

## Analysis of Conference Report for ARPA Spending Proposal

The following analyzes the language of the affordable housing related programs in the Conference Committee Report ([H.4269](#)) of ARPA spending proposal. The Conference Committee reconciled the differences between the House ([H.4234](#)) and the Senate ([S.2580](#)) ARPA spending proposals.

Line-Item	Program	House	Senate	Conference
1599-2020	Homeownership Assistance	\$100 million	\$50 million	\$65 million
1599-2021	Homeownership Production	\$100 million	\$125 million	\$115 million
1599-2022	Rental Production	\$100 million	\$125 million	\$115 million
1599-2023	Supportive Housing	\$150 million	\$150 million	\$150 million
1599-2024	Public Housing	\$150 million	\$150 million	\$150 million
1599-2035	Green Energy Retrofitting	-	\$10 million	\$6.5 million

### **Homeownership Assistance (1599-2020)**

House: \$100,000,000

Senate: \$50,000,000

**Conference: \$65,000,000**

#### Language Summary:

- Conference Committee aligns with House and Senate for allocating funding to address the homeownership gap by creating opportunities for first time homebuyers through down payment assistance programs, mortgage insurance programs and mortgage interest subsidy programs in disadvantaged communities impacted by the pandemic
- Conference Committee does not allow debt reduction programs to be an authorized use for these funds (originally proposed by Senate)
- Conference Committee requires administering agency to submit spending plan 30 days before obligating funds and a report to the Legislature

1599-2020 For a reserve to create and maintain opportunities for homeownership for residents of communities disproportionately impacted by the 2019 novel coronavirus pandemic; provided, that funds shall be expended to create and enhance access to homeownership in order to foster a strong, inclusive and equitable recovery with long-term benefits for housing security, health and economic outcomes and to address a systemic homeownership gap that contributed to more severe impacts of the 2019 novel coronavirus pandemic in socially disadvantaged communities and among targeted populations; provided further, that funds shall be expended to create opportunities for first-time homebuyers; provided further, that funds may be expended for down payment assistance programs, mortgage insurance programs, and mortgage interest subsidy programs administered by the Massachusetts Housing Finance Agency and the

Massachusetts Housing Partnership; provided further, that funds may be expended to first-time homebuyer counseling and financial literacy programs; and provided further, that not less than 30 days prior to obligations being made from this item, the administering entity shall submit a report to the executive office for administration and finance, the joint committee on housing and the house and senate committees on ways and means on proposed allocations and spending plans for programs within this item including, but not limited to, any program criteria and guidelines for the distribution of funds.....\$65,000,000

**CommonWealth Builder – Homeownership Production (1599-2021)**

House: \$100,000,000

Senate: \$125, 000,000

**Conference: \$115, 000, 000**

Language Summary:

- The Conference Report aligns with House and Senate to direct funds to first-time homebuyers and socially disadvantaged individuals in disproportionately impacted communities in the pandemic through MassHousing’s CommonWealth Builder program
- Conference language limits spending to MassHousing’s CommonWealth Builder program, removing Massachusetts Housing Partnership or other similar program from being able to administer funds (as originally proposed by the House)
- Conference Committee aligns with Senate language to explicitly limit income eligibility to 70-120% of Area Median Income (AMI) and create a preference for the following:
  - Projects serving 70% AMI
  - Projects that include clean energy and sustainability initiatives
  - Projects in communities that have changes zoning using Housing Choice
- Conference Committee adopted the House language to include minimum size of 6 units for projects
- Conference Committee requires funds to be distributed in a way that promotes geographic equity
- The Conference Committee language also allows grants to include a requirement for matching funds

1599-2021 For a reserve to support the production of for-sale, below market housing to expand homeownership opportunities for first-time homebuyers and socially disadvantaged individuals in communities disproportionately impacted by the 2019 novel coronavirus pandemic through the CommonWealth Builder Program administered by the Massachusetts Housing Finance Agency; provided, that grants and loans to developers shall be used to facilitate production of affordable homeownership units for households earning between 70 per cent and 120 per cent of the area median income; provided further, that projects with units restricted to households earning 70 percent of the area median income shall receive preference; provided further, that projects that include clean energy and sustainability initiatives, such as electric heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings, shall receive preference; provided further, that

the minimum number of units for qualifying projects under the program shall be 6 units that funds in this item shall be distributed in a manner that promotes geographic equity; and provided further, that preference may be given to projects in communities that have adopted comprehensive zoning changes allowed by simple majority under paragraph 5 of section 5 of chapter 40A of the General Laws or otherwise have made zoning or other reforms to encourage the production of affordable or smart growth housing; and provided further, that grants may include a requirement for matching funds.....\$115,000,000

**Rental Production (1599-2022)**

House: \$100,000,000

Senate: \$125,000,000

**Conference: \$115,000,000**

Language Differences:

- The Conference Report establishes funding for affordable housing production and preservation to be administered by Dept. of Housing and Community Development (DHCD), MassHousing and Community Economic Development Assistance Corporation (CEDAC) agencies through grants, loans and financial assistance for affordable housing projects receiving LIHTC, state tax exempt bond funds or other state funds
- The Conference language allows \$2M from this line item to be spent on [Housing Development Incentive Program](#)
- The Conference Committee establishes priorities for projects with clean energy and sustainability initiatives and directs funds to be spent in a way that promotes geographic equity
- The Conference Committee also requires a spending plan to be submitted 30 days before distributing funds
- The Conference Committee authorizes preservation funds to be used for acquisition of naturally occurring, non-subsidized housing

1599-2022 For a reserve to support the production and preservation of affordable rental housing for residents of communities disproportionately impacted by the 2019 novel coronavirus pandemic through programs administered by the department of housing and community development directly or through 1 or more of the following: Massachusetts Housing Finance Agency; Massachusetts Housing Partnership; and Community Economic Development Assistance Corporation; provided, that funds shall be expended in the form of grants, loans or other financial assistance to projects receiving federal or state low-income housing tax credits, state tax-exempt bond financing or other state financial assistance in the form of grants or loans; provided further, that notwithstanding any general or special law to the contrary, funds from this item may be made available to increase the annual cap by up to \$2,000,000 for the housing development incentive program under chapter 40V of the General Laws; provided further, that projects that include clean energy and sustainability initiatives, such as electric heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings, shall be prioritized; provided further, that funds in this item shall be distributed in a manner that promotes geographic equity;

and provided further, that not less than 30 days prior to obligations being made from this item, the administering entity shall submit a report to the executive office for administration and finance, the joint committee on housing and the house and senate committees on ways and means on proposed allocations and spending plans for programs within this item including, but not limited to, any program criteria and guidelines for the distribution of funds; and provided further, that preservation efforts in this item shall include the acquisition of existing, occupied or unoccupied, multifamily rental housing that is not currently subject to affordability restrictions at the municipal or state level.....\$115,000,000

**Supportive Housing (1599-2023)**

House: \$150,000,000

Senate: \$150,000,000

**Conference: \$150,000,000**

Language Differences:

- The Conference Committee establishes funding for production of permanent supportive housing for the following priority populations:
  - Individuals and families who may be classified as chronically homeless
  - Survivors of domestic violence
  - Seniors
  - Veterans
  - Individuals and families with behavioral health needs or substance abuse needs
  - Survivors of human trafficking
  - Survivors of sexual violence
  - Individuals and families at risk of entering or transitioning out of the foster care system
  - Youth and young adults
- The Conference Report includes language explicitly allowing funds to be used for acquisition of temporary housing, like hotels and motels, to convert into supportive housing
- The Conference Report includes House language to provides \$15 million to the Massachusetts Alliance for Supportive Housing (MASH) to create supportive housing to address overcrowded congregate shelters and encampments of unsheltered individuals
- The Conference Report directs the DHCD to consult with MASH on evidence-based and evidence-informed best practices for creating and expanding permanent supportive housing for the populations prioritized in this item
- The Conference Report requires DHCD, in consultation with MASH, to submit a report on how the funds are being used to reduce chronic and long term homelessness
- The Report provides \$50 million for DHCD, in consultation with MASH, to create supportive housing for chronically homeless individuals and families
- The Conference adopts Senate language to explicitly prioritize disproportionately impacted communities

- The Conference Report allows funds to be used for medical, health and wellness facilities within existing and planned supportive affordable housing communities
- The Conference Report directs funds to be used to ensure geographic equity
- The Conference Report directs \$20 million for increasing geographic equity and accessibility related to the continuum of long-term care services for veterans not primarily served by the Soldiers' Home in Massachusetts located in Chelsea or Holyoke

For a reserve to support the production of permanent supportive housing for individuals and families who may be classified as chronically homeless, individuals and families with behavioral health needs or substance addiction needs, survivors of domestic violence, survivors of human trafficking, survivors of sexual violence, individuals and families at risk of entering or transitioning out of the foster care system, youth and young adults, seniors and veterans through programs administered by the department of housing and community development directly or through 1 or more of the following: (i) Massachusetts Housing Finance Agency; (ii) Massachusetts Housing Partnership; and (iii) Community Economic Development Assistance Corporation; provided, that funds shall be expended in the form of grants, loans or other financial assistance to projects that will provide stable housing options and supportive services to the populations prioritized in this item; provided further, that funds shall be expended in the form of grants that shall include rental assistance and funding for support services to projects that provide services to support long-term homelessness prevention; provided further, that said projects and services shall prioritize those communities most affected by the physical and mental health impacts of the pandemic and by prior physical and mental health disparities; provided further, that funds may be expended for the acquisition of temporary housing including, but not limited to, hotels, motels and nursing facilities, to be converted into permanent and affordable supportive housing; provided further, that funds for acquisition and development shall be encouraged to be integrated with other federal, state and municipal resources for operating subsidies and services; provided further, that a portion of these funds may be invested in the creation of non-congregate shelters as part of a transition to permanent supportive housing or as a small component of emergency units within a supportive housing project; provided further, that the department shall consult with Massachusetts Alliance for Supportive Housing LLC on evidence-based and evidence-informed best practices for creating and expanding permanent supportive housing for the populations prioritized in this item; provided further, that not later than March 1, 2022, the department shall submit a report, in consultation with the Massachusetts Alliance for Supportive Housing LLC, to the house and senate committees on ways and means and the joint committee on housing on recommendations for creating permanent supportive housing for the populations prioritized in this item to reduce the incidence of chronic and long-term homelessness in the commonwealth; provided further, that not less than \$50,000,000 shall be made available and administered by the department, with input from the Massachusetts Alliance for Supportive Housing LLC, for the creation of permanent supportive housing targeted at individuals and families classified as chronically homeless based on the recommendations; provided further, that the department shall prioritize communities disproportionately impacted by the 2019 novel coronavirus pandemic; provided further, that a portion of these funds may be expended for the

planning, construction and fit-out of medical, health and wellness facilities within existing and planned supportive affordable housing communities; provided further, that not less than \$15,000,000 shall be expended for the Massachusetts Alliance for Supportive Housing LLC for the creation of supportive housing to address the public health emergency of homelessness, exacerbated by COVID-19, due to densely populated congregate shelters and growing encampments of unsheltered individuals; provided further, not less than \$20,000,000 shall be expended, in consultation with the executive office of health and human services, for costs associated with increasing geographic equity and accessibility related to the continuum of long-term care services for veterans not primarily served by the Soldiers' Home in Massachusetts located in the city of Chelsea or the Soldiers' Home in Holyoke, including the establishment of regional or satellite veterans' homes and new or expanded supports for community-based care services and home-based care services; and provided further, that the department shall ensure geographic equity when distributing funds from this item.....\$150,000,000

**Public Housing (1599-2024)**

House: \$150,000,000  
 Senate: \$150,000,000  
**Conference: \$150,000,000**

Language Differences:

- The Conference Report establishes funding for rehab and modernization of state public housing for improvements that will help comply with current code
- Prioritizes projects in disproportionately impacted communities
- The Conference Report directs funds to be distributed to achieve geographic equity
- The language allows grants to require matching funds from the municipality
- The Conference Report requires spending plan to be submitted to the Office of Administration and Finance 30 days before distributing any funds

1599-2024 For a reserve to rehabilitate and modernize state-aided public housing developments through the funding of infrastructure improvements undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that funds in this item shall be administered by the department of housing and community development; provided further, that expenditures shall include, but not be limited to, contracts entered into for projects: (i) to replace existing failed and beyond useful-life sewer lines, water lines, heating lines, electrical lines and transformers; (ii) to address failing and unsafe zoned fire alarm systems with addressable systems; (iii) to complete approved projects underfunded due to code triggers and construction multi-phasing; (iv) that were requested based on approved formula funding figures delayed due to increased costs due to the 2019 novel coronavirus pandemic; and (v) to mitigate issues relating to flooding and climate hazards; provided further, that the department shall prioritize projects in communities disproportionately impacted by the 2019 novel coronavirus pandemic when distributing funds; provided further, that the department shall ensure geographic equity when distributing funds; provided further, that when appropriate the department may require a matching grant from the municipality in

which a recipient housing development resides; and provided further, that not less than 30 day prior to obligations being made from this item, the department shall provide a distribution methodology to the executive office for administration and finance, the house and senate committees on ways and means and the joint committee on housing.....\$150,000,000

**Green Energy Retrofitting (1599-2035)**

House: Not included  
Senate: \$10,000,000  
**Conference: \$6,500,000**

Language Summary:

- The Conference Report establishes funding for a pilot program administered by the Dept. of Energy Resources for moderate to low-income housing in Gateway Municipalities, qualified census tracts and similar municipalities to be retrofitted with energy efficient/ clean/ renewable technologies
- The eligible projects require to retrofit 10 or more units
- Dept. of Energy Resources in consultation with the center, DHCD and Dept. of Public Utilities will set up the application criteria and incentives for property owners to maintain affordability for a certain period after the retrofitting
- The Committee Report directs the Dept. of Energy Resource to collect data, best practices and submit a report to the Legislature in 6 months on the energy savings and pollution mitigation through the pilot program

1599-2035 For a reserve to support a pilot program to retrofit existing low-income and moderate-income housing to: (i) be highly energy efficient; (ii) use noncombustion clean heating, hot water and cooking technologies; and (iii) include on-site renewable energy generating sources when possible; provided further, that funds in this item shall be administered by the department of energy resources, which may contract with the Massachusetts clean energy center; provided further, that funds from this item shall be limited to gateway municipalities as defined in section 3A of chapter 23A of the General Laws, qualified census tracts and municipalities with similar demographics as determined by the department; provided further, that funds in this item may ,also be used, as needed, for weatherization, pre-weatherization and pre-electrification barrier mitigation; provided further, that eligible projects shall retrofit not less than 10 existing low-income or moderate-income housing units; provided further, that the department of energy resources, in consultation with the center, the department of housing and community development and the department of public utilities, shall establish an application criteria, including an incentive structure that requires participating property owners to maintain their properties as low-income or moderate-income housing for a certain period as set by the department after retrofitting projects have been completed; provided further, that municipalities and nonprofits shall be eligible to apply for funding from this item; provided further, that the department of energy resources shall collect data and identify best practices for retrofitting low-income and moderate-income housing; provided further, that any grants distributed from this item may include a requirement for matching funds; and provided further, that not later than 6 months after completion of the pilot program, the department of energy resources shall submit a

report to the house and senate committees on ways and means and the joint committee on telecommunications, utilities and energy that, for each pilot site, shall include, but not be limited to: (a) energy savings; (b) utility bill savings; (c) improvements in indoor and outdoor air quality; (d) reductions in greenhouse gas emissions and other pollutants; (e) improvements in resident safety and quality of life; (f) the most effective retrofitting approaches based on housing type; and (g) recommendations to expand the program.....\$6,500,000