

The HERO Campaign

The **Housing and Environment Revenue Opportunities (HERO) Coalition** is a diverse coalition of housing, environmental, and faith-based organizations that have joined forces to advocate for major new state investments to protect our families, neighbors, and communities from the affordable housing and climate crises.

We need to make significant investments to decarbonize our housing sector while protecting homes and neighborhoods from flooding and other climate risks. And we must do this while making housing more affordable - not less. This requires bringing solutions together into one bill so we can ensure a future with **climate resilient, energy efficient housing** that is **affordable** to working families, seniors, and others with low to moderate incomes.

Massachusetts faces a dual threat from the affordable housing and climate crises.

Massachusetts faces a **staggering housing crisis** before COVID-19 and now the challenge is much greater as thousands of families are at risk of eviction, and our economy struggles to recover from the pandemic-induced recession.

- To rent the average 2 bedroom apartment in Massachusetts requires an income equal to \$35.52 per hour.
- The average price of a home in Greater Boston is now over \$680,000.
- Hundreds of thousands of families have missed rent or mortgage payments due to the COVID-19 pandemic, with thousands more facing eviction.

At the same time, our **climate crisis worsens by the day**.

- The Climate Road Map bill now pending in the State House calls for Massachusetts to reduce carbon emissions from the 1990 baseline by 50% by 2030, with a long-term goal of net zero emissions by 2050.
- Buildings account for 27% of the state's carbon emissions and small residential housing (1-4 units) account for 60% of those emissions.
- Meanwhile, more and more of our homes and neighborhoods are threatened by flooding, extreme weather and other climate impacts – a 35% increase in property losses by 2051 is expected according to a report by First Street Foundation.

By bringing **solutions together into one bill**, we can allocate funds to alleviate both crises and ensure a future with **climate resilient, energy efficient housing** that is affordable to working families and seniors.

This bill will enable thousands of renters to find a home they can afford, create pathways to homeownership, advance a cleaner and healthier environment, and **create more secure and resilient communities**.

An Act Providing for Climate Change Adaptation Infrastructure and Affordable Housing Investments in the Commonwealth

Sponsored by Rep. Elugardo (HD.1252) and Sen. Eldridge (SD.611)

We cannot solve one crisis without addressing the other, and the HERO Legislation is an affordable and equitable step forward.

This bill secures new revenue for investment in climate and housing by doubling the current Deeds Excise Tax that is collected when real estate is sold in order to **generate approximately \$300 million in new revenue annually**. The current rate is \$4.56 per \$1,000 - among the **lowest rates** in the region. This revenue source is affordable because most homeowners only pay it once or twice in a lifetime, and can amortize the cost over the life of a mortgage. It is equitable because it imposes the largest cost on those buying and/or selling the most expensive properties and investors who buy and/or sell properties frequently.

Current Deeds Excise Tax Rates in the Region

New Hampshire	-----	\$15 per \$1,000
New York	-----	\$12.50 per \$1,000
Vermont	-----	\$12.50 per \$1,000
Connecticut	-----	\$10.52 per \$1,000
Massachusetts Proposal	----	\$9.12 per \$1,000
Massachusetts Current Rate	-----	\$4.56 per \$1,000

Affordable Housing

The bill allocates 50% of the new revenue (approximately \$150 million) **towards affordable housing programs** - the Affordable Housing Trust Fund and the Housing Stabilization and Preservation Trust Fund.

By focusing on these two programs, we're able to enable further investment across a range of incomes for both renters and low/moderate income homebuyers. It also could fund emergency COVID-19 housing relief for up to one year after the pandemic.

Climate Solutions

The bill would allocate the remaining **50% of the new revenue to the Global Warming Solutions Trust Fund** so investments could be made in **both climate mitigation and resilience**.

Within the Global Warming Solutions Trust Fund, we can protect cities, towns, neighborhoods, homes, and businesses from the impacts of climate change. We can also invest in climate mitigation solutions that reduce climate pollution.

For more information, please visit www.mahousingclimate.org, or contact us at heroalition@macdc.org.