

Support Neighborhood Stabilization and Economic Development

Support Passage of An Act Relative to Neighborhood Stabilization and Economic Development (H.177/S.1627)

What is the Neighborhood Stabilization Initiative?

Many lower-income neighborhoods in Massachusetts in our Gateway Cities and rural towns struggle with the challenges of weak real estate markets, where low rents and declining values make it difficult to maintain an aging housing stock. MACDC is partnering with MassINC, the Gateway Cities Legislative Caucus, mayors, local officials, and others to promote a neighborhood stabilization initiative that will put vacant housing back on the market, restore poor quality housing to good condition, and improve the quality of life in struggling neighborhoods and communities across the Commonwealth.

Located near historic downtowns, colleges, medical centers, transit, and other valuable public infrastructure, these neighborhoods hold a significant percentage of the state's housing stock. Restoring and preserving this housing will stabilize low-income families, reduce health disparities caused by poor quality housing, improve educational achievement for children, and help their parents obtain and retain steady employment. Indeed, by improving the quality of life in these neighborhoods we can also redirect housing market pressures away from those areas where rents and home prices are skyrocketing.

Key Trends

- Since 2000, the number of Massachusetts residents living in neighborhoods where poverty rates surpass 40 percent has more than doubled to nearly 165,000. Two-thirds of neighborhoods with this level of concentrated poverty are in just nine Gateway Cities.
- With rising interest rates and other signs indicating that the housing-market recovery is slowing, home values in most Gateway Cities remain below 2006 levels. In Fall River, Fitchburg, New Bedford, and Worcester, home values are still under their pre-foreclosure crisis peak by 10-percent or more.
- Vacancy rates are elevated and steadily rising in many Gateway Cities. More than one-in-ten housing units in Fall River, Fitchburg, Holyoke and Pittsfield are vacant.
- Abandoned and distressed houses can be found in all our towns and cities, and our smaller towns and rural communities need manageable strategies to deal with their vacant and abandoned buildings. The MA Attorneys General Office's Abandoned Housing Initiative has received over 1,400 distressed property referrals in over 90 cities and towns throughout the state.
- Compared to 1980, Gateway Cities lost more than \$100 million annually in federal CDBG grants for neighborhood improvement.

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The legislation has several key components designed to counter these trends and patterns:

- Refine M.G.L. Chapter 121A to make the law a more effective tool for addressing individual and scattered problem properties – a so-called “spot blight rehabilitation program”;
- Establish a commission on bringing older buildings up to code, cost-effectively, in weak real estate markets;
- Require the Executive Office of Housing and Economic Development (EOHED) to create a capacity-building program to assist cities and towns initiating new neighborhood stabilization programs and practices

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