



Testimony in Favor

H.4637, An Act relative to real estate transfer fees and senior property tax relief

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to the

Joint Committee on Revenue

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Chair Cusack, Chair Hinds and members of the Committee, my name is Joseph Kriesberg, and on behalf of the Massachusetts Association of Community Development Corporations, I want to express MACDC's strong support for Boston's transfer fee home rule petition, **H.4637, An Act relative to real estate transfer fees and senior property tax relief**, filed by Rep. Brandy Fluker Oakley.

MACDC is an association of mission-driven community-based organizations dedicated to working together and with others to create opportunities for people of diverse incomes and backgrounds to access housing that is affordable, benefit from economic opportunities, and fully participate in the civic life of their communities. We have 20 member organizations in Boston and collectively they have developed well over 10,000 affordable homes for seniors, families, and individuals.

We all know that Massachusetts faces a serious and long-standing housing crisis – a crisis that is particularly acute in Boston. COVID-19 has made things worse, and the underlying problems remain, so we need to act with even greater urgency. Last year, the Legislature enacted the Housing Choices legislation to empower cities and towns to take affirmative steps to address this crisis. This legislation is similar in that it empowers Boston to adopt a transfer fee to address the specific housing challenges we face here. Specifically, the legislation would enable Boston to establish a small fee of up to 2% on higher-end real estate transactions to fund affordable housing.

It should be clear to everyone that Boston (and Massachusetts) needs more revenue to support the acquisition, creation, preservation, and renovation of housing that is affordable to struggling families. The scale of the crisis is clear: 15,000 seniors are paying more than 30% of their income toward rent; 60,000 non-senior households are also rent burdened and 40,000 people are on the waitlist for public housing. With the cost of land and construction rising every day, we need new revenue and sustained revenue to address this growing challenge.



The only question is where to get the revenue we need. MACDC believes the transfer tax is an equitable, rationale and fair source of revenue to support affordable housing. Real estate values are rising rapidly, and this tax would represent a very small percentage in comparison. A one-time two percent fee is modest when real estate values are rising much more than that every year. Moreover, by exempting the first \$2 million in value, the proposed Home Rule petition would be progressive in nature and protect homeowners and small property owners from all or most of the fee.

We also support the provisions in the Home Rule petition to provide some much needed property tax relief to low and moderate income senior households.

We understand the bill would generate nearly \$100 million annually for affordable housing. This would allow the City of Boston to develop and implement a robust pipeline of projects that can move the needle on this crisis.

CDCs are dedicated to creating places of opportunity across the state where all people can live with dignity while participating in and benefitting from our Commonwealth's economy. We applaud Mayor Wu, the Boston City Council, and our state legislative delegation for acting to further ensure housing security for vulnerable neighbors across these communities and request the Committee to report favorably this legislation.