

CHAPA Housing Briefs

June 16, 2016

State Updates

Massachusetts Senate Passes Zoning Reform

On June 9, the Massachusetts Senate passed zoning reform legislation, **S.2311**, by a vote of 23 to 15. In addition to modernizing zoning and land use laws, the legislation contains strong housing production provisions that will help create and protect more housing opportunities for all incomes in communities across the Commonwealth.

According to the Metropolitan Area Planning Council, Massachusetts needs 17,000 new homes each year through 2040 to accommodate the existing population and sustain our job base. We are not building enough housing to meet demand, which is contributing to our high housing costs. This impacts households across income levels and hits those with low incomes the hardest.

Specifically, S.2311, *An Act Promoting Housing and Sustainable Development in the Commonwealth*, will:

- Produce more housing by requiring all communities to zone for multi-family housing and cluster developments as well as allow for accessory dwelling units;
- Prevent exclusionary land use practices against affordable housing;
- Empower municipalities by providing the tools they need to plan for and decide where growth will happen;
- Enhance the quality of life by providing modern planning and zoning tools for our municipalities; and
- Encourage healthy communities and protect our landscapes by promoting land conservation and walkable places.

CHAPA thanks bill sponsor, Senator Dan Wolf; Senate President Stanley Rosenberg; Chair of Senate Committee on Ways and Means, Senator Karen Spilka; and Chair of the Joint Committee on Community Development and Small Businesses, Senator Kathleen O'Connor Ives, for their leadership on passing zoning reform. Thanks also to the sponsors of amendments that strengthened the multi-family housing requirement and protected affordable housing, Senator Sonia Chang-Diaz and Senator Linda Dorcea Forry. CHAPA thanks the Senators who voted in favor of the bill as well as the entire Senate for their thoughtful debate and consideration of this bill. Finally, CHAPA thanks those who contacted their State Senator in support of zoning reform.

The bill now goes to the Massachusetts House of Representatives for consideration. For more information on the zoning reform legislation, **[click here](#)**.

Upcoming Events

June 20, 2016

CHAPA Young Professionals Brown Bag Lunch Series: How do we “disrupt” the current real estate sales process to better serve low and middle income buyers?

June 29, 2016

CHAPA Breakfast Forum: The YES for a Better Boston Campaign

July 11, 2016

CHAPA Breakfast Forum: Meet HUD’s New Regional Administrator for New England

November 1, 2016

Save the Date for CHAPA’s 49th Annual Dinner!

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



CHAPA

Citizens' Housing and Planning Association

Massachusetts Senate Passes FY2017 Budget

On May 26, the Massachusetts Senate passed its **budget** with strong investments in affordable housing, homelessness prevention, and community development programs.

The Senate budget includes funding for the following **CHAPA budget priorities**:

- \$100 million for the Massachusetts Rental Voucher Program (MRVP), an increase of \$9.1 million from FY2016. Language was also included requiring the Department of Housing and Community Development (DHCD) to issue mobile vouchers by August 1st. This will help voucher holders to search for homes when there are more vacancies and movement in the rental market. It will also help households lease up earlier in the fiscal year, thereby more fully utilizing FY17's funding.
- \$6.2 million for the Alternative Housing Voucher Program (AHVP), an increase of \$1.6 million from FY2016. The Senate budget includes a change to the underlying statute for the Alternative Housing Voucher Program, opening up possibilities of project basing in the future to increase our stock of affordable, accessible homes.
- \$64.5 million for public housing
- \$1.05 million for public housing reform, an increase of \$250,000 from FY2016
- \$13 million for Residential Assistance for Families in Transition (RAFT), an increase of \$500,000 from FY2016 that will create a pilot program to expand eligibility from just families with children under 21 to include elders, persons with disabilities, and unaccompanied youth
- \$31.9 million for HomeBASE. The Senate also includes a pilot program to allow families in domestic violence shelters or substance abuse programs to access HomeBASE if those families would otherwise be eligible for the program
- \$2.35 million in retained revenue for foreclosure counseling
- \$1.2 million to expand Housing Court statewide
- \$750,000 for the Tenancy Preservation Program (TPP), an increase of \$250,000 over FY2016
- \$2.79 million for Housing Consumer Education Centers (HCECs), including \$150,000 in earmarks
- \$10 million for the Community Preservation Trust Fund as an end-of-year budget surplus transfer
- \$2 million for Home and Healthy for Good, an increase of \$200,000 from FY2016
- \$80,000 for the **MassAccess Housing Registry**

The Senate budget also 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 will direct these secretariats to work together in coordinating services for low-income households that are facing economic instability and homelessness.

For a table showing CHAPA's budget priorities in the Senate budget compared to last year's budget and the House budget proposal, **click here**.

CHAPA thanks Senate President Stanley Rosenberg, Senate Ways and Means Chair Karen Spilka, and Housing Committee Chair Linda Dorcena Forry for their leadership in developing the FY2017 Senate Budget. Thanks also to all the amendment sponsors on CHAPA budget priorities, including Senator Michael Brady, Senator Cynthia Creem, Senator Eileen Donoghue, Senator Benjamin Downing, Senator Jamie Eldridge, and Senator Barbara L'Italien. Finally, CHAPA thanks all Senate members for their support of these important housing programs.

Next Steps in the Budget Process

The budget process now moves to a conference committee to reconcile the differences between the House and Senate budget proposals. The budget conference committee members are Representative Brian Dempsey, Representative Stephen Kulik, Representative Todd Smola, Senator Karen Spilka, Senator Sal DiDomenico, and Senator Vinny deMacedo. For CHAPA's letter to the conference committee on recommendations for affordable housing, homelessness prevention, and community development programs, [click here](#).

Governor Announces \$100 Million Fund to Create "Workforce" Rental Housing

In May, Governor Baker **announced** that MassHousing will provide \$100 million to support the development of up to 1,000 units of rental housing targeted to households earning 61% to 120% of area median income. The units will be provided as setasides in mixed income developments that also include units for households with incomes at or below 80% of AMI.

2016 Building Permits Down 10% Year to Date

According to **Census Bureau estimates**, Massachusetts municipalities issued building permits for 3,933 new residential units in the first four months of 2016, down 10.5% from the 4,394 units permitted for the same period in 2015 but 2% more than the number permitted during that period in 2014. The 2016 permits included 2,150 units in single family attached and detached homes (up 587 compared to 2015) and 1,517 units in multifamily (5+ unit) buildings (down 1,133 from 2015).





Federal Updates

House Republicans Issue Anti-Poverty Policy Paper

On June 7, House Speaker Paul Ryan and the Republican Task Force on Poverty, Opportunity and Upward Mobility issued a **policy paper** (and **summary**), calling for reforms to welfare, workforce and education programs. Among other things, it recommends increasing work and training requirements for TANF and SNAP recipients, including those receiving housing assistance. It would address “cliff effects” (benefit losses due to income increases) by giving states more flexibility in benefit program design. It touches on several housing policy topics, including barriers to portability in the housing choice voucher program and the challenge in administering programs through many small housing authorities. Many have noted the paper’s flaws, including **Senator Warren** and the **Center on Budget and Policy Priorities**.

House Actions Make Timetable for Passage of HUD Budget Uncertain

The National Low Income Housing Coalition (NLIHC) reported on June 13 that the timetable for passage of a FY2017 Transportation, Housing and Urban Development (THUD) appropriation bill is now uncertain. The Senate approved THUD appropriations legislation on May 19 as part of a bill that also included military spending and funding to fight the Zika virus (HR 2577), but the House took out the THUD appropriations before approving the bill on May 26. NLIHC reports that it appears unlikely that the THUD appropriations bill be added back in conference.

HUD Updates its Housing Choice Voucher (HCV) Portability Guidance

On June 6, HUD issued an updated **notice** on voucher portability, providing extensive information on the responsibilities of the initial and receiving Public Housing Authorities (PHA) and more detail on the briefing package PHAs must give families when they are first selected to participate in the program. PHAs must now give all families information on the advantages of moving to areas without a high concentration of poverty. The briefing package must include a list of landlords who may be willing to lease a unit and PHAs must try to include owners with properties outside high-poverty areas.

HUD Issues Guidance on National Housing Trust Fund (HTF) Planning

In May, HUD issued a **letter** to states, providing guidance on the development of HTF allocation plans (due to HUD by August 16). The letter stressed the importance of making geographic diversity a funding priority. It also requires states to give priority, among rental projects, to projects using rental assistance to make units affordable to extremely low income (ELI) households. It has also posted a **sample allocation plan/planning guide**.



Recent Research & Reports

GAO Report finds Insufficient IRS Oversight of LIHTC Program

A May **report** by the U.S. Government Accountability Office (GAO), following up on a July 2015 report, characterized Internal Revenue Service (IRS) oversight of the LIHTC program as “minimal”, particularly in regard to reviewing state qualified allocation plans (QAPs) and the processes used to award discretionary basis boosts. It also found state agencies are inconsistent in the ways that they report noncompliance information and that the IRS has only recorded 2% of the noncompliance information it has received since 2009 in its program database.

New Report Examines What Makes an Effective Inclusionary Housing Program

A new report ***Separating Fact from Fiction to Design Effective Inclusionary Housing Programs*** issued by the Center for Housing Policy/National Housing Conference in May examines both what is needed for an effective inclusionary housing program and what the effect of inclusionary housing programs is on housing production and market rate housing prices. It finds that local economic and housing market characteristics, as well as program design, play a key role in program effectiveness. It also finds impacts on supply (i.e. supply is not depressed) and no or generally modest impacts on housing prices.

Out of Reach 2016 Finds All of New England in the Top Ten States with Biggest Housing Wage Gap

NLIHC issued their latest annual report (**Out of Reach 2016**) on the gap between renter housing costs and renter incomes, state by state and nationally. As detailed in the **full report** (page 9), the six New England states all rank among the top ten states with the largest gap between the household income required to afford a modest two-bedroom apartment at 30% of income and the median renter wage. In Massachusetts, the gap was \$7.44/hour (based on a housing wage of \$25.91 and median renter wage of \$18.47).

Tools for State National Housing Trust Fund (HTF) Plans

Both the NLIHC and the Poverty and Race Research Action Council (PRRAC) published policy briefs in May to assist states, developers and advocates in developing HTF spending plans. NLIHC, with the help of the national **HTF Developers Group**, published a **summary** of funding strategies for ELI housing and a review of **Options and Consideration related to HTF Operating Assistance and Reserves**. PRRAC published a **policy brief** that examines both the factors states must consider in their HTF allocation plans and other factors often used (e.g. local support) and how their use can help or hinder affirmatively furthering fair housing goals.



Citizens' Housing and Planning Association

18 Tremont Street, Suite 401
Boston, MA 02118
www.CHAPA.org

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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**.*