



Testimony in Support of An Act Relative to Job Creation, Workforce Development, and Infrastructure Investment (H.4413)

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to the
House Committee on Bonding, Capital Expenditures and State Assets

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Chairman Cabral 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. 4413, An Act Relative to Job Creation, Workforce Development and Infrastructure Investment, the economic development proposal reported favorably by the Joint Committee on Economic Development and Emerging Technologies. MACDC commends Chairwoman Donoghue, Chairman Wagner and their staffs for preparing this proposed legislation. We appreciate the outreach made by staff, and the opportunities to present data and information, and to discuss ideas over several months.

MACDC and its members are encouraged that key policy concepts and areas of implementation and focus outlined in the bill are consistent with ideas CDCs have put forth. 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 (\$300 million)
- The Brownfields Redevelopment Fund (\$45 million)
- The Smart Growth Trust Fund (\$15 million)
- Transformative Development Initiative (\$30 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 has put forward on related legislation.

MACDC also commends the Joint Committee for its inclusion of \$6 million authorization over 3 years for capital expenses for the Massachusetts Food Trust, as these resources will 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 to underserved communities across the state.

There is another important area where we think that additional bond authorization by the Bonding Committee could strengthen this legislative proposal, and provide more robust job creation and investment opportunities. In the last year, CDCs have worked with the Legislature and the Baker Administration to promote community-based entrepreneurship and access to capital for small businesses, and MACDC respectfully would recommend a sustained source of funding to support small business lending.

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 EDC 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.

MACDC members recognize the fundamental economic and social concerns that impact low- and moderate-income families in rural areas, small cities and urban neighborhoods, and we believe additional resources for CDFI lending will complement equitable economic development across the Commonwealth. The dedicated funding proposed for these community-based small businesses is an equitable investment in the Commonwealth's citizens and communities, consistent with other initiatives contained in the draft legislation, and 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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