



May 3, 2018

Hon. Karen Spilka
Chair
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Dear Chairwoman Spilka:

Thank you for your strong support for the CDCs in your district and to our shared community economic development priorities across the Commonwealth, recently demonstrated by your leadership earlier this year in advancing the \$1.8 billion Housing Bond Bill with the extension and expansion of the Community Investment Tax Credit (CITC).

On behalf of our members and the hundreds of small businesses and low- and moderate-income families they serve, I want to express our gratitude and appreciation to House Ways and Means Chairman Jeffrey Sanchez and the full House of Representatives for including two important MACDC priorities in the House Budget (H.4400).

As you and your colleagues consider your FY 2019 budget recommendations to the Senate, we would like to highlight these community and economic development priorities that are important to MACDC members and which we respectfully request be included in the Committee's budget.

Small Business Technical Assistance

Our main FY 2019 budget priority is to restore funding for the Small Business Technical Assistance (SBTA) program (line item 7002-0040) to at least \$2 million, as we have an obligation to support people of color and people living in poverty as they seek support for building businesses and bringing opportunities to their neighborhoods and towns. We were pleased to see that Governor Baker's FY 2019 budget submission proposed to restore funding for SBTA to \$2 million. As you know, the SBTA program has been successfully serving businesses for a decade, yet its funding was cut from \$2 million to \$1 million in FY 2017 and reduced further to \$750,000 in FY 2018. The program has been particularly impactful in your district where SMOC has used this funding to serve hundreds of local entrepreneurs over the years. We have enclosed a fact sheet about the program that provides more detailed information.

Chapter 206 – Homeownership Education and Foreclosure Prevention Counseling

We urge the Committee to preserve Chapter 206 funding from the MA Division of Banks (DOB) (line item 7004-0011), to enable nonprofit counseling agencies to provide homebuyer education and foreclosure prevention counseling. The Administration has proposed \$1.55 million which they say is sufficient to enable DOB to cover their own administrative costs and provide \$1.3 million in grants to non-profit organizations, again, such as SMOC (essentially level funding). 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 uses retained revenue to fund this program. Grants are awarded through a competitive application process under criteria determined by DOB. At a time of diminished federal support for such initiatives, the nonprofit counseling agencies assisted with these funds view the funding from Chapter 206 awards to be essential to creating and preserving sustainable homeownership in the Commonwealth. We urge the Committee to provide at least \$1.55 million for this program, with no earmarks for any groups.

We were pleased that Governor Baker included these provisions in the Administration's FY 2019 budget submission, and grateful for adoption by the House of Representatives.

Massachusetts Food Trust

MACDC in partnership with Massachusetts Public Health Association (MPHA) and other advocates is seeking \$100,000 (within line item 2511-0100) for administrative cost to implement the MA Food Trust. Too many communities in the Commonwealth have poor access to healthy food and the local job opportunities those retailers provide. These same communities have disproportionately high rates of preventable chronic disease. The Food Trust, established in law in 2014, will provide loans, grants, and technical assistance to support new and expanded food retailers in low- and moderate-income communities to increase healthy food access and to spur local economic growth. These funds will support program operations, outreach, and technical assistance, and will leverage the \$1M in capital seed funding that was included in the Governor's FY18 capital budget.

We were pleased that the House adopted this provision.

Rental Housing Assistance

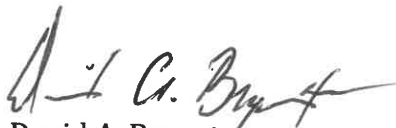
We are grateful to you and your colleagues in the House and Senate for prioritizing housing affordability and homelessness prevention, notably through the Housing Bond Bill, and specifically the strong support for the Massachusetts Rental Voucher Program (MRVP) in recent years. Again, we join with Citizens' Housing and Planning Association (CHAPA) and many other partners through "The Building Blocks Coalition" to request the Committee restore funding for MRVP to \$120 million, a level which will increase the number of vouchers available and help to preserve affordable housing developments.

Community Preservation Trust Fund

Cities and towns that adopt the Community Preservation Act (CPA) draw funds from two sources – a local property tax surcharge and an annual distribution from the statewide CPA Trust Fund. MACDC and our Boston-based CDCs were active leaders in the successful “Yes for a Better Boston” campaign to adopt CPA for Boston in fall 2016, and we support proposed legislation to provide for a higher CPA Trust Fund distribution for all CPA communities across the Commonwealth to provide more stable funding for the future.

Madame Chair, thank you again for your strong support of our sector. We appreciate the support we receive from you and so many of your colleagues in the House and the Senate. Economic challenges loom large for many families and businesses in every corner of the state. CDCs work to help prepare families and small business to meet these trials where they are. The programs we have outlined above are helping families and businesses to succeed; relatively small investments that yield remarkable returns. We hope that you share this belief, and, as always, we look forward to continuing a collaborative and productive partnership throughout this legislative session.

Sincerely,



David A. Bryant
Director of Advocacy

CC: Senate Committee on Ways and Means