



April 1st, 2024

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To The Honorable
Chairman Aaron Michlewitz
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RE: Request for Strong Investments in State Rental Assistance Programs for FY2025 Budget

The undersigned organization along with CHAPA believe that the production and preservation of homes that are affordable to people with low and moderate incomes and to foster diverse and sustainable communities through planning and community development.

Housing is the single best investment we can make for the future of Massachusetts. The Commonwealth needs 200,000 new homes by 2030 to stabilize home prices and rents. To ensure housing for people across income levels, 40,000 of these new homes must be affordable for people with low and moderate incomes and 20,000 of these homes must be affordable for people with extremely low incomes. While housing production addresses the root of the problem, it takes time to build homes. Meanwhile, we need rental assistance to help people struggling to pay rent.

The shelter capacity issue is layered over a lack of housing issue and can be mitigated by expanding long and short-term rental assistance along with housing stabilization programs to help families move out of the shelter into stable and affordable housing. Programs like Massachusetts Rental Voucher Program (MRVP), Alternative Housing Voucher Program (AHVP), Residential Assistance for Families in Transition (RAFT) and Department of Mental Health (DMH) Rental Subsidy serve those with lowest incomes and prevent families and individuals from becoming homeless and seeking shelter.

As the state weighs making capital investments in housing through the Bond bill, and grapples with a shelter capacity crisis, we urge the Legislature to make strong investments in rental assistance to make housing affordable for people at lower income levels.

MASSACHUSETTS RENTAL VOUCHER PROGRAM (MRVP) (7004-9024)

- *Invest \$300 million in FY2025 budget to meet the need for long-term rental assistance and codify the program in state statute.*

Massachusetts is one of a few states with state rental vouchers serving approximately 10,000 individuals, families, and seniors. MRVP is the most effective tool to immediately help people who are homeless or at-risk of homelessness find homes they can afford by providing a combination of tenant-based and project-based rental vouchers. A \$300 million investment in the program could create more than 4,000 new vouchers, help preserve affordable housing developments, and support improvements like implementing small area fair market rents and allowing vouchers to cover security deposits that will make vouchers more usable and reduce lengthy lease up times.

For a program as big as MRVP, it is not yet codified in state statute, and continues to be vulnerable to removal from the state budget completely each year. Codification can strengthen this program, by providing legal clarity, ensuring long-term commitment, and preserving the program intent and goals.

ALTERNATIVE HOUSING VOUCHER PROGRAM (AHVP) (7004-9030)

- *Invest \$30 million in the program to meet the needs of people with disabilities who need housing assistance.*

People with disabilities are more than twice as likely to be homeless as their nondisabled peers. AHVP helps solve the urgent issue of homelessness in the disability community by creating more accessible and affordable homes with over 1,000 vouchers. \$30 million would create another 200 vouchers and support program improvements including allowing vouchers to be project-based to build new deeply affordable and accessible homes.

RESIDENTIAL ASSISTANCE FOR FAMILIES IN TRANSITION (RAFT) (7004-9316)

- *Invest \$300 million to help families who need emergency help with housing costs.*

The RAFT program helps keep households in stable housing situations when facing eviction, loss of utilities, and other housing emergencies. RAFT provides qualifying households up to \$7,000 over a year and can cover utilities, moving costs, and overdue rent. A \$300 million investment in RAFT can help more families stay stable in their homes, reduce evictions, and prevent homelessness.

DEPT. OF MENTAL HEALTH RENTAL SUBSIDY (7004-9033)

- *Invest \$20 million in FY2025 budget for individuals facing mental health challenges and housing instability.*

The Department of Mental Health (DMH) Rental Subsidy Program is a rental voucher program for DMH clients. DMH clients are people with severe and disabling mental health conditions stuck in hospitals, emergency departments (EDs), nursing homes, and

on the streets in the absence of affordable and supported community-based housing. DMH clients pay 30% of their adjusted income toward rent and the rental vouchers cover the balance. Individuals receiving a subsidy also get services through community providers to support their tenancy, health, and recovery. Stable, affordable housing is critical to engaging in effective behavioral health treatment and achieving recovery.

We can act on equitable housing policies to support long-term stability and prosperity for all Massachusetts residents. The individuals and organizations listed below believe strongly that making bold investments in state rental assistance programs for low- and moderate-income families and individuals is key to fostering diverse and sustainable communities. We urge the Legislature to make those investments through the FY2025 budget and to help the Commonwealth take an important step toward ensuring that everyone can have a safe and affordable place to live.

If you have any questions or would like additional information, please do not hesitate to contact Abhi Kurve, Deputy Director for the Citizens Housing and Planning Association (CHAPA), at akurve@chapa.org.

Sincerely,

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