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June 7, 2016

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RE: CHAPA Recommendations for Affordable Housing, Homelessness Prevention, & Community Development Programs in the FY2017 Budget

Executive Director
Brenda Clement

Dear Distinguished Members of the FY2017 Budget Conference Committee,

On behalf of Citizens' Housing and Planning Association (CHAPA), thank you to both branches for prioritizing affordable housing, homelessness prevention, and community development programs in their FY2017 budget proposals. Below are funding and language recommendations supported by CHAPA that will help bridge the key differences between the two budgets and provide the strongest support for programs that help every person in the Commonwealth find a safe, decent, and affordable place to call home. Thank you for your consideration.

Massachusetts Rental Voucher Program (MRVP) (7004-9024)
Adopt the Senate appropriation and language for MRVP.

CHAPA greatly appreciates the work of the Legislature in restoring funding to MRVP with increased investments in the program. We ask that you adopt the slightly higher Senate appropriation of \$100,083,891.

We also ask that you adopt the Senate language for MRVP. This language will help get vouchers out faster by directing the Department of Housing and Community Development (DHCD) to start issuing new vouchers by August 1, 2016. This will help voucher holders look for apartments at times when more rentals are available. Additionally, using vouchers earlier in FY2017 can reduce the funds remaining in the program at the end of the fiscal year.

Additionally, we support the Senate approach to the MRVP administration fee. The fee, which pays for documenting eligibility, conducting reexaminations of household composition and income, and administering payments, is best left for DHCD to determine. DHCD currently has this authority and is setting the fee at approximately \$40 per voucher per month. A fee reduction to \$30, which would be permitted but not required under the House budget, would result in an administrative fee less than the Fiscal Year 2006 level, despite the significant increase in administration expenses. This would be inadequate to administer the program.

Alternative Housing Voucher Program (AHVP) (7004-9030)

Adopt the Senate appropriation of \$6.2 million and the House program language.

AHVP provides rental assistance to low-income persons with disabilities under the age of 60. CHAPA thanks both branches for demonstrating increased support for this program in their budget proposals. We ask that the Committee adopt the higher Senate budget appropriation of \$6.2 million. These funds will create new vouchers and help restore the program. There are currently more than 2,000 people on AHVP wait lists across the state. This increased funding will help to meet this significant need.

We also ask that you adopt the House language for AHVP. This keeps the current FY2016 program language that removes the word “transitional” from the line-item to better align the language with the program’s actual use. AHVP allows individuals with disabilities to find stable, community-based housing, and does not function as a transitional program. Last year, the Legislature removed the word “transitional” from the program language because some housing authorities required AHVP voucher holders to document annually that they are searching for other housing, even though AHVP provides stable housing and other options are very limited. By adopting the House language and keep the word “transitional” out of the line-item, the program language will be in line with the program’s actual function.

Finally, as a technical matter, we request the Conference Committee removes the \$6 million annualization cap for AHVP included in the House budget. This will allow the full use of the Senate appropriation.

AHVP Enabling Legislation Change

Adopt Senate Outside Section 170, amending the enabling legislation for AHVP.

We ask that you include Outside Section 170 from the Senate budget amending the enabling legislation of AHVP to better align the language with the program’s actual use. Similar to the House budget language, the outside section removes the word “transitional” from the AHVP program language. The Outside Section would also allow for AHVP vouchers to be project-based. As the program grows, this could support the production of affordable and accessible housing options for persons with disabilities.

Public Housing Operating Subsidies (7004-9005)

Adopt the House appropriation of \$65.5 million.

CHAPA supports the House appropriation of \$65.5 million for public housing. These funds help support over 45,600 state public housing units, with over two-thirds of these homes dedicated for the elderly and persons with disabilities. Unfortunately, years of underfunding have left many housing authorities struggling to operate and keep units in good repair. The additional funds will help provide an increase to local housing authority operating budgets so they can keep units online and available for low-income households.

Public Housing Reform (7004-9007)

Adopt the Senate appropriation of \$1.05 million.

We ask that you adopt the Senate appropriation of \$1,050,000 to help implement public housing reform. Signed into law in August 2014, these reforms improve governance and operation of local housing authorities by assisting with capital improvements, unit turn over, and creating a centralized waitlist. The reforms also increase tenant participation and promote economies of scale by encouraging collaborations among housing authorities.

Residential Assistance for Families in Transition (RAFT) (7004-9316)

Accept the Senate appropriation and language for RAFT.

CHAPA asks that you adopt the Senate appropriation and language for RAFT which expands the definition of family to include elders, people with disabilities, unaccompanied youth, and other household types and adds \$500,000 to serve these households, while retaining level funding of \$12.5 million for families with children under the age of 21.

The Senate version also improves administrative efficiency by allowing RAFT to be forward funded. Currently, the nonprofit administering agencies are required to advance funds of about \$1 million each month for applicants receiving RAFT in addition to the normal advance of administrative costs that are paid on a reimbursement basis. This creates a strain on cash flow and creates an unnecessary borrowing cost that detracts from the main purpose of the program to help families facing housing instability. The proposed language would mandate a process that is consistent with how the Commonwealth funds other programs, such as MRVP and HomeBASE.

HomeBASE (7004-0108)

Adopt language that would:

- *Include Senate language, currently under line-item 7004-0101, creating a pilot program allowing families in domestic violence shelters or substance abuse programs access to HomeBASE if they would otherwise be eligible but move it to the HomeBASE line-item as was done in the House;*
- *Remove the \$300,000 cap for the pilot program;*
- *Allow HomeBASE to be renewed annually; and*
- *Adopt House language allowing for forward funding of HomeBASE.*

Thank you to both the House and Senate for their support for HomeBASE. We respectfully request that you make the changes described below to make HomeBASE as effective as possible for families trying to avoid or exit emergency shelter.

First, we thank both branches for including a pilot program allowing families in domestic violence shelters or substance abuse programs access to HomeBASE if they would otherwise be eligible. We ask that you adopt the Senate language for the pilot program, which allows greater flexibility for implementing the program. The language also ensures that domestic violence shelters and substance abuse programs remain able to serve those most in need at any moment, rather than establishing a new admissions process that would prioritize admission for families in Emergency Assistance shelters.

However, the Senate language places this pilot program under the Emergency Assistance line-item (7004-0101). We ask that you move the pilot program from EA to the HomeBASE line-item, as the House did in its budget. Placing the language in the HomeBASE line item makes the expanded eligibility clear to those administering HomeBASE.

We also ask that you remove the \$300,000 cap on the pilot program. It is unknown how many families in the domestic violence shelters and substance abuse programs will meet EA eligibility. Limiting the amount of funding to \$300,000 could result in these families, who are eligible for HomeBASE and EA, needing to apply separately for EA in order to access HomeBASE once the pilot funding runs out. Eliminating the cap would create a more seamless process that allows these vulnerable families access to HomeBASE from the domestic violence shelters and substance abuse programs.

Next, we ask that you include the following language allowing HomeBASE to be renewed annually:

provided further, that the department may authorize families to receive further allotments of assistance in subsequent 12-month periods in order to prevent the families from becoming homeless again

This language will help prevent families from having to re-enter the emergency shelter system if they are still at risk of homelessness after receiving HomeBASE.

Finally, we ask that you adopt House language allowing HomeBASE to continue to be forward funded. In FY2016, the budget directed DHCD to forward fund the program. Forward funding has been successful, with no additional cost to the state. In addition to reducing the cash flow burden on providing agencies and more efficiently using the resource, it has provided DHCD with timelier tracking of funds.

Housing Consumer Education Centers (HCECs) (7004-3036)

Adopt the House language and appropriation of \$2.6 million for HCECs without earmarks for unrelated programs.

We ask that you adopt the House and Senate funding levels of \$2.6 million for HCECs without earmarks for unrelated programs. HCECs are the front line for housing crisis response in the Commonwealth and provide information to help people make essential connections to housing and related supports. HCECs also provide essential support for related state resources, like HomeBASE and RAFT. We urge your support of maintaining funding in the line-item specifically for the HCECs by keeping the program free of earmarks. CHAPA does not oppose funding the programs proposed in the budget and ask that the earmarks be included elsewhere in more appropriate budget line-items related to the programs.

Housing Court Expansion (0036-0003)

Adopt Senate Outside Sections 140–145 authorizing the statewide expansion of Housing Court and funding it with \$1.2 million.

CHAPA supports the Senate budget authorizing the expansion of Housing Court statewide in Outside Sections 140–145 and funding the expansion with \$1.2 million. Currently, over 1/3rd of the state’s population does not have access to a Housing Court, including most of Norfolk County, parts of Middlesex and Suffolk Counties, and all of Barnstable, Dukes, and Nantucket Counties. Expanding Housing Court will protect landlords and tenants by providing a forum with expertise in housing and will provide a cost-effective way to enforce the building, fire, and sanitary codes, prevent homelessness by preserving tenancies among people with disabilities, and reduce blight.

Tenancy Preservation Program (TPP) (7004-3045)

Adopt the Senate appropriation of \$750,000.

We ask you to adopt the Senate appropriation of \$750,000 for TPP. In consultation with the Housing Court, TPP works with households with disabilities facing eviction to determine whether a disability can be reasonably accommodated in order to preserve the tenancy. In FY2015, TPP stabilized 93% of households served. The additional funds for TPP would allow the program to serve more persons with disabilities and would help grow the program if Housing Court expands statewide.

Home and Healthy for Good (HHG) (7004-0104)

Adopt the House appropriation of \$2.3 million.

We ask that you adopt the House appropriation for Home and Healthy for Good. HHG is a Housing First program that provides permanent supportive housing for the chronically homeless, including a program for LGBTQ unaccompanied homeless youths. Since 2006, the program has placed 860 homeless people into homes. According to the Massachusetts Housing and Shelter Alliance (MHSA), the program saves the Commonwealth an annual average of \$12,101 per person because of a decreased reliance on other expensive public services, including emergency medical care, shelter, and incarceration. The increased House appropriation will allow MHSA to provide permanent homes to more chronically homeless persons.

Economic Mobility Commission

Adopt House Outside Section 43B to create an economic mobility commission.

We ask you to adopt House Outside Section 43B to create an economic mobility commission. This commission would bring together stakeholders to study data related to programs that provide support for stable housing and efforts to increase economic self-sufficiency. The commission will convene state agencies with researchers, service providers, and policy groups. Together, they will examine these programs to determine which models work best and which could be scaled throughout the state to help low-income families and individuals increase their incomes and economic mobility.

Memorandum of Understanding to Coordinate Services for Low-Income Households

Adopt Senate Outside Section 180 to develop a Memorandum of Understanding (MOU) among state agencies to coordinate services for low-income households.

We ask that you adopt Senate Outside Section 180 directs the Interagency Council on Housing and Homelessness to create an MOU with the Secretaries of Housing and Economic Development, Health and Human Services, Labor and Workforce Development, and Education. This MOU will direct the three secretariats to work together in coordinating services for low-income households that are facing economic instability and homelessness.

Finally, we would like to thank you for including funding for **Foreclosure Counseling (7006-0011)**, the **Massachusetts Access Affordable Housing Registry (4120-4001)**, and for an end-of-year budget surplus transfer to the **Community Preservation Trust Fund**.

Thank you for your leadership and continued support for providing quality, safe, and affordable homes for everyone in the Commonwealth. Please do not hesitate to contact me with any questions.

Sincerely,



Brenda Clement
Executive Director

cc: Rep. Robert A. DeLeo, Speaker of the House of Representatives
Sen. Stanley C. Rosenberg, President of the Senate
Rep. Kevin G. Honan, Chair, Joint Committee on Housing
Sen. Linda Dorcena Forry, Chair, Joint Committee on Housing