The Small Properties Acquisition State Funding Program

Why put money towards acquisition and long term preservation of existing, privately-owned affordable housing units?

- Across the state, we are losing small affordable properties, whether it is to speculators in Boston, or to disinvestment in cooler markets. Supply side interventions in this crisis must include protecting existing supply to stop it from slipping out of use by those who need it. Building new units while letting existing units slip away is an inadequate response to our housing crisis.

- Benefits of long term preservation of housing:
  - Current tenants stay in place—preventing displacement and protecting the physical fabric of the neighborhood for multiple generations.
  - Unit rehab is typically faster, cheaper and has a lower carbon footprint than building a new unit.
  - The longer the affordability term, the more efficient and impactful the public subsidy. A one-time public investment stays with the property and is recycled time and again for the benefit of many generations.
  - Affordable housing allows families a foundation on which to build health and wealth through savings, investment in education, job training and access to good health care. Investment in housing results in improved life outcomes for people and in lower healthcare and other public assistance costs. Housing is preventive care for individuals, for families, for neighborhoods and for local economies.

- Focus on small properties:
  - Much of our state’s historic housing stock consists of small buildings, from New Bedford to Pittsfield. The acquisition of 1-8 units for groups intending to preserve them as affordable is very difficult. It’s hard to get financing for these projects, as they don’t qualify for many existing financing streams and are not typically seen as profitable investments for private investors in affordable housing.
  - Community development corporations (CDCs), community land trusts (CLTs) and other groups that do small acquisitions must piece together many sources of funding from multiple sources, including through grants and philanthropy, and short term and long term debt. When fortunate, these groups have access to public financing that can close gaps and/or leverage other sources.
  - By providing soft loans (essentially grants) for acquisition, the Acquisition Opportunity Program, currently in use in Boston, has successfully helped many groups acquire and preserve both market-rate units and underutilized and disinvested properties. Still, the housing crisis is statewide, and we need state tools to address it.

- Tenant protections, emergency rental assistance, equitable asset-building programs, supportive housing programs including reentry programs and more are needed to make MA livable for all. Housing preservation can work in concert with these programs and policies. We need structural interventions to meet the goal of housing for all.

Greater Boston Community Land Trust Network 2023