



June 7, 2017

The Honorable Karen E. Spilka
Chair
Senate Committee on Ways and Means
State House, Room 212

The Honorable Brian S. Dempsey
Chair
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Chairwoman Spilka and Chairman Dempsey:

As you and your fellow conferees meet to reconcile key differences in your respective FY2018 budgets, I would like to highlight a few community and economic development priorities for this year's budget that are very important to MACDC members and which we respectfully request the FY2018 Budget Conference Committee to adopt.

Small Business Technical Assistance

First, we urge you to accept the Senate language to provide funding for the Small Business Technical Assistance (SBTA) program (line item 7002-0040) at \$2.5 million. This program was funded at \$2 million annually in FY 2015 and FY 2016 and both the Governor and the House proposed \$2 million in their respective FY2017 budgets. Unfortunately, it was not included in the Senate-passed FY2017 budget, and subsequent Conference Committee deliberations led the Conferees to reduce the SBTA program by 50% to \$1 million. This dramatic cut forced Massachusetts Growth Capital Corporation to cut funding to community-based groups across the state, which in turn has resulted in fewer businesses being served.

The SBTA program has had longstanding success and has served thousands of small businesses since it was first established in FY 2007. We respectfully request that you provide \$2.5 million in FY 2018 for the SBTA program so the state can fully support the outstanding network of CDCs, CDFIs, and other community-based groups that are helping our small businesses grow and thrive in every community.

Chapter 206 – Homeownership Education and Foreclosure Prevention Counseling

We urge the conference committee to adopt the Senate language to preserve Chapter 206 funding, from the MA Division of Banks (line item 7004-0011), to enable nonprofit counseling agencies to provide homebuyer education and foreclosure prevention counseling, and, further specify that not less than \$1.3 million will be distributed as grants to non-profit organizations that offer foreclosure prevention and homeownership education workshops and counseling. Funding is possible through administrative fees associated with the licensure of loan originators, according to Chapter 255F of the Massachusetts General Laws, under which the Division of Banks (DOB) uses retained revenue to fund this program. Grants are awarded through a competitive application process under criteria determined by DOB.

In April 2016, DOB awarded \$1.3 million in grants to 11 regional foreclosure education centers and 9 consumer counseling organizations. According to data compiled by the DOB, in calendar year 2016, grant recipients served 7,787 clients with education and counseling to either help them purchase a home or to assist those facing foreclosure. Since the program's inception in 2008, over 30,000 consumers have been assisted with more than \$8 million in funding. 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.

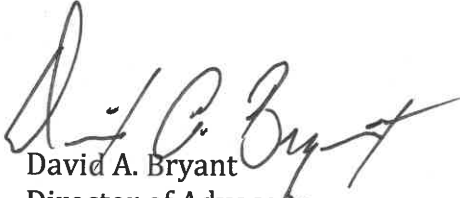
Housing Assistance and Community Preservation

We are grateful to you and your colleagues in the House and the Senate for prioritizing housing affordability and homelessness prevention, specifically the strong support for the Massachusetts Rental Voucher Program (MRVP), the Alternative Housing Voucher Program (AHVP), and additional funding for the Community Preservation Trust Fund in each of your FY2018 budget proposals. We were pleased to see that both the House and the Senate increased MRVP to \$100 million – a 15.6% increase, and that the Senate approved several program changes (increasing income eligibility from 50% of the Area Median Income (AMI) to 80% AMI, and targeting 75% of vouchers to extremely low-income families at 30% AMI).

We remain grateful that the House included up to \$10 million to CPA from the state's budget surplus funds, as the legislature has done for the past few years. We further would encourage the conferees to adopt the Senate outside section authorizing an increase to the deeds recording fee to strengthen the Trust Fund, and to ensure an increased state-match to our 172 participating communities that have enacted CPA. The program has been an unqualified success and, since its adoption in September, 2000, has generated \$1.75 billion for more than 9,000 job-creating projects across the Commonwealth.

We are grateful to all the representatives and senators from across the Commonwealth who have expressed their strong support for these important programs, and we respectfully request that the conference committee accept these vital line items as components of the FY2018 budget submitted to the Governor.

Sincerely,



David A. Bryant
Director of Advocacy

Cc: Hon Steve Kulik
Hon. Sal DiDomenico
Hon. Todd Smola
Hon. Vinny deMacedo