



Mass Alliance of HUD Tenants

42 Seaverns Avenue Jamaica Plain, MA 02130
617.267.2949 maht@saveourhomes.org

November 30, 2009

For 12 years, MAHT has led the fight for legislation to save the homes of more than 25,000 families now facing expiring HUD contracts on their apartments, a problem that will accelerate in the next few years.

Since 1983, the Mass Alliance of HUD Tenants (MAHT) has helped tenants save more than 9,700 apartments as affordable housing through tenant organizing, one building at a time. MAHT is the only statewide coalition representing HUD tenants, with member groups in 38 developments representing more than 8,000 seniors and families today.

The Right of First Refusal bill will help extend Notice to tenants and limit rent increases for a few hundred at risk families. *But this bill will not solve the "expiring use" crisis, or save at-risk senior and family housing. HERE's WHY:*

Here's why the Right of First Refusal Bill is an insufficient response to the "expiring use" crisis:

- The Right of First Refusal Bill will affect only a small fraction of the state's at-risk housing. The Right of First Refusal would *only* apply to HUD buildings offered for sale. It does *not* apply to the vast majority of buildings where the owners are converting to market and *not* selling.
- At present, there is *not a single subsidized apartment building in Massachusetts that would be affected by the Right of First Refusal.*
- In fact, two big owners (First Realty Management and Beacon Properties) have begun to convert several thousands of apartments to market rate. The Right of First Refusal bill will not save these homes.
- If a HUD building were offered for sale, the State would have to come up with full market purchase price *within 6 months* under the Right of First Refusal—more than \$165,000 per apartment! **With the State budget crisis, the State cannot afford to buy the 967 unit Georgetowne complex in Hyde Park for \$160 million, for example, even if it were up for sale, which it is not.**
- The Right of First Refusal bill will do nothing for the 5,800 apartments already converted to market, such as High Point Village and Camelot Court in Boston and Rockdale West in New Bedford.

Additional Action needed: **Pass the Enabling Act or Home Rule Petitions to Save Affordable Housing!**

In addition to the Right of First Refusal Bill, the legislature should also pass legislation to allow cities and towns the right to do more, if they choose. **This is a NO COST way to save 100% of the units at Georgetowne Homes, Blake Estates, Mountain Village, Harborview Towers and 25,000 other apartments at risk through 2012! The Enabling Act to Save Affordable Housing (H 3689 or S 617) would "enable" any city or town to save expiring use housing.** The related Home Rule Petitions (HRPs) would do the same, for the six cities that have filed them (Boston, H 3812; Salem, S 618; New Bedford, H 3810; Quincy, S 655; and Lowell, HD 3776; and Lawrence).

Only these local option bills save at-risk apartments at NO COST to the State or localities by allowing cities to:

- **Require renewal of expiring Section 8 contracts** to preserve apartments for future low income seniors and families
- **Regulate rents when federal "use restrictions" expire to prevent displacement** and keep rents low for moderate income tenants
- **Prevent conversion to condominiums**
- **Allow cities to restore affordable rents to 5,800 apartments** which have already been converted
- **Promote sales to nonprofits who pledge to keep the property affordable**, when they can assemble the funds

With the state budget crisis, these no-cost bills are needed now more than ever. The State cannot afford to dole out hundreds of millions of MORE dollars for windfall profits to a handful of wealthy landlords as the price to "buy out" their developments or bribe them to keep their rents low.

Despite hundreds of MAHT tenants and allies who testified at the Statehouse and strong legislative support, the Joint Committee on Housing has not supported these bills in this session. **We urge action by the Governor, legislative leaders and tenant allies to pass these additional bills to SAVE OUR HOMES!**