



To: House/Senate FY 2023 Budget Conference Committee Members  
Fr: Joseph Kriesberg, MACDC President & CEO  
Re: FY 2023 Budget  
Dt: June 8, 2021

On behalf of the Board and Members of the Massachusetts Association of Community Development Corporations (MACDC), I want to thank the leaders of both the House and the Senate for your consistent support of our communities and the people who live in them. Your support during the COVID-19 pandemic for affordable housing, eviction prevention, small business relief, food security, vaccine access and so much more has played a vital role in helping us manage through these unprecedented difficulties. As our society and economy begin to emerge and face yet new challenges, we share your commitment to craft a FY 2023 budget that accelerates our recovery and expands opportunity across the Commonwealth.

We also want to thank each branch for investing in key MACDC priorities in your respective budgets. We write today to offer our recommendations for how to reconcile the two budget proposals in a way to yield the best possible results.

**1) *Line Item 7002-0040 - Small Business Technical Assistance (SBTA)***

**MACDC Request: Adopt the House appropriation of \$31 million while allocating at least \$7 million for the SBTA program as proposed by the Senate.**

Throughout the budget process, we have been recommending \$10 million for 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 continue to be significant in the coming year, with inflation, supply disruptions, changing consumer behavior and general uncertainty making life difficult for all business owners. This is particularly true for the businesses served by this program – smaller, micro-businesses, those owned by people of color, women and lower income entrepreneurs who have access to less resources and expertise than many of their competitors. Technical assistance is also an essential ingredient to making sure that other business support programs are effective. The SBTA program ensures that businesses know about these other programs and have the bandwidth and capacity to take maximum advantage of state and local grant programs, SBA lending products, philanthropic initiatives and other efforts to support small businesses. Indeed, the SBTA program offers the biggest impact for each additional dollar invested.



We appreciate that the Senate proposed \$7 million for the SBTA program. We were also pleased that the House proposed \$25 million for additional grants to small businesses, as well as \$6 million for the SBTA program. We believe this gives the Conference Committee the opportunity to fully fund SBTA with \$10 million while also making significant investments directly to small businesses in need of assistance.

**2) *Line Item 7002-1502 - Neighborhood Stabilization Initiative & Neighborhood Hub*  
MACDC Recommendation: Adopt the House's proposal for \$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 three years, the state legislature has provided funding to enable MassHousing and MassDevelopment 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.

**3) *Line Item 7006-0011 - Homeowner Education and Foreclosure Prevention Counseling*  
MACDC Recommendation: Adopt the Senate's language that provides \$3.05 million and requires a 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 first-time 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, we are pleased that both branches recognize the importance of this program. We ask that you adopt the Senate line item to authorize the MA Division of Banks to retain \$3.05 in revenue from licensure fees, and adopt the Senate language to require the Division to use these retained funds to award at least \$1.5 million in Chapter 206 grants (rather than the \$1.3 million included in the House budget) to fund first-time homeownership education programs and foreclosure prevention counseling centers throughout the Commonwealth. 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 households 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 recently launched 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 Recommendation: Adopt Senate proposal to provide \$154 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. We urge the Conference Committee to adopt the Senate's slightly higher overall funding level of \$154 million and to adopt the Senate's language regarding the payment standard and including utilities when calculating the tenants' share of the rent.

**5) *Line Item 7004-9316 – Residential Assistance for Families in Transition (RAFT)***

**MACDC Recommendation: Adopt Senate proposal to provide \$150 million**

The RAFT program, along with federally funded emergency rental assistance, played a vital role over the past two-plus years in preventing thousands of evictions. Indeed, our experience over the past two years demonstrates that timely and adequate emergency assistance, combined with policy reforms, legal representation, mediation, and education can significantly reduce evictions and the terrible consequences that flow when a family is evicted. We urge the Conference Committee to adopt the Senate's proposal for \$150 million, compared to the House proposal of \$140 million, and to adopt the Senate's language that would lift the maximum annual assistance, through June 30, 2023, from \$7,000 to \$10,000.

**6) *Line Item 7007-0801: Microlending program***

**MACDC Recommendation: Adopt the Senate language to expand eligibility to microlenders that partner with the U.S. Department of Agriculture**

This program provides vital support to non-profit organizations, including but not limited to CDCs, so they can make small loans to micro businesses. We urge the conference committee to adopt the Senate's proposed language to expand eligibility beyond just CDFIs and SBA-affiliated

micro lenders to include community organizations that are affiliated with the U.S. Department of Agriculture and serve rural communities in our state. This simple change would ensure that our rural communities can fully participate in this program.

**7) Line Item 7002-2021: Community Empowerment and Reinvestment Grant Program  
MACDC Recommendation: Adopt Senate proposal to provide \$20 million.**

Last year, this program awarded funds to 65 outstanding community programs that will expand economic opportunity across the state for those directly or indirectly impacted by the criminal justice system. The problems this program seeks to address are decades in the making so we should not eliminate this program after just two years. We need to sustain these investments over time to enable long-term change to occur. Therefore, we urge the Conference Committee to adopt the Senate's proposal to fund the program at \$20 million in FY 23.

**8) Line Item 7002-0036: Urban Agenda Program  
MACDC Recommendation: Adopt House proposal to provide \$2.5 million.**

For several years, this program has funded a range of innovative and impactful programs that are expanding economic opportunities for people and places that have experienced structural and sustained obstacles, including communities of color, immigrants, and lower income households. We urge the Conference Committee to continue this successful program by adopting the House proposal to appropriate \$2.5 million in FY 23.

Please contact me at [joek@macdc.org](mailto:joek@macdc.org) or 617-721-7250 if you have any questions about our priorities or these programs. Thank you for your consideration.