



Policy Priorities

Since 2003, Home Funders has financed the production and preservation of 948 housing units for extremely low-income families in Massachusetts, within a total of 3,084 affordable units. Home Funders' low-cost loans provide an incentive for Massachusetts developers to increase the number of extremely low income (ELI) units in their developments from the minimum (typically 10%) to at least 20% of the total units. The Home Funders project pipelines are long at both Community Economic Development Assistance Corporation (CEDAC) and Massachusetts Housing Partnership (MHP) – the housing finance intermediaries that administer Home Funders' loans. These pipeline projects are based on a willingness of the developers to set aside at least 20% of their total units for ELI families.

In its role as a catalyst for housing production for ELI families, Home Funders public policy priorities are:

- *Project-based rental subsidies*

Rental subsidies for ELI units are essential to securing adequate levels of long-term operating income for the project, as rents alone cannot cover operating costs of these units. The Massachusetts Rental Voucher Program, the state's rental assistance program provides greater flexibility than the federal Section 8 program. An increase in the MRVP budget would allow for innovative, cost-effective approaches that would increase the supply of ELI housing. These approaches could include project-basing subsidies for new production of affordable housing and for use as 'shallow vouchers' in existing housing.

- *Massachusetts bond-financed capital subsidy programs*

Home Funders low-cost financing acts as a catalyst for developers to increase the number of ELI units in their projects, but each one of these projects also relies heavily on the state's housing subsidy sources. The state's bond-funded capital programs, such as the Housing Innovations Fund (HIF) and Housing Stabilization Fund (HSF) are critical subsidy sources for projects with ELI units, and funding allocations for these programs should be maximized. In 2013, Home Funders advocated for the passage of the Housing Bond Bill, which will provide \$1.4 billion over five years for affordable housing capital funding programs.

- *Streamlining the funding application process*

With the intense competition for state housing resources, it can sometimes take several years for a project to get funded and be completed. These delays increase the overall projects costs. Prioritizing funding awards for projects with high numbers of ELI units in their income mix could help these projects be completed faster and reduce overall project costs.