say. But a study of a transfer fee in Somerville by RKG Associates (real estate consultants) found real estate professionals were unanimous in saying the fee would not change the behavior of buyers and sellers or impact the volume of transactions.

Without a transfer fee and revenue from building permits for costly structures, how will we fund affordable housing? We are already looking at the costs of replacing our middle schools. Such expenditures can only drive up real estate taxes. When we do that, we are making Concord even more expensive for families that once bought a seemingly affordable house.

Concord has little land left for “greenfield” construction. This is why developers buy previously affordable homes and tear them down. If we want the real estate industry to contribute to maintaining an affordable housing supply in Concord, we must collect contributions from each sale and “tear down” that further limits our supply of potentially affordable homes. Articles 23 to 26 provide the steps necessary to make good on Concord residents’ stated concern for housing affordability.