

# Neighborhood Hub Initiative

## **MassHousing**

Special Achievement: SA

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**Background/Need**

There are two housing crises in Massachusetts. In the Greater Boston region, home prices have climbed precipitously following the Great Recession, driven by an influx of new residents and a dwindling supply of new homes. Outside of Greater Boston, and particularly in more distant urban centers, stagnant real estate markets abound. The Commonwealth has identified 26 “Gateway Cities” which are municipalities around Massachusetts that are midsize urban cores, and regional anchors to economies outside of the Boston area. Specifically, under Massachusetts General Law, these 26 Gateway Cities are defined as a municipality with a population greater than 35,000 and less than 250,000, a median household income below the Commonwealth's average and a rate of educational attainment of a bachelor's degree or above that is below the Commonwealth's average. Gateway Cities face a different set of economic challenges than other communities in Massachusetts. The 1.8 million citizens of the Commonwealth who reside in the 26 Gateway Cities represent about one-quarter of the state's population and include: 37% of the state's foreign-born residents; 44% of the state's population living in poverty; 47% of the state's population without a high school credential; and 51% of the state's linguistically isolated residents. MassHousing sees the creation of affordable and mixed-income housing opportunities as critical to the future of these Gateway Cities.

For decades, these Gateway Cities were home to industrial anchors that supported a thriving community and a “gateway” to the American Dream for residents born near and far. The Gateway City of Holyoke, for instance, was the largest single producer of paper in the country in the 1900s and had the third most foreign-born residents, per capita, in the U.S. Yet over the past several decades, manufacturing jobs have dwindled, leaving these urban centers in fiscal disrepair.

Low municipal capacity accentuated by the crushing effect of the Great Recession on the housing market and the economy, have left Gateway Cities in a decade of plight. With continued low housing values in these communities, the cost of maintenance exceeds home values, leading to increasing disrepair and abandoned properties – which some Mayors have taken to calling “zombie properties.” In the Gateway Cities of Fall River, Fitchburg, Holyoke, and Pittsfield more than one in ten housing units is vacant. Research has shown that high vacancy rates negatively affect neighborhoods, leading to depressed property values, increased crime, a reduction in local tax revenue, and increased public health hazards.

In January of 2019, a study commissioned in Massachusetts by MassINC and the Massachusetts Association of Community Development Corporations (MACDC), [Building Communities of Promise and Possibility](#), identified the need for, and outlined the potential components of, a comprehensive neighborhood revitalization strategy. MassHousing saw this as a jumping off point for a collaborative effort with other key stakeholders in the affordable housing arena in Massachusetts.

### **Innovation**

The Neighborhood Hub is a new initiative to support local housing markets in Gateway Cities across the Commonwealth. The Hub is a multi-agency partnership that includes: MassHousing, MassDevelopment, the Massachusetts Housing Partnership (MHP), the Massachusetts Association of Community Development Corporations (MACDC), the Massachusetts Institute for a New Commonwealth (MassInc), the Commonwealth's Department of Housing and Community Development (DHCD), and coordination with the Attorney General's Office. The Hub's \$750,000 initial funding comes from a state budget line-item. By working closely with the multi-agency partners and additional public and private stakeholders, the Hub leverages additional sources of funds to support the program.

The primary goal of the program is to stabilize neighborhoods with a high rate of vacant, abandoned, and blighted properties in Gateway Cities. For its first iteration, the Neighborhood Hub is partnering with five communities and supporting them by:

- working with them and their nonprofit partners to identify strategic neighborhood revitalization initiatives;
- supporting the implementation of strategies for reclaiming vacant, abandoned, and blighted properties; and,
- building capacity at the local level to implement change.

As the COVID-19 pandemic wreaks havoc on local economies, more households are at risk of being unable to pay their rent or mortgage. Research now shows that households of color and those that are low-income are being disproportionately affected by the pandemic's health and economic effects. As Gateway Cities have a higher rate of both households of color and low-income residents, the Neighborhood Hub is identifying resources and strategies to preemptively support potential evictions and foreclosures in partner cities.

The Neighborhood Hub is located within MassHousing's Executive Director's office, with access to the technical expertise and resources of the partner agencies. The Neighborhood Hub Manager reports directly to MassHousing's Executive Director, Chrystal Kornegay; and interacts regularly with the Executive Leadership of the Hub's partner agencies through the Hub Advisory Committee which shapes the program's design and support for Gateway Cities. The Neighborhood Hub Manager also partners with MassDevelopment's cohort of Transformative Development Initiative (TDI) fellows, who support economic development activities, resources, and investments within designated neighborhood areas in Gateway Cities.

The Neighborhood Hub is an excellent example of a collaborative effort that is bringing agencies together in a common goal – to work on defined challenges in new and innovative ways.