

***The Building Blocks Coalition
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May 14, 2008

The Honorable Deval Patrick
State House
Boston, MA 02133

Dear Governor Patrick:

We are writing to thank you for your leadership in moving the Affordable Housing Bond Bill through the legislative process and to request your support for its full implementation upon enactment.

As you know, the House and the Senate have each passed versions of the Affordable Housing Bond Bill that would allocate over \$1.2 billion over a five year period to a variety of critical housing programs. We are confident that the legislature will reconcile the differences soon. It is our hope and expectation that the bill will also provide for a much needed continuation and expansion of the state's highly successful Low Income Housing Tax Credit program. We look forward to the signing of this legislation and its enactment into law.

Once this legislation becomes law, you will have the opportunity and responsibility for deciding how much of this authorization to utilize each year, starting in FY 2009. The bill would authorize you to deploy over \$240 million per year for housing. Last year, you allocated \$150 million in bond funds to housing, plus an additional \$20 Million in Mass Housing funds for the Affordable Housing Trust Fund (the first half of their \$40 Million commitment). The AHTF also received \$10 million from the operating budget, creating a total capital budget of \$180 Million. This allowed for a \$14 million increase in funding for private affordable housing development in FY 2008, along with a dramatic \$28 million increase in much needed funding for state public housing. This has been a giant step forward.

The pending housing bond legislation would allow for comparable increases in FY 2009, but only if you increase the housing bond cap allocation. The bond cap is especially important because the AHTF is unlikely to receive any operating funds this year and because the resources provided by MassHousing come with constraints that limit the state's ability to flexibly allocate them. Moreover, the current credit crunch has dramatically reduced the value of federal housing tax credits and created an additional strain on resources. With construction and development costs continuing to increase we need an increase in funding just to keep up. And we need additional resources to address the growing foreclosure crisis and to achieve the goals of your Homelessness Commission. Therefore, we are requesting at least \$200 million in capital funds for affordable housing in FY 2009.

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We would be happy to meet with you or your senior advisors to discuss this issue in more detail. Thank you for your support of affordable housing and your consideration of this request.

Sincerely,

Aaron Gornstein
Citizens' Housing and Planning Assoc.

Joe Kriesberg
Mass. Association of CDCs

Tom Callahan
Mass. Affordable Housing Alliance

Maureen Fitzgerald
Mass. Non-Profit Housing Association

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Mass. Union of Public Housing Tenants

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Joe Finn
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cc: Secretary Daniel O'Connell
Undersecretary Tina Brooks
Charlotte Golar Richie
Jay Gonzalez