

## **Building Blocks Meeting Notes**

**Thursday, April 15, 2021, 11:00 a.m.–12:30 p.m.**

*Discussion on FY2022 House Ways & Means Budget Proposal & Potential Amendments*

### **MATERIALS**

- [Overview of FY2022 House Ways and Means \(HWM\) budget Analysis of FY2022 HWM budget language](#)

### **OVERVIEW OF FY2022 HOUSE WAYS & MEANS BUDGET PROPOSAL**

Generally, the FY2022 HWM budget proposal ([H.4000](#)) was positive for affordable housing, homelessness prevention, and community development resources. The budget proposed increased funding for several programs, including MRVP, AHVP, Public Housing, HCECs, TPP, and DMH Rental Assistance. Many other programs received level funding. RAFT and HomeBASE received proposed cuts in FY2022 compared with FY2021 appropriations.

However, Massachusetts Budget and Policy Center (MassBudget) notes that Massachusetts remains in the midst of a health and economic crisis that the [HWM budget proposal does not fully address](#). MassBudget’s statement writes, “The HWM FY2022 budget lacks a vision for how the Commonwealth plans to make sustainable investments over time after billions in COVID-19 federal relief runs out. The pandemic and recession have laid bare the inequalities that exist in our state, and this budget is not doing nearly enough to begin building racial and economic equity.”

The budget does not rely on a withdrawal from the state’s Rainy Day Fund. Instead, an [outside section](#) to the budget (Outside Section 29), give the Secretary of Administration and Finance the discretion to transfer \$1.875 billion from the Rainy Day Fund to support the state budget, if necessary.

The HWM budget proposal does not include appropriations of federal funds Massachusetts received through relief packages like the [American Rescue Plan](#). The Governor may file a supplemental budget later this spring or in summer to consider the use of these federal funds. The Legislature has expressed frustration its lack of involvement on appropriation decisions with these federal funds. CHAPA and the Building Blocks Coalition would convene to discuss spending priorities in any supplemental budget filed.

**Timeline:** House amendments are due Friday, April 16, by 5:00 p.m. Members will have the following week to review and co-sponsor amendments. Debate on the budget will be the week of April 26.

## DISCUSSION OF BUILDING BLOCKS PRIORITIES & POTENTIAL AMENDMENTS

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

*Potential Amendment:*

- Increase funding to \$160 million
- Language to lower tenant payment share from 40% of household income to 30% of household income
- Improve data reporting language

*Potential Sponsor:* Rep. Adrian Madaro

**Appropriation:** The actual HWM budget proposed line-item appropriation for MRVP is \$128.4 million. However, language in the line-item would allow up to \$20 million in unspent funds from FY2021 to carry into FY2022. CHAPA reflects this in our budget table as a total FY2022 appropriation of \$148.4 million. This would be an increase over FY2021 funding for MRVP but still not reaching our \$160 million request. We will pursue an amendment with Rep. Madaro on matching our funding request.

The \$20 million surplus estimate is likely due to many factors including the late approval of the FY2021 state budget and the significant increase in funding that MRVP received. While it is positive that language was included in the line-item to carry over these unexpended funds so that they remain in MRVP, significant surpluses can threaten progress we've made on increasing funding for MRVP. In order to avoid these surpluses, we will continue to advocate for the Baker Administration to release new, additional vouchers, and to make program improvements.

### **Language Changes:**

**Allowing Households to Pay More than 40% of Income:** Proposed language changes to MRVP would allow tenant-based voucher holders the option to pay more than 40% of their income towards rent after their first year of having a voucher. Discussion among meeting attendees was mixed about whether this should be allowed. The change may allow households who are willing and able to pay more towards rent to avoid having to move or change household composition. However, voucher holders should not be put in a position to pay too much of their income towards rent which may put these households at risk of housing instability. We will work to better understand the impacts of this potential change as the budget process moves forward. At this time, we will not take action on this language change but will raise it with Senate Ways and Means (SWM) as it prepares its budget proposal.

**Lowering Tenant Payment Share to 30% of Income:** We will pursue an amendment to lower the tenant payment share from 40% of a household's income to 30% of a household's income. This is a change that has been supported by the Building Blocks Coalition and is included in legislation to codify MRVP. Unfortunately, we do not have information on what this change would cost the program. However, given the potential \$20 million surplus in MRVP, we think this could cover the change in tenant payment share.

## **Alternative Housing Voucher Program (AHVP) (7004-9024)**

*No amendment planned*

The actual HWM budget proposed line-item appropriation for AHVP is \$8.7 million. However, language in the line-item would allow up to \$5.5 million in unspent funds from FY2021 to carry into FY2022. CHAPA reflects this in our budget table as a total FY2022 appropriation of \$14.2 million. This would be an increase over FY2021 funding for MRVP. As this meets the budget request, there is no amendment planned for AHVP.

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

*No amendment planned*

**Appropriation:** Although the HWM budget proposes a cut to FY2022 spending compared with FY2021, we will not pursue an amendment to increase funding to match our request. With hundreds of millions in federal emergency rental assistance resources coming to Massachusetts, the RAFT funding proposal of \$26.7 million (which includes a \$4.7 million transfer from the Housing Preservation and Stabilization Trust Fund) is adequate to serve households in Massachusetts who may not be able to access federal resources while ensuring. The HWM proposal would also maintain funding for RAFT once the federal resources are no longer available.

### **Language:**

**Maintaining \$10,000 Maximum Benefit:** The coalition supported language that would keep the \$10,000 maximum benefit cap for RAFT even after the end of the COVID-19 emergency. Massachusetts Coalition for the Homeless shared that its supports removing any maximum benefit cap for RAFT but would not be pursuing an amendment to achieve this in the HWM budget.

**De-Linking RAFT & HomeBASE Benefits:** The coalition also supports language that would de-link RAFT and HomeBASE to allow households to access the maximum benefit from both programs, even after the COVID-19 emergency.

**Removing Rental and Mortgage Arrearage Program Language:** The HWM budget removes language that creates a rental and mortgage arrearage program that allows RAFT to be used to pay up to four months in past rent or mortgage payments. With changes to how RAFT is administered during COVID, the program now allows this. However, it is unclear if RAFT will continue to be administered this way after the COVID-19 emergency. We will not pursue an amendment at this time to try to add the language back into the budget. We will follow up with stakeholders to better understand what this language change would mean and will discuss with SWM as it prepares its budget.

**Public Housing Operating Subsidy (7004-9005)**

*Potential Amendment: Increasing funding to \$88 million*

*Potential Sponsor: Rep. Jim Arciero*

We were pleased to see increased funding proposed for public housing operating subsidies in the HWM budget. However, the proposal did not match our \$88 million request. MassNAHRO is discussing a potential amendment with Rep. Arciero to increase funding for the operating subsidy to increase funding for public housing to possibly match the \$88 million request. MassNAHRO also reported it was pleased to see \$3 million for service coordinators at public housing (7004-4314).

**HomeBASE (7004-0108)**

*Potential Amendment: - Increase funding to \$45 million*

*- Allow for automatic renewal of HomeBASE benefits*

*- Improve data reporting*

*Potential Sponsor: Rep. Christine Barber*

**Appropriation:** The HWM proposed appropriation of \$25.9 million did not match our funding request of \$45 million. An amendment is being discussed with Rep. Barber to increase funding for HomeBASE to match our request.

**Language:**

Allowing Automatic Renewal of HomeBASE Benefits & Data Collecting: Massachusetts Coalition for the Homeless is working with Rep. Barber on a potential amendment to allow for the automatic renewal of HomeBASE benefits for families who continue to face housing instability. The amendment would also include data collection improvements for the program.

Documentation Status Requirements for HomeBASE: The HWM budget removes a clause from the line-item that appears to limit HomeBASE to U.S. citizens or other lawful and permanent residents. However, HomeBASE may still require social security numbers from all members of a family receiving assistance and the program is still tied to eligibility for Emergency Assistance which also has citizenship requirements. We are confirming with Massachusetts Law Reform Institute and HWM what this language change means and what it was included.

**Other Building Blocks Priorities:**

Most other Building Blocks priority requests were matched and we will not be pursuing amendments for them in the House budget.