



Citizens' Housing and Planning Association (CHAPA) Testimony in Support of S. 666  
and H. 3573, *An Act Preserving Publicly Assisted Affordable Housing*.

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Submitted By:

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Dear Chairman Honan, Chairwoman Tucker and Members of the Committee:

Thank you for the opportunity to testify here today. For the record, my name is Amy Anthony and I am President and CEO of Preservation of Affordable Housing (POAH), Inc. I also serve on the Board of Directors for Citizens' Housing and Planning Association and am testifying in support of H. 3573 and S. 666.

Since its founding in 2001, POAH has purchased and renovated some of America's most 'at risk' rental housing. Currently, POAH owns more than 6,400 apartments in 49 developments in 9 states and the District of Columbia. On average, the incomes of residents in POAH housing are only 30 to 50% of median.

Preserving expiring use affordable housing is absolutely critical to meeting the housing needs of low income residents. Between now and December 31<sup>st</sup>, 2019, over 41,000 units of Massachusetts affordable housing have affordability restrictions that are at risk of expiring. Much of this housing is likely to remain affordable under the current scheme of incentives to renew affordability restrictions. However, without a legislative response, we will lose many valuable affordable units. The proposed legislation will increase the likelihood that an owner will make a preservation choice, whether through a sale or a renewal of affordability.

Some of the residents in these expiring use properties will receive enhanced Section 8 vouchers if their subsidies are terminated. Other will be displaced. In either case, the Commonwealth will lose much-needed affordable housing. With today's construction

costs and permitting difficulty, we will simply not be able to replace the lost units with new developments.

The Tucker/Honan legislation addresses complex expiring use policy challenges by establishing a regulatory framework to preserve expiring use affordable housing. Last year, the bill passed the Senate unanimously and was reported favorably from Housing Committee and the House Ways and Means Committee. The package was put together in consultation with a broad group of affordable housing advocates, the Patrick Administration, legal service representatives, for profit and non-profit property owners, CHAPA and the Massachusetts Association of Community Development Corporations, working in collaboration with Housing Committee Co-Chairs.

The compromise legislation provides the Department of Housing and Community Development with a right of first refusal to purchase these properties with local, non-profit, and private sector partners like POAH and preserve them as affordable. Property sales that preserve affordability will be exempt from this process. In addition, the bill contains notification requirements and modest tenant protections.

These tools will be an effective part of a comprehensive approach to preserving affordable housing in Massachusetts. The MacArthur Foundation Grant awarded to Massachusetts this year will help fund DHCD, CEDAC and the current expiring use advisory committee to study the at-risk inventory and understand which developments may be converted to market rate in advance of a serious threat. The grant will also catalyze a new acquisition fund.

In order to preserve affordable properties, owners will also have access to federal tools and incentives, and funding from the 2008 housing bond bill. A right of first refusal is the missing component to the policies already in place to effectively utilize these strategies as part of a comprehensive approach to preserve those properties that are most valuable to the Commonwealth.

In conclusion, CHAPA and POAH strongly support H. 3573 and S. 666 and request its favorable recommendation from the Committee and prompt passage. The bill is a practical approach that will create significant opportunities to preserve affordable housing. I am happy to answer any questions about our experience preserving affordable housing and the potential impact of the legislation. We look forward to working with the Legislature to meet our expiring use challenges and thank you for your leadership and support.