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July 12, 2017

The Honorable Charlie Baker
Governor of the Commonwealth
24 Beacon Street
The State House, Room 280
Boston, MA 02133

**RE: FY2018 Budget Recommendations for Affordable Housing,
Homelessness Prevention, and Community Development Programs**

Dear Governor Baker,

On behalf of Citizens’ Housing and Planning Association (CHAPA), I am writing to request your support for funding of affordable housing, homelessness prevention, and community development programs in the FY2018 budget as approved by the Legislature.

As you know, CHAPA’s mission is to encourage the production and preservation of housing that is affordable to low and moderate income families and individuals and to foster diverse and sustainable communities through planning and community development.

Specifically, we ask that you approve the FY2018 Conference Committee budget investments in the following programs that will help address the housing challenges facing working families, seniors, persons with disabilities, and other vulnerable households. These resources will also help achieve your Administration’s priority of preventing and reducing homelessness.

- Massachusetts Rental Voucher Program (MRVP) (7004-9024)..... \$ 92,734,677
- Alternative Housing Voucher Program (AHVP) (7004-9030)..... \$ 5,000,000
- Public Housing Operating Subsidy (7004-9005)..... \$ 64,500,000
- Public Housing Reform (7004-9007)..... \$ 950,000
- Residential Assistance for Families in Transition (7004-9316)..... \$ 15,000,000
- HomeBASE (7004-0108)..... \$ 30,147,305
- Foreclosure Prevention & Housing Counseling (7006-0011)..... \$ 2,350,000
- Housing Consumer Education Centers (HCECs) (7004-3036)..... \$ 2,221,992



- Housing Court Expansion (0336-0003)..... \$ 1,000,000
- Tenancy Preservation Program (TPP) (7004-3045)..... \$ 625,000
- Home and Healthy for Good (7004-0104).....\$ 2,040,000
- Mass. Accessible Housing Registry (4120-4001).....\$ 80,000
- Unaccompanied Homeless Youth (4000-0007)..... \$675,000
- New Lease for Homeless Families (7004-0106)..... \$125,000
- Community Preservation Trust Fund Surplus Transfer..... \$ 10,000,000

Massachusetts Rental Voucher Program (MRVP) (7004-9024)

Although MRVP was originally funded at \$100 million in the House and Senate budgets, \$92.7 million provided in the conference budget will maintain the current number of existing vouchers. Although no new vouchers will be created in FY2018 at this funding level, no household being served by MRVP will lose their voucher. While we will work to continue to grow MRVP in the future, we respectfully request that you preserve and approve the \$92.7 million funding level so that the program remains a reliable resource for immediately helping the homeless or those at risk of homelessness.

Also, thank you for your leadership on making important program improvements for MRVP. We are pleased that the Conference Budget includes your proposals allowing households who earn up to 80% of the Area Median Income (AMI) to access the resource while enabling DHCD to target 75% of new vouchers to extremely low income households. These improvements will help ensure that MRVP will serve households with the greatest need and also allow families to work towards increasing their incomes without risk of losing their rental voucher before they are economically self-sufficient.

Finally, the Legislature included language from your budget proposal authorizing DHCD to create a voucher management system for MRVP. This will improve the effectiveness and efficiency of the program. This system will help increase access to MRVP and make it easier for agencies to administer the program. We hope that these language changes are included in the approved and final FY2018 budget.

Alternative Housing Voucher Program (AHVP) (7004-9030)

We are grateful that the conference budget includes an increase for AHVP, which will help more persons with disabilities find affordable and accessible homes. Thanks to your Administration’s leadership, the Conference included a key language change removing the word “transitional,” which will better align AHVP with its actual use to better serve program participants.

Public Housing Operating Subsidy (7004-9005)

Although the conference budget did not include an increase for public housing operating subsidies, we are glad this critical affordable housing resource remained level-funded. This will help support housing authorities and the nearly 46,000 affordable homes that they provide for our residents.

Public Housing Reform (7004-9007)

CHAPA is grateful for the increased support that you and the Legislature have shown for this line-item that will improve the effectiveness and efficiency of public housing. Specifically, the increased funding provided for this program will help create and implement an online portal for housing authorities and applicants to use, which will improve the administration of public housing. Authorization for creating this system is also included in the conference budget.

Residential Assistance for Families in Transition (RAFT) (7004-9316)

The conference budget provides additional support to RAFT in order to allow households of all types to access this homelessness prevention resource. The conference budget continues the expanded eligibility for RAFT that includes the elderly, persons with disabilities, and unaccompanied homeless youth, as well as families with children. Last year, 124 households were able to access RAFT under the expanded definition of family, over half of which were households with disabilities. This investment in RAFT is also a cost-effective program for helping families. For example, in FY2016, \$12.5 million in RAFT funding saved the state an estimated \$137 million by avoiding higher emergency shelter costs. By increasing our investment in the program, we help families in a cost-effective way while reducing reliance on the emergency shelter system. We ask that the additional support for RAFT be approved in the final budget.

HomeBASE (7004-0108)

Thank you for your leadership in strengthening and improving HomeBASE. Last year, you created a program to allow families in domestic violence shelters or substance abuse and sober living programs to access HomeBASE if they would otherwise be eligible. This has helped ensure that all families facing or experiencing homelessness can use HomeBASE to find a safe and affordable home. The conference budget continues and improves this program, similar to suggestions made in your House 1 budget proposal, including allowing families in sober living programs to access HomeBASE, as well as increasing coordination among DHCD, DCF, and DPH to improve the administration of the program.

We also support language in the conference budget that reduces the excessive 24-month bar on families who have been terminated from the program to 12-months.

Although we are disappointed that the conference budget provides HomeBASE with less funding in FY2018 compared to 2017, we will continue our work to support this critical resource that has been effective in helping families avoid or exit the emergency shelter system as well as hotels and motels.

Foreclosure Prevention & Housing Counseling (7006-0011)

The conference budget includes level funding for foreclosure prevention and housing counseling grants administered by the Division of Banks (DOB) and funded by mortgage loan originator fees. This line-item provides important counseling services for new homebuyers as well as those facing foreclosure. Unfortunately, the number of completed foreclosures increased by nearly 9% over the previous year, making this program an important tool for helping create and maintain stable neighborhoods. Also, because it is funded through loan originator fees, it is a revenue-neutral program.

The conference budget also directs DOB to commit \$800,000 from the line-item to Housing Consumer Education Centers (HCECs) (7004-3036). Although we would prefer to see funding for HCECs included in its own dedicated line-item, this commitment to HCECs will allow these organizations to continue their important work of providing a wide range of housing resources to everyone in Massachusetts.

Even with these funds directed towards HCECs, we hope that at least \$1.3 million in retained revenue from the DOB program is made available for foreclosure prevention and housing counseling services. This represents the amount of funding made available for these counseling grants in previous years and will allow housing agencies to continue their work in preventing foreclosures in communities across the Commonwealth.

Housing Consumer Education Centers (HCECs) (7004-3036)

While we are disappointed that HCECs face reduced funding in the conference budget within its own line-item, we appreciate that these regional housing agencies will receive funding from the foreclosure prevention and housing counseling program administered by the DOB (7006-0011) to offset the impact of these cuts. With these supports, HCECs will be able to continue offering a wide range of housing services to everyone in Massachusetts, including administering other homelessness prevention resources like RAFT and HomeBASE. We hope you will support this funding for HCECs in the final budget. However, we will continue to work to provide adequate funding for the program within its own line-item so that the DOB's foreclosure prevention and housing counseling program can better be used for its intended purpose.

Housing Court Expansion (0336-0003)

Thank you for your leadership in helping expand Housing Court statewide by including authorization and funding to achieve this your budget proposal. We are grateful that the conference budget also includes this authorization in outside sections 78–82 and \$1 million for its implementation. This expansion will help serve the nearly 1/3rd of Massachusetts residents who do not currently have access to Housing Court, which efficiently and effectively handles eviction, code enforcement, and housing discrimination claims. It will also allow all residents in the Commonwealth access to important resources like the Tenancy Preservation Program, which is only available in Housing Court.

Tenancy Preservation Program (TPP) (7004-3045)

The conference budget includes increased support for TPP, an effective homelessness prevention resource. TPP works with households with disabilities facing eviction to determine whether a disability can be reasonably accommodated in order to preserve the tenancy. In FY2016, TPP stabilized 92% of households served. The additional funds for TPP would allow the program to help more persons with disabilities avoid homelessness.

Home and Healthy for Good (7004-0104)

CHAPA appreciates the increased support that the conference budget includes for Home and Healthy for Good, which will provide additional housing and support services to chronically homeless individuals through a low-threshold, Housing First model that is less costly and more effective than managing homelessness and health problems on the street or in shelter.

Massachusetts Accessible Housing Registry (MassAccess) (4120-4001)

Thank you for including funding in your budget that will maintain the MassAccess website, www.massaccesshousingregistry.org, which is a searchable database of available affordable and accessible housing opportunities in Massachusetts. This year the website received an average of 80,000 hits a month. MassAccess currently has over 9,900 registered consumers, 1,600 property managers and

lists over 9,000 affordable apartments and homes. We are grateful that this funding was also included in the conference budget and hope that it will remain in the final budget.

Unaccompanied Homeless Youth (4000-0007)

Unfortunately, the conference budget includes a compromise appropriation of only \$675,000 for the unaccompanied youth homelessness line-item. This decrease in funding from the \$2 million FY2017 level will mean that many programs across the state will lose funding that provide wraparound support services for unaccompanied youth and young adults who are experiencing homelessness. We hope to work together with the Administration and the Legislature in FY2018 to restore funding for this vital program.

New Lease for Homeless Families (7004-0106)

The conference budget included a new line-item for New Lease for Homeless Families. New Lease houses homeless families residing in state-funded shelters and hotels by implementing a preference for these families in properties across the Commonwealth. Through New Lease, homeless families have the opportunity to live in desirable and affordable communities with the supports they need to achieve successful tenancies. We hope that you include it in the final budget.

Community Preservation Trust Fund

CHAPA supports the authorization for a \$10 million transfer from the end-of-year budget surplus into the Community Preservation Trust Fund. This transfer will help support a robust state match for communities that have enacted the Community Preservation Act (CPA). This is critical as the number of CPA communities has grown to 172, which has resulted in a decline of the state match to historically low levels. Allowing this transfer will ensure that the state and local partnership created by the CPA remains strong.

Thank you for your consideration of these budget recommendations and your leadership in making sure everyone in the Commonwealth has a safe, healthy, and affordable place to call home. If you have any questions, please do not hesitate to contact me.

Sincerely,



Rachel Heller
Chief Executive Officer

cc: Secretary Kristen Lepore, Executive Office of Administration and Finance
Secretary Jay Ash, Executive Office of Housing and Economic Development
Undersecretary Chrystal Kornegay, Department of Housing and Community Development
Rep. Kevin Honan, Chair, Joint Committee on Housing
Sen. Joseph Boncore, Chair, Joint Committee on Housing