

June 16, 2022

The Honorable Senator Julian A. Cyr, Cape Cod and Islands
The Honorable Senator Susan L. Moran, Plymouth and Barnstable
The Honorable Representative Timothy R. Whelan, 1st Barnstable District
The Honorable Representative Kip A. Diggs, 2nd Barnstable District
The Honorable Representative David T. Vieira, 3rd Barnstable District
The Honorable Representative Sarah K. Peake, 4th Barnstable District
The Honorable Representative Stephen G. Xiarhos, 5th Barnstable District
The Honorable Representative Dylan A. Fernandes, Barnstable, Dukes and Nantucket District

Dear Cape Cod Legislative Delegation,

We write in support of a funding package filed in recent weeks by Governor Baker that would deliver significant resources to the Cape and Islands region for both housing and the environment. Both the supplemental budget (H. 4802) and H. 4720, *An Act Investing in Future Opportunities for Resiliency, Workforce, and Revitalized Downtowns* (FORWARD) contain statewide appropriations and policy initiatives that would benefit our region. The supplemental budget includes funding that provides both housing and wastewater funding specifically for our region. We thank the Legislature for the items contained in the most recent redraft of the FORWARD bill (H.4864) as it was reported out of the Joint Committee on Economic Development and Emerging Technologies and wish to draw your attention to Cape & Islands priorities contained in the Governor's package.

The supplemental budget carves out \$200 million for seasonal communities (Barnstable, Dukes, Nantucket, and Berkshire counties) to access loans and grants to build rental or for-sale housing for households making between 60% and 120% of area median income. Seasonal communities share unique stressors with respect to both the seasonal incomes of many year-round residents and the real estate market. The fact that the real estate market is driven by the demand and buying power of non-local purchasers is a problem unique to tourist economies. A large portion of year-round residents in seasonal communities simply cannot compete in a housing market that pits them against wealthier second homebuyers. This funding helps solve that problem for a spectrum of low-income, moderate-income and workforce housing of both rental and homeownership varieties by providing specialized financing opportunities, and access to resources with the explicit goal of building housing that is relevant for a region with a high proportion of second homes.

In addition, the FORWARD bill reforms the Starter Home Zoning incentive program, which will help provide greater first-time homeownership opportunities for residents of our region. FORWARD also provides a much-needed increase to the Housing Development Incentive Program (HDIP) cap and contains \$269 million in key reauthorizations for core housing programs that are beginning to run low, including the production and preservation of affordable rental housing, public housing, and other core capital programs.

The FORWARD bill provides an additional \$64 million for water and sewer infrastructure projects that would be accessible to Cape & Islands towns along with the rest of the Commonwealth. There are other environmental funding authorizations in both bills: the FORWARD bill steers \$104 million towards the Water Pollution Abatement Trust revolving fund, along with funding for culverts, dams, and other environmental infrastructure improvements. As you are all aware, the costs of remediating historic degradation of water quality and the impacts of climate change fall most heavily upon those most economically disadvantaged. The FORWARD bill appropriately recognizes the economic and environmental imperative that requires that we restore our estuaries and pond and prepare for climate adaption through restoration of natural resources. Addressing these twin needs

through the funding proposed in this bill is both an environmental requirement and much needed to mitigate the forces contributing to the housing affordability crisis.

Our understanding is the majority of these policies and spending priorities contained in both bills are non-controversial consensus items. Given how long it takes for new housing to come online and as bad as our housing crisis has become during the pandemic, we do not believe the Cape Cod region can afford to wait for a new legislative session for these critical resources. This sentiment extends to wastewater funding as well, as Conservation Law Foundation lawsuits loom over several Cape towns. We are agnostic as to the source of funding and understand that is a matter of some debate and recognize this funding could be spread out over several vehicles currently being discussed as the end of session approaches. It is our hope that the Legislature will advance items critical to housing and the environment in a manner it sees fit this session.

We therefore respectfully request you speak to Legislative Leadership about the advancement of these priorities this session. Thank you for your consideration in this matter as you balance so many end-of-session requests.

Sincerely,

Rob Brennan, Managing Partner, CapeBuilt Development;
Ryan Castle, CEO, Cape Cod and Islands Association of REALTORS
Chris Flanagan, Executive Director, Home Builders and Remodelers Association of Cape Cod
Andrew Gottlieb, Executive Director, Association to Preserve Cape Cod
Alisa Magnotta, CEO, Housing Assistance Corporation
Paul Niedzwiecki, CEO, Cape Cod Chamber of Commerce