



# H.675: AN ACT FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR LOW AND MODERATE INCOME RESIDENTS

*Sponsored by Representative Kevin Honan & Senator Linda Dorcena Forry*

The Housing Bond Bill provides a comprehensive approach to addressing the housing needs of the Commonwealth by providing resources to produce and preserve affordable housing. The Housing Bond Bill recapitalizes bond-funding programs that serve diverse populations, including working families, the elderly, people with disabilities, and the homeless.

The bill invests \$1.7 billion through the capital budget to modernize our public housing, provide community-based housing options for persons with disabilities, and to strengthen our neighborhoods.

**AFFORDABLE HOUSING TRUST FUND (AHTF) \$400,000,000**

The AHTF is a flexible tool administered by MassHousing to create and preserve affordable housing. It has been used to support the financial feasibility of a variety of projects, including permanent and transitional housing for the homeless and for the rehabilitation of public housing. It can serve moderate-income households, up to 110% of the area median income (AMI), though the majority of AHTF projects serving households at 60% AMI. It also supports first time homebuyers through the ONE Mortgage program.

**CAPITAL IMPROVEMENT AND PRESERVATION FUND (CIPF) \$125,000,000**

CIPF assists in the preservation and improvement of existing privately owned, state or federally assisted affordable rental developments that are at risk of losing their affordability restrictions.

Program Changes: The Housing Bond Bill includes clarifying language to make the program work better with other housing preservation resources.

**COMMERCIAL AREA TRANSIT NODE HOUSING PROGRAM \$50,000,000**

This program encourages smart growth by producing homeownership and rental housing in mixed-use, commercial areas served by public transit.

**COMMUNITY BASED HOUSING (CBH) \$55,000,000**

CBH extends the Commonwealth's goal of providing assistance to disabled people in the least restrictive settings possible. The program provides funding for the development of integrated housing for people with disabilities, including elders, with priority for individuals who are in institutions or nursing facilities or at risk of institutionalization.

The Housing Bond Bill re-authorizes the following bond programs:

Program	Authorization
Affordable Housing Trust Fund	\$400,000,000
Capital Improvement & Preservation Fund	\$125,000,000
Commercial Area Transit Node Housing Program	\$50,000,000
Community Based Housing	\$55,000,000
Facilities Consolidation Fund	\$65,000,000
Home Modification Loan Program	\$60,000,000
Housing Innovations Fund	\$100,000,000
Housing Stabilization Fund	\$150,000,000
Public Housing	\$600,000,000
Public Housing Demonstration	\$50,000,000
Early Education & Out of School Time	\$45,000,000
<b>Total</b>	<b>\$1,700,000,000</b>

## **FACILITIES CONSOLIDATION FUND (FCF)**

**\$65,000,000**

FCF produces community-based housing for clients of the Department of Developmental Services (DDS) and the Department of Mental Health (DMH). Through the fund, DHCD works closely with DDS and DMH to provide housing for people with a wide range of disabilities.

## **HOME MODIFICATION LOAN PROGRAM (HMLP)**

**\$60,000,000**

The HMLP helps persons with disabilities and the elderly make renovations to their homes through deferred payment or zero interest loans to ensure they can continue to live at home and avoid placement into more costly institutional settings, such as nursing homes.

Program Changes: The Housing Bond Bill makes several changes:

- Clarifying changes that better aligns the program language with its actual use;
- Clarifying language to explicitly allow the HMLP to be used by families to construct accessory dwelling units for persons with disabilities; and
- Authorizing a grant program to allow landlords to access the HMLP to make renovations to apartments in order to accommodate the needs of disabled tenants.

## **HOUSING INNOVATIONS FUND (HIF)**

**\$100,000,000**

The HIF supports the production of innovative and alternative forms of rental housing, including single person occupancy (SPO) units, transitional and permanent housing for the homeless, shelters for survivors of domestic violence, supportive housing for seniors and veterans, and housing for substance abuse recovery. HIF projects almost always feature affordable housing units combined with extensive support services for residents.

## **HOUSING STABILIZATION FUND (HSF)**

**\$150,000,000**

The HSF provides funding for the acquisition, preservation, and rehabilitation of affordable housing, including foreclosed and distressed properties. HSF has helped finance family rental, elderly housing, single room occupancies (SROs), special needs housing, and a mix of homeownership and rental.

Program Changes: The Housing Bond Bill changes the weak markets provision within the program to allow it to be used for single family homes as well multifamily housing.

## **PUBLIC HOUSING**

**\$600,000,000**

This program helps modernize and rehabilitate our state's public housing stock. It allows local housing authorities to plan for and prioritize the replacement of expired components, help lower utility costs, address long-term unit vacancy, and minimize risks to the health and safety of residents.

## **PUBLIC HOUSING DEMONSTRATION PROGRAM**

**\$50,000,000**

This demonstration program allows public housing authorities to use innovative public housing finance tools to leverage new funds and partners to rehabilitate public housing units and potentially reduce ongoing capital costs.

## **EARLY EDUCATION AND OUT OF SCHOOL TIME (EEOST)**

**\$45,000,000**

EEOST program offers grants to non-profits to help build early education and out of school time program facilities that serve low-income children. It provides flexibility to build or renovate buildings in order to provide children and teachers with safe, healthy environments that support other quality improvement efforts. The program is administered through the Children's Investment Fund at CEDAC and works closely with the Department of Early Education and Care.

Program Changes: The Housing Bond Bill:

- Increases the percentage of slots for low-income children served by early education programs supported by the program from 25% to 50%; and
- Changes eligibility requirements for the program to allow only those organizations who are currently providing early education and care to low-income children.

## **MASSACHUSETTS LOW INCOME HOUSING TAX CREDIT (LIHTC)**

Created in 1999, the Massachusetts LIHTC awards credits to investors in multifamily rental projects that meet affordability requirements. It encourages private investment in affordable housing and allows developers to finance part of the cost of the development with equity invested by local corporations and individuals, thereby reducing the amount of debt financing and helping to keep rents low. The Housing Bond Bill extends authorization for the program until 2025. It also authorizes \$5 million in additional tax credits to be used annually for the preservation and improvement of existing affordable housing.



### **FOR MORE INFORMATION:**

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