



July 28, 2023

The Honorable Lydia Edwards
Senate Chair
Joint Committee on Housing

The Honorable James Arciero
House Chair
Joint Committee on Housing

Re: Testimony in support of An Act to improve the housing development incentive program, An Act relative to reforming the housing development incentive program, and An Act to reform housing development incentive program tax credits

Dear Chair Edwards, Chair Arciero and esteemed members of the Joint Committee on Housing:

On behalf of the Massachusetts Coalition for the Homeless, I would like to thank you for the opportunity to testify this week in strong support of Senate Bill 870, An Act to improve the housing development incentive program; Senate Bill 863, An Act relative to reforming the housing development incentive program; and House Bill 1300, An Act to reform housing development incentive program tax credits. Please accept this written testimony to supplement the Coalition's oral testimony.

The Coalition is a statewide public policy and direct service organization that is committed to ensuring that everyone in the Commonwealth has a safe and permanent place to call home. Unfortunately, as you know, we currently are far from that goal.

At a time when Massachusetts is the third least affordable state in the nation for renters¹; affordable housing resources are immensely below scale; the number of families in the Emergency Assistance family shelter program is just under 5,000 for the first time in the program's four-decade history²; and homelessness among older adults and unaccompanied youth continues to rise dramatically, we need to do all we can to expand access to long-term affordable housing for very low-income and extremely low-income families and individuals.

All three of these bills would ensure that at least 20% of the units subsidized under the Housing Development Incentive Program (HDIP) are affordable to families and individuals with incomes at or below 50% of the area median income. Currently, as there are no HDIP affordability requirements, the vast majority of HDIP credits are subsidizing market-rate and luxury units. Senate Bill 870 would go further by also adding in anti-displacement protections for low-income

¹ Each year, the National Low Income Housing Coalition (NLIHC) releases its annual Out of Reach report, which looks at the cost of housing for renters across the United States. In the 2023 report, which was released in June, Massachusetts retained its ranking as the third least affordable state in the nation. NLIHC has calculated that a Massachusetts worker would need to earn \$41.64/hour, or work 111 hours/week at minimum wage, to afford a fair market rent two-bedroom apartment while also paying for other basic needs. See <https://nlihc.org/oor/state/ma>.

² See WBUR coverage, "State-funded shelters in Mass. reach new record: nearly 5,000 families," from July 25, 2023: <https://www.wbur.org/news/2023/07/25/family-homelessness-record-high>.

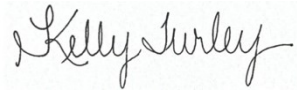
residents in Gateway Cities impacted by HDIP developments; increasing HDIP transparency and accountability; and ensuring a more equitable distribution of HDIP tax credits across the twenty-six cities designated as Gateway Cities, as compared to the current concentration of HDIP credits in just three Gateway Cities: Worcester, Springfield, and Lowell.

The Commonwealth's housing crisis is disproportionately impacting extremely low-income households, especially in Black and Latinx communities. These bills offer a way to make relatively minor adjustments to HDIP that would have an outsized positive impact on equity. Such modest and commonsense changes are urgent as the Legislature is poised to make significant new investments in the Housing Development Incentive Program.

The Massachusetts Coalition for the Homeless urges the Joint Committee on Housing to report out Senate Bill 870, Senate Bill 863, and House Bill 1300 swiftly and favorably. We also ask you to continue to actively support the bills throughout the remainder of the 2023-2024 legislative session and do all you can to see that they become law.

Thank you for your consideration of these timely and important bills. We are grateful for your continued efforts to promote housing access and equity in the Commonwealth.

With hope,



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