

Western Massachusetts Housing Coalition:

Housing Bond Bill Priorities



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The upcoming housing bond bill provides a critical opportunity to set priorities in allocating resources for investing in housing. This bill comes at a key moment when more housing development is needed across the Commonwealth, and creates an opportunity for significant, meaningful investment in addressing housing needs in western Massachusetts.

Since 2018, the current housing bond bill has provided at least \$78 million to nearly 110 development projects in western Massachusetts, helping create hundreds of new affordable units. The upcoming bill provides an opportunity to advance two key priorities for the Western Massachusetts Housing Coalition (WMHC), a group of 51 organizations and entities that work in and serve this region,¹ including:

- **Investing in increasing housing supply** – by prioritizing resources for the most flexible and effective programs, the housing bond bill can accelerate much needed housing development and help meet the region’s housing supply gap.
- **Ensuring State programs meet regional needs** – Western Massachusetts has unique housing challenges that require – and deserve – tailored solutions to leverage State investments most effectively. This includes building in a softer market - where rents are lower but construction costs are just as high, compared to other parts of the state - and working in a wide range of contexts, including urban, suburban and rural sites.

¹ WMHC organizations represent public and private housing developers, urban and rural municipalities, regional organizations, and housing advocates who have come together to work cooperatively toward meeting the housing needs of western Massachusetts. This includes organizations representing Hampden, Hampshire, Franklin and Berkshire Counties.

Housing Bond Bill – Highest Priority Programs

The following five programs represent the highest priorities for WMHC members in the upcoming housing bond bill. Historically, these are among the most frequently used programs for housing development in the region, though program changes could increase the effectiveness of these programs.

Highest Priority Programs	Projects Funded (Since 2018)	Amount Funded (Since 2018)
Affordable Housing Trust Fund (AHTF)	23	\$ 14,440,000
Housing Stabilization Fund (HSF)	20	\$ 14,400,000
Housing Innovations Fund (HIF)	17	\$ 12,530,000
Facilities Consolidation Fund (FCF)	11	\$ 5,430,000
Workforce Housing Initiative	2	\$ 1,700,000
Total	73	\$ 48,500,000

For these programs, the WMHC strongly advocates for:

- **Increasing the total amount of funding for the program.**
- **Increasing the maximum amount of funding allowed (subsidy cap) for each project or unit.** For softer markets such as Western Massachusetts, a greater amount of subsidy is needed to make these projects financially feasible, especially in the current, rapidly changing economic climate.



Housing Bond Bill – Highest Priority Programs (Cont.)

In addition to these 5 programs, **WMHC members strongly support the Zero Carbon Renovation Fund**, to provide funding for zero carbon and energy efficiency improvements. Western Massachusetts has some of the oldest housing stock in the Commonwealth,² requiring significant reinvestment to meet climate and energy efficiency goals. **The ZCRF should include a dedicated set-aside for western Massachusetts**, in recognition of the region’s greater proportion of older housing stock.

Finally, the **Massachusetts State Low-Income Housing Tax Credit (LIHTC)** is a critical source of funding for housing development in western Massachusetts – contributing nearly \$20 million towards 14 projects since 2018. WMHC strongly supports the proposed increase to the State LIHTC in the current tax bill.



² Western Massachusetts has some of the oldest housing stock in the Commonwealth, with 63% of Pioneer Valley homes and 66% of homes in the Berkshires built before 1970 - compared to 60% in Massachusetts and only 39% nationwide (UMass Amherst Donahue Institute, “Springfield & Pioneer Valley Housing Phase II,” March 2022, and Berkshire Regional Planning Commission)

Housing Bond Bill – Additional Priority Programs

The following programs represent additional priorities for WMHC members:

- **Funding for public housing:** Public housing is a critical source of affordable housing units across the Commonwealth, and reinvestment is necessary to keep these units available. Investing in public housing, especially upgrades to infrastructure, can help lower ongoing operating costs as well. Since 2018, the housing bond bill has helped fund at least 22 capital improvement projects for public housing in Franklin County, and significantly more investment is required to adequately meet current capital needs.
 - The funding formula for small and rural housing authorities should include the total number of buildings, municipalities, and developments managed, rather than just a sheer unit count. This will help to ensure that our more rural communities get the capacity to maintain their properties.
- **The Community Based Housing (CBH) program** has funded 8 projects with over \$1 million in western Massachusetts since 2018, the **Historic Rehabilitation Tax Credit** contributed nearly \$4 million to 4 projects and the **Brownfields Tax Credit** contributed to one project.
 - All these programs could benefit from increased funding and an increase to the subsidy cap for each project.
- **The Capital Improvement & Preservation Fund (CIPF)** is an important resource, but the current structure limits the ability for developers to fully use it. The CIPF should be broadened to include all affordable preservation projects, not just those "at risk" of being lost as affordable.



Housing Bond Bill – Additional Priority Programs (Cont.)

- **The Rural and Small Town Development Fund** has been a key funding source for rural communities to advance housing and development priorities, supporting 18 projects with over \$2.5 million in Western Massachusetts since the program began in FY21. These projects have included everything from creating housing production plans, design and engineering for infrastructure to support planned housing development, to funding rehab and repair of existing structures.
- Eligibility for the **Commercial Area Transit Node Program (CATNP)** should be more broadly defined, to include projects on a public bus line and/or near a bike trail. A more flexible and inclusive definition would allow CATNP funds to be used in more communities, including regions like western Massachusetts where there are limited rail transit options, while still meeting the program's intent.
- **The Home Modification Loan Program (HMLP)** provides a critical source of funding for necessary accessibility improvements; however, the program is not being fully utilized because of the current loan structure.
 - **Program change:** HMLP should be structured as a recoverable grant, with the grant amount evaporating over 5 or 10 years. The current structure, as a zero-interest loan recovered at the time of sale, affects the homeowner's equity and deters people from accessing this program.
- Increasing and extending the **Community Investment Tax Credit (CITC)** by eliminating the program's 2025 sunset and expanding the statewide cap on donations from \$12 million to \$15 million. CITC funds community development corporations (CDCs) in advancing inclusive, resident-led programs that meet local community needs. MACDC is leading the charge to make these changes, so that in partnership with the Commonwealth, the community development field can continue to flourish and meet the ongoing needs of community residents.

Housing Bond Bill – New Proposed Programs

In addition to existing programs in the housing bond bill, WMHC supports funding for the following priorities:

- **Funding for homeownership projects beyond Gateway Cities.** The Commonwealth Builder program is important, but support is needed to develop affordable homeownership projects in all communities.
 - To accomplish this, the State could create a tax credit like LIHTC that is dedicated to developing and renovating homeownership projects.
- **Creating a rural equivalent to the Gateway Cities program** that devotes funding, resources, and capacity to improve the economic sustainability of rural areas, and incentivizes people and businesses to live, work and relocate to rural communities.
- **Funding to support Naturally Occurring Affordable Housing (NOAH),** to preserve and maintain these critical units.
- **Funding for incentives for energy efficiency improvements,** including using renewable energy generation and storage or supporting solar canopies on parking lots in affordable housing projects.



Western Massachusetts Housing Coalition Members

City/Town

Amherst Affordable Housing Trust Fund
City of Chicopee
City of Easthampton
City of Greenfield
City of Holyoke
City of Northampton
City of Pittsfield
City of Springfield
City of Westfield
Egremont Housing Committee
Town of Amherst
Town of Great Barrington
Town of South Hadley
Town of West Springfield
Town of Williamstown

Advocacy and Supporting Services Organizations

CHAPA
Clinical & Support Options (CSO)
Community Action Pioneer Valley
DIAL/SELF Youth & Community Services
Friends of the Homeless (CSO)
Hampden County Continuum of Care (COC)
MA Association of CDCs (MACDC)
Mental Health Association
Religious Action Center of Reform Judaism (RAC-MA)
Springfield Partners for Community Action
Western Massachusetts Network to End Homelessness

Affordable Housing Nonprofits & Community Development Corporations

Berkshire Housing Development Corporation
CDC of South Berkshire
Central Berkshire Habitat for Humanity
Construct Berkshires
Domus, Inc.
Franklin County CDC
Greater Springfield Habitat for Humanity
Hilltown CDC
Home City Development, Inc.
OneHolyoke CDC
Pioneer Valley Habitat for Humanity
Quaboag Valley CDC
Revitalize CDC
Rural Development, Inc.
Springfield Neighborhood Housing Services
Valley CDC
Valley Opportunity Council
Way Finders

Regional Organizations and Housing Authorities

Berkshire County Regional Housing Authority
Berkshire Regional Planning Commission
Franklin County Regional Housing & Redevelopment Authority
Franklin Regional Council of Governments
Holyoke Housing Authority
Pioneer Valley Planning Commission
Springfield Housing Authority