



September 3, 2013

Senator Stephen Brewer
Senator James Eldridge
Senator Bruce Tarr
State House
Boston, MA 02133

Representative Brian Dempsey
Representative Kevin Honan
Representative Todd Smola

RE: *An Act financing the production and preservation of housing for low and moderate income residents.*

Dear Distinguished Conferees,

MACDC is extremely pleased that both the House and Senate have passed versions of the Affordable Housing Bond Bill. Given the similarity between the two bills, we hope that any differences can be resolved quickly so that these important investments can be made at a critical time for the Commonwealth's economy.

The housing challenges facing the Commonwealth are well known to you and other members of the Legislature: rents exceed what many families can afford; homeownership rates have declined due to the foreclosure crisis, and the overall shortage of housing that is affordable across the full range of incomes has a negative impact on the Commonwealth's economic growth. In short, we need more housing, we need to preserve the affordable housing that we have and we need to act with a sense of urgency.

Both bills authorize \$1.4 billion in capital spending over the next five years and extend the Low Income Housing Tax Credit at \$20 million per year through 2020. With no authorization left for the Low Income Housing Tax Credit and little remaining for the Public Housing and Community Based Housing programs, it is critical to have final passage of the bill by the end of September.

While both the House and Senate versions are substantially similar, there are a few areas that are different and we respectfully offer our recommendations:

- **Housing Stabilization and Investment Trust Fund (7004-0043):** Both the House and Senate bills make helpful changes to the homeownership in weak markets provision. MACDC prefers the Senate's language which allows for up to \$10 million to be used for this purpose and dedicates the funds for the renovation or new construction of 1 to 6 unit residential buildings.

- **Chapter 40B:** We are deeply concerned by additions made to the housing bond bill that affect both production of and access to affordable housing. Language within both the House and Senate bills undermine the state's Affordable Housing Law, Chapter 40B by making ad hoc changes to the law impacting specific projects in Milton and Norwood. We believe that these provisions should be removed entirely for several reasons. First, they undercut the will of the voters who ratified Chapter 40B in a 2010 ballot referendum. Second, it is unfair and inappropriate, in our view, to modify Chapter 40B on a project by project basis. If the Legislature wants to make policy changes to the legislation it should do so in a way that impact all communities equally and follows an open and public debate on the merits of any such change. Finally, the practice of ad hoc amendments to Chapter 40B will create even greater risk for housing developers and could result in slowing the production of housing that our residents and our economy desperately need.
- **Immigrant eligibility for public housing:** Section 16C requires DHCD to conduct a cost/benefit analysis of limiting the eligibility some immigrants from state assisted public housing while the House language prevents many immigrants legally within the U.S. and mixed status households from accessing public housing. This is a complex issue that can have extraordinarily damaging consequences on families. MACDC requests that this provision be removed from the housing bond bill.

Thank you for considering these comments. We thank you for your continued work on this important piece of legislation. By making these investments available soon, the Commonwealth can bolster both our economy and quality of life. Keeping larger policy changes out of the bill will ensure that this legislation accomplishes its purpose – to increase housing options for individuals and families across the Commonwealth and to grow our economy.

Sincerely,

Joseph Kriesberg
President & CEO