



CHAPA

Citizens' Housing and
Planning Association

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June 10, 2015

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**RE: CHAPA Recommendations for Affordable Housing and Homelessness
Prevention Programs in the FY2016 Budget**

Dear Distinguished Members of the FY2016 Budget Conference Committee:

We thank both branches for prioritizing affordable housing and homelessness prevention in their FY2016 budget proposals. Below are funding and language recommendations supported by Citizens' Housing and Planning Association (CHAPA) that will help bridge the key differences between the two budgets. Thank you for your consideration.

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

Accept the House appropriation of \$90.9 million, including a transfer of \$8 million of unexpended MRVP funds from FY2015 to FY2016. Also, accept the Senate decision to have the Department of Housing and Community Development set the fee for agencies to administer vouchers.

We greatly appreciate the work of the Legislature in restoring funding to MRVP with increased investments in the program. MRVP is the most effective tool to immediately address the overwhelming need to help people at-risk of homelessness find affordable homes. The House funding level of \$90.1 million will fund up to 700 new vouchers in addition to the 6,665 vouchers already assisting low-income families and individuals.

In addition, we support the Senate approach to the program's administration fee. The fee, which pays for documenting eligibility, conducting annual and interim reexaminations of household composition and income, and administering payments, is best left for the Department of Housing and Community Development to determine. DHCD currently has this authority and is setting the fee at approximately \$40 per voucher per month. The House language reduces the administrative fee to \$30 per voucher per month, which would be inadequate to administer the program.

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

Accept the Senate language and appropriation of \$4.75 million.

AHVP provides rental assistance to low-income persons with disabilities under the age of 60. CHAPA asks the Committee to adopt the Senate budget which proposes a

\$1.2 million increase for AHVP. In 1995, when AHVP began, the program was funded at \$4 million, which supported 800 vouchers. Due to funding cuts, inflation, and rent increases, AHVP currently supports only 418 vouchers. The additional funding in the Senate budget proposal would help approximately 140 more low-income people with disabilities find community-based homes. There are currently more than 2,000 people on AHVP wait lists across the state. New vouchers will help to meet significant need.

The Senate proposal also changes the program's language to remove the word "transitional" from the line-item to better align the program language with its actual use. AHVP allows individuals with disabilities to find stable, often long-term, housing in the community, and has never functioned as a transitional program. Currently, because of the term "transitional," some housing authorities require AHVP voucher holders to document annually that they are searching for other housing, even though AHVP provides stable housing and other options are very limited. Removing the word "transitional" will bring the language in line with the program's actual function.

Housing Consumer Education Centers (7004-3036)

Accept the House appropriation of \$2.6 million.

The House appropriation of \$2.6 million would restore funding for HCECs to FY2014 levels and would remove earmarks. The HCECs are essential to the delivery systems for other state-funded housing resources, such as RAFT and HomeBASE. HCECs meet with families facing immediate housing crises to assess their circumstances and refer them to available resources. HCECs are also pro-active; offering education for tenants, landlords, and homeowners to promote safe, stable, and sustainable housing.

Housing Preservation and Stabilization Trust Fund (HPSTF)

Accept the House appropriation of \$11.5 million.

CHAPA asks that the Committee accepts the House appropriation of \$11.5 million for HPSTF through a transfer of \$6.5 million from programs administered by MassHousing and \$3.5 million from the General Fund. Created by the FY2014 budget, HPSTF provides DHCD with flexibility to fund new initiatives, create housing, and provide resources to respond to urgent needs. HPSTF has created supportive housing, supplemented HomeBASE to help more families avoid or exit the shelter system, and partially funded the Secure Jobs Initiative.

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

Accept the Senate appropriation of \$13 million.

CHAPA thanks both the House and Senate for increasing funding for RAFT, which enables families that experience unemployment or other challenges to avoid homelessness through an array of assistance necessary to maintain housing or move into their next home. We ask that you accept the Senate appropriation of \$13 million in order to help more families avoid entering the costly shelter system. The Senate budget also improves coordination among state agencies by expanding eligibility for RAFT to families referred by the Executive Office of Health and Human Services (EOHHS) through the newly created End Family Homelessness Reserve Fund. The Senate version also improves administrative efficiency by allowing RAFT to be forward funded.

HomeBASE (7004-0108)

Accept the House appropriation of \$31.25 million. Adopt the Senate language that would:

- *Expand HomeBASE eligibility to families served by the End Family Homelessness Reserve Fund;*
- *Decrease the current 24 month bar on receiving further HomeBASE assistance to 18 months;*
- *Increase the required notice that DHCD must give the legislature before making eligibility or resource changes to 90 days;*
- *Allow HomeBASE to be forward funded; and*
- *Adopt amended language to expand eligibility to families in domestic violence and substance abuse shelter.*

Do not include Senate language allowing for a family to be terminated from HomeBASE for a single violation of a self-sufficiency plan.

CHAPA supports the House appropriation of \$31.25 million. We also thank both the House and Senate for increasing the maximum benefit cap to \$8,000, which recognizes that extremely low-income families need more significant resources in order to avoid or exit shelter. We also support the language changes listed above to better coordinate resources for homeless families, increase administrative efficiency for the program, and ensure that families have access to all available tools to help them remain housed or to move into stable homes.

Finally, we ask that the Conference Committee build on the Senate language of expanding access for HomeBASE to include families in domestic violence and substance abuse shelters. Currently, only families who are eligible for Emergency Assistance shelter under 7004-0101 are able to access HomeBASE. Expanding eligibility will help approximately 300 families in domestic violence and substance abuse shelter that have few other resources to move out of shelter, while providing openings in domestic violence and substance abuse shelters for additional families in need of these services. We recommend the following language be included as the first clause of 7004-0108, which mirrors Amendment 422 filed by Senator Lovely:

For a program of short-term housing assistance to help families eligible for temporary emergency shelter under item 7004-0101 or are referenced by the secretary of health and human services under 1599-0017 or eligible for, or residing in emergency shelters and residential treatment programs under line items 4800-1400 and 4512-0200 in addressing obstacles to maintaining or securing housing;

Home and Healthy for Good (7004-0104)

Accept the House appropriation of \$1.8 million, including \$200,000 for a program for unaccompanied homeless LGBTQ youth.

Home and Healthy for Good is a critical Housing First program. As of January 2015, 816 formerly chronically homeless people were housed through this program. According to the Massachusetts Housing and Shelter Alliance, the annual cost to the Commonwealth per person decreased from \$33,446 before housing to \$24,107 in housing and support costs after housing placement, resulting in an annual savings of \$9,339 per person. The House language would also continue to fund the

pilot program started in FY2014 to provide supportive housing to lesbian, gay, bisexual, and transgender unaccompanied young adults.

Public Housing Operating Subsidies (7004-9005)

Accept the House appropriation of \$64.5 million, including \$500,000 to implement public housing reform.

CHAPA strongly supports the House appropriation of \$64.5 million for public housing. This will help preserve public housing for very low-income families, seniors, and persons with disabilities. The House version also provides \$500,000 to implement the Public Housing Reform legislation, signed into law during last session. CHAPA supports these additional targeted resources to implement public housing reform which will help this critical resource operate as efficiently and effectively as possible.

Housing Authority Self Sufficiency Pilot Program (7004-0114)

Do not include Senate appropriation of \$500,000 for the Housing Authority Self-Sufficiency Pilot Program authorized in Outside Section 93 of the Senate budget.

CHAPA asks that this provision is not included in the FY2016 budget. The program, modeled after the Worcester Housing Authority, would give a preference to applicants of state-public housing who choose to engage in self-sufficiency measures, including work, education, or community service requirements. The new line-item would expand the pilot to 4 to 6 other public housing authorities.

A change of this magnitude, even as a pilot program, requires significant analysis, study, and input from stakeholders to ensure adequate resources and safeguards are provided. The program at the Worcester Housing Authority, the model for this pilot, is small and its outcomes have not been fully analyzed or vetted by stakeholders. Additionally, the pilot program does not provide funding for the supports, including child care, transportation, or job training, needed by families to meet the work, education, or community service requirements. Without these supports, families are at risk of eviction even when making their best efforts to find employment. The pilot program also does not contain any safeguards or waivers for families who may not be able to meet the requirements. For these reasons, CHAPA does not support including this self-sufficiency pilot program in the budget.

Foreclosure Counseling (7004-0011)

Accept the Senate appropriation of \$3.65 million.

CHAPA supports the Senate appropriation of \$3.65 million for foreclosure counseling. Foreclosure counseling grants have helped achieve the best possible outcome for many struggling homeowners. The foreclosure counseling grants are funded through retained revenue from mortgage loan originator license fees.

Housing Court Expansion

Accept Senate language expanding Housing Court.

CHAPA supports the Senate budget which authorizes the expansion of Housing Court statewide. Currently, over 1/3rd of the state's population does not have access to a Housing Court, including most of Norfolk County, parts of Middlesex and Suffolk Counties, and all of Barnstable, Dukes, and Nantucket Counties. Expanding Housing Court will protect landlords and tenants by provided a forum with expertise in housing and will provide a cost-effective way to enforce the building, fire, and sanitary codes, prevent homelessness by preserving tenancies among people with disabilities, and reduce blight.

Earned Income Tax Credit (EITC)

Support an increase to the state EITC.

CHAPA supports efforts to increase the state EITC. Increasing the EITC in Massachusetts will help working families make ends meet. Long-term structural trends in the United States economy leave many working families struggling to pay for housing, food, and childcare. A growing body of research has found that expansions in the EITC have increased participation in the workforce and have resulted in increased mobility and opportunity.

Community Preservation Act (CPA)

Accept the House appropriation authorizing a \$10 million transfer to the Community Preservation Trust Fund from the FY2015 budget surplus.

The transferring of \$10 million in funds from the state's end-of-budget surplus to the Community Preservation Trust Fund supplements revenue from the existing CPA deeds recording fee. This funding is vital to sustaining the CPA program, which is now experiencing rapid growth following the legislature's recent approval of important amendments to the Act. The CPA is one of the most effective state-local partnerships, resulting in a significant investment in affordable housing, historic preservation, recreational facilities, and open space.

Transformative Development Initiative (TDI) (7002-1502)

Accept the House appropriation of \$1 million.

CHAPA supports the creation of a line-item for the Transformative Development Initiative and funding it with \$1 million, included in the House budget. This MassDevelopment program, created through the economic development legislation passed by the Legislature in 2014, supports redevelopment in Gateway Cities. TDI is an integrated systems approach to investment and urban redevelopment, focused on local collaborative partnerships, strategic district focus, and community engagement. The program includes technical assistance, additional capacity for selected cities through a Fellows Program, and equity investments in real estate.

End Family Homelessness Reserve Fund (1599-0017)

If included in the budget, support the Senate version which requires increased coordination among EOHHS, DHCD, and existing programs.

The End Family Homelessness Reserve Fund provides funding for prevention services to be administered through EOHHS, in coordination with DHCD. If the Reserve Fund is included in the budget, we support the Senate version which includes language to better coordinate resources among EOHHS, DHCD, and existing homelessness, prevention, and stabilization programs. This will help avoid duplicating existing homelessness prevention programs and clarifies reporting language.

Finally, we would like to thank you for including funding for the **Massachusetts Access Affordable Housing Registry (4120-4001)**, a searchable, online database for affordable and accessible housing, and the **Tenancy Preservation Program (7004-3045)**, which helps to prevent homelessness among persons with disabilities by working at Housing Court to avoid evictions.

Thank you for your leadership and continued support for providing quality, safe, and affordable homes for everyone in the Commonwealth. Please do not hesitate to contact me with any questions.

Sincerely,



Brenda Clement
Executive Director
Citizens' Housing and Planning Association

cc: Rep. Robert A. DeLeo, Speaker of the House of Representatives
Sen. Stanley C. Rosenberg, President of the Senate
Rep. Kevin G. Honan, Chairman, Joint Committee on Housing
Sen. Linda Dorcena Forry, Chairwoman, Joint Committee on Housing