



November 24, 2020

The Honorable Aaron Michlewitz
Chairman
House Committee on Ways and Means
State House, Room 243

The Honorable Michael Rodrigues
Chairman
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Dear Chairman Michlewitz and Chairman Rodrigues:

The COVID – 19 Pandemic continues to rage across the country and our Commonwealth, so, on behalf of the thousands of low- and moderate-wealth families and communities our members serve, we thank you and your colleagues for the outstanding commitments you have already made to affordable housing and small business throughout this extremely difficult year. Alas, we are far from done, as the unimaginable scale of this crisis will require a significant investment of resources, inventiveness, and willpower to meet the ongoing public health threat and to mitigate a longer-term economic crisis.

As you and your fellow conferees meet to reconcile key differences in your respective FY2021 budgets (H.5151/S.2955), we would like to highlight a few priorities for this year's budget that are very important to MACDC members and which we respectfully request the FY2021 Budget Conference Committee adopt.

Small Business Technical Assistance (SBTA) program (7002-0040)

We urge you to accept the House language to provide funding for the Small Business Technical Assistance (SBTA) program (line item 7002-0040) at \$5 million. Our longstanding budget priority has been to increase funding for the SBTA program (line item 7002-0040), as many of our members and other community-based organizations have been the linchpin of shared efforts to keep underserved businesses afloat during this crisis. The community groups funded by this program have helped hundreds and perhaps thousands of businesses access federal, state, local, and private assistance during this crisis. These groups will play an essential role in 2021 to help businesses – especially those owned by immigrants and people of color – access potential federal resources and develop sound strategies for recovering from the crisis. Our network also promotes sustainable policies to advance the critical and supportive infrastructure needed for these entrepreneurs to continue services in their communities, neighborhoods, and towns. Indeed, the Program has been successfully serving businesses for more than a decade across the Commonwealth – from the Cape to the Berkshires and from Gateway Cities to rural communities.

Chapter 206 – Homeownership Education and Foreclosure Prevention Counseling

We urge you to accept the House language to increase Chapter 206 funding from the MA Division of Banks (DOB) (line item 7006-0011) to \$2.85 million to enable nonprofit counseling agencies to provide homebuyer education and foreclosure prevention counseling. We are grateful to Sen. Eldridge for his floor amendment to increase funding during Senate debate. The House used as its baseline a higher level of funding consistent with what was allocated in the FY2020 Budget (\$2.805 million) and which, unfortunately, the Administration didn't fully deploy. Funding is made possible through administrative fees associated with the licensure of loan originators, pursuant to Chapter 255F of the Massachusetts General Laws, under which DOB may use retained revenue to fund this program. Grants are awarded through a competitive application process under criteria determined by DOB. As the housing crisis continues to unfold during this Pandemic, these resources will ensure that community-based organizations can extend counseling, education, and foreclosure prevention strategies to meet an expected surge in demand from homeowners and small landlords (those who own 2 or 3 family homes). At a time of diminished federal support, the nonprofit counseling agencies assisted with these funds view the funding from Chapter 206 awards to be essential to creating and preserving sustainable homeownership in the Commonwealth.

Transformative Development (Neighborhood Stabilization Initiative)

We encourage the conferees to adopt the House language authorizing an appropriation of \$1 million, which would include targeted support for neighborhood stabilization initiative programming and partnerships in coordination with MassHousing and MassDevelopment's TDI program, and to sustain a capacity-building program that would help local governments and their nonprofit partners to implement strategic neighborhood-focused, community revitalization efforts across the state. MassHousing and MassDevelopment, with support from MACDC and MassInc., have launched a network consortium of municipal and nonprofit leaders to identify strategies for reclaiming vacant, abandoned, and blighted properties and putting them back to productive use as homeownership opportunities or rental housing. This remains a major challenge in many Gateway Cities, rural areas, and smaller cities with weak housing markets, as these properties often serve to undermine public health and safety, drain resources from the municipal government, and can be detrimental to nearby residents. The pandemic threatens to make this problem even worse, so continued funding for this program is essential.

Massachusetts Rental Voucher Program (MRVP) (7004-9024)

We applaud both the House and Senate for allocating \$135 million for MRVP, including \$9.4 million unexpended from FY2020.

Residential Assistance for Families in Transition (RAFT) (7004- 9316)

We are pleased that both chambers adopted language to allocate \$54.7 million for RAFT, including \$4.7 million from the Housing Preservation and Stabilization Trust Fund. **We encourage the conferees to adopt the Senate language directing the Department of Housing and Community Development (DHCD) to simplify the application processes to expeditiously distribute resources to families impacted by COVID-19.**

Public Housing Operating Subsidy (7004-9005)

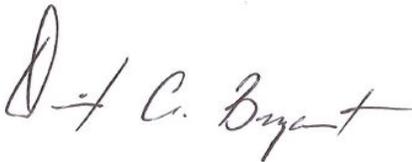
We are pleased that the House (\$80 million) and the Senate (\$75 million) proposed to increase funding for this line item, and, given the ever-present funding challenges facing local housing authorities, we urge conferees to adopt the House allocation.

Volunteer Income Tax Assistance (VITA) Program (1201-0100)

We urge the conferees to adopt the House allocation of \$800,000 to support Volunteer Income Tax Assistance (VITA) sites throughout the Commonwealth. At VITA sites, volunteers help low-wealth taxpayers access the Earned Income Tax Credit (EITC) and other tax credits, affording them the opportunity to recoup federal benefits for which they are entitled, and enabling these workers to pay bills, cover essential and urgent needs, and save and plan for future obligations. VITA sites also offer financial education and link low-wealth taxpayers to other critical services, further strengthening families and our local communities. More than 30,000 individuals are served by the 80 existing VITA sites, providing services that leverage \$60 million annually for these taxpayers.

We appreciate the support CDCs receive from you and so many of your colleagues in the Legislature and are grateful to all the representatives and senators from across the state who have expressed their dedicated support for these important programs. Our members work to help prepare families and small businesses to meet economic challenges in every corner of the Commonwealth. These important initiatives, outlined above, are helping families and businesses to succeed, and we respectfully request that the Conference Committee accept these vital line items as components of the FY2021 budget to be submitted to the Governor.

Sincerely,

A handwritten signature in black ink that reads "D. A. Bryant". The signature is written in a cursive style with a large initial "D" and "B".

David A. Bryant
Director of Advocacy

CC: Hon. Denise Garlick
Hon. Cindy Friedman
Hon. Todd Smola
Hon. Patrick O'Connor