

CHAPA Housing Briefs

September 17, 2015

State Updates

Housing Production Legislation Scheduled for a Hearing on September 29, 2015

CHAPA's housing production legislation, filed by Representative Kevin G. Honan and Senator Jamie B. Eldridge, will be heard by the Joint Committee on Housing on Tuesday, September 29th at 10:00 am in room B-2 of the State House. The bill, **H.1111, *An Act relative to housing production***, provides the tools necessary to meet the Commonwealth's housing production needs. The legislation includes financial incentives and removes administrative barriers for communities as well as mandatory measures and new tools to build the kind of housing Massachusetts residents want. For a summary of the bill, **click here**. Please contact Rachel Heller at rheller@chapa.org if you are interested in testifying or submitting testimony in support of the legislation.

State Low-Income Housing Tax Credit Legislation to Preserve 13A Developments Scheduled for a Hearing on September 22, 2015

Legislation sponsored by Representative Kevin G. Honan to expand the state low-income housing tax credit with a special allocation for the funding and preservation of 13A developments will be heard before the Joint Committee on Revenue on Tuesday, September 22nd at 10:00am in room A-1 of the State House. The bill, **H.2540, *An act relative to low-income housing tax credits***, provides \$15 million in additional state low-income housing tax credits over four years to preserve 13A housing developments. The residents of over 5,000 affordable housing units built under the 13A program are now at risk of displacement due to expiring use. Please contact Rachel Heller at rheller@chapa.org if you are interested in testifying or submitting testimony in support of the legislation.

Upcoming Events

September 22, 2015

The Alliance & CHAPA Young Professional Group Mentoring Program Informational Session

October 2, 2015

Chapter 40B Training: Hot Topics in a Hot Market

CHAPA Regional Meetings

- **October 7, 2015 - Boston**
- **October 9, 2015 - Framingham**
- **October 13, 2015 - Northampton**
- **October 14, 2015 - Pittsfield**
- **October 16, 2015 - Revere**
- **October 19, 2015 - Haverhill**
- **October 22, 2015 - New Bedford**

October 27, 2015

CHAPA's 48th Annual Dinner - to learn more or to sponsor the Annual Dinner, [click here](#).

November 10, 2015

Housing Day at the State House

To view all CHAPA events please visit www.chapa.org/event.



Zoning Reform Hearing Demonstrates Strong Support for Legislation

Zoning reform legislation sponsored by Senator Daniel A. Wolf was heard before the Joint Committee on Community Development and Small Businesses on Tuesday, September 15, 2015. The bill, **S.122, *An Act promoting the planning and development of sustainable communities***, reforms planning, zoning, and permitting in Massachusetts a balanced and regional way that diversifies the housing stock and increases housing options for residents. For a copy of CHAPA's testimony, [click here](#).

CHAPA Announces its 2015 Regional Meetings

Each year, CHAPA travels across Massachusetts to meet with housing professionals, advocates, community members, elected officials, and other stakeholders that want to expand access to safe, quality, and affordable housing. Please join us for affordable housing updates and to help develop our public policy, research, and programming agendas for the upcoming year. To see a list of all our upcoming meetings, [click here](#).

Register to Attend CHAPA's Housing Day at the State House on November 10, 2015

Please join CHAPA for our 2nd Annual Housing Day at the State House on Tuesday, November 10, 2015, from 9:00am–2:00pm. As the need for affordable housing continues to grow, this is an important time to come together and advocate for policies that will help every family in Massachusetts have a safe and affordable place to call home. Last year, more than 150 participants met with nearly 70 legislators during CHAPA's first Housing Day at the State House. This year, we hope to meet with even more lawmakers to advocate for legislation that will help produce, preserve, and plan for more affordable housing across the Commonwealth. To learn more and to register, [click here](#).

State Announces Rental Funding Awards to Preserve and Create 1,119 Affordable Units

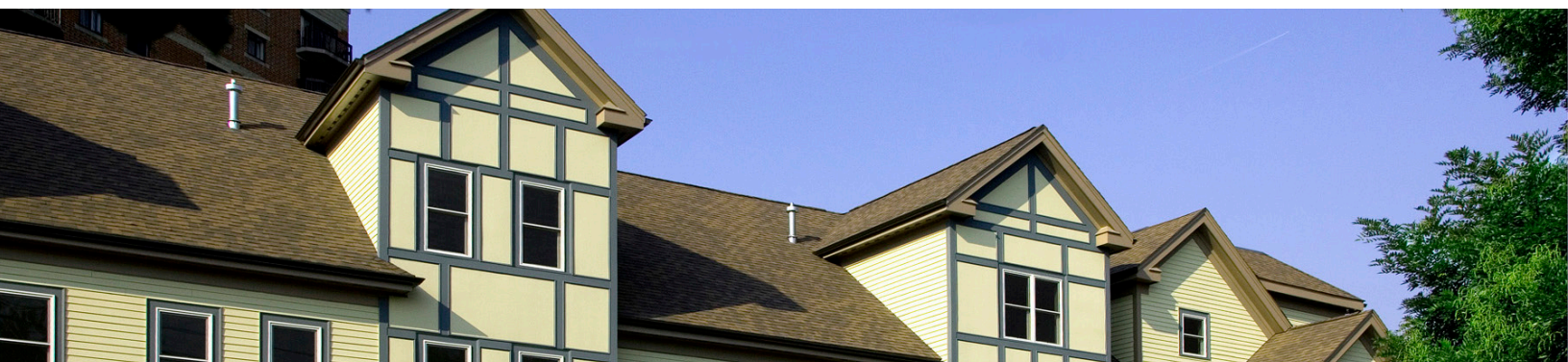
On September 15, Governor Charlie Baker and Undersecretary of Housing and Community Development Chrystal Kornegay **announced** funding awards for **23 developments** in 15 cities and towns with 1,484 units (1,119 affordable). The funding awards include \$29,202,652 in federal and state tax credits (expected to raise about \$182 million in equity) and \$45.8 million in subsidy funds to support these projects.

State Rural Policy Advisory Commission Established

A new 15-member Rural Policy Advisory Commission has been authorized through an **outside section** of the FY2016 budget signed in August. Its purpose is to "enhance the economic vitality of rural communities ... and to advance the health and well-being of rural residents." The law defines rural communities as communities with a population density of less than 500 persons per square mile. Additional information can be found on the Massachusetts Housing Partnership [website](#).

DHCD Regulatory Review Underway

DHCD is undergoing a review, initiated by Governor Baker's **executive order**, in an effort to streamline and update all of its program regulations. Public hearings on proposed changes are expected to start early next year.





Federal Updates

Continuing Resolution Likely as Congress Debates Lifting Budget Caps

The National Low Income Housing Coalition (NLIHC) **reports** progress on a final Transportation, Housing and Urban Development (THUD) appropriations bill is unlikely until either sequester spending caps are lifted or “one or more continuing resolutions (CRs) take their place.” The administration has indicated that the President will not sign appropriation bills that maintain sequester spending caps.

HUD’s largest programs (housing choice vouchers, project-based rental assistance and public housing) have sufficient funds to operate on a continuing resolution through September because they are funded on a calendar year basis, but the rental assistance programs will need increases to their final FY2016 funding simply to continue to serve the same number of households. Overall, NLIHC estimates that HUD needs a \$3 billion increase in FY2016, relative to FY2015, to maintain current levels of assistance.

In addition to funding issues, advocates are concerned about a number of other harmful provisions in the House and Senate THUD appropriations bills. Among other things, they would:

- Empty the National Housing Trust Fund in 2016 to fund HOME (House).
- Essentially eliminate the HOME program with a 93% funding cut (from \$900 million to \$66 million) (Senate).
- Provide insufficient funds to renew existing vouchers (House bill would not renew 28,000 existing vouchers, Senate bill would not renew 50,000 existing vouchers).
- Insufficiently fund the renewal of all project-based rental assistance contracts (House).
- Cut public housing capital funds (House and Senate).
- Eliminate increases sought by HUD for Homeless Assistance Grants (House and Senate).
- Expand the Moving to Work (MTW) program from 39 agencies to 300 with no evaluation requirement and limited tenant protections.

HUD Issues Proposed FY2016 Fair Market Rents (FMRs)

On September 8, HUD published its **proposed Fair Market Rents** for FY2016 in the **Federal Register**. As proposed, FMRs in Massachusetts will rise in some areas while remaining flat or falling slightly in others. Because of changes in the way FMRs are calculated, some areas will see different percentages of change by unit size. For example, the FMR for single room occupancy (SRO) units would fall by \$101 in the Brockton area while FMRs for other unit sizes there would remain unchanged. The proposed two-bedroom FMR for the Boston-Cambridge-Quincy metro area would increase from \$55 (3.7%) to \$1,549, while a \$206 (16.7%) increase is proposed for the two-bedroom FMR for the Cape (to \$1,440). Increases in the two-bedroom FMR are also proposed for the Lowell (8%) and Springfield (7%) regions and parts of Berkshire County (10.4%).

HUD has posted background information on FMRs and how the proposed FY2016 FMRs for individual areas were calculated on its **FMR website**. Comments will be accepted through October 8. In addition to comments on the proposed FMRs, HUD seeks comments on its current methodology to calculate FMRs (five-year ACS updates with inflators), and in particular, how to replace it with a forward-looking forecast for FY2017 (perhaps through use of a national economic model).

National Housing Trust Fund Revenue Projection Increased

In August, the NLIHC reported that the Treasury Department has revised upward its estimate of the funding likely to be available for distribution through the National Housing Trust Fund (NHTF) based on higher than expected business activity by Fannie Mae and Freddie Mac in the first two quarters of 2015. It now expects \$196 million to be available, up from \$120 million, for distribution to the NHTF; another \$106 million would go to the Capital Magnet Fund, up from \$64 million. Whether this funding actually becomes available is still uncertain, given proposals in Congress to prevent its distribution for the intended purposes. NLIHC **estimates** that Massachusetts would receive \$5.6 million if total funding for the NHTF nationally was \$250 million.

Rural Rental Assistance Contracts Face Funding Shortfalls

Language inserted in the FY2015 appropriations bill for the U.S. Department of Agriculture is creating problems for a number of Rural Housing Service multifamily projects. The language stated that rental assistance contracts under the Section 521 program dated after December 16, 2014 will not receive additional rental assistance if they use all their funding before the end of their 12 month term, even though historically 3-8% of such contracts need renewal funds before the end of their term due to USDA budgeting procedures. The Housing Assistance Council **reported** on September 2 that the USDA Rural Development (RD) estimates that 50 properties will be affected in FY2015 and that up to 800 properties in early FY2016. It also reports that RD has been advising owners that they can raise tenant rent shares to cover the shortfall, although the National Housing Law Project has found this to be illegal. The Administration has requested language in the FY2016 continuing resolution to allow a shift in the timing of its spending to help address the problem.

HUD Issues Guidance on Public Housing Community Service and Self-Sufficiency Requirements

HUD recently issued a notice (**PIH-2015-12**) to guide public housing agencies (PHAs) in their administration of the Community Service and Self-Sufficiency Requirement (CSSR) for public housing residents. The notice is in response to a critical report on CSSR implementation by HUD's Inspector General. Federal law requires public housing residents to contribute 8 hours of community service per month or to participate in an economic self-sufficiency program for 8 hours per month (timing is flexible as long as it adds up to 96 hours a year). PHAs cannot evict families for failure to comply with the CSSR but must provide written notice indicating that the lease will not be renewed at the end of the current 12 month lease unless a workout agreement is executed.

HUD Issues Final Rule on Streamlining Housing Choice Voucher Portability

On August 20, HUD published the **final rule on "Streamlining the Portability Process"** for Housing Choice Vouchers (and **corrected language** on September 1). The final rule streamlines the administrative process, allows more time for families who are "porting," and requires PHAs to brief all families on how portability works and on the benefits of living in lower poverty neighborhoods. It also requires PHAs to provide apartment or landlord listings that "cover areas outside of poverty or minority concentration." The Poverty and Race Research Action Council (PRRAC) **notes** the final rule does not eliminate the practice of "rescreening" tenants by the receiving PHA. The rule will go into effect on September 21, 2015.





Recent Research & Reports

CBO Report Reviews Trends in Federal Housing Assistance and Policy Options

On September 9, the Congressional Budget Office (CBO) published a **report** on the current state of federal housing assistance for low income households, trends since 2000, and options for altering that assistance. The review was requested by the chairman of the Senate Budget Committee, Senator Mike Esty (R-WY). The report finds that federal funding for low income housing assistance - including the Low Income Housing Tax Credit - has largely remained flat at about \$51 billion (in 2014 dollars) since 2003 and the discretionary portion of that spending has fallen by 6% in real terms since 2011. It notes that the federal government also spends \$130 billion on non-income-targeted assistance (2014 dollars) through the mortgage interest deduction (\$68 billion) and other tax benefits.

Study Urges New Policies Given Near Doubling of the Number of Persons Living in High Poverty Areas Since 2000

A new study by Paul Jargowsky, *The Architecture of Segregation*, estimates that the number of people living in census tracts with a poverty rate of 40% or higher grew by 91% between 2000 and 2009-2013 after falling by 25% between 1990 and 2000. The rate of increase in poverty concentration was highest in small and mid-size metropolitan areas (overall and for black households) and much lower in metro areas with populations of 3 million or more. It attributes the increase to suburban growth that exceeded metro area demand and thus drained center city and inner city populations, as well as exclusionary zoning and housing discrimination. It recommends two admittedly difficult policy steps to address this trend: federal and state controls on suburban development to ensure it is in line with metro area population growth; and a requirement that municipalities ensure that new housing reflects the income distribution of the metro area as a whole.

CHAS Data for 2008-2012 Issued

HUD posted updated information on state and local housing needs based on 2008-2012 Five Year ACS data. The **data** is used for Consolidated Plans and includes useful information on needs by income level, tenure, disability, household composition, and other characteristics, as well as on the affordability of the local housing stock.



Citizens' Housing and Planning Association

18 Tremont Street, Suite 401
Boston, MA 02118
www.CHAPA.org

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