

# CHAPA Housing Briefs

July 18, 2016

## State Updates

### Governor Baker Signs FY2017 Budget with Vetoes

On July 8, Governor Baker signed the FY2017 State Budget. He also issued **veto**s affecting important affordable housing and homelessness prevention programs.

These vetoes include:

- A \$2.4 million cut to the Massachusetts Rental Voucher Program (MRVP) (7004-9024). This veto is in addition to the \$14.7 million reduction that the Legislature's Conference Committee made to MRVP following the announcement of a revenue shortfall. This leaves MRVP with \$82.9 million for FY2017, which is \$8 million less than FY2016 funding.
- A \$500,000 cut to Public Housing Operating Subsidies (7004-9005). This will leave state public housing authorities level funded for FY2017.
- A \$300,000 cut to Public Housing Reform (7004-9007), which will prevent many public housing reform initiatives from being implemented this year.
- Eliminating a pilot program in Residential Assistance for Families in Transition (RAFT) (70104-9316) that would expand eligibility from just families with children under 21 to include elders, persons with disabilities, and unaccompanied youth.
- Eliminating an outside section of the budget that directs the Interagency Council on Housing and Homelessness to create a Memorandum of Understanding (MOU) with the Secretaries of Housing and Economic Development, Health and Human Services, Labor and Workforce Development, and Education. This MOU would direct these secretariats to work together to coordinate services for low-income households facing economic instability and homelessness.

The Legislature may now take up veto overrides to restore funding and language to the final budget. To do this, both the House and Senate must vote with a two-thirds majority to override a veto by July 31. For CHAPA's letter to legislators with a full description of our override requests, please **click here**.

Please call your legislators today to ask them to override these vetoes to help everyone in the Commonwealth have a safe, decent, and affordable place to call home. Find your legislators' information **here**.

## Upcoming Events

July 26, 2016

**CHAPA Young Professionals Brown Bag Lunch Series: The Community Builders - An Overview & Highlight of Boston Area Developments**

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).



## Economic Development Legislation Moves in the State House

The Massachusetts Senate and House of Representatives have both passed economic development legislation, **S.2423** and **H.4483**. Both the House and Senate versions of the legislation contain significant capital spending authorizations for programs that support housing and community development, including the **MassWorks Infrastructure Program**, the **Brownfields Redevelopment Fund**, and the Smart Growth Housing Trust Fund. The legislation also amends the **Housing Development Incentive Program** (HDIP) to make it a more flexible housing and economic redevelopment tool for Gateway Cities. The legislation now goes to a conference committee to work out the differences between the House and Senate versions before being sent to the Governor for his signature. CHAPA thanks the Legislature for passing this important legislation. Thanks also for the leadership of Representative Christine Barber, Senator Linda Dorcea Forry, and Representative Kevin Honan, who sponsored amendments on behalf of CHAPA for affordable housing programs during the debate on the bills.

## Municipal Modernization Bill Passes with Improvements for Municipal Affordable Housing Trusts

Earlier this month, both chambers of the Massachusetts Legislature passed municipal modernization legislation, **H.4419** and **S.2410**, containing municipal government and finance reforms. The legislation also includes important improvements for Municipal Affordable Housing Trusts (MAHTs) that increases transparency and helps the trusts work better with the Community Preservation Act (CPA) to create affordable housing. The legislation clarifies that any eligible use of CPA funds for affordable housing is also an eligible use of MAHT funds. It also clarifies that requirements on the use of CPA funds remain in effect if these funds are transferred to a MAHT. Additionally, the use of CPA funds by MAHTs will be included in the annual CPA reporting to the Department of Revenue. Finally, the legislation allows MAHTs to execute grant agreements (e.g., to establish conditions for the transfer of CPA funds into a MAHT). The legislation now goes to a conference committee to work out the differences between the House and Senate versions before being sent to the Governor. CHAPA thanks Representative Stephen Kulik and Senator Barbara L'Italien for filing amendments to include MAHTs in the legislation.

## State Issues its Draft National Housing Trust Fund (HTF) Allocation Plan for Public Comment

The Massachusetts Department of Housing and Community Development (DHCD) has issued its **draft allocation plan** for the use of \$3.4 million in federal funds under the new National Housing Trust Fund (HTF) program and will accept written comments until August 8. The draft plan proposes using all of the HTF allocation for supportive housing for extremely low income households, with at least half going to units reserved for families and individuals transitioning from homelessness. DHCD also plans to make \$5 million in additional state bond funds and 100 project-based MRVP vouchers available for applicants seeking HTF funds.



## DHCD Announces Award of CDBG Funds to 57 Cities and Towns

On June 21, DHCD **announced** FY2016 federal CDBG awards to 57 cities and towns. Recipients include 11 “mini-entitlement communities” that received grants of \$825,000 each. The funds will support a range of activities including housing rehabilitation (almost 300 units), child care vouchers, public improvements and social services.

## Home Sales Up 20% Year to Date in Massachusetts; Median Home Price Increases Moderate

The Warren Group **reports** a significant increase in home sale activity in 2016, with total home and condo sales up 25.5% YTD compared to the same period in 2015. The volume of single family sales is up 28% and condominium sales are up 19.4%. Price growth has been more moderate. The overall statewide median price for a single family home sold in May 2016 was \$347,000 (up 2%) and the YTD price rose only 0.2% (to \$325,500). The YTD median sale price for a condominium (\$335,000) increased by 3.2% compared to 2015. Medians continue to mask **variation in trends** among communities, however, with prices in some areas still below their 2005 peak.

## MassHealth Releases Draft Medicaid Waiver Request

MassHealth, the agency that operates the state’s Medicaid program, is **proposing** revisions to how it delivers health care by submitting a request for a “Section 1115” waiver amendment and extension to the federal government. Among other things, the waiver will promote partnerships between health care providers and service providers to address social conditions that undermine health, including housing instability (see Blue Cross Blue Shield Foundation **PowerPoint**).





# Federal Updates

## HUD Proposes New Administrative Fee Formula for Voucher Program

On July 6, HUD published a **proposed rule** to revise the formula for calculating the administrative fees paid to public housing agencies (PHAs) for the Housing Choice Voucher program. The new fee would be calculated annually using six factors (program size, a wage index, benefit costs, the percentage of households with earned income, the rate of new admissions and the percentage of voucher households living more than 60 miles from PHA headquarters) and an inflation adjustment. Portability billing would end. Instead, HUD would provide receiving PHAs with 100% of their own fee and give sending PHAs 20% of their standard fee. Supplemental fees are also proposed for housing homeless families, setting up a VASH voucher program and helping families move to areas of higher opportunity. Comments are due no later than October 4.

## HUD Proposes Requiring Use of Small Area FMRs in Areas with Highly Concentrated Voucher Use

On June 16, HUD published a **proposed rule** to require the use of zip-code based Small Area Fair Market Rents (SAFMRs) in HUD Metropolitan FMR areas where a high percentage of voucher households live in “concentrated low income areas” (defined as Qualified Census Tracts). The rule would also allow other PHAs to opt in. Comments are due by August 15. HUD’s SAFMR **website** has extensive information on the draft rule, including a one page **summary** and **map** of likely affected areas under the current proposal (none in MA). Several national housing groups, including the National Fair Housing Alliance, are offering a free **tele-briefing** on the draft rule on Monday, July 25 from 1-2:30 pm EST.

## HUD Issues New Guidance on PHA Re-Entry Housing Models

This June, HUD released “**It Starts with Housing**,” providing detailed descriptions of re-entry housing models used by three PHAs (New York City, Burlington VT and King County WA) to help persons with criminal records access housing. It also describes how the Housing Authority of New Orleans revised its screening policy to help remove barriers for formerly incarcerated persons.



## Recent Research & Reports

### State of the Nation's Housing 2016

On June 22, the Joint Center for Housing Studies of Harvard University issued its annual report on the **State of the Nation's Housing** for 2016. Despite some recovery in the housing market, rising income inequality continues to keep homeownership levels relatively low and rental housing cost burdens rising as federal housing assistance has failed to keep pace with need. Rental housing growth has been concentrated among higher cost units and there has been a net decline in the number of private, unassisted affordable rental units. The authors note that rising housing cost burdens and the growth in residential segregation since 2000 have serious long-term consequences, especially for the future achievement of children.

### Census Study Finds LIHTC Construction has Little Effect on Neighborhood Composition

A new study from the Census Bureau, **The Effect of Low-Income Housing on Neighborhood Mobility: Evidence from Linked Micro-Data**, has found that the construction of Low Income Housing Tax Credit (LIHTC) units does not appear to encourage households to move to more affluent neighborhoods than they would have otherwise. The study also found that LIHTC construction had little effect on neighborhood poverty rates or median incomes.

### Early Findings from HUD Study Finds Homebuyer Counseling Beneficial

In late June, HUD released **First-Time Homebuyer Education and Counseling Demonstration: Early Insights**. Early findings indicate households were more likely to participate in homebuyer counseling if they were offered remote (vs. in-person) counseling or given a choice of which approach to use. Early findings also indicated mortgage literacy improved among participants taking advantage of counseling. Study participants will be followed for 42 months.

### Income Inequality Continues to Rise in Massachusetts and Nationally

The Economic Policy Institute (EPI) released a new report in June - **Income Inequality by State, Metropolitan Area and County** - examining income growth since 1971. The latest report shows that nationally the top 1 percent captured 85.1 percent of total income growth in the United States between 2009 and 2013. As the average income of the top 1 percent grew 17.4 percent, the average income of the bottom 99 percent grew 0.7 percent. Massachusetts had the sixth highest level of income inequality among states in 2013.



## Citizens' Housing and Planning Association

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*This year we have partnered with a coalition of organizations that share our values and vision for the City of Boston. Together, we have endorsed the Community Preservation Act campaign that will be on the November ballot.*

***Please sign up and show your support today!*** And please take a moment to ***like YES for a Better Boston on Facebook*** and ***follow the group on Twitter***.

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*Are you interested in being a part of a diverse group of business, civic and community leaders dedicated to promoting a consensus housing agenda focused on solving Massachusetts' pressing housing needs? **Become a member of the Commonwealth Housing Task Force (CHTF)!***

**CHTF** is convened by the Boston Foundation and led by co-chairs Brenda Clement, Mike Hogan and Larry DiCara. CHTF utilizes data and research to advocate for local and state policies supporting density and affordable housing as a means to: increase Massachusetts economic competitiveness, manage the inflow of new residents, and retain residents currently being pushed out of the state due to rising housing costs.

*If you would like to join the CHTF mailing list and become a member please email **CHTF@tbf.org** or learn more **here**.*