



Testimony in Support of An Act Relative to Neighborhood Stabilization and Economic  
Development (S.1627)

David A. Bryant

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to the

Joint Committee on Revenue

October 22, 2019

Chairman Cusack, Chairman Hinds and distinguished members of the Committee, on behalf of MACDC and our member organizations, I am testifying in support of S.1627, An Act Relative to Neighborhood Stabilization and Economic Development, Senator Crighton's proposal to strengthen and revitalize blighted and distressed neighborhoods in communities across the Commonwealth.

Many lower income neighborhoods in Massachusetts in our Gateway Cities and rural towns struggle with the challenges of weak real estate markets, where rents and declining values make it difficult to maintain an aging housing stock. MACDC has been pleased to join with members of the Gateway Cities Legislative Caucus and MassINC., mayors, local officials, and others to advance a set of ideas to promote a comprehensive 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, and transit and other valuable public infrastructure, these neighborhoods hold a significant percentage of the state's housing stock. Preserving their health is key to cultivating more efficient and environmentally sustainable building patterns. And through our work with MassInc., we have encountered some disturbing 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. Several other Gateway Cities are approaching this alarmingly high level of vacancy.
- Compared to 1980, Gateway Cities have lost more than \$100 million annually in federal CDBG grants for neighborhood improvement.

We also have been working with the Administration and Secretary Mike Kennealy to meet the outstanding demand for housing opportunities in the red-hot Greater Boston market as well as the need for better housing opportunities in weaker markets in rural communities and our Gateway Cities. Our members build and preserve more than 1,500 homes each year and currently own more than 18,000 affordable rental homes across the state. Our members have a deep commitment to ensuring that everyone has a safe home that they can afford in a community where they can thrive.

To meet these shared values, MACDC is supporting S.1627, which has several key components designed to counter these trends and patterns that lead to decline and obsolescence:

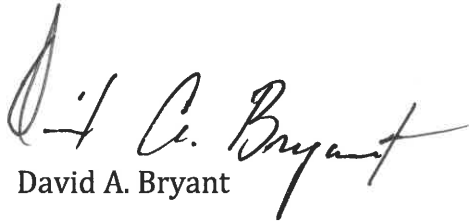
- Double the annual cap of the Housing Development Incentive Plan (HDIP) from \$10 million to \$20 million;
- Refine M.G.L. Chapter 121A to make the law a more effective tool for addressing individual and scattered problem properties – a so-called “spot blight rehabilitation program”;
- Establish a commission 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.

We were pleased that the Legislature approved, and Governor Baker signed, the FY2020 Budget to include \$750,000 to launch a capacity-building effort modeled on the Transformative Development Initiative to help cities and towns lead neighborhood revitalization efforts. And we gratefully acknowledge the pro bono support we have received over the last several months from Anderson & Krieger LLP to further refine the spot blight eminent domain provisions envisioned by the legislation. We look forward to sharing that work with you.

Economic challenges loom large for many families and businesses in every corner of the state. MACDC members work to help prepare families and small businesses to meet these trials where they are. We believe the dedicated funding proposed for this Neighborhood Stabilization Initiative is an important equitable investment in the Commonwealth’s citizens and communities that is consistent with other efforts by the Legislature and the Baker-Polito Administration.

Additional resources for community-based implementation of and sustainable funding for affordable housing production to expand housing opportunities will complement equitable community economic development and neighborhood stabilization efforts across the Commonwealth. We are committed to working with your Committee, the Legislature, and the Baker Administration to realize these shared goals and to work collaboratively to narrow this opportunity divide.

Respectfully submitted,

A handwritten signature in black ink, reading "David A. Bryant". The signature is written in a cursive style with a large, stylized initial "D".

David A. Bryant