



December 10, 2019

Your Excellency Charlie Baker
Governor, Commonwealth of Massachusetts
Massachusetts State House
Boston, MA 02133

Dear Governor Baker:

MACDC's membership and its Board of Directors look forward to working with you and your Administration in the coming year to advance a shared commitment for improving housing affordability and economic opportunities for low- and moderate-income (LMI) communities across the Commonwealth. We remain committed to working with your Administration and the Legislature to advance Housing Choice legislation as well as the homeownership policy initiatives, which complement our mutual goals and objectives.

As you and your advisors begin to consider your FY 2021 budget submission for January, we would like to request your support of a few important community and economic development priorities for the forthcoming legislative session.

Small Business Technical Assistance (SBTA) program (\$4 million)

MACDC is grateful to the Baker Administration and the Legislature for funding the Small Business Technical Assistance (SBTA) program at \$3.1 million in FY 2020 (line item 7002-0040), to ensure that this outstanding network of CDCs, CDFIs, and other community-based groups continue to help small businesses grow and thrive in every community.

Recently, your Administration and the Massachusetts Growth Capital Corporation (MGCC) announced the award of grants to 47 organizations, which will allow these community-based organizations to provide customized management and operational assistance, financial training, and lending services to small businesses, in particular those serving low- to moderate-income communities. The SBTA program has had longstanding success, and we believe an additional allocation of revenue is warranted to support communities of color and people living in poverty, as they seek support for building businesses and bringing opportunities to their neighborhoods and towns. Therefore, we respectfully request that you provide additional funding to ensure an investment of at least \$4 million in FY 2021.

There is growing demand for this TA and additional program resources are available. The January 2018 Massachusetts Gaming Commission report, "Reinvesting the Gaming Economic Development Fund," recommended initial strategies to fund five priorities. One of those priorities is to include support for small business and regional economic development initiatives. MGCC had received requests for more than \$4 million, and the demand for the program has almost tripled since it was launched in 2007.

Neighborhood Stabilization Initiative (\$750,000 / level funding)

MACDC and MassInc. are pleased that you and the Legislature provided an initial \$750,000 (line item 7002-1502) through the Transformative Development Fund for a neighborhood stabilization initiative to assist local governments and their nonprofit partners to implement strategic neighborhood revitalization initiatives. MassDevelopment, MassHousing, and DHCD – in consultation with MACDC and MassInc. – have begun the process of developing a *Neighborhood Stabilization Technical Assistance Hub and Fellows Network* to provide specialized “start-up” support to communities in rental licensing, inspection, and code enforcement, as well as in receivership and other rehab strategies. This is the first stage to address a major challenge in many Gateway Cities, rural areas, and smaller cities with weak housing markets.

In FY2021, an appropriation of \$750,000 would further the capacity-building program launched by MassHousing and MassDevelopment through the technical assistance “Hub” and fellows’ network. Ultimately, we believe this TA network and subsequent legislation will advance a host of policy goals, including improved community health, enhanced public safety, and a higher quality of life for LMI residents, in part, through new homeownership opportunities. Such a program would simultaneously improve property values and provide a resurgent tax base for many municipalities.

Homeownership Education and Foreclosure Prevention Counseling (\$2.805 million / level funding)

We were pleased that you and the Legislature in FY 2020 provided \$2.805 million Chapter 206 funding from the MA Division of Banks (DOB) (line item 7006-0011) to enable nonprofit counseling agencies to provide homebuyer education and foreclosure-prevention counseling and are seeking level funding for FY 2021. In an era of reduced federal support for such initiatives, Chapter 206 awards provide essential assistance for the creation and preservation of sustainable homeownership in the Commonwealth. This funding is possible through administrative fees associated with the licensure of loan originators, according to Chapter 255F of the Massachusetts General Laws, under which DOB may use retained revenue to fund this program. Grants are awarded through a competitive application process under criteria determined by DOB, and we remain grateful for your continued support for this program.

Get the Lead Out Program (\$5 million)

We respectfully request recapitalized funding of at least \$5 million, which should extend the *Get the Lead Out Program* (GTLO) fund another three years. The program has not been recapitalized through the budget process for more than a decade, so we have included in a footnote the inactive line-item number and program language for your consideration.^[1] Last year, MassHousing reported the fund balance through September 30, 2018, and, when considering recent program disbursements, would indicate that the fund could be depleted by July 2020.

As you know, MACDC and its members view the ongoing need for lead-paint abatement as a compelling environmental justice challenge and a further impediment to access to fair housing across the state. The problem is concentrated in 18 of 351 cities and towns and seven high-risk communities (Boston, Lawrence, Lowell, Lynn, Malden, Somerville, and Worcester). In 2016, Mass Housing and DHCD implemented a series of reforms to this program that have helped hundreds of families protect their children from the threat of lead poisoning. More recently, DPH adopted new regulations lowering the threshold for children’s blood lead levels. By shifting our focus to primary prevention and considering the overwhelming evidence about the harmful lead exposure to low-income children in their homes, the GTLO Program will be a critical resource to eliminate dangerous lead sources in children’s environments before they are exposed.

We remain grateful to your Administration and the agencies for adopting these administrative changes and strengthening DPH regulations.

The important initiatives we have outlined above are helping families and businesses to succeed. We are grateful for your prior support for many of these programs, and we believe that a few, select investments woven together will allow us to realize our shared community goals and will be quite transformative as our members work to help prepare families and small businesses to meet economic challenges in every corner of the Commonwealth. We are committed to working with your Administration and the Legislature to approve funding for these vital programs, and, as always, we look forward to our continuing collaboration and productive partnership in the coming year.

Sincerely,



Joseph Kriesberg
President & CEO

[\[1\]](#) 7004-1966 For the loan program established pursuant to section 197E of chapter 111 of the General Laws for lead abatement throughout the commonwealth; provided, that the terms and conditions of such loans will be based on income eligibility criteria and include terms and plans that allow low-and moderate-income individuals to defer loan repayment until transfer of the property; provided further, that funds made available herein shall be administered by the department of housing and community development in consultation with the department of public health; provided further, that funds shall be disbursed from this item on a quarterly basis subject to a disbursement plan which shall be filed in advance with the house and senate committees on ways and means; provided further, that such disbursements shall be made upon demonstration of need by the entity selected by the department to implement the program funded herein; and provided further, that funds received for the repayment of loans made under the provisions of this item may be retained and expended without further appropriations for the loan program established pursuant to said section 197E of said chapter 111.....\$5,000,000.