

Support Neighborhood Stabilization and Economic Development

Support Passage of An Act Relative to Neighborhood Stabilization and Economic Development (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, state 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.
- The economic fallout from Covid-19 will increase poverty and will likely place additional downward pressures on property values in many Gateway Cities where values remain below their 2006 pre-foreclosure crisis levels.
- 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. Our smaller towns and rural communities need manageable strategies to deal with their vacant and abandoned buildings. The MA Attorney General Office's Abandoned Housing Initiative has received over 1,400 distressed property referrals in over 90 cities and towns throughout the state.
- The anticipated decline in local and state revenues from the Covid-19 crisis will make it more difficult for the needed public investment to address abandoned and distressed properties.
- 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;
- Provide additional funding for the Neighborhood Stabilization Hub, a capacity-building program, administered by MassHousing and MassDevelopment, to assist cities and towns initiating new stabilization programs and practices.

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