

BANKER & TRADESMAN

THE REAL ESTATE, BANKING AND COMMERCIAL WEEKLY FOR MASSACHUSETTS

A PUBLICATION OF THE WARREN GROUP

OPINION

BOLD COMMITMENT

Housing Bond Bills Aim To Add \$1.3B To State Programs

Funds Spur Supportive Housing Development For Homeless Families

BY ROGER HERZOG

SPECIAL TO BANKER & TRADESMAN

Massachusetts is a national leader in affordable housing by creating a system that provides reliable capital funds to affordable housing developers and because of leadership that consistently supports it. Current legislative proposals aim to recapitalize these programs through the introduction of new housing bond bills that seek over \$1.3 billion in additional capital authorization for affordable housing.



ROGER HERZOG

The housing bond bill is critically important to ensuring that community development agencies and affordable housing developers have access to public financing options that make their projects feasible. In recognition of the importance of quality housing to the region's economic competitiveness, the Commonwealth of Massachusetts has bold housing production and preservation goals over the next several years. These goals were expressed in the Baker-Polito administration's ambitious capital budget plan for fiscal years 2018–22, which increased housing funding by 18 percent over prior levels. The enactment of a new Housing Bond Bill in the current legislative session is essential

for the state to meet these goals.

The bills are important because they include resources that promote the production and preservation of affordable housing in general, including an extension of the state's housing tax credit program. I want to focus on one specific area of community development for which both legislative proposals include significant funding – supportive housing. The commonwealth's ability to create supportive housing units that provide case management and other services to some of the state's most vulnerable populations is a quiet but important success story. The commonwealth produced 1,750 supportive housing units through these programs over the past three years.

The Community Economic Development Assistance Corporation (CEDAC) manages three supportive housing loan programs on behalf of the Department of Housing and Community Development (DHCD). The Housing Innovations Fund (HIF), the Facilities Consolidation Fund (FCF) and the Community Based Housing (CBH) programs provide resources to community-based developers. These loans not only offer developers much needed funds for their projects, they also help those organizations meet the housing needs of their most vulnerable community members.

Over the past 29 years, DHCD and CEDAC have through the HIF program al-

located over \$248 million to produce more than 13,500 units to assist homeless families and individuals, victims of domestic violence and their families, individuals living with HIV/AIDS, disabled veterans and single working adults. Through FCF funding, we have financed another 2,400 units with over \$140 million to provide service-enriched housing to clients of the Departments of Mental Health and Developmental Services. And with the newest supportive housing bond program, CBH, CEDAC has allocated over \$48 million to produce 342 fully accessible units for disabled persons. Ninety percent of these units serve extremely-low and very low-income residents of Massachusetts.

Continued Success

The success of the state's investment in supportive housing programs is exemplified by the recent opening of the New Joelyn's Home in Roxbury. Victory Programs, an experienced provider of housing and services, was forced to create a new residential facility serving those struggling with addiction after their original site on Long Island was abruptly shut down in 2014. As the city and state continue to deal with the opioid crisis and finding ways to treat individuals looking for a way out of addiction, facilities like New Joelyn's Home become even more

important. DHCD and CEDAC committed almost \$1 million in HIF funds to Victory Programs, the state's Department of Public Health provides over \$750,000 in annual operating funds, and the nonprofit agency is now serving 24 women with supportive housing.

The bond bill also supports two other programs that CEDAC manages – the Home Modification Loan Program (HMLP), administered with the Massachusetts Rehabilitation Commission, which provides low- and no-interest loans to individuals and families with a disabled

loved one to construct accessibility improvements that help them stay in their homes; and the Early Education and Out of School Time (EEOST) Capital Fund, managed in conjunction with the Department of Early Education and Care, which offers loans to community-based child care providers looking to upgrade or renovate their facilities. All of these programs help to strengthen Massachusetts' cities and towns.

The commonwealth last passed a housing bond bill in 2013. In doing so, it strengthened community development

agencies across Massachusetts and effectively created thousands of supportive housing units in cities and towns across the state. The challenges for homeless families or individuals living with addictions or disability have only grown since then. These bond programs work, for individuals and families, for the communities they live in and for the programs that help them. Let's keep building on that success. ■

Roger Herzog is the executive director of the Community Economic Development Assistance Corporation (CEDAC).