



**Testimony of Joseph Kriesberg
President & CEO**

Massachusetts Association of Community Development Corporations (MACDC)

On

***“Petition for a Special Law re: An Act Relative to Real Estate Transfer Fees and Senior
Property Tax Relief.”***

Presented to the

Boston City Council Committee on Government Operations

February 10, 2022

Chairman Arroyo and Members of the Committee, thank you for the opportunity to testify regarding the petition for a special law re: An Act to Further Leverage Commercial Development to Build Housing, Create Jobs, and Preserve Inclusionary Development, sponsored by Mayor Michelle Wu.

I am here both as President of MACDC and as a resident of the City of Boston to express strong support for this petition.

MACDC represents 20 CDCs in the City of Boston, which collectively have built over 8,000 affordable homes across the city. Our members are governed by local residents who serve on their boards of directors. CDCs in Boston are dedicated to long-term affordability, high-quality property management, and robust resident services. We make a strong commitment to hiring firms – contractors and sub-contractors – that are owned by people of color and woman and are committed to hiring community residents and people of color for these construction projects. Significantly, we recycle our developer fees and other earned revenue into further community programming and services.

Boston is a national leader in affordable housing, with over one-third of our rental housing stock reserved for people of low- and moderate-incomes. In total, the city has more than 54,000 homes with long-term affordability restrictions – a portfolio made possible by years of investment and hard work by many people and institutions. Yet, we know that we have much more work to do.

According to the most recent Greater Boston Housing Report Card, 25% of households in Suffolk County pay more than half their income for housing and we know from prior research by the City of Boston in 2018 that more than 34,000 of those households are low-income, non-student households in the City of Boston. We also know that we have one of the largest racial homeownership gaps in the Country and our we continue to have thousands of people who are without any stable housing at all. These problems do not just impact individuals and families but entire neighborhoods as we see continued displacement and gentrification across the City and region. All of these long-standing challenges have been exacerbated by the COVID-19 Crisis and resulting economic dislocation.

To meet these challenges goal will require new resources – significant new resources. And our organization is working hard to secure some of the resources from state government by advocating federal ARPA dollars and seeking passage of legislation to increase the state deeds excise tax to generate funding for both housing and climate investments. However, we cannot rely on state resources to meet our needs and we certainly can't wait for the Federal Government to return to its historical role in funding affordable housing. The City is going to have to generate more resources itself.

This petition would help us do just that by enabling the City to impose a transfer tax on certain real estate transactions in the City of Boston. The proposal is well designed to secure revenue from those who can afford it and to protect lower income and senior homeowners who rely on their home equity for financial security. The rapid rise in real estate values in recent years is the result of collective actions taken by the City and its residents to make Boston an attractive place to live, work, learn and play. Currently, private landowners reap the full benefit of these improvements as they capture and keep the wealth being generated. A transfer tax ensures greater fairness and equity and using some of that added wealth to fund the affordable housing our city desperately needs. By taxing the real estate during a transfer of ownership, the tax appropriately protects long-term owners and places a heavier burden on those buying and selling properties frequently and after shorter time periods.

MACDC is also pleased to see the Petition include added protections for senior homeowners struggling to pay rising property taxes. We know that this is critically important, especially for those on fixed incomes.

Thank you for the opportunity to testify in support of this proposal. We stand ready to work with the Council and our other elected officials to move this forward.