



March 8, 2021

Rep. Aaron Michlewitz, Chairman  
House Ways & Means Committee  
State House  
24 Beacon St., Room 243  
Boston, MA 02133

*Subject: Meeting Request – MACDC Budget Priorities*

Dear Chairman Michlewitz:

Thank you for your consistent support of our priorities. Since 2020, Massachusetts faced economic crises resulting from the COVID-19 pandemic. Your support for eviction prevention funding and small business assistance helped thousands of families and filled critical gaps in federal relief efforts.

MACDC requests the opportunity to meet with you to discuss our four key priorities for the state's FY 2022 operating budget. See recommendations outlined below. We **urge your support** for the following line items:

**1) *Line Item 7002-0040 - Small Business Technical Assistance (SBTA)*  
MACDC Request: \$10 million**

We seek \$10 million to support the [SBTA Grant Program](#), administered by the Massachusetts Growth Capital Corporation (MGCC). Thousands of underserved small businesses struggle to survive and recover from the pandemic. The opportunities and challenges for our small business sector will be even greater in 2021. We will need increased capacity to meet this moment and secure an inclusive and equitable recovery.

SBTA's diverse, highly effective, and growing network of 63 community-based organizations offers to meet the surge in demand for locally tailored, culturally competent services. SBTA groups serve our most vulnerable businesses, including those owned by people of color, women, immigrants, and low- and moderate-income people. For every dollar invested, SBTA leverages more than \$10 in federal and private capital. Indeed, the program plays a critical role in ensuring that underserved small businesses can access Federal PPP (Paycheck Protection Program) loans. SBTA works closely with MGCC to ensure that the state's small business grant program reaches micro enterprises, lower income business owners, and communities of color.

A funding level of \$10 million in FY 22 would be a modest increase over the \$9.1 million made available in FY 21 through a combination of state appropriations (\$5.1 million) and federal

funds released by the Baker Administration (\$4 million). Such funding is necessary to enable MGCC and its partners to sustain momentum and build a strong and equitable recovery.

**2) *Line Item 7002-1502 - Neighborhood Stabilization Initiative & Neighborhood Hub*  
MACDC Request: \$750,000**

Many neighborhoods in Gateway Cities and rural towns in the Commonwealth of Massachusetts suffer from distressed, vacant, and abandoned housing. Often, property owners lack sufficient incentives and resources to maintain their properties. The current economic crisis could make the situation worse as landlords and homeowners struggle to pay their bills. Over the past two years, the state legislature has provided funding to enable MassHousing and Mass Development to launch [The Neighborhood Hub](#), a multi-agency partnership among the public and nonprofit sectors to provide funding and technical assistance to municipalities struggling with these challenges. Level funding through the state budget is essential for maintaining the Neighborhood Hub's ability to serve more cities and deepen the impact of this work. The program will also help ensure that the new bond funds authorized by the legislature as part of the Economic Development bill enacted in January are put to the highest and best use by cities across the Commonwealth.

**3) *Line Item 7006-0011 - Homeowner Education and Foreclosure Prevention Counseling*  
MACDC Request: \$2.85 million with minimum of \$1.5 million in grants**

During the last foreclosure crisis in 2007, the legislature had the wisdom to establish a dedicated funding stream to ensure the availability of high-quality homeowner education and foreclosure counseling services across the state. The program has now been in operation for over a decade and has helped thousands of families. As we now face another challenging period for homeowners, it is vital that the FY22 State budget authorize the Division of Banks to retain at least \$2.85 from mortgage originator fees. The Division should be required to use these retained funds to award at least \$1.5 million in Chapter 206 grants to fund first-time homeownership education programs and foreclosure prevention counseling centers throughout the Commonwealth. This would represent level-funding from FY 2021. Chapter 206 awards provide essential assistance for the creation and preservation of sustainable homeownership in the Commonwealth, as homeowners and homebuyers struggle with the economic fallout from the pandemic.

Massachusetts has the fifth worst homeownership rate for households of color in the United States and white households are nearly twice as likely to own a home as a household of color. Decades of discrimination created a racial wealth gap that persists to this day. This wealth gap makes it harder for people of color to buy a home, and more likely that they will face foreclosure if they do have a home.

Homeowner Education and Foreclosure Prevention Counseling will assist to close the racial homeownership gap. Programs like this – combined with other state homeownership programs such as down payment assistance and discounted mortgages – address this

challenge by ensuring that all homeowners have the information and tools that they need to succeed.

**4) Line Item 7004-9024 - Mass. Rental Voucher Program (MRVP)**  
**MACDC Request: \$150 million**

The Massachusetts Rental Voucher Program (MRVP) provides a permanent improvement in the lives of more than 8,300 low-income families and individuals by offering both tenant-based and project-based rental subsidies. Fully funding of this program will ensure that participants pay no more than 30% of their income toward rent and allow the program to serve more families.

We appreciate your past support for our priorities last year. Please contact me at [joek@macdc.org](mailto:joek@macdc.org) or 617-721-7250 to discuss these line items. I look forward to meeting with you soon.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'JKL' with a stylized flourish at the end.

Joseph Kriesberg  
President & CEO