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## COMMUNITY DEVELOPMENT

# Affordable Housing Is a Worthy Investment

## MA Communities Strengthened by \$1.8B Bond Bill

BY ROGER HERZOG

SPECIAL TO BANKER & TRADESMAN



It's clear to see the benefits for Massachusetts when the state invests in community development – thousands of affordable housing units are created, child care facilities are upgraded and seniors gain an opportunity

to age in place. We saw the most recent example of the commonwealth's support in May, when Gov. Charlie Baker signed the \$1.8 billion Housing Bond Bill into law. The bill will allow for new capital spending on affordable housing production and preservation in Massachusetts.

The bill signing was held at The Harry and Jeanette Weinberg House, a supportive senior housing complex in Brighton that Jewish Community Housing for the Elderly (JCHE) is constructing. Weinberg House, which will provide 61 new affordable units, exemplifies a creative approach to allow elders to age in community. The project secured funding from the state's Housing Innovations Fund (HIF) and Facilities Consolidation Fund (FCF), two supportive housing programs reauthorized by the Bond Bill, along with housing tax credits and other public and private financing.

The truth is, there is virtually no affordable housing development in Massachusetts that hasn't utilized at least some Bond Bill-funded resource.

CEDAC administers capital programs that the Department of Housing and Community Development (DHCD) uses to create supportive housing, which allows those requiring services to live independently in community based settings. Those capital programs are HIF, FCF and the Community Based Housing (CBH) program. Additionally, we manage the Home Modification Loan Program (HMLP) in collaboration with the Massachusetts Rehabilitation Commission and DHCD, and the Early Education and Out of School Time (EEOST) Capital Fund with our affiliate, Chil-

dren's Investment Fund, and the Massachusetts Department of Early Education and Care (EEC).

HIF was the original housing bond program, and since 1987, DHCD and CEDAC have committed \$257 million to produce 13,643 units for the homeless, victims of domestic violence, individuals living with HIV/AIDS, elders, disabled veterans and single working adults. In the last 25 years, we have financed 2,461 units with \$143.8 million of FCF funding, which provides housing for clients of the Departments of Mental Health (DMH) and Developmental Services (DDS). With CBH, which is designed to provide integrated housing opportunities for disabled residents who are not clients of DMH or DDS, we have allocated \$50.7 million to produce 354 fully accessible units.

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### State Housing Programs Reauthorized

The Bond Bill also reauthorized funding for HMLP and EEOST. HMLP provides low- or no-interest loans to make access modifications, such as ramps, lifts and bathroom modifications. HMLP has provided 2,742 total loans in the amount of \$62.7 million since the program's beginning. EEOST offers grants to non-profits building early education or out of school time facilities. Since 2013, \$19.2 million in EEOST funding has supported 25 child care facility projects throughout Massachusetts.

We are particularly gratified to see the support that the Bond Bill received both from the legislature

and the Baker administration because these programs are effective. The legislation included \$100 million in funding for HIF; \$65 million for FCF; \$55 million for CBH; \$60 million for HMLP and \$45 million for EEOST.

In addition to these bond investments, the legislation extended the state housing tax credit program. This action will help Massachusetts continue to preserve and produce affordable housing units, even as the recent federal tax reform law has diminished the value of the federal tax credit program. The final legislation extended the state housing tax credit program through 2025 at an annual level of \$20 million and authorized an additional \$5 million per year in tax credits specifically targeted to affordable housing preservation. Given the state's well-documented challenges with existing projects facing expiring affordability, these additional state credits will help to maximize preservation. Finally, the Bond Bill also extended the Community Investment Tax Credit (CITC) program for community development corporations and the Workforce Housing program, both of which are important components to developing more affordable housing for households with a range of incomes.

What is most remarkable is how many people worked hard on behalf of the Housing Bond Bill. That includes legislative champions like state Rep. Kevin Honan and state Sen. Joe Boncore, co-chairs of the Joint Committee on Housing; members of the executive branch, including Gov. Charlie Baker, Lt. Gov. Karyn Polito, Housing and Economic Development Secretary Jay Ash, Undersecretary of DHCD Janelle Chan and MassHousing executive director and former DHCD Undersecretary Chrystal Kornegay; and countless advocates.

Community development remains strong in Massachusetts because of their efforts – and in turn, our communities are strengthened by having affordable homes and quality child care. ◀

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