



BOSTON CITY COUNCIL

Committee on Boston's COVID-19 Recovery
Sharon Durkan, Chair

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REPORT OF COMMITTEE CHAIR

October 7, 2024

Dear Councilors,

The Committee on Boston's COVID-19 Recovery was referred the following docket for consideration:

Docket #1385, Message and order for your approval an Order authorizing the City of Boston (the "City") to accept and expend the amount of Seven Million Dollars (\$7,000,000.00) in the form of a grant (the "Grant Payment"), awarded by the United States Department of the Treasury, to be administered by the City's Chief Financial Officer/Collector-Treasurer. This Grant Payment is made from the Coronavirus State and Local Fiscal Recovery Fund in the Treasury of the United States established by Section 9901 of the American Rescue Plan Act (ARPA) of 2021.

This matter was sponsored by Mayor Michelle Wu and referred to the Committee on September 18, 2024.

Summary of Legislation

Docket #1385 is a docket requesting approval to accept and expend the amount of Seven Million Dollars (\$7,000,000) in the form of a grant, awarded by the United States Department of the Treasury as part of the American Rescue Plan Act (ARPA) of 2021. The docket allocates the \$7M into three programs: \$3M for the Acquisition Opportunity Program, \$3M for the homeownership for low-and-moderate income homebuyers program, and \$1M for the Office of Economic Opportunity and Inclusion's SPACE program.

Information Received at Hearing

The Committee held a hearing on Monday, October 7, 2024 to discuss Docket #1385. The Committee heard testimony from representatives of the administration: Ashley Groffenberger, Chief Financial Officer, Kenzie Bok, Administrator, Boston Housing Authority (BHA), Rick Wilson, Director of Administration and Finance, Mayor's Office of Housing (MOH), and Segun Idowu, Chief of Economic Opportunity and Inclusion.

Chief Groffenberger provided an overview of all ARPA grants accepted by the City to date (\$551.7M) and stated this will be the last ARPA grant before the Council. She explained the allocation of this \$7M was determined by listening to community voices, during the budget process and beyond. She reiterated the Administration's commitment to obligate these funds and previous ARPA funds by the federal deadline of December 2024; she stated the City has \$119M left to obligate (down from the \$145M left approximately a month ago).

Director Wilson provided an overview of the Acquisition Opportunity Program (AOP). He explained the program provides funding to responsible developers to purchase occupied market rate rental buildings off of the speculative market in order to prevent displacement and create permanently restricted units. The program was launched in 2016; since then \$94M has been allocated to AOP, of which \$48.5M is ARPA funding (other sources of funds include Community Preservation Fund revenue and Inclusionary Development Policy funds, among others). To date AOP has supported the acquisition of 125 buildings



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and 991 units; 56 of those buildings and 332 of those units from ARPA funds. He provided an overview of AOP units by neighborhood and AOP units funded by ARPA by neighborhood.

Administrator Bok gave an overview of the BHA First Time Homebuyers Program (BHA-FTHP). She explained it works concurrently with another homebuyers program managed by the Mayor's Office of Housing and has been entirely funded by ARPA funds. The program provides \$75,000 in down payment assistance for BHA residents (\$50,000 from MOH, \$25,000 from BHA) and funds the staff required for the program. The program works with other homeownership programs both at the city level and federally, including the Section 8 to homeownership program, which allows Section 8 voucher holders to use their vouchers to pay their mortgage. She stated before this BHA-FTHP, about two families a year used the Section 8 to homeownership program; after the commencement of the BHA-FTHP, more than 50 families have used it in the last year and three months. She stated of those able to buy homes through both of these programs, almost all have been able to buy in the city of Boston and almost all have been able to buy non deed restricted homes. She provided an overview of original allocations for the program (\$2M), total awarded to date (\$1,433,000), number of households who have purchased in Boston (52), and the makeup of purchase (27 single family, 24 condos, 1 multi-family). She stated there are enough families in the pipeline about to close on their homes to fully spend down their original allocation, and stated once the City allocates money to BHA, it is considered obligated by federal obligation standards. She provided additional statistics, including the average home purchase price (\$513K), the average BHA household income (\$60K), and the total combined asset value of all purchased homes (\$28M). She stated she expects to support 60 more BHA households by the federal expenditure deadline of December 2026. She stated the \$25,000 amount (and the 60 household amount) is subject to change based on the MOH grant and loan amounts (which may shift in the light of their own ARPA expenditures) and on the amounts provided by other homebuyer assistance programs (like Commonwealth Dreams).

Chief Idowu gave an overview of the Supporting Pandemic Affected Community Enterprises (SPACE) program to date, which has enabled small business owners to open new or additional storefronts. The program has received over 650 applications, funded 61 small businesses, distributed \$7.4M, and expects over 600 jobs to be created; of the funds awarded, 68% went to women-owned businesses and 74% went to POC-owned businesses. With the additional funding, there could be at least 10 more businesses funded, which could lead to at least 100 more new jobs. He provided a breakdown of where new locations were funded by district and explained the Office of Economic Opportunity and Inclusion chose to allocate the additional \$1M to this program due to the large impact this program has had (as evidenced by small business owners perceptions and the laudatory comments of Congresswoman Ayanna Pressley) and to the wide variety of industries and neighborhoods these grants support.

Committee Chair Recommended Action

As Chair of the Committee on Boston's COVID-19 Recovery I recommend moving the listed docket from the Committee to the full Council for discussion and formal action. At this time, my recommendation to the full Council will be that this matter **OUGHT TO PASS**.

Sharon Durkan, Chair
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