Testimony for the Joint Committee on Bonding, Capital Expenditures and State Assets - June 24, 2022

Chairman Collins, Chairwoman Gregoire, and Members of the Committee:

We are leaders of local community organizations, working to stabilize the future of our neighborhoods and communities, particularly in Greater Boston communities of color. We are testifying today to ask your support for a **Small Properties State Acquisition Funding Pilot**.

This week an article in the *Boston Globe* noted that a household would need to earn $181,000 a year to be able to afford the average purchase price of a Boston home. By now, we probably all know the much-cited figure that the median net worth of a white family in Boston is $247,500, compared to a median net worth of a Black family at $8.

A growing public awareness of the housing affordability crisis as well as the racial wealth gap has led to a higher priority on first-time homebuyer assistance as well as affordable housing production, both important goals and strategies. Yet what has been largely missing from the conversation is this: What if we worked harder to keep people in the homes they already have?

Across the Commonwealth, Community Land Trusts and Community Development Corporations are working to acquire properties and preserve existing housing as affordable housing, for both home ownership and rental units. In the case of Community Land Trusts, we create permanent affordability through community ownership of the land.

Preserving affordable housing is generally faster, less expensive, and more environmentally friendly than relying on new production alone. It usually requires no zoning relief, as the buildings are already there in the neighborhood. Yet the state has no housing program designed to support the work of acquiring small properties for affordable housing preservation.

Some municipalities, such as Boston and Somerville, have already designated municipal funds to help nonprofits acquire housing off the market to convert into long term affordable housing, and this is an approach that is working! Recently, Boston Neighborhood Community Land Trust acquired and preserved a 6-family building in Uphams Corner where tenants have been fighting eviction for four years and now have a permanently affordable home as tenants with a voice in management. Chinatown Community Land Trust purchased two brick row houses and is now selling 7 permanently affordable condo units to low income, first-time homebuyers.

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But many more opportunities have been lost because Boston’s Acquisition Opportunity program or Somerville’s 100 Homes Initiative cannot fund this work alone.

Our communities of color and seniors are the most vulnerable to eviction and displacement. In fact, race is the strongest predictor of eviction in Boston, where 70% of pandemic eviction filings have been in census tracts where the majority of renters are people of color. Existing housing is quickly being lost to investors who raise rents or sell at unaffordable prices. For every 1 unit of affordable housing built nationwide, 2 are lost to the market! We need acquisition and preservation to be an important piece of our housing solutions.

Current state housing programs tend to prioritize larger projects and new construction, with no funding mechanism that meets the challenging work of acquiring smaller properties off the market, yet these smaller properties are a huge part of the Commonwealth’s housing stock. And in the year immediately preceding the pandemic, in 20 Hub and Gateway cities, approximately two-thirds of multifamily housing sales above four units were cash sales, meaning that we are losing our small property housing stock to speculative investors every day.

That is why we are asking that you help us to create a Small Properties State Acquisition Funding Pilot, to help tenants and community non-profits acquire and preserve existing housing as long term affordable housing. We are proposing a $20 million pilot program, with the following guidelines:

- A statewide pilot that will support communities hit hardest by gentrification, displacement, and most recently, the COVID-19 pandemic.
- State money to qualified groups to support acquisition, rehab and long term preservation of affordable housing.
- Preservation of small properties (1-8 units), which are financially hardest to fund, but are the family housing that is slipping away, unit by unit, three-decker by three-decker across the State.
- The program will be set up to supplement other acquisition soft loans administered by municipalities or other affordable housing acquisition lenders.
- The Community Economic Development Assistance Corporation (CEDAC) is committed to help administer and implement this program.
Senator Jehlen recently filed amendment 151 to S. 2926, "Small Properties State Acquisition Funding Pilot," which read as follows:

*For the first year of the Small Properties State Acquisition Funding Pilot as part of the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of the General Laws; provided, that this program shall issue soft loans to supplement other acquisition soft loans administered by municipal or other affordable housing acquisition lenders on a rolling basis; provided further, that acquisitions pursuant to this program shall follow the affordability restrictions of said affordable housing acquisition lenders; provided further, that loans under this program shall be used for the acquisition of buildings of no less than 1 unit and no more than 8 units of residential housing for rental or ownership, or mixed use buildings, for a term of up to 50 years; provided further, that this program shall be administered by the Community Economic Development Assistance Corporation. . . . . . . . . . . . . . . . . . . $20,000,000*

We are asking you to help us advance the text of this amendment as an attachment to the Economic Development Bond Bill, or any appropriate funding mechanism that you may determine, in order to help stabilize our neighborhoods and communities across the Commonwealth.

Thank you.

On behalf of the Greater Boston CLT Network:
John Smith, Dudley Street Neighborhood Initiative
Meridith Levy, Boston Neighborhood Community Land Trust
Lydia Lowe, Chinatown Community Land Trust
Symone Crawford, Massachusetts Affordable Housing Alliance
Joe Kriesberg, Massachusetts Association of CDCs
Elvis Méndez, Neighbor to Neighbor Massachusetts

for Homes for All Massachusetts:
Denise Matthews-Turner and Mike Leyba, City Life/Vida Urbana
Isaac Simon Hodes, Lynn United for Change
Rose Webster-Smith, Springfield No One Leaves

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