

Production & Preservation Committee Meeting Notes
February 21, 2023
1:00–2:30 p.m.

Agenda

- Welcome
- Review CHAPA’s [2023–2024 State Legislative Agenda](#)
 - Production Related Bills
 - Housing Bond Bill
 - Mass. Rental Voucher Program (MRVP) Codification Bill
 - Alternative Housing Voucher Program (AHVP) Bill
 - Supportive Housing Bill
 - Planning Related Bill
 - Zoning Reform / YIMBY Bill
- Future Policy Topics for Production & Preservation Committee
 - Housing Development Incentive Program (HDIP)
 - Tenant Opportunity to Purchase Act
 - Architectural Access Board Bill
- Next Meeting Date - April 11, 2023

Notes

- Review CHAPA’s [2023–2024 State Legislative Agenda](#)
 - Production Related Bills
 - **Housing Bond Bill** – We will pass a Housing Bond Bill during this session. There is currently not a bond bill filed by either the Legislature or the Governor. It remains unclear whether a Housing Bond Bill will be filed in the Legislature by the Chair of the Housing Committee. Governor Healey is expected to file a Housing Bond Bill once an Executive Office of Housing is created, which is expected around early summer.

Meanwhile, CHAPA is preparing a proposal for an ambitious Housing Bond Bill that will help reach our goal of creating 20,000 deeply affordable homes by the end of the decade and preserving all of our public housing.

Although the \$1.8 billion Housing Bond Bill passed in 2018 was the largest passed in Massachusetts, we need to pass an even larger bill this session to meet the need for affordable housing.

With committed leadership from the Governor, Legislature, and local elected officials, we have the opportunity to secure billions more in resources for affordable housing.

A larger request for a Housing Bond Bill this year would also be in line with other recent bond bills that work to address some of the most important challenges facing the Commonwealth today:

- 2022 Infrastructure Bond Bill – \$11.4 billion
- 2022 General Government Bond Bill – \$5.2 billion
- 2021 Transportation Bond Bill – \$16 billion
- 2018 Climate Bill – \$2.4 Billion

An outline of CHAPA’s Housing Bond Bill proposal includes:

| Program | 2023 Draft Request Authorization | 2018 Authorization | <i>Est. Remaining Authorization</i> |
|---|----------------------------------|------------------------|--|
| Affordable Housing Trust Fund | \$800,000,000 | \$400,000,000 | \$190,000,000 |
| Capital Improvement & Preservation Fund | \$250,000,000 | \$125,000,000 | \$85,000,000 |
| Commercial Area Transit Node Housing Program | \$100,000,000 | \$50,000,000 | \$15,000,000 |
| Community Based Housing | \$110,000,000 | \$55,000,000 | \$0 |
| Facilities Consolidation Fund | \$130,000,000 | \$65,000,000 | \$7,000,000 |
| Home Modification Loan Program | \$120,000,000 | \$60,000,000 | \$35,596,523 |
| Housing Innovations Fund | \$200,000,000 | \$100,000,000 | \$35,309,030 |
| Housing Stabilization Fund | \$300,000,000 | \$150,000,000 | \$9,547,318 |
| Public Housing | \$8,500,000,000 | \$600,000,000 | \$150,000,000 |
| Public Housing Demonstration | \$100,000,000 | \$50,000,000 | \$7,500,000 |
| Mixed-Income Housing (aka Workforce Housing) | \$200,000,000 | \$100,000,000 | \$0 |
| Early Education & Out of School Time | \$90,000,000 | \$45,000,000 | \$22,150,000 |
| Zero Carbon Renovation Fund | \$300,000,000 | - | - |
| Total | \$11,160,000,000 | \$1,800,000,000 | \$538,102,871 |
| <i>Without Public Housing Capital Request</i> | \$2,660,000,000 | | <i>Used about 70% of authorization</i> |

- **Public Housing:** The largest request in the Housing Bond Bill is for public housing capital – \$8.5 billion.

This figure represents the amounts needed to: (1) replace all expired components in the existing state public housing portfolio; (2) cover soft costs of 20-30%; and (3) complete additional critical upgrades for health and safety (i.e., adding sprinkler systems in buildings that do not have them).

The figure is also in line with an [estimate of \\$10 billion](#) from the State Auditor in 2006 on the total development/replacement cost of the state public housing portfolio.

With \$8.5 billion, it would provide about \$200,000 per home to preserve the 43,000 public housing homes in the state portfolio.

CHAPA is leading a campaign with MassNAHRO, Mass. Union of Public Housing Tenants, and the Greater Boston Interfaith Organization (GBIO) to advocate for this amount.

Although we may not ultimately end up with \$8.5 billion, CHAPA feels it is important to start the conversation from what is actually needed to preserve all of our state's public housing.

- **Estimating the Cost of the Housing Bill -**

Goal: 200,000 homes by 2030

Sub-Goal: 20,000 deeply affordable homes by 2030

2,500 deeply affordable homes need to be supported each year to meet this goal, or 15,000 deeply affordable homes by 2028, when this bond bill will expire.

The state subsidizes about 35% of the cost of each deeply affordable home, the remaining cost is subsidized by private debt, federal, and local funds.

An average deeply affordable homes costs about \$600,000/home.

This equals \$210,000/home in state subsidy needed to reach our goal.

$\$210,000 \times 2,500 = \525 million/year needed in state subsidy

Subtract the \$40 million annual allocation of the state Low Income Housing Tax Credit and we need \$485 million/year in state subsidy to meet our goal of creating 20,000 deeply affordable homes by 2030.

Over the 5 year bond bill, this equals about \$2.425 billion in state subsidy needed. This would involve a roughly doubling of authorization for non-public housing related authorizations compared with 2018.

- Not all programs may need to be doubled. CHAPA plans to focus on the most used and flexible resources when advocating for increases.

For example, CHAPA plans to advocate for expanding the Affordable Housing Trust Fund and the Housing Stabilization Fund. These are two of the most flexible bond resources.

CHAPA also plans to include language to authorize the use of bond funds for specific activities, such as for acquisition, homeownership, and senior housing.

CHAPA will also advocate for new fund to support climate resiliency, adaptation, and retrofitting through the addition of the Zero Carbon Renovation Fund.

- **Tax Credit Renewals** – The Housing Bond Bill has also traditionally included the renewal or expansion of key tax credits related to affordable housing, including:
 - State Low Income Housing Tax Credit
 - Brownfields Tax Credit
 - Community Investment Tax Credit
 - State Historic Tax Credit
 - Housing Development Incentive Program
- **Plausibility** – Concerns were raised about the plausibility of asking for such amounts of funding. Specifically, whether the request amount is scaled to what we believe we can spend over the next 5 years and whether than aligns with \$11.2 billion.

At this time, CHAPA feels it is important to ask for what the actual need is for meeting our affordable housing production and preservation goals. As we don't yet have a bill, we have the opportunity to influence the process as the Administration and Legislature prepare to file and advance a housing bond bill.

CHAPA is committed to working with the Governor and Legislature to pass the strongest bond bill possible.

- **Other Questions & Concerns**
 - **Raising the Bond Cap for Housing:** Securing increased capital authorizations for housing programs is only part of the solution. We would then have to increase the bond cap or the amount of bond cap that goes towards housing.
 - **Infrastructure:** Are there funds for infrastructure, such as for water and sewer, in the bond bill? Are there resources

needed beyond programs like MassWorks for infrastructure?

- **Other Funding Sources:** Are there other funding sources that could be used to support some of these items in the bond bill such as the state surplus or the operating budget?
- **Mini-Bond Bill** – Governor Healey filed a mini-bond bill to provide authorization to the capital program that have been expended. CHAPA will be advocating for this bill to pass so that there is no risk that any of the capital resources will run out of funds. The mini-bond (H.51) included:
 - **Public Housing Capital** – \$48 million
 - **Public Housing Demonstration Program** – \$8.5 million – these funds support the redevelopment of public housing through public-private partnerships
 - **Community Based Housing** – \$11.6 million
 - **Housing Stabilization Fund** – \$16 million
 - **Housing Innovations Fund** – \$10 million
 - **Housing at Transit Nodes** – \$2 million
 - **MassWorks** – \$400 million
 - **Revitalizing Underutilized Properties** – \$34 million
 - **Rural and Small Town Development Fund** – \$5 million
- **An Act codifying the Massachusetts Rental Voucher Program (HD.3349 & SD.682)** – This legislation grounds MRVP in state statute and makes improvements that include:
 - Deepening affordability for renters through larger voucher payment shares;
 - Improving renter safety by requiring inspections;
 - Increasing the administrative fees so regional housing agencies and housing authorities can better cover the cost of the program; and
 - Improving data collection.
- **An Act to create affordable homes for persons with disabilities (HD.2598 & SD.1305)** – The need for accessible and affordable homes for people with disabilities with low incomes far exceeds the supply in Massachusetts. This bill will build more accessible and affordable homes by improving the Alternative Housing Voucher Program (AHVP), the state’s rental assistance program for persons with disabilities. This legislation would align the program better with other rental assistance

programs like the Massachusetts Rental Voucher Program and allow project-basing of AHVP vouchers.

- **An Act to create and implement a Massachusetts flexible supportive housing subsidy pool program** (HD.216 & SD.674) – A flexible housing subsidy pool program re-envision the Commonwealth’s approach to homelessness by shifting from crisis response to create stability across a continuum of services. This legislation would create a pool of public and private resources by bundling funding for capital, operating, and supportive services to help meet the complex housing and health needs of those experiencing homelessness and to enable funds to get out quickly and equitably.

- **Planning Bills**

- **An Act to promote yes in my backyard** (HD.3252 & SD.2006) – Restrictive land use policies across Massachusetts have created a paper wall of zoning that limits creation of new homes. The bills would build off the zoning reforms of the previous session, including Housing Choice and the MBTA multifamily zoning requirement. This legislation proposes innovative statewide solutions through zoning to create new homes by:
 - Setting a statewide affordable housing production goal;
 - Allowing accessory dwelling units, or small apartments, to be built in every municipality;
 - Allowing duplexes, triple-deckers, and other family-friendly, affordable housing around public transportation;
 - Making it easier to pass inclusionary zoning bylaws;
 - Repurposing vacant commercial properties like strip malls and offices into affordable homes;
 - Prioritizing state-owned land for affordable homes; and
 - Reforms to local sewer and septic regulations.

- Future Policy Topics for Production & Preservation Committee
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 - Tenant Opportunity to Purchase Act –
 - Architectural Access Board Bill
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