**Rental Assistance Committee Meeting Notes**

**March 2, 2023, 1:00–2:30 p.m.**

**AGENDA**

* **Welcome and Introductions**
* [**FY2024 State Budget Updates**](https://www.chapa.org/housing-news/governor-healey-releases-fy2024-state-budget-proposal)
* **Legislative Priorities**
  + An Act codifying the Massachusetts Rental Voucher Program (HD.3349 & SD.682)
  + An Act to create affordable homes for persons with disabilities (HD.2598 & SD.1305)
* **DHCD Releases Draft Moving to Works Annual Plan**
  + On March 1, the Department of Housing and Community Development (DHCD) released its [draft FY2024 Moving to Work Annual Plan](https://www.mass.gov/doc/fy2024-draft-moving-to-work-plan-for-public-comment/download) for the Housing Choice Voucher Program. DHCD will host [virtual public hearings](https://www.mass.gov/doc/public-hearing-announcement-for-fy2024-mtw-plan/download) on the plan on March 15 and 16. Comments will be accepted on the plan through March 31.
* Announcements/Next Steps

**Overview of Governor Healey’s Budget Proposal for Key Rental Assistance Related Programs**

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| **Program** | **FY2024 Requests** | **FY2024 Gov’s Budget** | **FY2023 Budget** |
| Mass. Rental Voucher Program | **$250,000,000** | $168,000,000 | $175,000,000† |
| Alternative Housing Voucher Program | **$26,000,000** | $14,108,528 | $19,200,000‡ |
| Residential Assistance for Families in Transition | **$250,000,000** | $162,602,462 | $210,000,000^^ |
| Public Housing Operating | **$184,000,000** | $92,000,000 | $92,000,000 |
| Housing Consumer Education Centers | **$10,185,000** | $8,774,000 | $9,700,000 |
| Public Housing Reform | **$7,700,000** | $2,200,000 | $1,000,000 |
| Home & Healthy for Good | **$8,390,000** | $4,162,300 | $6,390,000 |
| HomeBASE | **$60,000,000** | $42,070,445 | $59,411,201 |

† Includes language to carryover unspent funds from FY22 bringing total FY23 funding for MRVP to an estimated $175 million

‡ Includes language to carryover unspent funds from FY22 bringing total FY23 funding for AHVP to an estimated $19.2 million

\* An estimated $60 million in unspent RAFT funds from FY22 will carry over into FY23 bringing total FY23 funding for RAFT to an estimated $210 million

* [**FY2024 State Budget Updates**](https://www.chapa.org/housing-news/governor-healey-releases-fy2024-state-budget-proposal)
  + **Massachusetts Rental Voucher Program (MRVP)**
    - Gov’s Funding Request: $168.2 million
      * The Governor estimates that this will allow the creation of 750 new vouchers although it’s not clear if these vouchers would be mobile- or project-based vouchers
      * It is also unclear whether this amount includes any roll over in funds from FY2023 into FY2024
      * DHCD estimates that MRVP will have $19 million in unspent funds at the end of FY2023
    - CHAPA’s FY2024 funding request for MRVP is $250 million
      * CHAPA estimates that this $96 million in additional funding for MRVP in FY2024 could create over 6,000 new vouchers
        + Average cost for MRVP voucher as of January 2023: $15,600/year or $1,300/month
        + $96 million / $15,600 = 6,154 vouchers
    - Description of Proposed Changes in Gov’s Budget:
      * Sets payment standard at 100% of the Fair Market Rent and allows the use of Small Area Fair Market Rents. Changes the current language of allowing payment standard to use up to 110% of the Fair Market Rent
        + Fair Market Rents are set on region-wide basis. Small Area Fair Market Rents are set on ZIP code basis, so these can more accurate reflect market conditions for rent levels and can make the voucher more valuable and usable
        + Small Area Fair Market Rents may cause a reduction in the rent levels, specifically for project-based vouchers
        + Boston and Cambridge Housing Authorities already use Small Area Fair Market Rents for their federal Section 8 Housing Choice Voucher portfolios. Other housing authorities would need to receive permission from HUD to use Small Area Fair Market Rents.
        + DHCD, as a Moving To Work Agency, could use Small Area Fair Market Rents for its federal Section 8 Housing Choice Voucher portfolio but does not currently
        + [HUD’s Info on Small Area Fair Market Rents](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord/fmr#:~:text=Small%20Area%20Fair%20Market%20Rents%20(SAFMRs)%20are%20FMRs%20calculated%20for,to%20the%20use%20of%20SAFMRs)
      * Allows project based vouchers to follow applicable limits on tenant paid rent under another federal or state program the voucher may be subject to
      * Makes technical changes to allow for phasing in of payment standard
      * Allows use of a higher payment standard as a reasonable accommodation or otherwise at the discretion of the executive office
      * Allows households to pay more than 40% of their income towards rent after the first year of participation in the program. The current budget language only allows households to pay up to 40% of their income towards rent after the first year of participation in the program.
        + This language would align MRVP with Section 8, which allows households to may more than 40% of their income to rent after 1 year of participating in the program
        + The intent is to allow people to stay where they are by paying more rent share if the rent is being increased, for example
        + Concern is that this could set up households to become severely rent-burdened especially in combination with 100% Fair Market Rent payment standard
      * Removes the language to carry over the unspent funds from FY2023
        + There could be up to $19 million in unspent FY23 funds in MRVP
    - Campaign for Universal Rental Assistance Program
      * The Boston Foundation continues to lead a campaign to create a [universal rental assistance program in Massachusetts](https://www.tbf.org/-/media/tbf/reports-and-covers/2022/december/rental-assistance-ma-2022.pdf), which kicked off in December 2023 with a report release.
      * Helen Murphy from The Boston Foundation is leading this campaign – if you are interested in learning more or being added to the email list for future campaign meetings contact Helen at [Helen.Murphy@tbf.org](mailto:Helen.Murphy@tbf.org)
  + **Alternative Housing Voucher Program (AHVP)**
    - Gov’s Funding Request: $14.2 million
    - CHAPA Funding Request: $26 million
    - Description of Proposed Changes in Gov’s Budget:
      * Allows AHVP vouchers to be project-based
        + This will allow AHVP to actually build new deeply affordable and accessible homes
        + Will also align AHVP better with MRVP, which can already be project-based
        + Unclear how project-based vouchers would be administered but may be through affordable housing development funding rounds, similar to MRVP
        + Also unclear if AHVP would fund support services through project-based vouchers, which MRVP does with some if its portfolio to create supportive housing opportunities
      * Allows AHVP maximum rents to use up to 110% of the Small Area Fair Market Rent
      * Adds language suggesting that AHVP may move to a payment standard
        + AHVP will uses maximum ceiling rent caps which cannot be exceeded. Using a payment standard can provide more flexibility on maximum rents
      * Removes the language to carry over the unspent funds from FY2023
        + DHCD estimates that there will be between $9–10 million leftover in AHVP at the end of FY2023

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| **MRVP & AHVP Stats for FY2023** | **MRVP** | **AHVP** |
| FY2023 projected spending | $154,275,496 | $10,976,642 |
| Estimated FY2023 surplus (approximate) | $19,000,000 | $10,000,000 |
| **Mobile** vouchers leased | 5,238 | 695 |
| **Mobile** vouchers allocated | 6,353 | 1,150 |
| **Project-Based** vouchers leased | 4,229 | n/a\* |
| **Project-Based** vouchers allocated | 6,322 | n/a |
| Total **leased** vouchers (mobile & project-based) | 9,467 | n/a |
| Total **allocated** vouchers (mobile & project-based) | 12,675 | n/a |
| Monthly subsidy cost per voucher | $1,267 | $1,176 |

\*AHVP does not have project based vouchers

All data from DHCD as of January 2023

* + **Residential Assistance for Families in Transition (RAFT)** 
    - Gov’s Funding Request: $162.6 million
      * The Governor proposes more funding but with a lower benefit limit.
      * Demand for the program remains very high with up to $18 million being distributed per month. However, this amount remains artificially low due to program changes that make it harder to access RAFT –– including a requirement for a notice to quit or utility shut off.
      * There is a limit to 1 month of forward funding for RAFT- and you must be in arrears to get that
      * RAFT is also remains very difficult to access for tenants without legal counsel.
    - CHAPA Funding Request: $250 million
    - Description of Proposed Changes in Gov’s Budget:
      * Caps RAFT benefit to $7,000 over a 24-month period. Current language allows a maximum benefit of $7,000 over a 12-month period.
        + This would effectively lower annual RAFT benefit limit to $3,500/year – which is lower than the pre-pandemic maximum RAFT benefit of $4,000/year
      * Removes language that sets a $10,000 maximum benefit for the program through the end of FY2023 on June 30, 2023
      * Removes $3 million set aside for providing assistance to households of all sizes and configurations
      * Removes reporting requirements
    - DHCD also indicated that it would be relying more on RAFT to cover mortgage arrears as the federal Homeownership Assistance Fund depletes its funding by the end of the fiscal year
    - RAFT Legislation (HD1964 & SD1169)
      * Lead Sponsors: Representative Marjorie Decker and Senator Brendan Crighton
      * Mass. Coalition for the Homeless is supporting legislation to establish RAFT into statute and would implement program improvements like not requiring a notice to quit
      * It would ensure that benefits are available to families and individuals earlier in a housing or utility crisis ("upstream"). The bill also streamlines access, improves cross-agency collaboration, and allows households to access up to twelve months of assistance, without arbitrary dollar caps.
  + **HomeBASE**
    - Gov’s Funding Request: $42.1 million
    - CHAPA’s Funding Request: $60 million
    - Description of Proposed Changes in Gov’s Budget:
      * Limits HomeBASE benefit to citizens and lawful residents
        + This requirement is already in place however it’s preferred that this language not appear in the line-item
    - Sets $10 million aside for circumstances where an award of more than $20,000 over two years is essential to resolve a housing crisis
      * Governor may be wanting to increase reliance on HomeBASE to get out of using hotels and motels again due to increases in family homelessness
    - Allows households to increase their income beyond the income limit during the 2 years the household is receiving HomeBASE
    - Removes reporting requirements
  + **Other Budget Programs**
    - Public Housing – Governor proposed level funding which would ultimately result in a cut because of inflation.
    - Housing Consumer Education Centers – Governor proposed a cut, eliminating funding for a housing stabilization program and for the Regional Housing Network
    - Both Public Housing Authorities and Housing Consumer Education Centers administer MRVP, AHVP, RAFT, and HomeBASE. These cuts may make it more difficult to distribute these programs.
    - [Home & Healthy for Good](https://mhsa.net/partnerships/home-healthy-for-good/) – Received a 35% cut.
      * This may be due to confusion about one time spending through federal funding
      * If the cut remains in place, this would mean funding would be eliminated for 300 households served through the program
  + To stay involved with CHAPA’s state budget advocacy, join our [Building Blocks Coalition](https://www.chapa.org/committees/building-blocks-coalition)
* **Legislative Priorities**
  + An Act codifying the Massachusetts Rental Voucher Program (HD.3349 & SD.682)
    - Sponsors: Representative Adrian Madaro & Senator Joan Lovely
    - MRVP currently assists over 10,000 households with low- and moderate-incomes with the goal of one day achieving universal rental assistance. For such a large-scale program, MRVP exists only in the state budget and is subject to change each year. This legislation grounds the program 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)
    - Sponsors: Representative Rob Consalvo & Senator Robyn Kennedy
    - 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.
  + Ask your state legislators to co-sponsor these bills
  + CHAPA is waiting for these bills to be assigned to a committee which will likely be the Housing Committee
  + CHAPA will organize testimony and panels for when there is a hearing on the bills
* **DHCD Releases Draft Moving to Works Annual Plan**
  + On March 1, the Department of Housing and Community Development (DHCD) released its [draft FY2024 Moving to Work Annual Plan](https://www.mass.gov/doc/fy2024-draft-moving-to-work-plan-for-public-comment/download) for the Housing Choice Voucher Program. DHCD will host [virtual public hearings](https://www.mass.gov/doc/public-hearing-announcement-for-fy2024-mtw-plan/download) on the plan on March 15 and 16. Comments will be accepted on the plan through March 31.
* Announcements
  + Next Rental Assistance Committee Meeting – Thursday, April 6th, 1:00–2:00 p.m.