



Commonwealth of Massachusetts

Housing Trust Fund 7 Years On in Massachusetts

*Bronia Clifton, MA Department of Housing
and Community Development
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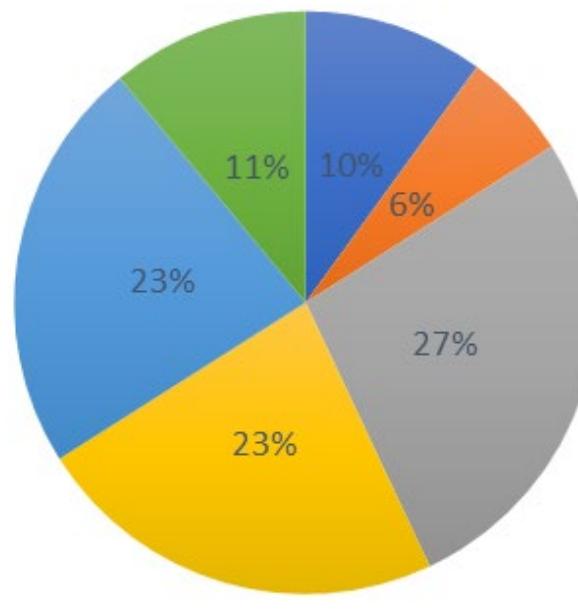
What's Unique About Massachusetts' Supportive Housing (SH) Production System?

- SH stand-alone annual funding round with special rental subsidies which include modest funding for supportive services (special funding "door").
- HTF is typically combined with other state soft subsidy programs plus HOME and requires projects to incorporate robust supportive services.
- No steep learning curve because MA's capacity and competency was built upon earlier efforts to maximize SH production across multiple state agencies that started back in 2013; DHCD ran 3 prior SH funding rounds before 1st HTF grant awarded (2013, 2014, 2015) became a training ground for launching HTF in 2016.
- Interagency cooperation originated in 2012 legislation which directed state housing agencies and health and human services agencies to work together to coordinate services funding, rental subsidies and capital financing in order to "eliminate barriers and reduce fragmentation for the provision of community-based supportive services and affordable housing."
- Conscious and mandated efforts to break down "silos" has paid real dividends in improved coordination, communication, team-building, expertise sharing, and trouble-shooting issues.



SH Production in Massachusetts by Target Population, 2016-2019 (297 HTF units, 28 projects)

Target Populations in HTF Units



■ Vets ■ Disabled ■ Homeless Families ■ Homeless Indiv. ■ Seniors ■ Other ELI



Underwriting Permanent Supportive Housing

- Earlier SH-only rounds became a great prep for HTF re: refining our underwriting criteria around evaluating supportive services including:
 - Sponsor/service provider's expertise and track record with target population- no rookies need apply
 - The depth of the supportive services plan
 - Staffing including job descriptions, credentials and FTEs
 - The feasibility of the supportive services budget's proposed sources of funding and the service provider's previous track record re: obtaining same or new sources





HTF Project: Harbor Lafayette Homes

- 27 unit project which includes one 16 unit building (shown here) which targets youth aging out of foster care; project includes another 10 unit
- \$6,927,000 TDC or \$265k per unit
- Sources includes \$3.2M in state and federal soft subsidy funds including HTF
- LIHTC equity and commercial bank debt financed the balance of the project.
- State rental subsidies for all units with modest service funds attached.





What have been the Challenges in designing and implementing HTF over the last seven years?

- Challenge of marketing/branding a new federal funding source including a general bias against federal sources (MEPA, NEPA, ER, Davis Bacon, BABBA).
- Helping sponsors/developers understand the distinctions between HTF and HOME.
- Rehabilitation Standards are a mismatch for many SH preservation projects such as existing affordable Single Room Occupancy (SRO) units.
- Overall complexity of creating permanent supportive housing for special populations esp developing correct menu of supportive services for the specific target population (ex: veterans).
- Capacity of PSH sponsors vary widely.
- COVID-19 labor costs, materials cost and supply chain issues lengthened development timelines of projects underway, barriers for projects in predevelopment to achieve financial feasibility.
- Some staff turnover with expertise lost and the challenge of onboarding new staff during remote work and now with hybrid work the new normal.



HTF Challenges Con't

- Lack of regulatory flexibility has resulted in missed opportunities that the pandemic presented- hotel/motel conversions that couldn't meet rehab standards.
- The challenge of serving special populations and meeting Fair Housing requirements.
- Building expertise in multiple special population and their housing and service needs including high users of emergency services (HUES), chronic homeless individuals, individuals in recovery, frail seniors, veterans, youth aging out of foster care, trauma survivors, etc;