



FY2020 Conference Recommendations

FOR AFFORDABLE HOUSING, HOMELESSNESS PREVENTION,
& COMMUNITY DEVELOPMENT PROGRAMS SUPPORTED BY
CITIZENS' HOUSING AND PLANNING ASSOCIATION

Please support the following recommendations for the final FY2020 budget to help everyone in the Commonwealth have a safe, healthy, and affordable home!

Line Item	Program	Description
7004-9024	Mass. Rental Voucher Program (MRVP)	Adopt the House appropriation of \$110 million, allow prior appropriations for MRVP to continue into FY2020, & adopt the Senate language
7004-9030	Alternative Housing Voucher Program	Adopt the \$8 million Senate appropriation
7004-0106	New Lease	Adopt the \$250,000 House appropriation
7004-3036	Housing Consumer Education Centers	Adopt the \$3.75 million House appropriation
7004-9316	Residential Assistance for Families in Transition (RAFT)	Adopt the \$21 million appropriation & language in the Senate budget
4000-0007	Unaccompanied Homeless Youth	Adopt the \$5 million Senate appropriation
7006-0011	Foreclosure Prevention & Homebuyer Counseling	Adopt the \$2.85 million appropriation & language in the Senate budget
7004-0104	Home & Healthy for Good	Adopt the \$2.89 million appropriation & language in the Senate budget
7004-9005	Public Housing Operating	Adopt the Senate language
7004-0108	HomeBASE	Adopt the Senate language

For more information, contact Eric Shupin, CHAPA's Director of Public Policy,
eshupin@chapa.org or 617-682-9712





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June 10, 2019

Chairman Aaron Michlewitz
Representative Denise Garlick
Representative Todd Smola

Chairman Michael Rodrigues
Senator Cindy Friedman
Senator Vinny deMacedo

RE: CHAPA FY2020 Budget Recommendations for Affordable Housing, Homelessness Prevention, and Community Development Programs

Dear Chairman Michlewitz, Chairman Rodrigues, and Distinguished Members of the Conference Committee,

On behalf of Citizens' Housing and Planning Association (CHAPA), thanks to both the House and Senate for expanding investments in affordable housing, homelessness prevention, and community development programs in the FY2020 budget.

At a time when the affordable housing crisis in Massachusetts continues to reach new heights, leaving more families at risk of becoming homeless, CHAPA thanks the Legislature for making its commitment to addressing this crisis clear through increased support for the resources that assist some of our most vulnerable residents.

Below are funding and language recommendations supported by CHAPA that will help bridge the key differences between the two budgets and provide the strongest support for these critical resources.

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

Adopt the House appropriation of \$110 million, allow prior appropriations for MRVP to continue into FY2020, and adopt the Senate language.

Thank you to both the House and Senate for their increased investments in MRVP. By investing \$110 million in MRVP and allowing prior appropriations to continue into FY2020, we can create new rental vouchers to serve more families, produce new affordable homes, and preserve existing affordable housing. This increased support will also allow for critical program improvements, including raising the fair market rents for new vouchers.

While both Chambers include a total appropriation of \$110 million for MRVP, CHAPA respectfully requests that you adopt the House appropriation that provides the full appropriation from the FY2020 budget. Providing the full funding amount

from the FY2020 budget will guarantee that MRVP will receive \$110 million, as intended by both the House and Senate.

The Senate includes an appropriation of \$104 million from the FY2020 budget with a \$6 million appropriation carried over from FY2019. Although the Department of Housing and Community Development (DHCD) anticipates that some MRVP funding from FY2019 will go unexpended, we do not know what the actual amount will be. To avoid the possibility that less than \$110 million will be available for MRVP in the next fiscal year, we ask the full appropriation for MRVP be made through the FY2020 budget.

As you know, the affordable housing crisis in Massachusetts continues to grow. The Federal Reserve reports that the number of homeless families in Massachusetts increased by 65% between 2007 and 2017. On any given night in the Commonwealth, more than 3,600 families fill the beds at emergency homeless shelters. Over 100,000 households are on the statewide waitlist for rental assistance and can expect to wait a decade or more before receiving a rental voucher. Hundreds of residents currently in affordable housing risk losing their homes as affordability restrictions expire. However, the challenges are not insurmountable.

The FY2020 budget provides an opportunity to do more now to address the Commonwealth's housing crisis through the MRVP appropriation. CHAPA respectfully requests that the Conference Committee allow prior appropriations from FY2019 to be continued into FY2020 to strengthen the impact of the MRVP program.

We know that DHCD anticipates that some funding for MRVP from FY2019 will be unexpended. However, we will work with DHCD to ensure that MRVP is administered as efficiently and effectively as possible. For example, we will work with DHCD on a distribution plan for getting new vouchers to families as quickly as possible. A new online voucher management system at DHCD will also help improve the utilization of vouchers. Finally, program improvements, like raising the fair market rent standards, will allow vouchers to be leased more quickly. Allowing funding from FY2019 to remain available for MRVP into FY2020 will ensure that these improvements can be made while also creating new vouchers.

CHAPA also asks that you adopt the language for MRVP in the Senate Budget because it makes important program improvements.

First, the Senate language improves the effectiveness of MRVP by updating the fair market rent standards for mobile rental vouchers. These rent standards were last updated in 2005. This has meant that families with a voucher had to find a 2-bedroom apartment in Boston with a rent of less than \$1,400 per month. By raising vouchers to current fair market rents, vouchers will now support a monthly rent of \$2,194 in the Boston area. This will provide families with more opportunities to find homes in the neighborhood of their choice. Although raising the fair market rent standard for new vouchers is a long-needed change, there will likely be no new vouchers created in FY2020 if funding for MRVP is not increased above \$110 million.

Second, the Senate language directs rental assistance to families most at risk of becoming homeless. Specifically, the language requires that 75 percent of new vouchers go to the lowest income households, those with incomes of less than 30 percent of the Area Median Income. In Boston, this includes a 4-person family that earns less than \$36,000 per year. Unfortunately, these households are most at risk of becoming homeless not only because of their low incomes but also because these families have the least amount of housing that is affordable and available to them. A report by the Federal Reserve Bank of Boston recently found that Massachusetts has a shortage of over 140,000 homes for extremely low-income families. Directing MRVP to these lowest-income households will prevent homelessness by helping them to find affordable homes.

We thank the House and Senate for your tremendous support for MRVP in the FY2020 budget and we hope that Conference will support the \$110 million funding level and prior appropriation continued language that will allow the Commonwealth to increase our efforts to reduce homelessness and address the affordable housing crisis.

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

Adopt the Senate appropriation of \$8 million.

Thanks to both the House and Senate for showing increased support for AHVP. CHAPA asks that you adopt the \$8 million Senate appropriation which will help create nearly 200 new rental vouchers for persons with disabilities. This will restore AHVP to 800 rental vouchers, the number of vouchers supported by the program when the Legislature created it in 1995.

New Lease for Homeless Families (7004-0106)

Adopt the House appropriation of \$250,000.

CHAPA asks you to adopt the House appropriation of \$250,000 for New Lease for Homeless Families. This funding will help find homes for families living in shelters by creating a preference for these families in affordable housing developments across the state. Including the program in the FY2020 will allow New Lease to continue serving the nearly 300 families it works with to help find and maintain homes.

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

Adopt the House appropriation of \$3.75 million.

CHAPA asks you to adopt the House appropriation of \$3.75 million for HCECs. This will allow these regional housing agencies to serve more people looking for affordable housing resources or other housing assistance. HCECs provide essential connections to affordable housing supports including rental assistance, first-time homebuyer courses, and foreclosure counseling. HCECs also administer critical homelessness prevention resources including HomeBASE and Residential Assistance for Families in Transition.

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

Adopt the \$21 million appropriation and language in the Senate budget.

CHAPA ask you to adopt the \$21 million appropriation and language for RAFT from the Senate budget. The additional funding will allow RAFT to serve additional families that are facing housing instability by providing flexible funds to help maintain or find an affordable home. The Senate language also creates a \$500,000 pilot program to provide housing assistance to survivors of domestic violence.

Unaccompanied Homeless Youth (4000-0007)

Adopt the Senate appropriation of \$5 million.

CHAPA asks that you adopt the \$5 million appropriation for this program in the Senate budget. This additional funding will provide additional housing and services for unaccompanied homeless youth. FY2019 is the first year that each of the 10 regions across Massachusetts has received funding under this program. Increasing funding in FY2020 will allow the Commonwealth to strengthen both regional and statewide approaches to addressing and ending youth homelessness.

Foreclosure Prevention & Homebuyer Counseling (7006-0011)

Adopt the \$2.85 million appropriation and language in the Senate budget.

CHAPA asks that you adopt the Senate appropriation of \$2.85 million to provide additional funding for foreclosure prevention and homebuyer counseling programs. This program, funded through retained revenue from licensing fees for mortgage loan originators, supports first-time homebuyers and homeowners facing foreclosure through grants to housing counseling agencies across Massachusetts. Allowing the Division of Banks to retain more revenue will support more education and counseling programs.

Home & Healthy for Good (7004-0104)

Adopt the \$2.89 million appropriation and language in the Senate budget.

CHAPA asks that you adopt the \$2.89 million appropriation and language for Home and Healthy for Good from the Senate budget that would support a new statewide supportive housing pilot program. Building on the success of Home and Healthy for Good, the pilot would provide affordable homes to individuals experiencing long-term homelessness who have complex medical and behavioral health needs. This pilot will help reduce homelessness, promote housing stability, and reduce costly utilization of emergency care.

Public Housing Operating (7004-9005)

Adopt the Senate language.

Thanks to both the House and Senate for providing \$72 million for public housing operating subsidies. This represents the first significant increase in funding for housing authorities in a decade and will better support the more than 45,000 households living in state-assisted public housing.

CHAPA asks you to adopt the Senate language because it removes an unused provision. Removing the language from the line-item will improve the administering of applications for public housing. Specifically, the unused provision creates a preference for elderly public housing applicants that receive rental assistance from MRVP. This preference was created when MRVP funding was being cut dramatically and residents, including seniors, were losing their vouchers. Today, the preference is no longer needed because funding for MRVP continues to grow and the program is not at risk of losing vouchers.

HomeBASE (7004-0108)

Adopt the Senate language.

Thanks to both the House and Senate for their continued support of HomeBASE, an important resource that helps families avoid homelessness or leave emergency shelters. CHAPA asks that you adopt the Senate language because it makes several important program improvements.

The language removes the \$300,000 cap on the program within HomeBASE that allows families in domestic violence or substance abuse shelters to access these emergency funds. This will ensure that all families who need this important resource will be able to access it. The Senate language also removes a provision directing that guidance be developed for the program for survivors of domestic violence or those recovering from substance abuse. This language is no longer needed because guidance has already been created for this program. Finally, the Senate language includes a technical correction that changes the name of a HomeBASE administering agency from HAP to Way Finders.

CHAPA thanks the House and Senate for both including an increase to the recording fees at the Registries of Deeds to support the **Community Preservation Trust Fund**. It is estimated that these fees will generate an additional \$36 million each year for communities that have enacted the Community Preservation Act to support affordable housing, open space preservation, and outdoor recreation.

Thanks also to both chambers for fully funding several of CHAPA's other affordable housing priorities, including **Public Housing Reform (7004-9007)**, the **Tenancy Preservation Program (7004-3045)**, and the **Massachusetts Access Affordable Housing Registry (4120-4001)**.

Thank you again for your leadership and continued support for providing quality, safe, and affordable homes for everyone in the Commonwealth. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Rachel Heller".

Rachel Heller
Chief Executive Officer

cc: The Honorable Robert DeLeo, Speaker of the House
The Honorable Karen Spilka, President of the Senate