



Supporting Vulnerable Populations, First-Time Homebuyers and Seasonal Communities

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Introduction

The state's high housing costs are particularly acute for low-income households. In Massachusetts, 64% of renters earning less than \$35,000 per year – which equates to more than 200,000 households – spend *half* their income on housing. At the same time, homeownership is increasingly out of reach, especially for Black and Brown communities, with the Black and Latinx homeownership rate *half* of homeownership rates for White communities.

To help some of our most vulnerable neighbors, the Affordable Homes Bill includes up to **\$3.4B** in authorizations – more than **80%** of the bill's total capital authorizations – that will go toward assisting low-income housing. **These investments will create approximately 22,000 new affordable housing units, including more than 4,000 units reserved for Extremely Low Income (ELI) households. The bill also supports an additional over 12,000 units of middle-income housing.**

The bill additionally authorizes several hundreds of millions of dollars to **create an estimated 1,900 new homeownership opportunities.**

The bill also provides a path for **seasonal communities** – parts of the Commonwealth that experience wide seasonal swings in population and employment – to receive a **special designation** that will facilitate design of programs serving their special housing needs, while providing a **local option property tax exemption for the development of year-round rental housing.**

Serving Seniors, People with Disabilities and Other Vulnerable Populations

The Affordable Homes Bill invests in some of Massachusetts' most vulnerable populations, including individuals working with the Department of Mental Health and the Department of Developmental Services, and individuals with disabilities returning home from institutional settings.

- **\$200M for the Housing Innovations Fund (HIF):** 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.
- **\$70M for Facilities Consolidation Fund (FCF):** Supports the development of appropriate community-based housing for Department of Mental Health (DMH) and Department of Developmental Services (DDS) clients.

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- **\$55M for Community Based Housing (CBH):** Supports appropriate housing for people with disabilities who are not clients of DMH or DDS.
- **\$60M for the MA Rehabilitation Commission Home Modification Program:** Provides funding to modify homes of individuals or families with disabilities or seniors so they may maintain residency or live in a home rather than an institutional setting.
- **Amended Alternative Housing Voucher Program (AHVP):** Amends the AHVP statute to allow for project-based vouchers serving non-elderly persons with disabilities.
- **FCF, CBH and HIF – Technical Changes to Prior Authorizations:** Amends prior authorizations of FCF, CBH and HIF to better serve the changing needs of DMH/DDS clients, other persons with disabilities and other vulnerable populations by clarifying that (i) FCF, CBH and HIF loans may be refinanced and (ii) FCF, CBH and HIF property owners may transfer an affordable housing restriction to a new property if it is determined that clients will be better served at an alternative property.
- **Establishing a 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.

Encouraging Homeownership

Creating a path for moderate income households to become homeowners is critical to promoting equity and opportunity, while at the same time investing in neighborhood stability.

- **\$100M for Middle-Income Housing Fund:** Formerly known as the “Workforce Housing Fund;” funds housing development for households earning up to 120% Area Median Income (AMI).
- **\$100M for Commonwealth Builder:** 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 households with 70-120% AMI) in Gateway Cities and other similar markets.
- **Up to \$50M for the Affordable Housing Trust Fund** to create and maintain homeownership opportunities for first time homebuyers.
- **Receivership Reforms for Affordable Housing:** Amends the state’s receivership statute to permit courts to expeditiously approve the sale of vacant properties in receivership to a nonprofit for the fair market value of the property “as is” if the entity will rehabilitate and sell affordably to an income-eligible first-time homebuyer.

- **Homeowner Production Tax Credit:** New tax credit to incentivize production of affordable homeownership units targeting households with incomes of up to 120% AMI; credit helps cover the gap between the development costs and the state's estimate of the value of the finished home.

Addressing the Special Needs of Seasonal Communities

Areas of the Commonwealth that depend on seasonally-based tourism experience wide fluctuations in population and employment at different times of the year. These communities often face special housing challenges, not only due to increased need for locally-based workers during the tourist season(s), but also because they often lose much of their year-round housing stock to short-term rentals and vacation homes.

- **Seasonal Communities Designation:** Creates the framework for designating communities with substantial seasonal variations in employment and housing needs, as a critical initial step to developing programs targeting seasonal communities; creates a Seasonal Communities Coordinating Council to provide advice and recommendations to EOHLC regarding regulations governing designation of cities and towns as seasonal communities.
- **Seasonal Communities Local Option Property Tax Exemption:** Establishes a local option property tax exemption for the development of year-round rental units.