



CHAPA Housing Briefs

May 6, 2014

State Updates

Massachusetts House Passes FY'15 Budget

The House of Representatives passed a \$36.2 billion budget this week. The budget debate resulted in modest increases and changes for housing and homelessness prevention programs over what had been proposed by the House Ways & Means Committee in early April.

Through the amendment process:

- Residential Assistance for Families in Transition (RAFT, 7004-9316) received an additional \$500,000;
- The Housing Consumer Education Centers (7004-3036) received a \$100,000 restoration after being cut by \$1 million in the House Ways & Means budget proposal;
- Access to both HomeBASE (7004-0108) and RAFT was restored in order to provide DHCD with flexible tools to help families find or maintain housing as an alternative to shelter

Overall, the House budget includes:

- \$3 million increase for the Massachusetts Rental Voucher Program (MRVP) for a total of \$60.5 million;
- \$1 million increase for RAFT for a total of \$11 million;
- \$1 million increase for DMH rental subsidies (7004-9033) for a total of \$5,125,000;
- \$200,000 increase for Home and Healthy for Good (7004-0104) for a total of \$1.8 million;
- \$900,000 decrease for the Housing Consumer Education Centers for a total of \$1,741,992;
- \$365,000 decrease for Public Housing (7004-9005) for a total of \$64,035,000;
- Level funding for the Alternative Housing Voucher Program (AHVP, 7004-9030) for a total of \$3.45 million;

Upcoming Events

May 13, 2014

The Alliance & the CHAPA Young Professional Group Mentoring Program Informational Session

May 16, 2014

CHAPA Breakfast Forum: The Intersection Between Health and Housing: Working Together to Create Policy Solutions for All

May 20, 2014

Beyond Buildings: A Review of LEED for Neighborhood Development in Massachusetts

To view all CHAPA events please visit www.chapa.org/event

Announcements

CHAPA has been invited to serve on the National Industry Standards for Homeownership Education and Counseling Committee. Deputy Director Karen Wiener will participate on the Committee, which promotes increased quality and reliability in the delivery of homeownership education and counseling. For more information on the Standards click [here](#).

- Level funding for the Tenancy Preservation Program (TPP, 7004-3045) for a total of \$500,000;
- Level funding for Foreclosure Counseling (7006-0011) for a total of \$2.65 million;
- Level funding for the Massachusetts Access Housing Registry (4120-4001) for a total of \$80,000; and
- Level funding for the Community Preservation Trust Fund for a total of \$25 million from the FY'14 budget surplus.

For CHAPA's budget trend analysis, click [here](#).
For CHAPA's priority funding requests, click [here](#).

Special Thanks

CHAPA thanks Speaker Robert DeLeo, House Ways and Means Chair Brian Dempsey, Housing Committee Chair Kevin Honan, Representative Byron Rushing, Representative Sean Garballey, Representative Gloria Fox, Representative Peter Kocot, Representative Tim Toomey, Representative Paul Mark, Representative Michael Brady, Representative Chris Walsh, Representative John Hecht, and Representative Jeffrey Sanchez for their leadership on housing programs in the House budget.

Next Step in the Budget Process

The next step in the budget process will be the release of the Senate Ways and Means proposal expected in mid-May, followed by the Senate debate expected during the week of May 19th. To contact your Senator about increasing funding for housing and homelessness prevention programs, click [here](#).

DHCD Issues Training Manual for Local Housing Authority Board Members

On April 17, DHCD **announced** the completion of a **Training Manual** for Local Housing Authority (LHA) Board Members. The new manual is being mailed to all housing authorities and is also available online. DHCD has also posted a list of **useful links** for LHAs. DHCD intends to develop an in-person and in-depth board member training curriculum in the future.

Federal Updates

HUD Budget Outlook Grim for FY2015 and FY2016; House Schedules HUD Appropriations Mark-Up

The Congressional Budget Office (CBO) released its **analysis** of the President's Budget Request on April 17. CBO's projection of FHA revenues is \$4.3 billion lower than the President's projection, due to differing assumptions about fees and other factors (e.g. prepayment rates). Because FHA receipts have been used to offset HUD appropriations in recent years, the \$4.3 billion gap could result in lower appropriations for HUD, funding cuts and little or no funding for expanded assistance. While the Appropriations Committees have not yet announced the 302(b) allocations (share of the overall spending authority for FY2015) for each of the 12 Appropriations Subcommittee, the House Transportation, Housing and Urban Development (THUD) appropriations subcommittee is expected to mark up its bill on May 7. The Senate is expected to decide on its 302(b) allocations the week of May 19.



Senate Mark-up of Housing Finance Reform (including National Housing Trust funding) This Week

The Senate Committee on Banking, Housing and Urban Affairs postponed the mark-up (consideration of amendments) of the Johnson-Crapo housing finance reform bill from April 29 to the week of May 5 to obtain a wider margin of support. The chairs are focusing on six senators, including Senator Elizabeth Warren (D-MA) and Senators Reed (RI), Schumer (NY), Menendez (NJ), Brown (OH) and Merkley (OR). All support the National Housing Trust Fund (**NHTF**) portion of the bill but have concerns about fair credit access. The National Council of La Raza, the National Community Reinvestment Coalition, and the Urban Institute have urged revisions to strengthen access to credit by traditionally underserved populations and markets and to strengthen the NHTF funding structure (click [here](#) for details).

As **reported** in the New York Times, few expect Congress to enact final legislation this year, but observers see passage of a Senate bill this year as critical in setting the framework for future debate. Johnson-Crapo would provide about \$3.75 billion a year to the NHTF at full implementation, distributed to states by formula, including an **estimated** \$98.7 million a year for Massachusetts. The bulk of NHTF funding is targeted to the development of rental housing for extremely low income households.

At present, there is no similar Housing Finance bill in the House, but Representative Maxine Waters is expected to file one shortly (see below). Advocates are pursuing **other potential NHTF funding mechanisms** as well, including starting GSE contributions now and reforming the mortgage interest tax deduction, with redirection of some savings to the Trust.

Representative Waters Issues Housing Finance Reform Discussion Draft

Representative Maxine Waters (D-CA), the ranking Democrat on the House Financial Services Committee, **released** a discussion draft of a housing finance reform bill in late March, titled the Housing Opportunities to Move the Economy (HOME) Forward Act of 2014. Like the Senate's Johnson-Crapo bill, it would create a new regulator of mortgage backed securities (MBS), but unlike Johnson-Crapo, it would replace Fannie Mae and Freddie Mac with a single issuer of government-backed MBS called the Mortgage Securities Cooperative (Johnson-Crapo allows multiple private issuers). The cooperative would be owned by lenders and governed on a one lender, one vote basis to give smaller lenders equal voice. Some housing groups feel the single entity approach would make it easier to enforce requirements for fair credit access. The Waters draft also requires issuers to take a smaller first loss position (5%) before the government guarantee than Johnson-Crapo (10%); some believe that 5% is too low and thus too risky.

As detailed by the **NLIHC**, the Waters draft is largely the same as Johnson-Crapo with regard to its provisions for the National Housing Trust Fund (the former sets more rigorous standards should a suspension of contributions be necessary). It has the same minimum down payment requirements as Johnson-Crapo as well but would allow the new regulator to lower the requirements at its discretion.

Renter Tax Credit Bill Introduced in House

Representative Charles Rangel **introduced** the Renters Tax Credit Act of 2014 (H.R. 4479) in the House in April. The bill would enable renters with incomes at or below 60% of area median income or 150% of the poverty line (whichever is higher) to receive a credit for the portion of their rent that exceeds 30% of income. The credit would go directly to the landlord or their lender. The legislation is based on a **proposal** developed by the Center on Budget and Policy Priorities – click [here](#) for the detailed proposal.



Census Bureau Considers Changes to Key ACS Housing Questions Used in HUD Funding Formulas

The U.S. Census Bureau is considering changing or removing some questions in the American Community Survey (ACS) due to public concerns about privacy. As detailed in a Pew Research Center [report](#), the questions cover four topics (income, disability, plumbing and commuting) that are critical to housing research and policy and affect how funds are distributed for many HUD, Rural Housing Service and other programs. ACS data is the only source of local level data between decennial censuses. The Bureau has [posted](#) its planned review process and timetable. It plans to make final decisions by the end of 2014 after surveying federal agencies, data users and ACS respondents, and implement them by 2016.

According to a Brookings [study](#), programs that use ACS data for funding calculations include the Community Development Block Grant program, HOME, the Housing Choice Voucher program (including FMRs), the Public Housing Capital Fund, Section 202, Section 811, Section 515 Rural Rental Housing Loans,

Lead Hazard, and Fuel Assistance and programs for the homeless and persons with disabilities.

Westchester County Risks \$5.2 million in HUD Funds for Failure to Affirmatively Further Fair Housing

Last year, Westchester County in New York forfeited **\$7.4 million** - its entire FY2011 allocation of HUD CDBG, HOME and Emergency Solution Grant funding – for noncompliance with a [HUD settlement](#) agreement, particularly regarding steps to address exclusionary zoning at the municipal level. HUD detailed the shortcomings in an August 9, 2013 [letter](#). On April 23, HUD advised the county by [letter](#) that it will lose its FY2012 allocation as well (\$5.2 million) for continued noncompliance with its Affirmatively Further Fair Housing (AFFH) certification for FY2012 unless it provides four “special assurances” by May 7. The settlement agreement is the result of a lawsuit filed by the [Anti-Discrimination Center](#) under the False Claims Act alleging that Westchester County’s certifications from 2000-2006 that it was affirmatively furthering fair housing were false. The court agreed.

Research & Reports

AGO Issues Report on Use of Foreclosure Settlement Funds in Massachusetts

In April, the state Attorney General issued a [report](#), Rebuilding the Commonwealth, detailing the amounts and uses of \$850 million recovered through state litigation against lenders and securitizers since 2007, with special focus on the over \$300 million received through the [National Mortgage Settlement](#). The National Settlement assisted 9,197 borrowers, with 19% receiving first lien principal forgiveness (1,763 borrowers at an average of \$92,729). The other 81% include 3,540 borrowers who received second lien principal forgiveness, 2,974 who received other relief such as assistance for short sales or deeds in lieu, and 910 who received refinancing assistance.

The Commonwealth also received \$44.5 million from the settlement, which the Attorney General's Office used to create the HomeCorps program and to provide grants for legal assistance for homeowners facing foreclosure or eviction, help for families transitioning from ownership post-foreclosure, and grants for municipal and community restoration and distressed properties revitalization.

Study Finds Access to Cars Offers Location and Employment Benefits for Voucher Holders

A recent **report** from the Urban Institute, *Driving to Opportunity: Understanding the Links among Transportation Access, Residential Outcomes, and Economic Opportunity for Housing Voucher Recipients*, examines the relationship between transportation access (public transportation and car ownership), access to employment and maintenance of employment. It finds that "access to transportation, and particularly automobiles – plays an important role in shaping residential location choices and economic outcomes of low-income households." Examining the outcomes of families who received vouchers through the Moving to Opportunity and Welfare to Work voucher programs, it finds that families with access to cars found housing in better neighborhoods and felt safer than counterparts without cars.

CSH Examines How to Integrate Housing in State Medicaid Policy

The Corporation for Supportive Housing (CSH) issued a brief last week on promising state mechanisms to use Medicaid to finance services in supportive housing. **Integrating Housing in State Medicaid Policy** details the varied approaches used by a number of states, including 1115 waivers and partnerships between managed care entities and supportive housing providers.

Enterprise Study Examines Affordable Housing as a Platform to Address Nutrition

A new **study** by Enterprise examines ways in which affordable housing can be used to support better nutritional outcomes for residents. *Food at Home: Affordable Housing as a Platform to Overcome Nutritional Challenges* suggests a range of steps developers and providers can take from on-site nutritional counseling and cooking classes to bulk purchasing.



Citizens' Housing and Planning Association

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