

**Testimony of Keith A. Mahoney, Director of Public Affairs for the Boston Foundation,
to the Joint Committee on Community Development and Small Business in support of
H.988/S.1427, *The Community Development Act.***

June 1, 2011

Good morning, Chairwoman Forry, Chairman DiDominico, members of the committee. My name is Keith Mahoney, and I am the Director of Public Affairs for the Boston Foundation, and I am here to testify in favor of House Bill 988, *The Community Development Partnership Act.*

The Boston Foundation is greater Boston's community foundation, and one of the oldest and largest community foundations in the nation, with assets of over \$733 million. The Foundation and its donors made more than \$82 million in and received gifts of close to \$83 million. The Foundation is made up of some 900 separate charitable funds established by donors that provide grants to nonprofit organizations either for the general benefit of the community or for special purposes, and also serves as a major civic leader, provider of information, convener, and sponsor of special initiatives designed to address the community's and region's most pressing challenges.

The Boston Foundation has had a long commitment to and involvement in community development and neighborhood stability through a deep focus on people and place. As the region's community foundation, our interest and investments range from issues of education and workforce development to safety, health, housing, the arts and community economic development. We view housing is a stabilizing force in the lives of families and communities, as well as a key aspect of regional competitiveness. The credit crunch and lack of markets for Low Income Housing Tax Credits have stalled production and affected the stability of community development corporations (CDCs) and nonprofit housing developers – who have developed more than 6,000 new housing units since 2000 and helped more than 32,000 families in 2008 alone. Strengthening the financial, collaboration, and production capacity of CDCs is an important priority of the Foundation.

The Community Investment Tax Credits created by this legislation will increase private philanthropy for re-building neighborhoods and towns and provide greater economic opportunity for families and individuals across the state. The legislation outlines important benchmarks for success; a strong business plan which includes the involvement of the local residents and business community; review by the Department of Housing and Community Development to rate the effectiveness of the plan; oversight by both DHCD and private investors to ensure that the plan is implemented, with public reporting requirements.

This legislation will spur economic activity through the creation and preservation of homes, jobs, and businesses. And as the credits would be awarded to CDCs who are rooted in local communities, investments generated through this economic activity will remain in the community. Successful implementation of similar programs in states such as New Jersey, South Carolina, and Pennsylvania demonstrate strong public-private partnerships and the leveraging of private capital to benefit local communities across the Commonwealth.

The Foundation has seen the benefit of focused investment, and realizes that success in community development requires a comprehensive, long-term approach that leverages public and private resources. Our experience with donors and investing philanthropic resources informs our support of this legislation, as this is the type of strategic, market-based approach that can best leverage private contributions to help solve a critical public policy issue.

Thank you for the opportunity to testify before the committee. I would request that the committee give *Community Development Partnership Act* a favorable report.