

Supportive Housing Opportunities in the Affordable Homes Act and the FY 25 Budget

**Supportive Housing Pipeline Coalition Meeting
12/6/23**

Supportive Housing Pipeline Coalition

- Massachusetts' leaders are coming together to set goals for supportive housing creation that meets the needs of our population.
- The Coalition brings together over 80 organizations across systems and sectors to develop public policies, grow community support, and secure the resources to end chronic and high need homelessness in MA.



*This is just a sample of partners – please see the website for a complete list

MA Housing Bond Bill is a historic investment in Supportive Housing that will meaningfully impact housing supply compared to recent years

- The Housing Bond Bill, a comprehensive package of spending, policy, and programmatic actions, is the **largest housing investment in MA history and prioritizes the most vulnerable households**
 - Proposed investment (\$4.12B) is more than 2.5X greater than the next largest Housing Bond Bill
 - Up to 80% of funds will benefit low-income households, with up to 50% of proposed spending benefitting Extremely Low-Income households or residents with disabilities
- Bond Bill will fund or enable **40,000+ homes** that otherwise wouldn't be built
 - Funds or enables ~22,000 new homes for low-income households, including 4,000+ homes for ELI households

Priority for Supportive Housing - Detail I of II

- Supportive Housing Pool Fund
 - Establishes a Supportive Housing Pool Fund to support the production of permanent supportive housing
 - Administered by EOHLC directly or through contracts with CEDAC, MHP or MHFA or may enter into subcontracts with non-profit organizations

Supportive Housing Pool- Detail II of II

- Provides funding for stable housing options and supportive services to residents of permanent supportive housing, which may include, but not be limited to, staffing, case management, service coordination, or other tenancy-related services provided by a project sponsor or through a third-party, or other services or activities that the executive office has determined are essential to the day-to-day operation of permanent supportive housing.
- ***May work in consultation with*** executive office of health and human services, the executive office of elder affairs, the department of children and families, and the office of victim assistance, issue guidelines for the fund.

Capital Authorization Recommendation – Detail I of II (\$ millions)

Authorization Name	2018 Bond Bill	Proposal	Description
Housing Stabilization and Investment Fund	275	425	Consolidates the Housing Stabilization Fund and the Community Investment and Preservation Fund; supports preservation, new construction, and rehabilitation projects
Community Planning Grants	0	25	Makes grants to municipalities for planning and zoning initiatives that support housing
Housing Choice Grant Program	0	35	Provides payments to municipalities that receive a Housing Choice designation through high housing production and/or demonstration of best practices
Affordable Housing Trust Fund	400	800	Provides resources to create or preserve affordable housing for households whose incomes are not more than 110% of area median income
Momentum Fund	0	50	New: capitalizes a permanent, revolving fund (administered by MassHousing and seeded through state and private investment) to accelerate development of mixed-income multifamily housing
Neighborhood Stabilization	0	50	Funds the acquisition, rehabilitation, and sale of distressed properties.

Capital Authorization Recommendation – Detail II of II (\$ millions)

	Authorization Name	2018 Bond Bill	Proposal	Description
Vulnerable Populations	Community Based Housing	55	55	An initiative to support appropriate housing for people with disabilities who are not clients of DMH or DDS
	Housing Innovations Fund	100	200	Supports innovative and alternative forms of rental housing including single person occupancy (SPO) units, transitional and permanent housing for people experiencing homelessness, housing for seniors and veterans, and transitional units for persons recovering from substance abuse
	Facilities Consolidation Fund	65	70	Supports the development of appropriate community-based housing for Department of Mental Health and Department of Developmental Services clients
Public Housing				
	Public Housing Mixed Inc. Housing Demonstration	100	100	Supports Local Housing Authorities (LHAs) who partner with developers to add mixed-income developments on LHA land, leveraging funds to maintain and preserve public housing while increasing the overall housing supply
Other Agencies				
	State Surplus Property Disposition	0	30	New: authorization to support efforts to utilize state surplus land to address housing and other critical needs. Sites with existing, obsolete structures such as former hospitals or prisons may need costly demolition or environmental remediation

Policy Recommendations – Summary

Policy	Description
Statewide Housing Plan	Adds to EOHLIC's authorizing statute a requirement to prepare a statewide housing plan every 5 years, conducting regional outreach following robust data analysis
Office of Fair Housing	Establishes office within HLC with explicit focus on fair housing as an essential element of HLC's mission and establishes a trust fund for enforcement initiatives, fair housing testing, education, and outreach.
Inclusionary Zoning by Simple Majority	Adds inclusionary zoning ordinances and bylaws to the list of zoning changes municipalities can pass by a simple majority instead of a 2/3 super majority vote of city/town legislative body
Commission on Making MA an Age-Friendly State	Creates a commission to recommend policy, programs, financial and other investments to expand the supply of sustainable, broadly affordable supportive senior housing and address other elder care issues
Commission on Extremely Low Income (ELI) Housing	Creates a commission to recommend policy, programs, and other investments to expand the supply of housing that is affordable to ELI households

Tax Credit Recommendations

Along with the expansion of State Low Income Housing Tax Credit included in the Legislature's Tax Relief Bill, the Administration is considering inclusion further tax credit investments:

- **Community Investment Tax Credit Program (CITC)**
 - The Healey-Driscoll Administration is proposing to **make the credit permanent** and increase it from **\$12M to \$15M per year** to support the work of Community Development Corporations

Complementary Executive Orders

Executive Order	Description
Housing Advisory Council & State Housing Plan	Calls for immediate working group to develop a statewide housing plan and creates an advisory council to oversee and advise the development of the plan
Unlocking Housing Production Commission	Creates a commission to identify major barriers to housing production and recommend policy, programs, and other investments to improve the development environment and expand the supply of housing
Identifying Surplus Public Land for Housing	Calls on state and public agencies (including public colleges and universities, MassDOT, and the MBTA) to immediately examine their inventory of real estate interests to determine what property may be considered surplus and available for housing development

FY '25 Budget Priorities- Detail I of II

Line Item	Description and Connection to SH
7004-0104	Home & Healthy for Good - Flexible, gap-filler funding for low-threshold permanent supportive housing for individuals with disabling conditions who had experienced long-term homelessness. Used for operations, supportive services, and housing development. In FY23, helped support 788 existing SH units and 346 units in development.
7004-0102	Homeless Individuals Assistance Line Item - The “shelter line item” for unaccompanied adults is quite flexible and also helps to fund permanent supportive housing. In FY23, 1,747 SH units supported with funding for rent and/or services.
7004-0105	Sponsor-based Permanent Supportive Housing - Nonprofit organization holds the lease and then subleases to the tenants (“master leasing”). Operates as a Housing First model to house vulnerable adults exiting homelessness. In FY23, 532 units supported with 100% of leasing and, in some cases, funds for services.
4512-0200	Department of Public Health – Bureau of Substance Addiction Services (DPH-BSAS) Flexible, robust funding for low-threshold housing, employing a Housing First model. Supports both operating and service costs. Supports hundreds of SH units statewide.

FY '25 Budget Priorities- Detail II of II

Line Item	Description and Connection to SH
5012-9122	Dept of Mental Health rental assistance program - Provides rental assistance to units occupied by persons with low-income who receive supportive residential services through the state's Department of Mental Health (DMH). Clients pay 30% of their adjusted income toward rent and the rental vouchers cover the balance.
7004-9024	Massachusetts Rental Voucher Program - provides a combination of tenant-based and project-based rental vouchers to help people with low income find stable housing.
7004-9030	Alternative Housing Voucher Program - Helps solve the urgent issue of homelessness and institutionalization in the disability community by creating more accessible and affordable homes with over 1,000 vouchers.

Policy Priorities

Create a state interagency coordinating and financing team led by Executive Offices of Housing and Livable Communities (EOHLC) and Health and Human Services (EOHHS) to oversee efforts to address homelessness:

- Partner with more diverse leadership and community representation to set and advance goals

Launch a statewide effort to house all individuals and families experiencing chronic and high-need homelessness in MA:

- Stably house **4,000 households** experiencing chronic and high-need homelessness with SH by 2027 as a major step toward ending chronic and high-need homelessness, and creating a system to end all forms of homelessness
- Focus and coordinate efforts across the state, local, and federal levels to meet this goal
- Commit to fully implementing a Housing First model

Coordinate state funding streams to increase Supportive Housing development:

- Establish an initiative to finance SH units for chronic and high-need homeless populations that integrates supportive services, operating, and capital funding into one coordinated funding process through a collaboration between all relevant state funding agencies
- Commit the capital, rental subsidies, and services dollars for **4,000 SH units needed to meet the household target**. The resources can also be paired with existing affordable housing units to create SH units by adding needed services or subsidies

Target more state funded affordable housing as SH units for chronic and high-need households in the homeless system:

- All state rental housing production programs including EOHLC and the quasi-public housing agency programs should include priorities and/or set-asides to incentivize the creation of SH units needed to meet the 4,000 household target.
- Prioritize referrals for state funded SH from the homeless system
- Create 10,000 units of SH by 2030 as part of the state housing development goals and prioritize for this population

Strategy

- Advocate for AHA Supportive Housing Section as is

Pros: It will move forward easily and opens the door for further refinement

- Establishes a fund for Supportive Housing Services
- Fills gaps that currently exist in the system

Cons: Lacks innovation

- Only provides \$ for Services
- Doesn't change the way the rounds are deployed to braid all three legs of the SH funding streams
- Doesn't require cross agency collaboration and commitment to funding
- Doesn't include any funding for the Pool

Strategy

- Advocate for H. 1354 and S.855 to continue its legislative path

Pros: Keeps the innovation and intent of the Flex Pool

- Strong support from Joint Chairs on Housing to move to HWM

Cons: Potential Stall in legislature

- Not clear on path beyond HWM
- Potential friction with the administration re: AHA
- Missing the moment to mainstream Supportive Housing
- Doesn't include any funding for the Pool

Strategy

- Advocate for sections H. 1354 and S.855 to be included in AHA
 - Pros: Keeps the innovation and intent of the Flex Pool AND allows for it to move with the Bond Bill
 - Strong support from Joint Chairs on Housing to move to HWM

Cons: Potential Stall in legislature

- Additions and language changes will require further vetting, etc
- The section in AHA related to Supportive Housing may get removed in the larger package
- Doesn't include any funding for the Pool

Timeline for Housing Bond Bill and FY25 Budget

Dec 2023	Jan 2024	Feb 2024	March 2024	April 2024	May 2024	June 2024
<p>House side advocacy on Bond Bill begins</p> <p>Possible Housing committee Bond Bill Hearing</p> <p>Admin advocacy on FY25 Budget begins</p>	<p>House side advocacy on Bond Bill continues</p> <p>Likely Housing committee Bond Bill Hearing</p> <p>Admin advocacy on FY25 Budget continues</p>	<p>House side advocacy on Bond Bill continues</p> <p>Likely House Ways & Means Bond Bill Hearing</p> <p>FY25 Budget asks for Admin</p> <p>Mid-Feb FY25 Budget (H.2) submitted by admin</p> <p>FY25 House Budget advocacy begins</p>	<p>Senate side advocacy on Bond Bill begins</p> <p>Possible Senate Ways & Means Bond Bill Hearing</p> <p>FY25 House Budget advocacy continues</p> <p>FY25 Budget likely passed in House</p>	<p>Senate side advocacy on Bond Bill continues</p> <p>Likely Senate Ways & Means Bond Bill Hearing</p> <p>FY25 Senate Budget advocacy continues</p>	<p>Conference committee advocacy on Bond Bill begins</p> <p>FY25 Senate Budget advocacy continues</p> <p>FY25 Senate Budget likely passed in Senate</p>	<p>Conference committee advocacy on Bond Bill continues</p> <p>Bond Bill likely passed into law by end of month</p> <p>FY25 Conference Committee budget advocacy</p> <p>6/28 – FY25 Budget (H.2) passed</p>