



CITY OF MELROSE

OFFICE OF THE MAYOR

PAUL BRODEUR
Mayor

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4440

MEMORANDUM

To: Melrose City Council
From: Mayor Paul Brodeur
Re: Senior Relief
Date: February 12, 2021

The City of Melrose prides itself on offering its senior residents a unique mix of amenities and programs which makes our community such a desirable place. Our extensive park system, City institutions, vibrant business districts, and exemplary cultural organizations are just a few reasons why people enjoy this walkable, tight knit City. The answer to how we came to have a community with so many desirable features lies in no small part with our senior residents. As our community changes and grows, some seniors face challenges remaining in the city they helped build. Melrose seniors are integral to the fabric of our community.

During my time as general counsel at the Commonwealth's Executive Office of Elders Affairs, I learned the value and importance of helping seniors to age in place. Programs like the home care services provided by Mystic Valley Elder Services help over 450 seniors remain in their homes, and our Council on Aging programs help our senior community remain active, engaged and connected to their peers and the community.

The financial conditions some of our seniors face present a real day-to-day challenge. Many seniors are living on a fixed income, in many cases forcing them to delay retirement or make difficult choices to address the rising cost of living while remaining in their homes.

As we focus on developing policies that support the resilience of our community, there are a number of critical interventions we can make to support our seniors. Given the significant challenges many of our seniors face and the valued position they hold in our community, I submit for your consideration the following proposals:

1) **Council on Aging Expansion**

Created by State law, Councils on Aging exist in nearly every community across Massachusetts. These local boards play a critical role in deploying State and Federal programming using their on-the-ground knowledge of issues local seniors face.

Here in Melrose, our Council on Aging has made tremendous contributions to our community. Recently, our COA members have worked tirelessly to assist seniors through the vaccination

process, from booking appointments for them to coordinating rides to vaccination sites. Without this essential work, many of our seniors simply would not have had access to the vaccine they desperately need.

Increasing Melrose's COA Board from five to seven seats will help the current members do their important work. It will also allow the Board to harness a multitude of backgrounds and provide more diverse representation, putting us in a better position to serve all of our seniors and thereby the community at large.

2) Means-Tested Property Tax Exemption:

This measure offers relief to low-income seniors who are long-standing residents and homeowners in Melrose. By slightly shifting the tax burden onto other residential property owners, we can provide these residents with significant relief. Under this plan, the average tax bill for non-qualifying residential taxpayers will go up by \$25-35 per year on average, while offering seniors who qualify for the program up to \$1,500 per year in tax relief. The security and peace of mind this provides to those receiving this help is an invaluable benefit to them and to our entire community. We will be supporting people who built this community and are essential to its atmosphere by helping them remain independent. Based on the experiences of our neighboring communities and after reviewing our own demographic data, we expect that approximately 150 Melrosians will benefit from this program.

In order to qualify for this program, seniors must:

- Have received the State's Senior Circuit Breaker Income Tax Credit
- Have been 65 years of age by the close of the prior calendar year. A co-applicant must have turned 60 years of age.
- Have owned and occupied a home in Melrose for the past 10 consecutive years.
- Have no other significant assets, i.e. second home, trust fund, etc.
- Submit a timely application with the Board of Assessors; August 1 to September 30 annually

Some might suggest these seniors can just sell their homes and downsize. As of writing this, the average price of a single-family home in Melrose is \$657,094. This is a four-fold increase compared to the average price 32 years ago. Quite simply, in this marketplace, there are not many affordable housing options available for seniors in our community – even if you assume individuals have some equity in their current homes. We are working to expand those options in Melrose, but that is a long process. And I do not believe it is fair to expect our seniors to move a long distance away from the community to find more affordable options.

The good news is that this is a tried and true program. Melrose would join several municipalities across the Commonwealth in adopting this program, including our neighbors in Reading and Wakefield. As State Representative, I was proud to file Wakefield's petition and can tell you first-hand of this program's value and popularity.

3) Cost of Living Adjustment

The Massachusetts Commissioner of Revenue annually establishes a cost of living adjustment figure. Adoption of this order will result in the application of this number to our pre-existing senior property tax exemption program. According to the MA Department of Revenue, this figure was 2.3% in fiscal year 2021. Integrating adjustments to our real estate tax exemption formula promises to build on the great success we have seen with this program already.

This cost of living adjustment helps to deliver more fully on the original intent of the program by recognizing that a COLA protects the true value of the exemption in light of the increased pressure of the rising cost of living.

Further, adoption of this program not only increases the benefit that seniors will receive, but also expands the pool of eligible property owners.

4) Tax Deferral Program

For many seniors, especially seniors living on a fixed income, even slight increases in individual tax burdens force them to make difficult choices about how to afford basic necessities. This particular program allows fixed-income individuals living in high-valued homes to defer their tax payments as well as other municipal charges such as trash, water, and sewer, until after their passing, subsequent to which the balance of their liability is deducted from the value of their property up to 50% of their property value. This shields limited monthly fixed-income dollars, giving seniors economic peace and freedom in their later years.

Under my proposal, this deferral program will now be accessible to individuals aged 60 and older, where it was only previously available to seniors 65 and over. According to the UMass Boston Gerontology Institute, Massachusetts residents aged 60 to 69 have borne the brunt of this present economic downturn. As of July, 47% of this subset had experienced a loss of income since March 2020. As such, any relief program must include individuals 60 and older.

ACTION REQUIRED

As you know from our experience with the home rule petition related to alcohol sales, it can take a considerable amount of time to get a home rule on the Governor's desk. Urgent action on this order is necessary to get the home rule before the legislature and start that process. Senator Lewis and Representative Lipper-Garabedian are ready to file the bill upon your approval of the home rule order. The cutoff for offering eligible individuals relief under the proposed tax exemption is August 1. After that date, we will be unable to enroll eligible seniors until the next fiscal year. We are happy to answer any questions and provide any additional information that will help in your deliberations. While many have had a hand in developing these proposals, I want to recognize our Assessor Chris Wilcock for his expertise and effort and offer him as an important resource.

Thank you for your consideration.