

## HOUSING BOND BILL SUMMARY – H.4536

- Title:** AN ACT FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR LOW AND MODERATE INCOME RESIDENTS
- Sponsors:** Rep. Kevin G. Honan & Sen. Linda Dorcena Forry
- Prior History:**
- 1/18/2017: Rep. Kevin Honan & Sen. Linda Dorcena Forry file Housing Bond Bill ([H.675](#))
  - 4/24/2017: Governor Baker files Housing Bond Bill ([H.3653](#))
  - 7/23/2017: Hearing before Joint Committee on Housing
  - 9/25/2017: Reported favorably out of Joint Committee on Housing ([H.3925](#))
  - 11/1/2017: Hearing before House Committee on Bonding, Capital Expenditures & State Assets
  - 1/11/2018: Reported favorably out of House Committee on Bonding, Capital Expenditures & State Assets ([H.4108](#))
  - 1/22/2018: Reported favorably out of House Committee on Ways and Means
  - 1/24/2018: Passed by House of Representatives (150 YEAS to 1 NAY) ([H.4134](#))**
  - 2/13/2018: Hearing before Senate Committee on Bonding, Capital Expenditures & State Assets
  - 3/1/2018: Reported favorably out of Senate Committee on Bonding, Capital Expenditures & State Assets ([S.2317](#))
  - 3/22/2018: Reported favorably out of Senate Committee Ways and Means ([S.2368](#))
  - 3/29/2018: Passed by Senate (34 YEAS to 0 NAYS) ([S.2386](#))**
  - 4/11/2018: House Conferees Appointed (Honan-McGonagle-Hill)  
Senate Conferees appointed (Boncore-Keenan-O'Connor)
  - 5/23/2018: Conference bill ([H.4536](#)) released, adopted by House and Senate, and sent to Governor for his signature**

### SUMMARY:

Five-year, \$1.8 billion authorization of housing bond accounts. These accounts fund affordable housing, housing for people with disabilities or mental illness, housing built in transit oriented locations, and permanent and transitional housing for people experiencing homelessness. These accounts also fund affordable housing preservation, public housing modernization, home modifications, and early education and out of school time organizations.

In addition to funding housing bond accounts, this law extends and expands the authorization of the state low income housing tax credit, the Community Investment Tax Credit, and the state Historic Tax Credit. The bill also extends the Brownfields Tax Credit and the Housing Development Incentive Program.

The bill also authorizes MassHousing to provide services outside of the Commonwealth; provides a right of first refusal for DHCD to purchase developments assisted by the Facilities Consolidation Fund and the Community Based Housing program; and creates a special commission to study housing for persons with disabilities in Massachusetts.

Makes the following amounts available to fund a five-year capital outlay program for housing:

<b>Line Item</b>	<b>Fund</b>	<b>Summary</b>	<b>Authorization</b>
7004-0049	Home Modification Loan Program (HMLP)	Home modification program for homeowners or tenants with a household member with blindness or a severe disability to improve the accessibility of their primary residence.	\$60,000,000
7004-0050	Facilities Consolidation Fund (FCF)	Facilities Consolidation Fund for the development of community based housing or supportive housing serving individuals with mental illness and individuals with intellectual disabilities.	\$65,000,000
7004-0051	Community Based Housing (CBH)	Community Based Housing program for the development and redevelopment of community based housing and supportive housing for individuals with disabilities who are institutionalized or at risk of being institutionalized, and are not eligible for assistance under the FCF.	\$55,000,000
7004-0052	Affordable Housing Trust Fund (AHTF)	Affordable Housing Trust Fund for the development and preservation of community affordable and mixed income housing.	\$400,000,000
7004-0053	Housing Stabilization Fund (HSF)	Housing Stabilization and Investment Trust Fund for projects that develop and support affordable housing developments and homeownership affordability in urban, suburban, and rural areas, through the acquisition, rehabilitation, new construction and preservation of affordable housing.	\$160,000,000
7004-0054	Public Housing - General	Funding for the modernization of public housing including projects providing for capital improvements, renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, adaptations for compliance with the ADA, day care facilities, learning centers and teen service centers, and the adaptation of units for persons with disabilities.	\$600,000,000
7004-0055	Public Housing Demonstration Program	Funding for a five-year demonstration program for cost effective revitalization of state family and elderly and disabled public housing.	\$50,000,000
7004-0056	Housing Innovations Trust (HIF)	Housing Innovations Trust Fund for the development of alternative forms of rental and ownership housing. 25% of funds must be used for projects that benefit families and individuals with incomes not more than 30% of area median income.	\$100,000,000

<b>Line Item</b>	<b>Fund</b>	<b>Summary</b>	<b>Authorization</b>
7004-0057	Capital Improvement and Preservation Fund (CIPF)	Capital Improvement Preservation Fund for the preservation and improvement of existing privately owned, state or federally assisted housing.	\$125,000,000
7004-0058	Commercial Area Transit Node Housing Program (CATNHP)	Commercial Area Transit Node Housing Program for the development of residential housing units and mixed use developments located in neighborhood commercial areas. 50% of the housing built in these projects must benefit persons with incomes not more than 80% of area median income.	\$50,000,000
7004-0060	Workforce Housing Fund	Workforce Housing Initiative run by MassHousing that targets individuals and families with incomes of 61% to 120% of Area Median Income and provides up to \$100,000 of subsidy per workforce housing unit to create 1,000 new units of workforce housing statewide.	\$100,000,000
3000-0400	Early Education and Out of School Time Capital Fund	Early Education and Out of School Time Capital Fund for the development of eligible facilities for early care and education and out of school programs. 25% of families served must be eligible for public subsidy.	\$45,000,000
<b>TOTAL</b>			<b>\$1,800,000,000</b>

**Early Education and Out of School Time Capital Fund (EEOST)**

Amends the definition of “eligible facility” to require that 50% of families served by early care and education and out of school programs be eligible for public subsidy. The current law has a lower requirement of 25%. Also amends the definition of “eligible organization” to require that organizations serve families who are eligible for public subsidy at the time of application for funds.

**Capital Improvement and Preservation Fund (CIPF)**

Allows an eligible property acquired to preserve or improve the property to remain eligible for funds regardless of actions taken by the purchaser to renew or extend state or federal contracts or subsidies.

**State Low Income Housing Tax Credit (LIHTC)**

Extends the state LIHTC through 2025 and expands the credit for an additional \$5 million per year for projects that preserve and improve existing state or federally assisted housing. With the expansion, the total state LIHTC annual allocation will be \$25 million. Strikes language that prevented projects with funding from the Capital Improvement and Preservation Fund from receiving tax credits.

**Brownfields Tax Credit**

Extends the Brownfields Tax Credit for five years.

**Community Investment Tax Credit**

Extends the community investment tax credit to 2025 and gradually raises the cap on total credits from \$6 million to \$12 million. Enables Department of Housing and Community Development to allocate to community partners up to 2.5% of the total credits available each year. Allows Department of Housing and Community Development to waive that cap if it determines it would not be able to fully allocate the credits.

**State Historic Tax Credit**

Expands the state Historic Tax Credit by \$5 million for an total annual allocation of \$55 million.

**Housing Development Incentive Program Tax Credit (HDIP)**

Extends authorization of the housing development incentive tax credits at \$10 million per year through 2024.

**MassHousing**

Authorizes MassHousing to provide services outside of Massachusetts in three ways: (1) contract administration services in connection with any HUD multifamily rental subsidy program; (2) loan servicing for one to four family residential mortgage loans, provided the majority of loans serviced are secured by mortgages on property located in Massachusetts; and (3) loan servicing related to residential mortgage loans in partnership with governmental or quasi-governmental agencies.

**DHCD Option to Purchase FCF and CBH Projects**

Grants the Department of Housing and Community Development (DHCD) an option to purchase any housing units assisted by the Facilities Consolidation Fund (FCF) or the Community Based Housing (CBH) program within 120 days after the expiration of affordability restrictions.

**Commission on Housing for Persons with Disabilities**

Creates a special commission to study housing for persons with disabilities in Massachusetts.