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PRESS RELEASE

Baker-Polito Administration Unveils $275M COVID-19 Economic Relief Package to Promote Equity and Economic Growth

FOR IMMEDIATE RELEASE:

6/26/2020

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BOSTON — Today, the Baker-Polito Administration unveiled a COVID-19 economic recovery package to generate economic growth amidst the COVID-19 pandemic. The $275 million package, designed to promote equity across the Commonwealth, is an update to the Administration's *Act Enabling Partnerships for Growth*, the economic development legislation originally filed on March 4, 2020.

The original legislation was the product of a nearly year-long economic development planning process last year, and the now $275 million proposal represents a targeted package of investments across three core areas: housing, community development, and business competitiveness. In response to the dramatically different economic landscape due to the COVID-19 pandemic, the Administration will ask the Legislature to consider an amended scope for several of the proposed programs, reallocate funding among proposed authorizations, and establish new tools to promote equity and drive economic growth.

"By funding more affordable housing, implementing critical zoning reform, stabilizing neighborhoods, and supporting minority-owned businesses with record levels of funding, these proposed changes will bring critical relief and promote equity across Massachusetts amidst the COVID-19 pandemic," **said Governor Charlie Baker**. "We look forward to working with our partners in the Legislature to advance this legislation and give communities, especially those most in need, the tools and support they require to move forward."

"This legislation will help to stabilize the neighborhoods and communities that were hardest hit and bring new tools to bear to promote equity and drive economic growth," **said Lt. Governor Karyn Polito, co-chair of the Economic Development Planning Council.** "The feedback we received last year, along with the realities that we are seeing during this pandemic, have informed this legislation and our revised proposal, and we are grateful to the Legislature for their consideration."

This afternoon, Secretary of Housing and Economic Development Mike Kennealy will testify during a virtual hearing before the Joint Committee on Economic Development and Emerging Technology, highlighting the need for the legislation, and explaining the Administration's proposed changes.

To address the new realities brought on by COVID-19, while continuing to address the opportunities and challenges already identified in the *Partnerships for Growth* economic development plan, this package proposes to:

- **Amend the scope of several proposed programs**, to target funding towards specific communities including those hardest hit by COVID-19

- **Reallocate funding among proposed authorizations**, to better address the significant economic impacts of COVID-19 and to help provide a path for recovery, particularly for those most devastated by the pandemic
- **Establish new tools to promote equity and drive economic growth** in communities and among businesses facing barriers to entry in areas like state contracting

To do so, the Administration is proposing **allocating an additional $15 million for neighborhood stabilization** (for a total of $40 million) to invest in blighted and distressed homes. This funding, paired with collaboration and engagement with community organizations and municipalities, will bring safe, affordable housing units back on the market.

Women, minority, veteran, and immigrant small business owners face disproportionate challenges to accessing capital to grow their enterprises. During the COVID-19 pandemic, gaps worsened for businesses that have not been able to take advantage of federal programs. To allow the state to invest in more small businesses overall, especially those owned by underrepresented populations, and to leverage greater federal and private investment dollars, the Administration is **recommending increasing funding for Community Development Financial Institutions (CDFIs) by $25 million (for a total of $35 million)**, a record increase in this program. These grants to small business lenders allow CDFIs to serve entrepreneurs in underserved populations with financial services, technical assistance, and credit building opportunities.

To help address the disproportionate challenges to accessing early stage business financing, the Administration is asking the Legislature to **triple funding for grants to support micro businesses from a total of $5 million to $15 million.** Massachusetts Growth Capital Corporation (MGCC) recently launched a pilot program called Biz-M-Power, which offers 1:1 matching grants and technical assistance to microbusinesses (fewer than 20 employees) who have successfully crowdsourced up to $10,000 in seed capital.

“We have an opportunity with this 5-year plan to focus even more of our housing, community development, and business competitiveness efforts on equity and recovery as Massachusetts continues to weather the impacts of the COVID-19 pandemic,” **said Secretary of Housing and Economic Development Kennealy**. “This legislation and our

recommended updates tackle the housing crisis through targeted reforms and funding, and invests in the people and places who need support the most, and we look forward to getting this done."

The legislation also includes the language of *An Act to Promote Housing Choices,* the Administration's bill to advance new housing production in Massachusetts, to promote equitable access to opportunity, and to support the administration's goal to produce 135,000 new housing units by 2025. *An Act Enabling Partnerships for Growth* includes these Housing Choice provisions to enable cities and towns to adopt certain zoning best practices through a simple majority vote rather than the current two-thirds supermajority.

An Act Enabling Partnerships for Growth was originally filed in March of 2020. For more details, **click here** (/info-details/partnerships-for-growth).

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Governor Charlie Baker, Lt. Governor Karyn Polito and the Baker-Polito Administration are working to respond to the ongoing COVID-19 outbreak and

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