

## GRANT AGREEMENT

This Grant Agreement (the “Agreement”) dated December 19, 2023, is entered by and between the Concord Housing Development Corporation, a Massachusetts nonprofit corporation, having an address of 141 Keyes Road, Concord, Massachusetts 01742 (the “Grantee”), and the Concord Municipal Affordable Housing Trust, established pursuant to Chapter 44, Section 55C of the Massachusetts General Laws, and under Declaration of Trust dated November 8, 2021, recorded with the Middlesex South Registry of Deeds in Book 79188, Page 390 (the “Trust”), having its usual place of business at 22 Monument Square, Concord, Massachusetts 01742.

WHEREAS, the Grantee sought Two Hundred and Sixty-six Thousand, One Hundred and Twenty Dollars (\$266,120) to fund its Buy Down Program to create at least one unit of affordable housing through the buy- down or conversion of existing market rate unrestricted housing, to restricted affordable housing. (the “Program”); and

WHEREAS, on December 5, 2023, the Trust voted to award the Grantee the sum of Two Hundred and Sixty-six Thousand, One Hundred and Twenty Dollars (\$266,120) in Community Preservation Act funds from the Trust (the “Funds”) for the requested purposes, and authorized the Trust’s chair to enter into an agreement with the Grantee requiring that said amount may be used solely for the purposes outlined this Agreement; and

WHEREAS, the Trust’s Bylaws authorize the Trust to execute grant agreements and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the Trust’s Board engages for the accomplishment of the purposes of the Trust; and

WHEREAS, the Trust and the Grantee wish to memorialize the terms governing disbursement of the Funds to the Grantee;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

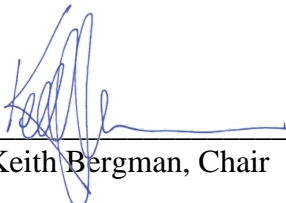
1. Contract Documents. The Contract Documents consist of this Agreement and the CMAHT funding application approved by the Trust dated November 30, 2013 (the “Application”), and all documents attached thereto. The Contract Documents constitute the entire Agreement between the parties concerning the Application, and all are as fully a part of this Agreement as if attached hereto.
2. Term. The funds awarded hereunder for the Program shall be used within three (3) years of the execution of this Agreement (the “Completion Date”), unless the Trust grants an extension in writing for good cause shown.
3. The Program. The Program shall be as described in the Application attached hereto as Attachment A. The Funds expended pursuant to this Agreement shall be limited to the allowable spending purposes in support of community housing as defined under G.L. c. 44B, except that any housing units created with these Funds shall be limited to those persons and families earning less than eighty percent (80%) of the areawide median income annually, as determined by the U.S. Department of Housing and Urban Development (“HUD”), in order that all such units would be countable on the Town’s Subsidized Housing Inventory (SHI) filed with the Commonwealth of Massachusetts .

4. Contact. The Grantee shall identify to the Trust in writing a contact person responsible for the administration of the Program.
5. Restriction. With respect to any real property purchased using the Funds or housing created or preserved using the Funds, the Grantee shall execute or obtain a perpetual affordable housing restriction limiting its use to the stated acquisition purposes and meeting the statutory requirements of G.L. c.184 and G.L. c. 44B, §12, and running to the benefit of the Town of Concord, a municipal corporation duly organized under the laws of Massachusetts and having its usual place of business at 22 Monument Square, Concord, Massachusetts 01742, acting by and through its Town Manager (the "Town"). The deed restrictions executed for each unit of housing created or preserved pursuant to this Agreement must be approved and accepted by the Town, and, if permissible, be timely recorded at the appropriate Registry of Deeds.
6. Funding. The Trust shall pay the Grantee the Funds within 30 days of the execution of this Agreement.
7. Recordkeeping. The Grantee agrees that the Trust shall have the right to require written confirmation by the Grantee that the Funds were used solely for the intended purpose. The Grantee shall keep such records with respect to the utilization of the Funds as kept in the normal course of business and such additional records as may be required by the Trust. Should the Grantee have multiple funding sources, the Grantee shall track specific expenditures of the Funds separate from other funding sources. The Trust shall have full and free access to such records and may examine and copy such records. The Grantee further agrees to meet from time to time with the Trust, upon reasonable request, to discuss expenditure of the Funds. This Section 7 shall survive the termination of this Agreement.
8. Compliance with Law. The Grantee agrees that as recipient of the Funds it will conform to all relevant federal, state, and local laws and regulations, including the Americans with Disabilities Act, State Building Code and other relevant regulations. It is the responsibility of the Grantee to ensure that all of the Program's relevant requirements are met, and to attain any required approvals or permits before any Funds are received.
9. Acknowledgement. The Grantee agrees to acknowledge the "Concord Municipal Affordable Housing Trust " support for the Program on any websites and in all press releases, publicity materials, news and written or oral announcements.
10. Changes. The Grantee acknowledges that any material changes to the Program must be approved in advance by the Trust. Work related to the Program which is outside of the scope of funding approval for the Program may not be paid from the funds awarded hereunder.
11. Status Updates. Trust or Town staff may contact the Grantee periodically to check on the status of the Program. Grantee shall submit Program Status Reports to the Trust at least once every ninety (90) days, and more often as requested by the Trust, until the completion of the Program.
12. Completion. The Grantee will contact the Trust upon completion of the Program or the portion of the Program completed with the Funds and will notify the Trust in writing that the work for which the Funds were allocated has been completed in accordance with this Agreement.


13. Liability. The Town's grant of funds to the Grantee is made with the understanding that the Town has no other obligation to provide other or additional support to the Grantee for the Program or otherwise. Nothing in this Agreement shall be construed to render the Trust or any elected or appointed official or employee of the Town, or their successors in office, personally liable for any obligation under this Agreement.
14. Termination. In the event that the Grantee fails to fulfill its obligations under the terms of this Agreement as determined by the Trust, the Trust shall have the right, in its sole discretion, to terminate this Agreement upon written notice to the Grantee. Upon receipt of such notice, the Grantee shall refund all undisbursed Funds to the Trust.
15. Notices. Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand, email, or mailed postage prepaid, or by other reputable delivery service, to the parties at the addresses set forth on page 1 hereof or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, or if so mailed, when deposited with the U.S. Postal Service or if sent by private overnight or other delivery service, when deposited with such delivery service.
16. Severability. If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced.
17. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts and the Grantee submits to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.
18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which constitutes one and the same Agreement. In the event that any signature is delivered by email, such signature shall create a valid and binding obligation of the party executing with the same force and effect as if such signature page were an original thereof.

Executed under seal as of the date first set forth above.

TOWN OF CONCORD MUNICIPAL  
AFFORDABLE HOUSING TRUST

BY:   
Keith Bergman, Chair

GRANTEE:  
CONCORD HOUSING DEVELOPMENT  
CORPORATION

BY:   
Lee S. Smith, President and Chair  
Authorized Signer, *duly authorized*





## Concord Housing Development Corporation

### Concord Housing Development Corporation – Buydown Program

#### Brief Project Summary

The CHDC requests funding for a Buydown Program to create at least one unit of affordable housing through the buy-down or conversion of existing market rate unrestricted housing, to restricted affordable housing.

This is a request for \$266,120, to augment previously appropriated CPA funds of \$233,880, to total \$500,000 from the Community Housing category. This request meets the CPC guidelines for community housing, and is specifically called out as a strategy in the 2022 Housing Production Plan.

These funds will enable the CHDC to preserve existing housing stock while creating SHI-eligible housing units, providing housing to an income-eligible household with long-term affordability restrictions. Creating SHI units is important for Concord – where the town is below the 10% threshold by 3 units.

#### Narrative

The ‘buy-down’ strategy is not a new to housing strategy for Concord. It is an identified strategy in the 2015 Housing Production Plan, the 2018 Envision Concord Comprehensive Plan, and a specific CPC criterion for Community Housing, as well as in the 2022 Housing Production Plan, under Strategy 4 (buy-down of market rate units to affordable units) and Strategy 15 (preservation of expiring restrictions).

A buy-down program can preserve existing housing, to prevent demolition of smaller single-family homes while creating affordable housing opportunities for eligible households, while creating SHI-eligible housing units.

A buy-down strategy requires available funds, to be able to act nimbly when the opportunity presents itself. In 2020 the CHDC requested \$500,000 for buy-down funds, and the CPC awarded \$233,880. This request augments those funds to the original request.

Generally, there is not time to await Town Meeting approval. It is important to have funds appropriated for this purpose ahead of time.

The CHDC has been successful in its Buydown strategy. In 2019, the CHDC facilitated the purchase of a single-family home on Main Street, with previously appropriated funds from the CPA. These were joined with contributions from the Concord Housing Foundation, the Town (from previously appropriate funds from free cash), and the CHDC. This project created two SHI units of housing with Greater Lowell Habitat for Humanity.

Another potential use for Buydown funds is to preserve any units with expiring deed restrictions should they come up for resale. There are a few homeownership units in Concord with deed restrictions that will expire upon resale if not preserved with buy-down funds. And while the timing of the resale is unknown (the recent ones occurring 2008, 2009, 2010, 2012), it is important to have funds available if needed.

The amount of funding required for each Buydown unit, equates to the market price of the home, plus transaction costs and necessary repairs, less the proceeds of sale to an eligible purchaser. An



## Concord Housing Development Corporation

example is shown below, though of course the actual details will be different for a specific property.

Market Price	\$700,000
Transaction/Renovations	\$ 50,000
Proceeds to Eligible Purchaser	\$300,000
Subsidy Needed	\$450,000

The CHDC is a separate 501c3 entity from the Town, and has no source of revenue. The CHDC was initially funded from its development of Lalli Woods in 2010, those funds have been depleted through its Small Grants Program from its account, as well as its cost to operate.

The CHDC has no funds to contribute to a buy-down transaction, but can utilize its organizational structure to purchase, hold, renovate and sell real estate outside the municipal procurement process. In the future, this sort of request might be sponsored by the affordable housing trust, once seated.

With funds appropriated, the CHDC will search for housing opportunities for buy-down. Using the Main Street project as an example of the timeline, the opportunity first became available in February 2019, and the CHDC completed the purchase in August 2019, and the units were restricted in 2021, and sold to Eligible Purchasers (and added to the SHI) in 2022.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

NOV 9 5 2008

Date:

CONCORD HOUSING DEVELOPMENT  
CORPORATION  
C/O PETER B FARROW ATTORNEY  
69 PLEASANT STREET  
CONCORD, MA 01742

Employer Identification Number:  
61-1573215  
DLN:  
108256000  
Contact Person:  
MS. Y. ABSTON ID# 75091  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
April 12, 2007  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

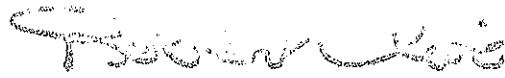
Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

CONCORD HOUSING DEVELOPMENT

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert Choi".

Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Publication 4221-PC

**CONCORD HOUSING DEVELOPMENT**  
**CORPORATION AND AFFILIATE**

FINANCIAL STATEMENTS

With Independent Accountant's Compilation Report

June 30, 2022

**CONCORD HOUSING DEVELOPMENT  
CORPORATION AND AFFILIATE**

Financial Statements

June 30, 2022

C O N T E N T S

Independent Accountant's Compilation Report

Statement of Financial Position

Statement of Activities and Change in Net Assets

Statement of Functional Expenses

Statement of Cash Flows

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To The Board of Directors  
Concord Housing Development Corporation and Affiliate  
Concord, Massachusetts

Management is responsible for the accompanying financial statements of Concord Housing Development Corporation and Affiliate (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2022, and the related Statements of Activities and Change in Net Assets, Functional Expenses and Cash Flows for the year then ended in accordance with generally accepted accounting principles in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Scheid Deignan Brown, PC*

Scheid Deignan Brown, PC  
Concord, MA  
November 4, 2022

# CONCORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATE

## Statement of Financial Position June 30, 2022

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### Assets

Current assets	
Cash	\$ 35,220
Accounts receivable	13,174
Total current assets	<u>48,394</u>
Non-current assets	
Restricted land - Junction Village	143,601
Restricted land - Assabet River Bluff	70,874
Restricted land - 188A Concord Turnpike	<u>136,712</u>
Total non-current assets	<u>351,187</u>
Total assets	<u><u>\$ 399,581</u></u>

### Liabilities

Current liabilities	
Accounts Payable	<u>\$ 400</u>
Total liabilities	<u>400</u>

### Net Assets

Net Assets	
Without donor restriction	59,679
With donor restriction	<u>339,502</u>
Total net assets	<u>399,181</u>
Total liabilities & net assets	<u><u>\$ 399,581</u></u>

See accompanying independent accountant's compilation report.

**CONCORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATE**

Statement of Activities and Change in Net Assets  
For the Year Ended June 30, 2022

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total</u>
<b>Revenue:</b>			
Assabet River Bluff income	\$ -	\$ 63,174	\$ 63,174
Junction Village revenue	-	20,067	20,067
Donations	<u>4,175</u>	<u>-</u>	<u>4,175</u>
Total revenue	<u>4,175</u>	<u>83,241</u>	<u>87,416</u>
<b>Expenses:</b>			
Program services	9,133		9,133
Supporting services	<u>7,869</u>	<u>-</u>	<u>7,869</u>
Total expenses	<u>17,002</u>	<u>-</u>	<u>17,002</u>
Change in net assets	(12,827)	83,241	70,414
Net assets, beginning of year	<u>72,506</u>	<u>256,261</u>	<u>328,767</u>
Net assets - end of year	<u>\$ 59,679</u>	<u>\$ 339,502</u>	<u>\$ 399,181</u>

See accompanying independent accountant's compilation report.

# CONCORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATE

## Statement of Functional Expenses For the year ended June 30, 2022

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	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Expenses:			
Accounting	\$ -	\$ 6,050	\$ 6,050
Administrative	5,000	-	5,000
Grants awarded	3,205	-	3,205
Insurance expense	928	1,089	2,017
Filing fees	-	539	539
Office expenses	-	191	191
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Total expenses	<u>\$ 9,133</u>	<u>\$ 7,869</u>	<u>\$ 17,002</u>

See accompanying independent accountant's compilation report.

## CONCORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATE

### Statement of Cash Flows For the Year Ended June 30, 2022

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Cash flows from operating activities:	
Increase in net assets	\$ 70,414
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Change in:	
Accounts receivable	1,056
Accounts payable	<u>200</u>
Net cash used in operating activities	71,670
Cash flows from investing activities:	
Payments for restricted land - development costs	(94,927)
Decrease in cash	(23,257)
Cash, beginning of year	<u>58,477</u>
Cash, end of year	<u><u>\$ 35,220</u></u>

See accompanying independent accountant's compilation report.