Chairwoman Donoghue, Chairman Wagner and distinguished members of the Committee, my name is David Bryant, and I am the Director of Advocacy for the Massachusetts Association of Community Development Corporations (MACDC). MACDC was established in 1982 and serves as the capacity building and advocacy arm of the community economic development movement in Massachusetts. We are an association of 89 mission-driven community development organizations dedicated to creating places of opportunity where all people can live with dignity and participate in and benefit from our Commonwealth's economy.

On behalf of our member organizations, I am testifying in support of H. 3983, An Act to Provide Opportunities to All, the Baker-Polito Administration's economic development proposal. MACDC commends Secretary Jay Ash and his staff at the Executive Office of Housing and Economic Development (EOHED) for preparing the underlying economic development plan in conjunction with this proposed legislation. We appreciate the extensive outreach made by EOHED staff over several months to solicit data, information, and ideas through thousands of conversations with the Commonwealth’s residents, businesses, academic institutions, community-based organizations, and state and local public officials.

MACDC and its members were pleased to participate in several of the discussion and planning forums and are encouraged that key policy concepts and areas of implementation and focus outlined in the draft are consistent with ideas CDCs have put forth, and included in the bill. We are particularly pleased with the efforts to prepare low- and moderate-income communities for success by building the capacity of both local government and community-based organizations. These efforts are demonstrated by the multi-year funding commitments to:

- The Mass Works Infrastructure Program ($500 million)
- The Brownfields Redevelopment Fund ($75 million)
- The Smart Growth Trust Fund ($25 million)
- Transformative Development Initiative ($50 million)
As a member of the Massachusetts Smart Growth Alliance, we heartily endorse the proposal’s commitment to Smart Growth principles and incentives and we embrace the recommendations that the Alliance is putting forward on this legislation. In the last year, CDCs have worked with the Administration to promote community-based entrepreneurship and access to capital for small businesses, encourage the adoption of policies that support the production of more housing across a range of price points, and preserve our Commonwealth’s existing affordable housing stock.

There are two areas where we think the Committee could make this legislative proposal stronger. First, we would recommend a sustained source of funding to support small business lending. Second, we would recommend initial funding to support the Massachusetts Food Trust program.

Small Business Lending Program: We request $5 million in FY 17 in new capital funding for the Massachusetts Growth Capital Corporation (MGCC) to support a matching grant program for Community Development Financial Institutions (CDFIs).

Massachusetts is fortunate to have several highly effective, federally certified CDFIs that provide loans to micro and small businesses that are not yet bankable. These organizations include SEED Corporation in Taunton, Common Capital in Holyoke, Dorchester Bay in Boston, Mill Cities Community Investments in Lowell, and many others. These organizations are highly effective at leveraging private and federal dollars to help small businesses across the state. This funding will enable MGCC to provide matching grants to CDFIs so they can leverage more federal and private funding. For example, the national CDFI program requires a one-for-one dollar match, and the SBA Micro Loan Program requires a 15% local match. These matching requirements can be difficult for many organizations to secure, and the lack of matching funds reduces how much federal money CDFIs can obtain. A new CDFI Matching Grant program will leverage federal money and help hundreds of small businesses across the state.

MA Food Trust: We request $10 million authorization over 5 years for capital expenses for the Massachusetts Food Trust.

This funding would increase access to nutritious and affordable food by establishing a flexible financing program to provide grants, loans and technical assistance to support the development, renovation, and expansion of retailers selling healthy foods in underserved communities across the state. The Massachusetts Food Trust Program, established in law in 2014, would provide loans, grants, and technical assistance to support new and expanded healthy food retailers and local food enterprises in low- and moderate-income communities. This could include supermarkets, corner stores, farmer’s markets, mobile markets, community kitchens, food co-ops, food truck commissaries, indoor and outdoor greenhouses, and food distribution hubs.

This program was a recommendation of the Grocery Access Task Force, as public financing has leveraged significant private investment for such programs in other states.
As an example, New York and Pennsylvania have leveraged $9-15 dollars in private and federal funds for every $1 of state funding.

MACDC members recognize the fundamental, intersectional interests that impact low- and moderate-income families in rural areas, small cities and urban neighborhoods. We see the dedicated funding proposed for these programs to be an equitable investment in the Commonwealth’s citizens and communities. We also see strengthening these programs as consistent with other efforts by the Baker-Polito Administration.

In each instance, additional resources for CDFI lending and support for the Massachusetts Food Trust will complements equitable economic development 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,

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