



OLD NORTH BRIDGE

TOWN OF CONCORD

TOWN HOUSE - P.O. BOX 535
CONCORD, MASSACHUSETTS 01742

TO: Concord Select Board
FROM: Concord Municipal Affordable Housing Trust
DATE: August 15, 2022
SUBJ: Christopher Heights/Junction Village

Honorable Select Board Members:

The Concord Municipal Housing Trust Board of Trustees continues to view the Christopher Heights/Junction Village project as the highest and best use of any Town funds for affordable housing. It is the most cost-effective way of adding 83 countable units to the Town's Subsidized Housing Inventory (SHI), and essential for the Town to maintain compliance with its 10% goal under State Chapter 40B. Without this project, the Town faces ineligibility for certain State programs---including a fossil fuel free demonstration project included in the recently-enacted clean energy legislation---while inviting "unfriendly 40B" development at locations and densities not of the Town's choosing.

So we write again to strongly support the request of the Concord Housing Development Corporation for \$1.5-million in additional Town funding for the Junction Village project. This could be provided through federal ARPA funds available to the Town, as well as funds currently available in the CMAHT's trust fund. If feasible-- and it would cost less-- an alternative would be a Town-funded sewer connection that replaces the on-site treatment plant currently required. This request requires prompt action by the Select Board in order to meet the Massachusetts Department of Housing and Community Development's (DHCD) September 2022 deadline for the Grantham Group to reapply for State funding for Junction Village.

We acknowledge the contentious history of Town subsidies for Junction Village. However, the MOU simply did not anticipate the significant cost increases associated with supply disruptions driven by COVID. The MOU's intent was to foreclose incremental actions by the developer to attract additional funds from the Town. But COVID related inflation is hardly an incremental development. If the Town of Concord does not make this commitment for additional funding, then there is no chance of any State funding being made available for Junction Village. It is our understanding from DHCD that no projects will be considered for additional State funding unless municipal funds are increased as well. Should the Town take no action, the project will certainly die after a decade of effort by the Town and the developer. Given the small number of other units in the affordable housing pipeline in Concord, it will be years, perhaps a decade or more, before Concord could create 83 units which would count in the SHI. And this project is targeted at a pressing need in Concord, to find affordable space where our growing elderly population can "downsize," and get the support they need to stay in Concord.

The per unit cost at Christopher Heights is far less than other projects. Even with the suggested additional Town support, the cost of municipal subsidy is far less on a per unit basis than other current projects. At \$48,000 per unit, including this request, the Town would be paying less than the \$200,000 per unit just expended on the land acquisition for the housing portion of Assabet River Bluff, which will provide five additional affordable units and require additional funds to support construction. Further, the Junction Village per unit cost and per unit subsidy is a small fraction of the cost quoted for the Concord Housing Authority to build a small replacement house on the corner of the Gerow land (over \$700,000).

The increase in construction costs in the project is consistent with national increases. In the five years to June of this year, the cost of residential construction materials increased by 49% (St. Louis Federal Reserve). Along with the recent rise in interest rates, it is not surprising that the cost estimate for the project has increased 65% in this period. We want to emphasize this is a 65% increase since 2017, not a 165% increase, as was mentioned in a recent Select Board hearing, and 40% since the COVID outbreak began in 2020.

The downside of letting the Junction Village project die is wide ranging. Not only will Concord elders have a harder time finding an affordable place (with supplementary services) here in Town, but the Town will not maintain its 10% goal under Chapter 40B. Therefore, a developer could come in and bypass Town zoning (such as height, setbacks, density) to create a dense multi-unit development, which the Town could do little about. Even if Junction Village does move forward, it may not be “countable” in the Subsidized Housing Inventory (SHI) by next spring. However, developers are unlikely to start creating a 40B development if Junction Village is proceeding and will “count” on the SHI in the near future. We saw the opposition to multi-family, multi-use zoning changes at Thoreau Depot. How will the voters feel if we must accept a 40B development with little Town input?

Finally, the death of Junction Village will strike at Concord’s cherished environmental goals. Under the climate legislation recently signed by the Governor, Concord can be one of ten towns in the Commonwealth to participate in a demonstration project requiring that new building construction or major renovation projects be fossil fuel-free, for which guidelines will be issued by July 2023. However, participating communities will be required either to be meeting their 10% affordable housing goal under Chapter 40B, or achieving “safe harbor” by producing housing units with an approved Housing Production Plan, or having approved a zoning by-law that provides for at least 1 district of reasonable size in which multi-family housing is permitted as of right. Thus, the death of Junction Village may cost Concord its best chance to implement its leading-edge climate policies and meet both affordable housing and climate action goals.