



# CHAPA Housing Briefs

March 19, 2014

## State Updates

### Budget Writing Underway

The Joint Committee on Ways & Means has concluded its budget hearings. CHAPA submitted **testimony** in support of housing and homelessness prevention programs, including a restoration in funding for the Massachusetts Rental Voucher Program (MRVP) and increases for the Public Housing Operating Subsidy, Residential Assistance for Families in Transition (RAFT), and the Alternative Housing Voucher Program (AHVP). The House budget will file its budget proposal in April and the Senate will file its proposal in May. See CHAPA budget priorities [here](#).

### Supplemental Budget Heads to Governor's Desk

The supplemental budget, which emerged from a conference committee last week, has received final approval from the House and Senate. The bill includes \$15 million for the Brownfields Redevelopment Fund, which has been depleted since June 2013. CHAPA is working with legislative leaders and a large coalition led by the Massachusetts Smart Growth Alliance to recapitalize the Brownfields Redevelopment Fund at \$60 million before the Legislature recesses on August 1st. The \$15 million in the supplemental budget will allow for the Fund to resume making grants and loans. Full recapitalization at \$60 million is needed to keep the Fund operating for up to 5 years. CHAPA thanks Speaker Robert DeLeo, Senate President Therese Murray, House Ways and Means Chairman Brian Dempsey, Senate Ways and Means Chairman Stephen Brewer, Representative Antonio Cabral, Representative Jeffrey Sanchez, and Senator Benjamin Downing for their leadership and commitment to recapitalizing the Brownfields Redevelopment Fund.

## Upcoming Events

**March 25th & April 10th 2014**  
Making Sense of Mortgage Loan Modification Rules in 2014

**April 17, 2014**  
CHAPA Brown Bag Lunch Series: A Look Into the City of Boston's Energy Policy and Programs  
With Brad Swing, Director of Energy Policy and Programs, City of Boston

**April 18, 2014**  
Opening the Gates of Opportunity: Realizing the Potential of Gateway Cities in Massachusetts

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





The supplemental budget also includes a language change to RAFT which will allow more families between 30% and 50% of area median income (AMI) to obtain assistance. The Legislature's change to RAFT adjusts the targeting which previously required 90% of the funds be used to assist families below 30% AMI to stabilize their housing. With families at risk of homelessness in high cost areas being turned away because the cap had been reached, this adjustment allows for one-half of RAFT to be used to help families between 30% and 50% AMI.

## CHAPA Seeks Mid-Year Increase in DHCD's Capital Budget

Following the passage of the \$1.4 billion housing bond bill in November 2013, increasing the bond cap in FY14 to \$232 million will allow for Massachusetts to maximize federal funds to expand community based housing for persons with disabilities, increase smart growth development in areas near transit, and increase housing for low income households. With more than 4,000 families living in shelters and motels and an additional 229,000 low income renters paying more than 50% of their monthly income for housing, increased affordable housing across income levels is needed. CHAPA members recently **wrote** to the Governor requesting a mid-year increase to DHCD's capital budget.

## MAPC Publishes Fair Housing and Equity Assessment (FHEA) for Greater Boston

The Metropolitan Area Planning Council (MAPC) released its **Regional Fair Housing and Equity Assessment** (FHEA) this month. The FHEA covers the 164 cities and towns in Greater Boston's transportation planning region and is similar to the Analysis of Impediments to Fair Housing (AI) that HUD requires of states, cities and towns that receive certain HUD funds. It differs from an AI however in that it examines disparities and causes and recommends actions from a regional rather than local perspective. It details the high level of racial and ethnic segregation in the region, even after adjusting for income, and shows how discrimination causes deep disparities in access to life opportunities (good education, good jobs, recreational assets, etc.). It finds that the region's transportation system is also a barrier to equal opportunity.

The analysis notes the fragmented structure of current planning (land use, transportation, housing, education), with responsibility seated variously among localities, regions, HOME consortia, federal and state agencies). It concludes with 54 general and specific recommendations to reduce the impediments to fair housing experienced by protected classes, including persons with disabilities. One recommendation is to develop a regional AI with mandatory participation; a second is to imbed fair housing and equity considerations and goals in all investment decisions and developing data to track regional fair housing and equity impacts and outcomes.



# Federal Updates

## Senators Release Housing Finance Reform Text

On March 16, after months of discussion, the Senate Banking Committee leaders (Chairman Tim Johnson, D-SD and ranking member Mike Crapo R-ID) released a draft **housing finance reform bill**. They also posted a 15 page **section-by-section description** of the text and an 8 page detailed **summary**. The National Low Income Housing Coalition (NLIHC) reports that the committee is expected to take up the bill prior to the April congressional recess, possibly as soon as the first week of April.

Similar to an earlier Senate proposal (“Corker Warner”), the Johnson-Crapo draft would wind down the current GSEs, allowing new entities become securitizers, and create a Federal Mortgage Insurance Corporation (FMIC) to regulate and insure securitized mortgages; securitizers would have to take a 10% first loss position. It maintains a 5 year transition period but allows an earlier start up of the FMIC (6 months from enactment), transferring the FHFA to the FMIC. It establishes a 10-basis-point FMIC user fee which could raise up to \$5 billion a year to fund affordable housing and community development, with 75% going to the National Housing Trust Fund (NHTF), 15% to the Capital Magnet Fund and 10% of a new Market Access Fund. It modifies the existing NHTF by creating a new tribal set-aside (2% or at least \$20 million) and increases the small state minimum from \$3 million to \$5 million. It requires a minimum down-payment of 3.5% for first time homebuyers and 5% for all other homebuyers with FMIC-insured mortgages. It sets up a separate Office of Multifamily Housing to provide special focus on multifamily housing and authorizes a pilot program to improve access to financing for smaller (<50 unit) properties.

## President Releases FY2015 Budget Request

The Administration released its **FY2015 budget** request on March 4th. The request had two components, a request that stayed within the spending cap established by Congress in the Bipartisan Budget Act for FY2015, and a \$56 billion supplemental request for the **Opportunity, Growth, and Security Initiative** providing investments in education, research, infrastructure, public health and other areas to help the nation “reach its full potential”). Detailed information is **posted** on the National Low Income Housing Coalition website and HUD has also posted a **summary**. The request continued to cut the HOME program, but increased funding for the Housing Choice Voucher program. The request states that the FY2015 proposal will allow full restoration of the vouchers lost in FY2013 due to sequestration, but A CBPP analysis indicates that this is not the case. The Administration’s request also includes changes to the Low Income Housing Tax Credit program, as detailed in a **summary** by the National Council of State Housing Agencies.

## Advocates Urge Appropriators to Raise FY2015 Budget Allocation for Housing and Transportation

While Congress has set a total spending cap for the FY2015 budget, House and Senate appropriators have discretion in dividing the cap among the 12 appropriations subcommittees, giving each its own “302(b) allocation.” The National Low Income Housing Coalition reports that as of March 7, over 2,100 organizations had signed a **letter** asking the committee chairs to raise the 302(b) allocation for the Transportation and HUD (THUD) subcommittee to the highest level possible, in part by redirecting revenues generated within the Department of Transportation and HUD to programs operated by those Departments.

## Over 1,400 fewer Massachusetts Households Have Section 8 Vouchers due to Sequestration

An analysis by the Center on Budget and Policy Priorities (CBPP) has found that the number of households with Section 8 Housing Choice Vouchers fell by 70,000 nationwide between December 2012 and December 2013 and by 1,431 households in **Massachusetts** (even as 1,961 families were living in hotels and motels in Massachusetts as of March 4). CBPP estimates that the FY2014 budget will enable housing authorities to make up less than half of this loss. It also posted state by state **fact sheets** on losses and current program characteristics and a link to **data by housing authority**.





## HUD Issues NOFA for Section 811 Project-Based Rental Assistance for Persons with Disabilities

On March 4, HUD issued a Notice of Funding Availability (**NOFA**) for Section 811 Project-Based Rental Assistance (PRA) for extremely low income persons with disabilities. The NOFA makes \$120 million available from FY2013 and FY2014 appropriations for long-term rental assistance for up to 3,500 units nationwide in integrated housing (no more than 25% of units in a development can have a preference for persons with disabilities). HUD expects to make 12-18 awards. As detailed in the NOFA, the goal of the PRA program is to “identify, stimulate, and support innovative state-level strategies that will transform and increase housing for extremely low-income persons with disabilities while also making available appropriate services and supports.” The Technical Assistance Collaborative (TAC) has posted a **summary** of the NOFA. Applications are due May 5.

## HUD Posts Revised Section 8 Renewal Guide for Public Comment

On February 28, HUD’s Office of Multifamily Housing posted a draft revision of its Section 8 Renewal Guide and will accept public comments through April 30. (A link to the draft is posted under “What’s New” at the top right of HUD’s Section 8 Renewals **page**). The Guide constitutes HUD’s comprehensive guidance on renewing (or opting out of) project-based Section 8 contracts. A recent NLIHC **article** lists some of the proposed changes and clarifications, including the addition of a notice requirement when the owner of a preservation-eligible property wants to prepay. HUD also lists the changes at the beginning of the draft guide. The draft again proposes a new standard for renewal rents in line with the goal of not exceeding market rents. As detailed in HUD **supplemental information**, third party review will be required if an owner’s rent study proposes rents above 110% of the median market gross rent for the zip code area.



### *Odessa Walton-Peele*

It is with great sadness that CHAPA shares with the affordable housing community the passing of CHAPA staff member Odessa Walton-Peele. Please join us in keeping Odessa’s family in your hearts.

# Citizens' Housing and Planning Association

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