

CHAPA Housing Briefs

February 8, 2017

State Updates

CHAPA's 2017–2018 Legislative Agenda

CHAPA's **2017–2018 Legislative Agenda** includes proposals that will help produce, preserve, and plan for more housing that is affordable for households with low and moderate incomes. If enacted, these bills will reduce homelessness and housing instability; help persons with disabilities afford accessible, community-based housing; create jobs; and strengthen our communities.

An Act Financing the Production & Preservation of Housing for Low & Moderate Income Residents (HD1074)

Sponsored by Rep. Kevin Honan & Sen. Linda Dorcena Forry

This legislation invests \$1.7 billion through the capital budget in affordable housing over five years, providing critical funding to produce, preserve, and modernize public and affordable housing in communities across the Commonwealth. The bill also extends the state Low Income Housing Tax Credit and expands its annual authorization by \$5 million to preserve affordable housing at risk of being lost due to expiring affordability restrictions.

An Act Relative to Housing Production (HD925 / SD1651)

Sponsored by Rep. Kevin Honan & Sen. Linda Dorcena Forry

This legislation provides financial incentives and new tools to meet the Commonwealth's housing needs. The bill requires cities and towns to allow multifamily housing in smart growth locations, accessory dwelling units, and open space residential developments as of right. It also presents new tools and strategies for regionalization and interagency collaboration to plan for the housing Massachusetts residents want and need.

An Act Building for the Future of the Commonwealth (HD2587)

Sponsored by Rep. Stephen Kulik & Rep. Sarah Peake

This legislation reforms our state's planning, zoning, and permitting laws to support communities that work for families and seniors; create healthy, walkable neighborhoods; produce new housing in sensible locations; and preserve open space. Sen. Harriette Chandler sponsored similar legislation, An Act Promoting Housing and Sustainable Development (SD1609), which is a refile of the bill that passed the Senate last session.



Citizens' Housing and
Planning Association, Inc.

CELEBRATING 50 YEARS!

Join us in celebrating CHAPA's 50th Anniversary this year! Stay tuned for special events, giving opportunities, and other ways to get involved!

UPCOMING EVENTS

February 15, 2017

CHAPA Production & Preservation Committee Meeting

February 16, 2017

2017-2018 Mentoring Program Information Session

February 23, 2017

Young Professionals' Brown Bag Lunch Series: Standing Up for Affordable Housing

Date TBD

Stay tuned for a special CHAPA forum on federal housing policy and doing business in times of uncertainty in late February/Early March!

October 26, 2017

Save the date for CHAPA's 50th Annual Dinner!

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

WE WANT TO HEAR FROM YOU!

Help us tell the story of CHAPA's impact throughout the years. Send photos, stories, and quotes to eroussinova@chapa.org.

For the full list of CHAPA's legislative priorities, please [click here](#). Although the deadline has passed for Representatives to co-sponsor legislation, State Senators can still sign-on to support CHAPA's legislative agenda! Please contact your State Senator to ask him or her to co-sponsor these bills. You can find your Senator's contact information [here](#).

Governor Releases FY2018 Budget Proposal

On January 26, Governor Baker released his **FY2018 budget proposal**. The Governor proposed \$97.5 million for the Massachusetts Rental Voucher Program, an increase of \$11 million over FY2017. CHAPA thanks the Governor for his increased investment in this permanent affordable housing solution.

He also included increased funds for public housing reform to support a centralized wait list for public housing and \$1 million to expand Housing Court statewide. Unfortunately, there were proposed cuts for foreclosure counseling and HomeBASE. For a full analysis of the Governor's budget proposal as it relates to CHAPA's budget priorities, please [click here](#).

The House and Senate Committees on Ways and Means will now develop their FY2018 budget proposals over the next few months and will debate their budgets in the spring.

CHAPA Welcomes the New Members of the Legislature

CHAPA welcomes the new members of the Massachusetts State Legislature. We look forward to working with you on affordable housing, homelessness prevention, and community development issues.

Sen. Julian Cyr
Sen. Adam Hinds
Sen. Walter Timilty
Rep. Mike Connolly
Rep. Will Crocker
Rep. William Driscoll
Rep. Dylan Fernandes
Rep. Solomon Goldstein-Rose

Rep. Natalie Higgins
Rep. Jack Lewis
Rep. Juana Matias
Rep. Joan Meschino
Rep. Brian Murray
Rep. Chynah Tyler
Rep. Bud Williams

DHCD Releases Proposed Amendments to HDIP Regulations

The Department of Housing and Community Development (DHCD) posted **proposed amendments** to regulations for the Housing Development Incentive Program (HDIP). Written comments on the proposed amendments can be submitted by March 1, 2017, to: DHCD, 100 Cambridge Street, Suite 300, Boston, MA 02114, Attn.: Ian Meyer or sent electronically to ian.meyer@state.ma.us. For more information, visit DHCD's website by [clicking here](#).





Federal Updates

FY2017 Budget Still Uncertain – Massachusetts Could Lose 4,000+ Vouchers Unless Congress Increases Funding

Enterprise **reports** that Congress is likely to extend the current continuing resolution (CR), which runs through April 28, with a new CR that will cover the balance of FY2017. Likely funding levels are uncertain, but unless the final CR provides renewal funding above FY2016 levels, housing agencies will have to shrink their housing choice voucher programs by up to 100,000 vouchers nationwide. A new **analysis** by the Center on Budget and Policy Priorities (CBPP) explains that renewal costs have risen above original projections due to new vouchers for veterans, voucher restorations, and the growing gap between rents and tenant incomes. CBPP estimates that Massachusetts will lose almost 4,100 vouchers if the final CR maintains funding at FY2016 levels. Massachusetts will lose over 1,000 vouchers if the final CR funds renewals at the level approved by the Senate Appropriations subcommittee earlier this year.

FY2018 HUD Budget Could Be Bleak

The Administration is expected to release a topline proposal providing budget totals for each agency on February 28 and a more detailed proposal in May. There is great uncertainty regarding likely funding levels and what Congress will ultimately approve, especially for non-entitlement, non-defense activities. The current budget framework established by the Budget Control Act of 2011 (BCA) sets annual caps through 2021 on defense spending and on non-defense discretionary (**NDD**) spending, and if Congress exceeds the caps then that forces automatic cuts through sequestration. In 2013, Congress agreed to some sequestration relief, with **parity** between defense and non-defense spending (i.e. for every dollar of relief grant to defense, NDD must receive at least one dollar). Advocates are concerned the parity principle is at risk in the face of proposals to increase defense spending. In addition, the Administration is reportedly considering cuts in federal spending on NDD programs that go beyond the BCA caps, guided by proposals made by the Republican Study Committee last year and by the Heritage Foundation (see NLIHC **article**). The latter called for cutting NDD spending by one-third next year. National housing and community development organizations are circulating a **sign-on letter** urging Congress to raise the NDD spending caps in 2018 and adequately fund housing and community development.

White House Issues Regulatory Freeze

On January 20, the White House issued a **memo** putting at least a 60 day freeze on pending federal regulations and much guidance until reviewed by new agency heads (it allows exemptions for emergency situations). Under it, no new regulations/guidance can be submitted to the Federal Register for 60 days and regulations submitted but not published in the Register as of January 20 are withdrawn. In addition, the effective date of regulations already published but not in effect is postponed for 60 days. The memo also allows agency heads to extend a freeze beyond 60 days. The National Low Income Housing Coalition has **identified** a number of HUD items affected by the freeze, including two notices recently issued for comment: expansion of the Moving to Work (MTW) program and a notice to implement reforms to the Housing Choice Voucher and Project-Based Voucher programs authorized by 2016 legislation, and many recent final rules (smoke-free housing, lead paint, etc.).

HUD Issues Draft Rule to Implement Section 8 HCV and PBV Reforms

On January 18, HUD published a **notice** for comment (comments due 3/20, effective 4/18) implementing reforms authorized by the 2016 Housing Opportunity through Modernization Act (HOTMA) to the Housing Choice Voucher (HCV) program, including project-based vouchers (PBVs). The notice streamlines HCV requirements related to inspections and income recertification. For PBVs, it allows public housing authorities to convert more of their HCV resource to PBVs, raising the basic limit on a public housing agency's use of PBVs from 20% of their voucher funding to 20% of vouchers and allowing an additional 10% of vouchers to be PBVs if they are for homeless families, supportive housing, or projects in census tracts with a poverty rate below 20%. It also exempts certain preservation vouchers as well as RAD PBVs from the 20% cap. It revises the income mixing cap to the greater of 25 units or 25% of units in a project and expands exemptions to this cap. It also allows selection preference for families who qualify for voluntary services, including disability-specific services. The request for comments includes a number of specific questions.

HUD Issues Moving to Work Expansion Rule for Comment

On January 23, HUD **issued** a notice for public comment (subsequently withdrawn under the regulatory freeze) establishing requirements for the implementation and continued operations of the Moving to Work (MTW) demonstration program. The Moving to Work demonstration program allows selected PHAs to mingle their federal public housing and housing choice voucher funds and operate their programs more flexibly. Federal legislation signed into law authorized expansion of the program from 39 PHAs to 139, with the new 100 to be added in cohorts over seven years, with selections based on specific research goals. HUD also issued a **draft notice** detailing proposed selection criteria for the first new cohort, but also withdrew that after the regulatory freeze.

HUD Issues AFFH Interim Guidance

On January 19, HUD issued **interim guidance** for state and local governments and public housing agencies (PHAs) on the timetable for the submission of an Assessment of Fair Housing (AFH) pursuant to the final Affirmatively Furthering Fair Housing (AFFH) rule. Qualified PHAs and States will not be required to submit an AFH until the AFFH Data and Mapping Tools and User Interface are complete and operational. (The tools are already final and available for local and joint/regional government submissions and all other PHAs.) States and qualified PHAs will still have an obligation to affirmatively further fair housing in the interim and HUD recommends that States update their Analysis of Impediments (AI) at least every five years. For states updating their AI, HUD encourages them to use the analytical framework laid out in the AFFH rule.

Bills Introduced to Nullify the AFFH Rule, Prohibit Federal Data Collection on Racial Disparities

On January 11, Representative Paul Gosar (R-AZ) and Senators Mike Lee (R-UT) and Marco Rubio (R-FL) introduced bills ("Local Zoning Decisions Protection Act of 2017") to "nullify" the 2015 Affirmatively Furthering Fair Housing (AFFH) final rule, Assessment of Fair Housing tools, and any successor notices or rules. The rules lay out steps states, cities, and public housing agencies receiving certain federal funds must take to meet their obligation to affirmatively further fair housing. This year the bills (**S.103** and **H.R. 482**) also prohibit the use of federal funds to "design, build, maintain, utilize or provide access to a Federal database of geospatial information on community racial disparities or disparities in access to affordable housing". Both bills give HUD 12 months to recommend alternative ways to meet fair housing obligations.



President Announces Infrastructure Priorities; Democrats Release Alternative Proposal

On January 24, McClatchy News **reported** that the Administration has drawn up a list of 50 potential projects (costing \$137.5 billion), none involving housing. The list was developed from recommendations made by state governors of priority local projects that met four criteria (address a national security or public safety emergency, are "shovel ready", are a direct job creator, and have the potential for increased U.S. manufacturing). Senate Democrats, including Schumer (D-NY), Leahy (D-VT), and Sanders (I-VT) **issued** an alternative **Blueprint to Rebuild America's Infrastructure** the same day that defines infrastructure more broadly and would fund investments in schools, hospitals, affordable housing, and new financing mechanisms.

Administration Cancels FHA Fee Decrease

On January 20, the Administration suspended a planned decrease of 0.25% (25 basis points) in the mortgage insurance (MI) premium for FHA-insured mortgages. The decrease had been scheduled to go into effect on January 27. Reactions have been mixed. Urban Institute economists **argue** that the cut would have had a marginal effect on homebuyers and the suspension is fiscally responsible as it will help build FHA reserves. The National Association of Realtors (NAR) asked HUD to restore the fee cut in a January 30 **letter** to HUD Secretary Designee Ben Carson. They estimate that the lower fee would have reduced costs for 750,000 to 850,000 homebuyers in 2017, made homeownership possible for an additional 30,000 to 40,000 homebuyers, and would have strengthened FHA financially by attracting more borrowers with high credit scores.

Five Massachusetts Senior Housing Developments Receive HUD Grants to Test Benefits of Supportive Services

On January 13, HUD **announced** the award of \$15 million in grants under the *Supportive Services Demonstration for Elderly Households in HUD-Assisted Multifamily Housing*. Five Massachusetts developments in Boston and Worcester were among the 40 grantees. The three-year grants will support a test of the impact of the provision of an enhanced service coordinator and a wellness nurse on residents. Properties will be randomly assigned to control and treatment groups.

Recent Research & Reports

Home Delinquency Rates Lower Among ACA Marketplace Households

A new research **brief**, *Housing Delinquency Rates Lower Among ACA Marketplace Households: Evidence from a Natural Experiment*, indicates that having access to health insurance reduces the likelihood that a poor household will miss a rent or mortgage payment by approximately 15%, because having insurance reduced the cost of major medical events. The study compared the incidence of missed housing payments among households in non-Medicaid expansion states who were ineligible for Medicaid and either just below or just above the minimum income required (100% of FPL) to qualify for subsidies in the ACA Marketplace. The authors noted that under-enrollment reduced the potential for improved financial security through the ACA. A full 60% of the uninsured low and moderate income households they surveyed were actually eligible for Medicaid or subsidized Marketplace insurance in the state where they lived.





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