

CAPE COD AND ISLANDS WATER PROTECTION FUND

January 18, 2024

Via E-mail

Senator Lydia Edwards
Representative James Arciero
Chairs of the Joint Committee on Housing
24 Beacon Street
Boston, MA 02133

Re: The Affordable Homes Act

Dear Senator Edwards and Representative Arciero,

I am writing to you on behalf of the Executive Committee of the Cape Cod and Islands Water Protection Fund (Fund) Management Board. Since its inception, the Fund has awarded approximately \$140 million in subsidies to 34 projects in 10 Cape Cod towns for wastewater and water quality projects. The impact of the Fund subsidy on the ability of towns to advance water pollution abatement efforts is unprecedented. Continued implementation of wastewater projects is critically important to achieving the goals of the Affordable Homes Act and encouraging development and redevelopment of housing in appropriate locations that will not exacerbate current water quality issues.

A cash flow model developed in 2021 by PFM Financial Advisors LLC to support administration of the Fund was supportive of providing a 25% subsidy to eligible projects. While revenues have been consistent with projections, project costs listed on the 2022, 2023, and now draft 2024 Clean Water Intended Use Plans (IUPs) have increased drastically from what was projected. The draft 2024 IUP includes more than four times the project costs anticipated in the initial modeling.

The certainty of the 25% subsidy has helped garner community support for implementation of wastewater projects and has resulted in significant action to improve water quality across Cape Cod. The increased cost of these projects and the local commitment to construction of infrastructure exceeds the ability of the Fund to maintain a 25% subsidy for towns absent additional revenue sources. We respectfully request you consider including a bond fund authorization to supplement the Fund revenue and ensure continued progress to develop wastewater infrastructure and support housing development and redevelopment.

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Thank you for your consideration.

Sincerely,



Kevin Galligan

Chair, Cape Cod and Islands Water Protection Fund Management Board

cc: State Senator Julian Cyr
State Senator Susan Moran
State Representative Kip Diggs
State Representative Sarah Peake
State Representative Dylan Fernandes
State Representative Chris Flanagan
State Representative David Vieira
State Representative Steven Xiarhos