Amendments to the Economic Development Bill–H.4714

TO REHABILITATE PUBLIC HOUSING, PROTECT HOUSING ASSISTANCE PROGRAMS, & PROMOTE ECONOMIC MOBILITY

Please support the following amendments to the Economic Development Bill to help everyone in the Commonwealth have a safe, healthy, and affordable home

#	Title	Sponsor	Description
102	Public Housing Provisions	Rep. McGonagle	This amendment will help rehabilitate public housing by providing housing authorities with new tools and flexibility to enter redevelopment partnerships and to leverage additional funds to preserve public housing
77	Mortgage Licensing & Exemptions	Rep. Coppinger	This amendment will help create affordable homes and protect access to housing assistance programs by creating a narrow exemption for nonprofits from licensing requirements for mortgage loan originators
68	Economic Mobility & Stability Commission Study	Rep. Vega	This amendment creates a commission to identify the most effective self-sufficiency programs, examine the impact of cliff effects, and help shape programs that will best assist low-income families achieve economic mobility and independence

CHAPA
Citizens' Housing and Planning Association

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Please support the following amendments to the Economic Development Bill to help everyone in the Commonwealth have a safe, healthy, and affordable home!

Amendment 102: Public Housing Provisions

Sponsored by Rep. Joseph McGonagle

Rep. McGonagle's amendment will help rehabilitate public housing by providing housing authorities with new tools and flexibility to enter redevelopment partnerships and to leverage additional funds to preserve public housing.

Massachusetts is fortunate to have its own state-supported public housing portfolio. Local Housing Authorities support over 45,600 homes for public housing residents, of which over two-thirds of these homes are dedicated for the elderly and persons with disabilities.

Unfortunately, many of these units were built decades ago and are not adequately meeting the needs of current and future residents. Additionally, years of underfunding have left public housing in need of significant rehabilitation to preserve the units and have them comply with modern design, safety, and accessibility standards.

This amendment will help leverage public and private resources to ensure that these homes remain available and affordable generations to come. In return for the modernization of the public housing, including a full one-to-one replacement of current units, this amendment will help create additional new affordable and market-rate homes to foster vibrant communities.

Amendment 77: Mortgage Licensing & Exemptions

Sponsored by Rep. Edward Coppinger

Rep. Coppinger's amendment will help create affordable homes and protect access to housing assistance programs by creating a narrow exemption for affordable housing nonprofits from state licensing requirements for mortgage loan originators.

Many affordable housing nonprofit organizations administer loan programs that help families buy homes, address home repair needs or lead paint remediation, prevent foreclosure, and acquire or preserve housing. These loans offer terms that are favorable to the borrower, in some cases loans at no interest with repayment deferred. Frequently, the nonprofit is administering loans from completely publicly-funded programs.

Creating an exemption from mortgage loan originator licensing requirements for certain affordable housing nonprofits would re-establish in state law an exemption provided by the Division of Banks (DOB) for the past decade. Unfortunately, the DOB rescinded this exemption last year based on a reinterpretation of state law.

Without this exemption, the low-and moderate-income households and their communities would be harmed by losing access to programs that help create and preserve affordable homes.

Additionally, these affordable housing nonprofits would face significant expenses for meeting mortgage loan licensing requirements that are more suitable for lenders operating in a commercial, for-profit context. This may result in some nonprofits choosing to stop offering housing assistance programs that involve lending public funds. Even for nonprofits who choose to continue offering this assistance, due to the time involved in obtaining a license for their affected employees, some of these nonprofit organizations may need to suspend administering these assistance programs until the organization becomes compliant.

Amendment 68: Economic Mobility & Stability Study

Sponsored by Rep. Aaron Vega

Rep. Vega's amendment creates a commission to identify the most effective self-sufficiency programs, examine the impact of cliff effects, and help shape programs that will best assist low-income families achieve economic mobility and independence.

Numerous self-sufficiency and economic mobility programs administered on federal, state and local levels work to provide households a path to economic mobility. These programs help families get education, increase their incomes, and build assets to attain financial self-sufficiency and reduce reliance on public supports. Each program offered across the state, including the Family Self-Sufficiency Program, MassLEAP, and Jobs Plus, has a different approach with varying components and different outcomes.

The commission will also examine cliff effects and determine ways to adjust assistance in response to changes in income, including automatic adjustments tied to minimum wage increases. When recipients of support programs begin to work or receive raises, they often experience an economic penalty – or cliff effects – because of the steep decline in their benefits which leaves them worse off than before getting a job or a raise. These setbacks are a barrier for families trying to achieve economic independence and financial stability.

This commission will help more households across the Commonwealth build assets, reduce their reliance on public assistance, and attain financial stability. Establishing this commission will ensure an evidence-based approach to identify and expand, effective economic development opportunities in Massachusetts.

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