

# CHAPA Housing Briefs

April 7, 2016

## State Updates

### CHAPA Weighs in on Economic Development Legislation

On April 5, CHAPA submitted **testimony** on Governor Baker's economic development legislation, H.3983 *An Act to Provide Opportunities for All*, which includes \$918 million in proposed investments in community support, workforce development, and emerging technology. It authorizes \$75 million in capital spending for the Brownfields Redevelopment Fund over the next five years, \$500 million for MassWorks, and \$25 million for the Smart Growth Housing Trust Fund. Increased investments in these areas are important to housing development. CHAPA applauds Governor Baker for creating a permanent funding source for Brownfields. With little increase expected in the overall capital budget, it will be important to find a way to fund these programs without reducing funding for the DHCD affordable housing capital budget programs.

### Governor's Proposal to Increase the State Low Income Housing Tax Credit (LIHTC)

Alongside his budget proposal for FY17, Governor Baker filed legislation that would expand the State LIHTC program by \$5 million per year. Each year's new allocation supports credits for 5 years, and an additional \$5 million in annual awards would raise over \$17.5 million per year in equity for affordable housing production and preservation. The Governor's proposal funds increases to the State LIHTC through changes to the state's film tax credit. See CHAPA's **testimony** in support of the increase for the State LIHTC.

## Upcoming Events

April 12, 2016

**CHAPA Spring 2016 Regional Meeting in Fitchburg**

May 2, 2016

**CHAPA Young Professionals Brown Bag Lunch Series: The Mayor's Housing Innovation Lab**

November 1, 2016

**Save the Date for CHAPA's 49th Annual Dinner!**

To view all CHAPA events please visit [www.chapa.org/event](http://www.chapa.org/event).



## CHAPA's Budget Advocacy in Full Swing

In mid-April, the House Committee on Ways & Means will release its budget proposal for FY17. CHAPA is seeking increases for the Massachusetts Rental Voucher Program (MRVP), Alternative Housing Voucher Program (AHVP), Public Housing Operating Subsidy, Public Housing Reform implementation, Residential Assistance for Families in Transition (RAFT), HomeBASE, Foreclosure Counseling, and the Tenancy Preservation Program. **Click here** for a full list of CHAPA's budget priorities. To get involved with CHAPA's budget advocacy, contact Eric Shupin at [eshupin@chapa.org](mailto:eshupin@chapa.org).

## Housing Preservation and Stabilization Trust Fund (HPSTF) Award Announcement

On March 11, the Baker-Polito Administration **announced** \$10.6 million in HPSTF awards. The awards will fund 312 new units of supportive housing for homeless individuals and families, veterans, the elderly, and for people with disabilities. CHAPA is working to ensure future funding for HPSTF and is seeking level funding at \$11.5 million for the program in the FY17 budget.

## Massachusetts Issues Year One Report on 811 Project-Based Rental Assistance (PRA) Demonstration

EOHHS and DHCD recently released a **year one report** on the state's **Section 811 PRA** demonstration project to help persons with disabilities living in institutions or at risk of institutionalization move to community settings. The program combines regular and special Medicaid funds with state and federal housing funds, including 197 HUD Section 811 project-based vouchers and 100 DHCD vouchers (50 mobile) funded by MRVP and Section 8. Based on the first 30 households housed, all with mobile vouchers, the report estimated that providing a community based setting for 12 months saved \$12,272 per person per year on average compared to the cost of institutional care for 12 months (\$74,906). The estimated 12 month cost per person in a community setting was just over \$62,600 on average (about \$52,700 in MassHealth costs and just under \$10,000 in housing subsidy costs).





# Federal Updates

## 2016 National Housing Trust Fund (NHTF) Allocation Lowered Slightly

On April 4, HUD **announced** that NHTF allocations for 2016 will total \$174 million, slightly lower than originally projected by the National Low Income Housing Coalition (NLIHC) due to a sequestration cut of 6.9%. NLIHC has posted **revised estimates** of state allocations to reflect this change as well as updated construction cost and other data used in the formula for state allocations. It now estimates that Massachusetts will receive \$3.45 million in 2016.

## HUD Issues New Fair Housing Guidance on the Treatment of Persons with Criminal Records

On April 4, HUD issued new **guidance** on the Application of Fair Housing Standards to the Use of Criminal Records. As **summarized** in an article in the New York Times, the new guidance uses disparate impact analysis and prohibits blanket bans on renting to persons with criminal records. The new guidance requires landlords to distinguish between arrests and convictions, forbids bans based on arrests alone (no convictions), and requires landlords to justify exclusions in the case of convictions, case by case, based on such factors as when the crime occurred and the severity and nature of the offense.

## HUD 2016 Income Limits Released

HUD has posted its 2016 income limits effective March 28 (**click here** for the Massachusetts limits). Median family incomes declined in 12 of the state's 19 Fair Market Rent areas, including very slightly in the Boston-Cambridge-Quincy area (from \$98,500 to \$98,100) and particularly steeply (17.8%) in the Fitchburg-Leominster area. The 50% of area median income (AMI) limits in those 12 areas also fell. The moderate income (80% of area median) limits fell in 16 of the 19 FMR areas – in most cases very slightly (\$100) - as that limit is generally capped at the national median family income (\$65,700 in 2016). The three areas with increases were Boston-Quincy-Cambridge and Barnstable County, both set above the national cap due to high housing costs, and the Taunton-Mansfield-Norton area due to an increase in its median family income. Background information and individual area documentation can be found at **<https://www.huduser.gov/portal/datasets/il/il16/index.html>**.

## HUD Requests Policy and Evaluation Proposals for Moving to Work (MTW) Program

Congress, as part of the 2016 Consolidated Appropriations Act, authorized HUD to expand the MTW demonstration program by an additional 100 high performing Public Housing Authorities (PHA) over a period of seven years. As detailed on HUD's **MTW expansion webpage**, HUD will add PHAs by cohort and, as required by the Act, "the Secretary shall direct one specific policy change to be implemented by the agencies." Having an entire cohort adopt a specific policy will facilitate evaluation of the policy. HUD plans to establish a research committee to advise the Secretary, and, as stated in a **notice** published April 4, requested recommendations for specific policy proposals, methods of research, and evaluation for the expansion. Comments are due by May 4.

## HUD Seeks Comment on Draft Assessment of Fair Housing (AFH) Tool for States

On March 11, HUD issued a **notice** seeking public comment on a draft assessment tool for States. The draft tool lists the data HUD will provide states and the questions states must answer to analyze fair housing issues state-wide and regionally, identify barriers and set fair housing goals. The state notice also encourages collaboration with qualified PHAs (less than 550 federal public housing units and vouchers) and local governments to develop a joint AFH tool with the state as the lead agency. **Click here** for a helpful NLIHC summary of the tool and links to HUD data. The notice includes numerous questions for comment, including whether to add more areas to the analysis of access to opportunity, including five specific areas: emergency management and preparedness, re-entry opportunities for offenders, public health services, public safety services and housing and financial services. The deadline for submitting comments is May 10. After considering comments, HUD will solicit a second round of comments for 30 days.

Links to the draft state tool, tool comparisons, and the sample HUD data can be found on **HUD's assessment tool webpage**. The assessment tools guide the analysis and goal setting for the Assessment of Fair Housing (AFH) form states must submit to HUD under the final Affirmatively Further Fair Housing (AFFH) rule.

## HUD Issues Draft AFH Assessment Tool for PHAs

On March 23, HUD issued a **notice** seeking public comment on a **draft AFH assessment tool for PHAs**. This draft tool is for PHAs that choose not submit a collaborative AFH with state or local governments (see above) and describes the data HUD will provide and the specific questions PHAs must answer to complete their AFH. As with the notices for the state and local tools, this notice encourages collaborative AFH submissions. **Click here** for a helpful NLIHC summary of the draft PHA tool. The draft PHA tool includes a number of questions specific to voucher program policies and the local rental market. HUD has posted a comparison of the draft PHA tool and the local government tool on its **assessment tool website**. Comments are due no later than May 23. After considering comments, HUD will solicit a second round of comments for 30 days.

## HUD Posts Webinar on Assessment of Fair Housing (AFH)

On March 24, HUD posted a six part **webinar** which provides an introduction to key elements of the Assessment of Fair Housing concept and process.



## HUD Seeks Comment on Data Provided in the AFH Assessment Tool for Local Governments

On March 23, HUD issued a **notice** re-opening its AFH assessment tool for local governments to solicit comment and suggestions for improvements to HUD's data and mapping tool. The notice includes six specific questions for comment:

- Should racial/ethnic areas of concentrated poverty definition be amended to exclude college students from the poverty rate calculations?
- Should HUD provide additional data on homeownership, including demographics and homeownership rates by protected class group?
- Are there changes or improvements to be made to the Opportunity Index measures?
- Should HUD add Home Mortgage Disclosure Act (HMDA) data and if so which types?
- Should HUD distinguish between 9% and 4% credits in its LIHTC data and mapping?
- Are there other changes to the tool that would facilitate joint or regional collaboration or facilitate meaningful fair housing analysis and goal setting?

Comments are due no later than May 23.

## HUD Proposes Revisions to Lead Based Paint Poisoning Prevention Rule

The Beazley Institute for Health Law, the Shriver National Center on Poverty law, and 28 other housing and health organizations submitted a **petition** to HUD to revise its lead based paint rule to more effectively prevent lead poisoning. In response, HUD submitted a draft rule to the federal Office of Management and Budget (OMB), which will adopt the federal Center for Disease Control's 2012 definition of an elevated blood level (5 micrograms per deciliter) for children under age six. (**Massachusetts' Childhood Lead Poisoning Prevention Program** still uses 10 micrograms per deciliter.) HUD's **reply letter** to the petitioners indicates that it will also establish more comprehensive testing and evaluation procedures for federally assisted housing in which children with elevated blood lead levels reside. The draft rule will be not made public until OMB completes its review.

## Two Federal Appeals Courts find Local Zoning Decisions Violated the Fair Housing Act

On March 23, the U.S. Court of Appeals for the Second Circuit **upheld** a lower court decision that found that a rezoning by Garden City, Long Island in New York, had a disparate impact on blacks and Hispanics. As **reported** by the New York Times, the village of Garden City proposed rezoning 25 acres of county-owned land for multifamily housing but revised the proposal after contentious public hearings, rezoning the site primarily for townhouses or single family homes. As **reported** by The New York Times on March 23, the appeals court in its decision noted that village residents had used racial code words at public hearings. The decision gives the plaintiffs, New York, 30 days to propose remedies. On March 25, as reported in **CityLab**, the U.S. Court of Appeals for the Ninth Circuit **found** that a zoning decision by the city of Yuma, Arizona, had a disparate impact on Hispanics, overturning a lower court decision. This case also involved rejection of a rezoning to allow smaller lot sizes after a public hearing. The appeals court remanded the case to the district court.





## Recent Research & Reports

### Brookings Study Finds Concentrated Poverty Continues to Rise Nationally and in Massachusetts

A new analysis, *U.S. Concentrated Poverty in the Wake of the Great Recession*, finds that the rise in the share of poor people living in high poverty neighborhoods has accelerated since 2010 in almost all of the nation's 100 largest metro areas. The study looked at both the rise in the number of high poverty neighborhoods (20-40% poverty rate) and extreme poverty neighborhoods (above 40%) and the share of poor people who live in such neighborhoods. Nationally, it found that over half (55%) of all poor people lived in high or extreme poverty areas in 2010-2014, up from 47.5% in 2005-2009, 43.5% in 2000, 48.6% in 1990, 41.7% in 1980 and 40.8% in 1970. The share living in extreme poverty areas rose to 13.5% in 2010-2014, up from 9.1% in 2000 and 10.5% in 2005-2009. Boston, Springfield, and Worcester were among the two thirds (67) of the 100 largest metro areas that experienced increases in concentrated poverty between 2005-2009 and 2010-2014. Increases were more pronounced for blacks and Hispanics, especially those living in a primary city. As detailed in the **Appendix Tables**, in the Worcester MSA, the share of poor persons (all races) living in extreme poverty areas rose from 5% to 17% between 2000 and 2010-2014, in the Springfield MSA from 21% to 26%, and in the Boston/Cambridge/Newton MSA from 4% to 6%.

### NLIHC ELI Rental Housing Affordability Gap Analysis - Massachusetts Gap is almost 167,000 Units

NLIHC has issued its annual report on the shortage of affordable rental housing for extremely low income (ELI) households (incomes at or below 30% of area median income). **The Gap: The Affordable Housing Gap Analysis, 2016** reports a shortage of 7.2 million "affordable and available" rental units for America's 10.4 million ELI renter households and notes that additional units are needed to meet the needs of homeless families. It estimates that the Boston MSA shortage at 115,798 units and the statewide shortage in Massachusetts at 166,960 units is up by about 8,000 and 5,500 units respectively from its **2015 gap analysis**. Affordable and available means units with rents affordable at 30% of AMI that are not occupied by higher income households. While Massachusetts and the Boston MSA meet the needs of deeply low income (incomes at or below 15% of AMI) and ELI renter households better than almost all other states and MSAs, 75% and 61% of these households statewide still pay over half their income for housing.

## HUD Releases Report on Characteristics of LIHTC Tenants in 2013

On March 25, HUD released *Data on Tenants in LIHTC Units as of December 31, 2013*, its second annual report on the characteristics of tenants living in LIHTC projects. As **required** by 2008 federal legislation (HERA), HUD issued its **first report** (on characteristics as of December 2012) in late 2014. The 2013 report continues to suffer from data completeness issues. Nationally, HUD received data in 2013 for only 59% of the projects carried in HUD's database as active (in Massachusetts, the percentage was 60.5%). At the same time, 22% of the projects for which HUD received data were not in the HUD database. Missing data on household size from a number of HFAs, including Massachusetts, prevented HUD from assessing the completeness of data received about individuals (e.g. race/ethnicity, disability). There is no data on Chicago and New York City projects.

Within these data limitations, however, the report suggests several differences between LIHTC tenant characteristics in Massachusetts (data on 43,062 units in 609 developments) and national averages.

- Among states with relatively complete information, Massachusetts had one of the lowest percentages of households with children (26.9% vs. 37.4%).
- Massachusetts had a higher percentage of elderly households (27.9%) than most states with reported data though under the national average (31.5%). Its share of households with a disabled member exceeded the national average (11.3% vs. 8.3%).
- Massachusetts LIHTC households are more likely to be extremely low income (ELI) households (69% vs. 47%).
- Massachusetts LIHTC households are less likely to have rent burdens above 30% of income (21.4% vs. 38.4%).
- Massachusetts LIHTC tenants appear more likely to have rental assistance (52% vs. 36%), but, as HUD notes, incomplete data from many states limits comparisons.

## Children's HealthWatch Finds Lower Infant Hospitalization Rates among Families with Rental Assistance

A new research brief from Children's HealthWatch, **Housing as Health Care Investment**, summarizes recent research on the negative impacts of homelessness and housing instability on the hospitalization costs and health outcomes of poor children and the usefulness of food insecurity as a health vulnerability assessment tool. It adds information on the benefits of rental assistance for low-income, food-insecure households with infants under 12 months. It found that infants in food-insecure families who had rental assistance during the pre-natal period (about one-quarter of the families) were 43% less likely to have been hospitalized. It estimates that rental assistance resulted in 1,200 avoided hospitalizations with health care savings (avoided costs) estimated at \$20 million in 2015.





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