

**Remarks of Governor Maura Healey
Western Mass Developers Conference
October 18, 2023**

As prepared for delivery

Thank you, Rick Sullivan, for that introduction and thanks to your team at the Economic Development Council of Western Massachusetts for all the work you do. Special thank-you to Vice President and Chief of Staff Xiomara Alban DeLobato, who we recently appointed to the board of the Massachusetts Convention Center Authority. She is helping lead our statewide visitor economy with a Western Massachusetts lens and an equity lens.

I'd like to recognize Mayor Domenic Sarno, and all local elected officials and planning staff, as well as the business and nonprofit leaders who are here. Everyone here is a champion for economic development in our state and I want to thank you for that commitment. The work you do moves all of us forward.

Thank you especially to the regional economic development organizations and professionals who are here. I know Secretary [Yvonne] Hao made it clear: you are critical partners in our work, as she and her team advance the economic development planning process. You are partners in all that we do.

We want to make Massachusetts a more affordable, equitable, and competitive state. For us, a key element in all of those goals has to be regional equity. It's our job to support and advance every community in the state. And more than that: achieving balanced, shared, diversified growth is the only sustainable way forward. So we put a premium on regional equity and we've spent a great deal of time here in Western Mass.

Western Massachusetts Director Kristen Elechko and Deputy Director LaMar Cook are critical members of our team; we are in touch with them every single day about developments and needs in the region. We appointed former State Senator Anne Gobi as rural affairs director. And our Commissioner of Agricultural Resources, Ashley Randle, is a fifth-generation dairy farmer from South Deerfield.

These connections were important when rainstorms and severe flooding damaged farms in the Connecticut River valley in July. We were able to get on the ground quickly and assess the damage. We worked with local legislators and House and Senate leadership to enact a relief bill. And to get more immediate relief to farms, we worked with the United Way of Central Mass. to stand up the Massachusetts Farm Resiliency Fund. As of yesterday, the Fund has raised nearly \$3.3 million from a total of 687 donors. On September 1 we awarded 214 farms up to \$10,000 each. Round Two is now open and we expect to award the remaining funds to about 75 farms that saw the worst damage. It's been a tough year for farmers, but great to see this region and our entire state come together for them.

We're also proud of how our first state budget invested in local communities. It included a record investment in Chapter 70 local school aid; as well as free school meals for all students and free community college for folks aged 25 and older.

We made sure in our Chapter 90 bill to include programs based on feedback from this region. Those included: \$25 million for a new program to reimburse cities and towns for road and bridge work, with a formula based on mileage and population, which is particularly helpful

for rural communities; and \$25 million for grants supporting municipalities and regional transit authorities transitioning to electric and zero emission vehicles.

I also want to talk about how we have put Western Mass. at the center of our federal funding strategy. We said from Day One of this Administration that we are going to compete hard for the historic federal funding available under the Biden-Harris Administration. We have outstanding representation in Congress: Chair Richard Neal, and the entire delegation. We put together a state team, including an Office of Federal Funds and Infrastructure, led by Director Quentin Palfrey. We work across the government, rally our private-sector partners, and put a laser focus on our opportunities.

A month ago you may have seen we were in Springfield for a great announcement. MassDOT was awarded \$108 million in federal funding through the U.S. Department of Transportation for rail infrastructure in Western Massachusetts. These upgrades will enable two daily round trip trains connecting Springfield, Worcester, and Boston; and improved travel times across our state and into Connecticut and New York.

As you know better than anyone, that's going to bolster economic development. It will mean better access to more jobs and more housing for more folks seeking opportunity – and seeking the great quality of life in Western Mass. It's also a sustainable form of transportation that takes cars off the road. And it's allowing more visitors to strengthen our regional tourism economies.

Ultimately, it's helping to lay the foundation for true West-East Rail and in fact better rail connections across the region. It's something Western Massachusetts has long fought for; and our Administration will continue to support that fight and advance that work. I'm proud that our budget includes \$650,000 for staff support. This is funding we proposed to maintain five full time employees to work on West-East Rail and related initiatives, including a West-East Rail Director.

We also won the competition to become one of three national hubs for ARPA-H, the federal government's medical innovation program. We'll be fostering collaboration among researchers, entrepreneurs, and investors to accelerate ideas that transform health care. And the company that will operate our hub is VentureWell, based in Hadley.

Whether it is continued progress in transportation; clean energy and resilience investments through the Inflation Reduction Act; or CHIPS Act investment in advanced manufacturing: We are just getting started in our federal funding journey and Western Mass. has already been at the forefront, every step of the way.

Recently we announced a new strategy, designed to help local governments and regional entities compete for funds as well. It's called the Federal Funds Partnership for Municipalities and Tribes. It will run in partnership with the Regional Planning Associations and the Massachusetts Municipal Association. The purpose is to make sure everyone knows about the federal programs they are eligible for – and everyone can get support in making their applications. The first monthly Partnership meeting will be held a week from today on October 25, on Zoom, and will be kicked off by Lieutenant Governor Kim Driscoll. You can register at the website of our Federal Funds & Infrastructure Office at Mass.gov.

I want to talk now about housing, because we made a major statewide announcement today. I'm grateful for this opportunity to share the details with you.

People are feeling the pressure of high housing costs in every corner of our state. It is adding stress to their lives, and impacting all their other decisions – including about whether they can

stay in their community, or even stay in Massachusetts. High housing costs drive up the cost of living and eat up people's paychecks. They are a barrier to equity, opportunity, and public health for Black, Latino, and low-income communities. They threaten our economic competitiveness, making it harder to attract jobs and workers to our state.

That's why housing production -- and housing affordability -- have been such priorities for our Administration. One of the first things we did was to create an Executive Office of Housing & Livable Communities. Secretary Ed Augustus is our state's first Housing Secretary in over 30 years. That helps us maintain a full-time, cabinet-level focus on housing affordability.

Already, we've taken steps to help people pay their rent and mortgage. Our new tax cuts get more money to families, seniors, and renters. Our first budget added close to 1,000 new rental vouchers. And we launched the first state Climate Bank in the country that's focused on building and preserving affordable housing.

These are good steps forward. They're going to make a difference. But our teams have been working on something bigger. And to truly fix our housing market, we have to go big. For over three decades, housing production has not kept pace with population growth. We have a severe housing shortage. When there aren't enough homes to go around, prices go up. And they keep going up, until either people start leaving or more homes get built.

We don't want to see young people, or anyone, leaving. We don't want people struggling. We don't want our economy to stop growing and thriving. We don't want our communities to see disinvestment. So we're going to invest in new homes, we're going to unlock new production, we're going to make homes more affordable, and we're going to do it together as a state.

Here's what we announced today. We are filing legislation called the Affordable Homes Act. This is a \$4 billion plan to create more than 40,000 new homes in our state; and preserve, renovate or create access to another 27,000 affordable homes. This legislation will make our state more affordable for everyone. It will help us meet our climate goals. And it will empower communities to meet their residents' needs, revitalize their main streets and neighborhoods, and improve their quality of life.

It's a big bill with a lot of moving parts, so I want to break it down to its basics.

First, it's a housing bond bill. \$4 billion represents state capital spending authorization across 18 different housing programs. These are proven programs, and new innovative ones as well.

Through grants and direct investments, we will create thousands of affordable homes for low- and middle-income families. We will advance our climate goals and improve public health, with a 450% increase for Sustainable and Green Housing Initiatives. We will support local capacity -- with a \$175 million investment in our new, HousingWorks program, that cities and towns can use to prepare their infrastructure for new homes. We will create more homes than ever before for folks with disabilities, veterans, people coming out of homelessness, and people recovering from substance use disorders. And: we will repair and modernize over 43,000 units of public housing across our state. That includes a fund for accessibility upgrades, and a fund for decarbonization, providing our most vulnerable residents with sustainable, healthy homes.

There's much more. This is a comprehensive, equitable investment plan, designed to support communities and reduce housing costs for all of our residents.

In addition to capital authorization, this legislation also sets out tax credits for housing production. It includes a new Homeowner Production Tax Credit, to create new homeownership opportunities for moderate income households. It extends and expands the Community

Investment Tax Credit, that incentivizes donations to CDCs or other nonprofit organizations that produce affordable housing. These will build on the housing credits we worked with the Legislature to expand in our tax cut package, for HDIP in gateway cities, and Low Income Housing across our state.

Third, and importantly, this bill sets forth a landmark collection of new policies to advance housing affordability in our state. They include policies to establish a state infrastructure for advancing housing production and housing equity – including a Statewide Housing Plan and an Office of Fair Housing in the Executive Office of Housing and Livable Communities. They include policies to create new flexibilities for key housing stakeholders, from regional and local housing authorities to financing agencies and transportation partners. Importantly, they include tools that empower local cities and towns to create homes, foster community and equity, and improve quality of life.

These include: A local option transfer fee on high-dollar sales, to fund affordable housing; Inclusionary zoning by simple majority, allowing cities and towns to democratically expand affordability in their community; A process for establishing seasonal communities designation to allow special programs for towns that deal with big fluctuations in employment and housing needs; and as-of-right status for accessory dwelling units statewide. This step would unblock one of the most well established, organic, and community-centered forms of housing access.

We look forward to working closely with our partners in the Legislature on these investment and policy proposals. We know that they share our goal of making housing more affordable for everyone in Massachusetts.

Finally, in addition to filing historic legislation, today I took three new executive actions to advance housing production and affordability in our state. First, we're creating a Housing Advisory Council to guide the work of developing a statewide housing plan. Second, we're creating a Commission on Unlocking Housing Production. This will identify ways to streamline production, and recommend actions to expand the supply of housing in our state. The third order focuses on Identifying Surplus Public Land for Housing, to accelerate and expand our work turning state-owned property into new homes. The Lieutenant Governor is going to work with our state agencies to develop an expanded inventory of government-controlled property suitable for housing.

Put together, what we launch today is a generational step forward in housing for Massachusetts. It's a step that puts us on a historic path where we combine the resources, the policies, and the collective will to be a state that people can afford to call home. A home for all of us. In the end, it's simply what this moment in our history calls for; and what the people of our state have told us, every day, that they need. They need homes that are affordable and sustainable, in the communities that they love. So together, that's what we are going to provide. And I look forward to working closely with our economic development professionals, to get it done. Thank you once again for the warm welcome.

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