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November 17, 2021

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RE: CHAPA ARPA Spending Bill Recommendations for Affordable Housing, Homeownership, Supportive Housing, Public Housing, and Housing Rehabilitation

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Dear Chairman Michlewitz, Chairman Rodrigues, Representative Hunt, Senator Friedman, Representative Smola, and Senator O'Connor,

Andrea Aldana

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On behalf of Citizens' Housing and Planning Association (CHAPA), thanks to both the House and Senate for expanding investments in permanent affordable housing solutions for production and preservation, homeownership, supportive housing, public housing, and housing rehabilitation.

As we continue to recover from the pandemic, the American Rescue Plan Act (ARPA) fiscal recovery dollars represent a once-in-a-generation opportunity to address historical housing discrimination and inequities, create more climate resilient communities, and build a future where everyone can thrive.

Housing resources also improve our overall health, strengthen our economy, protect the environment, and build wealth for everyone. Investing in housing affordability means our schools will have teachers, hospitals will have nurses, businesses will have workers, and young families can build a future.

CHAPA is a non-profit organization that advocates for the resources and policies needed to support renters, homeowners, and landlords and to preserve and expand the state's affordable housing stock to make sure everyone in the Commonwealth has a safe, healthy, and affordable place to call home.

Chief Executive

Officer

Rachel Heller

Below are funding and language recommendations supported by CHAPA that will help bridge the key differences between the House and Senate ARPA spending bills and provide the strongest support for these critical resources to secure a healthy future for all.

AFFORDABLE RENTAL PRODUCTION & PRESERVATION (1599-2022)

- *Adopt the \$125 million appropriation in the Senate spending bill*
- *Adopt Senate language to allow for the “acquisition of existing...housing that is not currently subject to affordability restrictions”*

Thank you to the House and Senate for prioritizing affordable rental production and preservation in both of its ARPA spending bills. CHAPA asks that you adopt the higher appropriation in the Senate spending bill of \$125 million to enable the Department of Housing and Community Development (DHCD) to build and preserve more affordable rental housing to meet the Commonwealth’s production goals. This funding increase can help to create thousands of homes that are affordable and accessible to our most disproportionately impacted communities. There are currently 175 projects for affordable rental homes waiting for funding and these funds can immediately start to be distributed through our existing programs in order to allow for the projects to be built more quickly.

We also request that you adopt the Senate language that allows for the “acquisition of existing, occupied or unoccupied, multifamily rental housing that is not currently subject to affordability restrictions at the municipal or state level.” This language can help to support the acquisition of Naturally Occurring Affordable Housing (NOAH) with the goal of ensuring its long-term availability as high quality, affordable homes for people of modest means. Allowing funding for NOAH acquisition will allow Massachusetts to stop eviction and displacement, secure properties for long-term affordability, and facilitate quick action by municipalities or non-profits to enable them to compete for these properties with cash-ready speculators.

HOMEOWNERSHIP PRODUCTION (1599-2021)

- *Adopt the \$125 million appropriation in the Senate spending bill*
- *Adopt the Senate language*

Thanks to both the House and Senate for supporting new homeownership opportunities for low- and moderate-income households through the Commonwealth Builder program. CHAPA asks that you adopt the higher appropriation of \$125 million for Commonwealth Builder provided in the Senate spending bill. These additional funds will help build over a thousand new homes affordable to first-time homebuyers. MassHousing can immediately use this increase in funding to build both single-family homes and condominiums in our disproportionately impacted communities and qualified census tracts.

CHAPA also asks that you adopt the Senate language that provides more explicit language to target low- and moderate-income households. The Senate language also allows preferences for projects that include green energy or sustainability initiatives, which can help the Commonwealth meet both our climate and housing production goals.

HOMEOWNERSHIP ASSISTANCE (1599-2020)

- *Adopt the \$100 million appropriation in the House spending bill*
- *Adopt the Senate language to add “debt reduction” programs as an eligible use for the homeownership assistance funds*

Thanks to both the House and Senate for supporting resources for homebuyers to assist them in buying their first home. CHAPA respectfully asks that you adopt the higher appropriation of \$100 million in the House spending bill. This increase would allow for Massachusetts to provide down payment assistance through MassHousing’s existing programs and scale up existing mortgage interest subsidy programs, including One Mortgage, ONE+ Boston, MassHousing Mortgages, and STASH matched-savings program.

We also request that you adopt the language the Senate uses to allow debt reduction programs to be an eligible use of the homeowner assistance funds. Unfortunately, student loans and other forms of debt continue to be the main barrier to purchasing a home for many of our most disproportionately impacted communities and families. Expanding the eligible use of funds to debt reduction programs will help households with their debt-to-income ratio, improve credit scores, and allow them to purchase the homes the Commonwealth is producing for first-time homebuyers.

SUPPORTIVE HOUSING (1599-2023)

- *Adopt \$150 million appropriation in the House spending bill*
- *Adopt language to include all priority populations included between the House and Senate bills*
- *Adopt Senate language to allow for DHCD to create supportive housing in consultation with the Massachusetts Alliance for Supportive Housing*
- *Change Senate language to direct DHCD, in consultation with the Massachusetts Alliance for Supportive Housing, to use \$75 million to create supportive housing for all named priority populations*
- *Add new language to create \$15 million flexible housing subsidy pool*

Thanks to both the House and Senate for investing in housing with supportive services for our most vulnerable individuals and families. CHAPA asks that you adopt the higher appropriation of \$150 million in the House spending bill. This increase would allow for the production of thousands of healthy and safe homes for some of our most vulnerable households. These resources can be immediately distributed through existing programs to cover the costs for supportive services and the acquisition of hotels, motels, nursing homes, and other forms of temporary housing for the purpose of conversion to permanent, deeply affordable homes.

In order for these supportive housing funds to serve as many as possible, CHAPA asks that you adopt language that includes all the priority populations named in both the House and Senate bills. Between the two versions, this would mean the supportive

housing funds could serve individuals and families who may be classified as chronically homeless; survivors of domestic violence; seniors; veterans; youth and young adults; individuals and families with behavioral health or substance addiction needs; survivors of human trafficking; survivors of sexual violence; and individuals and families at risk of entering or transitioning out of the foster care system.

CHAPA also asks that you adopt the Senate language that would direct DHCD to consult with the Massachusetts Alliance for Supportive Housing on evidence-based and evidence-informed best practices for creating and expanding permanent supportive housing for the populations prioritized in this item. This will ensure coordination of these public resources by DHCD with best practices for creating supportive housing.

In order for these supportive housing resources to serve as many vulnerable populations as possible as quickly as possible, CHAPA asks that the Senate language directing DHCD to consult with the Massachusetts Alliance for Supportive Housing on spending at least \$75 million supportive housing for chronically homeless families and individuals be expanded to include all priority populations named in the line-item. By not limiting the funds to a strict definition of “chronically homeless,” more supportive housing projects can be funded more quickly across the Commonwealth.

Finally, CHAPA respectfully requests that the following language be added: “provided, that not less than \$15,000,000 shall be expended in consultation with Massachusetts Alliance for Supportive Housing LLC to test a flexible housing subsidy pool.” This language will support a pool of funds that can be nimbly used to take coordinated, comprehensive action to ensure these resources are leveraged effectively and equitably. These funds would help support a statewide flexible funding stream through DHCD, managed by the Massachusetts Alliance for Supportive Housing, to support trauma-informed service delivery, regional coordination efforts, and integrated housing and healthcare services.

Language highlighting CHAPA’s request for supportive housing is included at the end of this document.

PUBLIC HOUSING (1599-2024)

- *Support the \$150 million appropriation in both the House and Senate spending bills*

Thanks to both the House and Senate for supporting \$150 million to preserve our aging public housing stock and protect its residents. CHAPA asks that you keep the \$150 million appropriation proposed by both the House and Senate. This appropriation will allow our public housing agencies to begin to address the \$3 billion of deferred capital repairs and maintenance needs. These funds will help install safer fire alarm systems, increase accessibility, fix leaky plumbing, improve energy efficiency, complete climate resiliency and mitigation projects, and close budget shortfalls caused by increased costs due to the pandemic.

GREEN ENERGY RETROFITTING & HOUSING REHABILITATION (1599-2035)

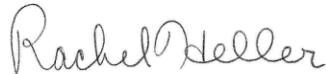
- *Adopt the \$10 million appropriation in the Senate spending bill*

CHAPA requests that you adopt the \$10 million appropriation for housing rehabilitation in the Senate spending bill. Massachusetts' aging housing stock does not meet modern energy efficiency standards and are not climate resilient to withstand extreme weather conditions. This investment for green energy retrofitting will improve the safety of families currently living in these older homes while also allowing for our most disproportionately residents to live in more climate-resilient communities in the future.

All these investments will help thousands of residents find an affordable home, remain stably housed, and begin to close the racial homeownership gap.

Thank you for your consideration and for your leadership in helping everyone in Massachusetts have a safe, healthy, and affordable place to call home.

Sincerely,



Rachel Heller
Chief Executive Officer

cc: House Speaker Ronald Mariano
Senate President Karen Spilka
Housing Committee Co-Chair Rep. Jim Arciero
Housing Committee Co-Chair Sen. John Keenan

CHAPA's Requested Language for Supportive Housing (1599-2023)

The following reflects the changes to the supportive housing language (1599-2023), as requested by CHAPA. The bolded language would:

- *Adopt \$150 million appropriation in the House spending bill*
- *Adopt language to include all priority populations included between the House and Senate bills*
- *Adopt Senate language to allow for DHCD to create supportive housing in consultation with the Massachusetts Alliance for Supportive Housing*
- *Change Senate language to direct DHCD, in consultation with the Massachusetts Alliance for Supportive Housing, to use \$75 million to create supportive housing for all named priority populations*
- *Add new language to create \$15 million flexible housing subsidy pool*

1599-2023 For a reserve to support the production of permanent supportive housing for **individuals and families who may be classified as chronically homeless, youth and young adults, individuals and families with behavioral health needs or substance addiction needs, survivors of domestic violence, survivors of human trafficking, survivors of sexual violence, individuals and families at risk of entering or transitioning out of the foster care system, seniors and veterans** through programs administered by the department of housing and community development directly or through 1 or more of the following: Massachusetts Housing Finance Agency; Massachusetts Housing Partnership; and Community Economic Development Assistance Corporation; provided, that funds shall be expended in the form of grants, loans or other financial assistance to projects that will provide stable housing options and supportive services to the populations prioritized in this item; provided further, that funds shall be expended in the form of grants that shall include rental assistance and funding for support services to projects that provide services to support long-term homelessness prevention; provided further, that funds may be expended for the acquisition of temporary housing including, but not limited to, hotels, motels and nursing facilities, to be converted into permanent and affordable supportive housing; **provided further, that the department shall consult with Massachusetts Alliance for Supportive Housing LLC on evidence-based and evidence-informed best practices for creating and expanding permanent supportive housing for the populations prioritized in this item**; provided further, that not later than March 1, 2022, the department shall submit a report, in consultation with the Massachusetts Alliance for Supportive Housing LLC, to the house and senate committees on ways and means and the joint committee on housing on recommendations for creating permanent supportive housing for the populations prioritized in this item to reduce the incidence of chronic and long-term homelessness in the commonwealth; provided further, that not less than \$75,000,000 shall be made available and administered, in consultation with the Massachusetts Alliance for Supportive Housing LLC, for the creation of permanent supportive housing **for the populations prioritized in this item; provided, that not less than \$15,000,000 shall be expended in consultation with Massachusetts Alliance for Supportive Housing LLC to test a flexible housing subsidy pool**; provided

further, that the department shall prioritize communities disproportionately impacted by the 2019 novel coronavirus pandemic; provided further, that a portion of these funds may be expended for the planning, construction and fit-out of medical, health and wellness facilities within existing and planned supportive affordable housing communities; provided further, that the department shall ensure geographic equity when distributing funds; and provided further, not less than \$20,000,000 shall be expended, in consultation with the executive of health and human services, for costs associated with increasing geographic equity and accessibility related to the continuum of long-term care services for veterans not primarily served by the Soldiers' Home in Massachusetts located in the city of Chelsea or the Soldiers' Home in Holyoke, including the establishment of regional or satellite veterans' homes and new or expanded supports for community-based care services and home-based care services

.....**\$150,000,000**