

Mass Budget and Policy Center

Analyzing the State Budget Fiscal Year 2016

Housing

The state budget funds affordable housing assistance and shelter for low income homeless families and individuals. The final budget for Fiscal Year (FY) 2016 provides \$431.9 million for affordable housing programs which is \$2.6 million less than the \$434.5 million the state expects to spend in FY 2015. In his veto message the Governor returned with an amendment Outside Section 144 of the Legislature's budget which transferred \$5.0 million from the General Fund into the Housing Preservation and Stabilization Trust Fund (HPSTF). For a full explanation of this amendment see the section on HPSTF below.

The final budget decreases funding for shelter for low income, homeless families while increasing funding for a number of programs that help families and individuals move from shelter into housing or prevent them from becoming homeless.

A large portion of the state's affordable housing budget provides assistance to eligible low income families who are homeless. In FY 2015 the state spent \$191.8 million for **Emergency Assistance** (EA) which funds both state-supported family shelters and hotels and motels when the family shelters are full. The FY 2016 budget provides \$155.1 million for EA which is \$36.7 million less than FY 2015. As noted in our Budget Monitor for the Senate Ways and Means Budget [HERE](#), previous year's budgets have reduced funding for EA at the beginning of each fiscal year in anticipation that fewer homeless families will need shelter. But over the course of each year the need for shelter has exceeded the amount provided in the original budget and the Legislature has approved supplemental funding.

In recent years the state has tightened eligibility for EA which has forced some homeless families with children to live in places not meant for human habitation like a car, a public park, or a hospital emergency room before they can move into an EA shelter. (For a full description of eligibility criteria for EA please see MassBudget's Children's Budget [HERE](#).) The Senate's FY 2016 budget proposal included language that allowed homeless families to enter shelter rather than sleep in these unfit places but the final budget does not include this protection. The budget extends a pilot program to make sure that healthy food is available to homeless families who are living in hotels and motels and often don't have access to proper cooking facilities.

As the final budget reduces funding for EA below the FY 2015 level, it increases funding for housing resources above FY 2015 levels including:

- \$18.7 million more for the [Massachusetts Rental Voucher Program \(MRVP\)](#) to \$82.9 million. The budget also allows DHCD to transfer up to \$8 million in unspent MRVP funds from FY 2015 into FY 2016 making the total amount available as much as \$90.9 million. (Because this \$8 million is a transfer rather than new funding, MassBudget does not include it in its total for the program.) This total increase will allow DHCD to create from 900 to 1,000 new vouchers. The final budget also removes a restriction adopted in the FY 2015 budget that prevented DHCD from prioritizing new vouchers to help homeless families move from shelters, including hotels and motels, into permanent housing.
- \$2.3 million more for [HomeBASE](#) to \$31.2 million.
- \$1.5 million more for [Residential Assistance for Families in Transition \(RAFT\)](#) to \$12.5 million.

The final FY 2016 budget also increases funding above the FY 2015 level for a number of other housing programs including:

- \$1.7 million more for programs that provide assistance to homeless individuals to \$46.6 million. Of these programs, the final budget increases assistance for **homeless individuals** by \$1.9 million to \$44.8 million. It cuts funding for the **Home and Healthy for Good** program, which provides housing and supports to individuals who are chronically homeless, by \$200,000 to \$1.8 million.
- \$1.1 million more for the **alternative housing voucher program** to \$4.6 million. This program provides vouchers to people with disabilities.
- \$750,000 more for **housing consumer education centers** to \$2.9 million. These centers provide services and counseling to help low and moderate income people remain in stable housing.
- \$250,000 more for the [Secure Jobs Program](#) to \$750,000. Outside Section 189 of the budget also allows funding from HPSTF to support this program.
- Outside Section 144 transferred \$5.0 million from the General Fund into the **Housing Preservation and Stabilization Trust fund (HPSTF)** which supports programs that prevent or alleviate homelessness. The Outside Section also directed the Massachusetts Housing Finance Agency to transfer \$6.5 million to HPSTF. In his veto message when signing the FY 2016 GAA the Governor disapproved of the transfer of \$5 million from the General Fund into HPSTF and recommended that the entire \$11.5 million contribution be provided by MassHousing. The House enacted the Governor's recommendation with some amendments but the Senate did not. Because both

chambers have not yet considered the Governor's amendment the FY 2016 GAA does not provide any contributions to HPSTF.

The FY 2016 budget also include a number of new programs:

- \$2.0 million to provide shelter and services to **unaccompanied homeless youth** who are up to 24 years old. The budget also provides \$150,000 for the **Commission on Unaccompanied Homeless Youth**.
- \$1.0 million for the **Urban Housing Agenda** which provides planning grants to develop new affordable rental or homeownership housing in urban areas.
- \$800,000 to help local housing authorities implement the **public housing reorganization** law.
- \$1.0 million for the **End Family Homelessness Reserve Fund** housed at the Executive Office of Health and Human Services. This fund, first proposed in the Governor's Budget, will provide short-term, tailored and flexible assistance to families who are homeless or are in danger of becoming homeless. An FY 2015 supplemental budget filed by the Governor recommends providing an additional \$5 million for this account which can be spent in FY 2016. Because this supplemental budget has not yet been approved by the Legislature, MassBudget does not include this \$5 million request in its final housing total for FY 2016.