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To the Honorable Senate and House of Representatives:

As provided in Article LXXXVII of the Amendments to the Constitution, I submit for your consideration *An Act to Create the Executive Office of Housing and Livable Communities and to Rename the Executive Office of Economic Development.*

The Commonwealth is in the midst of a housing crisis that has been in the making for decades. During my campaign for Governor, I pledged to take every reasonable step to address this crisis and to increase the supply of accessible and affordable housing in the Commonwealth. This reorganization plan creates a cabinet-level executive office dedicated entirely to that task.

Over the past several years, Massachusetts has had among the highest and fastest growing home prices of any state in the nation. Residential rental rates likewise have increased at rates that far outstrip the general increase in the cost of living. High housing costs create overwhelming challenges for our most vulnerable residents and are a primary driver of homelessness. This consistently high cost of living also places Massachusetts at a significant disadvantage as we compete with peer states to attract and retain businesses. In short, we must create an adequate supply of housing for our young families, workers, and an aging population if we want to remain one of the best states in the nation to live and work.

This legislation creates a new Executive Office of Housing and Livable Communities and a new Secretary of Housing and Livable Communities who will serve in the Governor's cabinet. The executive office will be the principal office of the executive branch dedicated to creating and carrying out housing policy for the Healey-Driscoll Administration and will assume all of the powers and responsibilities of the existing Department of Housing and Community Development. The new executive office will be responsible for expending funds, marshalling resources, and advancing innovative solutions to provide safe, accessible, affordable, and environmentally sustainable housing for all residents and for supporting the growth of vibrant, livable communities throughout the Commonwealth. The mission of the Executive Office of Housing and Livable Communities will include administering programs focused on housing production, housing rehabilitation, housing preservation, housing affordability, fairness and equity in housing opportunity, emergency and transitional housing, and housing stability and security.

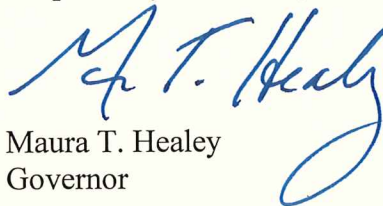
The bill also renames the current Executive Office of Housing and Economic Development (EOHED) as the Executive Office of Economic Development, which will be led by the re-titled Secretary of Economic Development. The bill charges this renamed and refocused Executive Office of Economic Development with continuing critical functions of the current EOHED that are aimed at driving economic development and employment in the Commonwealth. The Executive Office of Economic Development will continue administering programs that successfully promote local and regional economic development, provide opportunities for small businesses, foster the growth of emerging industries, and otherwise ensure the job growth, commercial and industrial development, and competitive business environment we need for a strong and resilient economy. The bill includes some provisions that update and streamline the organization and administration of agencies currently under its oversight to ensure the efficient operation of those agencies, including in particular the Massachusetts Office of Business Development. The bill also makes a number of technical changes to reflect the larger transfer of functions at the heart of the bill, remove outdated references, and update antiquated language in the agencies, offices, and programs that will be administered by these two new executive offices going forward.

For the most part, dividing the current functions and responsibilities of the existing EOHED and assigning them to these two dedicated, highly focused secretariats follows a straightforward logic. In two limited instances, however, the bill takes special measures to ensure that the two resulting secretariats will continue to access certain resources and exercise certain responsibilities that are now shared within the current secretariat. First, the bill provides that oversight of public and private community redevelopment corporations and their projects, a responsibility now held by the Department of Housing and Community Development pursuant to Chapters 121A and 121B, will be divided between the two secretariats according to the nature of the project. This oversight responsibility will be exercised by the Executive Office of Housing and Livable Communities for projects exclusively or primarily focused on housing development and by the Executive Office of Economic Development for projects primarily or exclusively focused on commercial development. Second, in order to ensure that the new Executive Office of Housing and Livable Communities can make use of the important development resources that the MassWorks infrastructure grant program currently provides to municipalities pursuing smart housing growth policies, the bill duplicates the current legislative authorization for MassWorks in a new “Housing Works” statute dedicated exclusively to funding municipal infrastructure that supports new or redeveloped housing.

This reorganization plan is only the first step in what I expect will be a continuing collaboration with the Legislature, municipal officials, and key stakeholders throughout the Commonwealth to increase the production of new housing over the long term. The key provisions of the bill charge the new Secretary of Housing and Livable Communities with developing a full array of additional new housing policies that will expand the supply of affordable, accessible housing across the Commonwealth.

For all of these reasons, I urge your favorable consideration of this reorganization plan as the first step in an improved, collaborative effort to address the Commonwealth's continuing housing challenges.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "M. T. Healey". The signature is fluid and cursive, with a large loop at the end.

Maura T. Healey
Governor