



Concord Housing Development Corporation

June 10, 2021

Dear Members of the Concord Finance Committee:

The Concord Housing Development Corporation (CHDC) respectfully requests that your committee reconsider its position on Warrant Article 17 for the June 13, 2021 Annual Town Meeting.

Appropriations of \$500,000 from free cash for affordable housing purposes have been approved by Town Meeting in 2019 and 2020. As was presented to Town Meeting, these appropriations were intended to be a short-term mechanism to have funds available when opportunities to create, preserve, develop or support affordable housing units arise.

At the 2019 Annual Town Meeting, Article 25 passed authorizing special legislation for a real estate transfer tax to support affordable housing. Article 26 also passed authorizing special legislation for a building permit fee surcharge for affordable housing. It was known at that time that it would take a number of years before these initiatives could be enacted. The special legislation remains pending with the legislature. The annual appropriation from free cash was and remains intended to make funds available for affordable housing purposes until such time as these initiatives are able to generate revenue to support affordable housing.

The 2019 and 2020 appropriations from free cash have been extremely successful as \$870,000 of the \$1,000,000 has been used or set aside to create, preserve and develop affordable housing. After utilizing these funds to buy down a unit from 140% AMI to 80% AMI at 100 Elm Brook Lane, an opportunity that was presented only in the last few weeks, only approximately \$387,000 will remain available after the proceeds from the resale of the unit is received.

Date	Purpose	Amount	Balance	Actions
7/1/2019	2019 ATM, Article 23	\$500,000	\$500,000	Appropriation
7/1/2019	930 Main Street - Assist in creating 2 units	-\$150,000	\$350,000	SB Vote 7/1/19
7/29/2019	Gerow - Design Development Feasibility for 1 unit	-\$50,000	\$300,000	SB Vote 7/29/19
9/1/2020	2020 ATM, Article 14	\$500,000	\$800,000	Appropriation
2/22/2021	Emerson Annex - Preserve 1 unit	-\$100,000	\$700,000	SB Voted 2/22/21
6/1/2021	100 Elm Brook Lane - Create 1 SHI unit	-\$570,000	\$130,000	SB Voted 6/1/21
2022	<i>Estimated 100 Elm Brook Resale Proceeds received</i>	<i>\$257,000</i>	<i>\$387,000</i>	Resale Refund

Increasing the number of affordable homes in Concord is a well-established goal of the Select Board and is a key component of the Town's housing production plan and long range comprehensive plan.

The CHDC, along with the newly created Affordable Housing Trust, have the ability to act nimbly, without the necessity for additional Town Meeting action, to create, preserve and develop affordable housing when unpredictable opportunities are presented. Those efforts may be fruitless, however, if there are insufficient funds available and opportunities to maintain and increase the Town's affordable housing stock may be lost.

As was set forth in its 2018 report, the Affordable Housing Funding Committee recommended to the Select Board that free cash be appropriated to support affordable housing when the Town's free cash balance is



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greater than 5% of the annual operating budget, as has been the case in 2019, 2020 and 2021.

The CHDC unanimously supports Article 14 and we ask for your support at Town Meeting. Thank you for your consideration.

Sincerely,

Lee Smith
Chair
Concord Housing Development Corporation

cc: Select Board
Concord Housing Authority
Concord Housing Foundation
League of Women Voters