

Offered by Councilors Michelle Wu and Kenzie Bok

Edwards, Flaherty, O'Malley, Mejia, Campbell, Flaherty, Breadon, Essaibi-George,
Arroyo and Janey



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING REGARDING CITY OF BOSTON PROPERTY TAX DEFERRAL DUE TO THE COVID-19 PANDEMIC

WHEREAS: Public health measures directed by the City of Boston and Commonwealth of Massachusetts to address the COVID-19 pandemic, including the closure of non-essential businesses, schools, and child care, have resulted in an economic shock across the City of Boston, Commonwealth of Massachusetts, and the United States; *and*

WHEREAS: In the two weeks following the City of Boston's declaration of a public health emergency, more than 329,000 people filed unemployment claims in Massachusetts (almost 9 percent of the state's workforce), and many more residents do not qualify for unemployment assistance or have yet to file; *and*

WHEREAS: Thousands of Boston residents and businesses are suddenly and unexpectedly experiencing total loss of income or significant reductions in income, and tens of thousands more face uncertainty about their financial future; *and*

WHEREAS: As increasing numbers of commercial and residential tenants are unable to make rent payments or need to defer rent payments, many landlords will consequently be unable to meet basic operating expenses, including paying real estate taxes, insurance premiums, mortgage payments, utility payments, and repairs and maintenance expenses; *and*

WHEREAS: Many commercial leases require that tenants--many which are small businesses facing unprecedented operating and financial challenges--pay real estate taxes in addition to base rent; *and*

WHEREAS: Many local community banks and credit unions are working with borrowers to reduce or defer mortgage payments, to allow landlords to offer rent concessions or to use reduced income and cash reserves to cover more urgent operating expenses such as insurance and repairs; *and*

WHEREAS: In Fiscal Year 2020, real estate taxes made up 71% of the City of Boston's Budget, a proportion which may be higher in Fiscal Year 2021 due to the decrease in economic activity, and thus is the most critical source of revenue to fund basic city services and obligations; *and*

WHEREAS: A large number of Bostonians who do not own property are dependent on core city services, and there is a need to increase many of these services in the current COVID-19 pandemic; *NOW THEREFORE BE IT*

RESOLVED: That the appropriate committee of the Boston City Council hold a hearing to discuss the creation of a City of Boston emergency program to defer real estate tax collection, and to understand the impacts of residential or commercial property tax deferral on community stability and the City of Boston budget; and that representatives from the City of Boston Budget Office, community organizations, and the public be invited to testify.

Filed on: April 8, 2020