

Offered by Councilors Kenzie Bok and Kim Janey, Breadyon, Edwards, Essaibi-George, Flynn
Arroyo Wu, Flaherty, Campbell, O'Malley, Mejia



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING REGARDING INCREASING OVERSIGHT, TRANSPARENCY, AND COORDINATION OF PILOT COMMUNITY-BENEFIT OFFSETS

- WHEREAS:* The City of Boston is marked by both enormous wealth and gaping racial and economic inequality; *and,*
- WHEREAS:* Because of Boston's reliance on educational and medical institutions as economic engines, any effort to bring more racial equity to our urban economy and civic life requires the active participation of our many internationally-known institutions, including universities, hospitals, nonprofits, and museums, that define the local landscape with large capital holdings and expanding footprints; *and*
- WHEREAS:* The expansion of these institutions have contributed to significant displacement of residents in many Boston neighborhoods including the West End, Mission Hill, Roxbury, and Chinatown, while often providing too few opportunities for neighborhood residents to benefit directly from the prosperity created; *and*
- WHEREAS:* These institutions rely on the city for strong public infrastructure, from parks to roads to libraries, that retains and attracts workers and students in the city; *and*
- WHEREAS:* Too few Boston Public Schools students attend Boston's private universities, visit its private museums, or grow up to work in its private hospitals; *and*
- WHEREAS:* The COVID-19 pandemic has showcased even more starkly the City's deep health inequities, as infection rates have remained stubbornly high in the City's low-income communities of color even as our major medical institutions have done exceptional work to treat COVID patients and help develop a vaccine; *and*
- WHEREAS:* The pandemic has also revealed our deep interconnectedness, as evidence showed that infection spread quickly from a life sciences conference to the City's homeless shelters, and as major private hospitals have relied on government-led public health infrastructure and vice versa in order to meet this crisis; *and*
- WHEREAS:* Updating the Payment in Lieu of Taxes (PILOT) program to ensure Boston's institutions more meaningfully contribute to Boston's communities is a key priority of the City Council, as reflected in President Janey's inaugural announcement of a new PILOT Reform committee, her June 2020 *Black and Brown Agenda for Boston*, and in an August 2020 letter to Mayor Marty Walsh written by Councilor Bok and signed by the majority of City Council; *and*

WHEREAS: In Fiscal Year 2020, 47 educational, medical, and cultural institutions identified by the City of Boston as owning tax-exempt property valued at over \$15 million were expected to make PILOT payments, and the Office of Assessing has agreed to update the valuations of this tax-exempt property over the course of 2021; *and*

WHEREAS: Each of these institutions are eligible for a community benefits deduction, which is generally restricted to 50% of their requested PILOT contribution, and as of November 3, 2020, for Fiscal Year 2020, community benefits deductions accounted for \$52,911,627 of the \$112,242,116 total requested PILOT contribution, with \$34,390,529 of the contributions made in cash; *and*

WHEREAS: The cash contributions made by these institutions are critical to the core functions of the City, which is heavily dependent on the property tax base to fund all the programs, departments, and public goods that Bostonians rely on; *and*

WHEREAS: Community benefits should serve the same core needs of Boston residents as would be supported through the City's General Fund, such as excellence in public education, such that said benefits actually displace City funding needs; *and*

WHEREAS: Community benefits are most meaningful when determined in partnership with the communities served to ensure equity and democratic co-governance; *and*

WHEREAS: While reporting of community benefit deductions by institutions has increased in recent years, there remains room for additional transparency and oversight including a clear and consistent methodology for assessing the monetary value of community benefits, verifying their delivery, monitoring their impact, and reporting on the demographics of the beneficiaries of community benefits; *and*

WHEREAS: The PILOT Action Group's 2018 report put forward several recommendations focused on reforming community benefits, including adopting a common framework for the process, ensuring that programs serve the entire city, developing a robust community engagement process, and better reporting; *and*

WHEREAS: The Attorney General's Community Benefit Guidelines for hospitals offer a model based on social determinants of health and community engagement; *and*

WHEREAS: With coordination and investment of their financial, academic, medical, and cultural resources through the PILOT community benefits process, Boston's institutions could better address community-identified needs in pursuit of making Boston a more equitable city; *NOW THEREFORE BE IT*

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to discuss oversight, transparency, and coordination of PILOT community benefit offsets and that representatives from the Assessing Department, PILOT institutions, the PILOT Action Group, and the public be invited to testify.

Filed on: February 5, 2021