

The Herald News

More spending could ease affordable housing crunch, advocates say

By Chris Lisinski / State House News Service

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BOSTON -- Amid growing warnings about declining access to affordable housing, advocates are urging lawmakers to ramp up investments in key programs beyond what was already proposed in the House leadership budget.

The Ways and Means Committee's fiscal year 2020 budget boosts funding for the state's rental voucher programs and substantially increases funding for public housing for the first time in a decade. But given the strained rental market, inflating home prices and slow production, affordable housing groups hope to see several amendments adding millions more in spending.

"Even though there's strong funding for affordable housing programs, the need for these programs is so much greater in terms of people who need access to safe and affordable homes," said Eric Shupin, director of public policy for the Citizens' Housing and Planning Association.

One of the top priorities for CHAPA is expanding the Massachusetts Rental Voucher Program, which offers subsidies to help low-income households afford rent payments. The Ways and Means budget did propose \$110 million in funding, which is \$10 million higher than both the current budget and Gov. Charlie Baker's recommendation for next year.

Advocates, however, want to see another \$20 million added, arguing that the additional increase will help extend vouchers to hundreds more families and, crucially, update the program's market standards for rent. Rep. Paul Donato proposed the increase in a budget amendment.

Vouchers can only be used to help pay for apartments priced under a threshold set in 2005. As a result, Shupin said, the state voucher standard undervalues the real cost of rent in Massachusetts. For example, the voucher standard for a two-bedroom apartment in Boston is \$1,392 per month, he said, but the federal Department Housing and Urban Development sets the fair market rent standard for the same type of unit in the same location is much higher at \$2,194 per month.

"With standards set back in 2005, it can be hard to find an apartment today at that 2005 value," Shupin said. "One hundred thirty million would allow us to cover the current market standard so it can cover more rent and be used in high-rent areas like Boston."

Another proposal housing organizations support is a revival of the state's shuttered rental and mortgage arrears program. Until the system was cut in 2003, households in need — often under the duress of a medical or family emergency that left someone out of work — could access financial assistance to help stave off eviction. The state still offers a program for those who have been evicted already, but a Rep. Marjorie Decker amendment would reinstate the arrears program to prevent as many families as possible from reaching that point.

Citing data from the state's old program, Decker said the average rental arrearage payment was about \$1,250 per case, well below the \$14,670 cost to shelter a displaced family, making it a "cost-effective" option. About 96 percent of arrears recipients maintained stable housing without any additional support needed, she said.

Her amendment would increase the post-eviction support fund to \$27 million and set aside \$7 million of it for arrears.

"There's a lot of data that shows when families get evicted, it's much harder to get into a number of units," Decker said. "You are immediately disqualified from a number of programs that could help you. You tend to move to a neighborhood that's even more low-income...this is really about stabilization."

Experts have warned in recent years that the already-tight housing market in Massachusetts may become even more challenging in the coming years. A report earlier this month from the Federal Reserve Bank of Boston's New England Policy Center suggested that the state needs to invest between \$843 million and \$1 billion per year to ensure affordable housing keeps up with population growth.

Despite their requests for additional funding, housing organizations praised the initial Ways and Means budget and thanked lawmakers for the support already given. One of the most significant proposals included in the draft is a \$7 million increase to public housing operations, the first time that line item has seen such significant growth since a \$5 million boost in fiscal year 2009.

"This is a step in the right direction in terms of supporting the resources that can help meet our affordable housing needs," Shupin said of the budget. "However, it's certainly not enough to provide an affordable home to everyone who needs one in the Commonwealth."