**State Updates**

**Massachusetts Legislature Sends FY2018 Budget Proposal to the Governor**

On July 7, the Massachusetts Legislature sent its **FY2018 budget proposal** to Governor Baker. The $40.2 billion budget includes key investments in affordable housing, homelessness prevention, and community development. The Legislature provided increases for the Massachusetts Rental Voucher Program (MRVP), the Alternative Housing Voucher Program (AHVP), Public Housing Reform, Residential Assistance for Families in Transition (RAFT), the Tenancy Preservation Program, and Home and Healthy for Good. The budget also authorized the statewide expansion of Housing Court. For more information on CHAPA’s priorities in the FY2018 budget, please [click here](#).

The Governor now has the opportunity to sign the budget or send it back to the Legislature with vetoes. The House and Senate can then vote to override those vetoes.

**DHCD Announces Information Sessions on Housing Trust Fund Supportive Housing Competitive Funding Round**

DHCD has announced two information sessions about an upcoming National Housing Trust Fund Supportive Housing Competitive Funding Round. DHCD will prioritize these funds for projects that will provide service-enriched housing for homeless families and individuals.

The sessions are primarily intended for interested eligible developers though others are welcome to attend. The sessions will be held at 100 Cambridge Street in Boston on July 18 and July 20, from 11:00 a.m.-12:00 p.m. If you are interested in attending a session, please RSVP to Mary Morales at 617-573-1308 or [mary.morales@state.ma.us](mailto:mary.morales@state.ma.us).

**Baker Administration Awards $42 million to Preserve Affordable Housing**

On June 28, the Baker-Polito Administration announced $42 million in awards to preserve three affordable housing developments in Worcester and Franklin. The awards will fund the purchase and rehabilitation of nearly 559 housing units at Fruit Sever Apartments and Stratton Hill Park in Worcester and Glen Meadow Apartments in Franklin.

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**CELEBRATING 50 YEARS!**

Join us in celebrating CHAPA’s 50th Anniversary this year! Help us make a difference in MA and across the nation - because everyone should have a safe, healthy, and affordable place to call home. [Click here to donate!](#)

**UPCOMING EVENTS**

*July 17, 2017*

CHAPA Homelessness Committee Meeting

*July 26, 2017*

CHAPA Breakfast Forum: Strategies for Breaking the Cycle of Poverty

*July 31, 2017 at 11:30AM*

Save the Date! Our Homes, Our Voices Massachusetts Rally with Mayor Marty Walsh at Sam Adams Park

*September 14, 2017*

Save the date for CHAPA’s Housing Day at the State House

*October 26, 2017*

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

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

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**WE WANT TO HEAR FROM YOU!**

Help us tell the story of CHAPA’s impact throughout the years. Send photos & stories to [eroussinova@chapa.org](mailto:eroussinova@chapa.org).
Federal Updates

Our Homes, Our Voices Massachusetts: Rally with us on July 31st!

CHAPA and Mayor Marty Walsh will hold a rally in support of affordable homes in our communities on Monday, July 31 from 11:30 am to 1:30 pm at Sam Adams Park (in front of Faneuil Hall).

The Massachusetts rally is part of a national effort, led by the National Low Income Housing Coalition (NLIHC) and the Campaign for Housing and Community Development Funding. Activities are being held across the country, calling for increased federal funding for affordable housing and community development.

For more information about this initiative, called Our Homes, Our Voices, click here.

HUD Awards $3.6 Million to Housing Counseling Organizations in Massachusetts

On July 6, HUD announced the award of over $50 million in housing counseling grants nationwide, including over $3.6 million to nine national, regional, and local organizations in Massachusetts, including CHAPA. The grants support counseling for renters, homebuyers and homeowners, and landlords on a range of issues, including foreclosure prevention. Click here for the grant list and click here for a summary of the activities funded by each grant.

House Appropriations Subcommittee Markup on FY2018 Budget Starts July 11

Although the House and Senate have not set the fiscal year 2018 budget resolution that establishes the total funding available for appropriations, the House Appropriations Committee has begun scheduling markups for the 12 appropriations bills. The Appropriations committee markup of the House draft 2018 Transportation, Housing and Urban Development and Related Agencies (THUD) bill occurred July 11 and full committee markup is scheduled for July 17. As detailed in an analysis by Novogradac & Company LLP, the draft rejects the steep cuts proposed by the Administration but still cuts nearly $500 million from HUD’s budget and could leave 140,000 tenant-based vouchers unfunded next year. The Senate has scheduled a hearing on the THUD request for July 13. The Center on Budget and Policy Priorities (CBPP) reports that both the House and Senate are expected to use non-defense discretionary spending caps that are below the 2017 cap of $519 billion. The Senate is expected to use the $516 billion cap set by the Budget Control Act of 2011 (BCA), while the House will reportedly use a $511 billion cap. CBPP reports bipartisan support for raising the 2018 BCA cap.

House Appropriations Subcommittee Completes Mark Up of FY2018 Appropriations Bill for Rural Housing

On June 17, the House Appropriations Subcommittee on Agriculture marked up the FY2018 appropriations bill for the U.S. Department of Agriculture (USDA). While rejecting Administration proposals to eliminate some rural housing programs, it severely reduces funding for several: cutting rental assistance renewal funding by almost $60 million; cutting direct loans for low income rural homeownership by ten percent; and cutting funding for the Section 502 Direct Loan Program by about half. It continues the final FY2017 appropriations law for rental housing preservation, not extending the voucher program to cover properties where mortgages matured, but requiring USDA to help nonprofits and public housing authorities (PHAs) to preserve rental properties. For details, see analyses by the National Low Income Housing Coalition and by the Housing Assistance Council.
Bill Filed to Improve Family Self-Sufficiency (FSS) Program, HUD Issues New FSS Guidebooks

On June 13, Senators Roy Blunt (R-Mo.), Jack Reed (D-R.I.), Tim Scott (R-S.C.), and Bob Menendez (D-N.J.) introduced legislation (S.1344 - the Family Self Sufficiency Act) to improve HUD’s Family Self-Sufficiency (FSS) program. The Act would extend eligibility to beyond heads of household; eliminate language allowing termination of assistance as a result of completing/not completing an FSS contract; remove limits on escrows for households with income above 50% AMI; specify that allowed supportive services include GED and post-secondary education, homeownership assistance, and training in asset management; require PHAs and owners to reinvest forfeited escrow funds in their FSS program; and permanently authorize FSS programs for families in multifamily assisted housing with project-based rental assistance. Private owners may operate FSS programs on their own or in partnership with other owners or may contract with PHAs to serve the multifamily tenants. The bill authorizes formula funding for PHA FSS coordinators and, should there be sufficient funding, for multifamily FSS coordinators. The formula, to be established by HUD, would provide base funding tied to program size, additional performance-based funding, and can include a 5% set-aside to support innovation and high performance. Multifamily owners may also fund FSS programs through residual receipts, as allowed since FY2015. The bill authorizes $100 million in appropriations for five years (2018-2022).

A day earlier, on June 12, HUD issued a letter marking the 25th anniversary of the program with the release of two new guidebooks for operating an FSS program (one for PHAs and one for owners of Multifamily Assisted Housing), the launch of online training, and a launch of a website for Multifamily FSS programs. All are on HUD’s FSS webpage.

On May 22, CHAPA held a breakfast forum, “Doing Business in Times of Uncertainty”, at the Federal Reserve Bank of Boston discussing the latest in federal housing news and how we can move forward with affordable housing production and preservation in Massachusetts.
Recent Research & Reports

Study Finds Private Subsidized Housing Associated with Less Poor Residential Trajectories

A new study of neighborhood effects, *Subsidized Housing and Residential Trajectories*, by Kwan Ok Lee, Richard Smith and George Galster, has found that the characteristics of neighborhoods lived in by low-income households over time differs by receipt of housing assistance and by type of assistance (public housing vs. site-based private housing assistance). The study sampled low income households who first formed independent households in 1988-1992, looked at two characteristics of the neighborhoods they lived in over the next 20 years (poverty rate and racial segregation) and residential trajectories (the extent to which they lived in neighborhoods with higher or lower rates of poverty and of segregation over time). It found that households formed in public housing lived in poorer, more segregated neighborhoods than comparable households formed without housing assistance. By contrast, households formed in private site-based subsidized housing lived in less poor (though not less segregated) neighborhoods over time than those formed in unassisted housing. Households formed in public housing also spent a much smaller share (16% vs. 68%) of their first 20 years in unsubsidized housing than those starting with private site-based assistance. The differences by assistance type, despite comparable subsidy structures, reflect in part historical siting differences. The authors also note that the sample households were formed before public housing initiatives such as HOPE VI and FSS and the expansion of the LIHTC program.

Harvard Joint Center Finds Real Home Prices Remain Below Mid-2000s Peak in Most Areas

A blog posting in July from the Harvard Joint Center for Housing Studies, *Are Home Prices Really Above Their Pre-Recession Peak?*, details one of the findings of the 2017 State of the Nation’s Housing, that while nominal (non-inflation-adjusted) home prices have risen steadily for the past five years, real (inflation-adjusted) 2016 home prices were still below their mid-2000s peak in most areas (90% of metropolitan areas and metropolitan divisions and in 83% of small micropolitan statistical areas). The article includes a lookup map with statistics for 951 markets. For the Greater Boston Area, real prices were 7-11% below their May 2005 peak but 35-46% above 2000 real prices. In the Worcester metro area, real prices were 29% lower than the mid-2005 peak.

State of the Nation’s Housing – 2017

On June 16, the Harvard Joint Center for Housing Studies released its annual *The State of the Nation’s Housing* report for 2017. The report looks at the uneven recovery of the housing market since the home price peak of the mid-2000s, finding variations by region and by zip code level. It reports that home prices in zip code areas with median family incomes at or below 80% of area median income are still 13.7% below their pre-recession peak, while prices in wealthier areas (median family income above 120% of AMI) were only 3.3% below the peak, experiencing a stronger recovery. Overall, it finds a tightening supply of housing, particularly at the lower end of the market, with fewer starter homes being built and a falling rental vacancy rate overall and rising segregation by income. The share of poor persons living in high-poverty neighborhoods rose from 43% to 54% between 2000 and 2015 and the number of high-poverty neighborhoods (poverty rate above 20%) rose from 13,400 to 21,300, with much of the growth in low-density areas at edges of metropolitan areas and in rural areas.