

CHAPA Housing Briefs

November 24, 2015

State Updates

DHCD Issues NOFA for the Winter 2016 Rental Housing Funding Round

While the State has not yet posted its draft Qualified Allocation Plan (QAP) for the federal Low Income Housing Tax Credit (LIHTC), the Massachusetts Department of Housing and Community Development (DHCD) issued a **Notice of Funding Availability (NOFA)** for the Winter 2016 competition for state-controlled rental housing resources on November 20. Resources available include federal and state LIHTC allocations, HOME, state bond program funds (HIF, HSF, CIPF, FCF, CBH, CATNHP/TOD or AHTF), and up to 220 project-based vouchers under the MRVP (up to 100) and federal Housing Choice Voucher (up to 120) programs. The NOFA states that DHCD expects the project-based vouchers to be available in the fall of 2017. The deadline for pre-applications is December 17, 2015 and the deadline for final applications will be March 11, 2016.

DHCD Issues Planning Grant NOFA for Mixed Income Redevelopment of State Public Housing

On November 13, DHCD issued a **NOFA** making up to \$1 million in planning and pre-development funds available to local housing authorities interested in redeveloping their state-aided public housing as a mixed income development in partnership with a developer. DHCD may make state bond funds available to cover some of the design and construction costs. The maximum grant generally will not exceed \$200,000, though larger grants may be considered. Projects can involve the development of new affordable and/or market rate units on existing public housing sites and other LHA-owned land. DHCD has scheduled a bidder's conference on December 1 at 11 a.m. in Boston. Applications are due by February 26, 2016.

Upcoming Events

November 30, 2015

CHAPA Breakfast Forum: Barriers to Homeownership and Local Solutions

December 4, 2015

New England Housing Network Annual Conference

December 4, 2015
Needham, MA



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

In Memoriam



Beloved long-time CHAPA member and housing activist, **Mildred Hailey**, passes away.



2015 Greater Boston Housing Report Card Released

The **2015 Greater Boston Housing Report Card** was released by The Boston Foundation on November 13, 2015. The 2015 report card, like the first one in 2000, focuses on the rising cost of housing in the region, fueled by insufficient housing production. It attributes the shortfall to “the high cost of producing housing for working and middle-income households. In part, this is because of the extreme barriers to new construction, especially in the form of severely restrictive zoning at the local level across much of Massachusetts.” It concludes that the very high costs of land and site preparation, which contribute to prohibitive total development costs, will not come down until zoning restrictions are relaxed. The report includes detailed analyses of total development cost (TDC) components for new low-rise, non-luxury multifamily rental housing using subsidy programs in Greater Boston and finds that the TDC of “suburban” projects is only 4% less than for “urban” projects (\$262 per square foot vs. \$274) in 2011-2015, compared to 20% less in 2004-2008. The Report Card includes eight recommendations to increase the production of housing affordable to low, moderate, and middle income families.

DHCD Issues Notice of Funding Availability (HPSTF and MRVP) for Rental Housing with Support Services

On November 2, DHCD, in partnership with the Community Economic Development Assistance Corporation (CEDAC), issued a **NOFA** for up to \$11.5 million in Housing Preservation and Stabilization Trust Fund (HPSTF) capital funds and approximately 125 MRVP vouchers. Service funding of up to \$1,500 per year will be attached to the vouchers. Applicants may seek both HPSTF and MRVP or just one of those resources and may also apply for additional DHCD capital resources (primarily HIF). Eligibility is limited to non-profit sponsors that receive federal, state or private support service funding and have projects that are highly ready to proceed. The populations to be targeted include - but are not limited to - homeless families, homeless individuals (including veterans), unaccompanied homeless youth, frail seniors with service needs and individuals in recovery from substance abuse. The NOFA gives preference to households with multiple barriers to permanent housing. Pre-applications were due by November 13 with full applications due on or before December 21.

State Public Housing Update

DHCD continues to make progress in implementing the state public housing reform **legislation** enacted in August 2014. While some regulations are still going through the review process, DHCD posted **Guidance on Election of Tenant Board Members** and an update on the selection of host LHAs for the **Regional Capital Assistance Teams** (two of three have been selected). It also posted an **update** on Capital Program Funding in FY2016, announcing higher formula funding grants, new funding initiatives and anticipated RCAT activities. As part of the state’s effort to end veteran homelessness, it also posted **guidance** on resources to support their tenancies in state public housing in October.

Housing Production Hearing Makes the Case for Multifamily Zoning

CHAPA’s housing production bill, **H.1111**, filed by Chairman Kevin Honan, was heard by the Joint Committee on Housing on Tuesday, September 29th. The bill provides the tools necessary to meet the Commonwealth’s housing needs. The legislation includes financial incentives, mandatory measures, the removal of programmatic barriers for communities, and new tools to build the kind of housing residents want. Twenty-five people testified in support of the bill at the hearing, making a strong case for multifamily zoning and cluster developments in appropriate locations in every community across the Commonwealth. In addition, those who provided testimony discussed the need for a new state-assisted program for developing affordable community-scale developments that fit the local community context, new strategies and tools for redeveloping “greyfields” or underutilized or former commercial sites in communities across the state, and the need for changes to the Housing Development Incentive Program (HDIP) to make it a stronger tool for redevelopment in Gateway Cities.

Housing Preservation Bill Heard by Revenue Committee

On September 22nd, the Joint Committee on Revenue heard **H.2540**, *An Act relative to low-income housing tax credits*. The legislation allocates \$15 million of additional state low-income housing tax credits over the next four fiscal years for the purposes of preserving the affordability of homes created under the 13A program. Massachusetts is currently at risk of losing thousands of affordable homes as owners of properties built under the 13A program either pre-pay their mortgages or see their subsidies expire.

Thank You for Making CHAPA's 2015 Housing Day at the State House a Success

On November 10th, over 200 people gathered for CHAPA's 2015 Housing Day at the State House to advocate for legislation that will help produce, preserve, and plan for more affordable housing in Massachusetts. The participants, representing more than 100 organizations and 57 communities, engaged directly with over 60 legislators and visited every lawmaker's office.

At the event, CHAPA presented Housing Hero awards to Representative Brian Dempsey, Chair of the House Committee on Ways and Means, and Senator Karen Spilka, Chair of the Senate Committee on Ways and Means, for their strong support of housing and homelessness prevention programs in the in the FY2016 budget.

CHAPA thanks Senate Majority Leader Harriette Chandler, Senator Linda Dorcena Forry, Representative Kevin Honan, and DHCD Undersecretary Chrystal Kornegay for speaking at the event. CHAPA also thanks the 30 organizations that cosponsored the event.

To review the Housing Day priorities and materials, please **[click here](#)**.

CHAPA Regional Meetings

This October, CHAPA hosted Regional Meetings across the Commonwealth to meet with housing professionals, advocates, community members, elected officials, and other stakeholders who want to expand access to safe, quality, and affordable housing. In addition to hearing updates on federal and state policy, participants shared housing challenges facing their communities and discussed state policies that could help each community's efforts to provide affordable housing. To view the presentation from the Regional Meetings, **[click here](#)**.

Thank you to everyone who attended the meetings and contributed to this important and ongoing discussion. CHAPA will host another series of Regional Meetings in early spring in order to continue this conversation and hear from as many communities as possible!





Federal Updates

Congress Working on Omnibus Budget Bill; Senate May Vote on own THUD Appropriations Bill

The signing of the **Bipartisan Budget Act of 2015** (BBA) on November 2 postponed most of the \$37 billion in sequestration cap cuts to nondefense discretionary (NDD) programs that would have been required in FY2016, making \$33 billion available. However, the Center for Budget and Policy Priorities (CBPP) **notes** that it will still leave total FY2016 NDD spending 12% below FY2010 levels when adjusted for inflation and at the lowest level since 1962 in FY2017. House and Senate committees are conferencing together to decide how to allocate the additional funds among the appropriations subcommittees with the goal of rolling the 12 separate appropriations bills into an omnibus bill by December 11, though it remains to be seen if the process will be delayed by non-budget amendments. As **reported** by the National Low Income Housing Coalition, the Senate began, then halted, consideration last Friday of its own Transportation and Housing and Urban Development (THUD) appropriations bill, which provided almost no increase from their pre-BBA bill beyond funding the HOME program at \$900 million, due to disagreement over a number of harmful amendments, and is not expected to take that bill up again.

HUD Posts Short Fact Sheets on Affirmatively Furthering Fair Housing (AFFH) Rule

HUD posted four short fact sheets on the AFFH rule on its **AFFH webpage**, providing information on how localities and PHAs can collaborate to develop **a joint or regional Assessment of Fair Housing (AFH)**, when a jurisdiction must submit its first AFH, and the requirement for public participation in the development of an AFH.

HUD Proposes Rule to Make Federal Public Housing Smoke-Free

On November 12, HUD published a **proposed rule** that would require all PHAs to prohibit "lit tobacco products" in all federal public housing living units and indoor common areas and in PHA administrative office buildings. It would allow PHAs to decide whether to restrict outdoor smoking to designated areas or to prohibit it entirely. The proposed rule would not apply to dwelling units in mixed-finance buildings. In a conference call explaining the proposed rule, HUD Secretary Castro said enforcement would be through leases but that HUD wants to avoid evictions. Comments will be accepted through January 19, 2016.

Bills to Reform Housing Assistance and Project-Based Voucher Provisions Introduced

The chair of Subcommittee on Housing and Insurance (part of the House Financial Services Committee), Blaine Luetkemeyer (R-MO) introduced legislation on October 7 (**H.R. 3700 - the Housing Opportunity through Modernization Act of 2015**) to adopt long-standing proposals from earlier Section 8 reform bills (SEVRA and AHSSIA) bills, as well as proposals approved by the House in July by wide margins in the form of **four single-issue bills** and several new proposals. The bill has the full support of minority members of the subcommittee and received praise from housing advocates at a **hearing** on October 21. It has been referred to the full Committee.

The bill's newer provisions would:

- require HUD to track veteran homelessness as part of its Annual Homeless Assessment Report (AHAR);
- authorize a demonstration of water and energy conservation in HUD 202, 811 and project-based Section 8 developments;
- allow nonprofits to administer project-based rental assistance under HUD's Continuum of Care program;
- promote the preservation of certain HUD-assisted multifamily properties by loosening restrictions on the distributions and use of residual receipts and by increasing refinancing options in exchange of affordability requirements (this is also in the Senate FY2016 THUD appropriations bill);
- limit tenancy by public housing residents with incomes above 120% of area median;
- allow PHAs to create replacement reserves (a policy change HUD requested in its FY16 budget);
- extend the Family Unification Program to younger youth and allow project-basing;
- create policies for inspections of units owned by public housing agencies,
- make changes to utility reimbursements; and
- create a rural multifamily housing revitalization program.

In November, Representative Maxine Waters (D-CA), ranking member of the House Committee on Financial Services introduced a bill (H.R. 3827) to implement the project-based voucher reforms included in H.R. 3700. H.R. 3827 would extend the permissible PBV contract term from 15 to 20 years and change the limit on PBVs from the current limit of 20% of a PHA's vouchers to either 20% of its vouchers or 20% of its voucher funding. It would also allow PHAs to project-base an additional 10% of its vouchers specifically to serve homeless individuals or families, to serve veterans or households with persons who are elderly or have a disability, or if the units will be in areas where vouchers are difficult to use because of market conditions.





Recent Research & Reports

Federal Reserve Study Finds Rent Inflation Much Higher for Lower Cost Housing

A study from the Federal Reserve Bank of New York, *The Measurement of Rental Inflation*, has found that the rate of rent inflation for lower cost apartments (the lowest cost quintile) has consistently been many times higher than for higher cost apartments (the highest quintile). The study used American Housing Survey (AHS) data on gross rents (contract rent and utilities) and adjusted for public subsidies and calculated rent inflation rates in two year intervals from 1993-2013 (see **summary** by the National Low Income Housing Coalition). In 2011-2013, for example, the rate of rent inflation in the lowest quintile was 15.9% compared to -0.4% in the highest quintile. The study theorizes that most growth in the rental supply occurs in the upper quintile through new construction, which helps dampen inflationary pressures in that segment. The authors have posted a **more detailed summary** as well as a link to the full study.

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