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January 19, 2023

To the Honorable Senate and House of Representatives:

I am filing for your consideration a bill entitled “An Act Financing the Immediate Economic Revitalization, Community Development, and Housing Needs of the Commonwealth.”

This bill comprises \$987 million in urgently needed authorizations for capital investment to support economic development, community development, and housing. A consensus emerged in the Legislature during the 2021-2022 session to support most of these programs. In refiling authorizations for those programs today, I seek to build on last session’s consensus, to focus on immediate needs (primarily funding and grants rounds that should move forward in 2023 and 2024), and to assure a strong fiscal framework for core economic development and housing priorities.

Foremost among the immediate needs addressed in this bill is funding MassWorks, the largest and most flexible source of capital funds to municipalities for public infrastructure projects that support and accelerate housing production, spur private development, and create jobs throughout the Commonwealth. Without further authorization, no new Massworks grants can be awarded. This bill proposes \$400 million to cover Massworks needs through fiscal 2028. Other immediate needs include \$9.3 million for broadband Middle Mile investments, \$34 million for the revitalizing underutilized properties program, \$15 million for the Massachusetts Manufacturing Innovation Initiative (M2I2), and \$14 million for the Massachusetts Manufacturing Accelerate Program (MMAP). In housing, existing authorization is essentially exhausted in the Smart Growth Housing Trust and will likely expire for the Facilities Consolidation Fund and the Housing Stabilization Fund ahead of routine enactment of bond bills in the 2022-2023 session. Funding in this bill ensures that these programs can continue to support these important initiatives.

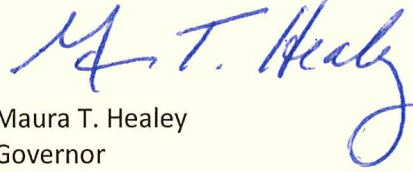
In other programs, although existing authorizations may not be fully exhausted, constraints on authorization threaten to shut down needed investments in the near term. Notably, the pipeline for public housing investments is oversubscribed. Projects with long lead times simply cannot start the planning process. The bill would authorize \$48 million in additional funding to support the pipeline.

Finally, the bill makes available new funding targeting critical competitive opportunities to bring in new federal money. The bill includes \$200 million as a state match to compete for federal CHIPS Act funding. Similarly, \$30 million would position the Commonwealth to compete for community broadband dollars funded at the federal level through the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law. Showing the availability of match funds dramatically strengthens the competitiveness of applications for federal grants; conversely, not having match funds fully available may take Massachusetts out of the running for once-in-a-generation opportunities.

The bill I file today is limited to immediate needs. I anticipate coming back to you in the coming months with a broader array of capital authorization requests to address the Commonwealth’s longer-

term capital investment needs. I ask you to act on today's requests promptly to avoid interruptions in the important programs highlighted above.

Respectfully submitted,



Maura T. Healey
Governor