

CHAPA Housing Briefs

March 9, 2016

State Updates

CHAPA Testifies at Hearing on FY2017 Budget

On March 4, the Joint Committee on Ways and Means held its public hearing on the FY2017 budget. CHAPA **testified** in support of restoring the Massachusetts Rental Voucher Program (MRVP) to \$120 million; increasing investment in housing for persons with disabilities through the Alternative Housing Voucher Program (AHVP); increasing support for our state public housing system; funding the Housing Preservation and Stabilization Trust Fund (HPSTF); and recapitalizing the Brownfields Redevelopment Fund. The House will file its budget proposal in April and the Senate will file its proposal in May.

New Estimates on National Housing Trust Fund (NHTF) Allocations for Massachusetts

The National Low Income Housing Coalition (NLIHC) estimates that a total of \$186.6 million will be available for distribution to states through the **NHTF** in 2016 based on the year-end reports of Fannie Mae and Freddie Mac. NLIHC estimates that Massachusetts will receive \$3.72 million in 2016. DHCD, the administering agency for the fund, will now develop its allocation plan for administering these federal funds to projects in Massachusetts.

Zoning Reform Bill Moves Out of Committee

An Act Promoting the Planning and Development of Sustainable Communities, sponsored by Senator Dan Wolf and Representative Stephen Kulik, was reported favorably out of the Joint Committee on Community Development and Small Business on February 25th. The bill, **S.2144**, updates the Commonwealth's zoning, subdivision, and planning laws to encourage more housing and mixed use developments, promote land conservation and walkable places, and incentivize communities to plan for growth. The bill is now before the Senate Committee on Ways and Means. CHAPA continues to work on this bill with our partners at the Massachusetts Smart Growth Alliance.

Upcoming Events

CHAPA Spring 2016 Regional Meetings

- **March 16, 2016 - Chelsea**
- **March 18, 2016 - Plymouth**
- **March 23, 2016 - Worcester**
- **March 29, 2016 - Salem**
- **March 30, 2016 - Springfield**
- **April 1, 2016 - Hyannis**
- **April 12, 2016 - Fitchburg**

March 29, 2016

CHAPA Young Professionals Brown Bag Lunch Series: An Introduction to the LIHTC Equity Market + An Overview of Recent LIHTC Property Performance

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



C H A P A

Citizens' Housing and Planning Association

Senate Special Committee on Housing Releases Report and Recommendations

On March 2, the Special Senate Committee on Housing released the report, "*Facing Massachusetts' Housing Crisis*". CHAPA, along with many of our partners, served on the Committee. The report covers a wide range of issues, including housing production, homelessness prevention, affordable housing preservation, and mitigating the impacts of foreclosures. The report includes an endorsement of CHAPA's proposal to require multifamily zoning in every community across the Commonwealth and also includes the On Solid Ground Coalition's recommendation to establish a process for interagency collaboration to better assist households with extremely low incomes in obtaining housing stability and economic mobility. CHAPA thanks Senate President Stan Rosenberg, Senator Linda Dorcea Forry, Senator Chandler, and their staff for prioritizing housing, facilitating this process, and developing a list of steps the Legislature can take to address the state's housing challenges.

DHCD is Accepting Comments on the Draft State FY2016 CDBG/HOME/ESG/HOPWA Annual Action Plan

DHCD has posted its **draft federal fiscal year (FFY) 2016 Action Plan** for awarding \$41 million under four HUD block grant programs: the Community Development Block Grant (\$29.8 million), HOME (\$6.9 million), Emergency Shelter Grant (\$4.5 million), and Housing for Persons with AIDS (\$213,000). A public hearing on the draft plan will be held on March 17 in Boston, and written comments will be accepted through March 22 (see the **notice**). HUD **extended** the deadline for Action Plans this year since late passage of the federal budget delayed calculation of the FY2016 **allocations** until February. The plan will be amended (with public participation) after state National Housing Trust Fund allocations are announced.

DHCD Hearings Scheduled for its Draft FY2017 Moving To Work (MTW) Plan

DHCD will hold public hearings on March 22 in Boston and on March 24 in Springfield on its Housing Choice Voucher Program draft Moving to Work Program Annual Plan for FY2017. Written comments will be accepted through April 10. The draft plan is expected to be posted on DHCD's website this week.





Federal Updates

Administration's FY2017 Budget Request Includes \$11 Billion to End Family Homelessness

The President's **FY2017 Budget Request for HUD** stays within budget caps and proposes some policy changes. It renews all existing rental assistance and increases funding for Housing Choice Voucher (HCV) administrative fees and for homelessness assistance grants. It requests \$88 million for 10,000 new vouchers for homeless families with children in high need areas. It also requests \$15 million for an HCV mobility counseling demonstration/evaluation and language to allow the conversion of certain rental assistance under the HUD 202 program to Section 8 under the RAD program. It level funds HOME (\$950 million) while proposing the elimination of the 15% set-aside for Community Housing Development Organizations (CHDOs) and cutting CDBG (see the National Low Income Housing Coalition **budget chart**). It slightly increases funding for the Public Housing Operating Fund and slightly decreases funding for the Public Housing Capital Fund. Additional details by program can be found in HUD's "**Congressional Justifications.**"

The FY2017 request also includes some "off-budget" initiatives that will require approval by Congressional authorizing committees, most notably a request for \$11 billion for **homeless assistance for families** to be spent over ten years to help approximately 550,000 families through new rental assistance and rapid rehousing. The funding would be authorized once and would not be not subject to annual appropriations. It would be distributed through local Continua of Care in partnership with housing authorities.

Administration's FY2017 Budget Proposes Changes to the LIHTC program and Private Activity Bonds

The President's FY2017 request for the Department of Treasury **proposes** changes to the Low Income Housing Tax Credit (LIHTC) program, several of which are similar to changes proposed in the FY2016 Request. New proposals include adding a fourth required QAP preference for projects that affirmatively further fair housing and adding preservation of federally assisted affordable housing to the selection criteria states must include in their QAP. The Administration's proposal would also remove the qualified census tract (QCT) population cap. As in FY2016, it proposes to allow projects to use an average income criterion (at least 40% of the units occupied by tenants with annual incomes that average no more than 60% of AMI and none occupied by a tenant with an income above 80% of AMI). It would also allow states to convert some of the private activity bond (PAB) volume cap received for a particular calendar year into tax credits applicable to the same year.

Treasury Issues Capital Magnet Fund NOFA for Affordable Housing and Revised Interim Rule

On February 8, the U.S. Department of Treasury issued the FFY2016 Notice of Funding Availability (**NOFA**) for the **Capital Magnet Fund** (CMF). CMF offers grants for activities to increase private investment in affordable housing production and preservation and associated community development projects in low income areas. Funds can only be used for loan loss reserves, loan guarantees, and to create loan funds, and at least 70% of funding must be used for affordable housing. Only Community Development Financial Institutions (CDFIs) and nonprofits involved in affordable housing can apply. An estimated \$80 million will be available and awarded through a national competition. Applications are due by March 30. Rule comments will be accepted through April 8.

Recent Research & Reports

Oregon Study Finds Affordable Housing Reduces Medicaid Costs

A new study by the Center for Outcomes Research and Education (CORE) and Enterprise Community Partners, **Health in Housing: Exploring the Intersections between Housing and Health Care**, has found that health care access improved and Medicaid costs fell after households moved into affordable housing. As summarized in the **press release**, the authors analyzed Medicaid claims data from January 2011 to June 2015 for more than 1,600 residents in 145 affordable family, elderly and supportive housing developments in Portland, Oregon. They found that after moving into affordable housing, Medicaid costs were \$48 lower *per resident* per month on average and \$115 lower per resident per month in housing with integrated health services. Dr. Megan Sandel suggests policies to build on these lessons in a related **commentary**.





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