



CHAPA

Citizens' Housing and
Planning Association

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March 4, 2016

The Honorable Brian S. Dempsey
House Chairman
Joint Committee on Ways & Means
State House, Room 243
Boston, MA 02133

The Honorable Karen E. Spilka
Senate Chairwoman
Joint Committee on Ways & Means
State House, Room 212
Boston, MA 02133

RE: Testimony on CHAPA's FY2017 Budget Priorities for Affordable Housing, Homelessness Prevention, and Community Development Programs

Dear Chairman Dempsey, Chairwoman Spilka, and Distinguished Members of the Joint Committee on Ways and Means,

Thank you for the opportunity to submit testimony on our FY2017 budget priorities and for your continued commitment to affordable housing, homelessness prevention, and community development programs.

Citizens' Housing and Planning Association's (CHAPA's) mission is to encourage the production and preservation of housing that is affordable to low- and moderate-income families and individuals and to foster diverse and sustainable communities through planning and community development. We pursue our mission through advocacy, research, education and trainings, and coalition building among a broad array of interests in the housing and community development field.

Our testimony represents the budget priorities of the Building Blocks Coalition. The Coalition, hosted by CHAPA, is a group of organizations from across the Commonwealth that come together to advocate for resources that will help every family find a safe, decent, and affordable place to call home. We represent service providers; affordable housing developers; public housing authorities and tenants; community development corporations; community action agencies; independent living centers; homelessness and childcare advocates; and other organizations concerned about access to affordable housing.

We thank you for your increased investments for critical affordable housing programs in FY2016. However, even with this commitment to address homelessness and increase our affordable housing stock, residents of Massachusetts continue to face significant challenges in obtaining homes that they can afford. Our current affordability crisis did not happen overnight and is the result of several factors.

Housing Costs are Too High

When it comes to affordable housing, Massachusetts has a supply and demand problem. New housing construction has remained inadequately low since the 1980s. Between 2000 and 2010, the Commonwealth had the 4th lowest rate of housing construction in the nation.¹ Although housing construction is on the rise, restrictive zoning in many communities exacerbates our high housing costs and housing shortage.²

Our housing shortage keeps Massachusetts in the top ten for least affordable states for renters with more than 200,000 households paying more than 50% of their income to rent. According to the Joint Center for Housing Studies at Harvard, more than 50% of renters in Massachusetts are rent-burdened, paying more than 30% of their income to rent³ and 34% of homeowners are burdened by their housing costs.⁴ Unfortunately, the rising rents combined with our dwindling supply continues to put people at risk of homelessness. Between 2007 and 2014, Massachusetts experienced a 40 percent jump in homelessness.⁵

We do not Commit Enough Resources to Permanent Solutions

Massachusetts has invested tremendous resources in housing and homelessness. We are one of the few states to have our own public housing stock, a strong affordable housing law, Chapter 40B, and our own state rental subsidy programs. Also, the passage of the \$1.4 billion housing bond bill in 2013, which included an extension of the state Low Income Housing Tax Credit at \$20 million over five years, helped many households across the Commonwealth find homes that they can afford.

However, these additional resources are not enough to meet the needs of the more than 3,900 families in shelter, including nearly 750 families in motels.⁶ Additionally, over 90,000 households struggle to hold onto housing as they wait years for Section 8 subsidized housing.⁷ Despite the great commitment of Massachusetts to our housing and homelessness prevention programs, cuts at the federal level also stop us from realizing the full effect of our state's increased investment.

Housing Alone Will Not End Homelessness

An affordable home is the foundation for a family to achieve success and economic stability. However, families need help affording the high costs of childcare, transportation, healthcare, food, and education in order to increase their incomes. Until we fully connect resources and provide the assistance families need, we will continue to have a family homelessness crisis.

¹ United States Census Bureau.

² Massachusetts Housing Partnership, *Unlocking the Commonwealth*, 9 (Nov. 5, 2014).

³ Joint Center for Housing Studies of Harvard University, *America's Rental Housing: Evolving Market and Needs*, Table W-3 (Dec. 9, 2013).

⁴ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2013*, Table W-1 (2013).

⁵ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2015*, 34 (2015).

⁶ Homes for Families (Feb. 25, 2016) <http://www.homesforfamilies.org/index.html>.

⁷ Massachusetts Department of Housing and Community Development.

We must also avoid making program changes that will negatively affect families and their ability to afford their homes. For example, the Governor is currently proposing eligibility changes to Transitional Aid to Families with Dependent Children (TAFDC). The Baker Administration plans to count Supplemental Security Income (SSI) benefits when determining eligibility for TAFDC. This change would cause 6,900 extremely low-income families to lose TAFDC altogether and would drastically cut benefits for another 1,600 families.⁸ With the loss of these benefits, families will struggle more to pay rent. Consequently, shelter costs would likely rise as more families entered the shelter system and additional funds may be needed for state public housing because less rent will be collected when resident incomes decrease.

Our Requests

In order to truly impact homelessness and help families increase their incomes and afford housing, we need to do the following over the long term:

- Restore MRVP and grow it beyond its 1990 levels of more than \$120 million;
- Increase housing production at all income levels with more resources targeted to homes for households at or below 30% of the area median income;
- Fund public housing at adequate levels and ensure no units are off-line;
- Change zoning within communities to create more multifamily housing;
- Connect very low- and extremely low-income families to childcare, education and employment services, and healthcare that will help families increase their incomes and increase their housing stability; and
- Provide people with help when they need it rather than waiting until they have no place to go.

Making the following investments in FY2017 will help the state reduce homelessness and housing instability; help persons with disabilities and seniors access affordable housing; improve the quality of life in our neighborhoods and communities; and create jobs:

Massachusetts Rental Voucher Program (MRVP) (7004-9024)

FY'17 Request: \$120 million

MRVP is the most effective tool to immediately help people who are homeless or at-risk of homelessness secure homes they can afford. Through a combination of project-based and new mobile vouchers, MRVP provides affordable housing for families and individuals experiencing instability. \$120 million will increase the number of vouchers available, help preserve affordable housing developments, and make programmatic fixes that will make vouchers more usable, help tenants be more stable in their housing, and reduce lengthy lease-up times. Funding MRVP at \$120 million will also restore the program to its 1990 funding level when the combined state voucher and Chapter 707 programs funded more than double the number of vouchers funded today.

⁸ Massachusetts Law Reform Institute, *The Governor's FY 2017 Budget Proposal: Preliminary Analysis of Selected Cash and Nutrition Assistance, Child Care, Child Welfare, Health Care, Homelessness Services, Housing, and Legal Services Items 2* (Jan. 28, 2016).

Alternative Housing Voucher Program (AHVP) (7004-9030)

FY'17 Request: \$7.1 million

AHVP provides rental assistance to approximately 560 very low-income households with persons with disabilities. Together with MRVP, this program is capable of furthering the Commonwealth's goal of providing persons with disabilities choices to live in community-based housing and avoid more costly institutions or homelessness. \$7.1 million will provide rental assistance to approximately 800 people, the number of vouchers originally funded in 1995.

Public Housing Operating Subsidy (7004-9005)

FY'17 Request: \$72 million

This line-item supports more than 45,600 state-sponsored public housing units in Massachusetts, with over two-thirds of these units dedicated to seniors and persons with disabilities. Unfortunately, years of underfunding have left many housing authorities struggling to operate and keep units in good repair. The additional \$7.5 million will help provide up to a 6% increase in local housing authority operating budgets to help operate and preserve this valuable resource.

Public Housing Reform (7004-9007)

FY'17 Request: \$2 million

This line-item funds the implementation of public housing reform, signed into law in August 2014. These reforms improve governance and operation of local housing authorities by assisting with capital improvements, unit turn over, and creating a centralized waitlist. The reforms also increase tenant participation and promote economies of scale by encouraging collaborations among housing authorities.

Residential Assistance for Families in Transition (RAFT) (7004-9316)

FY'17 Request: \$18.5 million

RAFT helps families who are at risk of homelessness remain housed. RAFT provides assistance of up to \$4,000 in a 12-month period to help families pay security deposits, first and last month's rent, moving expenses, rent, utility and mortgage arrears, and other housing-related expenses. With \$18.5 million, an estimated 6,346 households would be able to receive immediate resources to prevent homelessness. We also ask the Legislature to expand RAFT's definition of family to cover households of all sizes and configurations to allow unaccompanied adults and those without children in the household to access these resources.

HomeBASE (7004-0108)

FY'17 Request: \$39.2 million

HomeBASE offers families an alternative to shelter by providing stabilization services and up to \$8,000 in financial assistance to pay rent, utility bills, security deposits, and other expenses that would allow them to stay in their homes, move to new housing, or live with another family. Currently, only families who are eligible for shelter under Emergency Assistance may receive HomeBASE. We ask that program eligibility be expanded to allow families in domestic violence shelters and substance abuse programs to access this resource. We also request that families be allowed to renew HomeBASE until their income reaches 50% of the Area Median Income in order to achieve the program goals of ensuring housing stability and preventing a fall back into homelessness. Providing HomeBASE with at least \$8 million in additional funds over FY2016

levels will support these program changes while reducing the number of homeless families in shelters and motels.

Foreclosure Prevention Counseling (7006-0011)

FY'17 Request: \$3.65 million–retained revenue

This line item, funded through retained revenue from mortgage loan originator license fees, supports foreclosure counseling at housing agencies across the Commonwealth. The Ch. 206 foreclosure counseling grants have helped achieve the best possible outcome for many struggling homeowners. Increased funding for the program will support other effective foreclosure prevention tools, such as direct advocacy and counseling, as demonstrated by the former Community Based HomeCorps (CBHC) program. CBHC, administered by CHAPA, empowered housing agencies to assist homeowners facing foreclosure by training homeowner advocates in loan modification and advocacy. In its only year of operation ending in June 2015, CBHC directly reviewed 1,000 cases from homeowners facing foreclosure, with only 2.6% of those cases resulting in a foreclosure.

Housing Court Expansion (NEW)

FY'17 Request: \$1 million

Currently, nearly a third of Massachusetts residents do not have access to Housing Court, which hears cases involving eviction, code enforcement, and discrimination claims. By including \$1 million in funding and language authorizing expansion, every resident in the Commonwealth would have access to Housing Court.

Tenancy Preservation Program (TPP) (7004-3045)

FY'17 Request: \$975,000

The Tenancy Preservation Program is a homelessness prevention program that works with individuals and families with disabilities facing eviction as a result of behavior related to that disability. In consultation with the Housing Court, TPP works with the landlord and tenant to determine whether the disability can be reasonably accommodated and the tenancy preserved. In FY2015, TPP stabilized 93% of households served, with an average cost of \$2,045 per case. With an additional \$475,000, TPP would be able to meet the needs of an expanded Housing Court in FY2017.

Housing Consumer Education Centers (HCECs) (7004-3036)

FY'17 Request: \$2.64 million

This line item supports nine regional HCECs that offer tenants, landlords, homeowners, and prospective buyers a wide range of resources, including housing search assistance, eviction prevention, and homebuyer and foreclosure counseling. HCECs are also an essential element in the delivery systems for other state-funded housing resources, such as RAFT and HomeBASE. During the first five months of FY2016, HCECs assisted over 34,300 households, including more than 5,400 at risk of homelessness or seeking shelter and more than 6,360 facing evictions. Level funding in FY2017, free of earmarks, will allow HCECs to continue to promote safe and sustainable housing.

Brownfields Redevelopment Fund

FY'17 Request: \$15 million

The Brownfields Redevelopment Fund, administered by MassDevelopment, is a vital resource for communities across Massachusetts to help clean up polluted sites in neighborhoods and transform them into places where people can live, work and play. Since 1998, 671 awards have been made across the Commonwealth, creating over 4,000 housing units and more than 2,700 jobs. The Fund is in urgent need of recapitalization. As of December 2015, the program is unable accept new applications for projects. Creating a line-item and capitalizing the Fund with \$15 million will ensure it remains a reliable redevelopment tool for communities to create new housing, jobs, and other public benefits on formerly polluted sites.

Housing Preservation & Stabilization Trust Fund (HPSTF)

FY'17 Request: \$11.5 million

HPSTF provides a flexible tool for funding affordable housing for low income families and individuals, particularly those most at-risk of becoming homeless. Since its creation, HPSTF has helped to build supportive housing for veterans, the elderly, and disabled; supplemented HomeBASE to help more families avoid or exit homeless shelters; and provided funding for the Secure Jobs initiative to connect low-income families with job training services.

Community Preservation Act (CPA)

FY'17 Request: \$25 million end-of-year surplus transfer

The transferring of \$25 million from the state's end-of-year budget surplus to the Community Preservation Trust Fund supplements revenue from the existing deeds recording fee to support the CPA. This will sustain the CPA as an effective smart growth tool that helps communities create affordable housing, preserve open space and historic sites, and develop recreational facilities.

Home and Healthy for Good (7004-0104)

FY'17 Request: \$3.8 million

Home and Healthy for Good is a Housing First program that provides permanent supportive housing for the chronically homeless, including a program for LGBTQ unaccompanied homeless youths. Since 2006, the program has placed 860 homeless people into homes. According to the Massachusetts Housing and Shelter Alliance, the program saves the Commonwealth an annual average of \$12,101 per person because of a decreased reliance on other expensive public services, including emergency medical care, shelter, and incarceration costs. The additional funds will be used to serve over a hundred additional homeless individuals.

Massachusetts Accessible Housing Registry (MassAccess) (4120-4001)

FY'17 Request: \$80,000

MassAccess (www.massaccesshousingregistry.org) is an online tool that helps people find affordable rental and homeownership opportunities in Massachusetts. The Registry highlights homes for people with disabilities who need accessible or barrier-free housing. In the past year, more than 143,000 people visited the site to search for affordable housing.

Tenancy Stabilization Coordinators (NEW)

FY'17 Request: \$2.5 million

This funding would establish a line-item to provide service coordinators in up to 50 new or existing privately owned state and federally assisted housing developments to help reduce evictions, increase housing stability, and coordinate residents' access to opportunities for education, job training, and other services that promote self-sufficiency.

Fuel Assistance (NEW)

FY'17 Request: \$10 million

The federal Low-Income Home Energy Assistance Program (LIHEAP) allocation has decreased from \$200 million to \$133 million, leaving nearly 200,000 households vulnerable to exhausting their fuel assistance benefit long before winter ends. By creating a new line item and supplementing the federal allocation, these low-income families and the elderly will stay warm through the entire winter season.

Thank you again for your continued commitment to affordable housing, homelessness prevention, and community development programs. If you have any questions, please feel free to contact me at (617) 742-0820 or bclement@chapa.org.

Sincerely,



Brenda Clement
Executive Director
Citizens' Housing and Planning Association

On behalf of:

Boston Center for Independent Living
Citizens' Housing & Planning Association
Harborlight Community Partners
HAPHousing
Home Funders
Homes for Families
Horizons for Homeless Children
Just-A-Start Corporation
Massachusetts Affordable Housing Alliance
Massachusetts Association for Community Action
Massachusetts Association of Community Development Corporations
Massachusetts Coalition for the Homeless

Massachusetts Housing & Shelter Alliance
Massachusetts Law Reform Institute
Massachusetts Union of Public Housing Tenants
MassNAHRO
Metropolitan Boston Housing Partnership
New Lease for Homeless Families
Regional Housing Network of Massachusetts
Revitalize Community Development Corporation
United Way of Massachusetts Bay & Merrimack Valley
Western Massachusetts Network to End Homelessness