

CHAPA Housing Briefs

May 7, 2015

State Updates

Massachusetts House Passes FY'16 Budget

The House of Representatives passed a \$38.1 billion budget this week. The House budget includes increases to the Massachusetts Rental Voucher Program (MRVP), the Housing Preservation and Stabilization Trust Fund (HPSTF), Residential Assistance for Families in Transition (RAFT), HomeBASE, and Public Housing. The budget also includes \$1 million for the Gateway Cities Transformative Development Initiative, which is administered by MassDevelopment to support investment and urban redevelopment. In addition to funding these housing, homelessness prevention, and redevelopment programs, the budget includes \$5 million to move more than 800 children off of the statewide waitlist and into early education programs, which is vital to helping families to stabilize their housing.

Overall, the House budget includes the following funding for housing and homelessness prevention programs:

- \$25 million increase for the Massachusetts Rental Voucher Program (MRVP, 7004-9024) for a total of \$90.1 million;
- \$1 million increase for Residential Assistance for Families in Transition (RAFT, 7004-9316) for a total of \$12 million;
- Restoration of funding for the Housing Consumer Education Centers (7004-3036) for a total of \$2.6 million;
- \$2.3 million increase for HomeBASE (7004-0108) for a total of \$31.2 million;
- \$11.5 million for the Housing Preservation and Stabilization Trust Fund;
- \$10 million from the end-of-year surplus for the Community Preservation Trust Fund;
- \$500,000 increase for Public Housing (7004-9005), which will help local housing authorities pay for snow and ice removal as well as local costs associated with the implementation of the public housing reform legislation signed into law in 2014;
- Level funding for the Alternative Housing Voucher Program (AHVP, 7004-9030) for a total of \$3.55 million;

Upcoming Events

May 12, 2015

CHAPA Young Professionals Brown Bag Lunch Series: On Solid Ground: Building Opportunity, Preventing Homelessness

May 12, 2015

Using Community Preservation Act funding for Affordable Housing

June 10 & 11, 2015

MHP Housing Institute

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



- Level funding for the Tenancy Preservation Program (TPP, 7004-3045) for a total of \$500,000;
- Level funding for Home and Healthy for Good (7004-0104) for a total of \$1.8 million;
- Level funding for the Massachusetts Access Housing Registry (4120-4001) for a total of \$80,000; and
- \$300,000 reduction for Foreclosure Counseling (7006-0011) for a total of \$2.35 million.

For budget trends, **click here**.

For a full list of CHAPA's budget priorities, **click here**.

Although some CHAPA-supported amendments were not passed – including those to increase funding for programs including the Alternative Housing Voucher Program and the Tenancy Preservation Program; establish annual funding for the Brownfields Redevelopment Fund and Fuel Assistance; increase the Earned Income Tax Credit; and improve the effectiveness of programs -- the budget passed by the House makes significant investments in housing and homelessness prevention programs. **Click here** for more information on proposed amendments.

CHAPA thanks Speaker Robert DeLeo, House Ways and Means Chair Brian Dempsey, Housing Committee Chair Kevin Honan, Representative Byron Rushing, Representative Christine Barber, Representative Chris Walsh, Representative Marjorie Decker, Representative Peter Kocot, Representative Tim Toomey, Representative Aaron Vega, Representative Michael Brady, Representative Michael Finn, Representative Antonio Cabral, and Representative Paul Mark for their leadership on housing programs in the House budget.

Next Steps in the Budget Process

The next steps 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 20th. To contact your Senator about funding for housing and homelessness prevention programs, **click here**.





Federal Updates

House and Senate Approve Concurrent Budget Resolution

On April 30 and May 5 respectively, the House of Representatives and Senate approved a concurrent budget resolution. The resolution continues sequester caps, keeping total FY2016 non-defense discretionary spending at FY2015 levels, and also calls for the repeal of the Affordable Care Act. Many observers do not expect the resolution to hold up through the appropriations process (see Washington Post **article** and New York Times **article**).

House Appropriations Subcommittee Approves FY2016 Budget; Proposal Cuts HUD funding

The recently-announced House Appropriations Committee's 302(b) allocations include \$55.27 billion for the Transportation, Housing and Urban Development (THUD) Subcommittee, up \$1.5 billion relative to FY2015, but less than the estimated \$3 billion increase needed to renew existing HUD programs. In that Subcommittee's recently-passed FY16 THUD appropriations **bill**, their proposal flat funds or cuts most HUD programs and also moves all \$133 million in anticipated 2016 National Housing Trust Fund (NHTF) funds to the HOME program (see National Low Income Housing Coalition budget **chart**). The full House Committee on Appropriations is expected to consider the bill during the week of May 11. The bill stays within the sequester caps established by the Budget Control Act for non-defense discretionary spending.

According to an NLHIC analysis, the bill funds key programs as follows:

- Housing Choice vouchers – funds renewal of existing vouchers, but provides no new vouchers for veterans and fails to restore vouchers lost during sequestration in FY0213
- Project-based vouchers – may not provide enough to fund all renewals (subcommittee says it does)
- Public housing – flat funds operating subsidies and cuts public housing capital fund by \$200 million; keeps cap on Rental Assistance Demonstration (RAD) conversions; cuts resident services and Choice Neighborhoods Initiative; does not expand Moving to Work demonstration
- 202 Housing for the Elderly – underfunds rental assistance renewal costs
- HOME - cuts from \$900 million to \$767 million, but transfers \$133 million from NHTF to supplement
- Homelessness Assistance - provides \$50 million increase for renewals
- Community Development Block Grant program (CDBG) – flat funded.

HUD Announces Webinars on Proposed Changes to Section 3 Regulations

HUD's Office of Fair Housing and Equal Opportunity announced webinars earlier this month to solicit input on the proposed changes to the Section 3 regulation (the public comment period on the proposal closes May 26). Section 3 encourages HUD grantees to provide job training, employment and contracting opportunities for neighborhood residents. The webinar for residents and advocates is scheduled for Tuesday, May 19 from 2:00 to 4:00 pm. The registration link is <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.addRegistrarEvent&eventId=2388&update=N>.

HUD Designates Eight Communities as Promise Zones

On April 28, HUD announced the selection of eight communities as Promise Zones (six cities, one rural area and one tribal community): Hartford (CT), Camden (NJ), Indianapolis, Minneapolis, Sacramento, St. Louis/St. Louis County, Pine Ridge Indian Reservation and South Carolina Low County. These communities were selected from over 120 applications and join five communities previously selected in January 2014.





Recent Research & Reports

Two Studies find Moving to Better Neighborhoods has long term economic benefits for Low Income Children

The **Equality of Opportunity Project** at Harvard released two new studies this week examining how moving to higher opportunity counties affects the “upward mobility” of low income children (as measured by earnings). The authors conclude that “every year of exposure to a better environment improves a child’s chances of success,” especially if the child moves before age 13. The two studies are “***The Effects of Neighborhoods on Intergenerational Mobility: Childhood Exposure Effects and County Level Estimates***” by Raj Chetty and Nathaniel Hendren and “***The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment***” by Raj Chetty, Nathaniel Hendren, and Lawrence Katz. The authors found that five county factors are associated with strong upward mobility: less segregation by income and race, lower levels of income inequality, better schools, lower rates of violent crime, and a larger share of two-parent households.

HUD Website marks agency’s 50th Anniversary

On April 28, HUD launched a “**HUD 50**” website to mark key agency milestones since its establishment in 1968. HUD plans to add materials to the site over the year.

Study finds Increasing Subsidized Housing reduces Housing Instability, benefits Child Health

A new **study** published in *Housing Policy Debate*, “***Development of an Index of Subsidizing Housing Availability and its Relationship***,” found that expanding the number of subsidized rental units (public housing, housing choice vouchers and Section 8 New Construction/Rehabilitation) by 5% (50 units per 1,000 low income rent burdened households) would lower the odds of an eligible household experiencing housing insecurity (living doubled up, in overcrowded conditions or moving more than once a year) by 31%. The study is based on interviews by Children’s Health Watch with caregivers of children younger than 3 at five medical center sites, including one in Boston.

Vouchers Appear More Successful at Promoting Economic Integration than Racial or Ethnic Integration

A new study by Molly Metzger and Danilo Pelletiere, “***Patterns of Housing Voucher Use Revisited: Segregation and Section 8 Using Updated Data and More Precise Comparison Groups, 2013***,” confirms that voucher households in the 50 largest MSAs are more segregated by race and income at the tract level than extremely low income (ELI) households in general, but finds a different picture when comparing voucher holders with rent-burdened ELI households. It finds less economic segregation using that comparison group, but greater racial dissimilarity. It also finds that living in an MSA that bans source of income discrimination provides a small benefit but that the difference was not statistically significant.



Citizens' Housing and Planning Association

18 Tremont Street, Suite 401
Boston, MA 02118
www.CHAPA.org

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