

# Western MA Housing Coalition – Affordable Homes Act Priorities **Recommended Amendments for the Legislature’s Consideration**

## Top Capital Program Priorities – Recommendations

Maintain the proposed funding levels for the **Affordable Housing Trust Fund; Housing Stabilization & Investment Fund; Housing Innovation Fund; Facilities Consolidation Fund; Workforce Housing Initiative; and Community-Based Housing.**

- Increase the maximum amount of funding allowed for each project or unit, to accommodate projects in softer markets like western Massachusetts.
- Ensure equitable distribution of capital funds by creating a rural set aside in the Qualified Allocation Plan, including scoring criteria and funding levels that recognize feasibility challenges in rural communities.

Maintain the major investment of **\$1.6 billion for public housing.**

- Revise the funding formula for small and rural housing authorities to account for the total number of buildings and developments managed, to support rural communities in maintaining their properties.
- Enact legislative changes that allow housing authorities to make most efficient use of capital funding, including: preference for mixed-finance developments that retain and replace public housing units; removing the home rule petition requirement for housing authorities to merge; and allowing for c. 149 procurement exemption for public housing redevelopment and new development.

## Additional Capital Program Priorities – Recommendations

Maintain the proposed funding levels for the **Commonwealth Builder Program; Neighborhood Stabilization Program; Home Modification Loan Program; Sustainable and Green Housing Initiatives; Momentum Fund; and the State Surplus Property Disposition Fund.**

- **Commonwealth Builder:** Remove the 10-unit minimum and advocate for flexibility by accepting smaller projects from a wider range of communities, including economically distressed rural communities.
- **Home Modification Loan Program:** Structure as an evaporating loan, instead of a zero-interest loan. The loan amount should reduce by 10% each year and fully extinguish after ten years, if the recipient has remained in the home for that full period of time.

Maintain proposed funding for **Housing Works** (Infrastructure Program, Housing Choice Grant Program, Community Planning Grants and Smart Growth/40R Program) to provide localities with resources and capacity to build more housing.

- **HousingWorks Infrastructure Program:**
  - o Instead of a “preference” for projects that serve multi-family zoning districts, require a minimum of 50% of the funding be allocated to projects that serve multi-family zoning districts with a minimum 15 units per acre.
  - o Create a rural set aside to support infrastructure like septic and wells.

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## Tax Credit Proposals – Recommendations

- Preserve the **Community Investment Tax Credit (CITC)** by eliminating the sunset provision and increasing the annual cap from \$12M to \$15M.
- **Homeownership Tax Credit:**
  - o Allow Direct Pay for nonprofits, in lieu of a tax credit.
  - o Remove the 10-unit minimum.
  - o Include rehab as a specific eligible use.
  - o Increase the percentage of credits allocated for projects in western Massachusetts and allocate a higher percentage of credits depending on the income of the homebuyer:
    - 55% of total qualified project cost for homes sold to buyers up to 80% AMI
    - 50% of total qualified project cost for homes sold to buyers up to 100% AMI
    - 45% of total qualified project cost for homes sold to buyers up to 120% AMI

## Policy Priorities – Recommendations

Specific recommendations for changes below:

- Executive Office of Housing & Livable Communities (EOHLC) **statewide housing plan:**
  - o Require EOHLC to set production goals by region to guide program administration and focus the State’s work on a consistent target.
  - o Require the plan to link capital and programmatic resources available (through the housing bond bill and annual budget) and set comprehensive goals for supporting housing stability and increasing housing production.
  - o Require EOHLC to leverage the Commissions created in the AHA, to inform the housing plan, goals and strategies.
- **Real estate transfer fee** to fund affordable housing development:
  - o Amend to allow for a transfer fee on the total transaction for sales over \$1 million (not only the portion over \$1 million) or the county median sale price for a single-family home when the median sales price is below \$750,000.
  - o Remove the requirement for the fee to be borne entirely by the seller, to provide flexibility.
  - o Set the max affordability restriction for homeownership at 15 years (30 years for rental).
  - o Allow municipalities to adopt additional exemptions based on community needs.
- **Non-profit receivership:** the Attorney General Office’s Neighborhood Renewal Division should allow qualifying nonprofits to access the Abandoned Housing Initiative Receivership Fund (AHIR) for acquiring and rehabbing the property.
- **Eviction record sealing:** Allow automatic sealing in certain cases, such as no-fault evictions and judgments in favor of the tenant
- **Supportive housing pool:** It is important to capitalize this fund with \$100M, to ensure it is truly available to meet this need.
- **Rural & Western MA Inclusion:** Include meaningful western MA representation, including representation from rural communities, on the Housing Advisory Council, the Unlocking Housing Production Commission, and the Commission on Making MA an Age-Friendly State.