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April 19, 2018

The Honorable Kevin Honan
The Honorable Joseph McGonagle
The Honorable Brad Hill

The Honorable Joseph Boncore
The Honorable John Keenan
The Honorable Ryan O'Connor

RE: CHAPA's Priorities for the Housing Bond Bill

Dear Chairman Honan, Chairman Boncore, and Distinguished Members of the Conference Committee,

On behalf of Citizens' Housing and Planning Association, thank you for your leadership and to both the House of Representatives and Senate for passing the Housing Bond Bill. We are grateful to the Legislature for fully re-authorizing the capital budget programs for affordable housing, which will provide critical funding to produce and preserve homes across the Commonwealth. Thanks also for including other critical affordable housing and community development tax credits in the bill.

This historic legislation, the largest housing bond bill in the state's history, represents a true investment in the future of Massachusetts, helping everyone to have a safe, healthy, and affordable place to call home.

CHAPA looks forward to working with you to quickly reconcile the differences between the House and Senate bills so that these affordable housing programs remain funded. As you work on the Housing Bond Bill, CHAPA respectfully requests that you include the following priorities in the final bill.

Expanding the Massachusetts Low Income Housing Tax Credit

CHAPA's top priority is retaining the \$5 million expansion of the Massachusetts Low Income Housing Tax Credit (LIHTC), as contained in section 11 and 17 of the Senate bill. Expanding the Massachusetts LIHTC program is critical for preserving affordable housing in Massachusetts, particularly as the federal LIHTC program is facing cuts due to tax reform.

The Senate bill expands the Massachusetts LIHTC to \$25 million per year and extends this authorization to 2025 with \$5 million dedicated to affordable housing preservation. Without an extension and expansion, the program will sunset to \$10 million in 2020. Funding the Massachusetts LIHTC at \$25 million reduces the loss of equity due to federal tax cuts, while helping to immediately leverage resources for the production and preservation affordable housing.

Retaining the Expansion of the Community Investment Tax Credit

Thank you to both the House of Representatives and Senate for including in their bond bills the extension and gradual expansion of the Community Investment Tax Credit (CITC). CHAPA asks the conferees to keep this extension and expansion in the final Housing Bond Bill.

The CITC enables local residents and stakeholders to work with and invest in community development corporations (CDCs) to improve economic opportunities for low and moderate income households in communities across the Commonwealth. Over the past three years, this program has generated nearly \$24 million for CDCs across the state, enabling them to deepen their community engagement, create more housing opportunities, and increase their impact.

Fully Re-Authorizing Affordable Housing Capital Programs

Thank you again to both the House and Senate for including the full re-authorization of all affordable housing and community development programs in their Housing Bond Bills. This includes the authorization for historic investments that will help rehabilitate our public housing, create homes for the elderly and persons with disabilities, provide new housing opportunities for our veterans and homeless families, and support children in early education programs. CHAPA asks that the conference committee include the full re-authorization for these critical programs in final Housing Bond Bill.

Allowing Flexibility to Administer the Affordable Housing Trust Fund

CHAPA supports allowing greater flexibility to administer the Affordable Housing Trust Fund (7004-0052). In the Senate bill, there is a required set-aside of up to \$50 million in the Trust Fund to support the rehabilitation of housing in Gateway Cities.¹ While we support resources to help rehabilitate this housing, in order to best administer the Trust Fund fairly and effectively, CHAPA asks that this be changed to a discretionary set-aside.

Thank you again for your leadership and please let me know if you have any questions.

Sincerely,



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¹ S.2368, § 2 (“provided, that up to \$50,000,000 shall be provided to rehabilitate 1 to 4 unit housing in gateway cities”).