

**OFFERED BY COUNCILORS BRIAN WORRELL, BREADON, COLETTA ZAPATA, CULPEPPER, FITZGERALD, FLYNN, LOUIJEUNE, MURPHY, PEPÉN, SANTANA, AND WEBER**



## **CITY OF BOSTON**

**IN THE YEAR TWO THOUSAND TWENTY SIX**

### **ORDER FOR A HEARING TO EXPLORE A PUBLIC-PRIVATE LENDING AGENCY IN BOSTON**

**WHEREAS,** Residential and commercial development has stalled citywide, in part because of the high interest rates available on the private market that cause projects to become unfinanceable; *and*

**WHEREAS,** Private credit assets of alternative asset managers have tripled in the last decade, as more and more U.S. banks continue to “cede lending territory” to these private creditors, according to research from Moody’s; *and*

**WHEREAS,** The private credit market often lacks the incentive to invest in community need and development that serves the greater good, including housing developments that serve the city’s fair-housing mandate as well as businesses such as day cares, pharmacies, and grocery stores; *and*

**WHEREAS,** This can result in development that serves the greater good going unfinanced, including housing projects that advance the City’s fair housing mandate and essential neighborhood businesses such as daycares, pharmacies, and grocery stores; *and*

**WHEREAS,** Boston’s substantial amount of cash reserves and AAA bond rating would best be put to use by providing capital to city businesses and developers at a rate lower than the private market but still above the rate the city borrows money at, to grow the tax base and give the city an equity investment in a segment of much-needed businesses; *and*

**WHEREAS,** A public-private lending platform could provide an alternative to private lending, and help alleviate barriers by providing financing and bonds at lower interest rates to borrowers than the private market; *and*

**WHEREAS,** The City of Boston and its quasi-agencies, including the Boston Housing Authority, Mayor’s Office of Housing, Boston Local Development Corporation, and Boston Redevelopment Authority, already provide pathways to loans and capital for a range of clients such as residents, small businesses, and developers; *and*

**WHEREAS,** Other cities have demonstrated some success with public lending initiatives, such as Maryland’s Montgomery County publicly-chartered Green Bank that partners with the private sector to provide more affordable clean energy financing, and the Bank of North Dakota, which has been working with municipalities, the business community, and small banks in that state for more than a century, and is still cited as an important lending partner for smaller local banks; *and*

**WHEREAS,** By establishing a financial arm with a mission to use public lending for the public interest, and where the City could offer better rates than the private market, it will help accelerate Boston’s business sector and wider economy by allowing businesses, including housing developers, to tap into resources they typically can’t afford to otherwise, and by reinvesting revenue and resources back into the communities who need it most; *and*

**WHEREAS,** The stability a public-private lending agency could bring to local communities, with the potential for partnerships with the Boston Local Development Corporation (BLDC), neighborhood development corporations, and other existing structures in the City that can help make and support a public-private lending agency, would be significant, and would help lessen the current risk to the financial system fueled by an increasing reliance on the private credit market that prioritizes competition and is led by aggressive growth; ***NOW, THEREFORE BE IT***

**ORDERED:** That the appropriate committee of the Boston City Council hold a hearing to discuss the creation of a public-private lending agency in Boston to provide developers and businesses with an alternative financing source, to help allow the city to invest in much-needed business segments, and that the Finance Department, the Assessing Department, the Mayor’s Office of Housing, the Office of Economic Opportunity and Inclusion (OEOI), the Office of Small Business, members of the public, and other interested parties shall be invited to attend and testify.

Filed on: April 6, 2026