



Board of Directors September 16, 2021

President
Amy Schectman

The Honorable Michael Rodrigues
The Honorable Jason Lewis

The Honorable Aaron Michlewitz
The Honorable Daniel Hunt

President-Elect
Felicia Jacques

Testimony on Investing American Rescue Plan Act Funding in Affordable Housing

Vice Presidents
Andrew DeFranza
Gordon Pulsifer

Dear Chairs Rodrigues, Michlewitz, Lewis, and Hunt,

Treasurer
Angie Liou

On behalf of Citizens' Housing and Planning Association (CHAPA), I am writing to ask the Legislature to invest **\$1.683 billion** of the Commonwealth's American Rescue Plan Act (ARPA) Coronavirus State Fiscal Recovery Funds towards affordable housing. This request includes funding for the following priorities:

Clerk
Naomi Sweitzer

- Affordable Rental Production & Preservation – \$200 million
- Homeownership – \$500 million
- Public Housing – \$450 million
- Supportive Housing – \$300 million
- Housing Stability – \$83 million
- Housing Rehabilitation – \$100 million
- Acquisition – \$50 million

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These investments could immediately begin to be distributed through existing, proven-effective programs to ensure a thriving future for all our people and communities. In the following letter, CHAPA outlines the impact that these investments can have on our communities and provides a breakdown of each of the priority asks listed above.

Chief Executive Officer
Rachel Heller

Housing and the Future of the Commonwealth

CHAPA believes that everyone should have a safe, healthy, accessible, and affordable home in communities they choose. We are the only statewide group that represents the entire housing ecosystem. CHAPA is a trusted convener and consensus builder to a wide range of interests making sure that our state is enacting, investing in, and implementing smart affordable housing policies.

In Massachusetts, we all flourish when our neighbors and neighborhoods that we love flourish. That is why we so often come together to keep our people and communities nourished and growing strong. We came together to be the first to invest in our collective health through universal health care. We were the first to invest in the power of love by legalizing same-sex marriage. We have also led the way when it comes to investing in homes—creating our own rental assistance programs and public housing.

To ensure the future of the people and places we love, we must keep cultivating our shared strength by investing ARPA funds now into affordable housing.

The urgent impacts of the COVID-19 pandemic and the damaging legacy of racial injustices are putting our entire Commonwealth's future at risk. The state's ARPA fiscal recovery funds provide the opportunity to come together again and lead ourselves to a thriving tomorrow for everyone in Massachusetts.

Right now, housing is the single best investment Massachusetts can make to secure a healthy future for all.

To get to the future that we want, we can and must do things differently. Investing ARPA funds in housing will plant the seeds for our long term success. We can improve our overall health, strengthen our economy, protect the environment, and build wealth for everyone. Investing in housing affordability means our schools will have teachers, hospitals will have nurses, businesses will have workers, and young families can build a future.

There has never been a better moment to put Massachusetts on a path to equity, resilience, and sustainability through housing. Affordable housing is a top priority of Massachusetts residents. We have committed leadership at the State House and in our cities and towns. New zoning tools and resources will allow us to build more homes that are affordable. We also have growing corporate commitments for housing. Finally, we have renewed federal focus and investments.

The ARPA funds provide the opportunity for us to meet the growing demand for healthy and affordable homes. We have the opportunity to plan for the growth of our housing ecosystem to ensure everyone in every community can thrive.

For our people, investing ARPA funds in housing will help bring down rents; provide more choice for residents; get more people into homes of their own; help families build wealth; allow seniors to age in place; and improve physical and mental health.

For our communities, investing in housing will make us more economically competitive and socially more diverse. It will create jobs and economic growth; strengthen small businesses; boost local economies; increase tax revenue; and improve the environment by reducing our reliance on cars and building more energy-efficient homes.

For our systems, these investments will help address social, economic, and health disparities. It will reduce health care costs; strengthen our education and workforce development systems; and increase innovation and productivity.

Strategic housing investments of ARPA funds into **existing, proven, and scalable programs** will allow us to meet the needs of our most vulnerable tenants and homeowners, including building and preserving affordable homes, creating homeownership opportunities, fostering housing stability, and addressing the housing needs of people experiencing homelessness.

These resources provide a once-in-a-generation opportunity to address historical housing discrimination and inequities, create more climate resilient communities, and to build a future where everyone can thrive.

Affordable Housing Priorities for a Better Future

The following section provides a detailed explanation of CHAPA’s housing priorities for a better future:

Affordable Rental Production & Preservation

CHAPA asks the Legislature to invest **\$200 million** in ARPA funds for affordable rental housing production and preservation.

This will create **2,400 more homes**¹ that are affordable, climate resilient, energy efficient, and accessible to disproportionately impacted populations, including Black, Indigenous, people of color (BIPOC) communities, persons with disabilities, seniors, LGBTQ+ populations, and others. This investment would create safe, healthy, and affordable homes for a more than **6,000 residents** across the Commonwealth.²

There are already about 175 projects for affordable rental homes waiting for funding in the next five years.³ The additional ARPA funds would allow these projects to be built more quickly. This investment could immediately start being distributed through our existing programs that build and preserve affordable rental housing administered through the Department of Housing and Community Development.

In order to serve residents in communities across all of Massachusetts, the state and municipalities should create a broad and comprehensive definition of “disproportionately impacted.” Rules from the U.S. Treasury explicitly allow the use of ARPA funds for affordable housing development. However, the rules restrict this use to within Qualified Census Tracts (QCTs) or to other populations, households, or geographic areas that have

¹ *Testimony of MA Executive Office of Housing & Economic Development, [Hearing of Joint Ways and Means & House Federal Stimulus and Census Oversight](#) (July 27, 2021).*

² Estimates based on the average Massachusetts household size of [2.53](#).

³ *Testimony of MA Executive Office of Housing & Economic Development.*

been disproportionately impacted by the pandemic.⁴ By adopting a broad definition, the ARPA funds will be able to increase housing choices statewide and create more diverse communities.

Homeownership

CHAPA asks the Legislature to invest **\$500 million** in ARPA funds to expand homeownership opportunities in Massachusetts, including \$200 million for building new homes and \$300 million to expand resources for first-time homebuyers. This investment will help build an over **2,100 new homes** affordable to first-time homebuyers. This will also create more equitable communities by helping to close the racial homeownership and wealth gaps in Massachusetts.⁵

Specifically, CHAPA asks that \$200 million of these homeownership ARPA funds be authorized to build new homeownership opportunities for moderate-income households through the [CommonWealth Builder Program](#), administered by MassHousing, and other similar grants and loans. MassHousing could immediately begin distributing these funds to build single-family homes and condominiums in Boston, Gateway Cities, and QCTs.

CHAPA also asks that \$300 million of these homeownership ARPA funds be used to expand resources for first-time homebuyers, targeting those in disproportionately impacted communities. These funds could immediately begin to be distributed through existing, proven effective homebuyer assistance programs. These programs include the [Down Payment Assistance Program](#) at MassHousing that empowers first-time homebuyers whose income can support a mortgage but lack the savings or access to resources to pay a substantial down payment. ARPA funds could also scale up existing mortgage interest subsidy programs that help lower the cost of homeownership and provide moderate-income households with mortgages. These include the [ONE Mortgage Program](#), [ONE+Boston](#), [MassHousing Mortgages](#), and the [STASH](#) matched-savings program.

Public Housing

CHAPA asks the Legislature to invest **\$450 million** in ARPA funds to preserve our public housing and protect its residents.

Our state public housing provides over 43,000 deeply affordable homes, administered by 242 local housing authorities across Massachusetts. Public housing serves more than 70,000 low-income veterans, seniors, persons with disabilities, and families, 61% of which are BIPOC.⁶

⁴ U.S. Dep't of Treasury, [FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \\$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs](#) (May 10, 2021).

⁵ National Association of Realtors, [Snapshot of Race and Home Buying in America](#) (Feb. 2021) (Homeownership rates for Black (36%) and Latinx families (28%) in Massachusetts are some of the lowest in the country. By comparison, white families in Massachusetts own their homes at a rate of 67%).

⁶ [MassNAHRO](#).

Unfortunately, our public housing has \$3 billion of deferred capital repairs and maintenance needs and over half of public housing is over 50 years old. The ARPA funds provide the opportunity to make a substantial investment into strengthening our public housing to ensure these homes remain available for the next generation.

CHAPA supports the [recommendations of MassNAHRO](#) for using these ARPA funds to address the most imminent capital needs that affect the lives and safety of residents in public housing. Extending the life of a public housing at a cost of \$10,500 per home is a worthwhile and smart investment. These funds will help install safer fire alarm systems, increase accessibility, fix leaky plumbing, improve energy efficiency, complete climate resiliency and mitigation projects, and close budget shortfalls caused by increased costs due to the pandemic.

Supportive Housing

CHAPA asks the Legislature to invest **\$300 million** in ARPA funds to create affordable housing with supportive services.

This will produce an estimated **3,600 healthy and safe homes**⁷ for some of our most vulnerable residents, including chronically homeless families, individuals, and young adults; seniors; survivors of trafficking or domestic violence; veterans; persons with disabilities; and those with behavioral health or substance abuse challenges.

The funds could immediately begin being distributed through existing [supportive housing programs](#) in Massachusetts. The investment could also create a flexible pool of funds that would cover the operating costs for supportive services; the acquisition of hotels, motels, nursing homes, and other forms of temporary housing for the purpose of conversion to permanent, deeply affordable homes; or other costs of building supportive housing.

Housing Stability

CHAPA asks the Legislature to invest **\$83 million** in housing stability programs to protect families and individuals by helping provide access to all available legal and emergency rental assistance resources. This investment would include \$78 million for a statewide right to counsel program for low-income residents facing the loss of their home and \$5 million for direct tenant outreach and assistance through community-based organizations working with residents in disproportionately impacted communities.

Again, CHAPA asks that \$78 million of these housing stabilization funds be used for a **statewide right to counsel program**. CHAPA supports the request by the [Massachusetts Law Reform Institute](#) for three years of funding to provide very low-income tenants and owner-occupants with legal help that can prevent them from the trauma of losing their home and becoming homeless.

⁷ *Testimony of MA Executive Office of Housing & Economic Development.*

Unfortunately, thousands more evictions will be filed as the federal moratorium ends. In Massachusetts, nine out of ten tenants go to court without a lawyer.⁸ Outcomes for unrepresented tenants often end in unfair and unsustainable agreements or negative judgements leading to forced removal. These evictions completely disrupt people's lives and disproportionately impact BIPOC communities, women, and children.⁹

The right to counsel program would be administered by the Massachusetts Legal Assistance Corporation which has a proven track record of managing and overseeing funding for civil legal aid programs. The program would build off the successful [COVID Eviction Legal Help Project](#) (CELHP), created in October 2020. As of the end of June, CELHP attorneys and paralegals provided legal assistance in over 3,000 cases, helping over 7,700 people, of which at least 2,600 were children. That legal assistance has been transformative with positive outcomes in 90% of the cases closed as of June—70% of which preserved the tenancy.¹⁰

The investment of ARPA funds would allow Massachusetts to expand the investment that the state and legal aid programs have made through CELHP, hiring and training more staff to provide legal help so that we can build the long-term capacity to provide representation. This will prevent homelessness, reduce the trauma of evictions, and create stronger, more stable communities.

CHAPA also asks that \$5 million of these housing stabilization funds be used to support **direct tenant outreach and assistance** through community-based organizations. This investment will support those organizations working on the ground in disproportionately impacted communities to help residents learn about and apply for all available resources, including emergency rental assistance and legal aid.

Partnering with trusted community-based organizations is a key strategy for increasing the use of resources like emergency rental assistance in hard to reach communities, where interaction with government entities is less common or comfortable. Those communities that have been disproportionately impacted by COVID are often the hardest to reach with rental assistance programs.

Community-based organizations can bridge the gap between government programs and community members, build trust, speak the same languages, and use existing ties and infrastructure to ensure that resources are reaching those most in need of assistance.

Community-based organizations can quickly be contracted to assist those in need assistance to complete applications. Many organizations are already doing this important work, including Metro Housing|Boston's partnerships with The Neighborhood

⁸ See Massachusetts Trial Court, [Department of Research and Planning, All Residential Eviction Cases, Non-Payment of Rent](#) (August 2021) (93% of tenants in eviction cases for non-payment of rent were pro se).

⁹ See Boston Bar Association, [Investing in Fairness, Justice and Housing Stability: Assessing the Benefit of Full Legal Representation in Eviction Cases in Massachusetts](#) (June 2020).

¹⁰ Massachusetts Legal Assistance Corporation, COVID Eviction Legal Help Project Case Data through June 30, 2021.

Developers, East Boston Neighborhood Health Center, and Viet Aid, and the Lynn Housing Authority's work with Massachusetts Coalition for the Homeless. These are models that can be replicated and across the state.

This will help to get out emergency rental assistance more quickly, saving people's homes, and also supporting property owners.

Housing Rehabilitation

CHAPA asks the Legislature to invest **\$100 million** in ARPA funds for housing rehabilitation to address housing quality and safety improvements in our existing homes.

This investment will improve the health of families currently living in these homes and the generations of families who will live in the homes in the future. CHAPA supports splitting these funds evenly between lead-abatement and other home rehabilitation programs. This will help make an estimated **3,000 homes** safe for families, children, and seniors.

Massachusetts has the second-oldest homes in the nation with a median age of 54 years.¹¹ Having older homes means that many have lead paint, poor indoor air quality, do not have accessible or adaptable features, and have other hazardous conditions. It also means our homes do not meet modern energy efficiency standards and are not climate resilient to withstand extreme weather conditions. Unfortunately, these housing quality risks disproportionately threaten BIPOC communities, children, seniors, and persons with disabilities.

This investment could immediately start being distributed through existing successful programs, including the [Get the Lead Out](#) and [CDBG-funded housing rehabilitation programs](#).

By providing resources to rehabilitate our older homes, we can improve the health of some of our most vulnerable residents; create accessible homes for persons with disabilities; stop the risk of lead poisoning; prevent respiratory disease, accidents, and injuries; and create more climate-resilient communities.

Acquisition

CHAPA asks the Legislature to invest **\$50 million** in ARPA funds for property acquisition to create and preserve more permanently affordable homes.

This investment will allow residents or communities to acquire un-subsidized property being sold or foreclosed upon, provide new opportunities for long-term affordable homes, and prevent displacement of residents from their homes and neighborhoods.

¹¹ National Association of Home Builders, [Age of Housing Stock by State](#) (August 2018).

Since 1990, the number of homes renting for \$1,000 or less in Massachusetts fell by more than 45,000, from 58% of the rental inventory to 44%.¹² Many of these homes were unsubsidized and unrestricted but affordable to many low-income families—otherwise known as naturally occurring affordable housing. Unfortunately, we are rapidly losing these affordable homes due in part to investors acquiring the properties, increasing rents, and displacing current residents.

Unfortunately, COVID is expected to cause increased distress in the housing market. This could lead to more speculative purchases and resident displacement, particularly in disproportionately impacted BIPOC communities.

These acquisition funds could be distributed through the state's [Affordable Housing Trust Fund](#), a flexible program with a proven track record of supporting property acquisition for affordable housing. The ARPA investments could build on the success of programs like the [Acquisition Opportunity Program](#) in Boston and the [100 Homes Program](#) in Somerville.

Conclusion

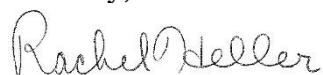
Again, the ARPA fiscal recovery funds provide a once-in-a-generation opportunity to address historical housing discrimination and inequities, create more climate resilient communities, and to build a future where everyone can thrive.

Therefore, CHAPA strongly supports allocating \$1.683 billion of the state's ARPA fiscal recovery funds for affordable housing investments to combat the disproportionate effects the COVID-19 pandemic has had on our communities and to aid in our recovery.

Finally, CHAPA notes that the state ARPA fiscal recovery funds **must be obligated by December 31, 2024** and **expended by December 31, 2026**. While these deadlines may appear to be years away, our housing ecosystem will need time to expand the capacity of existing programs and ensure that resources reach our most vulnerable communities. As such, CHAPA strongly supports the Legislature's efforts to ensure these resources are allocated as soon as possible.

Thank you for your consideration and for your leadership on helping everyone have a safe, healthy, and affordable place to call home.

Sincerely,



Rachel Heller
Chief Executive Officer

¹² Elizabeth Jeunesse, Alexander Hermann, et al., Joint Center for Housing Studies of Harvard University, [Documenting the Long-Run Decline in Low-Cost Rental Units in the US by State](#) (Sept. 2019).