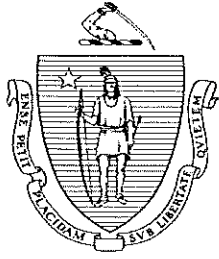


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OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE • BOSTON, MA 02133
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MAURA T. HEALEY
GOVERNOR

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

January 24, 2024

To the Honorable Senate and House of Representatives,

Over the past year, the Emergency Assistance program in Massachusetts expanded at an extraordinary rate to meet rising demand, reaching the program's capacity limit of 7,500 families in November 2023.

The Fiscal Year 2024 appropriation for the Emergency Assistance program in the General Appropriations Act included \$325 million of funding to support only 4,100 families. In September 2023, our Administration requested additional appropriations for the Emergency Assistance program and related support, reflecting the then-current caseload of approximately 6,400 families. The Legislature recently approved this supplemental funding, providing a critical infusion of resources to keep the system operating for the next several months. With the program operating at its capacity of 7,500 families, however, the Emergency Assistance program remains in a deficiency of \$224 million in the current fiscal year.

The state of emergency in our shelter system requires resources to ensure that families are safe and supported in communities, schools, and spaces that are resourced appropriately to assist them.

It also requires a multi-faceted set of policies that include education, workforce training, and affordable housing programs to enable families to leave shelter and move on to stable housing. In partnership with the Department of Homeland Security and multiple state agencies, our Administration successfully ran two weeks of work authorization clinics for migrants in Emergency Assistance and we remain focused on providing job training and pathways for parents. But finding and affording housing remains extremely challenging for far too many in Massachusetts. That is why this legislation also puts a down payment on additional housing production for the types of affordable options that are all too scarce in some of our communities, with up to \$150 million dedicated to housing production and preservation.

At the same time, we need to support our partners - the local communities - that have stepped up to welcome newly arriving families and neighbors who need a hand. In particular, we must assist the schools and school districts that play a key role in helping children whose families are experiencing homelessness.

While we hope that these investments and policies will lead to a decrease in the number of families seeking shelter, the current average length of stay for families in the system exceeds one year. That means that even with the system's capacity level established, and significant efforts underway to advance solutions, deficiency needs for EA are a two fiscal year problem, requiring a solution that spans FY24 and FY25. Thankfully, the state has the resources available in Transitional Escrow, comprised of savings from prior years' budget surpluses, to put a plan in place that will address the funding needs in FY24 and most of FY25 without requiring offsetting budget cuts to other programs.

Therefore, I am proposing that the Legislature appropriate \$873 million into an Emergency Housing and Community Trust Fund for immediate and anticipated needs of the various agencies that each have a unique role in responding to heightened demand in our Emergency Assistance system and moving us toward a safe, supportive, and positive pathway to better futures for our unhoused families.

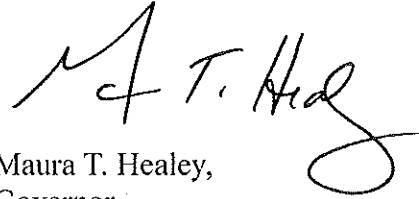
Funding from this proposal will:

- Invest in housing production to spur development of the types of affordable units that will provide stable, permanent housing opportunities for families outside the shelter system;
- Cover the costs of shelter for the Emergency Assistance program capacity caseload of 7,500 families through the end of Fiscal Year 2024 and most of Fiscal Year 2025;
- Provide for the necessary services and supports for those 7,500 families in order to safely address their basic needs;
- Cover the costs of temporary emergency shelters, Family Welcome Centers, and clinical assessment and intake services, and other supportive programs;
- Assist local school districts with emergency aid for students whose families are experiencing homelessness;
- Assist cities and towns with the actual costs and impacts of welcoming unhoused families and family shelter sites into their communities;
- Launch new programs targeting the barriers to stable housing and the factors causing family shelter stays to be historically long, including efforts toward workforce skills, work authorizations, and English language instruction for employment; and
- Provide health care and specialized immigration and refugee-focused case management to families who need them.

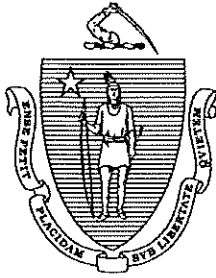
Critically, the bill also includes provisions to allow for the efficient use of available resources by authorizing the transfer of funds between related programs, which will allow appropriated shelter funding to be utilized where it is most needed across the system to address the current extraordinary demand. This creates flexibility in how we address costs in FY25 so that if circumstances change, for example an infusion of federal support or broader work authorizations, resources can be redirected from reacting to the current situation to investing in housing production and preservation to make affordable, stable housing options available to more families.

I urge you to enact this legislation in the weeks ahead to ensure continued safe shelter and services for families in our shelter system, to support our cities and towns who are welcoming unhoused families into their communities, and to expand pathways to work and opportunities to exit the EA system for permanent, stable housing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. T. Healey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Maura T. Healey,
Governor



The Commonwealth of Massachusetts

IN THE YEAR TWO THOUSAND AND TWENTY-FOUR

AN ACT MAKING APPROPRIATIONS FOR THE FISCAL YEAR 2024 TO PROVIDE FOR SUPPLEMENTING CERTAIN EXISTING APPROPRIATIONS AND FOR CERTAIN OTHER ACTIVITIES AND PROJECTS.

Whereas, The deferred operation of this act would tend to defeat its purposes, which are to make supplemental appropriations for fiscal year 2024 and to make certain changes in law, each of which is immediately necessary to carry out those appropriations or to accomplish other important public purposes, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. To provide for supplementing certain items in the general appropriation act and other appropriation acts for fiscal year 2024, the sums set forth in sections 2 and 2A, inclusive, are hereby appropriated from the General Fund unless specifically designated otherwise in this act or in those appropriation acts, for the several purposes and subject to the conditions specified in this act or in those appropriation acts, and subject to the laws regulating the disbursement of public funds for the fiscal year ending June 30, 2024. These sums shall be in addition to any amounts previously appropriated and made available for the purposes of those items. These sums shall be made available through the fiscal year ending June 30, 2025.

SECTION 2.

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES

Executive Office of Housing and Livable Communities

7004-0101. Emergency Assistance Family Shelters and Services.....\$215,000,000

Emergency Housing and Community Fund.....100%

SECTION 2A. To provide for certain unanticipated obligations of the commonwealth, to provide for an alteration of purpose for current appropriations, and to meet certain requirements of law, the sums set forth in this section are hereby appropriated from the General Fund unless specifically designated otherwise in this section, for the several purposes and subject to the conditions specified in this section, and subject to the laws regulating the disbursement of public funds for the fiscal year ending June 30, 2024. Except as otherwise stated, these sums shall be made available through the fiscal year ending June 30, 2025.

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Reserves

1599-0709. For state financial assistance in the form of grants or loans to be administered by the executive office of housing and livable communities for the following purposes: (1) accelerating the development and production of affordable housing for families; provided, that the grant or loan program shall be administered by the executive office of housing and livable communities; provided further that not less than 25 per cent of the funds used for such purpose shall be used to fund projects that preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that funds expended for such purpose shall, to the maximum extent feasible, be prioritized for projects that address the crisis of unhoused families in the commonwealth; (2) for state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws, with priority for projects addressing critical capital needs including expired fire alarm systems, housing, ventilation and air conditioning systems and projects increasing accessibility of housing units for persons with disabilities; (3) for state financial assistance in the form of grants to address cost overruns in projects receiving funding under a demonstration program to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled public housing that seek to reduce the need for future state modernization funding; provided further, that the executive office may exempt a local housing authority recipient of demonstration

grants from the requirements of chapters 7C and 121B of the General Laws upon a showing by the recipient that such exemptions are necessary to accomplish the effective revitalization of public housing and shall not adversely affect public housing residents or applicants of any income who are otherwise eligible; and (3) for the Massachusetts Housing Finance Agency established by section 3 of chapter 708 of the acts of 1966, to capitalize a permanent, revolving Residential Production Momentum Fund for the purpose of accelerating the development of mixed-income and workforce multifamily housing production projects by providing financial assistance in the form of innovative, low-cost, and flexible capital funding, which may be in the form of debt, equity, or other instruments, depending on individual underwriting needs of the project; provided that not less than 20 per cent of the units in a project that receives financial assistance from such Residential Production Momentum Fund shall be restricted to households with incomes generally between 60 per cent and 120 per cent of area median income; provided further that, notwithstanding paragraph (f) of section 5 of said chapter 708, the Massachusetts Housing Finance Agency may in its discretion set the term and prepayment options for any mortgage or other loan or instrument issued to any project receiving such financial assistance based on the individual underwriting needs of the project; provided further, that financial assistance for any of the purposes in this item shall be awarded in a manner that promotes geographic equity; and provided further, that funds expended from this item for new construction or substantial rehabilitation shall, to the maximum extent feasible, be prioritized for projects that comply with decarbonization and sustainability standards; provided, that prioritization will be determined through objective scoring criteria in the Qualified Allocation Plan developed by the executive office of housing and livable communities; provided further, that for new construction projects, the applicable standards for prioritization are set forth in the commonwealth's Opt-in Specialized Energy Code set forth at 225 CMR §§ 22.00 and 23.00 and Enterprise Green Communities standards; provided further, that any new construction or substantial rehabilitation project proposing less than full compliance with said standards shall provide detailed analysis demonstrating why full compliance would render the project infeasible notwithstanding utilization of all available federal and state incentives, including rebates and tax credits; provided further, that for retrofits of existing units, prioritization shall be given to projects that include energy efficiency and electrification decarbonization measures, including, but not limited to electric or ground source heat pumps, net-zero developments, Passive House or equivalent

energy efficiency certification, and all-electric buildings and projects that incorporate green, sustainable and climate-resilient elements; provided further, that projects that include lower embodied carbon construction materials and methods shall be further prioritized; and provided further that, in the event of a deficiency identified by the secretary of housing and livable communities in item 7004-0101 of the state budget, funding in this item may be transferred to said item 7004-0101\$150,000,000

Emergency Housing and Community Fund.....100%

1599-1213 For purposes related to supportive services and safe shelter for unhoused families in Massachusetts, including but not limited to immigrant and refugee health services and community supports, public and community health services and personnel, medical interpreter services, childcare and safety equipment, and other related services, supports, and programs for unhoused families; provided further, that the secretary for administration and finance shall submit monthly reports to the house and senate committees on ways and means detailing the expenditure of funds from this item; provided, further that any reporting required under item 1599-0514 under section 2A of chapter 77 of the acts of 2023 shall meet any reporting requirements under this item.....\$10,000,000

SECTION 3. Chapter 29 of the General Laws, as appearing in the 2022 Official Edition, is hereby further amended by inserting after section 2DDDDDD the following new section:-

Section 2EEEEEE. There shall be established and set up on the books of the commonwealth a separate fund known as the Emergency Housing and Community Fund. The fund shall be credited with any appropriations or other money designated to be credited to the fund and interest earned on any amounts deposited in the fund. administered s, and shall be Amounts credited to the fund shall be expended, subject to appropriation, to support, as deemed necessary by the secretary of administration and finance, in consultation with the secretary of housing and livable communities, housing production, shelter and related services, and supports for unhoused families. The fund shall not be subject to Section 5C of Chapter 29 of the Massachusetts General Laws.

SECTION 4. Section 2EEEEEE of chapter 29 of the General Laws, as inserted by section 3, is hereby repealed.

SECTION 5. Notwithstanding any general or special law to the contrary, for fiscal year 2024 and fiscal year 2025, the secretary for administration and finance may authorize transfers of surplus among and within 1599-0514, 1599-0709, 1599-0924, 1599-0925, and 1599-1213.

SECTION 6. Notwithstanding any general or special law to the contrary, not later than 10 days after the effective date of this act, the comptroller of the commonwealth shall transfer the amount of \$873,000,000 from the Transitional Escrow Fund established in section 16 of chapter 76 of the acts of 2021, as amended by section 4 of chapter 98 of the acts of 2022, to the Emergency Housing and Community Fund established in section 2EEEEEE of chapter 29 of the General Laws, as inserted by section 3; provided, further that not later than July 10, 2024, the Comptroller shall transfer the unobligated balance as of June 30, 2024 from the Transitional Escrow Fund established in said section 16 of said chapter 76 to the Emergency Housing and Community Fund established in said section 2EEEEEE of said chapter 29, as inserted by section 3.

SECTION 7. Notwithstanding any general or special law to the contrary, not later than July 1, 2025, the Comptroller shall transfer any unexpended funds in the Emergency Housing and Community Fund established in section 2EEEEEE of chapter 29 of the General Laws, as inserted by section 3, to the Transitional Escrow Fund established in section 16 of chapter 76 of the acts of 2021, as amended by section 4 of chapter 98 of the acts of 2022.

SECTION 8. Section 4 shall take effect July 1, 2025.