



## **2023-2024 Advocacy Agenda**

MACDC's advocacy agenda for the 2023/24 session is driven by our members and will continue to support and advocate for policies and programs that advance racial and economic equity by creating healthy communities where everyone lives in housing they can afford, benefits from economic opportunities, and can fully participate in the civic life of their community.

### **Support Community Development Across the Commonwealth**

The [Community Investment Tax Credit](#) (CITC) allows CDCs to invest in low- and moderate-income urban, rural, and suburban communities, making sustainable and community-driven improvements to neighborhoods across the Commonwealth. In the 2023/24 Legislative Session MACDC will:

- Advocate to eliminate the sunset for CITC, which is currently set for 2025
- Advocate to lift the cap on annual awards from \$12 million per year to \$15 million

### **Promote Housing Equity**

Housing affordability and availability are among the greatest challenges we face in Massachusetts today. We need to produce additional affordable options, protect and preserve our current housing stock, and ensure sustainability for our climate and our residents into the future. We are hopeful that housing will be a top priority for the legislature and the governor in 2023 and hence an opportunity to push for a big agenda. MACDC is committed to advocating for policies, funding, and programs that will support affordable and healthy housing options for low- and moderate-income residents and that explicitly address the racial disparities that have resulted from centuries of racist housing policies.

#### **1. Create Long-term Affordable Housing**

While Massachusetts has a housing supply shortage for families at all income levels, the shortage of affordable housing is particularly acute. There is a shortage of more than 160,000 rental homes affordable and available to extremely low-income renters.<sup>1</sup> Furthermore, white families are twice as likely to own their homes as households of color.<sup>2</sup> We cannot address these challenges with existing resources. Funding for affordable housing, including through new sources of revenue, must be prioritized to provide the needed affordable rental housing and homeownership opportunities to address the current crisis.

MACDC will advocate for funding and policies that help to meet the Commonwealth's affordable housing needs, including:

- ✓ **Increase Funding Levels for Affordable Rental & Homeownership Opportunities** – Utilize the state's operating and capital budgets, as well as other available funding sources, to increase funding for affordable rental and homeownership development and preservation.
- ✓ **Establish Sustainable Funding Revenue for Affordable Housing by passing the [HERO Act](#)** – Explore options such as increasing the Deeds Excise Tax and enabling local real estate transfer fees to establish a dedicated funding stream for affordable housing.

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<sup>1</sup> [Massachusetts | National Low Income Housing Coalition \(nlihc.org\)](#)

<sup>2</sup> [Prosperity Now Scorecard](#)

- ✓ **Invest dollars in programs that meet the diverse housing needs of residents** – This includes family rental housing, senior rental housing, supportive housing, community-scale projects in small towns and in urban infill locations, homeownership opportunities, and acquisition of naturally occurring affordable housing.
- ✓ **Ensure equitable implementation of the MBTA Zoning Requirements** – Encourage and incentivize the creation of affordable housing in the MBTA multi-family zoning districts, and encourage communities across the State to amend zoning to allow more housing options, such as accessory dwelling units, as of right.

## 2. Build & Sustain Healthy Homes & Healthy Neighborhoods

Massachusetts has among the oldest housing stock in the nation, with approximately 70% of homes in Massachusetts constructed before lead paint was banned in 1978,<sup>3</sup> and too many homes in need of urgent repairs and upgrades. Massachusetts homes need dedicated funding to address housing rehabilitation needs, make homes lead-safe, energy efficient, and to enhance efforts to address broader neighborhood stabilization needs. MACDC will advocate for innovative policies and programs that improve our current housing stock, improve resident and community health outcomes, and stabilize our neighborhoods, including:

- ✓ **Support creation and funding of the Massachusetts Healthy Homes Program** – The Massachusetts Healthy Homes Program (MHHP) would improve housing quality and resident health by providing grants and low-cost deferred loans to income-eligible homeowners and landlords to make necessary improvements to their properties including but not limited to, lead paint abatement, indoor air quality improvements, and addressing structural inadequacies. The presence of lead, poor indoor air quality, and other substandard housing conditions pose serious, and in some cases irreversible, health hazards. MHHP would address these issues and lay the groundwork for safe electrification as we work to achieve our Climate Action Goals.
- ✓ **Build upon the success of existing programs to address unhealthy housing** – Programs such as the Get the Lead Out Program and CDBG-funded Housing Rehabilitation Program can have greater impact by substantially scaling up resources, improving coordination among programs, and creating new programs such as MHHP to address the gaps in efforts to make homes healthier and safer.
- ✓ **Support innovative efforts to address vacant and blighted properties** – Two existing statewide programs, administered by MassHousing, have proven successful in addressing distressed housing in the context of neighborhood stabilization. The [Neighborhood Hub](#) (supported by annual state appropriations) provides technical assistance funding to Gateway Cities to improve their capacity to holistically address vacant and distressed properties, and the [Neighborhood Stabilization Program](#) provides funding (through the capital budget) to rehabilitate distressed properties. Local programs such as the Liability to Assets Program in North Central MA, and a new Receivership Pilot program in Springfield, are innovative pilots aimed at addressing blight by getting vacant lots and abandoned buildings back into productive use. These local pilots should be expanded to more communities across the state.

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<sup>3</sup> [DP04: Census Bureau Table](#)

### 3. Advance Climate-Resilient Housing

MACDC will advocate for new resources, programs, and policies that will enable existing and future affordable housing to adopt renewable energy technologies, minimize their energy needs, and move toward a carbon free future, while ensuring affordability for low- and moderate-income people, including:

- ✓ **Dedicate \$300 million in ARPA dollars, and other funding sources, to launch the [Zero Carbon Renovation Fund](#)** - This fund will jump start efforts to equitably decarbonize existing homes and buildings to help achieve the state's climate goals.
- ✓ **Increase the Deeds Excise Tax to address climate change & the affordable housing crisis** - A new revenue stream is necessary to sustain this work over the next decade and beyond. Passage of the [HERO Act](#) would increase the Deeds Excise Tax to generate significant and stable revenue to invest in climate resilience and mitigation, in addition to providing sustainable funding for affordable housing options.
- ✓ **Develop a comprehensive strategy for decarbonizing subsidized housing** - A comprehensive and well thought out approach is needed to meet our climate and affordable housing goals. This plan should include a mechanism to fund necessary deep energy retrofits that does not impede efforts to expand the affordable housing supply.

### 4. Protect & Empower Residents

Too many Massachusetts households are struggling to pay rent and are at risk for housing displacement and eviction. We must support Massachusetts households and families in maintaining stable housing, preventing displacement, and moving towards a path of homeownership.

MACDC will advocate for policies and funding that support and protect individuals and families to remain in their homes, including:

- a. Support passage of the **Tenant Opportunity to Purchase Act (TOPA)** to provide opportunities for tenants to purchase their buildings.
- b. Provide **down payment and mortgage assistance** for low and moderate-income, first-time, and first-generation homebuyers, with a focus on addressing the racial homeownership gap.
- c. Support ongoing funding for homebuyer education and foreclosure prevention counseling through the **MA Division of Bank's Chapter 206 Program**.
- d. Expand tenant protections across the Commonwealth by supporting **Right to Counsel** and **Eviction Sealing** legislation.
- e. Increase the **MA Rental Voucher Program (MRVP)** to provide more families with the rental assistance they need to rent homes in the private market, produce new affordable homes, and preserve existing affordable housing critical to recover from the pandemic.
- f. Increase funding and accessibility of the **Rental Assistance for Families in Transition** program (RAFT). RAFT is an upstream homelessness prevention program that provides assistance with rent, mortgages, and other housing-related costs. RAFT has been a lifeline to tens of thousands of families facing eviction and homelessness during the COVID-19 pandemic and beyond.

## **Ensure Equitable Economic Investment & Empowerment**

Massachusetts has a strong and diverse economy that provides opportunity and high wages for many of our residents. However, we see persistent and unjust inequities based on race, immigration status and geography that undermine our collective prosperity. The COVID-19 pandemic both revealed and worsened many of these inequities. MACDC and its members are critical partners with state government in tackling these inequities through our local, community driven programs and initiatives. We are particularly active in areas such as small business development, real estate development, asset building and promoting local place-based economic development strategies.

In order to create a more inclusive and equitable economic environment that closes the stark racial wealth gap in our Commonwealth, MACDC will advocate on the following priorities:

### **1. Support Small Business Development & Sustainability**

A historic underinvestment in BIPOC-owned small businesses has created an uneven playing field and a lack of equitable distribution of resources. Exacerbated by COVID-19 and the economic crisis, the current environment has been particularly debilitating to small businesses in the BIPOC community and those owned by low- and moderate-income people. Without additional financial support, the small business sector is facing an economic crisis from which it will not be able to easily recover. MACDC will advocate for policies and programs that empower small businesses, especially those owned by people of color, low- and moderate-income people, women, LGBTQ+ and other vulnerable populations, including:

- ✓ **Grow the Small Business Technical Assistance Program (SBTA)** – In FY2022, the [SBTA program](#) provides critical funding to 60 community based organizations that support local entrepreneurs as they start, stabilize and/or grow their businesses. The program has a deep focus on BIPOC and other underserved businesses. We encourage the Administration & Legislature to increase funding of SBTA to \$10 million by including \$10 million in line item 7002-0040 in the FY24 operating budget.
- ✓ **Leverage Community Development Financial Institutions (CDFIs)** – CDFIs offer a critical source of capital for businesses that are not yet able to attract investments from banks and other traditional sources. During the pandemic, the state invested \$22 million in these institutions to help them leverage more Federal and private investment. We encourage the Administration & Legislature to expand investments in non-profit financing institutions, such as CDFIs, so they can provide affordable capital that would otherwise be unavailable to many small businesses.
- ✓ **Dedicate Grant funding for Affordable Small Business Real Estate Acquisition** – The Coalition for an Equitable Economy worked closely with the Baker Administration to craft an \$80 million investment program to help small businesses, especially BIPOC-owned businesses, acquire the buildings in which they operate. Unfortunately, this program has not yet been established. We urge the Administration & Legislature to pursue this or a similar program that will provide equitable investments that create pathways for small business owners to acquire properties in the communities they serve.

## 2. Foster Wealth Building

Although Massachusetts is one of the wealthiest states in the nation, when broken down by race, huge inequities exist. "The Color of Wealth in Boston" report found that whites had an average net worth of \$247,500 compared to blacks at just \$8, and Hispanics at \$2,700.<sup>4</sup> In order to close the racial wealth gap we must implement innovative solutions that target disparities and increase wealth building opportunities for people of color. In addition to the priorities above related to homeownership and small business ownership, MACDC will advocate for the following:

- ✓ **Support expansion of the Family Self Sufficiency Program (FSS)** – The Family Self Sufficiency program was created by Congress in 1990 to help families in subsidized housing increase their incomes and build assets that can help them achieve greater economic security. The program, which is administered by HUD and implemented by local housing agencies, is already helping thousands of Massachusetts families across the state, but thanks to recent changes in program regulations at HUD we now have an opportunity to significantly expand its reach to every family living in public housing or Section 8 housing, including apartments owned and managed by CDCs and other private owners. As program participants increase their incomes, they can save the money that would otherwise go toward higher rent payments. Over a five-year period, families can save thousands of dollars and in some cases buy a new home. We urge the Administration to develop a comprehensive strategy to ensure that every eligible family has access to this life changing program by providing funding, technical assistance, and incentives for housing agencies to offer the program to their residents.
- ✓ **Expand the Earned Income Tax Credit (EITC)** – The Earned Income Tax Credit (EITC) is widely considered one of the most effective anti-poverty programs for working families. By increasing the [state EITC](#), Massachusetts has an opportunity to lead the nation in reducing inequality, alleviating child poverty, and increasing the opportunity for healthy, successful families.
- ✓ **Invest in Matched Savings Programs** – Matched savings is a powerful tool to close the racial wealth gap by providing hard-working households with a match to their savings and an education in 21st century financial literacy. Account holders use their matched savings to purchase a first home, pursue higher education, launch a small business, perform needed home repairs, purchase technology and/or equipment to support employment, contribute to a retirement plan, or to pursue other related wealth-building goals. The state recently invested \$3.5 million in the highly successful [STASH](#) program, and it has also invested in supporting Individual Development Accounts. We encourage the Administration & Legislature to dedicate funding to matched savings programs administered by community-based organizations in order to increase wealth of hard-to-reach populations.

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<sup>4</sup> [The Color of Wealth in Boston - Federal Reserve Bank of Boston \(bostonfed.org\)](https://www.frboston.org/2018/05/01/color-of-wealth-in-boston/)