

PRESS RELEASE

Press Release Healey-Driscoll Administration Unveils \$4 Billion Affordable Homes Act to Increase Production and Lower Costs

Largest housing investment in state history will create more than
40,000 new homes

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BOSTON — The Healey-Driscoll Administration today unveiled a \$4 billion plan to jumpstart the production of homes and make housing more affordable across Massachusetts. [The Affordable Homes Act](#), a comprehensive package of spending, policy and programmatic actions, represents the largest proposed investment in housing in the state's history while simultaneously striking at the root causes of housing unaffordability and making progress on the state's climate goals. Governor Maura Healey will be highlighting the package in Chelsea, Springfield and Pittsfield today.

This multi-pronged approach includes \$4 billion in capital spending authorizations, 28 substantive policy changes or initiatives, three executive orders and two targeted tax credits. All are directed at reducing barriers to the production and preservation of housing, and giving communities the tools to develop more housing where they need it. The majority of the spending will have benefits for moderate- and low-income households.

In Massachusetts, an infusion of new homes is needed to lower costs, accommodate population growth and achieve a healthy vacancy rate. In combination with the housing development tax credits that were part of the [tax relief package](#) signed into law by Governor Healey on October 4,

the initiatives in this plan will fund or enable the creation of more than 40,000 homes that otherwise would not be built, including 22,000 new homes for low-income households and 12,000 new homes for middle-income households. In addition, the Affordable Homes Act will preserve, rehabilitate or make resilience improvements to 12,000 homes for low-income households, support more than 11,000 moderate-income households, and fund accessibility improvements for 4,500 homes.

“The cost of housing is the biggest challenge facing the people of Massachusetts. We said from day one of our administration that we were going to prioritize building more housing to make it more affordable across the state,” said **Governor Healey**. “The Affordable Homes Act delivers on this promise by unlocking \$4 billion to support the production, preservation and rehabilitation of more than 65,000 homes statewide. It’s the largest housing investment in Massachusetts history. Together, we’re going to make our state a place where people can afford to move to and stay to build their future.”

“As a former local official, I’ve seen firsthand how new housing can transform communities and help them flourish. But we only get those benefits when people can actually afford to live in these homes,” said **Lieutenant Governor Driscoll**. “The Affordable Homes Act is full of new tools for municipalities to help them implement the solutions that work best for the unique needs of their communities so that they can build consensus and build new homes.”

Recognizing the important role the state’s public housing portfolio plays in housing affordability, the Affordable Homes Act also provides significant investment into upgrading this essential asset. A total of \$1.6 billion will provide for the repair, rehabilitation and modernization of the state’s more than 43,000 public housing units. This includes \$150 million to begin “decarbonizing” public housing through the installation of heat pumps and electric appliances in 3,000 units and another \$15 million for accessibility upgrades.

Another \$200 million would be authorized for the Housing Innovations Fund to support alternative forms of rental housing for people experiencing homelessness, housing for seniors and veterans, and transitional units for persons recovering from substance abuse.

“Our public housing stock in the Commonwealth has lacked capital investments for decades,” **said Executive Office of Housing and Livable Communities Secretary Ed Augustus.** “The proposed investment by this administration meets the moment. It will create powerful ripples for decades to come to ensure that families and individuals live in communities they can take pride in. The push to spur housing production will also directly help many others across a wide range of incomes who feel they’ve been priced out here in Massachusetts.”

The Affordable Homes Act makes pivotal investments in green building and decarbonization that align with the administration’s climate and housing goals. In addition to helping “green” Massachusetts’ public housing stock, the bill includes \$115 million to ensure new affordable housing developments meet increased standards while remaining economically viable. The bill also directs all the state’s housing investments to prioritize and incorporate the state’s climate and decarbonization goals.

New policy initiatives that would be available to communities include the local option of adopting a real estate transaction fee of 0.5 percent to 2 percent on the portion of a property sale over \$1 million – or the county median home sale price. This fee--projected to affect fewer than 14 percent of all residential sales--would be paid by the seller of the property with the money to be used to fund affordable housing developments within the community. The Affordable Homes Act would also allow accessory dwelling units less than 900 square feet as of right throughout the state with the ability for communities to set some reasonable restrictions. It is estimated this change could create more than 8,000 accessory dwelling units over five years.

A total of \$1.83 billion would be directed to housing production and preservation in Massachusetts. Highlights include:

- \$800 million for the Affordable Housing Trust Fund to provide resources to create or preserve affordable housing for households whose incomes are not more than 110 percent of area median income; includes up to \$50 million for MassDreams to create first-time homebuyer opportunities for households in Disproportionately Impacted Communities.
- \$425 million for Housing Stabilization and Investment Fund to support preservation, new construction, and rehabilitation projects.
- \$175 million for HousingWorks Infrastructure Program to fund municipal infrastructure projects to encourage denser housing development.
- \$100 million for Commonwealth Builder to spur construction of affordable homeownership opportunities.
- \$100 million for Mixed-Income Housing to support middle-income housing production.
- \$50 million for the Momentum Fund – a new pioneering initiative designed to leverage state resources to support large scale, mixed-income multifamily development.

The Affordable Homes Act would also make the Community Investment Tax Credit Program permanent and increase it from \$12 million to \$15 million per year to support the work of Community Development Corporations. A new Homeownership Tax Credit would be created to spur production of homes affordable to first-time homebuyers earning not more than 120 percent of area median income.

As part of this package, Governor Healey will also sign three executive orders creating a [Housing Advisory Council](#) to develop a statewide housing plan, creating an [Unlocking Housing Production Commission](#) to develop recommendations for streamlining housing production, and directing state agencies to develop an [expanded inventory](#) of state-owned land suitable for housing.

A full breakdown of the Affordable Homes Act's provisions can be found [here](#). Policy briefs on the Affordable Homes Act can be found [here](#).

Statements of Support:

Rachel Heller, CEO, Citizens' Housing and Planning Association:

"This groundbreaking legislation will put Massachusetts on the path to a bright and more equitable future by investing in affordable housing and expanding opportunities for people across income levels. The investments in this bill are vital to preserving public housing, creating and preserving affordable and supportive housing, building new homeownership opportunities for people with low and moderate incomes, and offering meaningful choices to people in where they live. It takes a diversity of approaches and policies to solve our housing challenges and these investments take the necessary holistic step forward, towards a future where everyone can succeed in Massachusetts."

Frank Callahan, President, Massachusetts Building Trades Council:

"Governor Healey's Affordable Homes Act will spur the creation, preservation and rehabilitation of tens of thousands of homes. That means good, union careers and lower housing costs for working families. The Massachusetts Building Trades Council is proud to support the Healey-Driscoll Administration's efforts to make housing more affordable for all."

Sarah Byrnes, Executive Director, Massachusetts Union of Public Housing Tenants:

"The Mass Union of Public Housing Tenants wishes to thank the Healey-Driscoll Administration and Secretary Augustus for the proposed bond bill's significant investment in public housing. For decades, public housing has been drastically underfunded. Mass Union members across

the state live with deplorable, unsafe conditions, including leaks, mold, asbestos, and more. Many residents are losing hope that things will change. But today we are grateful to the Healey Administration for taking a huge first step with this investment, for listening to tenants, and for including important tenant protections in the bill.”

Tom O’Brien, Co-Founder & CEO, HYM Investment Group:

“Today is a historic day in the Commonwealth. The Healey-Driscoll administration said they would tackle our housing crisis as a team, and this bill is proof-positive that teamwork will create affordable housing opportunities for all families in our state.”

Nicole Obi, President & CEO, Black Economic Council of Massachusetts:

“BECMA is grateful to the Healey-Driscoll Administration and Secretary Augustus for bringing together such a comprehensive housing bond bill. These critical investments and initiatives provide a path forward for equitable housing development in the Commonwealth, increasing affordable homeownership and supporting inclusive economic growth in our Black and Brown communities. We look forward to working with fellow stakeholders to ensure the bill is approved and funded as soon as possible.”

JD Chesloff, President and CEO, Massachusetts Business Roundtable:

“The members of the Massachusetts Business Roundtable – CEOs and Senior executives from large employers across the state – have made clear that the cost of living is our greatest challenge, and the cost of housing is a major driver of that. Our greatest competitive advantage has always been our talent, but we can’t attract and retain the best talent if they can’t afford to live here. I’m grateful to the Healey-Driscoll Administration for getting the ball rolling on confronting this major challenge with this bold and thoughtful proposal.”

Marc Draisen, Executive Director, Metropolitan Area Planning Council:

“This is the best housing bond bill I’ve seen in 40 years in the housing field. The amount (\$4.1 billion) is equal to the task. The commitment to public housing, where our neediest residents live, is dramatic, at over a third of the total resources. We’re especially pleased with \$150 million to get fossil fuel out of public housing and make these homes resilient in the face of climate change. And the bill is more than just money. It contains dozens of policy changes that will change the landscape for housing production and preservation across Massachusetts. We encourage the Legislature to act on it quickly.”

Jay Ash, President & CEO, Massachusetts Competitive Partnership, and Former Secretary of Housing and Economic Development:

“Our housing crisis is having a dramatically negative affect on our residents and our economy. This major housing proposal by Governor Healey, if adopted, would provide significant resources to address the multitude of needs we have for various forms of housing all around the state. We would urge a quick review and adoption of the housing bond bill as the housing crisis is becoming more dire and the long-term negative impacts to our economy threaten to become irreversible.”

Bob Giannino, President and CEO, United Way of Massachusetts Bay:

“Housing instability in Massachusetts is complex and pervasive, and we applaud the Healey-Driscoll Administration and Secretary Augustus for putting forward a comprehensive proposal that rises to the challenge this issue presents for our commonwealth. While it is most traumatic for the children, youth, families, and individuals who lose their homes, housing instability impacts everyone. When people are displaced from their homes, communities lose cohesion and diversity. It hampers the ability of businesses and organizations to recruit and retain workers. People who cannot afford housing near their jobs will commute further, have less of their paycheck left for food, and less time to invest in the wellbeing of

their family or activities that contribute to financial mobility. Furthermore, housing instability and homelessness is systemically expensive, fueling higher costs for emergency response, education, and healthcare. We must look to solutions like those put forward in the Housing Bond Bill to create housing opportunities and provide a foundation for thriving people, families, and communities.”

Aaron Gornstein, President and CEO, Preservation of Affordable Housing, Inc.:

“Governor Healey and Lt Governor Driscoll have demonstrated outstanding leadership on advancing affordable housing and the launch of this comprehensive housing bill is a prime example. Dramatic expansion of housing bond bill authorization amounts will fuel affordable housing production and preservation for thousands of households who are facing a housing crisis. Moreover, numerous important policy changes will lead to public housing revitalization, more effective use of surplus state land for housing, zoning reform, generate new housing funds at the local level, and address many other housing needs in all regions of the Commonwealth.”

Tamara Small, CEO, NAIOP Massachusetts, The Commercial Real Estate Development Association:

“While there is no silver bullet to addressing our housing crisis, the Governor’s proposal today tackles affordable and deeply affordable housing in the Commonwealth. NAIOP is supportive of the Governor's goals and looks forward to working with the Administration and the Legislature in the months to come to ensure that a final bill advances housing production.”

Jesse Kanson-Benanav, Executive Director, Abundant Housing Massachusetts:

“I am thrilled and proud of the Governor's announcement of this record Housing Bond Bill. At Abundant Housing Massachusetts, we take pride in

our goals to help educate, reform, and organize around the right to build and sustain affordable homes for all Massachusetts residents. If adopted, this historic bill would help bring huge progress towards solving our statewide housing shortage and ensuring that Massachusetts can be home to everyone. We commend Governor Healey and Lt Governor Driscoll for their strong efforts to build more housing choices, and we look forward to working with the legislature to pass this comprehensive package.”

Timothy Murray, President & CEO, Worcester Regional Chamber of Commerce:

“The housing bond bill represents a transformational investment in housing for the entire Commonwealth, including Central Massachusetts, where our fast-growing population and economy is challenged by one of the lowest rental housing vacancy rates in the country and rising home prices. The Healey-Driscoll administration’s policy and spending proposals, crafted under the leadership of Secretary Ed Augustus, are both innovative and desperately needed in Gateway Cities like Worcester to increase housing production and homeownership opportunities so everyone can afford to comfortably live, work, and play in the Commonwealth.”

Rev. Burns Stanfield, Board Chair, Greater Boston Interfaith Organization:

“GBIO is thankful to the Healey administration for using the housing bond bill as a tool to take an expansive step in addressing the housing crisis in Massachusetts through both preservation and production. \$1.6 billion allocated to the capital needs of state-funded housing authorities will make a tangible difference in restoring our housing supply to a dignified state, and the Real Estate Transfer Fee provision will open up many new opportunities for our communities to invest in developing affordable units.”

Gilbert Winn, CEO, Winn Companies:

“This record-setting housing bond bill demonstrates the Administration’s leadership and comprehensive vision for meeting the Commonwealth’s housing challenges. The historic funding commitment for affordable and middle-income apartments would make a sizable dent in the housing needs of our communities. The bill also illustrates real ingenuity around policies which incentivize private capital investment, new construction techniques, and new ways to accelerate housing production in cities and towns.”

Chrystal Kornegay, CEO, MassHousing:

“This bond bill is an historic investment in the people of Massachusetts, and in the state’s future. By delivering substantial levels of new housing production, unlocking new homeownership opportunities, and supporting the transition from fossil fuels to clean energy, the Governor’s legislation will make Massachusetts a more affordable and prosperous place to live.”

Amy Schectman, President and CEO, 2Life Communities:

“The housing bond bill provides critical support in addressing the unique needs of our aging population and ensuring access to affordable, supportive, and community-based housing. We applaud the Administration for including the commission in the housing bond bill. We look forward to productive engagement with the commission and working with Secretary Augustus to implement meaningful recommendations to the benefit of all of our aging neighbors.”

Clark Ziegler, Executive Director, Massachusetts Housing Partnership:

“The Governor’s housing bill is a powerful combination of capital investment in housing and bold policy reforms that are desperately needed and long overdue. It’s a broad-based approach that promises to unlock our Commonwealth’s housing potential, especially in smart locations near transit and town and neighborhood centers, and embraces

a number of MHP policy recommendations. After decades of inaction, we're up against the most severe housing shortage and housing affordability gap in our state's history. Now is the time for all of us in leadership positions to build consensus and take decisive action to ensure a future where people can afford to make Massachusetts their home."

Brooke Thomson, President, AIM:

"The 3,400 member companies of Associated Industries of Massachusetts (AIM) support Governor Healey's housing bond bill and its historic investments in housing production and preservation. The development of reasonably priced housing across the commonwealth will ensure that the workers who represent the economic future of Massachusetts can live here, raise families here and become part of their communities. Virtually every employer in Massachusetts has at one time heard a valued employee say: 'I love working for this company, but my family can't afford a house here.' AIM looks forward to working with the Healey-Driscoll Administration and the Legislature to ensure those conversations become a thing of the past."

Dara Kovel, CEO, Beacon Communities:

"On behalf of Beacon Communities, a developer, manager and owner of over 8,000 residences of affordable and mixed income housing throughout the Commonwealth, we would like to recognize and thank the Healey-Driscoll Administration and the Massachusetts Legislature for their commitment to improve housing affordability in Massachusetts. The policies and resources in the bond bill will substantially accelerate the production of affordable housing and provide relief to some of our most vulnerable residents across the Commonwealth."

Phineas Baxandall, Interim President, Massachusetts Budget and Policy Center:

“This is a big, bold bill that recognizes the massive scale of the Commonwealth’s housing problems. It includes meaningful state investment to improve existing public housing and empowers municipalities to use real estate transfer fees, collected on the sale of expensive properties, to fund local affordable housing efforts. The bill also takes a critical step toward protecting tenant rights by sealing eviction records, which will limit discrimination, advance racial justice, and improve access to housing.”

Emily Haber, CEO & President, Mass Association of Community Development Corporation:

“MACDC is pleased that the Healey-Driscoll Administration’s housing bond bill includes both the reauthorization of critical housing programs and bold policy proposals to address the Commonwealth’s housing crisis. We are very happy that the bill recognizes the essential role that CDCs play in the affordable housing ecosystem, by expanding, and making permanent, the Community Investment Tax Credit.”

Roger Herzog, Executive Director, The Community Economic Development Assistance Corporation:

“This bold new legislative package would significantly increase opportunities to finance and produce much-needed affordable housing especially for low-income households across Massachusetts through measures such as capital authorizations for housing programs, new zoning and funding resources, and a renewed focus on equity issues through the creation of an Office for Fair Housing. We applaud Governor Healey and her Administration for meeting this historic moment of need with impactful legislation.”

Lee Pelton, President and CEO, Boston Foundation:

“The Boston Foundation is encouraged by the Healey administration's continued focus on tangible solutions to our Commonwealth's housing needs. An equitable housing future for all of our residents requires the

deep partnership between government, the private sector, non-profits and philanthropy and this is a positive step upon which we can all build.”

Jeffrey Brem, President, Home Builders and Remodelers Association of Massachusetts:

“We applaud the Healey-Driscoll Administration for taking bold action to address the Commonwealth’s staggering housing crisis, which is a direct threat to our economy and competitiveness. Overcoming this crisis will require an array of expanded supports and innovative measures, including those offered today. We look forward to working with the Administration and Legislature to meet this challenge.”

Symone Crawford, Executive Director, Massachusetts Affordable Housing Alliance:

“The housing needs are astronomical. Massachusetts is in a state of emergency, and it will take bold moves to stabilize this affordable housing crisis for all. The Massachusetts Affordable Housing Alliance (MAHA) supports this Bond bill and anxiously awaits the positive impacts.”