Testimony in Support of
An Act to Preserve Affordable Housing Through a Local Option Tenant’s Right to Purchase (H.1315)

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to the
Joint Committee on Housing

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Chairman Honan, Chairman Crighton, and Members of the Joint Committee, on behalf of MACDC and our members, I am testifying in support of An Act to Preserve Affordable Housing Through a Local Option Tenant’s Right to Purchase (H.1315), legislation filed by Rep. Denise Provost that provides new tools to help tenants and their community-based partners, including CDCs, to preserve tenancies at reasonable rent levels, and to ensure that the Commonwealth can meet its housing needs and preserve more affordable housing.


We further appreciate the leadership of Chairman Honan and Chairman Crighton in supporting affordable housing production and preservation legislation this session and seeking new initiatives to leverage scarce housing resources to meet our most pressing housing needs. Many of our members are looking to purchase existing rental housing with the goal of stabilizing tenants and expanding affordable housing. This is often much less expensive than building new affordable housing and directly helps to prevent displacement.

MACDC represents all 60 state-certified CDCs in Massachusetts as well as 27 other non-profit organizations that share our mission of expanding economic opportunity across the Commonwealth. CDCs work collaboratively with residents and local governments to identify community goals and develop projects with strong local support, and these bills align closely with efforts by the City of Boston and the City of Somerville to acquire existing properties.

In 2018 alone, our members built or preserved 1,535 units (including 890 homes) and provided 1,584 jobs to local workers in real estate construction projects and attracting $801.5 million in private and public investments for community revitalization.
This bill is based on the Tenant Opportunity to Purchase Act (TOPA) in Washington, DC, adopted nearly forty years ago. TOPA has helped to preserve housing affordability for thousands of D.C. residents since its passage in 1980.

There are several elements to consider when evaluating such enabling legislation, and which MACDC and its members fully embrace:

- TOPA will support tenants of all income groups who need and want the security of a decent affordable home and are committed to the neighborhood where they live.

- TOPA, combined with available public funding from local and state government, can preserve existing rental housing and make it more affordable.

- TOPA imposes no hardships on landlords seeking to sell their property. TOPA is a market-driven strategy for preserving affordable rental housing.

- TOPA has timeframes for performance by tenants and their partners/assignees that are typical of a normal real estate market in which properties are purchased with a combination of cash equity and debt.

We believe that such legislation can offer important resources to tenants and community partners committed to prevent the occurrence of widespread displacement of low- and moderate-income residents and neighbors, even as CDCs also work to promote local initiatives that strengthen existing small businesses and seek additional investments to spur community and neighborhood revitalization efforts.

Under the proposed legislation, at the time a purchase and sale agreement (PSA) is executed, non-resident owners of a residential building with three units or more, must give written notice of the agreed-upon sale price to the tenants and the local municipality, at which time the tenants, or their designees, would have forty-five days to make a five-percent deposit to match and to establish a priority PSA, and an additional 120 days from execution from the PSA to secure financing for and close on the purchase of the building. Further, the bill outlines steps to take for any municipality that adopts this program to establish an authorized housing trust fund to further assist with financing transactions.

Massachusetts has long been a national leader on affordable housing, and we have more work to do. We urge the Joint Committee to report favorably H.1315, so that all communities may benefit from the new tools and incentives that may come with passage of this bill. We look forward to working with you to advance this legislation and to maintain Massachusetts’ leadership in the affordable housing sector for years to come.

Respectfully submitted,

David A. Bryant