



Priorities for an Equitable and Resilient Economic Recovery

**THE METROPOLITAN AREA PLANNING COUNCIL
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The COVID-19 pandemic and resulting economic crisis have highlighted the structural inequities that cut across our society. Access to stable housing, reliable transportation, and gainful employment vary sharply across the Commonwealth and especially across racial lines. The past year has put a spotlight on the breadth and depth of these inequities. We now face the question of whether recovery will be similarly unequal across race and income, or whether we can use this recovery to create a more equitable society that will better be able to withstand the next shock, while proactively dealing with existing challenges such as climate adaptation, housing and public infrastructure.

The ideas highlighted below are just some of strategies we need to pursue to ensure an economic recovery at both the state and federal level that is centered on equity. We must use this moment not to return to the old normal, but also to confront and dismantle the root causes of the disparate impacts of the pandemic and economic downturn. Creating plentiful, well-paying jobs and providing financial support to those hit hardest by the pandemic is essential. As we develop a strategy for doing so, we must also confront the challenges that existed prior to the pandemic and have persisted throughout. The Commonwealth still faces a dearth of affordable housing options, a chronically underfunded transportation system, increasingly damaging impacts of the climate crisis and additional pressures on our health and digital infrastructure. The steps we take to ensure an equitable recovery must be aligned with tackling these issues and the social, economic, and racial disparities they perpetuate.

Questions?

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Improve and Expand Workforce Development and Small Business Support

Incentivize municipalities and MassHire Workforce Boards to collaborate on updates to the Regional Blueprint planning documents as a way to develop concrete plans for workforce development in the post-COVID future.

A successful economic recovery will require integrated, regional strategies. Bringing municipalities and community-based organizations into the planning process can help to address issues such as housing and transportation, which have a significant impact on both workers and employers. The MassHire Workforce Boards (formerly referred to as Workforce Investment Boards, or WIBS) are well suited to help guide the development of a workforce recovery plan that would align with MAPC's Comprehensive Economic Development Strategy (CEDS) and the priorities of its member municipalities and other stakeholders, building on the work of the Regional Blueprint planning processes here in the MAPC region and throughout the state. Beyond more integrated planning, we would suggest these changes:

1. The Workforce Boards should be reevaluated so that they better reflect current demographic and economic conditions.
2. High need communities could be grouped together so that they might receive a larger portion of the state's Workforce Innovation and Opportunity Act (WIOA) workforce investment budget, which comes from the federal government.

Promote the redevelopment of vacant commercial spaces through financial incentives and zoning changes.

Between sustained remote work, business closures resulting from the COVID-19 pandemic, and the rapid growth of e-commerce, downtowns, strip malls, and other commercial and office spaces may be facing long-term vacancies. The Mass Office of Business Development's (MOBD) Vacant Storefront Program should be updated and expanded to simplify the

requirements and make it easier to participate. In particular, we encourage MOBD to review requirements to designate a district as high-vacancy, and to reduce the vacancy period requirement. In addition, the Commonwealth should act quickly to provide financial incentives or tax abatements, either on its own or through municipalities, to revitalize these spaces for housing, new research, commercial, or manufacturing enterprises, arts and cultural uses, or in some cases for green or open space. Reusing vacant or underutilized properties could be an opportunity to reinvigorate the arts and cultural sector, which was hit hard by prolonged business closures. Revitalizing old mills, suburban malls, and undersized urban industrial sites could have important benefits for the employment of diverse populations, while simultaneously reducing transportation costs and emissions. Renovating these sites into useable space requires public subsidies and support.

The Commonwealth should encourage the revitalization of space in a climate-smart manner, regardless of the new use of the space. The state should either require or incentivize owners and operators to integrate energy efficiency, low-carbon materials, green infrastructure like rain gardens and pervious pavement, and renewable energy generation, from solar panels to highly efficient heat pumps for heating and cooling, whenever feasible. This forward-looking redevelopment will benefit communities through operational cost savings, reduced carbon and air pollution, improved health outcomes and resilience, and enhanced cultural and functional offerings. Additionally, now is the moment to take advantage of these opportunities. If we wait much longer, the cost of retrofits may skyrocket. To support these efforts, municipalities should consider additional zoning changes that reflect this shift in demand and enable more mixed-use and sustainable development.

Restructure the Governor’s Workforce Skills Cabinet as the Economic Resilience and Recovery Cabinet.

The Cabinet currently includes the Secretaries of Labor, Education, and Housing and Economic Development and is charged with creating and implementing a strategy around skills development to address the skills gap and better match job-seekers with employers. As was the case during the 2008 economic crisis, the Commonwealth would benefit from a cross-secretariat entity charged with advancing a swift, green, and equitable economic recovery. The Cabinet should begin by assessing the social and economic vulnerabilities that have yielded such disparate outcomes as a result of this public health crisis. The Cabinet should be independently staffed to ensure coordination and a streamlined authority. Ultimately, the Cabinet should develop an actionable cross-secretariat economic recovery and resiliency strategy.

Funding to support workforce and economic development, small business technical assistance, and small business resiliency.

The state will need to extend or stand up a number of important programs to support our economic recovery.

1. Through the Economic Resilience and Recovery Cabinet or independently through EOHEd, the state should develop a grant program aimed at implementing regional and municipal workforce and economic development initiatives that require a coordinated approach across municipal lines. One way to achieve this goal is to **expand and continue the Mass Office of Business Development Regional Pilot Project Grant Program** beyond its planned expiration of June 30, 2021. It may be useful to combine several budget and bond funded programs to focus this effort and also create a system so that municipalities can more easily access funding opportunities, not unlike the recently created One Stop for Growth process.

2. The grant funding that the state has provided to small businesses will certainly help sustain those businesses through the next several months. Over the next year, businesses will need sustained technical assistance to adapt and develop new business models in order to survive in the new business climate. The increased funding for the Mass Growth Capital Corporation Technical Assistance program has allowed businesses to receive quality technical assistance through small business support providers across the state. **Sustained and continued technical assistance funding should be directed at small businesses, especially those which advance equity, environmental justice, and climate resilience. A significant portion these resources should be focused on helping Minority- and Women-owned businesses access public contracts.**
3. Part of economic recovery means helping small businesses to become resilient to future shocks. One way to promote small business resiliency is by **providing supports for small businesses to transition to cooperative or employee stock ownership (ESOP) models.** There is increasing evidence that cooperatively owned businesses or businesses with employee stock ownership plans are more successful than traditional business models, on average.¹ Providing support for small businesses to convert to cooperative and employee-owned business models could help those businesses achieve greater long-term economic resiliency. To facilitate this, we would encourage the Mass Growth Capital Corporation and other state agencies to provide incentives, technical assistance, and other forms of support for cooperatives and ESOPs.

¹ Erik K. Olsen, The Relative Survival of Worker Cooperatives and Barriers to Their Creation, in *Sharing Ownership, Profits, and Decision-Making in the 21st Century*, 85 (vol. 14, Dec. 2013), available at <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/article-olsen.pdf>

Align Economic Recovery with our Climate, Housing, and Transportation Goals

Set incentives and mandates that will accelerate building and transportation decarbonization and help build a decarbonization workforce.

The Commonwealth should set incentives and mandates, and a schedule for implementing those mandates, to accelerate building and transportation decarbonization. Not only would this align with the greenhouse gas emissions targets required by the Global Warming Solutions Act and improve public health outcomes, but it would also drive demand and grow the decarbonization workforce. Some of these mandates could include a statewide building energy and benchmarking disclosure requirement; a statewide building emissions performance standard that includes fees or an alternative compliance program; a robust heating fuel emissions cap; and a statewide net zero base building energy code no later than 2028. Additional incentive programs could include a new opt-in net zero stretch code pathway and an updated higher-performance stretch code update by 2025; revisions to the a Green Communities program with incentives to encourage GHG emissions reductions communitywide, not just within municipal government; and the elimination of fossil fuel support in the MassSave program.

Create a Climate Infrastructure Bank.

A Climate Resiliency Infrastructure Bank would provide funding for infrastructure projects designed to help the Commonwealth withstand and reduce the impacts of climate change. The Bank would be established and initially capitalized by the Commonwealth or through federal recovery funds and would include debt financing where appropriate paybacks exist, such as clean energy, transit, and water infrastructure and technology investments, and institute a revolving loan fund and other financing tools to support critical and large-scale decarbonization and resilience measures where the payback is more challenging, such as with deep energy retrofits, long-duration battery storage, and district heating and cooling. The Bank could prioritize funding innovative and emerging climate

and energy technologies and regional/multi-municipal resilience infrastructure, especially in underserved and overburdened communities and environmental justice communities. To complement these efforts, the Commonwealth should also expand available climate mitigation and resiliency grant funding through additional revenue sources (including the HERO legislation, carbon pricing, green bonds, excise taxes, and other fees).

Increase planning, capital, and operating funding for public transit.

A safe, reliable, and accessible public transit system will be essential to an equitable economic recovery. The MBTA is facing structural capital and operating budget deficits, and relief in both areas would bolster economic recovery. We must ensure that there is adequate funding for planning and design. In addition, increasing funding for capital projects is one of the most meaningful transportation investments with respect to job creation. A study evaluating the job creation impacts of the American Reinvestment and Recovery Act (ARRA) in 2009 found that public transportation investments generate 31% more jobs per dollar than construction of new roads and bridges.² Lastly, increased operating funds would ensure that people could more easily get around our Commonwealth without a car. These investments should also make our transportation system more climate friendly (e.g., electrification to reduce gas and diesel consumption and pollution), while advancing climate readiness by ensuring the entire system is resilient to extreme heat, flooding, and blizzards. Beyond the MBTA, financial support to enable Regional Transit Authorities (RTAs) to expand service routes and reduce headways is also critical to the more outlying communities in our region and throughout the Commonwealth.

² Smart Growth America, "Recent Lessons from the Stimulus: Transportation Funding and Job Creation." <https://smartgrowthamerica.org/app/legacy/documents/lessons-from-the-stimulus.pdf>.

Reduce the barriers to housing production in smart growth, climate resilient locations while ensuring protections against displacement.

Housing production is not only a tool for job creation, but, with the appropriate displacement protections in place, it can also help alleviate some of the housing insecurity made deeply evident by the current public health crisis. Recent zoning changes within the Economic Development Bond Bill require municipalities to zone multifamily districts by right near MBTA stations and facilities. As DHCD creates guidance for implementation, we strongly encourage the inclusion of incentives or preferences that promote affordability, family housing, and housing that is efficient, sustainable, and resilient. The Commonwealth should also prioritize the expenditure of transit capital dollars to municipalities that already comply or make these zoning changes. Capital dollars for programs like MassWorks (and the newly consolidated One Stop for Growth program) should also be clearly tied to zoning and permitting for housing, especially affordable, family, and climate friendly housing.

Increase funding for rental assistance, utility bill assistance, and supportive services.

Another effort to promote housing stability includes increasing funding for rental assistance, utility bill assistance, and complementary supportive services. The public health crisis clearly exacerbated housing insecurity, but providing stable housing and alleviating utility bill stressors during the recovery could help achieve economic stability across our region. In addition to increasing funding for the Massachusetts Rental Voucher Program, the Commonwealth should provide technical assistance and resources for innovative partnerships with health centers, social service agencies, community action agencies, and other entities that provide supportive services. We appreciate the recent housing stability programs funded by the Legislature and developed by the Administration, but we also recognize the demand is likely to continue for at least a year after the emergency order is lifted and continued funding will be necessary to meet these ongoing demands.

Improve Connectivity and Access and Build Both Digital and Public Health Infrastructure

Overcome the digital divide.

The pandemic upended the way we work and learn, making the internet essential infrastructure to ensure people can work remotely and stay connected. To close the digital divide, we must ensure universal digital access via computing devices, digital literacy trainings, and reliable and fast internet at an affordable price. Regulatory reforms related to data transparency and permitting should be implemented, as well as the creation of statewide and regional goals and standards for speed, price and reliability of service. Technical assistance should also be provided to municipalities to help them plan for their digital future. Finally, investments should be made to build the digital workforce, generating public and private sector positions in this field.

Create better opportunities for residents to connect with local government.

The public health crisis has accelerated the need to connect residents to their local government virtually. Once the most pressing public health concerns subside, there will still be a desire and a need to participate in public meetings and access local government services digitally. Enabling virtual participation in public meetings has yielded an increase in participation thus far. Making this a permanent feature of how residents can participate in local government is wise, as long as there are efforts to ensure more residents have digital access. The accelerated adoption of these tools also highlights the opportunity local governments have to streamline service delivery and operate more efficiently and effectively. Providing incentives and technical assistance to digitize permitting and licensing would help local regulatory processes to move forward more quickly, and they would also bolster public faith in government. As more local governments expand their digital presence, the Commonwealth should consider creating an Office of Data Standards so that the appropriate information can easily be shared between municipalities and other local partners.

Regionalize and build the capacity of public health infrastructure.

The current pandemic has highlighted the tremendous role municipalities play in public health and how under resourced our public health infrastructure has been. We must continue to prioritize this work and make real investments in public health infrastructure, especially to encourage regional efforts. The region and state have seen very intentional and productive examples of regional public health delivery models and cross-municipal projects. Examples include testing sites, quarantine housing, pool testing, and vaccine clinics. We believe the foundation has been laid for many communities to continue to work together, and eventually partner on equally important non-COVID public health initiatives. We encourage the Commonwealth to provide adequate funding for local boards of health to address chronic health issues and to continue incentivizing regional shared projects, while also creating stronger relationships between municipal public health efforts and the Department of Public Health. The regional planning agencies can play an important role in helping communities to work regionally.