

State Budget Update – April 25, 2012

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Massachusetts House begins debate on FY'13 Budget and Takes Action on Housing Amendments

The House recently passed its [FY'13 budget](#). The budget bill provides a \$10 million increase for MRVP, an \$8.5 million increase for RAFT and a \$500,000 boost for DMH rental subsidies. Amendments successfully championed by Chairman Kevin Honan and Chairman Marty Walsh will also add a \$2 million increase for Public Housing Operating Subsidies and \$200,000 in additional funding for Home and Healthy for Good. The remainder of [CHAPA's priorities](#) would be level-funded under the plan and the House chose not to include funding for the Interagency Council on Housing and Homelessness

The House budget is poised to make several notable changes in how funding for key priorities is administered. We support many new and innovative ideas supported by the House, but also have some concerns about some of the technical appropriations language in some line items. Despite alternative ideas on how to utilize some of the additional resources, we are absolutely delighted with the increases in several programs and applaud the House leadership for their commitment to affordable housing.

The Community Preservation Act

Amendment [No. 737](#) was unanimously adopted by the House. The amendment contains the full text of *An Act to Sustain Community Preservation (HB 765)*, with one exception. The funding mechanism proposed in the amendment is an annual transfer of \$25 million from the state's end-of-year budget surplus into the Community Preservation Act Statewide Trust Fund, rather than an increase in the registry of deeds recording fees. If passed, \$25 million from the state's budget surplus would be added each year to the revenue from the existing CPA deeds recording fees, beginning in the fall of 2013. CHAPA is very supportive of this approach and would like to thank lead amendment sponsors Vice-Chair Steve Kulik and Minority Leader Brad Jones, and the entire House for their support.

RAFT

The Residential Assistance for Families in Transition Program (RAFT) sees several adjustments under the House proposal that are consistent with the Governor's budget proposal. CHAPA fully supports the proposal to target RAFT to help the lowest income families avoid homelessness. However, we have concerns about requirements in the RAFT language that families with extremely low incomes must meet certain indicators of sustainability in order to be eligible for RAFT. Amendment [No. 718](#) would have made important changes to the House RAFT language to remove onerous sustainability language that is inconsistent with the life circumstances of those who are set to be targeted with help. Only part of the amendment was adopted and this concern was not fully addressed.

The Massachusetts Rental Voucher Program

We are greatly appreciative that the House chose to boost MRVP by \$10 million and we fully support the goal of addressing homelessness with these additional resources. The House language limits beneficiaries of these additional vouchers to homeless families receiving Emergency Assistance (EA) in hotels/motels as of April 1, 2012, with some possibility that families in shelter may also be able to be helped. While these families need housing assistance, Commonwealth residents in many other situations also face housing instability and homelessness.

Amendment [No. 660](#) and Amendment [No. 414](#) attempted to adjust the House approach to allocating additional MRVP vouchers to make the distribution more inclusive and to set aside vouchers to be project-based for new supportive housing. These amendments were not adopted and the following demographics will not be able to receive any additional MRVP vouchers if the House language is adopted in FY'13: *homeless individuals, persons with disabilities, frail elders, and any homeless families who did not receive EA as of April 1st, 2012*. We believe families and individuals who face homelessness or housing instability should not have to go to shelter to receive housing assistance. CHAPA supports targeting resources to families *and* individuals experiencing homelessness or at-risk of homelessness without mandating that only a defined group of families who received EA in FY'12 could benefit from the increase in resources. We continue to seek ideas on how to address this issue.

We also support the supportive housing pilot program included in the Governor's budget proposal, which would provide at least 100 project-based MRVP vouchers and pair them with services. This pilot was not included in the House budget. Supportive housing is a national best practice to end homelessness and serves extremely low income frail elders and persons with disabilities in a cost-effective way. This pilot program is the next step in implementing Ch. 58 of the Acts of 2012, [the supportive housing legislation](#) the legislature passed last month.

The House budget would also cut the administrative fee paid to housing authorities and regional nonprofits to administer MRVP. The current fee of \$32.50 is already less than half of the Section 8 Administrative fee and does not cover the cost of administering the program. The House proposes to cut the MRVP administrative fee by 7.7% below FY'12, which we do not support.

HomeBase

HomeBase would also see several modifications under the House proposal. HomeBase rental assistance would only be available for 12 more months for families that enrolled in the program in FY'12; this reverses the original program design that allowed for up to 36 months of rental assistance. It is our understanding that the remainder of the program would be comprised of up to \$4,000 in financial assistance to divert families from shelter or provide a resource to exit shelter, with limited funding for stabilization services in each case. However, the eligibility language has a technical mistake that indicates that only households that received HomeBase assistance in FY'12 are eligible in FY'13.

The House is also poised to approve Emergency Assistance changes that would impose an arbitrary and excessively harsh 9-month time limit on shelter and also restrict eligibility for certain families seeking assistance in FY'13.