

CHAPA Housing Briefs

February 4, 2016

State Updates

Baker-Polito Administration Files Economic Development Bill

On January 28th, the Baker-Polito Administration filed an **economic development bill** with \$918 million in proposed investments in community support, workforce development, and emerging technology. The legislation would authorize \$75 million in capital spending for the Brownfields Redevelopment Fund over the next five years. This fund, administered by MassDevelopment, allows communities across Massachusetts to help clean up polluted sites in neighborhoods in order to create opportunities for affordable housing and economic development. The economic development bill would also reauthorize \$500 million for MassWorks and \$25 million for the Smart Growth Housing Trust Fund.

Governor Releases FY2017 Budget Proposal

On January 27, Governor Baker filed his **budget proposal** for FY2017. The Governor's proposal maintains level funding for most of **CHAPA's budget priorities** for affordable housing, homelessness prevention, and community development programs, with a couple of exceptions:

- The Governor's budget decreases available funding for the Massachusetts Rental Voucher Program (MRVP) by \$8 million by removing budget language that allows unspent MRVP funds from FY2016 to transfer over to the program in FY2017.
- The budget proposal provides for a modest increase to the HomeBASE program, while expanding eligibility to include families who are homeless outside of the DHCD Emergency Assistance shelter program. The additional funds would support a pilot program to allow families in domestic violence, substance abuse, or DCF-funded shelters, who would otherwise be eligible for EA emergency shelter, to access HomeBASE.

For a full analysis of the Governor's budget proposal as it relates to CHAPA's budget priorities, please **click here**.

Upcoming Events

February 9, 2016

CHAPA Young Professionals Brown Bag
Hear from Your Peers Series: CHAPA's
Policy Update and 2016 Agenda

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

Other News

The On Solid Ground Coalition, convened by CHAPA, Homes for Families, and the Center for Social Policy at UMass Boston, has hired a Senior Project Manager, Andre Green, to expand the cross-sector coalition and further its research-based goals to increase housing stability and economic mobility for low income families in Massachusetts and prevent and reduce homelessness. Andre brings tremendous experience in coalition building, advocacy, data management, and operations. He most recently served as Senior Manager for Field Mobilization at YouthBuild, where he managed the 900+ member National YouthBuild Coalition and was responsible for federal advocacy efforts for YouthBuild programs in 45 states. To get involved with the On Solid Ground Coalition, contact Andre at Agreen@chapa.org.



Governor Proposes Housing Court Expansion in FY2017 Budget

The Governor's proposed FY2017 budget includes \$1 million to implement the expansion of Housing Court statewide by July 1. The Housing Court has jurisdiction over cases that involve the health, safety, or welfare of the occupants or owners of residential housing, including eviction, code enforcement, and discrimination claims. Nearly a third of Massachusetts residents do not have access to Housing Court. The budget mirrors a bill currently before the Judiciary Committee in the State Legislature that would also expand Housing Court. For more information on Housing Court, including how to support the campaign to expand it, [click here](#).

Governor's FY2017 Budget Proposes Temporary Increase to the State Low Income Housing Tax Credit

The Governor's FY2017 budget proposal includes **tax legislation** that would expand the State Low Income Housing Tax Credit program (MGL ch. 62, § 6I) by \$5 million a year. Each year's new allocation supports credits for 5 years; an additional \$5 million in annual awards would raise over \$17.5 million/year in equity for affordable housing production and preservation.

EOHHS RFR to Establish Local Consortia to Provide Services to Those Facing Acute Housing Instability

Responses to the **Executive Office of Health and Human Services' (EOHHS') Request for Responses (RFR)** to establish local consortia to provide services to those facing acute housing instability were due on February 2. Award announcements are anticipated on March 1. EOHHS is seeking up to five lead entities to establish regional consortia to coordinate support services to families, individuals, and youth facing recent or chronic homelessness. The regional consortia, consisting of a comprehensive network of local service providers, would offer a coordinated entry system of triage, assessment, prevention and diversion services to ensure vulnerable homeless populations have access to needed interventions in their communities. EOHHS plans to distribute grants in urban, rural, and suburban regions, allocating \$900,000 from the Homelessness Prevention Reserve (1599-0017), established in the FY2016 budget, and \$2 million in funds from the line-item for Housing and Supportive Services for Unaccompanied Youth (4000-0007).

House Approves Bill to Eliminate Racial and Ethnic Health Disparities

On January 27, the House voted 152-3 to approve a bill (**H.3969**) to create an Office of Health Equity within EOHHS. It directs the Office to coordinate all activities of the Commonwealth to eliminate racial and ethnic health disparities, including preparing an annual state plan for disparities reduction, setting reduction goals, and reporting annually on progress against benchmarks. The bill also directs the Office to collaborate with other state agencies, including EOHEd, on reduction initiatives that address the social factors that influence health inequality. The bill now moves to the Senate.



Massachusetts Building Permits Top 17,000 Units in 2015

According to **preliminary Census Bureau estimates** published on January 20, Massachusetts issued building permits for 17,059 housing units in 2015, up 17.8% from the number of units permitted in 2014 (14,486). An estimated 6,847 one-unit (attached and detached) homes were permitted in 2015, down 6.6% compared to 2014, while an estimated 9,420 units were permitted in multifamily buildings (5+) units, up 45% compared to 2014. Overall, single family homes accounted for 40% of the units permitted in 2015. Boston accounted for 51% of the multifamily units (5+) added, with an estimated 4,705 units permitted, followed by Chelsea (686) and Cambridge (493). It should be noted that the Census estimates do not include units added through adaptive reuse.

Number of Families in Massachusetts Homeless Shelters and Motels Declining Slightly

DHCD **reports** the average number of families in emergency shelter and motels fell to 4,214 in December 2015, down from 4,629 in December 2014. Their **December 2015** monthly report indicates that living in an irregular housing situation continues to be the leading reason for shelter/motel placement (31%), followed by domestic violence (12%). The average length of stay for families leaving the shelter/motel system in the **first quarter of FY2016** was 322 days, up from 229 in the first quarter of FY2015.

DHCD Draft Qualified Allocation Plan (QAP) Posted

DHCD has posted its **draft QAP for 2016**. The QAP outlines the state's priorities for investing federal and state low income housing tax credits as well as other state-controlled rental housing funds and the process it will use to select tax credit projects.

DHCD NOFA for State-Aided Public Housing Mixed-Income Community Demonstration Program Issued

DHCD has issued a **NOFA** for a State-Aided Public Housing Mixed-Income Community Demonstration Program, the goal of which is to increase the overall rental housing stock while leveraging resources to repair and preserve existing state public housing. The demonstration will fund the planning and pre-development costs associated with developing new moderate or market-rate housing on existing and surplus PHA owned property. Proposals are due on June 29. A bidder's conference will be held on May 18 at 10:00 am in the 2nd Floor Conference Room D at 100 Cambridge Street in Boston. *To join CHAPA's Public Housing Committee and help ensure that development on public housing land results in long-term sustainability for local housing authorities, contact Eric Shupin at Eshupin@chapa.org.*





Federal Updates

House Approves Rental Assistance Reform Bill Unanimously

On February 2, the U.S. House of Representatives approved **H.R. 3700** (the Housing Opportunities through Modernization Act), making a number of basic administrative changes to public housing, housing choice vouchers, and project-based rental assistance. The changes are similar to those proposed in the Section Eight Voucher Reform Act (SEVRA) and the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA) in years past:

- Improves the project-basing of vouchers to increase housing options while ensuring choice;
- Changes income reviews to allow residents to hold onto 100% of increased earnings from income longer;
- Imposes housing assistance limits for households with incomes above 120% of AMI;
- Streamlines income deductions, while requiring hardship exemptions for negatively impacted families; and
- Allows for expedited inspection processes for units to be rented with vouchers to quicken local efforts to house families and individuals.

An **analysis** of the bill prior to passage is posted on the Center on Budget and Policy Priorities website. Several amendments were approved by the full House, including:

- Retaining the current law related to the standard \$480 deduction from income for dependents, as well as for all child care costs, that public and assisted housing residents may take before their rents are calculated;
- Allowing housing choice vouchers to cover costs beyond the rental of the land underneath a manufactured home, including helping the manufactured homeowner pay for the cost of their home, its insurance, utilities, and property taxes;
- Requiring HUD to publish model guidelines for minimum heating requirements for units operated by public housing agencies;
- Directing the Secretaries of HUD and Labor to produce an annual report on strategies to strengthen family economic empowerment;
- Requiring HUD to study the impacts of H.R. 3700's income deduction changes on rents paid by the elderly, people with disabilities, and families; and
- Updating the formula for HUD's Housing Opportunities for Persons with AIDS (HOPWA) program to count people living with HIV/AIDS and require HUD to develop regulations that incorporate a poverty factor and a housing cost factor in the updated formula.

HUD Issues Advanced Notice of Proposed Rule regarding Over-Income Households in Public Housing

On February 2, HUD released **advanced notice of a proposed rule** for public comment regarding over-income households in public housing. Comments are due March 4. The rule would apply to households that were within HUD income limits when first admitted to public housing but who now have incomes that “significantly exceed the income limit” and have exceeded the limit “for a sustained period of time after initial admission.” The proposed rule seeks to balance demand for scarce units with a desire “not to impede a family’s progress toward self-sufficiency”.

FHFA Issues Proposed “Duty of Serve” (DTS) Rule for Comment

The Federal Housing Finance Agency (FHFA) issued a **proposed rule** in December to implement 2008 legislation requiring the Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac to meet their responsibility to serve three underserved markets by facilitating a secondary market for residential mortgages for very-low, low and moderate-income families. The three underserved markets are:

- manufactured housing;
- preservation of affordable rental and ownership; and
- rural areas.

The proposed rule, as summarized in a National Housing Institute **article**, requires each GSE to develop 3-year plans for each underserved market and will evaluate the GSE’s performance. Comments are due on or before March 17.

HUD AFFH Guidebook, AFH Assessment Tool and Fair Housing Data Now Available

On December 31, HUD issued **three important resources** for complying with the Affirmatively Furthering Fair Housing (AFFH) rule:

- an **AFFH Rule Guidebook** that outlines the rule and the process grantees are to use in developing their Assessments of Fair Housing (AFH), which will be a required part of the Con Plan but due a little earlier. The AFH **due date** for most Massachusetts grantees is late 2019. Boston, Brockton, and Somerville have an October 2017 due date.
- the **Assessment Tool** is a form that local governments must use to submit their AFH. HUD will issue a separate Tool for states, public housing agencies, and Insular Areas later.
- a public **data and mapping tool** (and **User’s Guide**) for use in developing local AFHs. The data for entitlement communities is publicly available now and includes a wealth of information on area demographics and locational characteristics as well as data on individual HUD funded developments and programs (including vouchers). Localities are required to supplement this with local data in developing their AFH.

As the Poverty and Race Research Action Council (PRRAC) **notes**, the Tool and Guidebook look at the relationship between fair housing and schools, transportation, environmental health, and employment access and present real opportunities for cross-sector collaboration.





Recent Research & Reports

MCBC Issues 2014 Study of Mortgage Lending Patterns in Boston, Greater Boston and Massachusetts

The Massachusetts Community and Banking Council has issued its 22nd annual *Changing Patterns* report on home-purchase mortgage lending in Boston, Greater Boston, and statewide. ***Changing Patterns 22*** notes the large, though declining, role of higher cost government backed loans (insured or guaranteed by the FHA, VA or USDA) in mortgage lending to traditionally underserved borrowers and neighborhoods, calling it a symptom of the lack of availability of prime conventional loans to those borrowers and neighborhoods. It finds that CRA-covered lenders offer more of their loans as conventional loans than other lenders. It also finds that the 2014 loan denial disparity ratios between whites and other racial and ethnic groups remain quite similar to those in 2004, except for one: in the city of Boston, the black/white disparity ratio has risen to a historically high level of 3.6 in the past four years. It also finds dramatic differences in home-purchase lending among Boston's 20 major neighborhoods. The report includes detailed town by town data in online tables.

Demographics of the Recent Growth in Renter Households

An article in *Housing Perspectives*, published by the Joint Center for Housing Studies, "***Look Who's Renting: The People Behind the Recent Surge in Demand for Rental Housing***" highlights some of the findings from the Center's recent **report** on the recent growth in rental households. It finds that renters under 30 account for only 11% of the growth in rental population, while renters aged 50 or older account for 55% and renters aged 30-49 another 34%. Families with children accounted for about one-quarter of the growth in renters. While renters overall tended to have lower incomes, there has been growth in the number of households in the top income tier who rent.

MassBudget Issues Report on the State of Black Massachusetts

The Massachusetts Budget and Policy Center (MassBudget) has issued a report, ***Race to Equity: The State of Black Massachusetts***, commissioned by the Urban League of Eastern Massachusetts, on how Black communities and communities of color are faring in three domains (education, economic opportunity/income and health). It outlines equity gaps and some of the causes, including high childhood poverty rates, the concentration of minority children in high poverty schools, subsidy shortages, the racial wealth gap and underfunding of proven health programs.



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