



May 16, 2018

Hon. Harriette L. Chandler
President of the Senate
State House, Room 332
Boston, MA 02133

Dear Senate President Chandler:

On behalf of our members and the thousands of low- and moderate-income families they serve, we thank you for your outstanding commitment to affordable housing for all families across the Commonwealth and your strong support to our shared community economic development priorities, passionately expressed to our members in the Great Hall last month and demonstrated by the Senate's action in advancing the \$1.8 billion Housing Bond Bill in March.

As you and your colleagues meet next week for the Senate Budget Debate, I would like to highlight a few community and economic development priorities that will be addressed by further amendments and are important to MACDC members and which we respectfully request be included in the final Senate Budget.

Small Business Technical Assistance (Sen. Julian Cyr, #796)

Sen. Julian Cyr has reintroduced his amendment from last year, which the full Senate adopted unanimously, to fund the Small Business Technical Assistance (SBTA) program at \$2.5 million. Our main FY 2019 budget priority has been to restore funding for the SBTA program (line item 7002-0040), as we have an obligation to support underserved communities as they seek support for building businesses and bringing opportunities to their neighborhoods and towns. We were pleased to see that Governor Baker's FY 2019 budget submission proposed to restore funding for SBTA to \$2 million. The House budget also would provide \$2 million to this program. As you know, the SBTA program has been successfully serving businesses for a decade, yet its funding was cut from \$2 million to \$1 million in FY 2017 and reduced further to \$750,000 in FY 2018. The program has been particularly impactful across the Commonwealth – from the Cape to the Berkshires; from Gateway Cities to rural communities – serving hundreds of local entrepreneurs over the years. We have enclosed a fact sheet about the program, which provides more detailed information.

Chapter 206 – Homeownership Education and Foreclosure Prevention Counseling (Sen. Eldridge, #684 and #690)

We urge the Senate to preserve Chapter 206 funding from the MA Division of Banks (DOB) (line item 7006-0011), to enable nonprofit counseling agencies to provide homebuyer education and foreclosure prevention counseling. The Administration has proposed \$1.55 million which they say is sufficient to enable DOB to cover their own administrative costs and provide \$1.3 million in grants to non-profit organizations, essentially level funding. Sen. Eldridge has proposed to increase funding to \$2.85 million.

Funding is possible through administrative fees associated with the licensure of loan originators, according 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. At a time of diminished federal support for such initiatives, 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. Senator Eldridge has filed an additional amendment that would exempt bona fide nonprofit organizations from the state's mortgage licensing requirements if they conform to the federal S.A.F.E. Act requirements. This amendment would not cost any funding but would address an important technical issue with our licensing statute. We urge the Senate to support these amendments.

Rental Housing Assistance (Sen. Joseph Boncore, #777)

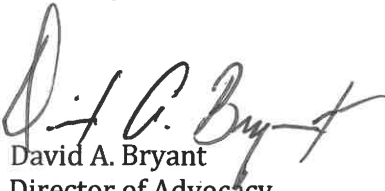
We are grateful to you and your colleagues in the House and Senate for prioritizing housing affordability and homelessness prevention, notably through the Housing Bond Bill, and specifically the strong support for the Massachusetts Rental Voucher Program (MRVP) in recent years. Again, we join with Citizens' Housing and Planning Association (CHAPA) and many other partners through "The Building Blocks Coalition" to request the Senate restore funding for MRVP to \$120 million, a level which will increase the number of vouchers available and help to preserve affordable housing developments.

Community Preservation Trust Fund (Sen. Cynthia Creem, #3)

Cities and towns that adopt the Community Preservation Act (CPA) draw funds from two sources – a local property tax surcharge and an annual distribution from the statewide CPA Trust Fund. State matching funds are projected to decline to 11% in 2018 and we support Sen. Creem's proposal for a modest increase in the deeds fee – unadjusted since it was established 18 years ago – to provide a 50% CPA Trust Fund distribution for all CPA communities across the Commonwealth. The amendment would provide more stable funding for the future.

Madame President, we appreciate the support CDCs receive from you and so many of your colleagues in the Legislature. Our members work to help prepare families and small businesses to meet economic challenges in every corner of the Commonwealth. The important initiatives we have outlined above are helping families and businesses to succeed, and we respectfully request that the Senate approve funding for these vital programs in its FY2019 budget.

Sincerely,


David A. Bryant
Director of Advocacy

CC: Massachusetts Senate