



Testimony to the Boston City Council

By

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**Massachusetts Association of Community Development
Corporations**

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Good afternoon. My name is Joseph Kriesberg and I serve as President of the Massachusetts Association of Community Development Corporations. I am also here today on behalf of a growing coalition of community groups, labor organizations, business, faith and civic leaders who have come together to support the passage of the Community Preservation Act in Boston. And, I am also here as a Boston homeowner from West Roxbury where my wife and I raised our two sons – both of whom recently graduated from the Boston Public School system.

Boston is fortunate to be growing. That growth creates opportunities to benefit everyone who lives here – but only if we manage the growth effectively. Yet despite all of our growth in recent years, Boston has one of the highest rates of income inequality in the country. At the same time, skyrocketing housing costs are making it harder and harder for families to stay in their neighborhoods. All told, these pressures are pricing many residents out of their communities and putting the city's long-term quality of life and economy at risk. To address these challenges, Mayor Walsh has established an ambitious housing plan that calls for 53,000 new homes by 2030 enabling our City to add 100,000 new residents by 2030. As the Mayor's plan documents, those residents are going to need housing options across a range of price points and the plan calls for \$20 million in new city funds to help create more affordable housing. We also know that these new residents, along with those of us who are already here, will need parks and green space for recreation, youth sports, and simple enjoyment. And of course, a big part of what makes Boston so special – why all of us love this city so much – is our amazing history – a history that we must preserve even as we grow and change.

Now is the time for Boston to adopt the Community Preservation Act (CPA). The CPA is a critical tool to address Boston's housing crisis, and it will provide new funding to create and improve parks and to preserve historic assets. In a few moments, you will hear from several

community leaders about how CPA can make Boston better for everyone while also ensuring the Boston residents can afford to live here.

About the Community Preservation Act

My task today is to explain how CPA would work in Boston. CPA is a smart growth tool created by the Massachusetts legislature in 2000 to help Massachusetts cities and towns create affordable housing, preserve open space and historic sites, and develop outdoor recreational opportunities. CPA funds are generated by a small surcharge on local property tax bills - matched by a statewide trust fund.

We are proposing a 1 percent CPA property tax surcharge (state law would allow up to 3%, but we are suggesting just 1%) that would cost the average single family homeowner \$23,09 per year – that's per year, not per month.

Our proposal would completely exempt moderate-income homeowners (household income below \$78,800 for 4-person household) and seniors with below average incomes (78,800 for a 2-person household). And, of course, most Boston residents are tenants and would not pay anything.

Our CPA proposal further protects moderate income homeowners by deducting the first \$100,000 of residential and commercial property value from the calculation.

The bottom line is that the vast majority of homeowners would see a very small, if any, increase in their tax bills. CPA is highly progressive and very affordable.

I would like to note that MACDC's members own and manage of 9,000 apartments in the city of Boston. We pay an estimated \$8 million in property taxes and would pay about \$80,000 in CPA surcharges – payments that we would be happy to make to help improve our City.

While the cost for Boston residents is minor, the shared benefits would be great. We estimate that the CPA surcharge would generate about \$13 million per year in new revenue. Boston would then receive a match from the state of at least 25%, although that number could grow if the Legislature adjusts the funding level in the future. The City can also deposit some of its Linkage or Inclusionary Development money into the CPA fund and receive state matching dollars for that as well. That means we can take existing city funds and leverage more state money. In total, we estimate that CPA will have \$20 million a year to invest - \$13M in tax revenue, \$3M in existing city dollars, and \$4M in new state matching funds.

Please note that Boston has contributed tens of millions of dollars to the state matching fund over the past 15 years without getting anything in return. Meanwhile, had we passed CPA in 2001, we would have had an estimated \$300 million to invest over the past 15 years. This needs to change.

A track record of success

Since its creation in 2000, CPA has been adopted by 160 Massachusetts communities including the cities of Cambridge, Fall River, Malden, Medford, New Bedford, Newton, Quincy, Salem, Somerville, and Waltham. It has generated close to \$1.4 billion in public funds statewide, and has helped fund the creation of 9,400 affordable housing units, 1,500 outdoor recreation projects, 4,000 historic preservation projects, and protected over 23,000 acres of open space. CPA has been a success in several of our neighboring cities and towns so there is no reason to think it won't work here in Boston. Indeed, no town or city has ever repealed CPA and it has clearly not harmed the real estate sector in any of those communities.

For Boston, by Boston

Under the Community Preservation Act, Boston will exercise local control over its CPA funds. With input from the public, and city boards and agencies, a committee of local residents will determine which projects to recommend to the city for funding each year. We already have a robust pipeline of worthy projects that are ready to go and anyone can bring forth new ideas as well. The City Council will have final say over how the funds are spent. CPA projects and expenditures will be fully transparent and accessible to the public. No more than 5% of the revenue can be spent on administrative costs.

The Time is Now

For 15 years, Boston has missed out on the benefits of CPA – even as we contributed millions of dollars to the statewide trust fund. We now face a serious and growing challenge to ensure housing for Boston's current and future residents. Many long-time Bostonians are being forced to leave the city they love. We need a strategy that continues to improve the quality of life in Boston, while also ensuring that those of us who live here get to stay.

CPA is a proven model that will create a better Boston for all. It is working in our neighboring cities and towns. The State is ready and willing to provide millions of dollars. And a growing coalition is forming to advocate for its passage. The time is now to let Boston voters decide.

We urge you to vote YES to put CPA on the November ballot.

Thank you for your consideration.

Boston 2016 CPA Campaign Endorsements (as of 3/23/16)

| Boston CPA Endorsing Organizations |
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| Allston-Brighton CDC |
| Arnold Arboretum Committee |
| Arboretum Park Conservancy |
| Boston Park Advocates |
| Boston Preservation Alliance |
| Boston Tenant Coalition |
| Charles River Conservancy |
| Charles River Watershed Association |
| Citizen Housing and Planning Association |
| Community Labor United |
| Dudley Street Neighborhood Initiative |
| Emerald Necklace Conservancy |
| Environmental League of Mass |
| Fenway CDC |
| Franklin Park Coalition |
| Friends of the Public Garden |
| Historic Boston, Inc. |
| Jamaica Plain Neighborhood Development Corp |
| Mass Affordable Housing Alliance |
| Mass Alliance of HUD Tenants |
| Mass Association of Community Development Corp |
| Mass Communities Action Network |
| Mass League of Environmental Voters |
| Metropolitan Boston Housing Partnership |
| Mission Hill Neighborhood Housing Services |
| Neighborhood of Affordable Housing |
| Neponset River Watershed Association |
| Preservation of Affordable Housing |
| Preservation Massachusetts |
| Right to the City - Boston |
| The Community Builders, Inc. |
| South Boston Neighborhood Development Corp |
| Southwest Boston CDC |
| The Boston Harbor Association |
| The Esplanade Association |
| The Trust for Public Land |
| The Trustees of Reservations |
| VietAID |
| Boston CPA Endorsing Business and Community Leaders |
| Jack Connors |
| Chris Douglass, Ashmont Grill and Tavolo |
| John Fish, Suffolk Construction |
| Mel King |
| Michael Widmer |