



Board of Directors June 13, 2023

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RE: CHAPA FY2024 Budget Recommendations for Affordable Housing, Eviction Prevention, and Economic Recovery

Treasurer
Aida Franquiz

Dear Chairman Michlewitz, Chairman Rodrigues, Representative Ferrante, Senator Friedman, Representative Smola, and Senator O'Connor,

Clerk
Rachana Crowley

On behalf of Citizens' Housing and Planning Association (CHAPA), thank you to both the House and Senate for expanding investments in permanent affordable housing solutions, including our state's rental assistance programs, public housing, and housing assistance in the FY2024 budget. These investments will help thousands of households in Massachusetts find or stay in their homes, prevent evictions, and avoid homelessness.

Andrea Aldana
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CHAPA's mission is to encourage the production and preservation of homes that are affordable to households with low and moderate incomes and to foster diverse and sustainable communities through planning and community development. At CHAPA, we believe that everyone should have a safe, healthy, and affordable place to call home.

Chief Executive Officer
Rachel Heller

Housing is the single best investment we can make for the future of Massachusetts. We have the opportunity to act on equitable housing policies that can ensure long-term stability and prosperity for Massachusetts residents. Below are funding and language recommendations supported by CHAPA that will bridge differences between the House and Senate budgets and provide the strongest support for these critical affordable housing and homelessness prevention resources.

MASSACHUSETTS RENTAL VOUCHER PROGRAM (MRVP) (7004-9024)

- *Adopt \$179.5 million appropriation in Senate budget*
- *Adopt Senate language changes to set payment standard at 110% of the Fair Market Rent and allow the use of Small Area Fair Market Rents*

Thank you to the House and Senate for increasing allocations for MRVP in FY2024 and allowing unspent funds to carry over in the next fiscal year. This funding increase can help support new rental vouchers and program improvements to help people with low incomes find stable homes that they can afford.

CHAPA asks that you adopt the higher appropriation in Senate budget of \$179.5 million to enable new vouchers to be issued to households who are currently rent burdened.

In order to ensure that the MRVP allocation is effectively utilized, CHAPA asks that you adopt the Senate language to:

- Set the payment standard at 110% of the Fair Market Rent and allow the use of Small Area Fair Market Rents
- Allow use of a higher payment standard as a reasonable accommodation or otherwise at the discretion of the Executive Office of Housing and Livable Communities

Massachusetts is one of a few states with state rental vouchers. At its height, MRVP served approximately 20,000 households. After receiving several cuts throughout the 1990s, the Legislature's steady investments in MRVP are restoring the program. Today, MRVP serves approximately 12,000 individuals, families, and seniors.

Improvements, such as allowing for a higher payment standard up to 120% of Fair Market Rent would better align MRVP with the federal Section 8 program by making it possible to rent homes in higher-rent markets and offering meaningful choices for people in where they live. Setting voucher amounts at the zip code level would make vouchers more usable and improve the effectiveness of the program by adjusting the amount of the voucher to Fair Market rents in different neighborhoods.

ALTERNATIVE HOUSING VOUCHER PROGRAM (AHVP) (7004-9030)

- *Adopt \$16.8 million appropriation in Senate budget*
- *Adopt Senate language to improve the program by allowing project-basing, moving to a payment standard, and using Small Area Fair Market Rents*

Thank you to the House and Senate for increasing allocations for AHVP in FY2024 and allowing leftover funds to carry over in the next fiscal year. AHVP helps persons with disabilities avoid homelessness and institutionalization by making it affordable to rent homes that are accessible.

The \$16,863,078 allocation for AHVP could add approximately 250 vouchers to the 1,000 existing vouchers and support program improvements, such as allowing for the project basing of vouchers to build new deeply affordable and accessible homes.

In order to ensure that AHVP allocation is effectively utilized, CHAPA asks that you adopt the Senate language to:

- Allow AHVP vouchers to be project based
- Allow AHVP maximum rents to go up to 110% of the Small Area Fair Market Rent
- Allow AHVP to move to a payment standard

People with disabilities need homes that are accessible or adaptable to their disability needs. Project- basing AHVP can address the dual needs of creating accessible homes and increasing access to stable housing for people with disabilities. Having a mix of mobile and project based AHVP vouchers will ensure that the program offers meaningful choice to people in where they live and expand the Commonwealth's stock of affordable and accessible homes.

RESIDENTIAL ASSISTANCE FOR FAMILIES IN TRANSITION (RAFT) (7004-9316)

- *Adopt \$195 million total appropriation from Senate budget*
- *Consider adding language to make it easier for people to get the financial assistance they need by prohibiting the Administration from requiring a notice to quit in order to access RAFT*

Thanks to both the House and Senate for demonstrating support for RAFT. CHAPA asks that you adopt the \$195 million total appropriation for RAFT provided in the Senate budget. Additional funds will help more households stay stable in their homes, reduce evictions, and prevent homelessness.

We request you consider adding language that ensures households are able to access RAFT without additional requirements set by the Administration, such as requiring a notice quit, utility shut off notice, or summary process summons. By the time households receives these notices, it can be more costly to help them stay in their homes; putting renters and property owners in greater financial distress. Receiving rental assistance prior to receiving these notices is critical to maintain tenancies and housing stability. The following language can be added to the line item to ensure access to RAFT:

“provided further, that to be eligible for funds or services in 7004-9316, it is not necessary for a household to have received a shut-off notice from a utility company, notice to quit, or summary process summons and complaint or otherwise be subject to summary process pursuant to chapter 239”

PUBLIC HOUSING OPERATING SUBSIDY (7004-9005)

- *Adopt \$107 million appropriation in the Senate budget*

Thanks to both the House and Senate for providing increased support for local housing authorities and their residents. CHAPA respectfully asks that you adopt the \$107 million appropriation provided in the Senate budget. This program supports more than 45,000 state public housing apartments in Massachusetts. Over three-quarters of public housing,

residents are elderly or are persons with disabilities. Unfortunately, decades of underfunding have left many housing authorities struggling to operate and keep apartments in good repair. The additional funds will help housing authorities operate and preserve this precious resource while ensuring the health and safety of these homes for residents.

HOUSING CONSUMER EDUCATION CENTERS (7004-3036)

- *Adopt \$9.7 million appropriation in House budget and consider increased funding of \$10,474,000*
- *Adopt language change in House budget that retains the \$1.5 million for housing stabilization services for people who receive assistance through RAFT and face significant barriers to sustaining housing payments*

Thank you to both House and Senate for supporting this program. The HCEC line item supports regional housing organizations that offer anyone in the Commonwealth a wide range of resources, including housing search assistance, eviction prevention, and homebuyer and foreclosure counseling. HCECs are also essential to delivering other housing resources, such as RAFT and HomeBASE. The additional allocation will help provide housing stabilization services to households facing financial hardships and housing insecurity as well as support the HCECs in their work.

HOME BASE (7004-0108)

- *Adopt \$42 million appropriation in House budget*
- *Adopt House language that increases the benefit cap to \$30,000 over 2 years and allows households to increase their incomes and achieve more economic stability*

Thank you to both the House and Senate for supporting HomeBASE. CHAPA respectfully asks that you adopt the House appropriation of \$42 million and the House language that increases the benefit cap for HomeBASE from \$20,000 to \$30,000 over a 24-month period. This increase would allow for renewals beyond two years at \$15,000/year for eligible households who are still seeking permanent, affordable housing. Eliminating the income eligibility limits for families once they are enrolled in HomeBASE can allow families to increase their incomes without fear of the cliff effect of losing assistance before they can afford rent on their own.

HOME & HEALTHY FOR GOOD (7004-0104)

- *Adopt \$8.89 million appropriation in House budget*
- *Adopt House language that allows Massachusetts Housing & Shelter Alliance (MHSA) to continue the systems change work for permanent supportive housing and other solutions to homelessness*

Home and Healthy for Good (HHG) provides housing and supportive services to chronically homeless individuals through a housing first model that is less costly and more effective than responding to people's homelessness and health challenges when they are living on the street or in shelter. HHG also supports a pilot program to provide shelter and support services for LGBTQ unaccompanied homeless youths.

House language ensures that MHSA can continue to engage in critical systems work to end homelessness that is key for MHSA's ability to ensure that Massachusetts maintains momentum in developing and implementing innovative solutions to homelessness.

PUBLIC HOUSING REFORM (7004-9007)

- *Adopt \$2.2 million appropriation in House budget*

CHAPA thanks the House and the Senate for supporting the Public Housing Reform line item. CHAPA requests that the Committee adopt the House appropriation of \$2.2 million to help further implement public housing reforms signed into law in 2014. These reforms improve governance and operations of local housing authorities by assisting with capital improvements and unit turn over. The increased funding will also help strengthen tenant participation in the governance of housing authorities by sponsoring trainings and offering technical assistance.

FORECLOSURE & HOUSING COUNSELING (7006-0011)

- *Adopt the Senate language with set aside of \$1.5 million for foreclosure and housing counseling grants*

CHAPA thanks the House and the Senate for the \$3.05 million appropriation in their budgets. This line item is funded through retained revenue from mortgage loan originator license fees. The Senate language guarantees that at least \$1.5 million in retained revenue is spent directly on foreclosure and housing counseling grants.

UNACCOMPANIED HOMELESS YOUTH (4000-0007)

- *Adopt the Senate appropriation of \$11 million*

Thanks to both the House and Senate for increasing the line item for Unaccompanied Homeless Youth. CHAPA respectfully asks that you adopt the Senate appropriation of \$11 million for this program that helps with housing and support services for youth and young adults ages 24 and younger who are experiencing homelessness. Additional funds will provide much-needed resources to further build up a systematic, effective response to unaccompanied youth and young adult homelessness across Massachusetts by providing affordable homes and support services.

ACCESSIBLE AFFORDABLE HOUSING GRANTS (AAHG) (7004-9031)

- *Adopt \$2.5 million appropriation in Senate budget*

Thank you to Senate for supporting the capital grants for production of affordable accessible housing. The housing built through these grants prioritizes AHVP voucher holders while increasing the stock of accessible housing.

SAVING TOWARDS AFFORDABLE & SUSTAINABLE HOMEOWNERSHIP (STASH) PROGRAM (7004-0107)

- *Adopt \$500,000 appropriation in Senate budget*

Thank you to Senate for supporting the STASH program. Massachusetts has the fifth highest racial homeownership gap in the nation. STASH helps move the needle on narrowing the racial homeownership gap by helping first generation homebuyers. STASH is a three-year matched savings program, administered by the Massachusetts Affordable Housing Alliance, for first generation first-time homebuyers that focuses on financial literacy topics that are essential to buying and owning a home.

BROWNFIELDS TAX CREDIT EXTENSION (OUTSIDE SECTION)

- *Adopt the House language for the extension of Brownfields Tax Credit until 2028 (section 14A-14D)*

Thank you to House for extending the Brownfields Tax Credit through 2028. The credit allows individual taxpayers, non-profit organizations, and business corporations that clean up contaminated property in Massachusetts the ability to recoup up to 25% or 50% of the cost of environmental cleanup and remediation on contaminated sites. Since 1998, the Brownfields Tax Credit, created as part of the Brownfields Act, has been a key factor in attracting new investment in properties that might otherwise be tied up in litigation and financial challenges while ensuring that the Commonwealth's high standards for public health, safety, and the environment are met.

Without the extension, the tax credit is set to expire by August 5, 2023 and all ongoing remediation/cleanup projects will have to be completed before August 5 to be considered eligible for the credit. This can cause serious concerns for projects across the state, including some affordable housing projects that may not be able to finish the cleanup in time to qualify.

CHAPTER 257 EXTENSION (OUTSIDE SECTION)

- *Restore the Chapter 257 protections along with language on eviction record sealing for certain tenants who have received the Chapter 257 eviction protections.*

Thank you to the House and Senate for restoring the Chapter 257 tenant protections that expired on March 31, 2023. These tenant protections paused eviction proceedings if tenants had applied for rental assistance and were awaiting a decision. Extending this policy along with a pathway for records sealing of tenants who have resolved their rental arrears can ensure tenants are able to stay housed and avoid barriers to finding a home in the future.

Finally, CHAPA thanks the House and Senate for both agreeing to critical funding for our other affordable housing and homelessness prevention priorities, including **Tenancy Preservation Program, the accessible housing registry, New Lease for**

Homeless Families, and the Department of Mental Health Rental Subsidy Program.

All of these programs will help thousands of residents find an affordable home, remain stably housed, or prevent homelessness.

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

Sincerely,

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

Rachel Heller
Chief Executive Officer

cc: House Speaker Ronald Mariano
Senate President Karen Spilka
Senator Lydia Edwards
Representative James Arciero