



December 6th, 2021

Mayor Michelle Wu- Transition Team

City Hall Boston

Boston, Ma 02122

On behalf of the **Massachusetts Association of Community Development Corporations (MACDC)** we would like to congratulate Michelle Wu and her transition team on the historic win as the 55th Mayor of the City of Boston. Our Boston members are particularly grateful for the opportunity to meet with the new Mayor during her campaign, where we discussed key priorities that aligned our work regarding various policies, resources, and strategies for the City of Boston.

As we move to expand on that previous meeting, our hope is to build a partnership with the new administration on behalf of the diverse communities we serve and represent. Our Boston members are enthusiastic about that commitment and have crafted key recommendations for Mayor Wu to consider. These recommendations will prove to be essential in assisting the administration to effectively implement policies and resources that enable Boston residents to thrive.

MACDC members have a long history of engaging public officials on an ongoing basis to help position critical housing and economic issues as priorities for the residents in the City of Boston. The recent appointments of our longtime partners Sheila Dillion and Segun Idowu are clear indications of the strong leadership this administration is proposing. We applaud and congratulate those appointees. Furthermore, our Boston membership is eager to engage the new mayor through developing consistent convenings that advance our joint priorities like the ones described in this letter. Our Boston members would like the administration to consider the following recommendations:

Affordable Housing Plan: The past two administrations have published comprehensive housing plans (i.e., Boston Housing 2030) with specific goals and then published reports that promote transparency and accountability. This practice has strengthened the ability of the City of Boston to ensure production and affordability are set as priorities in combating the housing crisis the city is currently facing. The pandemic and other challenges have highlighted the deep housing disparities that are underscored by race and wealth disparities that are fueling this crisis. We urge the new Mayor to publish a housing plan that is embedded in racial equity and solutions for affordability, production, and home ownership. The process in creating this plan should include community engagement that will highlight the diverse housing needs of the various communities in the City of Boston.

- ✓ **New Housing Revenue-** The City of Boston is in dire need of creating and increasing new revenue sources that support sustainability and production of affordable housing and to address the many needs in our existing housing stock. We believe there are several ways to meet this funding need.

- ✓ **ARPA funding commitment-** We were very pleased that Mayor Wu pledged during the campaign to allocate \$200 million of ARPA funding to affordable housing, split evenly between affordable rental and homeownership housing. We are eager to work with the administration to develop the details for how to deploy these resources so they can benefit the community as quickly as possible. ARPA dollars can help jump start our efforts now while we secure additional resources through some of our other recommendations.
- ✓ **Linkage-** MACDC has collaborated with MAHA in support of an increase to the linkage fee to \$26.28 per square foot (\$23.39 for housing, \$2.89 for job training) and applying the fee to developments ≥ 30,000 square feet (The fee now applies only to projects over 100,000 sf.) Mayor Wu indicated support for these changes during the campaign and we recommend quick action to adopt and implement these improvements.
- ✓ **Transfer Tax-** Mayor Wu has been a strong supporter of a Transfer Tax on high-end real estate sales in the city to generate additional revenue for building affordable housing and we stand ready to work with her to enact state legislation that allows the city to create such a tax.
- ✓ **General Tax revenue for housing-** Currently, the city allocates less than one percent of its general tax revenue to affordable housing programs. The City of Boston can take a bold approach by reallocating additional general tax funds to affordable housing subsidy and production.

The additional revenue generated could help support the following programs:

- ✓ **Close the Racial Wealth and Home Ownership Gaps-** Boston has one of the worst racial homeownership gaps and racial wealth gaps in the Country. These disparities are rooted in a history of housing discrimination and segregation. The moment to address this issue is more pressing than ever. We recommend that the city prioritize affordable homeownership production, expand participation in the One+Mortgage program, offer generous down payment assistance and continue to support homeownership education and counseling as firm commitments to help reduce barriers that prevent homeownership and generational wealth building in many communities. MACDC encourages the Mayor to create an advisory committee to help forge this strategy and to look at how we can better balance the need for long-term affordability with the need to enable homeowners to build generational wealth. This is a particularly critical issue for BIPOC communities that have been systematically denied an equal opportunity to build wealth through homeownership for decades.

- ✓ **Expand Production and Preservation of Affordable Rental Housing** – New city funds can be leveraged with newly available state dollars (and hopefully soon expanded federal resources) to fuel a major expansion of affordable rental housing in the City of Boston across a range of incomes. It can also help us preserve every existing affordable housing unit in the City of Boston and transform our public housing communities.
- ✓ **Expand and Improve the Acquisition Opportunity Program** - This program has enabled CDCs and others to purchase naturally occurring affordable housing and ensure its long-term affordability while also making it safer, healthier, and more sustainable. However, given rising costs, the City needs to provide more funding per unit in order to ensure that we can compete with private buyers and provide sufficient rehab for the long-term well-being of residents.
- ✓ **Increase the City's Rental Voucher Program**- The expansion of rental vouchers is an urgent matter that can help hundreds of families awaiting permanent housing and affordability in the city. This expansion would also incentivize affordable housing developers to create additional housing stock, that will help develop residential opportunities for this vulnerable population. The previous administration announced a 2.5 million budget allocation, and we urge the new Mayor to consider significantly expanding that amount to help address the increasing need. **In addition, there is an important need** to streamline the rental vouchers process that should also be included in the process of predevelopment in order to prevent delays in housing families. As the city experiences an uptick in family homelessness, the city should develop policies that strive to keep homeless families in their neighborhoods as they transition out of homelessness.

Tenant Protections: The city of Boston faced a displacement crisis before COVID-19 and the situation is even worse now. During the pandemic, City, State and Federal programs have helped to stabilize thousands of Boston tenants. However, as some of those programs, policies and dollars expire, we need to move quickly at the city level to avert significant evictions, displacement, and gentrification.

- ✓ **Emergency Rental Assistance program**- The rental assistance program the city established during the pandemic proved to be a necessary safety net for hundreds of families that were vulnerable to the financial uncertainty Covid-19 provoked. As we navigate out of the pandemic, the City of Boston should ensure that rental assistance programs continue to be available to help minimize evictions, particularly for low-income families.
- ✓ **Legal assistance**- MACDC encourages the city to offer funding support for legal services that facilitate a right to counsel tenants facing eviction. Legal representation can not only help individual tenants, but also help empower tenants to band together to buy their

own buildings when they are put on the market and maintain their ability to live and work in the communities they love.

- ✓ **Tenant Opportunity to Purchase** – MACDC is an active member of the TOPA coalition working to enact state legislation to enable the City of Boston to create such a program. We are eager to work with the Mayor to make this legislation a reality to help safeguard families and disrupt displacement in our communities and potentially create long term affordable opportunities.
- ✓ **Rent Stabilization**- MACDC supports an updated and modernized rent stabilization program that meets the needs of our city by reducing displacement and gentrification and deterring speculators and other investors from engaging in building-wide evictions as part of a strategize to maximize short term profit. We look forward to working with the mayor and other stakeholders to design such a program and to secure the state legislation necessary.

Planning, Zoning and Land Use Reform: We agree with Mayor Wu that the city needs to do a better job of engaging community residents in meaningful community planning processes, aligning zoning with those plans and the City’s larger housing and economic development goals, and facilitate smart land use. Toward that end, we offer several recommendations. Mayor Wu has expressed in her campaign a desire to reorganize the BPDA to help improve transparency and accountability. We stand ready to work with the mayor and other stakeholders to consider proposals for such reform and to redesign the agency for our current needs and context.

- ✓ **The Affordable Housing Overlay**- This unique program passed in **Cambridge** provides for construction of 100% affordable four-story apartment buildings anywhere in the city by-right, including in districts that currently have apartment bans. The City of Boston would benefit from this model, by allowing developers that use public funds to create new affordable units effectively and quickly. This innovative process would also help alleviate the frustration the Article 80 process and the delay developers experience.
- ✓ **Inclusionary Development Policy** – The City’s IDP policy has produced thousands of affordable homes over the past two decades, but we believe it needs to be updated and strengthened. The city needs to increase the requirements with regard to on-site units and increase the payments required if and when developers are allowed to pay a fee.
- ✓ **Hospital/Universities Community benefits**- This important initiative has proven to be a critical partnership in contributing comprehensive ideas that intentionally engage community organizations in addressing housing and economic needs of the community. The City has a particularly significant opportunity to advance this process in the context of the city-wide

collaborative **CHNA/CHIP** Collaborative established by the hospitals and by reviewing revenue generating process like the **PILOT program**. An increase to the Payment in Lieu of Taxes program is a critical revenue source that would help the city reach its housing production if PILOT dollars were specifically allocated to affordable housing. We support the mayor's efforts to strengthen the PILOT program to be more transparent, more equitable and more impactful.

- ✓ **Institutional expansion/accountability/master planning**- Institutional expansion continues to be a problem with serious implications for Boston Neighborhoods including displacement of residents and increasing real estate costs. Universities' business models have changed over the last two decades from commuter and regional schools to national and global magnets. Tens of thousands of students now find living quarters in residential housing displacing longtime residents. The BPDA Institutional Master Plan review process must include clear, mandatory goals for each university to build more on campus dorms and return neighborhood housing to residential use. Hospitals and private developers are proposing and building tens of millions of square feet of new development for biomedical research, potentially creating tens of thousands of new jobs without including a housing component or a transportation improvement plan. The City and the BPDA need to set out clear requirements for these projects to include both an adequate housing component and MBTA transit solutions.

Small Business: Small Businesses in Boston have suffered greatly during the pandemic as they bore the brunt of the economic shutdowns. This is especially true for BIPOC and women owned businesses and many of our Main Streets retail shops. Our members and many others have worked hard to sustain the small business community and now is the time to help these entrepreneurs rebuild and thrive. The City has an opportunity to innovate with resources and capital that help drive economic mobility and equitable opportunities for small businesses.

- ✓ **Technical Assistance and Lending:** Small Businesses in the City of Boston have experienced deep setbacks and record closure rates due to Covid-19: small businesses of color have been particularly affected. We urge the new administration to align its economic development priorities with relief efforts that can help revitalize and stabilize these businesses. The city should collaborate more closely with CDCs, CDFIs and other community-based business support organizations by aligning our programs and our outreach. The goal should be that small businesses can access the services they need regardless of which door they open first.
- ✓ **Supplier Diversity:** We encourage the city to set forward bold supplier diversity goals that help address the deep systemic obstacles MBE/WBE face when pursuing procurement opportunities. MACDC would support the city in pushing private and nonprofit developers (including CDCs) to develop high standards and implement intentional practices that support supplier diversity expansion on a wide variety of projects.

- ✓ **Pathways to small business commercial space ownership-** Access to commercial space ownership, particularly for BIPOC businesses, would boost the ability of small businesses to build long term community stewardship and create stability by accessing equity. Resources that provide subsidies on soft debt, access to capital and long-term affordability would significantly increase economic development opportunities for our small businesses. The pandemic erupted a wave of small business closures that highlighted the lack of sustainability small business owners face without access to equity.
- ✓ **Small Business Department expansion:** Innovative resources and cross sector technical assistance would provide important enhancements. Additionally, small business sustainability investment should include Main Street program, CDFI micro lending funding and Incentives for community collaboration that support micro businesses and gig workers.

Climate: We have acknowledged Mayor Wu’s plan to approach climate justice and sustainable/renewable energy.

- ✓ Invest in Climate Smart Renovations - The recently adopted Building Energy Reporting and Disclosure Ordinance will require significant reduction in building emissions and represents a bold step to address the ongoing climate crisis. The administration needs to ensure that CDC’s and other landlords can access resources, funding, and policy measures.
- ✓ In order to meet the energy retrofits of these properties. Our members are aligned with the importance of this order and want to ensure that the transition is met with the correct process to significantly reduce carbon emissions, build resiliency, and maintain affordability.
- ✓ Prioritize and create green jobs opportunities — be it training or contracting — for communities of color, immigrants, lower-income people, and the formerly incarcerated.
- ✓ Support and fund workforce development programs at local community colleges, community organizations, and Madison Park High School which can provide training and certification in green jobs fields that don’t require a 4-year degree.
- ✓ Support the City of Boston Conservation Corps through continuing and expanded funding with at least a 20% increase in funding each year to reach and support more of Boston’s young people.
- ✓ Greenspace, Wetlands, & Trees — to sequester CO2, reduce heat islands, mitigate flooding impacts, improve public health, and protect biodiversity.

The Boston Committee is looking forward to your review of these recommendations and would further like to engage the transition department and Mayor Wu in a deeper discussion on these issues. Our members are enthusiastic about working closely with your team as we wait to hear back regarding this letter.

Sincerely,

Joe Kriesberg

Executive Director