State Updates

Baker-Polito Administration Files $1.3 Billion Housing Bond Bill

The Baker-Polito Administration filed a Housing Bond Bill (H.3653) seeking $1.3 billion in additional capital authorization for the production and preservation of affordable housing, and for public housing maintenance and improvement. Combined with nearly $258 million in current, uncommitted capital authorization from the $1.4 billion Housing Bond Bill passed in 2013, the Administration’s bill would create more than $1.5 billion in capacity to support affordable housing.

In addition to seeking new capital authorization for affordable housing, the Administration's bill also extends the Massachusetts Low Income Housing Tax Credit, extends the Housing Development Incentive Program at current levels, and offers several reforms to facilitate the redevelopment of state-aided public housing.

The Governor’s bill makes the following new capital authorizations for affordable housing programs:

- $600 million in new authorization for capital improvements to Public Housing;
- $240 million in new authorization for a total of $345 million for the Affordable Housing Trust Fund;
- $127 million in new authorization for a total of $150.5 million for the Housing Stabilization and Investment Trust Fund;
- $100 million in new authorization for the Housing Innovations Trust Fund;
- $60 million in new authorization for the Facilities Consolidation Fund;
- $50 million in new authorization for the Public Housing Demonstration Program;
- $38 million in new authorization for a total of $99.5 million for the Capital Improvement and Preservation Trust Fund;
- $38 million in new authorization for Community Based Housing;
- $22 million in new authorization for a total of $57.5 million for the Home Modification Loan Program; and
- $12 million in new authorization for a total of $45 million for the Commercial Area Transit Node Housing Program.

The legislation reforms a number of provisions governing Local Housing Authorities. Three highlights of these reforms are:

- Streamlining procurement laws and public bidding requirements;
- Authorizing local housing authorities to retain the proceeds from the sale or long term lease of public housing property and use those proceeds to build, maintain, or preserve public housing; and
- Allowing local housing authorities to borrow against their funding streams.

CHAPA looks forward to working with the Baker-Polito Administration and the Legislature to pass a Housing Bond Bill this session to provide critical resources for the production and preservation of affordable housing in Massachusetts. For the Governor’s press release on the bill, click here.
Massachusetts House of Representatives Passes its Final FY2018 Budget

On April 25, the Massachusetts House of Representatives passed its final FY2018 budget recommendation. The budget totaled $40.8 billion, adding nearly $80 million through amendments during the debate process. The final budget provided strong support for many affordable housing, homelessness prevention priorities, providing nearly $18 million in funding for these programs over the previous year. Highlights include:

- **Massachusetts Rental Voucher Program (MRVP):** The House proposed $100 million for MRVP, an increase of $13.5 million over FY2017, which will support up to 300 new vouchers. The House also included several program changes including increasing eligibility for MRVP from 50% of the Area Median Income (AMI) to 80% of AMI. The budget also allows 75% of vouchers to be targeted to extremely low-income households who earn only 30% of AMI. These changes address cliff effects by allowing families to increase their incomes without the threat of completely losing their vouchers before they become economically self-sufficient. During budget debate, an amendment sponsored by Rep. Mike Connolly added language authorizing the Department of Housing and Community Development (DHCD) to create a voucher management system, which will help improve the administration of MRVP.

- **Alternative Housing Voucher Program (AHVP):** The House authorized $5 million for AHVP, an increase of $400,000 over FY2017. During budget debate, the House passed amendments sponsored by Rep. Marjorie Decker, Rep. Claire Cronin, and Rep. Linda Dean Campbell providing $150,000 more for AHVP.

- **Public Housing Operating Subsidy:** The House proposed $65.5 million for public housing operating subsidies, a $1 million increase over FY2017.

- **Public Housing Reform:** The House provided $1,172,132 for this program, a $300,000 increase over the previous year. The House also included new language in the program to authorize funding for a centralized wait-list for public housing. An amendment sponsored by Rep. Russell Holmes and Rep. Nick Collins passed during budget debate, providing the program with the additional $300,000.

- **Residential Assistance for Families in Transition (RAFT):** The House authorized $15 million for RAFT, a $2 million increase over FY2017. The House cut language from RAFT that provided expanded eligibility to this resource for the elderly, households with persons with disabilities, or unaccompanied homeless youth.

- **HomeBASE:** The House funded HomeBASE with $31.1 million, a decrease of over $800,000 from the previous year. The House continued a program within HomeBASE that allows families in domestic violence or substance abuse shelters or those participating in sober living programs to access HomeBASE if a family is otherwise eligible.

- **Foreclosure Prevention Counseling:** The House proposed $1.65 million for foreclosure and housing counseling services, a $700,000 decrease from last year. The House also added language requiring that $500,000 be used to support Housing Consumer Education Centers.

- **Housing Consumer Education Centers (HCECs):** The House authorized $2.3 million for HCECs, level funding the program.

- **Tenancy Preservation Program (TPP):** The House funded TPP with $750,000, an increase of $250,000 over the previous year. During budget debate, an amendment sponsored by Rep. Byron Rushing passed that provided TPP with the additional funding.

- **Home & Healthy for Good (HHG) (7004-0104):** The House proposed $2.2 million for HHG, an increase of $200,000 over FY2017. During budget debate, an amendment sponsored by Rep. Byron Rushing passed, providing the additional funds for HHG.

- **Mass. Access Affordable Housing Registry (MassAccess):** The House authorized level-funding of $80,000 for MassAccess.

- **Unaccompanied Homeless Youth Housing & Services (4000-0007):** The House included $540,000 for Unaccompanied Homeless Youth Housing & Services. The original HWM budget did not include this program but it was included in the final House budget after amendments sponsored by Rep. Jim O’Day and Rep. Marjorie Decker passed.

- **Community Preservation Trust Fund:** The House included an outside section in the budget authorizing a budget-surplus transfer of up to $10 million for the Community Preservation Trust Fund, if there is a surplus at the end of FY2018.

For a table summarizing the House budget for CHAPA’s priorities, please click here.

CHAPA thanks Speaker Robert DeLeo, House Ways and Means Chair Brian Dempsey, and Housing Committee Chair Kevin Honan for their leadership developing the FY2018 House budget and providing strong support for affordable housing resources.


**Finally, CHAPA thanks all our amendment co-sponsors and House members for their support of these important housing programs.**

The FY2018 state budget process now moves to the Senate who will release and debate its budget proposal later this month. The House and Senate will then appoint a conference committee to reconcile the differences between the two budget proposals in time for the start of FY2018 on July 1.
DHCD Releases NOFA for “A Better Life” Planning Grants for Local Housing Authorities

On May 3, DHCD released a Notice of Funding Availability (NOFA) for A Better Life (ABL) planning grants. DHCD will award up to $500,000 in planning grants for up to five local housing authorities to research, design, and prepare to launch the ABL program in their state-aided public housing portfolio. ABL was originally designed by the Worcester Housing Authority to help public housing residents achieve economic self-sufficiency, which may include moving to private sector housing, increasing incomes, and building assets.

ABL grant funds are limited to local housing authorities in Massachusetts that operate at least 100 units of state-aided family housing. Applications for this grant are due by May 31.

DHCD Releases Revised Public Housing Regulations

On May 5, DHCD released revised regulations for public housing in Massachusetts. Specifically, DHCD promulgated new regulations for:

- 760 CMR 4.00 – General Administration of Housing Authorities;
- 760 CMR 6.00 – Occupancy Standards and Tenant Participation for State-Aided Housing;
- 760 CMR 47.00 – Non-discrimination, Equal Opportunity, and Affirmative Furtherance of Fair Housing Regulations Governing Recipients of Department of Housing and Community Development Financial Assistance; and
- 760 CMR 63.00 – Public Housing Innovation Demonstration Program.

In September 2016, DHCD held public hearings. For more information on the updated regulations, please click here.

CHAPA Testifies in Favor of Legislation to Produce & Protect Housing in Massachusetts

On May 2, CHAPA’s Chief Executive Officer, Rachel Heller, testified before the Joint Committee on Municipalities and Regional Government in favor of three bills that would help produce housing, protect affordable housing, and plan for growth in Massachusetts.

Ms. Heller offered testimony in support of H.1095, An Act Relative to Smart Growth Multifamily Housing Production. This bill would help meet the Commonwealth’s housing needs by requiring every city and town to create at least one zoning district where multifamily housing is allowed to be built as-of-right. CHAPA also testified in favor of H.2420, An Act Building for the Future of the Commonwealth. This bill, part of the Great Neighborhoods Campaign led by the Massachusetts Smart Growth Alliance, updates our state’s zoning to help plan for growth and create more vibrant communities. Finally, Ms. Heller spoke in support of S.1120, An Act Relative to Preventing Discriminatory Land Use and Permitting Decisions. This legislation would make it unlawful for cities and towns to discriminate against developments that have affordable housing or housing suitable for families with children.
Federal Updates

Senate Banking Committee Holds Hearing on GSE Reform May 11

The Senate Banking Committee will hold a hearing on May 11 on “The Status of the Housing Finance System after Nine Years of Conservatorship” with testimony by the Director of the Federal Housing Finance Agency, Mel Watt.

President Signs FY2017 Budget

On May 5, the President signed the FY2017 omnibus appropriations bill (H.R. 244). As summarized by The Center on Budget and Policy Priorities, the bill generally follows the bills that the House and Senate appropriations committees approved in mid-2016. However, due to rising rental costs, renewal funding providing for FY2017 is about $450 million (2.5%) less than required to fully renew all vouchers in use – equivalent to the cost of 50,000 vouchers. The bill provides $100 million less than in FY2016 for public housing operations, level funds CDBG and HOME, raises the cap on the Rental Assistance Demonstration program to 225,000 units, provides $10 million to the Section 202 program for new grants or rental assistance, as well as funds for 800 new Section 811 vouchers and 5,400 new vouchers for veterans.

HUD Publishes Revised Moving to Work Notice for Comment; Would Make It Easier to Add Work Requirements

On May 4, HUD published for comment a revised Operations Notice for the Expansion of the Moving to Work Demonstration Program. The Notice revises the parameters of three waiver provisions and reopens the comment period for HUD’s initial Operations Notice published January 23. Comments are due by June 5. The notice will apply to the up to 100 new agencies HUD is allowed to add to the program over the next 7 years. MTW agencies can combine federal public housing and housing choice voucher funds and run both programs with significant regulatory flexibility. As drafted, agencies could seek HUD permission to impose work requirements on residents aged 18-61. It also proposes allowing all MTW agencies to make housing assistance contingent on participating in the Family Self-Sufficiency program without needing HUD prior approval.

Supreme Court Rules that Cities Have Standing in Fair Housing Cases

On May 1, the U.S. Supreme Court ruled that cities (as opposed to just individuals) can sue for harms suffered due to fair housing violations, though a city must demonstrate a direct relationship between the harm and the violation. The decision involved suits brought by the City of Miami against Bank of America and Wells Fargo, charging that the banks’ predatory lending practices targeting minority neighborhoods and residents led to foreclosures and blight and reduced city property tax revenues. The decision affects several other cities with lawsuits as well, as detailed in Governing Daily. As detailed on scotusblog.com, the court remanded the case to the U.S. Court of Appeals to set standards for determining proximate cause between the injury and the Fair Housing Act violations and their application to this case.

U.S. Court of Appeals Finds Westchester County in Breach of it Fair Housing Consent Decree

In an April 28 opinion, the Second Circuit of the U.S. Court of Appeals rejected sixth and seventh appeals of a district court finding that Westchester County is in breach of its fair housing consent decree and accused the County of “total obstructionism.” HUD has withheld county CDBG, HOME, and ESG funds since FY2011. A May 1 article by the National Low Income Housing Coalition provides details on the case.
On April 26, the students in the Greater Boston Affordable Housing Development Competition presented innovative and comprehensive proposals for developing affordable housing in communities across Massachusetts. Congratulations to the winning teams, and thank you to everyone who participated, including the students, developers, mentors, sponsors, and academic sponsors! For 17 years, the Competition has matched graduate students with interests in architecture, planning, sustainability, finance, and policy with local development organizations to help the students gain real-world experience and make connections while getting critical housing projects off the ground. For more information, including the winning proposals from this year’s Competition, visit the Federal Home Loan Bank of Boston’s website.