Massachusetts Doubles Down: Legislature Invests in Continued Success of Housing Trust Fund

by Michael Anderson // 2013, Fall

In early September, MassHousing and the Massachusetts Department of Housing and Community Development announced $11.5 million in Affordable Housing Trust Fund (AHTF) loan closings to create or substantially rehabilitate and preserve the affordability of 1,506 apartments in the seven communities: Boston, Cambridge, Chicopee, Lawrence, Mashpee, Springfield and Stow. The announcement followed the passage of H.3492 in the Massachusetts Senate in late July, authorizing $1.4 billion in capital spending over the next five years, including $305 million for the state's Affordable Housing Trust Fund. H.3492 is expected pass through the House and then head to the Governor for a final signature in November.

The awards announced in September include the rehabilitation 967 apartments in Hyde Park; the rehabilitation 152 existing apartments and construction 49 new apartments in Dorchester; the rehabilitation of 141 apartments in Springfield; 134 apartments in Chicopee; 50 apartments in Cambridge; 18 apartments in Lawrence; 30 apartments in Stow; and 10 apartments in Mashpee.

"These latest Affordable Housing Trust Fund closings underscore how important it is to continue not only creating new affordable housing but preserving the affordability and rehabilitating existing affordable housing around the Commonwealth," said MassHousing Executive Director Thomas R. Gleason. *"Several of these developments will additionally be part of major neighborhood revitalization projects and the AHTF funding has played an important role in completing the financing packages needed to get these projects underway and completed."*

The Massachusetts Affordable Housing Trust Fund provides resources to create or preserve affordable housing throughout the state for households whose incomes are not more than 110% of median income. Funds are available for rental, home ownership and mixed-use projects as well as housing for the disabled and homeless. AHTF funds are used primarily to support private housing projects that provide for the acquisition, construction or preservation of affordable housing. MassHousing and the

Department of Housing and Community Development jointly administer AHTF. Since establishing the Housing Trust Fund in 2001, Massachusetts has invested nearly $300 million into homes and apartments for families, people with disabilities, people who are homeless, and other people priced out of their local housing market.

MassHousing and the Department of Housing and Community Development give preference for funding to projects that produce new affordable housing, create housing for households at or below 80% AMI, include housing for families, people with disabilities and people who are homeless, have the longest terms of affordability, leverage other private and non-state funding sources, and are most likely to commence development in a timely manner upon approval of funding. Eligible applicants for the Massachusetts Affordable Housing Trust Fund include governmental subdivisions, community development corporations, local housing authorities, community action agencies, community-based or neighborhood-based non-profit housing organizations, other non-profit organizations, for-profit entities, and private employers. AHTF funds are flexible to ensure a project's financial feasibility. Eligible activities include deferred payment loan; low- or no-interest amortizing loans; downpayment and closing cost assistance for first-time home buyers; credit enhancements and mortgage insurance guarantees; matching funds for municipalities that sponsor affordable housing projects; and matching funds for employer-based housing. Eligible projects must be consistent with the Massachusetts ' Sustainable Development Principles and have a minimum term of affordability of 30 years.

Thanks to the successful track record of Affordable Housing Trust Fund, well coordinated advocacy of Citizens Housing and Planning Association (CHAPA) and Massachusetts Association of Community Development Corporations (MACDC) and strong political support in the Massachusetts legislature, the passage of H. 3492 will ensure robust investment in the Fund through 2020. Working through a broad coalition of housing, homeless and community advocates called "Building Blocks," CHAPA helped coordinate meetings with legislators, legislative testimony, and generate grassroots support for the Affordable Housing Trust Fund, as well as the funding for 10 other programs related to increasing housing opportunity in the Bay State. MACDC brought 200 people to the State House earlier this year in the early summer to rally for H. 3492.

In addition to the $305 million allocated to the AHTF, H.3492 directs $500 million for repairs and improvements to public housing; $100 million to the Capital Improvement and Preservation Trust Fund; $135 million to the Housing Stabilization and Investment Trust Fund; $80 million to the Housing Innovations Trust Fund; $55 million for the home modification program; $50 million for a public housing demonstration program; $47 million for the Facilities Consolidation Fund; $45 million for the Commercial Area Transit Node Housing Program; $45 million for the Early Education and Out of School Time Capital Fund; and $38 million for the community-based housing program which assists persons with disabilities to live in the least restrictive settings possible.

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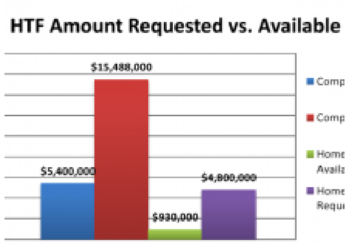

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