



September 5, 2023

The Honorable Ron Mariano, Speaker of the House
 The Honorable Karen Spilka, Senate President
 The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means
 The Honorable Michael Rodrigues, Chair, Senate Committee on Ways and Means
 State House
 Boston, MA 02133
 via email

Time-sensitive: Housing Development Incentive Program (HDIP)

Dear Speaker Mariano, Senate President Spilka, and Ways and Means Chairs:

We, the undersigned Mayors and Managers representing Gateway Cities, ask you to raise the annual cap on the Housing Development Incentive Program (HDIP) from \$10M to \$30M in your forthcoming tax relief package, with an additional one-time bump to clear the backlog of projects. This provision will result in no lost revenue to the Commonwealth; rather, it will spur housing growth in 26 mid-sized cities, promoting more balanced development across regions and generating additional local and state taxes.

We thank you for your long record of support for HDIP, which has proven to be one of the state’s most successful and cost-effective tools for creating new housing. This is the third time HDIP expansion has reached conference committee over the last three legislative sessions. Both chambers included it in their economic

development packages in 2019-2020 and 2021-2022 following multiple votes by committees and members. This year alone, Gov. Healey and the Senate included the provision in their respective tax bills, while the House included it in a supplemental budget bill. HDIP has been amply debated and critiqued both inside the building and in the public spotlight of the media. As municipal leaders committed to mixed-income neighborhoods and affordable housing, we stand ready to work with the Secretary of Housing and Livable Communities to ensure that HDIP achieves its statutory goals in a fair, equitable, and transparent fashion.

Without action this year, a sunset provision will take effect on January 1, 2024 that will reduce the cap from \$10M to \$5M. In consequence, the current five-year backlog of projects would turn into a ten-year waitlist.

HDIP has been limited to its original \$10M pilot level since its creation in 2013. Right-sizing the program to meet the real need has long been one of our top priorities. To solve the housing crisis and stabilize our residents, we need to build much more housing at a range of low- and moderate-income price points. HDIP excels at creating new middle-income homes that are critical to attracting and retaining employers and which is part of a broader mixed-income housing strategy that includes affordability tools.

No developer would wait five years for a modest amount of state funding unless it were essential to the project. With construction costs rising even faster than rents, more projects than ever before need HDIP to make their financing work. Currently, the state allocates HDIP tax credits to 5-8 projects per year, meaning only one project for every 4 Gateway Cities gets funded in a single year. Yet many of us can identify 3 or 4 new housing developments that could snap to life if HDIP were scaled up.

We humbly ask you to resolve this longstanding issue and enable us to build the housing that we all need.

Thank you sincerely,

Cathleen DeSimone, Mayor of Attleboro
Robert F. Sullivan, Mayor of Brockton
John L. Vieau, Mayor of Chicopee
Carlo DeMaria, Mayor of Everett
Paul Coogan, Mayor of Fall River
Stephen DiNatale, Mayor of Fitchburg
James Fiorentini, Mayor of Haverhill
Joshua A. Garcia, Mayor of Holyoke
Brian DePeña, Mayor of Lawrence
Dean Mazzaella, Mayor of Leominster
Sokhaury Chau, Mayor of Lowell
Thomas A. Golden, Jr., City Manager of Lowell
Jared C. Nicholson, Mayor of Lynn

Gary Christenson, Mayor of Malden
Neil Perry, Mayor of Methuen
Jon Mitchell, Mayor of New Bedford
Edward A. Bettencourt, Jr., Mayor of Peabody
Linda M. Tyer, Mayor of Pittsfield
Thomas P. Koch, Mayor of Quincy
Patrick Keefe, Jr., Acting Mayor of Revere
Dominick Pangallo, Mayor of Salem
Domenic J. Sarno, Mayor of Springfield
Shaunna O'Connell, Mayor of Taunton
Mike McCabe, Mayor, Westfield
Eric D. Batista, City Manager of Worcester
Joseph M. Petty, Mayor of Worcester

cc: Mark Cusack, House Chair, Joint Committee on Revenue
Sen. Susan Moran, Senate Chair, Joint Committee on Revenue
Rep. Michael Soter, Massachusetts House of Representatives
Sen. Bruce Tarr, Republican Leader, Massachusetts Senate
Rep. Antonio Cabral, Chair, Gateway Cities Caucus
Sen. John Cronin, Chair, Gateway Cities Caucus