Testimony of Gerry Joseph Regarding S. 998 House Bill 1544

My name is Gerry Joseph and I have spent my entire professional career as a developer and development consultant in the field of affordable housing.
I was born and raised in Worcester, and graduated from UMASS Amherst (class of 1975). I spent the first half of my career working in Massachusetts for several different non-profits in the area of Housing and Community Development including Spanish American Union, Brightwood Development Corporation, Franklin County CDC and The Community Builders.
For over 20 years I have worked with TOPA in Washington DC as a real estate developer for a non-profit housing organization and as for profit real estate developer. In 2004 I relocated to Washington to run the real estate development division of Community Preservation and Development Corporation (CPDC) , a Non-profit Affordable Housing Developer that was focused on housing preservation. Since 2010 I have been in the private sector in my own business as a for profit developer and as a consultant to for-profit and non-profit developers pursing the development or preservation of Affordable Housing. My work DC has provided me with hands on experience with TOPA wearing a number of different hats as a non-profit developer, for profit developer and consultant. I have directly participated in 9 success TOPA transactions and competed for or kick the tires of dozens of others.
Having worked on Housing preservation throughout the country, I can say unequivocally that TOPA as a preservation tool, is unique and it is one of the most effective and impactful tools anywhere in the country for Housing Preservation, particularly relative to so called Naturally affordable, unassisted housing.
During the six years that I was working for CPDC , through TOPA, we were able to successfully acquire and preserve 4 large multifamily properties totaling over 900 units working in partnership with the property's tenant association. These transactions included:

- An unsubsidized affordable housing property ("NOAH") property located in close proximity to the Metro that was under contract to a buyer who planned to upscale the property to market rate housing
- An expiring HUD 236 property locate in a rapidly gentrifying neighborhood that was in danger of being acquired and converted to market
- Two other existing affordable properties that were being poorly run for which we were selected by tenant associations as their designated developer and were able to acquire, substantially renovate and bring in much more responsible management.

Without TOPA, all of these properties would have been vulnerable to market rate conversions or acquisition by purchasers who's primary motivation was maximizing profit as opposed to maximizing affordability and quality of life for the residents

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More recently, as a private developer, working in partnership with the building's tenant association, our firm acquired a severely distressed 30 unit NOAH building in a very strong neighborhood (adjacent to Metro). The property was under contract with a developer whose intent was to convert it to upscale rental or condo. The property had been owned by a notorious slumlord who neglected the property and was looking to cash out. Because of TOPA, the residents had the opportunity to alter the destiny of the property. The TA opted to select our firm as its designated developer based on the commitment we made to fulfill the tenant association's objective which was to preserve and dramatically improve the conditions of the property as affordable housing, not just for themselves but for future generations.

My primary experience with TOPA in DC occurred during a period of unprecedented growth and appreciation in the city's housing market. We were competing with market rate private developers in an environment where DC was rapidly gentrifying and property values were dramatically accelerating. But for TOPA, most affordable housing developers had little chance of competing for existing properties on the market because their pricing was being pushed so high.

I am familiar with criticism of the DC law, as it has been on the books pretty much unchanged for over 40 years It appears that the Massachusetts TOPA legislation has addressed most of those concerns including the prohibition of tenant associations to "sell" their TOPA rights

Also, the time period under the DC TOPA law is long and that makes it difficult no matter who the ultimate buyer is: it can take as long as 300 days from the time the property is put under contract with a third party buyer without a deposit from the TA going at risk if they are unable to secure financing to proceed with the purchase. This is very beneficial to the Tenants but to an owner looking to sell or a buyer looking to purchase, this could justifiably be perceived as an unfair hardship. The Mass. TOPA legislation addresses this by setting a timeframe that is much more condensed .

I have worked as a real estate developer and consultant in Housing Preservation for over 40 years in DC as well in many other states throughout the country that don't have TOPA. I can say unequivocally that TOPA as a preservation tool, is unique and is one of the most effect and impactful tools in the country for Housing Preservation, **particularly relative to Naturally affordable, unassisted housing**

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