



## CHAPA Senate FY'09 Budget Amendment Priorities

The Senate Ways and Means FY'09 budget proposes appreciated increases for several housing programs. However, CHAPA has singled out the following programs that are in need of additional funding as critical to a comprehensive approach to increasing affordable housing opportunities.

### ***1. Massachusetts Rental Voucher Program (7004-9024); Senator Sue Tucker***

MRVP helps low income tenants pay their rent in private apartments by paying the difference between 40% of the tenants' income and the rent. This program is critical in preventing homelessness by providing stable housing for low income residents experiencing housing instability. Due to our high cost of living, approximately 1,950 *families* currently live in state-funded shelters, some of which are hotels and motels. The cost to the Commonwealth of sheltering these families averages \$3,000 per month, while the average MRVP voucher cost is \$565 per month. Furthermore, over 118,000 households in Massachusetts earn less than 30% of Area Median Income and pay more than 50% of their income towards rent and utilities which puts them at constant risk of homelessness.

Despite a much appreciated modest increase proposed by Senate Ways and Means, the Commonwealth may have to reduce the number of MRVP vouchers available in FY'09 due to cost increases if the program is funded at proposed level of \$33 million, exposing additional families to the risk of homelessness. Furthermore, DHCD's Section 8 waiting list is over 57,000 people. Therefore, we are requesting Senators to join Senator Tucker, chief sponsor of the amendment, in supporting Mass. Rental Voucher Program funding at \$35 million. Senators interested in cosponsoring the amendment can contact Rachel Heller at (617) 722-1612 or the Senate Clerk beginning Friday, May 16<sup>th</sup> at noon.

### ***2. Public Housing Operating Subsidy (7004-9005); Senator Sue Tucker***

CHAPA supports the budget amendment filed by Senator Tucker to increase funding for the Public Housing Operating Subsidy for FY09. Our local public housing authorities provide housing for some of the neediest families in Massachusetts. However, the lack of operating subsidy has undermined the viability of this critical Commonwealth asset. Due to chronic under-funding, Housing Authority properties have deteriorated and staffing is severely inadequate. In addition, neglect has caused much-needed units to come off-line, diminishing the supply of housing available to low-income families, seniors, and the disabled.

Recent studies by DHCD, Harvard University and the Commonwealth Auditor verify that the current funding is severely hampering the local housing authorities' ability to serve the nearly 50,000 Massachusetts households that live in public housing, and to preserve and extend the

useful life of an asset worth over \$10 billion. With the Administration and the Legislature's support, the FY 2008 line-item was increased to \$60.1 million. However, the subsidy account funding is still shy of where it needs to be to adequately support and maintain this housing resource. Senators can support Senator Tucker's amendment to increase the Public Housing Operating Subsidy for FY'09 by contacting Rachel Heller, or they can contact the Senate Clerk beginning on Friday at noon.

***3. Affordable Housing Trust Fund included in the Bay State Competitiveness Investment Fund (Outside Section 7); Senator Brian Joyce***

When the Bay State Competitiveness Fund was created last year (1<sup>st</sup> proposed in Senate Budget and passed as Ch. 140 of Acts of 2007), the Fund included \$10 million in funding for the Affordable Housing Trust Fund. The Bay State Fund uses surplus revenue available at the end of the fiscal year to fund programs named in the Fund. That \$10 million has been a great addition to the Trust Fund and has helped feed the pipeline for new affordable housing rental projects at a time when rents are rising.

Unfortunately, Outside Section 7 of the Senate Ways and Means FY'09 budget continues the Bay State Competitiveness Fund but removes the Affordable Housing Trust Fund from funded programs. We are requesting that it be added back in and Chairman Joyce has agreed to be the lead sponsor on the amendment. It is important for the Affordable Housing Trust Fund to use a mix of both bond and operating funds because there is a cap on the share of bond funds that can be used to finance an affordable housing project. Using operating and capital dollars allows the state to leverage greater resources, enabling affordable housing developers to build more affordable rental projects. Without this amendment, the Trust Fund will not be funded with operating dollars in FY'09. Senators interested in cosponsoring the amendment can contact Matt Gaines at (617)722-1643, or contact the Senate clerk beginning on Friday, May 16<sup>th</sup> at noon.