

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.
- Currently 80 cross-partners developed and signed-on to a policy agenda.



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

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

Authorization Name		2018 Bond Bill	Proposal	Description
Housing Works	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
	Smart Growth / 40R	0	20	Provides incentive payments to municipalities who adopt smart growth housing districts, as stipulated in MGL 40R
Development				
	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

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 (I/II)

	Policy	Description
Reducing Barriers to Production and Preservation	Statewide Housing Plan	Adds to EOHLC’s authorizing statute a requirement to prepare a statewide housing plan every 5 years, conducting regional outreach following robust data analysis
	Accessory Dwelling Units As-Of-Right	Allows ADUs to be built by-right in all municipalities in single family zoning districts
	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
	Public Housing Reforms	Reforms several Public Housing requirements ¹ to support a healthy housing production and preservation environment, while ensuring tenants’ rights are protected
Commissions for Further Study	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

1. Including revisions to replacement value for Public Housing for MAAB, allowing LHAs to borrow against formula funding allocations to do larger capital projects, enhancing support for LHAs to undertake capital projects, ensuring resident protections in redeveloped housing authority projects, and various administrative reforms

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

Policy Recommendations – Summary (II/II)

	Policy	Description
Tenant Protections & Fair Housing	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.
	Supportive Housing Pool Fund	Creates a flexible supportive housing pool program to provide critical assistance for supportive housing by funding staffing, case management, service coordination and other tenancy-related services not funded through other sources.

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 Budget Priorities

Line Item	Description and Connection to SH
7004-0104	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
7004-0102	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
7004-0105	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

Line Item		FY 24 Budget	Description of Line Item
Housing Works	Housing Stabilization and Investment Fund	275	Consolidates the Housing Stabilization Fund and the Community Investment and Preservation Fund; supports preservation, new construction, and rehabilitation projects
	Sustainable and Green Housing Initiatives	50	Consolidates the existing Transit Oriented Housing Program and the Climate Resilient Housing Program; New: adds language to create a new, innovative program to accelerate / unlock new housing (e.g., social housing demonstration, office conversions, modular homes, etc.)
	HousingWorks Infrastructure Program	0	New: funds municipal infrastructure projects to encourage denser housing development
	Community Planning Grants	0	Makes grants to municipalities for planning and zoning initiatives that support housing
	Housing Choice Grant Program	0	Provides payments to municipalities that receive a Housing Choice designation through high housing production and/or demonstration of best practices
	Smart Growth / 40R	0	Provides incentive payments to municipalities who adopt smart growth housing districts, as stipulated in MGL 40R
Development	Middle-Income Housing Fund	100	For the Workforce Housing Fund administered by MassHousing; funds housing development for households earning up to 120% AMI
	CommonWealth Builder	0	New: Creates a permanent capital resource for an existing MassHousing program recently supported via ARPA funding; program spurs the construction of affordable single-family homes (for HHs 70-120% AMI) in Gateway Cities and other similar markets
	Affordable Housing Trust Fund	400	Provides resources to create or preserve affordable housing for households whose incomes are not more than 110% of area median income
	Momentum Fund	0	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	Funds the acquisition, rehabilitation, and sale of distressed properties.

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>

Policy Priorities

Revamp the ICHH as the state's coordinating and financing council to oversee efforts to address homelessness. The ICHH can include and partner with more diverse leadership and community representation to meet the major goal of housing 4,000 individuals and families experiencing chronic and high need homelessness, and set a path to end all homelessness in MA. **The ICHH should partner with the Coalition to advance the following policy initiatives:**

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 PSH across the state by 2027 as a major step toward ending chronic and high need homelessness.
- Focus and coordinate efforts across the state, local, and federal levels to dramatically reduce homelessness among the most complex and vulnerable people in the homeless system.
- Commit to fully implementing a Housing First model

Coordinate state funding streams to increase Supportive Housing development:

- Establish a supportive housing initiative to finance PSH 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 PSH units needed to meet the household target**. The resources can also be paired with existing affordable housing units to create PSH units by adding needed services or subsidies.

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

- All state rental housing production programs including DHCD and the quasi-public housing agency programs should include priorities and/or set-asides to incentivize the production of PSH units needed to meet the 4,000 household target.
- Prioritize referrals for state funded PSH from the homeless system.

Strategy