



State Updates

MassHousing Appoints Chrystal Kornegay as New Executive Director

On January 9, MassHousing [appointed](#) Chrystal Kornegay as its new Executive Director. Kornegay served as Undersecretary of Housing and Community Development for the past three years in the Baker Administration. Before serving as Undersecretary, Kornegay was the CEO of Urban Edge, a community development corporation based in Roxbury, and also served as CHAPA's Board President. Kornegay replaces Acting Executive Director Tom Lyons who took the interim position after Tim Sullivan stepped down in November 2017. CHAPA offers heartfelt congratulations!

Housing Bond Bill Reported Out Favorably by House Bonding Committee

On January 8, the House Bonding Committee, chaired by Rep. Antonio Cabral, reported out the [Housing Bond Bill](#) favorably. The legislation recapitalizes affordable housing programs with \$1.71 billion through the capital budget over the next five years. The legislation also expands and extends the Massachusetts Low Income Housing Tax Credit (LIHTC) and the Community Investment Tax Credit and extends the Brownfields Tax Credit and the Housing Development Incentive Program. The legislation now goes to the House Committee on Ways and Means, chaired by Rep. Jeffrey Sánchez.

Hold on FY2018 Spending Earmarks Lifted by Governor Baker

On January 2, Governor Baker lifted the hold on earmark spending in the FY2018 state budget. The release comes after good revenue numbers from December. From CHAPA's budget priorities, earmarked funds were withheld from Housing Consumer Education Centers (HCECs), Residential Assistance for Families in Transition (RAFT), and the Youth Homelessness Reserve Fund.

UPCOMING EVENTS

January 22, 2018

Homelessness Committee Meeting

January 25, 2018

Production and Preservation Committee Meeting

January 31, 2018

Public Housing and Rental Assistance Committee Meeting

February 15, 2018

Young Professionals Brown Bag: Changing Patterns

December 4, 2018

Save the date for CHAPA's 51st Annual Dinner!

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

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Mayor Walsh Announces \$10 Million Effort to End Chronic Homelessness in Boston

Mayor Walsh announced the establishment of the [Boston's Way Home Fund](#) on January 1 that will support the City of Boston's plan to end chronic homelessness. The Fund is proposed to raise \$10 million over the next four years in partnership with the Pine Street Inn and Bank of America to support the creation of 200 new units of supportive, sustainable, long-term housing for chronically homeless men and women.

DHCD Issues Updated Chapter 40R/ Starter Home Regulations

The Department of Housing and Community Development (DHCD) [issued](#) updated regulations and guidance for Chapter 40R (Smart Growth Districts and Starter Home Zoning Districts) effective December 29. Among other things, the revisions implement the Starter Home District program approved by the Legislature in 2016, spell out allowed uses of incentive payments funded by the state capital budget, and revise language around eligible locations.



New Housing Choice Initiative Announced by Baker-Polito Administration

In December, the Baker-Polito Administration announced the new [Housing Choice Initiative](#) to increase housing production across the Commonwealth and set a goal of creating 135,000 new units of housing by 2025. The Initiative creates a new system of incentives and rewards for municipalities that deliver sustainable housing growth; creates a new technical assistance toolbox, including MassHousing's [Planning for Production Program](#); and proposes legislative changes, through [An Act to Promote Housing Choices](#), to deliver smart, effective zoning at the local level.

Baker-Polito Administration Announce \$35 Million to Support Affordable Housing Development

In December, the Governor also [announced](#) more than \$20 million in subsidy funds, and allocated more than \$15 million in State and Federal LIHTCs, to support six new affordable housing projects in Amherst, Cambridge, Holyoke, Lawrence, and Yarmouth. The projects represent 511 new rental units, including 348 affordable units, with 55 reserved for extremely low-income residents, and families transitioning out of homelessness.

On December 19th, CHAPA President Soni Gupta testified before the Joint Committee on Housing in support of Chapter 40B.

Federal Updates

FY2018 HUD Budget Outlook Uncertain Pending Resolution of Budget Caps

With the current Continuing Resolution (CR) expiring January 19, [Capitol Express](#) reports that Congress is likely to pass yet another short-term CR running through mid-February, as it tries to agree on FY2018 spending caps. It also reports that leaders in both parties are considering a two-year spending agreement that would raise the caps above the current FY 2018 levels in the Budget Control Act. Once an agreement is reached, observers expect omnibus appropriations legislation to follow shortly. It notes that tax credit advocates may use the omnibus to try to advance the [Affordable Housing Tax Credit Improvement Act](#) to expand the annual LIHTC allocations to states.

HUD Postpones Requirement to Submit Assessments of Fair Housing

On January 5, HUD published a [notice](#) in the Federal Register, effective immediately, pushing back the deadline for municipalities to submit an [Assessment of Fair Housing](#) (AFH) – a 5-year plan to address housing discrimination – in order to receive HUD block grant funds. HUD states that communities need more time and technical assistance to produce an acceptable AFH, noting that 35% of the 49 AFHs submitted in 2017 were initially not approved by HUD. The postponement applies to all municipalities except those with an approved AFH. As [reported](#) in the New York Times, some fear the notice may be a first step in undoing the Affirmatively Further Fair Housing (AFFH) final rule of July 2015. A coalition of 76 housing and civil rights organizations issued a [statement](#) calling on HUD to reverse the decision. HUD will accept comments on the notice through March 6.

U.S. District Court Issues Preliminary Injunction Allowing Mandatory Small Area FMRs

The U.S. District Court for the District of Columbia granted a [preliminary injunction](#) against HUD on December 23, finding that HUD did not have the authority or compelling reasons to suspend implementation of the use of Small Area Fair Market Rents (Small Area FMRs) for two years in 23 metropolitan areas. It ordered HUD to immediately reinstate the final rule published on November 16, 2016 requiring public housing agencies (PHAs) in those metro areas to implement Small Area FMRs on January 1, 2018.



On December 11th, Rachel Heller stood with the Baker-Polito Administration and other stakeholders as the Governor announced the new **Housing Choice Initiative** to increase housing production across the Commonwealth.



President Trump Signs Tax Reform Into Law

On December 21, President Trump signed tax reform into law. The [final tax reform legislation](#) preserves the LIHTC as well as the tax exemption for private activity bonds. The final bill also retains the New Markets Tax Credit and Historic Tax Credit. While the compromise bill avoids the worst threats to affordable housing and community development activities, the value of LIHTC will be negatively impacted by the dropping of the corporate tax rate from 35% to 21%. This will lessen the demand for LIHTC by investors and reduce investment in affordable housing.

Recent Research & Reports

MHP & CHAPA Launch Online Housing Toolbox

Massachusetts Housing Partnership (MHP), in partnership with CHAPA, [launched](#) a new online housing toolbox to help local officials and volunteers provide more affordable housing opportunities. The website, www.housingtoolbox.org, is designed to be a one-stop resource to help municipalities execute effective housing strategies.

NCSHA Updates Recommended Practices for LIHTC Administration

In December, the National Council of State Housing Agencies (NCSHA) issued the Task Force on Recommended Practices in Housing Credit Administration's (Task Force) [final report](#), which updates its guidance on administering the federal Low Income Housing Tax Credit. The new guidance adds 13 new practices related to allocation, underwriting, and compliance monitoring including promoting choice and opportunity, more clearly defining Concerted Plans for Community Revitalization, and encouraging fair housing compliance.

Urban Institute Study Growing Shortfall in Housing Assistance, Little Evidence for Proposed Policy Changes

A new Urban Institute study, [The Case for More, Not Less](#), reports that in 2016 only one in five rental households qualifying for housing assistance actually received it, down from one in four in 2005. It also notes that most recipients of federal housing assistance are vulnerable (63% are elderly and disabled adults). Given the critical role housing assistance plays in providing housing stability, preventing homelessness, and supporting health, adequate nutrition, and education, the report urges delay in reforms pending a review of current program priorities and policies, including waiting list administration, the definition of affordable housing, and best methods for service delivery.



At the Holiday Lunch on December 20th, the CHAPA Young Professionals Group celebrated a full year of events and started planning the 2018 brown bag lunches. Also, Eric Shupin provided a policy update.

Harvard Rental Housing Study Highlights High Level of Cost Burden for Lowest Income Households

A report from Harvard's Joint Center for Housing Studies, [America's Rental Housing 2017](#), finds that the surge in demand for rental housing of the past decade is slowing, as renter household formation slows. It projects stable demand going forward. However, with little new production of housing affordable to low and moderate income renters, it finds that "the rental housing market appears to be settling into a new normal where nearly half of all renter households are cost burdened" (paying over 30% of their income towards housing), with rates even higher among the lowest income (83% for those with incomes below \$15,000). Inadequate federal funding to maintain the existing subsidized stock and expand assistance contributes to the problem. The report also calls for zoning and regulatory policies to promote private development of moderately priced housing in markets with shortages.

Study Finds Los Angeles Housing for Health Program Savings Exceeded Program Costs

A new [report](#) by the RAND Corporation, *Evaluation of Housing for Health Permanent Supportive Housing Program*, finds the Los Angeles County's permanent supportive housing program called Housing for Health (launched in 2012) succeeded in providing stable housing for homeless individuals with complex medical and behavioral health issues, while generating savings through reduced service utilization.

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