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Notice to Readers

Massachusetts 2010-2014 Consolidated Plan

Background

The Consolidated Plan (Con Plan) is a combination planning document and performance report. It is required of all jurisdictions that receive federal housing and community development funding from the U.S. Department of Housing and Urban Development (HUD). The Plan serves as the State's application to HUD for funding under four programs: the Community Development Block Grant (CDBG); the HOME Investment Partnerships (HOME), which includes the American Dream Downpayment Initiative (ADDI); the Emergency Shelter Grant (ESG); and Housing Opportunities for Persons with AIDS (HOPWA) programs. Massachusetts expects to receive approximately \$52 million per year over the next five years for these programs, beginning with the federal fiscal year that started on 10/01/09. These programs all have as their basic goal the provision of decent housing, a suitable living environment, and expanded economic opportunity, especially for low income residents.

The purpose of the Consolidated Plan is to identify the state's housing and community development needs, priorities and goals, and to stipulate how the funds it receives under these four programs will be used to address those needs. The Plan also outlines the State's overall policies and objectives for housing and community development. It has several components, including: a market analysis, a housing and community development needs assessment, a strategic plan, and an annual action plan.

Relationship to Other Planning Documents

The State¹ is also required to submit several other planning and performance documents to HUD on a regular basis, as are many of its municipalities, housing agencies, and other groups of housing-related service providers. DHCD makes every effort to ensure that all its plans present a clear and consistent description of the Commonwealth's overall housing and community development policies, objectives and priorities. Four important planning documents that are linked to this Consolidated Plan are the Massachusetts Public Housing Agency (PHA) Plan, the Low Income Housing Tax Credit Qualified Allocation Plan (QAP), the Balance of State Continuum of Care (C of C), and the Analysis of Impediments to Fair Housing Access and Action Steps to Mitigate Impediments (AI). The first three of these documents control the allocation of specific federal resources that are critically important to the Commonwealth's success in achieving its goal of providing broad economic opportunity and a high quality of life for all Massachusetts residents.² The State's AI addresses the issues of fair access to housing raised in the Con Plan. The most current versions of these documents can be found at the following links:

- FY2010 QAP: <http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/2010qap.pdf>
- Moving to Work Annual Plan (now in place of PHA Annual Plan) : <http://www.mass.gov/Ehed/docs/dhcd/ph/mtw/2010mtw-plan.doc>
- Analysis of Impediments: http://www.mass.gov/?pageID=ehedterminal&L=5&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Department+of+Housing+and+Community+Development&L4=DHCD+Legal+Resources&sid=Ehed&b=terminalcontent&f=dhcd_hd_fair_fairh&csid=Ehed
- The Balance of State C of C may be obtained by calling DHCD.

¹ The terms State and Commonwealth are used interchangeably throughout this document.

² The QAP controls the allocation of federal Low Income Housing Tax Credits which generate equity for low, and mixed, income rental housing. The PHA controls public housing and Section 8 tenant-based rental assistance, including Mainstream Housing for People with Disabilities. The C of C (21 of which are submitted by Massachusetts agencies covering different parts of the state) controls many of the federal resources targeted to homeless populations under the McKinney-Vento Homeless Assistance Act.

Defining Low Income

Most programs that use public money are intended to benefit low income households. Many target assistance to those with very low and extremely low incomes. The definition of what constitutes each of these categories has changed over time, however, and sometimes varies by program, leading to confusion about who is eligible to participate. For most HUD programs, and all of the programs covered by the Consolidated Plan, eligibility is determined by a household’s income relative to the median income of a family of four in the area where they live (often called MFI for median family income or AMI for area median income). Adjustments are made for family size. A household is considered *extremely low income* if its income does not exceed 30 percent of the area median for families of similar size, *very low income* if it earns more than 30 percent but not more than 50 percent, and *low income* if it earns more than 50 percent but not more than 80 percent.

Annually, HUD publishes the median family income, and income limits for its various programs for 19 Massachusetts market areas, called HMFAs, an acronym for HUD Metro Fair Market Rent (FMR) Area. The full listing of these income limits can be found at <http://www.huduser.org/> but by way of example, **Table 1** illustrates the guidelines for two areas: the Boston-Cambridge-Quincy HMFA, a relatively high income area and the New Bedford HMFA, the state’s lowest income area. Housing programs in higher income areas have higher income limits; lower income areas have correspondingly lower income eligibility limits³.

Table 1

Boston-Cambridge-Quincy HMFA - FY2009 Income Limits								
Income Limit	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Person
30% of median	\$18,950	\$21,650	\$24,350	\$27,050	\$29,200	\$31,400	\$33,550	\$35,700
50% of median	\$31,550	\$36,100	\$40,600	\$45,100	\$48,700	\$52,300	\$55,900	\$59,550
60% of median	\$37,860	\$43,320	\$48,720	\$54,120	\$58,440	\$62,760	\$67,080	\$71,460
80% of median	\$46,300	\$52,950	\$59,550	\$66,150	\$71,450	\$76,750	\$82,050	\$87,350

New Bedford HMFA - FY2009 Income Limits								
Income Limit	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Person
30% of median	\$15,350	\$17,550	\$19,750	\$21,950	\$23,700	\$25,450	\$27,200	\$28,950
50% of median	\$25,600	\$29,250	\$32,900	\$36,600	\$39,500	\$42,450	\$45,350	\$48,300
60% of median	\$30,720	\$35,100	\$39,480	\$43,920	\$47,400	\$50,940	\$54,420	\$57,960
80% of median	\$41,000	\$46,850	\$52,700	\$58,550	\$63,250	\$67,900	\$72,600	\$77,300

Source: huduser.org

Outline of the Document

The Consolidated Plan consists of four major sections, a number of required certifications, and some detailed appendices:

1) The Housing Market Analysis describes housing market conditions in the state and its major regional markets, including a description of existing public and subsidized housing and facilities for the homeless and special needs populations. It also identifies areas of concentrated minority and/or low-income housing and barriers to affordable housing.

³ Two small market areas, Eastern Worcester County and Easton-Raynham have higher median incomes than Boston, but because of their small coverage Boston is a more useful example.

2) The Housing and Homeless Needs Assessment describes the Commonwealth's 5-year housing needs including an estimate, by income group, of the number of renter and owner households that are in need of housing. This section also describes the nature and extent of homelessness within Massachusetts; the housing needs of special populations; the state's non-housing community development needs; and housing needs arising from the presence of lead paint in the state's aging housing inventory.

3) The Strategic Plan describes the Commonwealth's priorities, estimates the allocation of resources that will be available to meet those priorities, and brings them together in a coordinated strategy. It includes an estimate of the results the state expects to achieve during the 5-year time frame toward the goal of providing decent housing, a suitable living environment, and expanded economic opportunity for low income residents. The strategic plan includes a description of proposed strategies for removing barriers to affordable housing, evaluating and reducing lead-based paint hazards, reducing the number of poverty-level families, and enhancing coordination between public and assisted housing providers and private and governmental service agencies.

4) The 2010 Action Plan is a one year implementation plan with specific activities and goals for how the four programs covered by the Consolidate Plan – CDBG, HOME, HOPWA, and ESG – will address the needs prioritized in the five year plan.

Citizen Participation Process

The Consolidated Planning process is a collaborative one. DHCD, the administering agency for the Commonwealth of Massachusetts, encourages broad citizen and stakeholder participation, especially from those low income residents most affected by its programs. Prior to developing the Consolidated Plan, and the more detailed 2010 Action Plan, DHCD held five regional input meetings across the state, updated its website, and created a new email address specifically to solicit citizen input regarding housing and community development needs in their communities. Among other topics, the focus group participants were asked to identify key priorities; discuss if and how their needs had shifted since the last Consolidated Plan was prepared; what progress had been made over the past five years; which strategies succeeded and which fell short; what the current gaps in services are; and what types of non-financial resource requirements they have. Reflecting the weak economy, both locally and nationally, an important focus of these discussions was the impact of the economic downturn, foreclosures, homelessness, and American Recovery and Reinvestment Act (ARRA) housing/community development investments.

Both the five-year strategic plan and the one-year action plan were issued in draft form for a 30-day public comment period that ran from March 29 through April 29. Three public hearings provided additional opportunity for the public to comment on either of these documents. These hearings were:

Thursday, April 15, 10 AM – 12 PM
West Springfield Municipal Building
26 Central St.
West Springfield, MA 01089

Tuesday, April 20, 11 AM – 1 PM
Union Hall
Union Station, Second Floor
2 Washington Square
Worcester, MA 01604

Thursday, April 22, 11 AM – 1 PM
Department of Housing and Community Development
100 Cambridge St.
Boston, MA 02114

Second Floor Conference Room A

Copies of the draft Plan were available electronically at DHCD's website, <http://www.mass.gov/dhcd>, or by calling DHCD during normal business hours at (617) 573-1100. The agency encouraged citizens to attend the public hearings to provide testimony verbally. Comments were also accepted via email at DhcdConsolidatedPlan@state.ma.us or by submission in writing to:

DHCD
100 Cambridge Street, Suite 300
Boston, MA 02114
Attention: Office of Policy Development

DHCD took into consideration all comments on the Consolidated and Action Plans received at the hearings or in writing prior to the close of business on April 29. The final application is being submitted to HUD on May 21. A complete description of Massachusetts' Citizen Participation Process appears in the citizen participation section.

Executive Summary

Background

Since 1995, the U.S. Department of Housing and Urban Development (HUD) has required states and localities to prepare a Consolidated Plan (Con Plan) in order to receive federal housing and community development funding. HUD has established three basic goals for the programs it funds under the Consolidated Plan: to provide decent housing, a suitable living environment and expanded economic opportunities, especially for low income people. In addition, state plans are requested to support the goals of ending chronic homelessness and increasing minority homeownership that are included in HUD's own strategic plan.

The Consolidated Plan combines into one document several previously separate planning and application requirements for four federal programs administered by HUD. The programs and their federal fiscal year (FFY) funding levels are:

- Community Development Block Grant (CDBG) - \$36,316,247;
- HOME Investment Partnerships Program (HOME), which includes the American Dream Downpayment Initiative (ADDI) - \$14,822,410;
- Emergency Shelter Grants (ESG) - \$2,580,908; and
- Housing Opportunities for Persons with AIDS (HOPWA) - \$194,639.

These programs are called *formula programs* because HUD distributes the funds to each state based on a statutory formula that takes into account population, poverty, incidence of overcrowded housing, and age of housing stock. Consolidated Plans must be submitted every five years; more detailed action plans are required annually.

While it is a requirement for just these four specific programs, Massachusetts views the Con Plan as an opportunity for the state to shape *all* its housing and community development activities into an effective, coordinated strategy. By design a collaborative process, it creates the opportunity for strategic planning and citizen participation to take place in a comprehensive context, and to reduce duplication of effort at the state level. It also serves as a management tool that helps the state, local governments, and citizens assess performance and track results. The Department of Housing and Community Development (DHCD), as the administering agency for the Commonwealth of Massachusetts, encourages broad citizen and stakeholder participation, especially from those low income residents most affected by its programs.

2010-2014 Massachusetts Consolidated Plan

Massachusetts expects to receive approximately \$53.9 million per year over the next five years for these programs, beginning with the federal fiscal year that started on 10/01/09. The Community Development Block Grant funds, which represent two-thirds of that amount (approximately \$36 million annually) *may only be expended* in the state's "non-entitlement" communities. These are the 315 cities and towns that are not eligible to apply for community development funding directly from HUD. (Thirty-six other communities – mostly larger cities – receive more than \$113 million annually, directly from HUD, for which they submit their own consolidated plans.) Funding under the other three programs may be allocated statewide, although DHCD gives priority to requests from non-entitlement communities if they have priority needs and can demonstrate the ability to address them in a manner consistent with the state's strategy.

DHCD administers the CDBG, ESG and HOME programs, and the Office of HIV/AIDS within the Department of Public Health at Executive Office of Health and Human Services (EOHHS) administers the HOPWA program.⁴

⁴ In past years, the Department of Transitional Assistance, which ran the state's emergency shelter program as part of the Executive Office of Health and Human Services, administered the ESG grants. In 2009, the emergency shelter programs were integrated into the state's housing delivery system, overseen by DHCD, and so that agency assumed administration of the ESG program.

DHCD and EOHHS partner with local governments, public agencies, community-based organizations, and the business and philanthropic communities to achieve the goals and objectives articulated in the Plan. DHCD is also the lead agency in the preparation and oversight of the Plan, which consists of the following parts (in addition to this executive summary): a market analysis, a housing and community development needs assessment, a strategic plan, and an annual action plan.

The 2010-2014 Consolidated Plan provides the framework for the Commonwealth's continuing investment to help meet the housing and community development needs of its residents and municipalities. It lays out the state's long-term objectives and the strategies by which it will achieve these objectives, using funds received from HUD under the four programs covered by the plan as well as other sources the state expects to have available. The plan identifies the state's housing and community development needs and priorities, and establishes the criteria by which projects will be selected for funding. The consolidated planning process is a collaborative one, and DHCD has placed a strong emphasis on community input, especially from those low income residents most affected by its programs. The state's housing and community development needs were identified by citizens in a series of five public forums, three public hearings, key person interviews with program administrators and beneficiaries, and a thorough analysis of socioeconomic and housing market conditions.

Six objectives have been established for this 2010-2014 Consolidated Plan. These objectives support the Commonwealth's overarching goal for all its housing and community and development efforts: to provide broad economic opportunity and a high quality of life for all Massachusetts residents. They also support HUD's complementary goals of providing decent housing, a suitable living environment and expanded economic opportunities. The six objectives of the 2010-2014 Massachusetts plan are:

1. Promote *strong communities* throughout the Commonwealth.
2. Preserve and create *affordable rental housing options* for low and moderate income residents.
- 3a. *Reduce chronic and family homelessness through a housing-based approach*, with a long-term goal of ending homelessness.
- 3b. Help low-income households develop *economic self sufficiency*.
4. Ensure *full and fair access to housing* for all residents of the Commonwealth.
5. Promote *sustainable homeownership* opportunities for low, moderate and middle income families.
6. Ensure MA residents with disabilities have access to *affordable, accessible community housing options* that support *consumer choice* and access to mainstream resources including employment and long term supports as needed.

Evaluation of Past Performance

Significant progress has been made in the five years since the last Con Plan was submitted. Despite extraordinarily challenging economic conditions, housing has remained a priority of the Patrick-Murray Administration and Legislature. A decade of diminishing funding levels was reversed, and a \$1.25 billion housing bond bill authorized that will produce and preserve thousands of desperately needed affordable housing units. The state increased its commitment to new housing production, a challenging task in an era of high costs and shrinking subsidies, and to removing the barriers that have stifled housing production. On the non-housing front, Massachusetts has made substantial investment in its public facilities and infrastructure, including the roads, bridges, schools and libraries that are a prerequisite to sustainable housing and community development.

Governor Patrick strengthened and unified the state's housing and economic development functions shortly after taking office by creating a cabinet level Executive Office of Housing and Economic Development, with the Department of Housing and Community Development as one of three under-secretariats. More recent organizational changes brought the management of the state's shelter system into DHCD, to improve coordination between the emergency shelter network and the Commonwealth's many housing resources toward the goal of eliminating homelessness in Massachusetts.

Recent Initiatives

2009 saw dramatic changes to national and state housing policy and the resources for housing programs. As a result of the housing crisis, the federal government enacted a number of programs to mitigate the impact of foreclosures on individuals, neighborhoods, and municipalities, and to encourage first-time homebuyers to get into the market now. Massachusetts moved quickly and effectively to put the new federal resources to work. Although the economic downturn necessitated cuts in the state budget across the board, additional federal funding – in particular the American Recovery and Reinvestment Act (ARRA) – increased the total housing budget for Massachusetts to its highest level since 1989. Recent initiatives include:

- In partnership with federal and local governments, quasi-public agencies, and nonprofit organizations, Massachusetts has assembled one of the most comprehensive anti-foreclosure toolkits in the country. These resources are enabling community based developers and residents to acquire and rehabilitate properties to stabilize and revitalize neighborhoods hit hard by foreclosure activity. Mortgage credit constraints are being offset by products offered through state quasi-public agencies like MassHousing and the Massachusetts Housing Partnership.
- Federal tax credit assistance and exchange programs from HUD and the U.S. Treasury are helping to revive dozens of developments across the state that had stalled when the equity market for low income housing tax credits collapsed. Massachusetts received over \$110 million in FY 2010 under the Tax Credit Assistance Program (TCAP) and the Low Income Housing Tax Credit Exchange Program. These funds enabled 23 projects (nearly 1,500 units of housing, 80 percent of which will serve low, very low and extremely low income families and individuals) to move forward.
- Stepped up lead paint abatement and weatherization programs, funded with federal stimulus monies are providing jobs and improving the safety and efficiency of thousands of homes, while DHCD continues to make improvements to the vast inventory of state public housing with the proceeds of a \$1.2 billion bond bill passed by Legislature in 2008.
- The emergency shelter system reform measures undertaken at the recommendation of the state Commission to End Homelessness have positioned Massachusetts to effectively utilize new federal tools and resources. The State has already received \$17.9 million through the Homeless Prevention and Rapid Re-Housing Program for short- and medium-term rental assistance and services to prevent homelessness or to help those in shelters to be quickly re-housed.
- The State's new "expiring use" legislation will keep publicly assisted rental properties affordable. It creates a regulatory framework to preserve affordable rents where long-term, publicly-subsidized mortgages are paid off and affordability restrictions are allowed to lapse. Expiring use conditions affect an estimated 90,000 units, with about 17,000 of those potentially at risk of losing their affordability over the next three years. Complementing the legislation is a \$150 million Preservation Loan Fund, lead by the quasi-public Community Economic Development Assistance Corporation and leveraged primarily through private dollars to support and secure long-term affordable housing preservation efforts. The program uses state bond funds along with a \$3.5 million grant from the John D. and Catherine T. MacArthur Foundation, \$40 million from private lenders and \$100 million from the private, nonprofit Massachusetts Housing Investment Corp.
- Ensuring that adequate resources are directed to the state's urban areas, which are home to many of the Commonwealth's lowest income residents, while at the same time expanding housing opportunities in low-poverty suburban communities offering strong schools is a delicate balancing act. Through its Gateway Plus Action Grants, DHCD provided planning assistance to 18 low income cities to support mixed housing and neighborhood revitalization efforts. The Massachusetts Housing Partnership, meanwhile, just committed \$5 million in zero percent interest, second-mortgage financing to support the development of affordable rental housing in suburban and high-opportunity communities. This new Neighborhood Rental Initiative

Program is targeted toward 225 communities characterized by such factors as good schools, proximity to jobs, higher housing costs and a shortage of affordable housing.

Highlights of Housing Market Analysis

Despite slow overall population growth, decreases in household size, an aging population and other recent demographic trends are changing the quantity and types of housing needed. Over the past two decades, Massachusetts lost more than 73,000 renter households, but the number of renters living alone has increased by over 28,000. During the same period (1990-2008) the state gained over 263,000 homeowners, and there are now nearly 351,000 homeowners who live alone, an increase of more than 50 percent since 1990. More than 142,000 single person owner households are over age 65; nearly 82,000 are over age 75. It is still too early to tell what the long term effect of high levels of foreclosure and continued weakness in the economy will be on the ratio of renters to homeowners.

Nearly half of renter households and fully one third of owner households experienced housing cost burdens in 2005/2006, with affordability presenting the greatest difficulties for the most vulnerable populations – renters, families, the young and old, and especially the poor. Even though the number of renter households declined by almost 81,000 between 2000 and 2005/2006, the number experiencing severe cost burdens (with rent equal to or greater than 50 percent of income) increased by more than 65,000. Although Massachusetts outpaces the nation in the amount of subsidized housing and rental assistance it provides, the state's housing safety net cannot provide housing assistance to all those who are eligible.

Price inflation, lax credit standards, subprime lending, and other problems that wrought havoc in housing markets across the nation, destabilized markets in Massachusetts as well. After rising by more than 82 percent between 2000 and September 2005⁵, home values dropped by more than 20 percent between September 2005 and March 2009. While prices have dropped across the board, the legacy of the subprime lending debacle has fallen most heavily on the Commonwealth's communities of color.

The housing market appears to have bottomed out in the first quarter of 2009, in most parts of the state, and analysts expect it to recover slowly. Even with prices at their current depressed level, tighter lending requirements and uncertainty continue to keep many buyers out of the market. By whatever standard of measurement is used, Massachusetts remains a high cost state for both renters and owners.

The aging of the state's baby boomers is likely to be the defining market force between 2010 and 2030. During the period covered by the Con Plan, however, it will make only a modest difference in Massachusetts' housing needs. A growing number of younger householders (echo boomers) will place new demands on the state's housing supply between 2008 and 2012. Massachusetts is expected to remain a slow growth state during the five-year period covered by this plan, with its overall population likely to increase by less than 2 percent. Of course, growth will continue to vary by region, and within regions, it will vary by municipality. Inadequate housing supply in some parts of the state may exacerbate affordability problems, hindering growth when the economy does rebound.

The Commonwealth had a net housing shortfall of over 18,000 units in 2007 and the housing market analysis prepared for DHCD in 2008 forecast that most regions of the state would face continued housing shortages through 2012 (the period covered by that analysis). The forecast predicted that construction would be slow to recover from the recession, and new production would be inadequate to redress the shortages of 2007 and meet the modestly growing future demand. Substantial mismatches of housing supply and demand by type – single-family or multifamily – were projected in nearly every region, with a dearth of single-family homes in Greater Boston and of multifamily homes nearly everywhere else. The recession has resulted in an even greater drop in

⁵ Case Shiller index, January 2000-September 2005

production than had been projected. As a result, the housing shortfalls anticipated to last through 2012 are now expected to persist at least through the Con Plan period, 2010-2014.

Summary of Needs

Housing affordability remains a problem that affects not only low income residents and those with special needs, but moderate and middle income households as well:

- Approximately 471,000 extremely low and very low income (ELI, VLI) Massachusetts households currently experience housing problems, most often affordability problems. The number of *all* low income households (earning <80 percent of AMI) with affordability problems is substantially higher, nearly 679,000. These numbers represent a 15 percent increase in ELI and VLI households with affordability problems and a 22 percent increase counting all low income households since 2000. Renters represent 62 percent of the ELI-VLI need, down from more than 65 percent in 2000. This reflects both the reduction in the overall number of renter households and a substantial increase in the number of low income homeowners with housing or affordability problems, many of them recent purchasers.⁶ The number of ELI and VLI owners with housing or affordability problems increased by 25 percent since 2000 compared to an increase of less than 11 percent for ELI and VLI renters. Unmet needs exist in every region of the state and among all household types.
- Housing that is affordable and accessible to populations with special needs, and resources to address their needs, are inadequate. Under the terms of the U.S. Supreme Court's 1999 *Olmstead* decision, Massachusetts residents with long-term support needs are entitled to appropriate services and accessible, community housing options that maximize consumer choice. In addition, the state's Department of Developmental Services (DDS) continues to operate under the terms of a decade-old court settlement requiring it to reduce its waiting list. DDS will be consolidating at least three state institutions in the next three fiscal years. They will be placing 41 people from Monson into the community, 25 people from Templeton into the community and finalizing the consolidation of Fernald. During the same period, the agency will provide for support 40 persons per year from the "Turning 22" population of consumers. And under the terms of the 1999 court settlement requiring it to provide residents living in nursing homes or with aging caregivers community-based housing services (*Rolland v. Cellucci*), the agency has committed to move 600 individuals into the community over the next three fiscal years. In 2008, the Commonwealth entered into the Hutchinson Court Settlement which requires that 300 Medicaid eligible individuals with Acquired Brain Injury be transitioned from nursing homes or chronic rehabilitation hospitals to community based settings over the course of three years. A total of 100 will require residential rehabilitation settings that provide 24/7 on site support and 200 will be for individuals to move to their own home or apartment. The Massachusetts Rehabilitation Commission (MRC) is responsible for the administration of an ABI waiver with MassHealth that funds the support services for these individuals as part of their transition.
- There is a need for affordable rental housing and *sustainable* homeownership opportunities for a range of incomes, especially in areas where economic expansion and job growth is likely to occur as the economy recovers. Rising foreclosures and their devastating impact on individual families and entire communities are a reminder that, while everyone needs decent housing, not everyone has to be a homeowner.⁷ The 2008 American Community Survey reported that the number of renter households in Massachusetts increased for the first time in five years in 2008.

⁶ Between 2001 and 2006, more than 21,000 low income households per year purchased homes in Massachusetts, representing more than 24 percent of all purchases during this period; very low income purchasers alone accounted for 5 percent.

⁷ While many residents were victimized by unscrupulous mortgage brokers and sold loans products that were destined to fail, others simply overestimated their capacity to own.

- The number of homeless families has increased at an alarming rate in recent years, and although the number of chronically homeless individuals appears to have stabilized, a relatively small sub-population of long-term shelter users consume a disproportionate share of available resources.
- Widespread foreclosures continue to take a major toll, particularly in low-income urban neighborhoods. The initial wave of foreclosures was concentrated in a handful of lower income urban areas, affecting homeowners who had subprime mortgages, but the lingering recession and rising unemployment has caused the problem to spread to a larger group of homeowners. While low-income urban neighborhoods and racial and ethnic minorities have been most impacted, the problem is not confined to the cities; a number of small towns in central Massachusetts have also seen a spike in foreclosures.
- There is some regional variation in need – and more frequently in priorities – for community development resources. All regions identified affordable housing, housing rehabilitation and preservation, and public infrastructure improvements as priorities. Outside the Greater Boston and Northeast regions, the need to stimulate employment growth and expand economic opportunity are top priorities.

Strategic Plan and Action Items

The overarching goal of the Commonwealth's housing and community and development efforts continues to be the provision of broad economic opportunity and a high quality of life for all residents. The 2010-2014 Con Plan objectives reflect that goal. Massachusetts is one of about two dozen states that regularly appropriates funds to support housing and community development activities. The State Legislature provides financing through both the capital and operating budgets. Massachusetts also has an affordable housing trust fund; a low income housing tax credit that piggy-backs onto the federal credits, enabling them to assist more units; and a state historic tax credit, which provides another funding source for affordable housing that is created through adaptive reuse of qualifying structures.

MassHousing, the state's housing development finance agency, provides funding for a variety of rental housing development, home purchase and home repair programs. Other quasi-public and private public purpose agencies that also fund the production and preservation of low and moderate income housing are MassDevelopment, the Massachusetts Housing Investment Corporation (MHIC), the Massachusetts Housing Partnership Fund (MHP), and the Community Economic Development Assistance Corporation (CEDAC). Each of these agencies contributes a specialized expertise in equity placement, lending, and/or technical assistance to support the efforts of the state's sophisticated and dedicated network of for-profit and nonprofit affordable housing developers. These agencies committed between \$800 million and \$1 billion in FY 2010 to support the State's housing and community development agenda.

Through years of collaboration with banks, insurance companies and other financial institutions doing business in the state, and bolstered by legislation, Massachusetts has been able to expand the pool of resources available to support affordable housing development and preservation. In addition, most of the state's large cities, and an increasing number of smaller cities and towns, have dedicated resources to the creation or preservation of affordable housing. Among the mechanisms used are municipal funding, inclusionary zoning, contributions, the Community Preservation Act, and Municipal Affordable Housing Trusts. Private foundations and nonprofit organizations also provide a significant contribution to housing assistance in Massachusetts.

In addition to the \$51.5 million from the four programs covered by the Con Plan, the State expects to have the following resources available to implement its housing and community development agenda:

Massachusetts 2010-2014 Consolidated Plan

- \$175 million from State bonds (HIF, HSF, FCF, public housing modernization, CBH, HMLP, etc.)
- \$255 million from the State operating budget
- \$553 million from other federal housing production programs
- \$1 billion in project financing from the state's quasi-public agencies
- \$13.6 million in federal and \$4 million in state low income housing tax credits, which will leverage nearly \$100,000,000 in investor capital for low income rental housing production and/or preservation.

The 2010-2014 Consolidated Plan provides a detailed road map for how the Commonwealth expects to address the housing and community development challenges as it enters the second decade of the 21st century.

1. Introduction

The Consolidated Plan (Con Plan) is a U.S. Department of Housing and Community Development (HUD) requirement for states and other jurisdictions that receive federal funding under four HUD programs: the Community Development Block Grant (CDBG); HOME Investment Partnerships (HOME), which includes the American Dream Downpayment Initiative (ADDI); Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). These programs are called *formula programs* because HUD distributes the funds based on a statutory formula that takes into account population, poverty, incidence of overcrowded housing, and age of housing stock. The programs all have as their basic goal the provision of decent housing, a suitable living environment, and expanded economic opportunity, especially for low income residents. In addition, HUD requests that state plans support the goals of ending chronic homelessness and increasing minority homeownership that are included in its own strategic plan.

Consolidated Plans must be submitted every five years; more detailed action plans are required annually. The purpose of the Consolidated Plan is to identify the state's housing and community development needs, priorities and goals, and to stipulate how the funds it receives will be used to address those needs. Massachusetts expects to receive approximately \$52 million per year for the next five years under these programs. Applicants for funding under any of 17 other HUD programs must also demonstrate that those proposals are consistent with the Consolidated Plan. The Plan examines current market conditions and the housing and community development needs of the state; sets priorities for spending the funds the state expects to receive; identifies goals, objectives and the benchmarks it will use for measuring progress. An annual performance report and an analysis of impediments to fair housing report are complementary components of the same planning process. They are filed separately.

This is the fourth five-year plan the Commonwealth of Massachusetts has submitted to HUD. The state's Department of Housing and Community Development (DHCD) allocates the CDBG funds that Massachusetts receives under this plan exclusively to its "non-entitlement" communities. These are the 315 cities and towns that are not eligible to apply for community development funding directly from HUD. (Thirty-six other communities – mostly larger cities⁸ – receive funds directly, for which they submit their own consolidated plans.) Funding under the other three programs may be allocated statewide, although DHCD gives priority to requests from non-entitlement communities if they have priority needs and can demonstrate the ability to address them in a manner consistent with the state's strategy. (Many of DHCD's other resources are targeted to the entitlement cities.)

The market analysis and needs assessment cover the entire state. These sections draw heavily on the 2008 housing market analysis commissioned by DHCD, *The State of the Massachusetts Housing Market: A Statewide and Regional Analysis* (HMA). Most of the trends and needs identified in both the HMA and the Con Plan have been aggregated into the seven geographic regions, shown on **Map 1.1**. These regions are tracked in *MassBenchmarks*, the quarterly economic journal published by the University of Massachusetts in cooperation with the Federal Reserve Bank of Boston. They were defined by the UMass Donahue Institute in 1998, after careful analysis of the geographies used by the Massachusetts Office of Business Development and the state's Regional Planning Agencies, with modifications based on reviews by regional experts and entities. The seven regions are: Berkshire, Cape and Islands, Central, Greater Boston, Northeast, Pioneer Valley and Southeast. The same framework was used as the basis of the Commonwealth's *2005-2009 Consolidated Plan*.⁹

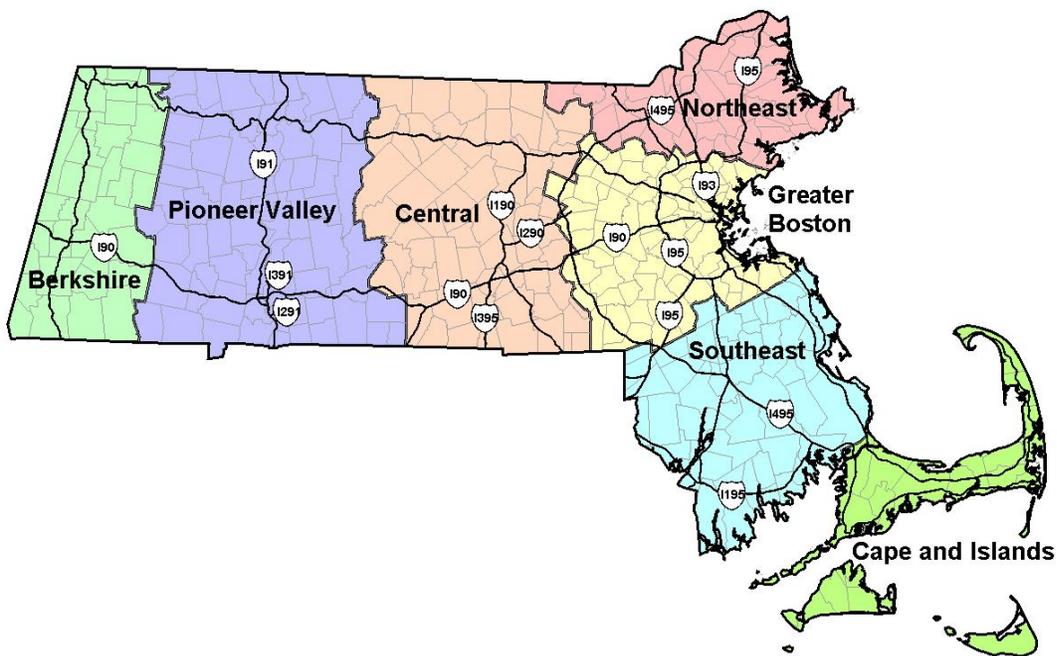
⁸ Principal cities of designated metropolitan areas; other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities) are entitled to receive annual grants. HUD determines the amount of each entitlement grant by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

⁹ Not all relevant data are maintained at the regional level, and in cases where they are not, the HMA estimated or interpolated regional data from other sources that report information at different geographic units of analysis (e.g. county, Metropolitan Statistical Area (MSA), etc.). The boundaries of the Berkshire, Pioneer Valley, and Cape and Islands regions are co-terminus with county boundaries. The other four regions approximate, but do not correspond precisely to the following counties: Northeast – Essex County; Greater Boston – Suffolk, Middlesex, and Norfolk Counties; Central – Worcester County; and Southeast – Bristol and Plymouth Counties. Some valuable market data are available only at the county level, or other units of

Looking Back

The history of consolidated planning in Massachusetts illustrates the cyclical nature of the state’s economy. When Massachusetts prepared its first Consolidated Plan in 1995, the state was still in the early stages of recovering from the deep economic downturn of the late 1980s and early 1990s. Housing prices had stabilized and, in some market segments, were beginning to rise again. Over the next five years, the state’s economic recovery outpaced the nation’s, and when the second plan was prepared in 2000, Massachusetts boasted the lowest unemployment rate among the major industrialized states. Total employment was at record levels in most parts of the state, and rents and home prices were rising dramatically. The pendulum had swung back by the time the third plan was prepared in 2004. The nation had slipped into recession when the dot.com bubble burst in 2001, and Massachusetts was especially hard hit. While that recession was not as deep or sustained as the one in 1989-91, the Commonwealth gave up 6 percent of its peak jobs and income growth stagnated. Rents began to moderate, although they remained among the highest in the nation. The state’s already high home sales prices, however, continued to escalate, bolstered by low interest rates and easy credit.

Map 1.1 MassBenchmarks Regions



Source: MassGIS, UMass Donahue Institute

Now this Con Plan is being prepared as Massachusetts and the nation slowly recover from the longest and worst recession since the Great Depression. Employment, income, home sales, prices, production, and consumer confidence remain down; foreclosures and homelessness – notably family homelessness – are up. Economists *believe* the recession is over, though they have yet to officially name its end date. The combined impact of

geography that do not directly correspond to the Benchmarks regions (metropolitan areas, HUD income and rental market areas, or the MA Association of Realtors regions, for example). Data that are not mapped to the Benchmark regions – and the trends they document – are clearly identified.

subprime lending, high unemployment, falling home values and municipal revenues, and concentrated foreclosures in the Commonwealth’s urban neighborhoods and communities of color is likely to be felt long after the recovery takes hold. Mitigating the effects of these forces is a major focus of the Commonwealth’s overall housing and community development strategy for the 2010-2014 period.

An Assessment of Progress

Massachusetts has long been a leader in providing affordable subsidized housing for its residents. Using state and federal resources, the Department of Housing and Community Development, its affiliated quasi-public agencies, more than 240 local and regional housing authorities, and a wide array of private for-profit and nonprofit housing developers engage in an exceptionally high level of publicly assisted housing activity. Each year, more than a billion dollars of federal, state, and quasi-public funds are spent to build, renovate, preserve, maintain or subsidize affordable housing in Massachusetts.

Remarkable progress has been made in the five years since the last Con Plan was submitted. Despite extraordinarily challenging economic conditions, housing has remained a priority of the Patrick-Murray Administration and the state Legislature. A decade of diminishing funding levels was reversed, and a \$1.25 billion housing bond bill was authorized that will produce and preserve thousands of desperately needed affordable housing units. The state increased its commitment to new housing production, a challenging task in an era of high costs and shrinking subsidies, and to removing the barriers that have stifled housing production. On the non-housing front, Massachusetts has invested heavily in its public facilities and infrastructure, including the roads, bridges, schools and libraries that are a prerequisite to sustainable housing and community development. New federal resources such the American Recovery and Reinvestment Act (ARRA) have helped revive dozens of stalled housing projects.

Governor Patrick strengthened and unified the state’s housing and economic development functions shortly after taking office by creating a cabinet level Executive Office of Housing and Economic Development, with the Department of Housing and Community Development as one of three undersecretariats. More recent organizational changes brought the management of the state’s shelter system into DHCD. These and other initiatives are detailed in the Strategic and Action Plans. As the agency responsible for the preparation of the plan, DHCD is pleased to report here on the outcome of the housing and community development measures undertaken during FY2005-FY2009, the time period covered by the previous Consolidated Plan. (See **Table 1.1**)

Table 1.1

Program	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
	# Units	\$								
HOUSING										
CDBG										
Housing	752	18.5	454	14.4	434	14.3	355	12.5	n/a	14.8
HOME										
Multifamily Rental	1125	11.2	1065	12.8	630	9.9	1636	20.2	537	7.6
Homebuyer Assistance	55	2.7	113	2.4	76	1.5	0	0	57	0.9
HOPWA		0.178		0.178		0.168		0.173		0.180
ESG		2.5		2.5		2.5		2.5		2.5
NON-HOUSING COMMUNITY DEVELOPMENT										
Public Facilities/Infrastructure		12.6		14		11.9		13.7		9.4
Public Service	7,023	1.4	7,103	1.8	9,683	1.7	8,540	1.6	n/a	2.4
Economic Development		1.7		1.7		1.9		0.7		0.15

Note: Dollars are in the millions. The public service “units” numbers represent number of people served. 2009 HOME and CDBG projects are underway, but are not completed yet.

Looking Ahead

The overarching goal of the Commonwealth's housing and community development efforts – to provide broad economic opportunity and a high quality of life for all Massachusetts residents – has not changed in the five years since the last plan was submitted. However, a number of priorities and initiatives have shifted, as have the resources and organizational framework for addressing them. The 2010-2014 Consolidated Plan, more than any of its predecessors, is being undertaken during a period of great uncertainty. Massachusetts continues to grapple with the effects of the national economic crisis. Foreclosures, job loss, and the twin challenges of falling home values and an inadequate supply of affordable housing that made the last few years so difficult, continue to loom large. The ongoing instability in the financial markets and continued revenue shortfalls may require DHCD to consider new approaches to some longstanding housing and community development challenges. It is equally possible that additional federal resources may open up new opportunities. With its proven capacity for innovation and a well-established network of public, quasi-public, private, and not for profit partners, Massachusetts is well positioned to utilize whatever resources become available to provide decent housing, a suitable living environment and economic opportunity for its residents.

Organization of Plan

In addition to the required certifications and various appendices, the remainder of this Plan is organized into four major sections:

- The Housing Market Analysis provides general information on the state's housing market (economic and demographic trends, supply, demand, cost and affordability, etc.). It also summarizes the state's existing public and publicly assisted housing; identifies housing resources for the homeless; concentrations of racial and ethnic minorities or low income households living in concentrated low income areas; and barriers to affordable housing development.
- The Needs Assessment, consisting of five sub-sections, describes separately the nature and extent of the housing needs of 1.) the general population, 2.) the homeless, 3.) non-homeless families and individuals with special needs, 4.) the non-housing community development needs of Massachusetts cities and towns, and 5.) the particular needs arising from the presence of lead paint in much of the state's aging housing stock.
- The Strategic Plan lays out the state's objectives, priorities, strategies, and key initiatives for the 2010-2014 period and estimates the resources it expects to have available to address these needs. It ranks the needs in each major area – affordable housing, homeless, special needs, and community development – according to HUD prescribed guidelines as high, medium or low and identifies the outcomes the State expects to achieve and the manner in which it will assess performance.

This section includes a description of the state's organizational infrastructure and its plans for ensuring coordination among housing providers and private and governmental agencies. It also describes the Commonwealth's strategies for removing barriers to affordable housing, reducing the number of families living in poverty and expanding opportunities for public housing tenants.

- The One Year Action Plan is included in the Consolidated Plan for fiscal year 2010 and will be submitted annually, as a stand alone document, thereafter. The Action Plan is much more detailed than the Strategic Plan, describing how the state will allocate its HUD funds, and other resources, to achieve its five-year objectives. For example, while the Strategic Plan states that Massachusetts aims to create rental housing, the Action Plan estimates the number of units to be created by Consolidated Plan programs during the coming year.

2. Housing Market Analysis

General Conditions

This section presents a snapshot of the current “state of the state’s housing market.” It provides the context for the accompanying needs assessment, and the strategic and action plans. The section begins with a brief overview of issues of supply and demand, condition, cost, and availability (general conditions). It includes a description of the state’s public housing and other subsidized housing resources and homeless and special needs facilities. It also identifies areas of low income housing concentration, areas of high concentration of racial and ethnic minorities, and barriers to meeting the affordable housing needs of Massachusetts residents. The basis for much of this section is a comprehensive housing market analysis (HMA) commissioned by Massachusetts Department of Housing and Community Development (DHCD) in 2008. *The State of the Massachusetts Housing Market: A Statewide and Regional Analysis*¹⁰ utilized demographic data from the 2005 and 2006 editions of the American Community Survey (ACS) and market and economic research conducted during the second and third quarters of 2008. Updated market conditions have been incorporated here, as has data from subsequent releases of the ACS.¹¹

Overview

There are just over 2,457,000 occupied housing units in the Massachusetts, an increase of less than one percent since the last Consolidated Plan was prepared. Roughly two-thirds of the state’s households own their homes and one third rent, most (55 percent) in small structures of 1-4 units. While the number of homeowners increased by more than 86,000 between 2000 and 2008, the number of renter households dropped by over 73,000. Historically, two and three family homes in the state’s urban centers have been an important source of affordable rental housing, but that supply is shrinking. There were nearly 52,000 fewer units in 2-4 unit structures in 2008 than there had been in 2000, and most of the losses (43,000 units) were rentals.

Approximately 8 percent of the state’s housing units are subsidized, almost twice the national average, and another 77,000¹² households are assisted with tenant-based rent subsidies. Counting these tenant-based subsidies, nearly 30 percent of the state’s renters benefit from some form of housing assistance. Still, the Commonwealth has a serious and growing housing affordability problem.

Massachusetts has been a high cost housing market, for both renters and homeowners, for the past twenty-five years. **Figure 2.1**, which compares rents and home prices in Massachusetts with the nation as a whole, illustrates how dramatically home prices diverged during the 1980s. Massachusetts rents also surged ahead of the nation during the 1980s. The 2008 *Annual Community Survey* (ACS) ranks the state as having the third highest median home value, the fourth highest median mortgage payment and the fifth highest median monthly rent of all states in the continental U.S. In its 2010 edition of *Out of Reach*, the National Low Income Housing Coalition reported

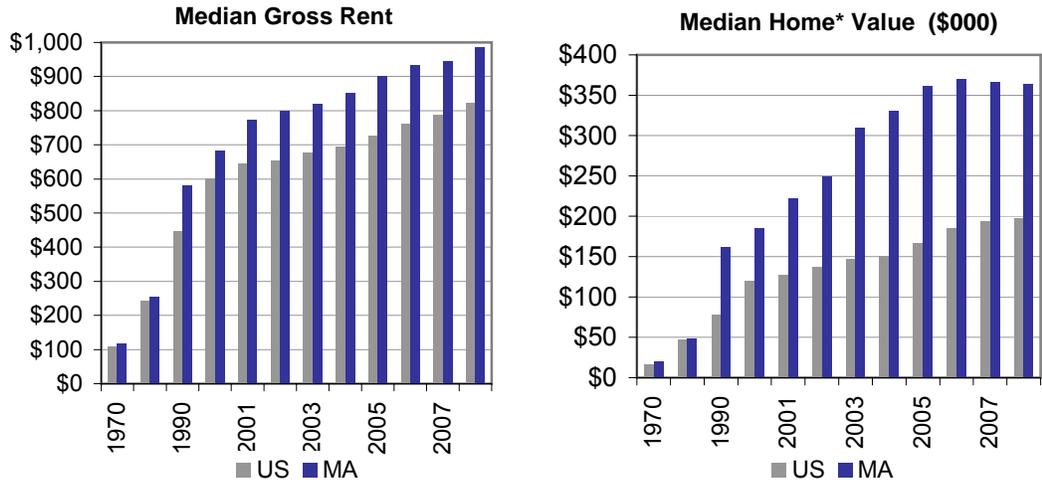
¹⁰ Prepared by the Economic and Public Policy Research Unit, University of Massachusetts Donahue Institute, in conjunction with Bonnie Heudorfer, Housing and Planning Consultant. The full report is available at <http://www.mass.gov/Ehed/docs/dhcd/media/thestateofmahousingm.pdf>

¹¹ Several other recent reports from Massachusetts universities and research institutes also provide valuable insight into current market conditions and emerging trends. They include *The Greater Boston Housing Report Card 2009: Positioning Boston in a Post-Crisis World*, by Barry Bluestone, Chase Billingham and Jessica Herrmann, The Kitty and Michael Dukakis Center for Urban and Regional Policy, Northeastern University, October 2009; *Changing Patterns XVI: Mortgage Lending to Traditionally Underserved Borrowers & Neighborhoods in Boston, Greater Boston and Massachusetts, 2008*, by Jim Campen, Mauricio Gaston Institute for Latino Community Development and Public Policy, University of Massachusetts/Boston, January 2010.

¹² Approximately 75,000 federal Housing Choice Vouchers (Section 8) and 2,000 Massachusetts Rental Vouchers.

that Massachusetts had the seventh highest housing wage – the amount required to afford the 2-bedroom fair market rent – in the country. And the Economic Policy Institute’s 2008 family budget calculator, which ranks 614 HUD fair market rent areas (HMFAs) nationwide, determined that all of the Massachusetts HMFAs ranked in the top 10 percent in terms of total family budget required. These affordability problems take their greatest toll on extremely low-income households, particularly those with disabilities.

Figure 2.1 Comparison of Housing Costs Over Time, MA v US

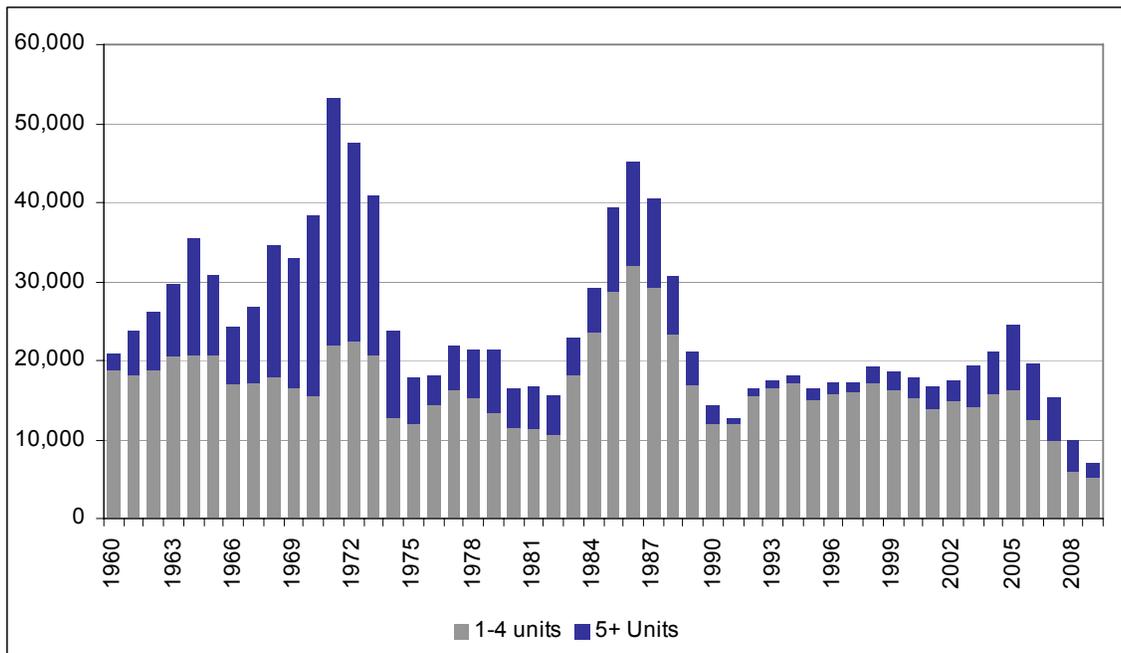


* Owner occupied homes. Gross rent includes utilities paid by the tenant.

Source: U.S. Census Decennial Census (1970-2000), Supplementary Survey Summary Tables (2001), American Community Survey (2002-2008)

With its relatively old housing stock, Massachusetts is also a costly state in which to maintain and operate housing: it has the highest percentage of housing units that were built before 1940 and the 4th lowest percentage of units built since 1990. It has the 6th highest share of home owners who heat with fuel oil. Winters are long and cold, and high heating bills add to the already burdensome housing costs. Housing production was slow to recover after the 1989-1991 recession, contributing to an exceedingly tight housing market when the economy and population began to grow in the late 1990s. Housing construction began to pick up after 2002, but as **Figure 2.2** shows, those levels have not been sustained. The number of new units for which building permits were issued in 2009 was the lowest in at least 50 years, more than 22 percent below 1991, the previous low. Massachusetts is a slow growth state and new housing units are permitted at only about 40 percent of the national rate.

Figure 2.2 Housing Units Authorized by Building Permits in MA, 1960-2009



Source: U.S. Census Bureau Survey of Building Permits

The combination of Massachusetts’ relatively high median income – 4th among states in 2008 for both families and households – and its high level of housing assistance has buffered some tenants from excessive cost burdens: the 2008 ACS ranked Massachusetts 14th in percent of renter households with housing costs (rent and utilities) that exceed 30 percent of their income.¹³ The state’s relatively high median income, however, masks a growing income inequality. The earnings of many working families – and those on fixed incomes or receiving public assistance – are insufficient to pay for the housing that is available in the market today. Income growth across the board has been stagnant since 2000, with renters faring the worst. Median renter income as a percent of median owner income was just 42.2 percent in 2008, down from 47.6 percent in 1999 and 51.4 percent in 1989.¹⁴

Adjusted for inflation, the median income of all households rose by just 3.6 percent between 2000 and 2008; renters, however, saw their real income drop by nearly 7 percent. By 2008, the housing costs of over 42 percent of Massachusetts homeowners and 49 percent of renters exceeded 30 percent of their income (up from 26 percent and 39 percent in 2000). For more than 16 percent of owners and 25 percent of renters, housing costs exceeded half of their income (up from 9 percent and 18 percent in 2000).

Current Economic and Demographic Context

State of the State’s Economy U.S. economic conditions continue to define the region’s economic prospects. At the most recent economic outlook conference of the New England Economic Partnership (NEEP)¹⁵, national and regional economists agreed that a recovery is underway, but one that remains tentative and fragile. The consensus

¹³ Massachusetts ranked 7th in percent of (mortgaged) homeowners with housing cost burdens of 30 percent or greater.

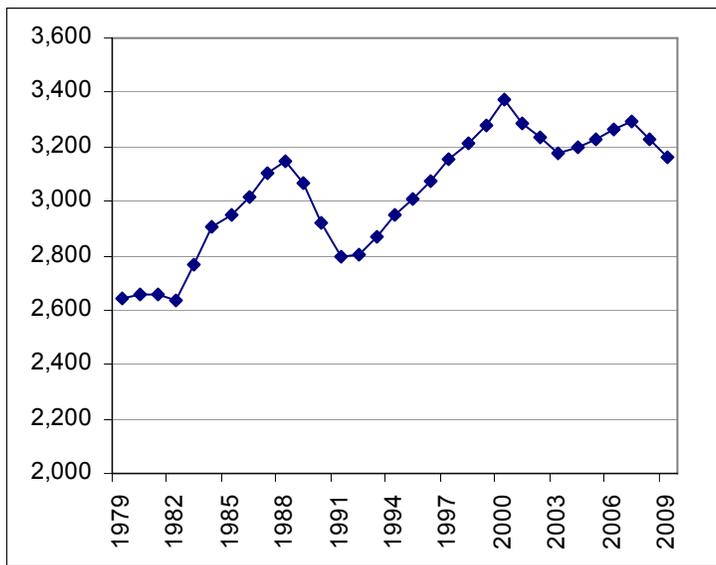
¹⁴ U.S. Decennial Census 1990, American Community Survey 2008

¹⁵ The nonprofit NEEP, the region’s foremost forecasting organization, has been tracking and analyzing the regional economy since 1971. Its members include financial institutions, utilities, insurance providers, government agencies, academic institutions, business services firms, health care organizations, and others. The findings reported here are from NEEP’s November 2009 economic outlook conference.

was that the recovery would be slow and weak. Weighing heavily are high unemployment and weak wage growth, continuing high levels of foreclosures, limited access to credit for consumers and small businesses, rising commercial mortgage loan defaults, and budget problems at the state and local level. Household wealth and consumer confidence have been pummeled since the start of the debt-driven recession; as a result, consumer spending and the housing market are likely to be slow to recover.

Job Losses and High Unemployment Massachusetts ended 2009 with an unemployment rate of 9.4 percent compared to 10.0 percent for the country as a whole. Since December 2007, when the recession officially began, the state has experienced a 3.9 percent drop in employment – nearly 127,000 lost jobs – compared to 5.2 percent for the U.S. **Figures 2.3** and **2.4** document these trends.

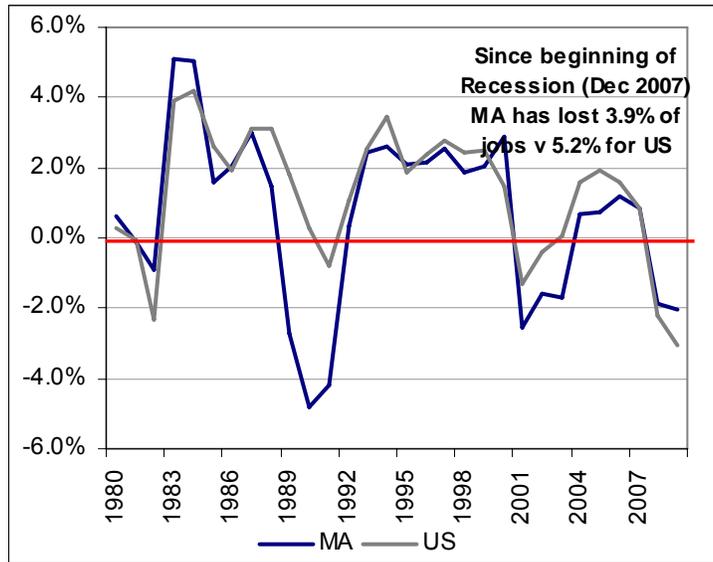
Figure 2.3 Total Non-Farm Employment, Massachusetts



Source: Bureau of Labor Statistics, seasonally adjusted (000s)

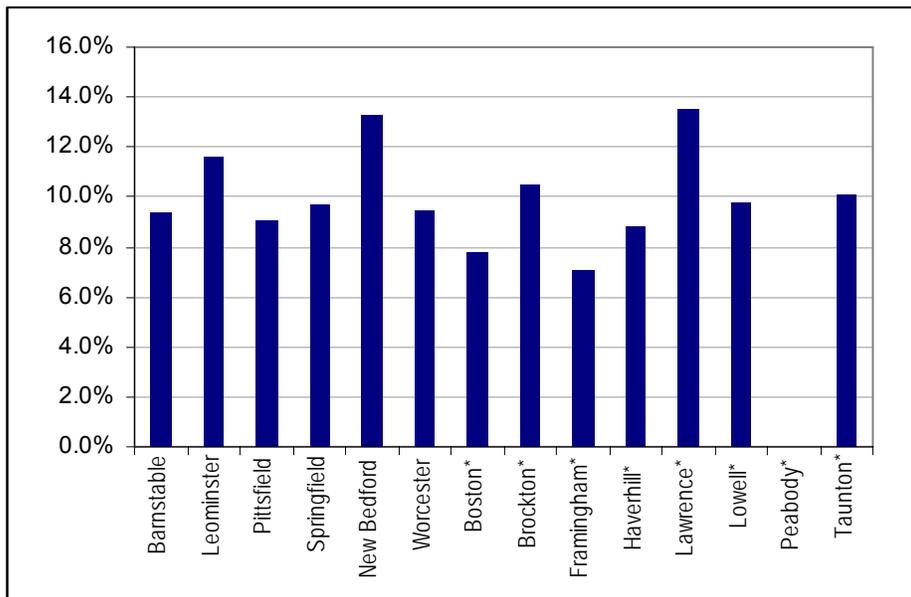
In difficult economic times, some communities always fare worse than others, and **Figure 2.5** demonstrates that such is the case this time. This figure, depicting the latest unemployment rates for fifteen Massachusetts employment centers, illustrates the point. Unemployment in Lawrence and New Bedford, at 13.5 and 13.3 percent, respectively, is nearly twice as high as in Framingham (7.1 percent). In their core cities, the unemployment rate is considerably higher. Governor Patrick has made the revitalization the state’s older urban centers – its Gateway cities – a priority of his administration and details of these efforts are provided in Section 5. A number of rural central and western Massachusetts towns without a strong employment base are also experiencing high rates of unemployment. Although the state’s economy and labor market has fared somewhat better in this recession than the nation as a whole, there remain many challenges on the economic front, and these challenges have been felt in the housing market. In addition, unemployment has taken a hard toll on people with disabilities. Non-elderly adults with disabilities were three times more likely than their cohorts without disabilities to be unemployed (60.5% versus 19.8%).

Figure 2.4 Yr Over Yr Change Non-Farm Employment, MA v US



Source: Bureau of Labor Statistics, seasonally adjusted

Figure 2.5 December 2009 Unemployment Rate by MA Employment Center*



* These employment centers are all part of the larger Boston-Cambridge-Quincy metro area. December 2009 data for Peabody is not available.

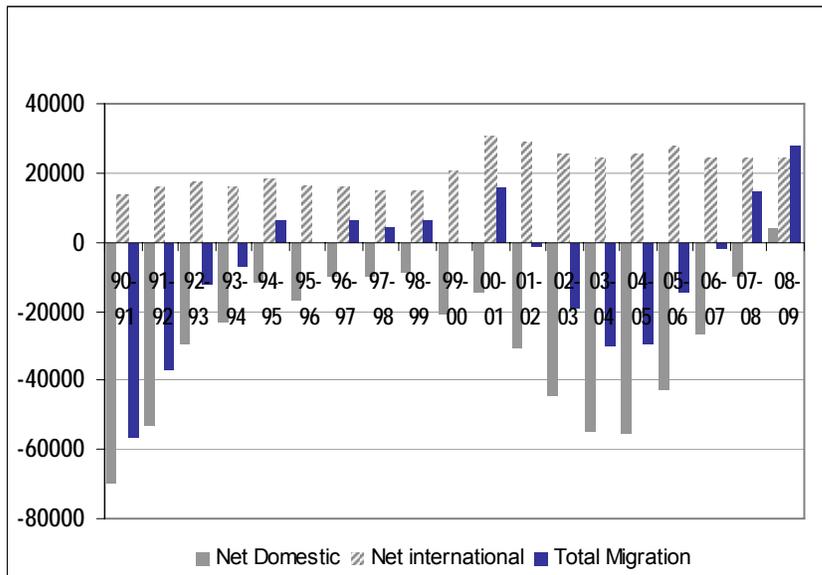
Source: Bureau of Labor Statistics

NEEP economists predict a peak to trough decline in employment of 5.9 percent, and a peak to trough decline in real gross domestic product of 3.6 percent. The unemployment rate is projected to peak at 9.6 percent in the second or third quarter of 2010, with employment rebounding more quickly in this recovery than in the prior two recessions. Forecasters anticipate the pre-recession jobs peak of the first quarter of 2008 will be regained by mid-2013. Employment growth is expected to be the strongest – and the rate of job losses the lowest – in the medical and

education services sectors, followed by the information sector. Job losses will be greatest in construction and manufacturing.

Population Growth Massachusetts’ population has remained flat for some time, the result of its limited ability to attract residents from other parts of the country coupled with population loss to other states. The outward migration is part of a larger national movement of workers and retirees from the Northeast and Midwest to states in the Sun Belt and Intermountain West, many of which feature milder climates, lower housing costs and overall cost of living, more land, and less-regulated housing markets. The explosive housing growth through the middle of the decade in many of these “receiving” states, however, proved unsustainable. When the housing boom ended and the economy collapsed, their markets went into freefall. In the wake of the post-2006 economic turmoil, domestic migration has slowed nationally. The long term trends are likely to resurface, however, when the economy recovers. Massachusetts’ population grew by just 3.9 percent (244,490 people) between 2000 and 2009, compared to the U.S. rate of 9.1 percent and rates of over 13 percent in the south and west.¹⁶ But as **Figures 2.6** and **2.7** illustrate, the state appears – for the time being at least – to have reversed the population outmigration that marked the middle of the decade.

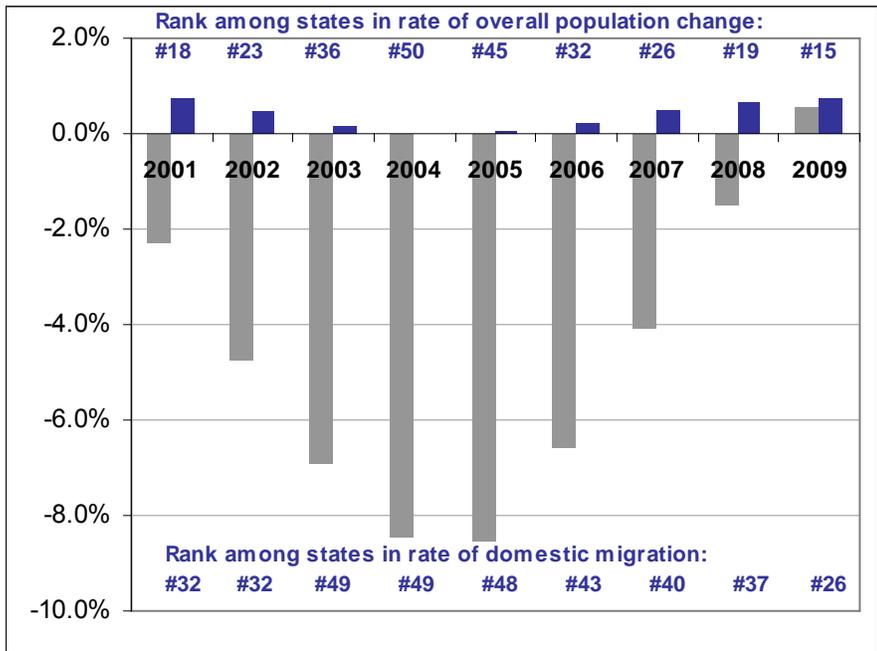
Figure 2.6 Massachusetts Migration



Source: U.S. Census Bureau Population Estimates Division, Components of Population Change, July 2009

¹⁶ U.S. Census Bureau Population Estimates Program, July 2009 estimates.

Figure 2.7 Massachusetts Population Change and Migration by Rate and Rank



Source: U.S. Census Bureau Population Estimates Division, Components of Population Change, July 2009

Within the state population growth has varied widely. As **Table 2.1** illustrates,¹⁷ the Central and Southeast regions – particularly the Blackstone Valley and South Shore sub-regions – and the island community of Nantucket have experienced the highest percentage growth since 2000. Many small towns in the Central and Southeastern regions and along Greater Boston’s outer-ring suburbs have experienced double digit population growth since 2000. The greatest *absolute* gain, however, has occurred in the City of Boston. The Berkshires have continued to lose population, a trend that dates from the 1970s.

¹⁷ There have been two annual population estimate updates released by the Census Bureau since DHCD’s housing market analysis was prepared. In addition, the Census Bureau revised its July 2007 population estimate for Massachusetts upward by 18,160. The characteristics of the population and its distribution within the seven *MassBenchmarks* are not believed to have shifted significantly.

Table 2.1 Population Change 1990-2007 by MassBenchmarks Regions and Sub-Regions

Region/Sub-region	1990 Population	2000 Population	2007 Population	% Chg 1990- 2000	# Change 1990-2000	% Chg 2000- 2007	# Change 2000-2007	% Chg 1990- 2007	# Change 1990-2007
Berkshire Total	139,352	134,953	129,798	-3.2%	-4,399	-3.8%	-5,155	-6.9%	-9,554
North	41,254	38,629	36,515	-6.4%	-2,625	-5.5%	-2,114	-11.5%	-4,739
Central	77,636	74,929	71,961	-3.5%	-2,707	-4.0%	-2,968	-7.3%	-5,675
South	20,462	21,395	21,322	4.6%	933	-0.3%	-73	4.2%	860
Greater Boston	2,482,367	2,594,685	2,624,310	4.5%	112,318	1.1%	29,625	5.7%	141,943
Inner Core	1,526,379	1,574,862	1,590,656	3.2%	48,483	1.0%	15,794	4.2%	64,277
128	554,458	572,484	575,134	3.3%	18,026	0.5%	2,650	3.7%	20,676
495/MetroWest	401,530	447,339	458,520	11.4%	45,809	2.5%	11,181	14.2%	56,990
Cape and Islands	204,256	246,737	248,191	20.8%	42,481	0.6%	1,454	21.5%	43,935
Cape Cod	186,605	222,230	222,175	19.1%	35,625	0.0%	-55	19.1%	35,570
Martha's Vineyard	11,639	14,987	15,485	28.8%	3,348	3.3%	498	33.0%	3,846
Nantucket	6,012	9,520	10,531	58.3%	3,508	10.6%	1,011	75.2%	4,519
Central	706,301	746,485	778,178	5.7%	40,184	4.2%	31,693	10.2%	71,877
Blackstone Valley	72,552	82,492	90,902	13.7%	9,940	10.2%	8,410	25.3%	18,350
Metro Worcester	399,856	425,142	439,362	6.3%	25,286	3.3%	14,220	9.9%	39,506
North Central	233,893	238,851	247,914	2.1%	4,958	3.8%	9,063	6.0%	14,021
Northeast	861,659	930,380	947,235	8.0%	68,721	1.8%	16,855	9.9%	85,576
Merrimack Valley	288,280	318,556	323,565	10.5%	30,276	1.6%	5,009	12.2%	35,285
Middlesex	327,125	351,675	357,343	7.5%	24,550	1.6%	5,668	9.2%	30,218
North Shore	246,254	260,149	266,327	5.6%	13,895	2.4%	6,178	8.2%	20,073
Pioneer Valley	672,970	680,014	682,657	1.0%	7,044	0.4%	2,643	1.4%	9,687
Franklin	70,092	71,535	71,602	2.1%	1,443	0.1%	67	2.2%	1,510
Hampden	456,310	456,228	457,908	0.0%	-82	0.4%	1,680	0.4%	1,598
Hampshire	146,568	152,251	153,147	3.9%	5,683	0.6%	896	4.5%	6,579
Southeast Total	949,520	1,015,843	1,039,386	7.0%	66,323	2.3%	23,543	9.5%	89,866
Tri-Cities	417,534	459,734	472,564	10.1%	42,200	2.8%	12,830	13.2%	55,030
South Shore	176,661	197,074	205,468	11.6%	20,413	4.3%	8,394	16.3%	28,807
Southcoast	355,325	359,035	361,354	1.0%	3,710	0.6%	2,319	1.7%	6,029
Massachusetts Total	6,016,425	6,349,097	6,449,755	5.5%	332,672	1.6%	100,658	7.2%	433,330

Source: U.S. Census Bureau Population Estimates Division, aggregated to MassBenchmarks regions by DHCD

The Massachusetts Housing Market

Home Prices and Sales

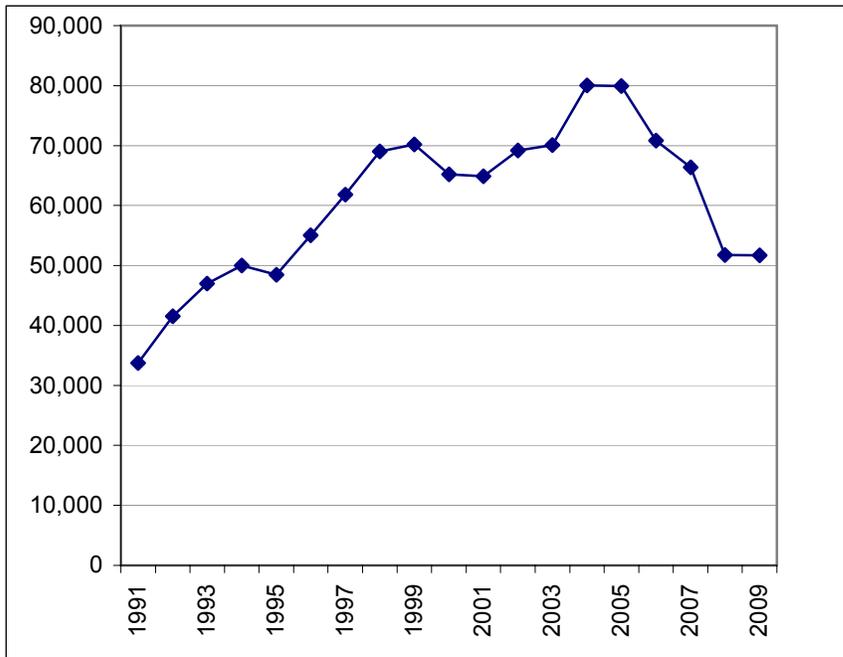
DHCD tracks home sales and prices from several sources: the Massachusetts Association of Realtors (MAR); the Warren Group, publishers of *Banker and Tradesman*; the Standard and Poors/Case Shiller Index; and the Federal Housing Finance Agency (FHFA) Home Price Index. The latter two track repeat sales of the same properties, with Case Shiller reporting on 20 large metro areas including Boston and the FHFA reporting for all states and metros. The MAR reports on sales involving its members in seven regions of the state that approximate the MassBenchmarks regions, and the Warren Group reports sales for all 351 Massachusetts cities and towns and fourteen counties. These four sources report housing market trends based on differing methodologies and coverage, but they all point to a bottoming out of the housing market in early 2009. **Table 2.2** presents the median sales price for each of the MassBenchmarks regions by property type for 2000, 2005 – the year prices peaked – and 2009, as reported by *Banker and Tradesman*. The Case Shiller Index for the Boston metro area reported a peak to trough (September 2005-March 2009) drop in single family home value of 20.1 percent. By November 2009, after values had begun to recover, the overall decline stood at 15.6 percent.

Table 2.2 Median Sales Price by Property Type, 2000-2005-2009

1-Family					
County	2000	2005	2009	% Change 2000-2005	% Change 2005-2009
Barnstable	\$194,000	\$390,000	\$315,000	101.0%	-19.2%
Berkshire	\$124,950	\$185,000	\$174,000	48.1%	-5.9%
Bristol	\$167,900	\$315,000	\$240,000	87.6%	-23.8%
Dukes	\$335,000	\$666,250	\$592,500	98.9%	-11.1%
Essex	\$253,000	\$392,500	\$306,400	55.1%	-21.9%
Franklin	\$114,500	\$190,725	\$181,450	66.6%	-4.9%
Hampden	\$115,000	\$180,000	\$169,000	56.5%	-6.1%
Hampshire	\$150,650	\$259,000	\$232,500	71.9%	-10.2%
Middlesex	\$294,900	\$435,000	\$377,700	47.5%	-13.2%
Nantucket	\$773,075	\$1,490,000	\$1,243,750	92.7%	-16.5%
Norfolk	\$275,000	\$425,000	\$355,000	54.5%	-16.5%
Plymouth	\$193,000	\$350,000	\$275,000	81.3%	-21.4%
Suffolk	\$218,000	\$380,000	\$300,000	74.3%	-21.1%
Worcester	\$166,900	\$283,500	\$210,845	69.9%	-25.6%
Weighted Total	\$227,410	\$362,100	\$300,626	59.2%	-17.0%
2 & 3 Family					
County	2000	2005	2009	% Change 2000-2005	% Change 2005-2009
Barnstable	\$182,082	\$445,125	\$274,737	144.5%	-38.3%
Berkshire	\$77,120	\$130,489	\$122,031	69.2%	-6.5%
Bristol	\$25,699	\$297,133	\$153,455	136.4%	-48.4%
Dukes	\$315,000	\$825,000	\$385,000	161.9%	-53.3%
Essex	\$168,408	\$368,514	\$179,443	118.8%	-51.3%
Franklin	\$92,442	\$182,791	\$155,910	97.7%	-14.7%
Hampden	\$81,138	\$171,434	\$79,653	111.3%	-53.5%
Hampshire	\$140,571	\$259,565	\$226,287	84.7%	-12.8%
Middlesex	\$278,446	\$494,760	\$327,786	77.7%	-33.7%
Nantucket	\$450,909	\$784,952	\$505,000	74.1%	-35.7%
Norfolk	\$261,270	\$473,383	\$350,534	81.2%	-26.0%
Plymouth	\$155,102	\$382,764	\$165,432	146.8%	-56.8%
Suffolk	\$242,540	\$504,087	\$264,961	107.8%	-47.4%
Worcester	\$120,123	\$272,395	\$131,180	126.8%	-51.8%
Weighted Total	\$196,782	\$381,530	\$223,919	93.9%	-41.3%
Condo					
County	2000	2005	2009	% Change 2000-2005	% Change 2005-2009
Barnstable	\$142,000	\$275,000	\$235,000	93.7%	-14.5%
Berkshire	\$126,000	\$230,000	\$193,000	82.5%	-16.1%
Bristol	\$15,000	\$220,000	\$185,000	91.3%	-15.9%
Dukes	\$103,750	\$262,500	\$286,182	153.0%	9.0%
Essex	\$142,000	\$249,900	\$204,000	76.0%	-18.4%
Franklin	\$83,250	\$166,500	\$155,000	100.0%	-6.9%
Hampden	\$84,250	\$125,900	\$140,250	49.4%	11.4%
Hampshire	\$109,000	\$186,300	\$178,000	70.9%	-4.5%
Middlesex	\$165,000	\$300,000	\$285,000	81.8%	-5.0%
Nantucket	\$325,000	\$549,000	\$460,000	68.9%	-16.2%
Norfolk	\$172,000	\$300,000	\$270,000	74.4%	-10.0%
Plymouth	\$123,300	\$269,900	\$212,000	118.9%	-21.5%
Suffolk	\$225,000	\$340,000	\$322,500	51.1%	-5.1%
Worcester	\$106,000	\$214,000	\$168,000	101.9%	-21.5%
Weighted Total	\$164,177	\$284,796	\$263,858	73.5%	-7.4%

Source: Banker and Tradesman, The Warren Group, Publications

Figure 2.8 Single Family and Condominium Home Sales in Massachusetts



Source: Massachusetts Association of Realtors

The decline in home sales has also leveled off. The NEEP economists caution that prices and sales might soften a bit with the expiration of homebuyer credits, but expect prices to remain above their March 2009 trough and begin to grow again – albeit slowly – by the end of 2010.

In preparing a five year plan, it is important to keep in mind that housing price downturns tend to be of long duration. According to a report by the Federal Housing Finance Agency (FHFA), it takes longer for prices to rise from the trough to their former peaks than it takes for them to decline from peak to trough. In the last complete housing cycle in New England, prices took 42 months to return to their previous peak. Dating the current cycle from its September 2005 peak, prices dropped by about 20 percent before bottoming out (again, 42 months later). The recent *Greater Boston Housing Report Card* noted that if the current cycle follows the same path as the previous one, home prices in the region as a whole will not return to the September 2005 peak level until sometime in 2014.¹⁸

Rents

Rents, which had risen sharply during the late 1990s, began to moderate when the state – and nation’s – economy slipped into recession in 2001. Still, they remained among the highest in the nation. Between 2001 and 2005, in the greater Boston market where home prices were on an upward trajectory, rents increased by less than one percent. Between 2005 and 2009, however, as home prices were falling, rents began to climb again, peaking in the third quarter of 2008 at \$1,658, up 13 percent over the first quarter of 2005. By the fourth quarter of 2009, the average effective rent was down to \$1,600, a 4 percent drop from their 2008 all-time high. Rental vacancy rates ended 2009 at just over 6 percent, with new developments reporting double digit vacancy rates, but older inventory reporting vacancy rates of under 5 percent. For the first time in five years, the 2008 American Community Survey reported a modest increase in the number of renter households (0.8%).

¹⁸ The Greater Boston Housing Report Card 2009

Foreclosures

Rising foreclosures continue to take a major toll on the state. The initial wave of foreclosures was concentrated in the lower income urban areas, affecting homeowners who had subprime mortgages, but the continuing wave of unemployment has caused the problem to spread to a larger group of homeowners. While foreclosure deeds fell in 2009 to fewer than 9,300 from more than 12,400 in 2008, foreclosure petitions – the first step in the foreclosure process – increased to nearly 28,000 from fewer than 22,000 in 2008. The passage of Massachusetts’ “right to cure” law in 2008 slowed petitions that year, but as the initial 90-day period ended, they began to climb again. The rising petitions may signal an increase in foreclosures in the coming years, but it is also possible that job growth or regulatory changes around the foreclosure process could reverse this trend. A recent Massachusetts Land Court decision that increased the documentation required to foreclose, appears to have slowed the number of foreclosure deeds.

The foreclosure crisis has not affected all neighborhoods equally. Low-income urban neighborhoods and racial and ethnic minorities have been most adversely impacted. According to the Massachusetts Housing Partnership’s January 2009 Foreclosure Monitor, the five communities with the highest percentage of distressed properties (properties with foreclosure petitions, deeds, or auctions) are Lawrence, Brockton, Lynn, Fitchburg, and Springfield – all cities with large low-income and minority populations. The pattern becomes even starker at the census tract level: the twenty census tracts with the largest percentage of distressed units are all in Brockton, Lawrence, Lynn, Worcester, Springfield, and two of Boston’s majority-minority neighborhoods – Dorchester and Roxbury. While the epicenter of the crisis remains these low-income majority-minority urban neighborhoods, the foreclosure problem has spread and a number of small towns in central Massachusetts have seen particularly alarming spikes.

While the long-term impact of the collapse of the subprime market remains unclear, some effects are already evident. The post-2006 mortgage environment is a very different one than existed between 2002 and 2006. The Massachusetts Community and Banking Council’s most recent lending assessment, *Changing Patterns XV*, reported that none of the prior year’s top 10 subprime lenders was operating in Massachusetts by the beginning of 2008. While the need to rid the industry of the “bad” products and players was long overdue, rising credit standards and the departure of responsible subprime lenders have made it more difficult for borrowers with less than perfect credit to take advantage of new opportunities that exist in the current market. Also evident is the impact of concentrated foreclosures, which often precipitate neighborhood decline and a reduction in property values.

Supply, Demand and Affordability

The 2008 Massachusetts housing market assessment and other data sources highlight a number of important changes in terms of housing supply, demand and affordability since the last Con Plan. Some of these changes, such as the aging of the Baby Boom generation, represent long term trends. Others, like the rise in homeownership rate that coincided with the real estate bubble of the first half of the decade, may be transitory. It is too early to tell if the recent related phenomenon, the increase in renter households in 2008, represents a reversal of the long term trend favoring homeownership or a temporary response brought on by the foreclosure crisis and/or continued uncertainty in the housing market.

The HMA noted that statewide housing shortages had been in evidence since 2000. Slow population growth and increased construction narrowed the gap in the early 2000s, but the current and projected slowdown in building will likely lead to continued housing shortages throughout the Con Plan period, especially if household growth picks up. Even in regions of net housing surpluses, affordability problems and other evidence suggests that the available housing may be poorly matched to the needs of the region’s householders. Stagnant income growth and the continued production shortfalls are likely to largely offset the affordability benefits of declining prices

statewide, and in some regions, may exacerbate existing affordability problems. The 2008 ACS reported that the number of subfamilies and presence of non-relatives, both indicators that households may once again be doubling up, had increased. Inadequate housing supply in some parts of the state could hinder economic growth when the economy finally does rebound. The fact that Massachusetts did not experience the sort of overbuilding that some states did, however, may help its housing recovery.

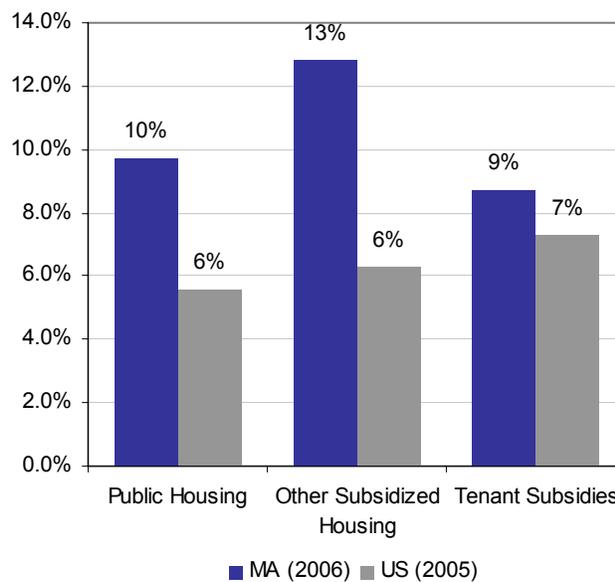
Existing Public Housing and Other Subsidized Housing Resources

Public and subsidized housing represents the safety net for many of the Commonwealth’s most vulnerable low-income residents, and Massachusetts has been a national leader in providing the resources to create and maintain that safety net. As the supply of low cost unsubsidized units has declined, public and publicly assisted housing has become an increasingly important affordable housing resource. The fact that, as recently as 2000, one half of the state’s extremely low income renters lived in adequate housing that cost less than 30 percent of their income is a testament to the success of the Commonwealth’s safety net.

Overview of the inventory of subsidized housing

Nearly 23 percent of the state’s rental stock is subsidized, a rate almost twice the national average: public housing represents 10 percent, other privately owned, publicly assisted housing, 13 percent.¹⁹ As shown in **Figure 2.9**, Massachusetts also outpaces the nation in the number of tenant subsidies, or voucher programs, per overall rental unit (9 percent versus 7 percent).

Figure 2.9 Public Assistance for Rental Housing, Massachusetts versus U.S.



Source: MA figures are based on data provided by DHCD; U.S. figures are from the 2005 Annual Housing Survey

¹⁹ *American Housing Survey 2005*, U.S. Census Bureau. A housing unit is classified as having a subsidy if the household pays a lower rent because a federal, state, or local government program pays part of the cost of construction, mortgage, or operating expenses. These programs include rental assistance programs where part of the rent for low-income families is paid by HUD, and direct loan programs of HUD and the Department of Agriculture for reduced cost housing. Units requiring income verification are usually subsidized. The Census Bureau offers the following important caveat: [M]any households in these programs apply through the public housing authority, and misreport themselves in public housing. Others do not think of their units as subsidized, and misreport themselves as unsubsidized. Subsidies for homeowners, including HUD subsidies for cooperatives, are not counted.

The HMA estimated that the state's publicly assisted rental housing inventory included *approximately* 193,000 units of the following type:²⁰

- 49,000 units of state funded public housing (most built between 1945-1965);
- 34,000 units of federally funded public housing (most built between 1950-1975); and
- 110,000 units of privately owned, publicly subsidized housing (HUD, MassHousing, Rural Housing Services, Low Income Housing Tax Credits, etc.), including:
 - 72,000 Built/subsidized between mid-1960s to mid-1980s
 - 8,000 Built/subsidized between mid-1980s to 1990
 - 30,000 Built/subsidized since the early 1990s

In addition, there are roughly 11,000 units, mostly group homes that serve consumers with specialized housing needs under contract with the state's Departments of Developmental Services and Mental Health.²¹ Another 77,000 households receive assistance with their rental payments under the federal Section 8 Housing Choice Voucher Program and the Massachusetts Rental Voucher Program.

Existing Housing Resources for Special Populations

Many of these state and federal resources provide housing assistance for special populations, such as the elderly or people with disabilities. Housing assistance for people with disabilities is available both through "mainstream" housing programs and through programs specifically targeted to special populations. Some programs address the need for accessible or adaptable units for people with physical disabilities; others assist those who require support services. The following two tables provide additional detail on Massachusetts' existing public and subsidized housing resources. **Table 2.3** illustrates the breakout, by subsidy program, between units reserved for elderly residents (age 62 or 65, depending on the program) and units that are not age restricted. **Table 2.4** summarizes the state's resources for people with disabilities, by program, also indicating whether units are reserved for elderly occupancy.

²⁰ These numbers are estimates based on the authors' analysis of the State Subsidized Housing Inventory (SHI) and other public records. Many projects use multiple subsidy sources, and the number of units restricted to low income occupancy may change over time.

²¹ Excludes special needs housing units built under the state's public housing programs

Existing Housing Resources for Homeless Individuals and Families

Massachusetts currently provides more than 3,500 shelter beds for homeless individuals and more than 2,100 beds and transitional housing units for homeless families. The complete listing of these facilities appears later in the Plan.

Table 2.3 Affordable Public and Subsidized Housing Resources, Total and Elderly (2008)

Type	Total Units for All Ages	Elderly Units	Elderly Developments
State Public Housing	49,000	27,900	585
Federal Public Housing	34,000	12,000	162
Privately Owned Subsidized Housing	110,000	40,000	544
HUD Section 202 Housing		9,700	162
Rural Housing Service Elderly Developments		1,500	43
Pre-1985 HUD/MassHousing Developments		26,000	265
Post-1985 State and Federally Assisted Housing		2,800	74
Sub-total, Affordable Subsidized Inventory	193,000	79,900	1,291
Tenant-based Rental Assistance	78,800	10,200	
Total Housing Resources for Low Income Renters	271,800	90,100	

Note: Includes only low income units (<80% AMI) in mixed income developments. Source: The State of the Massachusetts Housing Market: A Statewide and Regional Analysis, November 2008, UMass Donahue Institute, Heudorfer.

Existing Housing Resources for Households with a Member with a Disability

Table 2.4 (below) shows the total number of households with a member with a disability (as well as elderly households with a member with a disability). There is more discussion of these needs in the Needs Assessment section later in the plan, but this table does reinforce the priority need status we have placed on housing for those with disabilities. According to the table below, there are slightly over 70,000 households with a member with a disability making use of state housing resources, but according to Table 3.17, there are 130,000 households with a member with a disability facing a “housing problem” (either substandard housing or a heavy rent/mortgage burden).

Table 2.4 Major Affordable Housing Resources for Households with a Member with a Disability

	Total Disabled Household	Elderly Disabled Household	Non-Elderly Disabled		
			Total	Without children	With children
Mainstream Resources					
S8 Housing Choice Vouchers**	32,547	6,534	26,013	17,704	8,309
Mass. Rental Voucher Program (MRVP)	*	*	*	*	*
<i>Total Tenant-Based</i>	<i>32,547</i>	<i>6,534</i>	<i>26,013</i>	<i>17,704</i>	<i>8,309</i>
Federal Public Housing	13,508	5,388	8,120	6,595	1,525
State Public Housing Chapter 667	*	*	4,336	4,336	0
Section 8 Mod Rehab	923	200	723	606	117
Section 8 Mod Rehab SRO	201	24	177	177	0
Older HUD Subsidized	4,511	212	4,299	*	*
<i>Total Project Based</i>	<i>23,479+</i>	<i>5,824</i>	<i>17,655</i>	<i>11,714</i>	<i>1,642</i>
<i>Total Mainstream</i>	<i>55,915+</i>	<i>12,146</i>	<i>43,769</i>	<i>30,218</i>	<i>9,951</i>
Specialized Programs					
State Public Housing (167/689)	1,890	*	*	*	0
AHVP	512	0	512	512	*
DMH Rental Voucher Program	800	*		*	*
Section 202/Section162	641	*		*	
Section 811	670	*		*	
Facilities Consolidation Fund (FCF)	2,158	*			
DMR Beds in Community Residences	8,307	*			
DMH Beds in Community Residences	2,347	*			
HUD Homelessness Assistance Programs	*	*			
Community Based Housing (CBH)	135	52			
Home Modification Loan Program (HMLP)	1,026	*			
<i>Total (if no overlap)</i>	<i>18,486</i>	<i>*</i>			

Notes: * Data not available; ** Includes 1,900+ specialized vouchers for persons with disabilities

Source: Affordable Housing Guidebook for Massachusetts, Ann Verrilli, Citizens' Housing and Planning Association, 2008

State Affordable Homeownership Initiatives

In addition to its long record of producing subsidized rental housing and its substantial shelter network, Massachusetts is one of a handful of states that uses its financial resources and regulatory powers to expand homeownership opportunities for low income families. The availability of such programs enabled developers, beginning in the 1980s, to use the comprehensive permit provisions of Massachusetts General Law (MGL) Chapter 40B, the state's affordable housing statute to expand affordable homeownership in communities where existing zoning and/or land costs had impeded such development. At first only developments with public subsidies, administered by public or quasi-public agencies, were eligible to apply for a comprehensive permit, but a landmark 1999 Housing Appeals Committee decision expanded eligibility to projects financed by non-government agencies (e.g. Federal Home Loan Bank of Boston's New England Fund) provided they comply with established income, affordability, and affirmative marketing requirements. More than 4,700 deed-restricted ownership units have been created under 40B, and since 2000 much of the expansion of the state's subsidized inventory has resulted from such development.

Geographic Distribution of Subsidized Housing

The resources available to assist low income residents with their housing needs are many and varied. For renters requiring affordable housing but no additional supportive services, assistance typically takes the form of

a voucher that enables them to secure housing in the private market or the provision of a unit in a public or subsidized housing development. Homeowner assistance generally takes the form of below market rate financing for the purchase or repair of their residence. **Table 2.5** provides a snapshot, by region and sub-region, of some of the resources currently being used to address the problems of housing affordability and quality. (This table includes permanent housing units reserved for populations with special needs, but does not include facilities and resources for the homeless.)

When Massachusetts enacted Chapter 40B in 1969, as the first in the nation affordable housing law, more than 200 communities had no subsidized housing at all. Most others had just begun to build housing for low income elderly renters using the State's public housing programs. Today, all but 33 of the Commonwealth's 351 cities and towns provide some level of low income housing. Most of the ones that don't are small rural communities that are served by regional housing authorities. In 1972, the state's 15 most populous cities accounted for nearly 70 percent of all subsidized housing. While these municipalities have since doubled their inventories, they now account for only 53 percent of the state's subsidized housing as more, smaller cities and towns have added units.

Even with a safety net that is generous, both by historical standards and in comparison to other states, the existing subsidized housing resources are inadequate to serve the number of low income renters in need. It is estimated that the Greater Boston and Pioneer Valley regions have resources sufficient to serve about half their low income households (not all of whom seek, or need, assistance), while the other regions have the resources to serve between 36 and 40 percent.

Recent Changes to the Subsidized Housing Inventory

DHCD maintains a Subsidized Housing Inventory (SHI) to monitor progress toward its goal of having 10 percent of the year round housing stock in every community qualify as subsidized. As part of its assessment of the state's housing market, the HMA authors included an analysis of the additions made to the SHI between September 2004 to March 2008 to determine what was being produced, where, and with what tools/resources.

More than 24,000 units *reserved for occupancy by low income households* were added to the inventory during this time.²² Of these, existing group homes – eligible for inclusion on the SHI as the result of a regulatory change by DHCD – accounted for 39 percent. Another 18 percent were qualified as the result of low income homeowners (or landlords, on behalf of low income tenants) making improvements to their properties with Community Development Block Grant, or similar, funding.²³ *Excluding* these additions, some 10,300 low income units were added. **Figure 2.9** identifies the tools and resources used to produce, or preserve, this affordable housing. It illustrates how dependent the Commonwealth has become on 40B – the comprehensive permit statute – and, to a lesser extent, other inclusionary mandates (negotiation, inclusionary or incentive zoning, Chapter 40R) to grow the affordable housing inventory.

Over 3,400 of the low income rental units added to the inventory during this period, and almost 2,400 of the new low income owner units, were permitted under Chapter 40B (700 of these units also used traditional subsidies). Nearly 3,000 rental and 400 owner units were added through other means including traditional subsidies and/or low income housing tax credits, inclusionary zoning, local action units, etc. This trend reflects both the scarcity of public subsidies to support the development of low-income housing and increasing local barriers to the production of new housing in general. More than 57 percent of the newly created units added used 40B either alone or in addition to other subsidies (7%). Another 38 percent employed traditional subsidies, including nearly 9 percent that were reserved for populations with special needs.

²² This number excludes an estimated 3,332 units added in the City of Boston and another 616 units that represented edits, corrections or the addition of new affordable units in existing developments.

²³ Most such programs include "recapture" provisions, not long-term deed restrictions.

Table 2.5 Snapshot of Resources to Assist Low Income Owners and Renters

Region	Total Units		Renter Resources				Owner Resources			
	Counted on Subsidized Inventory	Affordable Rental Units*	Public Housing Share	Expiring Use (EUR) Units Lost [^]	EUR Units at Risk by 2010 [^]	Tenant Based Subsidies	Affordable Owner Units**	Avg. Mass Housing Home Purchase Mortgages+	Avg. Mass Housing Home Impvt Loans+	Avg. Soft Second Loans+
Berkshire	4,295	3,528	45.2%	68	266	1,619	102	97	15	0
North	1,392	1,303	35.1%	0	45	616	14	18	5	0
Central	2,507	1,975	50.1%	68	221	931	64	75	8	0
South	396	250	59.6%	0	0	72	24	4	2	0
Greater Boston	117,932	98,194	40.1%	7,503	9,331	39,362	2,806	432	93	545
Inner Core	89,521	79,919	37.8%	6,596	7,651	32,676	1,865	280	64	468
128	15,483	9,905	49.7%	502	805	3,290	424	97	20	53
495/MetroWest	12,928	8,370	50.6%	405	875	3,396	517	55	9	24
Cape & Islands	5,638	3,714	38.2%	0	206	2,261	702	48	2	21
Cape Cod	1,226	876	36.4%	0	206	210	160	11	1	19
Martha's Vineyard	400	222	0.0%	0	0	25	15	0	0	0
Nantucket	121	87	47.1%	0	0	1	0	0	0	1
Central	24,076	19,080	43.5%	458	815	5,587	838	218	72	79
Blackstone Valley	1,443	1,123	67.6%	0	0	73	132	24	6	3
Metro Worcester	15,413	12,593	40.4%	408	587	4,180	367	111	30	64
North Central	7,220	5,364	45.6%	50	228	1,334	339	83	36	12
Northeast	32,007	22,270	50.4%	986	2,034	9,080	1,549	240	35	123
Merrimack Valley	11,523	8,507	46.2%	332	636	3,222	510	77	8	50
Middlesex	10,717	6,517	52.7%	289	432	2,638	837	92	8	53
North Shore	9,767	7,246	53.2%	365	966	3,220	202	71	20	20
Pioneer Valley	27,248	22,618	37.1%	1,210	2,455	10,913	413	274	67	92
Franklin	2,176	1,597	29.1%	208	261	454	83	49	16	7
Hampden	20,469	17,833	36.1%	225	1,954	9,118	240	188	40	60
Hampshire	4,603	3,188	46.9%	777	240	1,341	90	36	11	25
Southeast	30,434	23,969	52.8%	1,256	2,385	9,932	786	343	65	77
Tri-Cities	13,460	10,112	53.4%	3	857	3,688	270	167	35	35
South Shore	3,749	2,716	47.2%	0	224	1,090	191	48	12	11
Southcoast	13,225	11,141	53.5%	1,253	1,304	5,154	325	128	19	31
Total	241,630	193,373	42.9%	11,481	17,492	78,754	7,196	1,651	347	1,876

* Excludes DMR, DMH; includes public housing. Includes only units restricted to occupancy by low income households

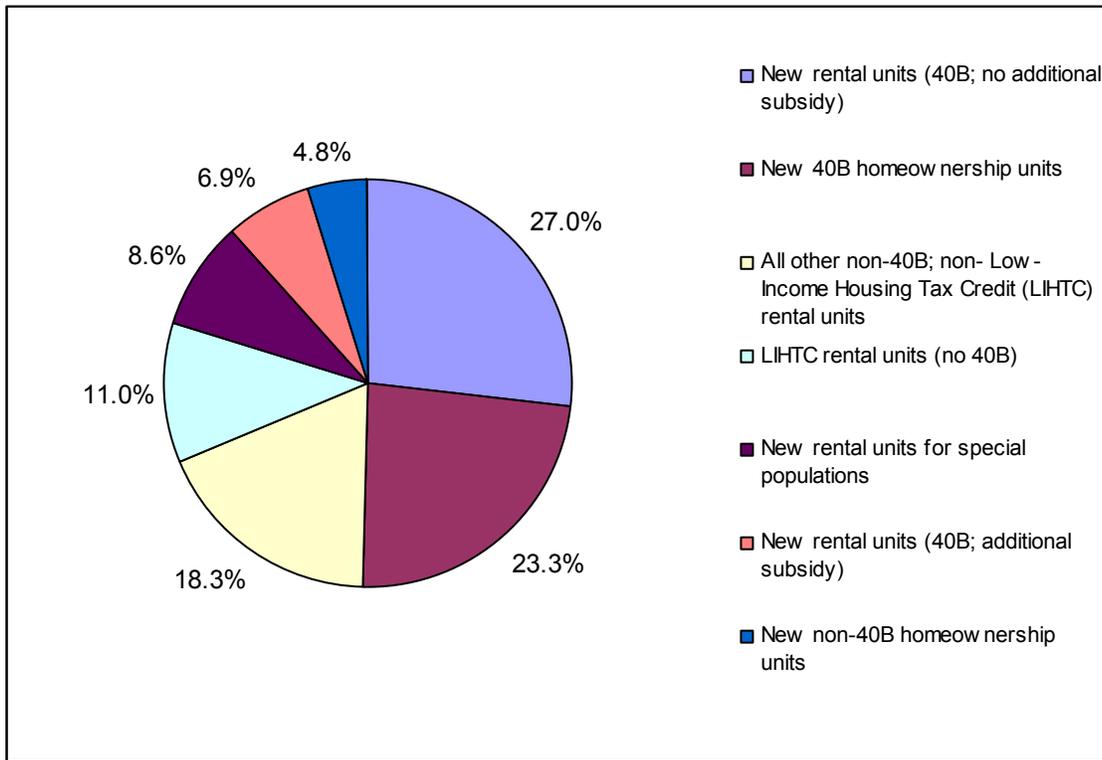
** Excludes homeowner rehab, accessory dwelling and amnesty units, first time homebuyer, etc.

[^] CEDAC 2/2008

+ Average annual 2005-2007

Source: UMDI analysis of 3/14/08 Subsidized Housing Inventory

Figure 2.10 Low Income Housing Units Added to the Subsidized Housing Inventory, 2004-2008



Note: Only includes income restricted low income units. Does not include market rate units in mixed income developments. Excludes City of Boston additions and affordable units added at existing developments, edits and corrections. Total number units analyzed = 23,675. Estimated number of SHI-eligible units added in the City of Boston during this period = 3,332, including 1,016 DHR/DMH units

Source: HMA, based on authors analysis of September 2004 and March 2008 Subsidized Housing Inventory

Areas of Low Income Concentration

While low income residents reside in every municipality in the Commonwealth, areas of low income concentration are limited to a very few localities, principally Boston and a handful of other entitlement communities. DHCD focuses on census tracts to identify concentrated low income areas. Only 56 municipalities contain any low or very low income census tracts, and only 20 contain tracts with the very low income designation.²⁴ More than half of the communities that contain low income areas are entitlement communities, as are nearly all of the ones with very low income residential areas. Ninety-three percent of the population in very low income census tracts, and 80 percent in low income tracts, live in the state’s entitlement communities (The City of Boston alone accounts for 38 percent of the state’s very low income tract population.) Chelsea and Southbridge are the two non-entitlement communities with the highest concentration of people living in very low income areas.

There was relatively little change in the income designation of census tracts between 1990 and 2000, the most recent period for which such data are available. For the most part, neighborhoods that were low income in 1990 remained so in 2000. In fact, there was very little shift between 1980 and 1990. This is because the low income

²⁴ Low income census tracts are those in which the median family income is at or below 80 percent of the median family income for the HUD FMR Area, or HMFA. Very low income tracts are those with a median income at or below 50 percent.

calculation measures a census tract’s median income relative to that of the larger metropolitan area, or county. A tract may register a substantial rise in resident income, yet retain the low income classification if incomes in the surrounding areas increase at a greater rate. Fewer than 20 percent of the more than 1,300 census tracts in the Commonwealth saw their income designation change at all based on the 2000 Census. Of these, about 100 moved into, or out of, the low income category, with about 60 percent deteriorating and 40 percent improving.

Areas of Concentration of Racial and Ethnic Minorities

Over 60 percent of the state’s racial and ethnic minorities live in census tracts classified as low income, compared to less than 18 percent of non-minority residents. Twenty-four percent of minorities, but only 2.5 percent of non-minorities, live in very low income tracts. Further, minorities were more likely to live in tracts that had declined in relative affluence between 1990 and 2000, the most recent year for which data are available at the census tract level.) **Tables 2.6** and **2.7** illustrate these trends. Fewer than 6 percent of the minorities in Massachusetts who live in concentrated low income areas reside in non-entitlement communities. Of these, 60 percent live in Chelsea, Everett and Revere. The vast majority of minorities living in concentrated low income areas reside in entitlement communities such as Boston and Springfield.

Table 2.6 Percent of Minorities²⁵ and Non Minorities Living in Low Income Areas

% of Minorities and Non Minorities Living in Low Income Areas					
Census Tract Designation	Tract Median Income as % of Area Median Income	1990		2000	
		Minority Population	Non Minority Population	Minority Population	Non Minority Population
Upper	>=120%	9%	22%	12%	29%
Mod/Middle	>=80% but <120%	29%	56%	27%	53%
Low	>50% but <80%	41%	19%	37%	15%
Very Low	<50%	22%	4%	24%	3%

Source: DHCD Analysis of FFIEC Data

²⁵ The term minority encompasses all racial and ethnic categories except white, non-Hispanic; non-minority refers to only white non-Hispanics. The terms Hispanic and Latino are used interchangeably. Hispanic persons may be of any race. Unless otherwise indicated, white, black, and Asian refer to non Hispanic members of those races.

Table 2.7 Percent of Minorities and Non Minorities Living in Areas Where Income Designation Changed Between 1990-2000

% of Minorities and Non Minorities Living in Areas Where Income Designation Changed Between 1990-2000		
Income Trend	Minority	Non Minority
% of Population in Tracts with Rising Income Designation	7%	9%
% of Population in Tracts with Stable Income Designation	73%	81%
% of Population in Tracts with Falling Income Designation	20%	9%

Source: DHCD Analysis of FFIEC Data

Racial and ethnic minorities became homeowners in large numbers during the 1990s, and have continued to do so since 2000, many taking advantage of first-time homebuyer programs offered by the State’s lenders and quasi-public agencies. Census 2000 reported there were 10,000 more black homeowners than there had been a decade earlier. The number of Hispanic owners had increased by 12,000 and the number of Asian homeowners by 15,000. By 2008, the number of black owners had risen by nearly 13,000; the number of Asian owners was up by 21,000; the number of Hispanic owners by 20,000; and the number of white (non-Hispanic) owners by 37,000 according to that year’s ACS.

Despite these impressive gains, the state’s minority homeowners – particularly its black owners – remain geographically concentrated in a handful of communities, the majority-minority neighborhoods of Boston foremost among them. Between 2000 and 2006:

- 74.4 percent of black home buying took place in just six municipalities (Boston, Brockton, Springfield, Worcester, Randolph, and Lynn)
- 52.2 percent of Latino home buying took place in just six municipalities (Boston, Lawrence, Springfield, Lynn, Worcester, and Revere)
- 30.7 percent of Asian home buying took place in just six municipalities (Boston, Quincy, Lowell, Worcester, Malden, and Newton)
- The top six white home buying communities, by contrast, accounted for only 17.5 percent of all white purchases (Boston, Worcester, Springfield, Plymouth, Haverhill, and Lowell)

Home buying by racial/ethnic groups follows a similar pattern within the city of Boston, with black and, to a lesser degree Latino, purchases more highly clustered than Asian or white purchases:

- 83 percent of black home buying occurred in Dorchester, Roxbury, Mattapan, and Hyde Park
- 65 percent of Latino home buying occurred in East Boston, Dorchester, Hyde Park, and Roslindale
- 57 percent of Asian home buying occurred in Allston/Brighton, Dorchester, the South End, and Central neighborhoods

- 43 percent of white home buying occurred in South Boston, the South End, Back Bay/Beacon Hill, and Allston/Brighton neighborhoods.

The concentration of subprime lending, and now foreclosures, in these same communities jeopardizes these recent gains in ownership.

Areas of Opportunity

In 2008 Massachusetts Legal Services programs, led by the Massachusetts Law Reform Institute, commissioned Ohio State University's Kirwan Institute for the Study of Race and Ethnicity to conduct an "opportunity mapping analysis" of the Commonwealth. Opportunity mapping is a technique that utilizes extensive datasets and state-of-the-art Geographic Information Systems (GIS) to analyze the distribution of opportunity in metropolitan areas, and the Kirwan Institute is a national leader in the field. The goal of the Massachusetts initiative was to understand how low income groups and racial and ethnic populations were situated in the Commonwealth's "geography of opportunity," defined as "environmental conditions or resources that are conducive to healthier, vibrant communities and are more likely to be conducive to helping residents in a community succeed."²⁶

Based on an analysis of 19 variables that are indicators of opportunity – sustainable employment, high performing schools, a healthy and safe environment, political empowerment, and outlets for wealth-building – the Kirwan researchers assigned an "opportunity" rating to every census tract in the state. Working from that database, Nancy McArdle, a researcher with expertise in analyzing patterns of racial change and segregation, assigned a composite rating to each of Massachusetts' 351 cities and towns: very high, high, moderate, low, and very low. Ninety-two municipalities were considered "very high" opportunity areas, 98 were deemed to be "high," 76 were rated "moderate," 31 were "low", and 9 were rated "very low."²⁷ The January 2009 report concluded that access to these critical building blocks of opportunity was not equal or even possible for many Massachusetts residents, particularly people living in low income communities of color. Among the Kirwan study's conclusions:

- More than 90 percent of black and Latino households in 2000 were isolated in the lowest opportunity neighborhoods in the Commonwealth compared to 55 percent of Asian and 31 percent of white households.
- Only 42 percent of low income white households lived in low opportunity communities, while approximately 33 percent lived in high opportunity communities. By contrast, more than 95 percent of low income Latinos, 93 percent of blacks and 71 percent of low income Asians lived in low opportunity neighborhoods.
- Opportunity segregation was also found for high income black and Latino households, approximately 90 percent of whom were isolated in low opportunity neighborhoods, compared to 20 percent of high income white households.

The Kirwan study also analyzed the existing supply of federally subsidized²⁸ housing in Massachusetts in relation and concluded that:

- The state's federally subsidized housing supply was isolated from many high opportunity neighborhoods.

²⁶ The Geography of Opportunity: Building Communities of Opportunity in Massachusetts, The Kirwan Institute for the Study of Race and Ethnicity, Ohio State University, 2009

²⁷ Kirwan performed its analysis at the census tract level; McArdle then aggregated the ratings of the individual tracts in a given municipality to arrive at a composite opportunity rating for the municipality overall. Forty-five towns were not rated because they share census tracts with a neighboring municipality.

²⁸ The data the study's authors analyzed was based on HUD's 2000 Picture of Subsidized Housing. This data base does not include the nearly 50,000 units of Massachusetts state-funded public housing.

- The Commonwealth's low opportunity neighborhoods, which represented 40 percent of the total census tracts in the state, contained over 75 percent of the subsidized housing units in the HUD 2000 Picture of Subsidized Housing data set.
- Nearly 70 percent of the subsidized housing developments in the state were found in low opportunity communities.

Barriers to Affordable Housing

Insufficient resources to meet the growing gap between the cost of creating and maintaining decent housing and the incomes of very low income households is, of course, the primary obstacle. But building new housing has become increasingly more costly and challenging in Massachusetts, making it difficult for the private market to meet the needs even of moderate and middle income residents. Some of the obstacles to production are unique to affordable housing, but many apply to housing development generally. Most have been well documented, including in the *2005-2009 Consolidated Plan*. The factors affecting the state's performance on housing development and rehabilitation have to do with economic and fiscal considerations, resource allocation, the state's legal and regulatory framework, and public perception and attitudes. Specific barriers include:

- High construction costs, including high labor costs;
- High cost and relative scarcity of land available for development, especially in the eastern part of the state, and the higher costs associated with building on the marginal sites that are available;
- Limited infrastructure in many of the Commonwealth's communities and little incentive for improving roads, water and sewer systems;
- The elimination of deep federal subsidy programs for low income housing development, and their replacement by a number of smaller, shallow subsidies that increase time delays and transaction costs.
- Complex or redundant building codes and the way that they are applied;
- Restrictive local zoning and land use controls and permitting processes;
- Limited planning and organizational capacity at the local level. Half of the Commonwealth's 351 municipalities have fewer than 10,000 residents, and most of these have no professional planning or community development staff.
- Reluctance of communities to allow new residential development, especially affordable housing, because of concerns related to fiscal impact, property values and "community character." Massachusetts' municipalities have control over most land use decisions, and they are responsible for providing and paying for essential public services – including education – largely through the local property tax.

The ability of the State to eliminate, or even mitigate, some of these barriers is limited. For example, while materials cost roughly the same here as in other parts of the country, labor is considerably more expensive. R.S. Means reports that labor costs are 37 percent higher in Boston than in the 30-city national average, and that contributes to the city's overall cost premium of 16 percent over the other cities in the index.²⁹ A number of the impediments reflect the challenge of siting new development in communities with long established settlement patterns and fragmented land ownership. New development on virgin territory usually offers greater flexibility than filling in the remaining parcels in a largely built out area, even if that buildout was done at a relatively low density.

DHCD recognizes that that expanding the supply of affordable housing is vital to the state's economic prosperity, and economic prosperity is what will boost the income and economic self sufficiency of low income residents. Significant energy and resources have been devoted towards these complementary ends since the last Con Plan was submitted, and these are detailed in the Strategic Plan.

²⁹ R.S. Means National Construction Cost Index, January 2009. Ranking is by city (Boston), not state.

3. Housing and Homeless Needs Assessment

91.305

Introduction

The market conditions described in Section 2 – income stagnation, rising unemployment, high levels of foreclosure, and falling state revenues to support essential services – have created hardship for many Massachusetts residents and challenges for local governments. The impact is most acute, however, for residents at the bottom rung of the economic ladder who do not currently receive housing assistance and those living in the handful of urban communities most severely impacted by concentrated foreclosures. Homeowners and renters alike face growing cost burdens and hardship as the economy struggles to regain its footing.

This section documents the state's housing and community development needs, providing a basis for determining how the Commonwealth will allocate its HUD funds and other financial resources during the next five years. The Needs Assessment is divided into five sections, in addition to this introduction, evaluating separately the housing needs of: 1.) the general population, 2.) the homeless, 3.) non-homeless families and individuals with special needs, including the elderly, 4.) non-housing community development needs of Massachusetts cities and towns, and 5.) the particular needs arising from the presence of lead paint in much of the state's aging housing stock.

Information on the number and type of families in need of housing assistance has been drawn from several sources, including the 2000 Census; the 2008 housing market analysis (HMA); the most recent editions of the American Community Survey (ACS); consultation with agencies and organizations that work on issues of housing and homelessness, including those that serve populations with special needs; testimony from the public; and HUD's recently released 2009 CHAS data.³⁰ The needs assessment conforms to HUD definitions and classification of income, household type, cost burden, and other housing problems.³¹

³⁰ These so-called 2009 CHAS data are based on the 2005-2007 ACS. They are not directly comparable to the CHAS tabulations based on the 1990 and 2000 decennial censuses, which were utilized in the preparation of the Commonwealth's previous Con Plans. They are not as detailed, and the geographic coverage is more limited due to the smaller sample size on which they were based. For this reason – and because of the late date at which they were released – DHCD has utilized the more detailed HMA to estimate housing needs at the regional level, even though its income categories do not align with HUD's.

³¹ HUD income classifications are as follows: extremely low income (ELI) – less than or equal to 30 percent of the area median family income (AMI); very low income (VLI) – greater than 30 percent and less than or equal to 50 percent of AMI; low income (LI) – greater than 50 percent and less than or equal to 80 percent of AMI; and moderate income – greater than 80 percent and less than or equal to 95 percent. Household types are classified as follows: elderly households – 1 or 2 persons, either person 62 years old or older; small family – 2-4 members; large family – 5 or more members; other households – 1 person households, not elderly.

Housing and Homeless Needs Assessment

General Population

Highlights from recent Massachusetts housing market assessment

Note: This section presents highlights from November 2008 report, *The State of the Massachusetts Housing Market: A Statewide and Regional Analysis*. For a more detailed discussion of housing needs at the state and regional levels, refer to the report, available online at:

<http://www.mass.gov/Ehed/docs/dhcd/media/thestateofmahousingm.pdf>

- Despite the state's slow overall population growth, decreases in household size, an aging population and other recent demographic trends are changing the quantity and types of housing needed. Looking back over a twenty year time frame, for example, there are more than 73,000 fewer renter households in Massachusetts than there were in 1990; the number of renters living alone, however, has increased by over 28,000. In every other household size category, there are fewer households, and the number of renter households with 5 or more members has fallen by nearly 36 percent. During the same period (1990-2008) the state gained over 263,000 homeowners. There are now nearly 351,000 homeowners who live alone, an increase of more than 50 percent since 1990. More than 142,000 single person owner households are over age 65; nearly 82,000 are over age 75.
- Nearly half of renters and fully one third of owners experienced housing cost burdens in 2005/2006, with affordability presenting the greatest difficulties for the most vulnerable populations – renters, families, the young and old, and especially the poor. Even though the number of renter households declined by almost 81,000 between 2000 and 2005/2006, the number experiencing severe cost burdens (rent \geq 50% of income) increased by more than 65,000.
- Although Massachusetts outpaces the nation in the amount of subsidized housing and rental assistance it provides, the state's housing safety net cannot provide housing assistance to all those who are eligible.
- Energy prices continue to have a significant effect on the cost of home ownership. Forty-three percent of Massachusetts households heated their homes with oil in 2008. Because the price of heating oil has risen faster than other fuels in recent years – and because homeowners are twice as likely to heat with oil as renters – homeowners who heat with oil experience disproportionately high heating costs when oil prices rise. Two groups in particular are affected by rising fuel costs: low-to-moderate income households and the elderly.
- Price inflation, lax credit standards, subprime lending, and other problems that wrought havoc in housing markets across the nation have destabilized markets in Massachusetts as well. After rising by more than 82 percent between 2000 and September 2005³², home values dropped by more than 20 percent between September 2005 and March 2009. Even with prices at their current depressed level, tighter lending requirements and uncertainty continue to keep buyers out of the market. While prices have dropped across the board, the legacy of subprime lending has fallen most heavily on the Commonwealth's communities of color.

³² Case Shiller index, January 2000-September 2005

- The housing market, which peaked in the third quarter of 2005 and bottomed out in most parts of the state in the first quarter of 2009, is expected to recover slowly. Still, Massachusetts will continue to be a high cost state for both renters and owners.
- The Commonwealth is expected to remain a slow growth state during the five-year period covered by this plan, with its overall population likely to increase by less than 2 percent. Growth will continue to vary by region, and within regions, by municipality.
- While the aging of the state's Baby Boomers is likely to be the defining market force between 2010 and 2030, it will make only a modest difference in the state's housing needs during the period covered by the plan. A growing number of younger householders (echo boomers) will place new demands on the state's housing supplies between 2008 and 2012.
- Inadequate housing supply in some parts of the state may exacerbate affordability problems and hinder growth when the economy rebounds. However, the fact that Massachusetts did not experience the sort of overbuilding that some states did may speed housing recovery.
- The Commonwealth had a net housing shortfall of over 18,000 units in 2007, and the HMA forecast that most regions of the state would face continued housing shortages through 2012. The HMA predicted that construction would be slow to recover from the recession, and new production would be inadequate to redress the shortages of 2007 and meet the modestly growing future demand. Substantial mismatches of housing supply and demand by type – single-family or multifamily – were projected in nearly every region, with a dearth of single-family homes in Greater Boston and of multifamily homes nearly everywhere else. The recession has resulted in an even greater drop in production than had been projected. As a result, the housing shortfalls anticipated to last through 2012 are now expected to persist at least through the Con Plan period, 2010-2014.

Nature and Extent of Housing Problems

For the population at large, housing needs fall into three categories: affordability, adequacy and access. The extent of these housing problems varies by location, household type, and race/ethnicity, but affordability is the major challenge across the board.

Affordability:³³ A Challenge across Income Levels

The 2008 American Community Survey reported that 42³⁴ percent of all mortgaged homeowners in Massachusetts and 49 percent of all renters were cost burdened, up from 26 percent and 39 percent in 2000. The number with severe cost burdens had risen to 16 and 25 percent from 9 and 18 percent eight years earlier. Even homeowners with no mortgage debt outstanding have experienced rising affordability problems: in 2008, 22 percent of un-mortgaged owners experienced cost burdens, with more than 10 percent reporting severe cost burdens. In 2000 less than 15 percent of owners with no mortgage debt outstanding had reported any cost burden. (Comparable information on severe cost burdens for non-mortgaged owners from 2000 is not available.)

Several key statistics underscore the dimensions of the affordability challenge facing Massachusetts residents. Between 2000 and 2008:

³³ Housing affordability is a function of housing cost and household income. HUD considers rental housing affordable if rent plus utilities paid by the tenant do not exceed 30 percent of gross household income. If housing costs exceed that amount, the household is considered to be cost burdened; if they consume more than 50 percent of income, it is considered severely cost burdened. In the case of homeowners, the standard is the same, but housing costs include mortgage payment, taxes and insurance.

³⁴ Percentages are rounded in this text; see detailed tables for exact counts and shares.

- Massachusetts experienced a net gain of more than 86,000 additional owner households and a net loss of over 73,000 renter households;
- The number of homeowners (with a mortgage) paying more the 30 percent of income for housing rose by 263,000; the number paying more than 50 percent increased by 116,000;
- Despite the substantial drop in renter households, the number of cost burden renters increased by more than 65,000; the number with severe cost burdens, by 33,000; and
- Nearly 49,000 additional homeowners with *no mortgage debt* outstanding reported cost burdens in excess of 30 percent of income, including more than 25,000 with severe cost burdens.

These numbers bear out the testimony of housing practitioners that many renter households stretched financially to become homeowners during the first half of the decade, often financing their purchase with a subprime mortgage. Their numbers are now reflected in the ranks of cost burdened owners. Those households who remained renters were ones with the lowest incomes, hence the greater likelihood of cost burdens, and/or other problems.

While HUD requires that its resources benefit primarily low income households, it is evident that affordability is not just a problem for those with limited incomes in Massachusetts. Even middle and upper income households are spending a disproportionate share of their income for shelter, as illustrated by **Table 3.1**. In addition, affordability problems, as well as adequacy and connectivity problems, tend to have a greater impact on extremely-low income households, racial minority households, and households including members with disabilities. The housing problems affecting these groups are discussed in greater detail later in this section and in the Special Needs Population Needs Assessment section.

Adequacy

Despite the age of the Commonwealth's housing stock, a relatively small share of the inventory is substandard under the HUD definition of "lacking complete kitchen facilities or plumbing." Typically households experiencing such conditions, and/or overcrowding, also experience cost burdens. HUD considers households to have "worst case" needs if they live in severely substandard, or overcrowded, conditions and/or experience severe cost burdens. **Table 3.2** documents the number of households living in severely substandard conditions, and it shows that number dropped by nearly 50 percent between 2000 and 2005-2007. Fewer than 9,000 ELI and VLI households lack complete kitchen and/or bath facilities. Some number of these may be living in new, standard single person occupancy residences.

Still, with 44 percent of its dwelling units more than 50 years old, it is clear that the Commonwealth's housing inventory requires constant upgrading and repair to keep it efficient, safe and functional. The high number of Massachusetts homeowners who use oil for home heating and depend on septic for treatment of wastewater creates a constant demand for energy-related improvements and septic replacement to meet the state's Title V (ground water discharge) requirements. While the state is gaining in the challenge to remove or encapsulate lead paint, the age of the inventory – particularly in urban areas where the majority of minority children reside – requires continued attention.

More recently, concerns about adequacy have emerged in areas impacted by concentrated foreclosures: vandalism of vacant structures, overcrowding as families lose their homes to foreclosure, etc.

Access

For certain categories of household, accessibility issues represent a pervasive problem. These include households with a disabled member in need of supportive services or adaptations to make their home safe and accessible, including frail elders. Also included are those who face discrimination in the housing market, most often families with children, racial and ethnic minorities, and people with disabilities. Some accessibility challenges, however, affect the general population. A jobs/housing mismatch, for example occurs when

affordable housing exists, but not in proximity to jobs. An affordability mismatch occurs when housing units exist that are affordable to households of a specified income (e.g., ELI, VLI, LI) but are occupied by higher income residents. And, there may be available units in locations that suffer from conditions that make them inappropriate for, or unattractive to, the households who could afford them.³⁵

Table 3.1 Summary of Housing Problems by Income Classification

Income Classification	Renters			Homeowners			All Households		
	Total	With Housing or Afford Problems	% with Problems	Total	With Housing or Afford Problems	% with Problems	Total	With Housing or Afford Problems	% with Problems
Summary of Housing Problems by Income Classification - 2009 CHAS									
Total	857,955	402,125	49.5%	1,590,660	537,590	34.0%	2,448,615	939,715	39.2%
<= 30% of AMI	271,725	190,845	77.1%	104,740	90,185	92.7%	376,465	281,030	81.5%
>30%, but <=50%	141,585	102,725	75.9%	131,275	86,855	66.2%	272,860	189,580	71.1%
>50 %, but <=80 %	168,410	79,880	49.1%	241,210	128,230	53.2%	409,620	208,110	51.5%
>80 %, but <=95 %	66,320	14,040	21.9%	132,435	60,995	46.1%	198,755	75,035	38.2%
>95 %, but <=100 %	18,810	2,250	12.6%	45,735	18,665	40.8%	64,545	20,915	32.9%
>100 %, but <=115 %	48,545	5,575	11.8%	132,915	46,780	35.2%	181,460	52,355	29.1%
>115 %, but >=120 %	12,930	1,095	8.8%	41,695	12,625	30.3%	54,625	13,720	25.3%
>120 %, but >=140 %	41,695	2,685	6.7%	159,395	38,490	24.1%	201,090	41,175	20.7%
>140 %	87,925	3,025	3.6%	601,270	54,765	9.1%	689,195	57,790	8.4%
Summary of Housing Problems by Income Classification - 2000 CHAS									
Total	935,331	364,286	38.9%	1,508,245	366,245	24.3%	2,443,576	730,531	29.9%
<= 30% of AMI	253,470	168,925	66.6%	94,615	76,665	81.0%	348,085	245,590	70.6%
>30%, but <=50%	150,655	96,820	64.3%	119,320	65,165	54.6%	269,975	161,985	60.0%
>50 %, but <=80 %	168,730	61,090	36.2%	198,100	86,215	43.5%	366,830	147,305	40.2%
>80 %, but <=95 %	94,535	18,215	19.3%	149,595	49,560	33.1%	244,130	67,775	27.8%
>95 %, but <=100 %	21,915	2,650	12.1%	42,345	10,325	24.4%	64,260	12,975	20.2%
>100 %, but <=115 %	57,576	5,821	10.1%	126,730	25,675	20.3%	184,306	31,496	17.1%
>115 %, but >=120 %	15,665	1,465	9.4%	40,685	6,295	15.5%	56,350	7,760	13.8%
>120 %, but >=140 %	52,905	3,640	6.9%	150,945	18,935	12.5%	203,850	22,575	11.1%
>140 %	119,880	5,660	4.7%	585,910	27,410	4.7%	705,790	33,070	4.7%
Change 2000-2009 CHAS									
Total	-77,376	37,839		82,415	171,345		5,039	209,184	
<= 30% of AMI	18,255	21,920		10,125	13,520		28,380	35,440	
>30%, but <=50%	-9,070	5,905		11,955	21,690		2,885	27,595	
>50 %, but <=80 %	-320	18,790		43,110	42,015		42,790	60,805	
>80 %, but <=95 %	-28,215	-4,175		-17,160	11,435		-45,375	7,260	
>95 %, but <=100 %	-3,105	-400		3,390	8,340		285	7,940	
>100 %, but <=115 %	-9,031	-246		6,185	21,105		-2,846	20,859	
>115 %, but >=120 %	-2,735	-370		1,010	6,330		-1,725	5,960	
>120 %, but >=140 %	-11,210	-955		8,450	19,555		-2,760	18,600	
>140 %	-31,955	-2,635		15,360	27,355		-16,595	24,720	

Source: 2009 CHAS table based on 2006-2008 ACS; 2000 CHAS table based on the 2000 Decennial Census

³⁵ The HMA authors conducted an affordability gap analysis, by region, to determine whether there was an absolute shortage of units in a price range low income households could afford or rather a mismatch. The analysis indicated a statewide shortage of Extremely Low-Income units, driven by shortages in the Central, Greater Boston, Northeast, and Pioneer Valley regions. Greater Boston has the largest shortage of affordable units for Extremely Low-Income renters, and is the only region with an absolute shortage of affordable rental units for Very Low-Income renters, though this shortfall is modest.

Table 3.2 Severely Substandard Conditions

	All	# Sub-standard	% Sub-standard
2000			
<=30% AMI	347,060	7,454	2.1%
30.1-50% AMI	207,779	8,081	3.9%
<i>Total ELI and VLI</i>	<i>554,839</i>	<i>15,535</i>	<i>2.8%</i>
2005-2007			
<=30% AMI	344,785	6,410	1.9%
30.1-50% AMI	266,591	2,576	1.0%
<i>Total ELI and VLI</i>	<i>611,376</i>	<i>8,986</i>	<i>1.5%</i>

Substandard is defined as lacking complete kitchen or bath facilities.

Source: 2000 and 2009 CHAS tables

Categories of Persons Affected

Along with Table 3.1, three additional tables summarize the housing needs of Massachusetts residents by income and household type. Together they show how the number of households with some type of housing problem, most often affordability, has increased over time. **Table 3.3**, comparing the newly released CHAS data (based on the 2005-2007 American Community Survey) with the 1990 and 2000 CHAS, documents changes over time in the number of households by tenure and income category. The table shows that the number of extremely low income households – both renter and owner – is increasing, absolutely and as a share of all households. The number of homeowners who are not low income has increased, but they represent a smaller share of Massachusetts households. And the number of non-low income renters has dropped, both in absolute terms and as a share of all renters.

Using the same database, **Table 3.4** summarizes the number of households who experienced moderate or severe housing cost burdens in 2005/2007, documenting how the housing affordability problem has grown more acute over time.

Table 3.3 Distribution of Households by Income

Number of Households by Income Category and Tenure					
Income Category	1990	2000	2005-2007	Change (#), 2000- 2005/2007	Change (%), 2000-2005/7
Renters					
Extremely Low Income	227,047	253,370	271,725	18,355	7.2%
% of All Renters	25.7%	27.1%	31.7%		
Very Low Income	127,542	150,614	141,585	-9,029	-6.0%
% of All Renters	14.4%	16.1%	16.5%		
Low Income	144,431	168,689	168,410	-279	-0.2%
% of All Renters	16.3%	18.0%	19.6%		
Non Low Income	386,009	362,452	276,245	-86,207	-23.8%
% of All Renters	43.6%	38.8%	32.2%		
Total Renters	885,027	935,125	857,950	-77,175	-8.3%
Homeowners					
Extremely Low Income	89,120	94,629	104,745	10,116	10.7%
% of All Homeowners	6.6%	6.3%	6.6%		
Very Low Income	100,259	119,305	131,275	11,970	10.0%
% of All Homeowners	7.4%	7.9%	8.3%		
Low Income	150,900	198,093	241,210	43,117	21.8%
% of All Homeowners	11.1%	13.1%	15.2%		
Non Low Income	1,018,821	1,096,217	1,113,445	17,228	1.6%
% of All Homeowners	74.9%	72.7%	70.0%		
Total Homeowners	1,359,379	1,508,244	1,590,660	82,416	5.5%

Source: 2009 CHAS tables, based on 2005-2007 ACS

Table 3.4 Distribution by Number and Type of Cost Burdened Households

Number of Low Income Households with Housing Problems					
Income Category	1990	2000	2005-2007	Change (#), 2000- 2005/2007	Change (%), 2000-2005/7
Renters					
Extremely Low Income	227,047	253,370	271,725	18,355	7.2%
# with Problems	149,851	168,744	190,845	22,101	13.1%
% with Problems	66.0%	66.6%	70.2%		
Very Low Income	127,542	150,614	141,585	-9,029	-6.0%
# with Problems	90,555	96,845	102,725	5,880	6.1%
% with Problems	71.0%	64.3%	72.6%		
Low Income	144,431	168,689	168,410	-279	-0.2%
# with Problems	76,548	61,065	128,235	67,170	110.0%
% with Problems	53.0%	36.2%	76.1%		
Homeowners					
Extremely Low Income	89,120	94,629	104,745	10,116	10.7%
# with Problems	66,840	76,649	90,190	13,541	17.7%
% with Problems	75.0%	81.0%	86.1%		
Very Low Income	100,259	119,305	131,275	11,970	10.0%
# with Problems	42,109	65,141	86,855	21,714	33.3%
% with Problems	42.0%	54.6%	66.2%		
Low Income	150,900	198,093	241,210	43,117	21.8%
# with Problems	46,779	86,170	128,235	42,065	48.8%
% with Problems	31.0%	43.5%	53.2%		

Source: 2009 CHAS tables, based on 2005-2007 ACS

Table 3.5 presents the number of cost burdened households by household type.

Table 3.5 Distribution by Number and Type of Cost Burdened Households

Distribution by Number and Type of Households with...						
Tenure	Small family, elderly	Small family, non-elderly	Large family	Non-family, elderly	Non-family, non-elderly	Total
Total # of Owners	245,160	784,395	152,465	172,470	236,165	1,590,655
Household Type as % of All Owners	15.4%	49.3%	9.6%	10.8%	14.8%	
Total # of Renters	41,625	306,890	36,100	134,875	338,460	857,950
Household Type as % of All Renters	4.9%	35.8%	4.2%	15.7%	39.4%	
Moderate Cost Burdens						
# of Cost Burdened Owners	36,050	149,200	33,840	42,080	58,290	319,460
# of Cost Burdened Renters	10,055	67,060	9,190	31,755	70,750	188,810
% of Cost Burdened Owners	14.7%	19.0%	22.2%	24.4%	24.7%	20.1%
% of Cost Burdened Renters	24.2%	21.9%	25.5%	23.5%	20.9%	22.0%
Severe Cost Burdens						
Tenure	Small family, elderly	Small family, non-elderly	Large family	Non-family, elderly	Non-family, non-elderly	Total paying 50% or more
# of Owners	24,640	76,030	16,520	44,720	44,075	205,985
# of Renters	7,805	68,330	8,575	37,570	74,175	196,455
% of Cost Burdened Owners	10.1%	9.7%	10.8%	25.9%	18.7%	12.9%
% of Cost Burdened Renters	18.8%	22.3%	23.8%	27.9%	21.9%	22.9%

Source: 2009 CHAS tables, based on 2005-2007 ACS

What these tables 3.1 and 3.3 - 3.5 reveal is that:

- Approximately 73 percent of the state’s 376,465 extremely low income households report cost burdens and/or some other type(s) of housing problems. Nearly 82 percent of homeowners face cost burdens and/or other problems as do 77 percent of renters. Fully 70 percent of ELI owners face severe cost burdens, paying in excess of 50 percent of income for housing as do 55 percent of renters. The state’s high level of rental assistance buffers many poor residents from its high housing costs. Because there are so many more extremely low income renter households than there are homeowners, however, the *number* of renters with severe cost burdens (more than 135,000) is nearly twice the number of owners (68,000).
- Of 272,860 very low income households, 52 percent are renters and 48 percent owners. Both experience housing problems at a high rate: 76 percent for renters and 66 percent for owners. LI renters and owners experience housing problems at greatly different rates. Among LI renters, 61 percent have a housing problem of some sort, including 56 percent who are cost burdened and 12 percent who are severely cost-burdened. LI owners, on the other hand, experience housing problems at a rate of 46 percent, but 44 percent are cost-burdened and 18.5 percent are severely cost-burdened. Again, large related families experience the greatest rate of housing problems among the family types defined by HUD: 74 percent of LI renters and 75 percent of LI owners.
- Of 409,620 low income (50-50% AMI) households, 41 percent are renters and 59 percent are owners. The homeowners in this income range experience cost burdens at a rate of 53 percent compared to 49 percent for renters.
- Large renter families experience the highest level of cost burden, although there are relatively few of them. Single person households, whether renters or owners, elderly or not, contribute a disproportionate share of income for housing. Single elderly homeowners are particularly vulnerable. In areas with sizable student

populations (Boston and Amherst, for example), the number of students – who often have low incomes but parental assistance with living expenses – may overstate the challenges faced by single person households, non-elderly households.

Housing Condition and Overcrowding

The Census does not adequately measure the condition of the state’s housing inventory, but it does provide a “worst case scenario” by enumerating housing units that lack complete plumbing or kitchen facilities. This is the basis for HUD’s definition of “substandard” housing. The number of dwelling units in each of these categories continues to drop, as Table 3.2 illustrated. The problems of overcrowding or substandard conditions in Massachusetts are almost always accompanied by cost burdens. This is especially true for homeowners. In 2000, the most recent year for which housing problems are distinguished from affordability problems in this way, less than 1 percent of homeowners, and less than 5 percent of renters, reported problems with housing condition *but not* affordability.

HUD requires participating jurisdictions to define the terms “standard condition,” “substandard condition” and “substandard condition, but suitable for rehabilitation.” For purposes of its consolidated planning, the Commonwealth considers units standard if they meet HUD’s Section 8 quality standards. Consistent with the Census Bureau definition, units are deemed to be substandard if they lack complete plumbing and/or kitchen facilities.

The category “substandard, but suitable for rehabilitation,” includes units that would not currently meet Section 8 standards, but could be brought into compliance with local codes for less than replacement cost. Such units might have functional obsolescence, moderate structural damage, inadequate or inefficient heating systems, septic problems, and the like. They may also lack energy conserving features such as insulation or storm windows, and/or contain lead paint. Because of the age of much of the existing housing stock, the severity of New England winters, and the number of communities that rely in whole, or in part, on onsite septic systems for wastewater treatment, a conservative estimate of the number of units in this category would be four times the number of substandard units, or approximately 50,000 units. DHCD relies on the expertise of those administering its housing rehabilitation programs at the local level to estimate and prioritize housing rehabilitation needs.

Overcrowding is defined by the Census and HUD as more than one person per room; severe overcrowding is more than 1.5 persons per room. **Table 3.6** illustrates that overcrowding among homeowners is limited across income categories. It is more prevalent among renters than owners. It is also more prevalent in a limited number of communities, notably lower income cities with high numbers of recent immigrants.

Table 3.6 Incidence of Overcrowding by Income and Tenure

	30% AMI or less	30.1-50% AMI	50.1-80% AMI	80.1-95% AMI	95.1% AMI and above	Total*
All Owners	104,740	131,275	241,200	132,435	981,005	1,590,655
Owners w Moderate Overcrowding	530	1,135	2,830	1,135	4,290	9,920
<i>% w Moderate Overcrowding</i>	<i>0.5%</i>	<i>0.9%</i>	<i>1.2%</i>	<i>0.9%</i>	<i>0.4%</i>	<i>0.6%</i>
Owners w Severe Overcrowding	140	135	225	155	840	1,495
<i>% w Severe Overcrowding</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
All Renters	271,725	141,585	168,410	66,325	209,915	857,960
Renters w Moderate Overcrowding	5,220	4,270	3,770	1,655	3,000	17,915
<i>% w Moderate Overcrowding</i>	<i>1.9%</i>	<i>3.0%</i>	<i>2.2%</i>	<i>2.5%</i>	<i>1.4%</i>	<i>2.1%</i>
Renters w Severe Overcrowding	1,300	1,230	970	145	850	4,495
<i>% w Severe Overcrowding</i>	<i>0.5%</i>	<i>0.9%</i>	<i>0.6%</i>	<i>0.2%</i>	<i>0.4%</i>	<i>0.5%</i>

Source: 2009 CHAS Table 6

Other

DHCD also tracks other indicators that may suggest households are in unsuitable living arrangements and/or at risk of becoming homeless. One of these is the number of subfamilies, or families that include non-relatives. At the time of the 2000 Census, the Massachusetts housing market was extremely tight, and indicators of families doubling up were evident in the number of subfamilies and families living with non-relatives. Those numbers declined through the middle of the decade, but the 2008 ACS noted an uptick in both categories.

The agency also monitors waitlists and interviews property managers, housing outreach workers and advocates, to identify those populations most in need. Information gleaned in this way supports the findings of increased demand for affordable housing reported by the HMA and the 2008 Annual Community Survey. In the spring of 2000, the agency initiated a statewide waiting list for its Section 8 housing choice voucher program. This list provides valuable, up-to-date, information on the number and type of households in need of housing. As of February 2008, there were more than 57,000 families on the wait list, 90 percent of whom were extremely low income. Two thirds were families with children and 31 percent included a family member with a disability. Minorities constituted two thirds of those seeking assistance. (See **Table 3.7.**)

Table 3.7 Housing Needs of Families on S.8 Statewide Waiting List

Category	FY 2004		FY 2008 Annual Plan		Change	
	Number	Share of Total**	Number	Share of Total**	#	%
Waiting List Total	48,537	100.0%	57,448	100.0%	8,911	18.4%
Extremely low income	41,896	88.5%	51,803	90.1%	9,907	23.6%
Very low income	4,949	10.5%	4,798	8.3%	-151	-3.1%
Low income	504	1.1%	579	1.0%	75	14.9%
Families with children	33,534	66.4%	37,688	65.6%	4,154	12.4%
Elderly families	1,986	3.9%	2,472	4.3%	486	24.5%
Families with disabilities	14,977	29.7%	17,914	31.2%	2,937	19.6%
White*	11,756	32.7%	20,493	35.6%	8,737	74.3%
Black*	6,915	19.2%	12,622	22.0%	5,707	82.5%
Hispanic, all races	16,375	45.6%	20,636	35.9%	4,261	26.0%
Asian*	886	2.5%	1,168	2.0%	282	31.8%
Other/Unspecified	12,605		2,529	4.4%	-10,076	-79.9%

* Non-Hispanic

** % of those where category (race, income, ethnicity, household type) is known

NOTE: Applicants may specify more than one race. FY2007 Plan by race and ethnicity doesn't add to total.

Source: Commonwealth of Massachusetts Housing Choice Voucher Program Public Housing Plan, FY08 data are from 2/20/08 Assessing Regional Needs

Assessing Regional Needs

Massachusetts faces challenges in every region of the state and in every assessment category, but some demographic groups and regions have been more adversely impacted than others by the prolonged recession. It was to better understand regional similarities and differences that DHCD commissioned its housing market analysis in 2008. As part of the HMA, researchers at the UMass Donahue Institute and the Massachusetts State Data Center calculated home owner and renter cost burdens by income quartile in each of the seven *MassBenchmarks* regions, and examined how they had shifted over time.³⁶ **Tables 3.8** and **3.9** summarize the 2005/2006 findings. Statewide, nearly 52 percent of owners in the bottom income quartile (earning no more than \$28,438 in 2005/2006) and more than 50 percent of renters were severely cost burdened. These tables also indicate what share of the state's owners/renters in each income quartile resides in each region, and what share of the state's severely cost burdened households each region represents. The tables show that a disproportionate share of both renters and owners in the Greater Boston and the Northeast regions experience severe cost burdens.³⁷

³⁶ The authors also estimated the number of households in each region who would have met the various HUD income thresholds (ELI, VLI, LI, mod income) in 2005/2006. However, because of data limitations (small sample size, multiple HUD fair market rent areas, etc.), it was not possible to estimate how many of those were also cost burdened. As an alternative, the authors estimated cost burdens by income quartiles. This methodology provided DHCD with key information: in which regions were low income homeowners and renters experiencing the most severe cost burdens.

³⁷ The American Community Survey does not capture whether or not a householder is receiving housing assistance (e.g. rent vouchers). Respondents are requested to report the full cost of their unit whether or not they are paying that amount. The Census Bureau then calculates the percent of income going for housing. The result of this methodology is that the rent burden for some households, in particular those who have rental assistance in the form of rent vouchers, may be overstated.

Table 3.8 Homeowner Cost Burdens by Income Quartile by Region, 2005/2006

Owners						
Region	Total and Cost Burdened Owners	First Quartile (up to \$28,438)	Second Quartile (up to \$58,939)	Third Quartile (up to \$101,567)	Fourth Quartile (above \$101,567)	All Owners
MA	Total	220,086	352,869	462,181	543,335	1,578,470
	All Cost Burdened	76.0%	47.6%	31.3%	8.1%	33.2%
	Severely Cost Burdened	51.9%	19.0%	4.8%	0.5%	13.1%
Berkshire	Total	6,966	10,353	12,290	8,057	37,665
	<i>Region's Share of MA owners in each income quartile</i>	3.2%	2.9%	2.7%	1.5%	2.4%
	All Cost Burdened	62.6%	31.2%	8.2%	3.7%	23.6%
	Severely Cost Burdened	39.2%	6.1%	0.6%	0.0%	9.1%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	2.4%	0.9%	0.3%	0.1%	
Cape	Total	15,594	24,956	24,545	20,678	85,772
	<i>Region's Share of MA owners in each income quartile</i>	7.1%	7.1%	5.3%	3.8%	5.4%
	All Cost Burdened	77.6%	44.4%	30.6%	6.3%	37.3%
	Severely Cost Burdened	55.9%	21.5%	6.2%	0.5%	18.3%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	7.6%	8.0%	6.8%	3.7%	
Central	Total	27,541	45,484	59,356	61,379	193,760
	<i>Region's Share of MA owners in each income quartile</i>	12.5%	12.9%	12.8%	11.3%	12.3%
	All Cost Burdened	70.8%	46.8%	26.4%	5.1%	30.7%
	Severely Cost Burdened	45.5%	15.3%	2.8%	0.2%	11.0%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	11.0%	10.4%	7.4%	4.4%	
Greater Boston	Total	71,576	114,313	156,965	242,111	584,965
	<i>Region's Share of MA owners in each income quartile</i>	32.5%	32.4%	34.0%	44.6%	37.1%
	All Cost Burdened	83.2%	52.4%	39.3%	10.0%	35.1%
	Severely Cost Burdened	58.7%	25.7%	7.5%	0.7%	
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	36.8%	43.8%	52.9%	62.3%	
Northeast	Total	29,619	49,406	69,549	92,672	241,246
	<i>Region's Share of MA owners in each income quartile</i>	13.5%	14.0%	15.0%	17.1%	15.3%
	All Cost Burdened	80.2%	51.7%	35.7%	9.3%	34.3%
	Severely Cost Burdened	59.2%	21.0%	5.2%	0.4%	13.2%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	15.3%	15.5%	16.2%	12.6%	
Pioneer	Total	30,069	46,290	53,504	36,475	166,338
	<i>Region's Share of MA owners in each income quartile</i>	13.7%	13.1%	11.6%	6.7%	10.5%
	All Cost Burdened	65.8%	38.3%	11.9%	2.7%	27.0%
	Severely Cost Burdened	41.9%	7.8%	0.4%	0.2%	9.9%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	11.0%	5.4%	1.1%	2.3%	
Southeast	Total	38,721	62,068	85,971	81,963	268,723
	<i>Region's Share of MA owners in each income quartile</i>	17.6%	17.6%	18.6%	15.1%	17.0%
	All Cost Burdened	73.1%	47.1%	31.9%	6.6%	33.6%
	Severely Cost Burdened	46.8%	17.2%	4.0%	0.5%	12.1%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	15.9%	16.0%	15.2%	14.6%	

Source: *The State of the Massachusetts Housing Market: A Statewide and Regional Analysis*, based on the 2005/2006 American Community Survey

Table 3.9 Renter Cost Burdens by Income Quartile by Region, 2005/2006

Renters						
Region	Total and Cost Burdened Owners	First Quartile (up to \$28,438)	Second Quartile (up to \$58,939)	Third Quartile (up to \$101,567)	Fourth Quartile (above \$101,567)	All Owners
MA	Total	395,880	255,669	150,991	67,870	870,409
	All Cost Burdened	74.0%	42.8%	8.5%	1.1%	47.8%
	Severely Cost Burdened	50.5%	8.0%	0.4%	0.0%	25.4%
Berkshire	Total	10,828	4,024	2,492	300	17,644
	<i>Region's Share of MA renters in each income quartile</i>	2.7%	1.6%	1.7%	0.4%	2.0%
	All Cost Burdened	65.4%	12.5%	0.0%	0.0%	43.0%
	Severely Cost Burdened	41.4%	0.9%	0.0%	0.0%	25.6%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	2.2%	0.2%	0.0%	NA	
Cape	Total	9,204	8,830	4,036	1,059	23,127
	<i>Region's Share of MA renters in each income quartile</i>	2.3%	3.5%	2.7%	1.6%	2.7%
	All Cost Burdened	70.8%	52.8%	9.3%	0.0%	50.0%
	Severely Cost Burdened	47.8%	12.0%	0.0%	0.0%	23.6%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	2.2%	5.2%	0.0%	NA	
Central	Total	43,978	28,845	15,227	4,912	92,962
	<i>Region's Share of MA renters in each income quartile</i>	11.1%	11.3%	10.1%	7.2%	10.7%
	All Cost Burdened	76.7%	27.5%	2.6%	0.0%	45.3%
	Severely Cost Burdened	50.4%	2.4%	0.0%	0.0%	24.6%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	11.1%	3.5%	0.0%	NA	
Greater Boston	Total	174,999	117,484	82,258	46,949	421,690
	<i>Region's Share of MA renters in each income quartile</i>	44.2%	46.0%	54.5%	69.2%	48.4%
	All Cost Burdened	75.4%	55.4%	12.7%	1.2%	49.3%
	Severely Cost Burdened	54.6%	12.1%	0.7%	0.0%	26.1%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	47.7%	69.6%	88.7%	NA	
Northeast	Total	45,618	31,646	18,167	7,057	102,488
	<i>Region's Share of MA renters in each income quartile</i>	11.5%	12.4%	12.0%	10.4%	11.8%
	All Cost Burdened	77.0%	42.9%	4.6%	1.0%	48.4%
	Severely Cost Burdened	54.5%	5.9%	0.4%	0.0%	26.2%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	12.4%	9.2%	11.3%	NA	
Pioneer	Total	53,600	28,325	10,057	2,268	94,249
	<i>Region's Share of MA renters in each income quartile</i>	13.5%	11.1%	6.7%	3.3%	10.8%
	All Cost Burdened	71.4%	23.3%	0.5%	0.0%	47.7%
	Severely Cost Burdened	44.0%	2.4%	0.0%	0.0%	25.8%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	11.8%	3.4%	0.0%	NA	
Southeast	Total	57,653	36,515	18,754	5,324	118,247
	<i>Region's Share of MA renters in each income quartile</i>	14.6%	14.3%	12.4%	7.8%	13.6%
	All Cost Burdened	69.8%	30.5%	3.8%	2.3%	44.1%
	Severely Cost Burdened	43.4%	5.0%	0.0%	0.0%	22.7%
	<i>Region's Share of MA severely cost burdened owners (by income quartile)</i>	12.5%	9.0%	0.0%	NA	

Source: *The State of the Massachusetts Housing Market: A Statewide and Regional Analysis*, based on the 2005/2006 American Community Survey

Entitlement v Non-Entitlement Communities

The largest allocation of federal funds covered by the Con Plan – the Community Development Block Grant (CDBG) funds, which represent two thirds of the roughly \$52 million the state expects to receive each year – may only be used in the state’s non-entitlement communities. Nearly 45 percent of the state’s housing is located in its 36 entitlement communities, and the distribution of households with cost burdens is generally proportional. Many other housing problems, however, impact the entitlement communities disproportionately. Entitlement communities account for nearly 70 percent of the state’s subsidized low and moderate income housing. They are also home to two thirds of the foreign born population and 72 percent of recent immigrants (those arriving since 1990). They contain nearly 75 percent of the overcrowded units and over 80 percent of the severely overcrowded units. They contain over two-thirds of the state’s multi-family (5+ units) rental housing – and 80 percent of the multi-family rental units built prior to 1950 – but less than 30 percent of the owner occupied housing. Sixty percent of the foreclosures since 2006 have occurred in the entitlement cities.

According to the 2000 CHAS tables – the most recent data with detailed information at the municipal level – the entitlement communities represent about 40 percent of all households with housing problems and cost burdens, but a disproportionate share of minority households with such problems (85 percent of the black households, 78 percent of the Hispanic households, 71 percent of the Asian, and only 37 percent of the white (non-Hispanic) population. They also represent the vast majority of the state’s homeless needs, HIV/AIDS cases and incidence of lead poisoning.

Within the entitlement communities there is also wide variation in terms of housing and community development needs and opportunities. The Executive Office of Housing and Economic Development, DHCD’s parent agency, takes great care to coordinate all housing and economic development programs. The type of funding a particular project receives depends in part on what resources are available and the extent to which the project aligns with federal and state requirements. DHCD strives to allocate the funds it administers equitably among jurisdictions and regions, consistent with the state’s overall needs, priorities and strategies.

Disproportionate Housing Problems by Race/Ethnicity

HUD requires jurisdictions participating in its programs to assess housing problems by racial and ethnic categories as well as by household type and tenure to determine whether different groups are being disparately impacted. **Table 3.10** illustrates that, at the lowest income levels (30 percent or less of area median), renters and homeowners across all categories experience housing problems at roughly the same high rate: 75-83 percent for renters and 92-100 percent for homeowners. These numbers represent a significant increase in housing problems since 2000. The CHAS tabulations based on the Decennial Census reported that 65-71 percent of ELI renters and 78-85 percent of homeowners had housing problems.

All racial and ethnic groups experience proportionately fewer housing problems as they move up the economic ladder, but minorities continue to report problems at a substantially higher rate than their white counterparts. The difference is most pronounced among homeowners. With the exception of low income Asian renters (50.1-80 % AMI), there are no significant disparities among racial and ethnic groups who rent. The state’s substantial “safety net” of publicly assisted housing and rental assistance serves a disproportionate number of black and Latino householders, as **Table 3.11** shows. This table compares the race/ethnicity of residents in HUD assisted housing and among federal Housing Choice voucher holders according to the most recent Picture of HUD Subsidized Housing with each group’s share of ELI and VLI renter households from the 2009 CHAS. Above the income cutoffs for assisted housing, however, disparities between minority and white renters resurface.

The disparities are more pronounced among homeowners, although it would appear they have not gotten worse since 2000. At least some of the differential among homeowners is attributable to the fact that minority owners

are more likely than whites to have purchased their homes during the late 1990s and early 2000s when prices were escalating sharply. Only 16 percent of white homeowners bought their homes between 1995 and 2000, compared with 36 percent of black, 50 percent of Asian, and 57 percent of Hispanic homeowners.³⁸ Compounding the problem for black and Latino homeowners is the fact that they were more likely to have gotten high cost subprime mortgages, either when they purchased their homes, or upon refinancing. Not captured in this table, but certainly an additional challenge is the fact that minority homeownership is highly concentrated in cities with the oldest housing stock. (See discussion of Lead Paint Hazards later in this section.) Also not captured here, but discussed in Sections 4 and 5 is the disparate impact of foreclosures on communities of color.

Table 3.10 Housing Problems by Race/Ethnicity

Housing Problems by Race 2005-2007												
Income	RENTERS - % with Any Housing Problems						OWNERS - % with Any Housing Problems					
	White*	Black*	Asian*	Hispanic**	All Other	Total	White*	Black*	Asian*	Hispanic**	All Other	Total
30% AMI or less	80.6%	78.7%	82.7%	75.2%	80.6%	77.1%	92.1%	98.8%	96.4%	100.0%	95.5%	92.7%
30.1-50% AMI	79.0%	78.2%	77.9%	75.9%	79.0%	75.9%	64.0%	86.8%	77.4%	86.2%	81.2%	66.2%
50.1-80% AMI	46.7%	48.6%	61.0%	49.2%	46.7%	49.1%	50.3%	77.2%	67.8%	78.2%	70.9%	53.2%
80.1-95% AMI	27.7%	21.3%	26.3%	24.0%	27.7%	21.9%	44.7%	60.8%	55.4%	59.2%	48.3%	46.1%
95.1% AMI & up	3.2%	8.6%	8.3%	10.0%	3.2%	7.2%	16.6%	31.6%	20.4%	30.0%	26.8%	17.5%
Problems by Race Indexed to Total												
30% AMI or less	1.05	1.02	1.07	0.98	1.05		0.99	1.07	1.04	1.08	1.03	
30.1-50% AMI	1.04	1.03	1.03	1.00	1.04		0.97	1.31	1.17	1.30	1.24	
50.1-80% AMI	0.95	0.99	1.24	1.00	0.95		0.76	1.45	1.27	1.47	1.33	
80.1-95% AMI	1.27	0.97	1.20	1.10	1.27		0.68	1.32	1.20	1.29	1.05	
95.1% AMI & up	0.45	1.18	1.14	1.38	0.45		0.95	1.81	1.17	1.72	1.53	

* Non Hispanic, ** Hispanic, all races

Source: 2009 CHAS data

³⁸ U.S. Census 2000, SF4, Table HCT24.

Table 3.11 Distribution of Tenants in Publicly Assisted Housing Statewide by Race/Ethnicity

	Asian	Black	Hispanic	White
% of ELI & VLI Renter Households	5.1%	11.0%	18.5%	62.7%
% of tenants in HUD assisted developments	5.5%	18.3%	24.5%	52.5%
% of federal voucher holders	6.3%	19.9%	31.4%	42.4%

Source: 2009 CHAS table 3 and HUD Picture of Subsidized Housing, February 2010

HUD Required Tables

One requirement of the consolidated planning process is the submission, in HUD-prescribed format, of a series of tables summarizing the applicant’s needs, priorities, and strategies. These tables have been placed in the section of the plan to which they relate. The priority and strategy tables (2A, 2C, 3A, and 3B) appear in Section 4, the Strategic Plan. Table 1, the housing, homeless and special needs table is included here in the Needs Assessment Section. However, we have split this table into two parts. The first section of the HUD table, summarizing the needs of the general population by household type and income category, appears below as **Table 3.12**. The other section of HUD Table 1 deals with the needs of homeless families and individuals. It appears in the following section of the Needs Assessment, which focuses on the homeless. In addition, we have included a comparable table in the Needs Assessment section on special populations. This table was a requirement in prior years, but it no longer is.

Table 3.12, the housing needs of the general population, is based on the 2000 CHAS data; updated information is not available in this format. The reader is encouraged to consider these findings as a supplement to, and not a substitute for, the more recent data presented in the preceding section. The story they tell is consistent:

- The lower a household’s income, the greater the likelihood that they will experience housing problems, in particular, affordability problems;
- Large renter households at every income level are the most likely category to experience housing problems; and
- Extremely low income, and low income, homeowners are also disproportionately cost burdened.

Table 3.12 HUD Table 1, Housing Needs of the General Population

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
0 –30% of MFI							
%Any housing problem	55.4	76.1	87.1	67.5	66.6	81.0	70.6
%Cost burden > 30	54.1	71.9	74.2	66.2	63.9	80.5	68.4
%Cost Burden > 50	33.0	55.9	52.4	54.2	46.9	57.6	49.8
31 - 50% of MFI							
%Any housing problem	49.2	65.8	72.7	75.3	64.3	54.6	60.0
%Cost burden > 30	48.2	60.7	43.9	73.7	59.4	54.0	57.0
%Cost Burden > 50	17.4	14.7	6.7	28.9	18.9	28.9	23.3
51 - 80% of MFI							
%Any housing problem	33.7	30.2	49.9	39.8	36.2	43.5	40.2
%Cost burden > 30	32.2	24.1	11.7	37.7	29.9	42.2	36.5
%Cost Burden > 50	6.9	1.8	0.5	5.5	4.0	13.0	8.8

Housing and Homeless Needs Assessment

Homeless Needs

The December 2007 report of the Massachusetts Commission to End Homelessness (the Commission, or the Homelessness Commission) reported that 5,000 homeless families with children and 21,000 homeless individuals used state shelters that year. Despite an investment by the state of more than \$100 million annually, homelessness was continuing to rise, particularly among families. While some of this growth reflected structural problems of poverty and housing costs, much of it reflected a prioritization of short-term shelter over long-term housing stability, a prioritization that the Commission decided to reverse. The Commission concluded that an upfront investment in targeted prevention and intervention services, combined with policies to improve access to affordable permanent housing and programs to help households improve their economic situation, could reduce the number of households who become homeless over the next five years and the length of time they spend in shelter. The Commission's recommendations became the basis of a major reorganization of the way the Commonwealth addresses the needs of the homeless and prevention of those who are at risk of becoming homeless. The reorganization and programmatic initiatives are discussed in Sections 4 and 5, the Strategic and Action Plans.

Nature and Extent of Homelessness

Defining Homelessness

The most recent count, from the State's 2009 Continuum of Care, indicates that there were 15,554 homeless people in Massachusetts at the end of 2009. Of these, 7,016 were homeless individuals; the remaining 7,013 were members of homeless families. This is likely to be a conservative estimate because gathering data on the number of unsheltered people, particularly homeless individuals, is notoriously difficult.³⁹ In addition to people who are living in shelters or on the street, the state has a large population of people who could be categorized as "at risk of homelessness." The Commission has adopted the following definitions:

- *Homeless*: All families or individuals who both lack a fixed, regular and adequate nighttime residence and who reside in emergency or transitional shelter programs, or who live in places not designed for human habitation such as cars, abandoned buildings, the woods or the street. Persons residing in institutional or recovery programs that were homeless upon entry and are without housing upon release are considered homeless.
- *'At Risk' of Homelessness*: All families or individuals who lack a fixed, regular and adequate nighttime residence including those who are temporarily sharing occupancy of housing not intended for multiple families or other individuals. Persons residing in institutional or recovery programs without housing available upon release are also considered at-risk of homelessness.

The Underlying Causes of Homelessness

The causes of homelessness vary. Poverty is a primary cause, especially for families. There is a shortage of housing at rents affordable to low income families and individual and limited homelessness prevention assistance available to assist them should unforeseen financial problems arise. Over the past decade housing costs have risen rapidly while the wages of low income workers have declined in real dollars. Even families receiving public assistance have been hurt as the inflation adjusted value of their benefits has declined. Most homeless households have incomes far below the level needed to cover basic needs. The average monthly

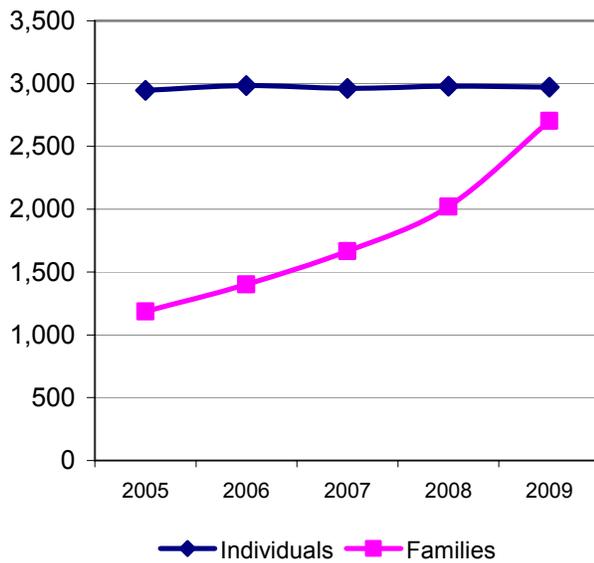
³⁹ The City of Boston's homeless census at the end of 2008 counted 7,681 homeless people in Boston alone, an 11 percent increase over the prior year.

income for families in shelters was \$608 in March 2007 and about 70 percent of homeless families in shelter receive public assistance benefits. Insufficient support services for homeless individuals, especially those with disabilities, and poor discharge planning for individuals leaving institutions have also contributed to the problem, as has the closing of state institutions, which left many individuals with disabilities without housing and support services.⁴⁰

Characteristics of Homeless Population

The number of homeless individuals in Massachusetts has held fairly stable in recent years, while the number of homeless families has risen dramatically, as Figure 3.1 illustrates.

Figure 3.1 Massachusetts Homeless Caseload, 2005-2009



Source: DHCD Housing Stabilization Division

Homeless individuals and homeless families with children have very different demographic profiles and service needs. The causes of their homelessness are diverse, as are the factors that determine how long they are homeless, and the interventions most likely to work to prevent or resolve homelessness.

According to the Commission’s report, about 24,000 individuals were homeless at some point in calendar year 2007 and about 21,000 used shelters at some point. In order to frame appropriate categories of response, the Commission adopted a nomenclature of “tiers” to characterize these various subpopulations. This framework has formed the foundation of the State’s response to addressing the problem of homelessness detailed in Section 4, the Strategic Plan, a response that is characterized by ensuring the right resources get to the right people at the right time. The “tiers” include approximately:

Individuals:

- Tier 1 - 9,600 individuals who entered shelter after being discharged from residential treatment programs or medical or correctional facilities, or who aged out of foster care and would be better assisted in short-term residential programs.
- Tier 2 - 9,600 individuals who used shelters only briefly, usually in response to a one time event, and who could be easily aided with prevention services.

⁴⁰ *Affordable Housing Guidebook for Massachusetts*, Ann Verrilli, Citizens’ Housing and Planning Association, 2008

- Tier 3 - 1,900 chronic stayers who have had “long bouts of homelessness, coupled with deep levels of mental and physical disability, including addictions,” and would be better served by housing paired with services.
- Tier 4 - 2,900 “shelter avoiders” who mainly live on the streets

The Commission reported that about 5,000 families, with varying service needs, also used shelters in 2007. They include:

Families:

- Tier 1 - 750 families who became homeless as a result of a “temporary economic struggle such as loss of a job or accumulation of arrearages.” These families had minimal needs other than help obtaining affordable housing.
- Tier 2 - 500 families who became homeless because of “relatively short term social or economic problems,” and required more help due to greater economic challenges;
- Tier 3 - 2,500 families who had “complex economic challenges;” and
- Tier 4 - 1,250 families who became homeless due to both social and economic challenges and needed intensive case management and permanent housing assistance.

The interventions needed to assist these subgroups vary widely, as **Table 3.13** illustrates.

Table 3.13 Tiered Approach to Estimating Individual and Family Homeless Needs

Population	Tier	Description	Response	Approximate Count
Families	1	Families w/minimal needs other than affordable housing		750
Families	2	Short-term support required		500
Families	3	Families facing economic challenges		2,500
Families	4	Families facing social & economic		1,250
Individuals	1	Short stays	Short-term intervention: immediate diversion to existing housing and relocation services such as tenancy preservation programs	9,600
Individuals	2	Institutional discharge	Improved discharge planning to focus on the needs of those being discharged from state institutions (prisons, foster care, hospitals, etc.). Create short-term residential capacity to meet the needs of these special populations.	9,600
Individuals	3	Long term shelter stayers - chronically homeless with moderate service needs	Housing paired with moderate services, including Housing First initiatives such as Home and Health for Good.	1,900
Individuals	4	Shelter avoiders, or street homeless - chronically and episodically homeless with intensive service needs	The model best suited to this population is low-threshold housing wrapped with intensive services.	2,900
Families	Total			5,000
Individuals	Total			24,000

Count represents 2007 total yearly estimate, not point in time count.

Source: Report of the Massachusetts Commission to End Homelessness

Description of Subpopulations and Estimate of Needs

The following is a brief description of some of the homeless subpopulations based on information from the agencies that provide services to them.⁴¹ These categories are not mutually exclusive, however, and many homeless individuals and families fall into more than one category.

- Chronically Homeless The Massachusetts 2009 Continuum of Care reported that there were nearly 2,320 chronically homeless individuals, 1,824 sheltered and 496 unsheltered. National research has suggested that about 10 percent of homeless adults who use the shelter system over the course of a year have long bouts of homelessness, coupled with deep levels of mental and physical disability, including addictions. An additional 10 percent experience multiple episodes of homelessness and are frequent users of other public systems. The remaining 80 percent of homeless individuals are estimated to be one-time, short-term users of the system, homeless mainly due to safety net failures.⁴²
- Homeless Mentally Ill The Continuum estimated the number of mentally ill homeless people at 1,914. Department of Mental Health (DMH) has estimated that about 60 percent of those with severe and persistent mental illness are in the Metro Boston Area. Many of these individuals are included in the estimate of the chronically homeless. Information on the larger population served by DMH, and there is often overlap, is detailed in the section on Special Needs.
- Homeless Substance Abusers The Continuum of Care counts 3,650 chronic substance abusers among the homeless, but the Bureau of Substance Abuse Services (BSAS) within the Department of Public Health (DPH) – the lead agency on substance abuse issues – reports that more than 21,000 of those receiving treatment in 2007, the most recent year for which data are available, were homeless. More than three quarters of those were male, 97 percent were unemployed, 28 percent, and 60 percent were between the ages of 21 and 39. The racial breakdown was: 70 percent white, 14 percent black, 14 percent Latino.
- Homeless Veterans The State’s Continuum of Care estimates there were 1,279 homeless veterans in Massachusetts in 2009. The Veteran’s Administration notes, however, that between 3,000 and 7,000 homeless veterans require assistance. Many veterans suffer from other diagnoses as well, including mental illness and substance abuse problems, and presumably are counted in those estimates. The VA’s Health Care for Homeless Veterans Annual Report on Boston’s homeless and at-risk veteran population reported that 70 percent of homeless veterans are diagnosed with a substance abuse dependency, 61 percent with a serious psychiatric disorder, and 48 percent are dually diagnosed with serious mental illness and substance abuse.
- Individuals Recently Discharged from Residential/Correctional Facilities Many homeless individuals have been in residential or correctional facilities within the 12 months prior to becoming homeless for problems such as mental illness, substance abuse and criminal activity. Shorter lengths of stay in substance abuse programs and hospitals, and discharges from psychiatric and criminal justice facilities without transitional programming have moved many at-risk individuals into homelessness. The Homeless Commission estimated that 4,000 (16%) of the 25,500 persons released from annually from Massachusetts prisons and jails enter

⁴¹ HUD mandates a process of broad-based community wide planning called the Continuum of Care (C of C) for the Homeless to maximize the effectiveness of its funding programs. Jurisdictions are required to develop comprehensive systems for identifying the homeless, the services available to them, the gaps in services, and to prioritize the needs and foster collaboration to meet their needs. The process is open to all, and typically includes homeless service providers, housing developers, government entities, private for profit and nonprofit sectors, etc. to develop comprehensive programs of housing. There are 21 separate Continua of Care in Massachusetts. Information from the separate regional continua are then incorporated into the Massachusetts C of C.

⁴² Information provided by the Executive Commission on Homeless Services Coordination

homeless shelters or live on the streets, in woods or in other unstable situations. Certain subgroups exiting the corrections system have more specialized needs. These include those with mental illness and sex offenders.

- Youth and Young Adults Although the 2009 Continuum identified just 163 homeless unaccompanied youth (under 18), the Homelessness Commission report estimated that approximately 3,000 of the individuals served in the state's shelter system in 2007 were young adults aged 18-24. Young people fall into homelessness for a variety of complex reasons, including abuse, neglect and family turmoil, and many homeless young adults have had contact with the state child protection and juvenile justice agencies, including a history of residential placement.
- Homeless Families The number of homeless families has grown in recent years, increasing by 128 percent since 2005. The 2009 Continuum reported that 3,018 households with dependent children were homeless. Nearly three quarters of these families were being housed in shelters, and one-quarter in transitional housing; less than one percent were unsheltered. Families, typically women and children, may be homeless due to low incomes and barriers to employment, evictions, or domestic violence in the home. Only 5 percent are in specialized housing such as substance abuse shelters.
- Rural Homelessness The vast majority of the homeless population is found in the major Massachusetts cities, and relatively limited data are available on the needs of the state's rural homeless. Anecdotal evidence suggests that many of those who initially become homeless in rural areas migrate to the cities. However, the 2009 Continuum of Care application submitted by the Three County Continuum of Western Massachusetts (Hampden, Hampshire and Franklin Counties) notes a growing concern about the "invisible" homeless in rural areas. As a result, they have developed a mobile outreach program to serve the most rural areas of Franklin County.
- Other Groups While HUD requires us to collect the information in **Table 3.15** below, we certainly do note that housing affordability and homelessness problems affect families and individuals in groups beyond those listed in the table. Many of the needs and concerns facing individuals and families with disabilities are discussed in the next section, "Special Needs Populations."

Summary of Needs

As a result of the significant expansion of its emergency shelter system over the past two decades and its current focus on ending, rather than managing, homelessness, the Commonwealth's unmet homeless needs – for both families and individuals – are for transitional and permanent supportive housing. See **Tables 3.14** and **3.15**. *These two tables are both part of the required HUD Table 1, Housing, Homeless and Special Needs.*

DHCD has identified the need for 3,729 units of permanent supportive housing for individuals and 4,181 units for persons in families with children (HUD requires participating jurisdictions to estimate the number of *individuals*, including children, in need of supportive housing rather than the number of *households*). These numbers reflect DHCD's goal of gradually moving the whole emergency assistance system away from a shelter-based model and towards a permanent housing-based model. While the agency recognizes that, in the short term, homeless families and individuals will continue to use shelters and transitional housing, its end goal is a system where all households have access to permanent housing.

According to the March, 2010, family Emergency Assistance (EA) system data, there are 3,293 families in DHCD's EA system, slightly more than when the last statewide Continuum of Care estimates were released (see below).

Table 3.14 HUD Table 1, Homeless Needs

Homeless Needs				
		Curent Inventory	Under Development	Unmet Need/Gap
Individuals				
Beds	Emergency Shelter	5,511	0	0
	Transitional Housing	2,776	0	0
	Permanent Supportive Housing	13,885	772	3,729
	Total	22,172	772	3,729
	<i>Chronically Homeless</i>	<i>1,824</i>	<i>0</i>	<i>496</i>
Persons in Families With Children				
Beds	Emergency Shelter	7,771	167	0
	Transitional Housing	1,958	120	0
	Permanent Supportive Housing	2,026	562	4,181
	Total	11,755	849	4,181

Source: 2009 State Continuum of Care Data. Note that these numbers only refer to housing specifically set aside for homeless households.

Table 3.15 HUD Table 1, Homeless Subpopulations

Continuum of Care: Homeless Population and Subpopulations Chart				
Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households)	2,245	744	29	3,018
1. Number of Persons in Families with Children	6,626	1,849	63	8,538
2. Number of Single Individuals and Persons in Households without Children	3,289	2,942	785	7,016
(Add lines Numbered 1 & 2 Total Persons)	9,915	4,791	848	15,554
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless		1,824	496	2,320
b. Seriously Mentally Ill		1,740		
c. Chronic Substance Abuse		3,407		
d. Veterans		1,237		
e. Persons with HIV/AIDS		199		
f. Victims of Domestic Violence		1,346		
g. Unaccompanied Youth (Under 18)		160		

Source: 2009 Continuum of Care data

Emerging Trends and Challenges to Ending Homelessness

The Commonwealth faces many challenges in its effort to end homelessness. The lack of housing that is affordable to working families and individuals is a major problem, even though Massachusetts has a larger inventory of public housing and other subsidized rental housing than most states. Inadequate new production – of the type, in the locations, and at prices – the market demands, has driven up prices in the existing inventory, impacting households at every income level. While the economic downturn has caused prices to fall somewhat, home prices and rents, particularly in the Greater Boston area, often remain far out of reach for low-income households.

The sharp rise in the number of homeless families is one of the most troubling trends. Many factors have contributed to this increase, including the foreclosure crisis of the past few years. Foreclosures affect not only the families who owned their homes, but renter households as well. A large percentage of foreclosed properties in Massachusetts are multi-family(2 and 3 units) dwellings; as a result, many tenants are losing their homes when lenders foreclose. The federal “just cause eviction” law passed in 2009 was meant to put an end to this practice, but informing tenants about their rights under this and other laws has been a challenge.

Years of federal funding cuts for rental assistance, one of the most important resources in moving individuals from homelessness to housing, have had a significant impact, though there are now promising signs of a new partnership with the federal government. Massachusetts, like most other states, continues to experience significant budget constraints, though the Patrick Administration has worked hard to maintain, and even increase in some cases, funding for housing and community development priorities. Despite these economic challenges, the Commonwealth remains committed to ending homelessness and making a long-term commitment of financial and human resources to this end. The strategies that Massachusetts is employing are discussed in greater detail in the Strategic Plan section.

A list of homeless facilities appears in Appendix A of this Plan.

Needs Assessment

Special Needs Populations⁴³

This section identifies and addresses the housing needs of those Massachusetts residents who require specialized housing and/or support services. Included in this category are the elderly and frail elderly; others with mobility or self-care limitations; people with disabilities (psychiatric, physical, cognitive) people living with HIV or AIDS and their families; and other special needs populations including substance abusers, victims of domestic violence, ex-offenders, and custodial children (i.e. children with special needs). In many cases, the needs of these subpopulations overlap, although their priorities may differ. All Massachusetts communities are eligible for funds the state receives under HOME, HOPWA and ESG, whether or not they are entitlement communities.

Nature and Extent of Needs

For many years, most affordable housing for people with disabilities was provided in institutional settings (including state hospitals and nursing homes) and subsidized developments, including public housing, specifically for elderly households and households with members with disabilities. In the past 20 years, however, new programs have emerged “to serve more people with a wider range of disabilities and to provide more integrated housing options.” This change reflects both the extension of fair housing and civil rights law to people with disabilities, and litigation to enforce these rights, and major reductions in state hospital beds.

The wide range of disabling conditions and the lack of a single definition of what constitutes a disability complicates efforts to quantify their prevalence. Commonly used definitions vary, both in terms of who is protected under civil rights and fair housing laws and who is eligible for state and federal housing programs. The Americans with Disabilities Act (ADA) defines a person with a disability as “a person having a physical or mental impairment which substantially limits a major life activity.” Major life activities include but are not limited to self-care, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.⁴⁴ Many government housing programs for persons with disabilities use a more restrictive definition, limiting eligibility to people with a physical, mental or emotional impairment expected to be of long, continued and indefinite duration that substantially impedes the individual’s ability to live independently and could be improved by more suitable housing conditions.

Overview

The 2008 ACS reported that there were nearly 282,000 residents with disabilities age 65 or over and more than 383,000 between the ages of 18 and 65. There are also more than 65,000 children with disabilities (under 18) whose disabilities may pose housing challenges for their families. Non-elderly adults represent more than 52 percent of all Massachusetts residents with disabilities, and represent 9 percent of the state’s 18-65 year olds.

Over half of these non-elderly adults with disabilities (58%) reported a physical disability; 35 percent reported a disabling condition that made living independently difficult and 15 percent cited a self care disability. Forty-five percent of the non-elderly with disabilities experience more than one disabling condition. Non-elderly adults with disabilities were three times more likely than their cohorts without disabilities to be unemployed (60.5% versus 19.8%) and nearly four times more likely to live below the poverty level (27.4% versus 7.4%) In 2000, HUD estimated that about 65,300 low and moderate income non-elderly households with disabilities in Massachusetts had housing affordability problems (paid over 30% of their income for housing and/or lived in overcrowded or

⁴³ Non-homeless

⁴⁴ Affordable Housing Guidebook, Ann Verrilli, Citizens’ Housing and Planning Association, 2008

substandard housing). Over 34,000 of these households, including 28,100 renter and 6,500 owners, were extremely low income.⁴⁵

As of February 2008, there were 17,914 households with a member with a disability (primarily non-elderly) on DHCD’s waiting list for Section 8 Housing Choice Voucher Program representing 31 percent of all households on the list. Persons with disabilities who receive SSI but no housing assistance are particularly likely to have serious affordability problems because of their low incomes (DHCD estimated in 2006 that persons with disabilities receiving SSI had incomes averaging 18 percent of the area median income.)

Table 3.16 identifies and estimates the housing needs of various special subpopulations. In total, there are more than 133,000 very low, and extremely low, income individuals and families in Massachusetts whose specialized housing needs are unmet.⁴⁶

Table 3.16 Housing Needs of Special Populations

SPECIAL NEEDS SUBPOPULATIONS	Unmet Need
Elderly	36,000
Frail Elderly	34,000
Severe Mental Illness	2,500
People with Developmental Disabilities	2,300
People with Physical Disabilities	40,000
Persons with Alcohol/Other Drug Addictions	8,700
Persons with HIV/AIDS	3,600
Victims of Domestic Violence	5,500
Other	1,000
Total	133,600

Note: For description of calculation of need, see Table 4.7, Section 4, the Strategic Plan

Table 3.17, based on the new (2005-2007) CHAS data, estimates that there are about 125,000 ELI and VLI households with one or more member with a disability, nearly 80 percent of whom report cost burdens and/or other housing problems. This table illustrates that the lower a household’s income, the more likely it is to have a member with a disability. A similar pattern exists within the population of households with member(s) with disabilities: the lower the income, the more likely the household is to experience housing problems and/or cost burdens.

⁴⁵ This HUD estimate was based on a very narrow definition of disability: having mobility and/or self-care limitations. Because of widespread concern that this led to an underreporting of the incidence of disability, HUD raised its 2005 national estimate of the number of nonelderly renter households with a member with disabilities with “worst case” housing needs by 28 percent.

⁴⁶ Table 3.16 presents information previously required to be reported on HUD Table 1 – Housing, Homeless and Special Needs. It is not longer a required table, but DHCD feels it remains a useful one and has included it here.

Table 3.17 Housing Problems by Income and Disability Status

	Total	# Disabled	% Disabled	Not Disabled w Housing Problems	Disabled w Housing Problems	# Disabled with Housing Problems
Owners						
30% AMI or less	104,740	20,245	19.3%	92.3%	92.9%	18,808
30.1-50% AMI	131,280	22,730	17.3%	60.3%	67.4%	15,320
<i>Total ELI & VLI</i>	<i>236,020</i>	<i>42,975</i>	<i>18.2%</i>	<i>74.3%</i>	<i>79.4%</i>	<i>34,128</i>
50.1-80% AMI	241,200	28,970	12.0%	41.9%	54.7%	15,847
80.1% AMI and above	1,113,440	62,760	5.6%	19.9%	20.9%	13,117
Total	1,590,660	134,705	8.5%		46.8%	63,092
Renters						
30% AMI or less	271,725	61,650	22.7%	69.6%	79.4%	48,950
30.1-50% AMI	141,585	20,710	14.6%	66.0%	77.5%	16,050
<i>Total ELI & VLI</i>	<i>413,310</i>	<i>82,360</i>	<i>19.9%</i>	<i>68.3%</i>	<i>78.9%</i>	<i>65,000</i>
50.1-80% AMI	168,410	12,515	7.4%	45.0%	49.5%	6,195
80.1% AMI and above	276,240	11,640	4.2%	18.4%	10.4%	1,211
Total	857,960	106,515	12.4%		68.0%	72,406

Source: 2009 CHAS data, based on the 2005-2007 ACS

Description of Subpopulations and Estimate of Needs

The following is a brief description of some of the special needs populations based on the American Community Survey, the 2009 CHAS tables, and testimony from the agencies that provide services to them:

- Elderly and Frail Elderly** According to the 2008 American Community Survey, Massachusetts had 523,683 households headed by a person 65 or over. Seventy-one percent of these households owned their homes. Massachusetts has the second highest proportion of elderly homeowners in the nation. Seniors live in every community of the Commonwealth. The frail elderly face steeper challenges. In addition to the challenge of affordability, many seniors have health issues that make living independently a challenge. The 2007 ACS reports more than 37 percent of the MA residents age 65 and over had some level of disability and 9 percent reported a health care condition that limited their self-care capacity. HUD’s 2000 CHAS tables, the most recent to cross tabulate age, disability and income, reported that there were over 150,000 elderly households in Massachusetts with mobility limitations, nearly 60,000 of whom were extremely low-income. About one third of these faced housing burdens in addition to mobility challenges. Supportive housing is a key need for this population, as it is for other populations with disabilities. Especially vulnerable are those seniors age 75 and over who live by themselves (called “extra elderly” by HUD). In 2008 there were nearly 82,000 extra elderly homeowners who lived alone and more than 69,000 renters. Over half of these elderly homeowners and 36 percent of the renters live in homes that were built prior to 1950.

The state’s elderly population is expected to grow quickly once the first wave of baby boomers turns 65 in 2011, though the greatest impact will not be felt during the five years covered by this plan. The percent of the population over age 65 will rise to 18 percent by 2025 from 13 percent, with the greatest increase occurring between 2010 and 2030. Because the incidence of disability increases with age, the demands of the “giant” baby boom generation are expected to strain the system. (See **Table 3.18.**)

Table 3.18 Incidence of Disability by Age and Type of Disability

	% w Any Disability	% w Sensory Disability	% w Physical Disability	% w Mental Disability	% w Self Care Disability	% w Go-Outside-Home Disability
21 to 64 years	11.6%	2.5%	6.7%	4.5%	1.9%	3.1%
65 to 74 years	25.2%	8.0%	19.3%	5.6%	4.9%	7.2%
75 years and over	47.8%	21.8%	36.4%	14.4%	13.0%	23.9%

Source: 2007 ACS

Non-Elderly People with Disabilities

Traditionally, non-elderly people with disabilities have been among the most underserved populations in government housing programs. Until 1974, there were no specific building requirements for physical accessibility, and units typically were not designed or built to allow for accessibility. The few units that were available specifically for people with disabilities were intended for those with physical disabilities. The housing choices of people with other disabilities were limited to segregated housing such as group homes, hospitals and skilled nursing facilities.

More recently efforts have been made at the state and federal level to expand housing options that meet individual needs and preferences such as mobile rental assistance programs, efforts that require careful coordination between housing and human services agencies. The lead agencies involved in addressing the housing needs of people with physical, cognitive or psychiatric disabilities in Massachusetts include DHCD and the Executive Office of Health and Human Services (EOHHS) Departments of Mental Health (DMH), Developmental Services (DDS, formerly the Department of Mental Retardation) and the Massachusetts Rehabilitation Commission (MRC). The EOHHS agencies do not develop housing directly but rather work with other public and private housing agencies and groups to make resources available to their clients, primarily funded under federal or state housing programs. As the result of several court settlements (Rolland v Cellucci, Hutchinson v Patrick and Fernald v Patrick), the EOHHS agencies are required to assist individuals with disabilities who choose to do so to transition from nursing facility and institutional settings to the community. These settlements specify the number of individuals that must be transitioned each year. Some consumers receive services in group settings or with 24 hour supports but many choose to live in independent settings such as subsidized apartments with supports.

- People with Physical Disabilities Nearly 209,000 non-elderly Massachusetts households have at least one member with mobility or self care limitations, and more than half of these households are low income.⁴⁷ One-third own their homes and two-thirds rent. Households with members who have physical disabilities are affected both by affordability and by the physical inaccessibility of housing units.

Brain injuries that occur to individuals after they have reached the age of 22 – Acquired Brain Injuries, or ABIs – include injuries caused by stroke, lack of oxygen, etc. as well as those caused by external force (often referred to as traumatic brain injuries). While ABIs are profound and life changing, they need not result in a lifetime of institutional care. Massachusetts has had a longstanding record of serving people with traumatic and other brain injuries in the community through the statewide Head Injury Program and through nursing facility and other long term care services provided by MassHealth. Many of the critical services needed to help people with brain injuries after they leave nursing facilities or other institutional settings, however, had been available on only a very limited basis, leading to a class action suit in 2007.

As the result of the 2008 settlement of Hutchinson v. Patrick, people with Acquired Brain Injury (ABI) will have new opportunities to leave institutional settings and live in the community as a result of two new federal

⁴⁷ 2000 CHAS. More recent ACS released indicate that the number of persons with disabilities has increased since 2000; data are not broken out by household and age, however.

waivers approved by the Centers for Medicare and Medicaid Services (CMS). As the 2010-2014 Consolidated Plan was going to press, MassHealth and the Massachusetts Rehabilitation Commission (MRC) announced that enrollment had begun for home and community-based services that will ultimately serve 300 individuals.

- People with Psychiatric Disabilities An estimated 44,000 Massachusetts residents have long-term serious psychiatric disabilities, about 60 percent of whom are involved with the Department of Mental Health (DMH) services system. The number of adults receiving mental health services in state facilities has declined by fifty percent since 1990, while the number receiving mental health services in the community has tripled. The Department of Mental Health (DMH) currently houses nearly 8,000 adult clients through its Residential Services Program, but there are another 3,000 people on its waiting list. The Department's service areas do not precisely align with the *MassBenchmarks* regions, but the agency advises that 872 adults in its Metropolitan Boston region are eligible for services, 735 in the Northeast region, 416 in Southeast region (including the Cape and Islands), 299 in Central Massachusetts, and 397 in the Western part of the state. Almost all those eligible for services have housing needs as well.
- People with Cognitive Disabilities There has been a similar decline in the number of individuals with cognitive disabilities residing in institutionalized settings, and a corresponding increase in the number receiving home and community-based services. Like DMH, the Department of Developmental Services (DDS) works with housing providers to develop community-based housing for its clients. The agency assists over 33,000 low-income adults with developmental disabilities.⁴⁸ DDS estimates that over the next five years it will require a total of just over 2,000 units (beds). Demand for services continues to grow as almost 200 young adults a year become eligible for residential services and caregivers for family members living at home continue to age. DDS must secure placements for over 600 clients who remain inadequately housed as the result of earlier court decisions.

About 8,200 individuals receive residential supports through state and private providers in homes in the community, ranging from group homes to independent apartments.⁴⁹ The need for accessible units is expected to grow due to the aging of individuals currently in the service system and more physically challenged residents entering the system.

In the most recent development stemming from a 1998 lawsuit (*Rolland v Cellucci*), which required DDS to provide residents living in nursing homes or with aging caregivers community-based housing services, Federal District Court Judge Niemen signed the *Rolland Settlement Agreement* in June, 2008. This agreement is prescriptive on placement, stating that 640 (160 per year) individuals with intellectual and developmental disabilities will be placed in 4 state fiscal years from FY0 through FY12 with an extension into the first three months of FY13. Furthermore, the *Settlement Agreement* states that 135 each year will be new development – 10 enhancements to a home and 125 brand new development each year. DDS is on target to complete the first 2 fiscal years of placements by September 30, 2010. DDS will be building 125 new beds in FY11, 125 new beds in FY12 and 30 beds in FY13.

In December, 2008, the Secretary of Health and Human Services signed the *DDS Facilities and Restructuring and Closure plan* to close 4 of the 6 DDS Intermediate Care Facilities for the mentally retarded (ICF-MR Facilities). The Facilities will close over four years starting with Fernald Developmental Center in FY10, Monson DC in FY11 and the last two (Templeton and Glavin) closing in FY13. DDS needs 69 new development beds in FY11, and 36 beds in FY12.

- HIV/AIDS The Massachusetts Department of Public Health (MDPH) reported in October 2009 that 30,332 Massachusetts residents had been diagnosed and reported with HIV infection since the onset of AIDS

⁴⁸ It also serves children with developmental disabilities and their families, but does not provide them residential services.

⁴⁹ The State of the Massachusetts Housing Market: A Statewide and Regional Analysis, November 2008, UMass Donahue Institute

epidemic in the early 1980s.⁵⁰ Of these, 41 percent have died and 59 percent (17,880 people) are living with HIV/AIDS. It is further estimated that 21 percent of people with HIV infection do not know their status. Accounting for this underreporting, the total number of Massachusetts residents living with HIV/AIDS is estimated to be approximately 25,000-27,000. The number of HIV diagnoses reported annually has decreased from 1,365 in 1999 to 602 in 2007, but the number of people living with HIV/AIDS has increased as fewer people have been dying from the disease. Many of those infected with HIV/AIDS have other health and social issues to address: substance abuse problems, mental health issues, unstable housing, and poverty.

Racial, ethnic and geographic disparities persist among people living with HIV/AIDS, with black and Hispanic men infected at nearly 12 times the rate of whites. With age-adjusted prevalence rates, black (non-Hispanic) and Hispanic males are each affected by HIV/AIDS at levels 9 times that of white (non-Hispanic) males. With age-adjusted prevalence rates, black (non-Hispanic) and Hispanic females are affected by HIV/AIDS at levels 26 and 18 times that of white (non-Hispanic) females (50 per 100,000).

- Victims of Domestic Violence Victims of Domestic Violence Over 60 percent of clients in family shelters have reported being victims of domestic violence at some point, and the current domestic abuse caseload is 5,500. There is an acute need for domestic violence-related facilities and services. The Commonwealth currently supports 153 domestic violence rooms providing just 422 beds. Many domestic violence victims with no other housing options enter the homelessness system, but homeless shelters and housing are generally not equipped to provide domestic violence-specific services. In the 2008 National Census of Domestic Violence, taken over the course of one day, there were 292 unmet requests for services and 213 of these requests were for emergency shelter or transitional housing.⁵¹
- Individuals Residing in Nursing Facilities and State Institutions There are over 40,000 individuals currently residing in certified nursing facilities in Massachusetts. In addition, there are individuals residing in state facilities serving individuals with mental illness and developmental disabilities. Many of these individuals could live in the community with supports if more community based, affordable housing was available – over 9,000 have indicated a desire to move into the community. Over the next three years the Commonwealth expects to transition 300 individuals with acquired brain injury, 600 individuals with developmental disabilities, and 100 individuals with mental health disabilities to community settings.
- People with Sensory Disabilities The 2000 Census identified that 8.6% or about 546,022 of MA residents over the age of 3 years were individuals who are deaf or hard of hearing. Approximately one-third of all deaf adults rely on some form of governmental assistance as the average income of deaf adults is 40-60% of their hearing counterparts. It is estimated that 40% of deaf adults are unemployed and 90% are underemployed⁵². The need for affordable, safe and accessible (visual and/or high volume signalers-doorbell, fire/smoke/carbon monoxide alarms, etc) housing for this population is high. The Massachusetts Commission for the Blind (MCB) assisted over 2000 legally blind people in finding housing or maintaining their residency.
- Other Special Needs The State also provides housing and support services to children who are involved in the court system through the Department of Youth Services (DYS), to substance abusers and ex-offenders. The needs of these populations are similar to those of victims of domestic violence in that they are often moving through temporary placements, to transitional programs, and eventually seeking permanent and stable housing options. In some cases the populations overlap, as do the institutions that serve them.

⁵⁰ These cases may, or may not, involve an AIDS diagnosis.

⁵¹ Jane Doe, Inc.

⁵² Seigel, Lawrence: The Educational and Communication Needs of Deaf and Hard of Hearing Children: A Statement of Principal. 2000.

Needs Assessment

Community Development

This section identifies and assesses the non-housing community development needs of the Commonwealth. The process by which these needs were identified involved analysis of economic conditions and trends, with particular attention to the impacts on low and moderate income people and communities; input from community representatives and regional planning agencies in a series of focus groups held across the state and in one-on-one interviews; and a review of recent CDBG funding requests was conducted with DHCD staff.

Nature and Extent of Non-Housing Community Development Needs

Overview

Community development needs and priorities vary by region and by size and type of community, but several common themes emerged during the regional focus groups that preceded the development of this Consolidated Plan: the need to upgrade aging infrastructure for the twenty-first century; the challenge of high unemployment and a jobs/skills mismatch; impact of rising foreclosures, falling home values, and strained municipal budgets; the challenge of ensuring that economic prosperity is shared by all geographic regions and all demographic and income groups; and the need to assure that economic growth translates into a high quality of life for all residents. Several participants also expressed a need for better planning, coordination and implementation between and among units of government and a desire for greater flexibility in resource utilization. Although this section focuses on the Commonwealth's non-housing community development needs, the lack of affordable housing, the ongoing foreclosure crisis, and its destabilizing effect on neighborhoods and communities were cited repeatedly in focus groups and interviews, especially in the eastern part of the state, as major barriers to business growth and economic expansion. In addition, current economic conditions heighten the need for financial support of broad-based social services.

The decline of traditional manufacturing and the rise of the knowledge economy have disconnected many of the state's regions and their cities from the export-income and investment that is the life-blood of a thriving economy. The stark result has been lower incomes, less job growth and fewer opportunities in many of the state's regions compared to Greater Boston. Leveraging the state's assets to bring prosperity to every region was a theme echoed across the state by community development directors and businesses. It is consistent with the Patrick administration and EOHED's strategy for promoting vibrant regional economies by building on the various regions' existing assets. Massachusetts has a strong competitive advantage in its leading industries and unparalleled workforce; the key to rebuilding a strong statewide economy is effectively leveraging all of the state's assets in a framework for regional reinvention and renewal.

Infrastructure

State-of-the-art physical infrastructure contributes to the quality of life for existing residents and is a necessary ingredient for expanded business development. Investments in sewer, utility, and road improvements in downtown areas, neighborhoods, industrial zones and underdeveloped rural areas can have dramatic effects on local economies and a cumulative beneficial effect on the overall economy, but many communities do not have the financial capacity to make the necessary infrastructure improvements. While there are several state funding programs that can be used for infrastructure improvements, the need outweighs the available funding. Communities look to CDBG funding to supplement these other resources. At the same time, despite great advances over the last twenty years, many communities still have sidewalks and other infrastructure components that are not yet fully accessible and in compliance with the Americans with Disabilities Act. In addition to roads, sewers and other traditional infrastructure, the state's economic competitiveness requires 21st century

technology and telecommunications infrastructure. Some areas of the Commonwealth, however, still rely on inadequate telecommunications systems with a particular lack of access to broadband internet services, which prevent them from attracting new technology and knowledge based businesses.

Fostering Income Growth and Opportunity

The prosperity of a community, and a region, depends upon an expanding middle class and personal and professional mobility. Equity and opportunity are intrinsic public goods and they are also a catalyst for innovation, entrepreneurship, civic leadership and a labor market that is responsive to changes in employment needs.

Uneven Economic Recovery among Geographic Regions and Income Groups

The shift from a manufacturing to a knowledge based economy has resulted in disparate outcomes for different regions of the state. While the Greater Boston and Route 495 regions prospered from the transition – both have suffered in the most recent downturn, but the underpinnings are in place for them to take advantage of opportunities as the recovery gains momentum – small towns and former industrial centers in the western part of the state have not fared as well.

Employment disparities persist among racial and ethnic groups as well. Even during the period of peak employment, the Fitchburg, Lawrence, and New Bedford labor markets posted higher rates of unemployment than the rest of the state. Communities themselves often face impediments that prevent them from maximizing opportunities (e.g., lack of organizational capacity, incentives or infrastructure that would enable them to recruit new businesses or grow existing ones)

Shifting Local Priorities

As a barometer of local needs, DHCD continually analyzes the funding requests from jurisdictions participating in its programs. This is in addition to regular interviews with program administrators, training sessions and focus groups. In recent years, housing rehabilitation has remained steady as a percentage share of the state's CDBG funding requests, and awards, reflecting the high priority municipalities place on this. In FY 2009, approximately 40 percent of the CDBG budget was awarded for housing rehabilitation. Within the non-housing area, there have been shifts. Comparing the average requests received during the first two years of the 2004-2009 Consolidated Plan with the three years leading up to the 2010-2014 Consolidated Plan shows that infrastructure has replaced public facilities as the largest non-housing use, representing another 40 percent of funds requested. Public facilities, economic development, social services and planning activities all dropped as a percentage of the requested funds.

Water and sewer improvements represent the largest share of infrastructure improvement requests and, as noted, there has been an increase in requests for infrastructure projects in the past year. DHCD program staff attributes the increased reliance on CDBG funds for infrastructure to the continued lack of alternative types of funding and local aid as the result of the state's budgetary constraints. In the category of public facilities, neighborhood facilities such as community centers, senior centers, and facilities for youth and family services represented the largest share of the requests. This was followed by requests for assistance in meeting the federally mandated accessibility requirements under the Americans with Disabilities Act (ADA). There has been an increase in requests for planning and technical assistance over the past three years.

Needs Assessment

Lead Paint

This section addresses the particular housing needs arising from the presence of lead paint in much of the Commonwealth's housing stock. The U.S. Centers for Disease Control and Prevention (CDC) calls childhood lead poisoning a major, but preventable, environmental disease that can cause serious permanent damage to a child's brain, kidneys, bones, nervous system and red blood cells. High level exposure can cause developmental disabilities, seizure disorders, and even death; low levels can cause learning and behavioral problems. The principal source of childhood lead poisoning is lead paint in older housing, making it a serious problem in Massachusetts where 44 percent of all housing units, and 51 percent of rental units, were built prior to 1950.

Nature and Extent of Problem

Massachusetts has the second oldest housing stock overall and the oldest rental inventory of any state in the nation. In certain high-risk communities, nearly two-thirds of the homes are over 50 years old. As the housing stock ages, lead painted surfaces naturally deteriorate and generate lead dust from normal wear and tear. The older the paint is, the higher the concentration of lead in it. The deleading process itself can be risky if not done properly. The State Department of Public Health (DPH) estimates that up to a third of all children under six years old who are lead poisoned were in homes undergoing renovation without proper lead-safe work practices and careful clean-up.⁵³

Childhood lead levels have been dropping in Massachusetts, as elsewhere, for the past fifteen years, a positive trend that is generally attributed to the banning of lead in paint (1978) and gasoline (1982); increased awareness about the dangers of lead poisoning; better screening; and more comprehensive abatement programs. **Table 3.19** documents this improvement. The Commonwealth has had a lead paint statute on the books since 1971. It was only after the enactment of a 1987 law requiring property owners to inspect and delead all units where children under the age of six resided, however, that the incidence of childhood lead poisoning began to significantly decline.⁵⁴ In the year prior to the enactment of this law, more than 1,000 children in Massachusetts became lead poisoned; by 2003, that number had dropped to only 242. This progress is in part attributable to the state's comprehensive system of primary and secondary interventions, including:

- Mandatory blood lead testing of young children and identification of high-risk areas
- A well-funded (over \$1 million annually) public education campaign
- Preventive inspections and enforcement through local housing code, officials, special state inspectors and housing courts
- Mandatory training and licensing of inspectors and deleading contractors
- Case management of affected children by lead nurses and counselors
- Strict liability for owners of real property, promoting the deleading of all housing units occupied by families with children under the age of six
- Mandatory notification of lead hazards upon sale or lease-up

⁵³ Fighting Childhood Lead Poisoning in Massachusetts, DPH

⁵⁴ The law was amended in 1994

Table 3.19 Lead Levels in Children 0-6 Years Old Screened in Massachusetts

Year	Moderate Risk (15-19 mcg/dl)		Immediate Risk (20-24 mcg/dl)		Poisoned (25+ mcg/dl)	
	Cases	Incidence	Cases	Incidence	Cases	Incidence
1987					1,001	5.5
1988					838	4.2
1989					776	3.5
1990					846	3.7
1991					869	3
1992					767	2.5
1993			120		770	2.7
1994			661	2.3	599	2.1
1995			650	2.3	522	1.8
1996			510	1.9	385	1.4
1997			426	1.6	365	1.4
1998	973	3.8	372	1.4	269	1
1999	707	2.8	279	1.1	231	0.9
2000	559	2.2	258	1	201	0.8
2001	426	1.7	159	0.6	159	0.6
2002	417	1.8	150	0.6	129	0.5
2003	353	1.5	125	0.5	117	0.5
2004	294	1.3	122	0.5	119	0.5
2005	291	1.2	123	0.5	103	0.4
2006	258	1.1	105	0.5	96	0.4
2007	215	0.9	88	0.4	91	0.4
2008	188	0.8	79	0.3	98	0.4

* Incidence is the rate per 1,000 children tested

Source: Massachusetts Department of Public Health

Estimate of Need

Table 3.20 summarizes the number of Massachusetts dwelling units with potential lead-based paint hazards that are occupied by children under the age of six. HUD estimates that 68 percent of the housing units built before 1940, 43 percent of those built between 1940 and 1959 and 8 percent of those built between 1960 and 1977 have significant lead-based paint hazards. Applying these ratios to the Massachusetts inventory of housing occupied by children under the age of six provides the estimate of the number of children at risk. In total, nearly 119,000 units occupied by households including children may contain lead hazards.

Table 3.20 Estimated Number of Housing Units Housing Young Children with Lead Paint

	Owner	Renter	HUD Estimate of % Units w Lead Paint	HUD Estimate of # Units w Lead Paint
# of young children living in all pre-1980 housing	161,275	104,845		118,783
# of young children living in 1960-1979 housing	48,245	29,865	8.0%	6,249
# of young children living in 1940-1959 housing	41,350	19,900	43.0%	26,338
# of young children living in pre-1940 housing	71,680	55,080	68.0%	86,197

Source: 2009 CHAS table #13, based on 2005-2007 ACS

DPH records indicate that an average of 18,000 units are being inspected, and over 4,000 units are being treated, each year. More than 100,000 units have already been deleaded,⁵⁵ including a substantial portion of the state’s public housing and assisted inventory. These numbers suggest that most of the at-risk units that *currently* house young children should, in a matter of years, have been treated. Unlike the publicly assisted inventory, however, there has not been a comprehensive remediation program for private dwellings. There are seven times as many pre-1980 units exist that do not currently house young children. There is no way of knowing whether the pre-1980 units that have been remediated house young children or not; or whether they are likely to in the future.

Issues/Challenges

Lead-based paint hazards pose the greatest risk to low income families, especially in communities of color. DPH classifies 14 cities as high-risk communities for lead-based paint hazards, an improvement over the 18 cities deemed high risk at the time the 2005-2009 plan was prepared. (See Table 3.21) The number of cases within these high risk cities has also dropped. Still, these communities, home to the majority of the state’s minority children, remain disparately impacted by the hazards posed by exposure to lead paint.

Table 3.21 – High Risk Communities for Childhood Lead Poisoning

High Risk Communities for Childhood Lead Poisoning July 01, 2003 through June 30, 2008								
Community	Entitle	5-yr Cases	% Min ority	Incidence	% Low Income	% Pre-1950	Adjusted Rate	% Screened
Boston	E	141	50.5%	1.2	45%	67%	2.3	87%
Brockton	E	66	41.8%	2.7	44%	46%	3.5	89%
Chelsea	NE	25	61.7%	2.0	56%	60%	4.4	97%
Everett	NE	15	24.8%	1.6	44%	73%	3.3	93%
Fitchburg	E	16	24.8%	1.9	47%	65%	3.8	74%
Holyoke	E	15	46.0%	1.4	55%	55%	2.8	78%
Lawrence	E	34	65.9%	1.5	59%	61%	3.5	79%
Lowell	E	35	37.5%	1.4	45%	54%	2.2	75%
Lynn	E	57	37.5%	2.4	47%	66%	4.8	86%
New Bedford	E	51	24.8%	2.1	58%	66%	5.2	94%
Somerville	E	19	27.3%	1.5	36%	78%	2.7	81%
Springfield	E	81	51.2%	2.0	56%	52%	3.8	79%
Taunton	E	16	10.2%	1.4	40%	43%	1.6	72%
Worcester	E	43	29.2%	1.2	49%	57%	2.2	82%
Non-High Risk		567	9.7%	0.7				
MA High Risk		614	42.0%	2.9	48%	61%	5.5	81%
Massachusetts		1,803	18.1%	1.5	35%	44%	1.5	72%

(*) Only communities with at least 15 cases and with their Adjusted Rate no less than the state rate of 1.5 for this 5-yr period have been included.

5-yr Cases= Numbers of newly confirmed cases with blood lead levels>=20mcg/dL (children 6 months to 6 years) identified between July 1, 1998 and June 30, 2003

Incidence: = Rate per 1000 children screened

% Low Income = Percentage of households with low or moderate income

% Pre-1950 = Percentage of housing units built prior to 1950

Adjusted Rate = (Rate by town) * (%Low Income by town / %Low Income MA) * (%Pre-1950 by town / %Pre-1950 MA)

⁵⁵ DPH’s database goes back to 1990. Nearly 40,000 letters of compliance have been issued to date (July 2004) as have 90,920 letters of initial compliance, which DHP estimates more accurately represents the number of units deleaded

Massachusetts 2010-2014 Consolidated Plan

% Screened = Percentage of children 9 months to 4 years of age tested for lead poisoning during this period using Census 2000 population estimates (*some communities have a percentage above 100 because the population is underestimated)

Source: Massachusetts Department of Public Health

4. Strategic Plan

91.315

Introduction

This section summarizes the State's housing and community development priorities and how they were identified. It describes what DHCD and its partner agencies and organizations hope to accomplish over the next five years toward the goal of providing decent housing, a suitable living environment, and expanded economic opportunity for low income residents. It identifies the strategies and resources with which the Commonwealth intends to achieve its objectives and how it will measure success. The strategic plan focuses on four major program areas: affordable housing, homelessness, special needs, and community development. For each, priority needs have been identified, consistent with HUD guidelines; the objectives and strategies respond to those needs.

Also included in this section is the State's strategy for removing barriers to affordable housing; its actions to reduce lead-based paint hazards; its anti-poverty strategy; and the institutional structure through which the Commonwealth will carry out its plan, including activities to enhance coordination among housing providers, government and quasi-governmental agencies and other participants. Two additional requirements are addressed here as well: a description of the State's strategy for coordinating the federal Low Income Housing Tax Credit Program into its larger affordable housing and community development planning; and a description of the manner in which the plan will address the needs of public housing.⁵⁶ The state's overall strategic plan for housing and community development is presented first, followed by a description of how the funds from the four covered programs (CDBG, HOME, ESG, and HOPWA) will be allocated.

Relationship of the Con Plan Programs to the State's Overall Strategy

The Commonwealth uses the consolidated planning process to re-evaluate its housing and community development program in its entirety. The \$52 million the state expects to receive annually over the next five years from these four HUD programs is just one piece, albeit a crucial one, of an overall investment of more than \$1 billion each year for housing production, preservation, rental assistance, anti-poverty programs, and economic development initiatives and public facilities and infrastructure. The state's housing needs cut across a wide range of incomes and household types. The type of funding a particular project or initiative receives depends in part on the extent to which it aligns with federal and state requirements. Consistent with HUD mandate, the overwhelming majority of its funding directly benefits low income families and individuals.

Relationship of the Strategic Plan to the Action Plan

The Strategic Plan describes *generally* how the state will allocate the resources it expects to have available during the period covered by the plan, including – but not limited to – the Con Plan programs (CDBG; HOME, including ADDI; ESG; and HOPWA). Details on these four programs are provided in Section 5, the Action Plan. Descriptions of the other programs and resources the State expects to have available are included in the program-specific sections. By definition, strategic plans present a “big picture.” Action plans are much more detailed, identifying specific activities that will be taken to achieve the long term (five-year) objectives. For example, while the Strategic Plan states that Massachusetts will expand sustainable homeownership opportunities by providing homebuyer counseling, down payment assistance or affordable mortgage programs,

⁵⁶ The Massachusetts Low Income Housing Tax Credit Qualified Allocation Plan (QAP) 2010 was prepared in concert with this Plan and demonstrates the State's coordinated approach to resource allocation. The QAP is incorporated by reference into the Con Plan. It is available in its entirety at DHCD's website <http://www.mass.gov/dhcd/Temp/04/QAP04drf.pdf>. No Massachusetts state agency administers federal public housing funds, but DHCD oversees and funds a portfolio of approximately 50,000 state-aided public housing units that are owned and operated by 242 local housing authorities (LHAs).

the Action Plan specifies the number of homeowners to be assisted under each specific programmatic initiative (e.g., Soft Second Mortgage Program, MassHousing First Time Homebuyer Program, etc.)

Summary of Needs

Sections 2 and 3 described in some detail the current economic and market conditions in Massachusetts and the challenges they pose for low income households, and those with special needs. Section 3 also provided evidence that the housing affordability problem affects moderate and middle income households as well. To briefly summarize the key findings and their implications:

- Approximately 471,000 extremely low and very low income (ELI, VLI) Massachusetts households currently experience housing problems, most often affordability problems. The number of *all* low income households (earning <80 percent of AMI) with affordability problems is substantially higher, nearly 679,000. These numbers represent a 15 percent increase in ELI and VLI households with affordability problems and a 22 percent increase counting all low income households since 2000. Renters represent 62 percent of the ELI-VLI need, down from more than 65 percent in 2000. This reflects both the reduction in the overall number of renter households and a substantial increase in the number of low income homeowners with housing or affordability problems, many of them recent purchasers.⁵⁷ The number of ELI and VLI owners with housing or affordability problems increased by 25 percent since 2000 compared to an increase of less than 11 percent for ELI and VLI renters. Unmet needs exist in every region of the state and among all household types.
- Housing that is affordable and accessible to populations with special needs, and resources to address their needs, are inadequate. Under the terms of the U.S. Supreme Court's 1999 *Olmstead* decision, Massachusetts residents with long-term support needs are entitled to appropriate services and accessible, community housing options that maximize consumer choice. In addition, the state's Department of Developmental Services (DDS) continues to operate under the terms of a decade-old court settlement requiring it to reduce its waiting list. DDS will be consolidating at least three state institutions in the next three fiscal years. They will be placing 41 people from Monson into the community, 25 people from Templeton into the community and finalizing the consolidation of Fernald. During the same period, the agency will provide for support 40 persons per year from the "Turning 22" population of consumers. And under the terms of the 1999 court settlement requiring it to provide residents living in nursing homes or with aging caregivers community-based housing services (*Rolland v. Cellucci*), the agency has committed to move 600 individuals into the community over the next three fiscal years. In 2008, the Commonwealth entered into the Hutchinson Court Settlement which requires that 300 Medicaid eligible individuals with Acquired Brain Injury be transitioned from nursing homes or chronic rehabilitation hospitals to community based settings over the course of three years. A total of 100 will require residential rehabilitation settings that provide 24/7 on site support and 200 will be for individuals to move to their own home or apartment. The Massachusetts Rehabilitation Commission (MRC) is responsible for the administration of an ABI waiver with MassHealth that funds the support services for these individuals as part of their transition.
- There is a need for affordable rental housing and *sustainable* homeownership opportunities for a range of incomes, especially in areas where economic expansion and job growth is likely to occur as the economy recovers. Rising foreclosures and their devastating impact on individual families and entire communities are a reminder that, while everyone needs decent housing, not everyone has to be a homeowner.⁵⁸ The 2008 American Community Survey reported that the number of renter households in Massachusetts increased for the first time in five years in 2008.

⁵⁷ Between 2001 and 2006, more than 21,000 low income households per year purchased homes in Massachusetts, representing more than 24 percent of all purchases during this period; very low income purchasers alone accounted for 5 percent.

⁵⁸ While many residents were victimized by unscrupulous mortgage brokers and sold loans products that were destined to fail, others simply overestimated their capacity to own.

- The number of homeless families has increased at an alarming rate in recent years, and while the number of chronically homeless individuals appears to have stabilized, a relatively small sub-population of long-term shelter users consume a disproportionate share of available resources.
- Widespread foreclosures continue to take a major toll, particularly in low-income urban neighborhoods. The initial wave of foreclosures was concentrated in a handful of lower income urban areas, affecting homeowners who had subprime mortgages, but the lingering recession and rising unemployment has caused the problem to spread to a larger group of homeowners. While low-income urban neighborhoods and racial and ethnic minorities have been most impacted, the problem is not confined to the cities; a number of small towns in central Massachusetts have also seen a spike in foreclosures.
- There is some regional variation in need – and more frequently in priorities – for community development resources. All regions identified affordable housing, housing rehabilitation and preservation, and public infrastructure improvements as priorities. Outside the Greater Boston and Northeast regions, the need to stimulate employment growth and expand economic opportunity is a top priority.

The Commonwealth's objectives and strategies, described below, respond to these needs. In developing its plan, DHCD considered the issues and priorities identified by residents, housing and service providers, municipalities, and others, as well as statistical evidence gathered and analyzed over a period of more than six months.

Consolidated Plan Objectives, Key Strategies and Initiatives

The Strategic Plan brings the needs and resources together in a coordinated housing and community development strategy. It describes how funds that are reasonably expected to be made available will be used to address the identified needs over the five years covered by this plan (2010-2014).

Context for the 2010-2014 Plan

2009 saw dramatic changes to national and state housing policy and the resources for housing programs. As a result of the housing crisis, the federal government has enacted a number of programs to mitigate the impact of foreclosures on individuals, neighborhoods, and municipalities, and to encourage first-time homebuyers to get into the market now. Although the economic downturn necessitated cuts in the state budget across the board, new federal funding, in particular the American Recovery and Reinvestment Act (ARRA), increased the total housing budget for Massachusetts to its highest level since 1989. Even though there are some positive signs that housing market has stabilized and the economy is poised for recovery, this five-year plan anticipates continued economic challenges, additional foreclosures, and the likelihood of shortfalls in state revenue.

Because of the initiatives it has launched in response to the challenges of the past several years, Massachusetts expects to emerge stronger and more competitive when the economy does turn around. With support from the federal government, the State will continue to make investments – including those to spur the development of affordable housing – that will create jobs and position the Commonwealth for a complete economic recovery.

Recent Initiatives

Recent initiatives are illustrative of the types of strategies DHCD and its partners will employ to address the state's housing and community development needs over the next five years:

- In partnership with federal and local governments, quasi-public agencies, and nonprofit organizations, Massachusetts has assembled one of the most comprehensive anti-foreclosure toolkits in the country. These

resources are enabling community based developers and residents to acquire and rehabilitate properties to stabilize and revitalize neighborhoods hit hard by foreclosure activity.

- Federal tax credit assistance and exchange programs from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Treasury through the American Recovery and Reinvestment Act (ARRA) are helping to revive dozens of stalled housing developments across the state.
- Mortgage credit constraints are being offset by products offered through state quasi-public agencies like MassHousing and the Massachusetts Housing Partnership.
- Stepped up lead paint abatement and weatherization programs, funded with federal stimulus monies are providing jobs and improving the safety and efficiency of thousands of homes.
- And DHCD continues to make improvements to the vast inventory of state public housing with the proceeds of a \$1.2 billion bond bill – the largest ever – passed by Legislature in 2008.
- The emergency shelter system reform measures undertaken at the recommendation of the state Commission to End Homelessness have positioned Massachusetts to effectively utilize new federal tools and resources. The State has already received \$17.9 million through the Homeless Prevention and Rapid Re-Housing Program for short- and medium-term rental assistance and services to prevent homelessness or to help those in shelters to be quickly re-housed.
- The “expiring use” bill is an example of an initiative to keep publicly assisted rental properties affordable. It creates a regulatory framework to preserve affordable rents where long-term, publicly- subsidized mortgages are paid off and affordability restrictions are allowed to lapse. Expiring use conditions affect an estimated 90,000 units, with about 17,000 of those potentially at risk of losing their affordability over the next three years. The legislation establishes notification provisions for tenants in expiring use properties, a right of first refusal for the DHCD or its designee to purchase publicly assisted housing, and modest tenant protections for projects with affordability restrictions that terminate. Complementing the legislation will be a \$150 million Preservation Loan Fund, lead by the quasi-public Community Economic Development Assistance Corporation and leveraged primarily through private dollars to support and secure long-term affordable housing preservation efforts. The program uses state bond funds along with a \$3.5 million grant from the John D. and Catherine T. MacArthur Foundation, \$40 million from private lenders and \$100 million from the private, nonprofit Massachusetts Housing Investment Corp.
- Ensuring that adequate resources are directed to the state’s urban areas, which are home to many of the Commonwealth’s lowest income residents, while at the same time expanding housing opportunities in low-poverty suburban communities offering strong schools is a delicate balancing act. DHCD judiciously allocates the resources that flow through it *from all sources* so that it can do both: revitalize its older urban centers *and* increase affordable housing options in high opportunity areas, as two recent programs attest. Through its Gateway Plus Action Grants, DHCD provided planning assistance to 18 low income cities to support mixed housing and neighborhood revitalization efforts. The Massachusetts Housing Partnership, meanwhile, just committed \$5 million in zero percent interest, second-mortgage financing to support the development of affordable rental housing in suburban and high-opportunity communities. The new Neighborhood Rental Initiative Program is targeted toward 225 communities characterized by such factors as good schools, proximity to jobs, higher housing costs and a shortage of affordable housing.

It is DHCD’s intention for 2010-2014 to continue to leverage all available resources to address the housing and community development needs in its diverse communities.

Goals and Objectives

The overarching goal of the Commonwealth's housing and community and development efforts has been, and continues to be, to provide broad economic opportunity and a high quality of life for all Massachusetts residents. The 2010-2014 objectives, shown in **Table 4.1**, reflect that goal. They also support broader HUD objectives of providing decent housing, a suitable living environment, and economic opportunity, especially for low income families and individuals.

Some of the state's objectives relate to more than one program area, or population. For the most part, though, objective 1 relates to the needs of the homeless and near homeless populations; objectives 2 and 3 relate to the need to provide adequate, accessible and affordable housing for the population at large; objective 4, to the needs of residents with special needs; and objectives 5 and 6 to the community and economic development needs of the state's low and moderate income residents and communities. Objective 7 cuts across all program areas and is embedded into all DHCD initiatives. (See **Table 4.2**, Fair Housing Statement and Principles.)

Table 4.1 Summary of Objectives

Summary of Objectives		
Massachusetts Objectives	Program Focus	Corresponding HUD Objective
1	Promote strong, sustainable communities throughout the Commonwealth.	Community economic development needs of low and moderate income communities Suitable living environment, create economic opportunities
2	Preserve and create affordable rental housing options for low and moderate income residents.	Low and moderate income population generally Decent housing
3a	Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.	Homeless Decent housing
3b	Help low-income households develop economic self-sufficiency	Economic development needs of low and moderate income residents Create economic opportunities
4	Ensure full and fair access to housing for all residents of the Commonwealth.	Cuts across all programs and is embedded in all DHCD initiatives Decent housing, suitable living environment, create economic opportunities
5	Promote sustainable homeownership opportunities for low, moderate and middle income families.	Low, moderate and middle income population generally Decent housing
6	Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to mainstream resources including employment and long term supports as needed.	Populations with special needs Decent housing, suitable living environment

In its execution of the plan, DHCD and its partner agencies will be guided by the following fundamental principles:

- Build upon the existing assets of the state’s diverse regions;
- Promote sustainable development; (The state’s sustainable development principles appear in **Table 4.3.**)
- Improve the capacity of community based organizations and local government;
- Remove barriers to affordable housing development; and
- Forge partnerships with municipalities and regional institutions.

In all of this work, DHCD will be guided by the Commonwealth’s Fair Housing Statement and Principles, and the Commonwealth’s Sustainable Development Principles.

Table 4.2 Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

Encourage Equity. Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.

Be Affirmative. Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.

Promote Housing Choice. Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.

Enhance Mobility. Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.

Promote Greater Opportunity. Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.

Reduce Concentrations of Poverty. Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.

Preserve and Produce Affordable Housing Choices. Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.

Balance Housing Needs. Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.

Measure Outcomes. Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.

Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies. Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Table 4.3 Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

1. Concentrate Development and Mix Uses Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance Equity Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make Efficient Decisions Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect Land and Ecosystems Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand Housing Opportunities Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

7. Provide Transportation Choice Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase Job and Business Opportunities Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote Clean Energy Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan Regionally Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Key Strategies

The key strategies with which the Commonwealth of Massachusetts intends to achieve its objectives include the following:

Objective #1: Promote strong, sustainable communities throughout the Commonwealth.

Strategies:

- Support Smart Growth/Transit-Oriented Development and encourage housing near jobs
- Provide comprehensive foreclosure prevention and mitigation assistance
- Support municipalities with planning (for sustainable economic/community development and land use decisions) and technical assistance
- Support local business development and retention strategies and leverage resources from the Executive Office of Housing and Economic Development to support this goal.

Objective #2: Preserve and create affordable rental housing options for low and moderate income residents.

Strategies:

- Preserve the physical and financial viability of existing affordable housing (both publicly assisted and private).
- Maintain a system of public housing and rental assistance that serves those with extremely low incomes, including those with disabilities, the homeless and those at risk of homelessness
- Increase the supply of rental housing
- Aggressively implement the Massachusetts Lead Paint Law, targeting high risk communities
- Improve the energy efficiency of the existing inventory, both publicly assisted and privately owned

Objective #3a: Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.

Strategies:

- Implement HEARTH Act provisions as early as possible to maximize DHCD's new Architecture for preventing homelessness and diverting households from emergency shelter with more appropriate housing options.
- Provide housing first opportunities for homeless families and individuals
- Use new resources for rapid rehousing and shelter diversion activities
- Get chronically homeless people into permanent supportive housing as quickly as possible
- Develop a range of housing options and services for homeless families and individuals
- Continue to provide emergency shelters as a back up for situations where a household cannot be prevented or diverted from becoming homeless.
- Reconfigure existing shelter beds where possible toward permanent housing
- Improve access to and coordination across mainstream services and public benefit sources

In addition, the strategies that preserve and expand the supply of affordable housing, and the programs that enable low income residents to pay for housing (e.g., rental assistance) also support the objective of reducing homelessness.

Objective #3b: Help low-income households develop economic self sufficiency.

Strategies:

- Expand job readiness through asset development, personal financial education, etc.
- Invest in programs for low-skilled residents that build their market competitiveness
- Align state policies to facilitate asset building and economic mobility for lower income residents

Objective #4:

Ensure full and fair access to housing for all residents of the Commonwealth.

This objective applies to all populations and all program areas, and the primary strategies reflect this:

- Embed fair housing principles and priorities throughout all programs
- Reduce barriers to affordability in all communities
- Vigorously enforce all fair housing laws
- Reduce barriers to accessibility

Objective #5: Promote sustainable homeownership opportunities for low, moderate and middle income families.

Strategies:

- Provide homebuyer counseling and education to prepare owners for a successful application and ownership experience
- Support a continuum of options for properties in foreclosure and owners at risk of foreclosure.
- Facilitate the purchase (and rehabilitation) of existing units for resale to or reoccupancy by low and moderate income families
- Increase the supply of housing affordable to a range of incomes, particularly “workforce housing” serving moderate and middle income employees.
- Increase the supply of affordable housing in areas of opportunity.
- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options

Objective #6: Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to mainstream resources including employment and long term supports as needed.

Strategies:

- Include community-based options for households with a disability in supportive housing and other subsidized developments
- Encourage sensitive rehab (i.e. rehab including increased accessibility) of disability units in expiring use redevelopment

Summary of Resources and Funding Levels

A summary of the financial and organizational resources with which the state will implement its ambitious housing and community development agenda is included in Section 5, the Action Plan; program descriptions are included in the program-specific sections. Annual funding levels and the methods of distribution for each Consolidated Plan program, including matching dollar requirements, if any, and source of funds are also described in Section 5. DHCD anticipates that the covered programs will continue to be funded at approximately the same level for the duration of the Consolidated Plan. (See **Table 4.4**)

Table 4.4 FY 2010 Consolidated Plan Funding

Program	Agency	Allocation
CDBG	DHCD	\$36,316,247
HOME (incl ADDI)	DHCD	\$14,822,410
ESG	DHCD	\$2,580,908
HOPWA	EOHHS	\$194,639
TOTAL		\$53,914,204

Source: HUD

In addition to the nearly \$52 million that will flow to the state each year through these four programs, the Commonwealth expects to have available the following additional resources on an annual basis for its housing and community development initiatives:

- \$175 million from State bonds (HIF, HSF, FCF, public housing modernization, CBH, HMLP, etc.)
- \$255 million from the State operating budget
- \$553 million from other federal housing production programs
- \$1 billion in project financing from the state’s quasi-public agencies
- \$13.6 million in federal and \$4 million in state low income housing tax credits, which will leverage nearly \$100,000,000 in investor capital for low income rental housing production and/or preservation.

It is unclear now whether the equity market will recover in any meaningful way during the period covered by the Consolidated Plan. DHCD will proceed on the expectation that, if equity investors are not available, alternative financing approaches can be crafted to ensure that the existing pipeline of worthy projects moves forward. Such was the case in 2009, when ARRA funds were made available to jumpstart projects that had stalled when they lost their investors, or when investors could not be found. Similarly, if revenue shortfalls necessitate cuts in the state’s budget for housing and community development, DHCD and its partner agencies and organizations will endeavor to identify alternative resources to carry out its agenda.

Consolidated Plan Programs: Priority Needs and Allocations

Priorities

After considering the Commonwealth’s diverse housing and community development needs in light of the full range of resources Massachusetts expects to marshal over the next five years, DHCD has assigned the highest priority for the Con Plan-covered programs to the following needs:

- Rehabilitation of existing units, both ownership and rental,
- Preservation of affordable rental housing,
- Production of new rental units, and
- Homelessness prevention and re-housing.

The following activities will be considered medium priority for funding under the four programs:

- Homeownership assistance, and
- Acquisition of existing rental units.

These priorities will benefit extremely low income households, including the homeless and those at risk of becoming homeless; 2) special needs populations; 3) renter households; and 4) very low income owner occupied households. They reflect the state’s objective of reducing chronic and family homelessness, and for complying

with the Olmstead⁵⁹ decision and similar Massachusetts settlements involving the needs and rights of residents with long term support needs. They underscore the importance of an adequate supply of accessible, affordable rental housing – both in high need urban areas as well as in low poverty communities of opportunity – if low income families are to succeed in moving out of poverty. They also acknowledge the overwhelming preference of low income elderly homeowners to age in place and the need of other low income homeowners to improve and upgrade their housing to preserve its safety, efficiency and viability. And finally, they demonstrate the Patrick administration’s commitment to working in partnership with local and regional leaders to support the infrastructure that will lead to sustained economic growth and shared prosperity throughout the Commonwealth.

The following two tables (**Table 4.5** and **Table 4.6**) provide the state’s estimate of needs and priorities, according to prescribed HUD format. The strategies that the Commonwealth will employ to address its housing and community development needs, and the key initiatives associated with each strategy, are discussed in the following section under the objective they primarily respond to. Strategies and initiatives are not ranked in order of importance since the Commonwealth believes participating jurisdictions are best able to prioritize their own needs.

Table 4.5 (HUD Table 2A) State Priority Housing/Special Needs/Investment Plan Table

PART 1. PRIORITY HOUSING NEEDS		Priority Level	
		Indicate High, Medium	
	Small Related	0-30%	Yes – High
		31-50%	Yes – High
		51-80%	Yes – Low
	Large Related	0-30%	Yes – High
		31-50%	Yes – High
		51-80%	Yes – Medium
	Elderly	0-30%	Yes – High
		31-50%	Yes – Medium
		51-80%	Yes – Low
	All Other	0-30%	Yes – High
		31-50%	Yes – Low
		51-80%	Yes – Low
PART 2 PRIORITY SPECIAL NEEDS		Priority Level	
		Indicate High, Medium, Low	
Elderly		Yes – Medium	
Frail Elderly		Yes – High	
Persons with Severe Mental Illness		Yes -- High	
Persons with Developmental Disabilities		Yes – High	
Persons with Physical Disabilities		Yes – High	
Persons w/ Alcohol/Other Drug Addictions		Yes – High	
Persons w/HIV/AIDS		Yes – High	
Victims of Domestic Violence		Yes – High	

Note: This table contains the categories mandated by HUD. As we have mentioned elsewhere in the plan, there are other groups with serious housing needs such as people with sensory disabilities and people in state institutions of different types.

⁵⁹ Olmstead v. L.C. (98-536) 527 U.S. 581 (1999).

Table 4.6 (HUD Table 2A Optional) State Priority Housing Activities/Investment Plan Table

PART 3 PRIORITY HOUSING ACTIVITIES	Priority Level Indicate High, Medium, Low
CDBG	
Acquisition of existing rental units	No
Production of new rental units	Yes – Medium
Rehabilitation of existing rental units	Yes – High
Rental assistance	No
Acquisition of existing owner units	No
Production of new owner units	Yes – Low
Rehabilitation of existing owner units	Yes – High
Homeownership assistance	Yes – Medium
HOME	
Acquisition of existing rental units	Yes – Medium
Production of new rental units	Yes – High
Rehabilitation of existing rental units	Yes – Medium
Rental assistance	No
Acquisition of existing owner units	Yes – Low
Production of new owner units	Yes – Low (Year 1), Medium (afterward)
Rehabilitation of existing owner units	No
Homeownership assistance	Yes – Medium
HOPWA	
Rental assistance	No
Short term rent/mortgage utility payments	No
Facility based housing development	Yes – High
Facility based housing operations	Yes – High
Supportive services	No
	No
Other	

Definitions

“Priority Need Level” is defined as follows: High priority means activities to address this need will be funded by the Commonwealth of Massachusetts with federal funds, usually with the investment of other public or private funds during the Consolidated Plan period. Medium priority means if funds are available, activities to address this need may be funded with federal funds, usually with the investment of other public or private funds during the Consolidated Plan period. Also, the state will take other actions to help this group locate other sources of funds. Low priority means the state will not fund activities to address this need during the Plan period. The state will consider certifications of consistency for other entities’ applications for federal assistance.

Goals include projects funded by, or within, the Commonwealth of Massachusetts during the period 2010-2014. These goals were established assuming a constant level of funds over the next five years.

Section 215 Affordable Housing is defined as follows:

1. Rental Housing: A rental housing unit is considered to be an affordable housing unit if it is occupied by an extremely-low, very-low, or low -income household and bears a rent that is the lesser of (A) the existing Section 8 Fair Market Rent for comparable units in the area or, (B) 30% of the adjusted income of a family whose income equals 65% of the median income for the area, except that HUD may establish income ceilings higher or lower than 65% of the median income because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

2. Homeownership:

A. Housing that is for purchase (with or without rehabilitation) qualifies as affordable housing if it (i) is purchased by an extremely-low, very-low, or low -income first-time homebuyer who will make the housing his or her

principal residence and; (ii) has a sale price that does not exceed the mortgage limit for the type of single family housing for the area under HUD's single family insuring authority under the National Housing Act. B. Housing that is to be rehabilitated, but is already owned by a family when assistance is provided, qualifies as affordable housing if the housing (i) is occupied by an extremely-low, very-low, or low –income household which uses the house as its principal residence and; (ii) has a value, after rehabilitation, that does not exceed the mortgage limit for the type of single family housing for the area, as described in (A) above.

Explanation of Priorities

The state views provision of family housing as highly important and will commit resources from covered programs (CDBG, HOME, ESG, and HOPWA) and from other state and federally funded programs to build, rehabilitate, and preserve affordable rental housing. Accordingly, providing housing for small related and large related rental housing has been classified as high priority for all income categories up to 80% of area median income.

The state recognizes that elderly households have significant housing needs and will fund housing opportunities that will serve elderly households. However, covered program and other funds administered by the state have not been targeted for elderly-only projects. In the event there is funding available for elderly housing development under other federal programs such as the HUD 202 program, the State will normally certify the consistency of elderly housing proposals with this Consolidated Plan. Accordingly, elderly rental housing has been classified as a high priority for households below 30% of area median income and as a medium priority for households between 30% and 80% of area median income. Extremely low income homeowners, including the elderly, remain a priority.

The “all other” category includes single person households and households with two or more unrelated persons. The state does not intend to target such households for dedicated funding from covered programs or other resources, except to the extent that very low-income households are given preference for Section 8 subsidies which, under currently prevailing market conditions, the state intends to make available to provide some deep subsidy units in certain new rental development projects. Accordingly, providing rental housing for “all other” households under 30% of area median income has been classified as a high priority and as a medium priority for such households that are above 30% of area median income. (Where single person households meet another priority need, e.g., a person with disabilities moving from a group facility to an independent living situation, (s)he will receive priority as per Table 3.16, Housing Needs of Special Populations).

The state views the promotion of homeownership as a long-term housing strategy, because it can help low- and moderate-income persons build assets, become more integrally invested in their communities, and become less exposed to future increases in the cost of rental housing. In addition, homeownership can contribute to the stability and vitality of neighborhoods and communities. Homeownership is promoted both by helping first-time homebuyers to purchase their homes and assisting existing homeowners with sub-standard physical conditions to stabilize their housing situations. Therefore, the state has classified providing assistance for low- and moderate-income owners as a medium priority.

The state recognizes the serious housing needs of persons with special needs. The state currently provides additional consideration for special needs housing in its Low Income Housing Tax Credits Qualified Allocation Plan and in selecting projects to receive HOME as well as state funds. In addition, the Housing Development Support Program component of the Mass. CDBG program often funds small-scale, special needs housing projects. Accordingly, special needs housing has been assigned a high priority. It should be noted that, although the state can target its resources, it cannot assure that the outcomes will be proportional to the goals. Much of the success the state has enjoyed in stimulating homeownership opportunities through “low cost” actions like 40B, NEF and MassHousing, and its ability to capture affordable units in market rate developments through inclusionary zoning or 40B, by economic necessity serve households closer to 80 percent of HAMFI that to 50 percent or 30 percent. Each category of need was evaluated along with the resources expected to be available in assigning what are, admittedly, “stretch” goals.

Homelessness Strategy

Beginning with the release of the Massachusetts Commission's Plan to End Homelessness in 2007, the Commonwealth has undertaken a number of initiatives to transform the homelessness system. Among other initiatives, this plan resulted in the reconstitution of the Commonwealth's Interagency Council on Housing and Homeless (ICHH) as a vehicle for coordinating agencies and organizations that deliver homeless and housing programs throughout Massachusetts.

Early in 2008, ICHH made awards totaling \$8 million to eight regional networks that it established to experiment with a range of creative responses to the homeless challenge. The following year (March 2009) the Massachusetts Legislature supported the Patrick/Murray Administration's proposal to transfer the emergency shelter program and services (EA) to the Department of Housing and Community Development (DHCD). The transfer reflected the emerging consensus that embedding homelessness services within a housing agency facilitates prevention and re-housing for homeless and at-risk households. In preparation for the July 1, 2009 transfer, DHCD developed a "four door architecture" for the DHCD Emergency Assistance Offices (described in the next section). This architecture serves as a metaphor for critical program services to address family homelessness that the agency sees as the essential foundation for a delivery system that is both sensitive to client needs and aware of provider capacities.

Even though DHCD funds emergency shelter capacity sufficient for over 2,000 homeless families, the current need exceeds the capacity. Approximately 900 homeless families are temporarily sheltered in hotels and motels across the Commonwealth with Emergency Assistance funding. The Patrick/Murray Administration is committed moving the Commonwealth's response to homelessness from a shelter program to a housing program through a two-pronged effort: rapidly re-house homeless families currently in shelters and implement prevention and diversion activities to prevent families from entering the shelter system by providing suitable housing alternatives. The sustained reduction in the number of families in hotels and motels is expected to support the new "DHCD Architecture" in the Commonwealth's 22 Emergency Assistance Regions by focusing scarce resources on permanent housing solutions instead of temporary shelter. Crafting housing solutions that do not require families to enter the EA system will reduce the need for shelters and hotels and motels.

At the heart of the "architecture" are the field offices where families seeking shelter come. Here, each DHCD Homeless Coordinator (formerly DTA-EA worker) will be at the center of a network of organizations and individuals dedicated to homeless prevention, diversion, supported shelter, and stabilized re-housing. That worker lives in a world of "four doors:"

- **HOMELESS PREVENTION** encompasses a range of tactics, services and interventions that keep a family away from needing to enter EA shelter.
- **HOMELESS DIVERSION** or **THE FRONT SCREEN DOOR** provides alternatives to EA-eligible families who present themselves at the EA Office—keeping them from having to enter the Front Door. A Diversion worker (from a DHCD/ICHH-contracted agency) works closely with the DHCD Homeless Coordinator and oversees the screen door helping to connect would-be EA clients with pre-shelter resources in the community. The screen door entity is tied into a network of community-based services to make that diversion effective. Not leaving success to chance, however, the screen door entity follows that household to provide to the household whatever housing stabilization services they need.
- **THE FAMILY EMERGENCY SHELTER SYSTEM** or **THE FRONT DOOR** provides for access to the EA system ONLY when all reasonable and sensible diversion strategies have been exhausted. Once inside the front door of the EA office, the family is "sheltered" in the most appropriate place and way.

- **RE-HOUSING or THE BACK DOOR.** Current DHCD family shelter contracts require shelter providers to focus on re-housing and housing stabilization - moving families out the back door of the shelter system in a responsible way to housing, transitional or permanent, which they can hold on to.
- **STABILIZATION or THE BACK SCREEN DOOR.** It is one thing to get families out the back door of the shelter system. It is another thing to ensure they stay re-housed. Just as there is a diversion worker at the front screen door there will be a networked-individual at the back screen door who connects housing supply to the shelter housing search system to ensure effectiveness of housing search and stabilization so the family or individual does not have to return to the shelter world.

DHCD expects to implement this framework in the twenty-two locations where it has a Homeless Coordinator in a DTA Office to mobilize all the resources the agency can marshal: Continuum of Care, ICHH, regional housing agencies, housing authorities, community action organizations, private developers and property managers, and family emergency shelter providers.

The “four door” framework allows for regional differences and conditions. The goal is to identify players in each EA region who can build on the elements of the architecture in place in their region—filling in gaps and leveraging other resources such as entitlement community using HPRP money, ICHH grants, CSBG, Continuum of Care grants, ESG, philanthropic dollars, and other state and federal program funds.

To date the ICHH regional networks have assisted 2,735 households: 2,271 family households and 464 individuals. Prevention services have been provided to 1,901 families and 126 individuals; other households have been helped through diversion or re-housing. The American Recovery and Reinvestment Act’s Homelessness Prevention and Rapid Rehousing Program (HPRP) has been an important tool for the Commonwealth, providing assistance to over 1,300 households. Both ICHH and HPRP provide time-limited resources, however, and a permanent funding stream for prevention and re-housing services will need to be identified going forward.

Strategies for Reducing Barriers to Affordable Housing

The Market Analysis (Section 2) identified eight barriers to affordable housing production, having to do with economic and fiscal considerations, resource allocation, the state’s legal and regulatory framework, and public perception and attitudes. DHCD recognizes that expanding the supply of affordable housing, while balancing concerns related to transportation, infrastructure, natural resources, economic development, municipal services and fiscal capacity, is a daunting task. It recognizes, too, that providing increased access to affordable housing in areas of opportunity is consistent with its obligation to affirmatively further fair housing.⁶⁰ And, it recognizes the need to encourage the marketplace to create a broader range of housing types. Significant energy and resources have been devoted towards this goal since the last Con Plan was submitted.

While localities still exert control over many of the identified barriers, the State has undertaken a number of initiatives to help communities approach residential development more positively. And although the Commonwealth remains hamstrung by outdated state zoning laws and local codes and a municipal finance structure that too often discourages the production of affordable housing, it has achieved some notable reforms:

- The Growth Districts Initiative and Chapter 43D Expedited Permitting, launched by the Patrick administration and the Legislature in 2006, represent a proactive planning process that enables municipalities to plan for long term economic growth and the state to target its resources to help create the conditions necessary for business and housing growth. Under GDI, Executive Office of Housing and

⁶⁰ Signed by President Clinton (January 17, 1994), Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort.

Economic Development (EOHED) will partner with municipalities that have identified one or more areas within their communities as being appropriate locations for significant new growth, whether commercial, residential or mixed-use. Within the growth districts, EOHED will work with the community and property owners to make the district “development ready” with respect to local permitting, state permitting, site preparation (including brownfields remediation), infrastructure improvements, and marketing to make the locations attractive to new development.

The Massachusetts Permit Regulatory Office was created within EOHED to expedite the permitting, licensing, and regulatory processes. The Director of the Massachusetts Permit Regulatory Office serves as the state permit ombudsman to municipalities and businesses, and Chair of the Interagency Permitting Board, which administers the Chapter 43D Expedited Permitting Program.

- To respond to the high cost and relative scarcity of land available for development, particularly in the eastern part of the state, and to promote sustainable development throughout Massachusetts, the Legislature enacted Chapter 40R, allowing communities to adopt residential Smart Growth overlay districts. This 2004 law offers payments to communities that adopt smart growth zoning that include an affordable housing component. A companion 2005 law (Chapter 40S) provides payments to offset school costs in 40R districts. (By year end 2009 DHCD had approved smart growth districts in 27 municipalities, and 1,100 units had been constructed.) Other state initiative that encourage smart growth and affordable housing include the sale of state owned property for housing development and the targeting of financial resources to transit oriented developments that include affordable units.
- To respond to the higher costs associated with building on the marginal, often contaminated, sites that are available, Massachusetts provides grants, loans, technical assistance, and information to communities on financial resources and development opportunities. The Brownfields Redevelopment Fund and Brownfields Tax Credit have facilitated the construction of more than 5,000 new homes on remediated sites. In addition, DHCD is a participant in the Brownfields Partnership, including federal and state representatives from the Attorney General's office, EPA, DEP, MassDevelopment, and other state and federal agencies dealing with brownfields issues.
- The Community Preservation Act has enabled cities and towns to raise funds for affordable housing, historic preservation and open space acquisition through voter approval of a property tax surcharge of up to three percent. By year end 2009, 142 municipalities had passed CPA, generating more than \$42 million to support local affordable housing initiatives. Another tool that encourages the reuse of existing assets – the state’s rich architectural heritage – for housing or jobs is the Historic Rehabilitation Tax Credit program.
- To upgrade and expand the infrastructure in local communities the Commonwealth makes available state and federal financial resources on a competitive basis.
- To improve the planning and organizational capacity of the state’s smaller jurisdictions, DHCD, through its Community Assistance Unit and partner agencies, offers assistance in the form of training sessions, workshops, and conferences; grants for consultative assistance through the Peer-to-Peer program; planning assistance through the Priority Development Fund and the Chapter 40B Planned Production program; and participation in collaborative training efforts, such as the Citizen Planner Training Collaborative and the Local Capacity Building Partnership.
- To overcome the reluctance of communities to allow affordable housing to be built because of concerns related to fiscal impact, property values and “community character,” DHCD, with its partner agencies, has developed a series of workshops and outreach materials covering subjects identified by communities through surveys and feedback. The agency also regularly uses focus groups as a way to get input on modifying or creating programs to address the concerns of municipalities.

- Massachusetts' affordable housing law (Chapter 40B) has spurred the construction of more than 56,000 new condos, townhouses and apartments across the state since it was enacted in 1969. 40B levels the playing field for developers of affordable housing who are stymied by restrictive local zoning and land use laws. Allowing for a limited override of local regulations that impede the development of affordable housing in communities where less than 10 percent of the year round housing qualifies as subsidized, 40B is the primary producer of affordable housing in high opportunity suburban locations. New housing developments built under 40B accounted for more than 70 percent of all the subsidized housing units built in the Boston area between 2003 and 2006. Because 40B also facilitates the development of mixed income housing, it accounted for 34 percent of *all* new housing built in the greater Boston area during the same period and nearly 80 percent of all new rental apartments. (Note: A ballot initiative to repeal Chapter 40B will go before the voters in November 2010. Passage could jeopardize more than 10,000 housing units currently in the pipeline, and curtail efforts to expand housing, in general, and affordable housing in particular.)
- Discussed in greater detail in the fair housing section are the Patrick Administration's efforts to increase DHCD's fair housing enforcement and support. These include initiatives to site more affordable housing in "areas of opportunity." The most recent such initiative is the Massachusetts Housing Partnership's new Neighborhood Rental Initiative Program, targeted toward 225 communities characterized by such factors as good schools, proximity to jobs, higher housing costs and a shortage of affordable housing. Under this initiative MHP has committed \$5 million in zero percent interest, second-mortgage financing to support the development of affordable rental housing.
- EOHEd convened a Zoning Reform Task Force in 2008 to examine the current zoning and planning system in the state and work with the Legislature to develop amendments that would improve zoning and planning in Massachusetts. The Task Force represents a broad base of constituencies, and based on its recommendations, zoning reform legislation has been drafted. The proposal, which is being reviewed by the Legislature, proposes a two-tier system of benefits and responsibilities for cities and towns.

All of these steps are being taken in recognition of the vital importance of maintaining an adequate supply of attractive, affordable housing to the continuing economic competitiveness of the state. The Commonwealth will continue its efforts to ameliorate the negative, restrictive effects of government policy on housing development for individuals and families across a broad range of incomes.

Lead Based Paint Strategies

The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention Program (MACLPPP) is the lead agency for educating the public about the risks posed by lead-based paint and other household and environmental hazards (for example, soil and water), and for ensuring that affected children receive appropriate intervention, including inspection and abatement. The Massachusetts statute defines lead poisoning as blood lead levels greater than or equal to 25 micrograms per deciliter (mcg/dL). Levels above that called EBL – elevated blood levels – what the CDC calls severe lead poisoning. Although comparable state-by-state statistics are not available, Massachusetts is believed to have one of the most comprehensive screening programs in the country, testing more than 70 percent of all children under the age of four, and more than 80 percent in areas designated as high risk.

In the past five or so years, an estimated 10,000 units annually have been de-leaded, or certified lead-safe as a result of inspections done by state-licensed inspectors. De-leading means that accessible surfaces with lead-based paint must be treated. A variety of methods are permitted depending on the surface, including component replacement, covering with durable materials, paint removal, encapsulation with approved liquid encapsulants, and (on less hazardous surfaces) paint stabilization. Soil is not required to be treated.

In the public sector, all state family public housing units have now been de-leaded, at a cost of approximately \$30 million. Further, all substantially renovated "family" (one bedroom or larger) units in DHCD's state and

federal housing programs, including the federal HOME, CDBG, and Tax Credit programs, and the state Housing Innovations Fund, Housing Stabilization Fund and Tax Credit programs have been de-lead to meet Massachusetts requirements. Finally, all publicly assisted leased housing units – in both state and federal programs – are required to be de-lead whenever children under six are present. These actions closely follow or exceed requirements in the HUD Lead-Safe Rule.

The state's lead program is substantially targeted to high risk communities, particularly to the private rental housing stock in those communities where low and moderate income households are likely to reside in units with significant hazards. All of the units where EBL children are identified are entered in the state case management system, which often results in an Order to Correct being issued. In addition, local code officials trained to perform lead determinations continue to conduct preliminary lead inspections and order full-scale inspections where needed. Finally, targeted public education campaigns continue and state supported lead counselors continue to assist any Massachusetts citizen seeking a lead safe home.

During the period covered by this plan, the Commonwealth intends to continue its vigorous implementation of the Massachusetts Lead Law and the HUD Lead-Safe Rule, targeting high-risk communities. The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention (MACLPPP) Program's comprehensive approach includes the following activities:

- Mandatory, universal blood testing of young children and central reporting to MACLPPP.
- Review and analysis of results and dissemination of public information on high-risk areas.
- Identification of EBL (15 mcg/dL) and lead poisoned children per CDC Guidelines. Referral to state supported case managers and lead nurses.
- Low cost analysis of blood lead samples through the State Laboratory Institute.
- Training and licensing system for inspectors and contractors by MACLPPP and the state's Department of Labor and Workforce Development (DLWD).
- Public education activities funded through the Lead Education Trust Fund and coordinated through the state-supported Lead Educator at MACLPPP. This includes 8-10 local groups that focus on public education in designated high-risk areas.
- Testing and registration of liquid encapsulants by MACLPPP.
- Continued identification and case manage children with blood lead levels of 10 mcg/dL/deciliter. Includes home visits by lead counselors and health care follow-up by "lead" nurses, both supported by the state.
- Enforcement through local housing officials, public inspectors and housing courts. MACLPPP provides public lead inspectors, training for local building officials to perform Lead Determinations (there are over 200 trained at present), and legal services for bringing cases to court.
- Maintenance and improvement of central databases at MACLPPP, including development of a Registry of Lead-Safe units.
- Revisions to existing regulations to lower the cost in de-leading, including moderate risk and low risk de-leading regulations permitting lead-safe contractors and owners to perform some types work after training and certification.
- Financial assistance and incentives to encourage homeowners and landlords to de-lead, including:
 1. 0% and 3%, deferred and amortizing payment loans through the Get The Lead Out Program administered by DHCD and MassHousing.
 2. Continuation of the state de-leading tax credit of \$1500 per unit.
 3. Continued use of the Massachusetts Lead Abatement Program VI (HUD Lead Hazard Control Round FY 2008 ARRA funds in targeted high-risk communities.
 4. Continued use of all state and federal housing program funds, including federal (CDBG, HOME, NSP, TCP, and TCX) and state (state housing bond) programs, to meet requirements of the Mass Lead Law and HUD Lead-Safe Rule.

These actions extend well beyond the requirements of the HUD Lead-Safe Rule, or other federal requirements, and it is expected that they will result in abatement of lead hazards in thousands of additional units of housing. In the public sector, especially, initiatives are targeted at high-risk communities where the evidence strongly suggests that additional investment and support is needed to protect children.

Non-housing Community Development

In January 2009, the Executive Office of Housing and Economic Development (EOHED) released its secretariat-wide *Framework for Action*, designed to focus the efforts of public and private leaders at the state and local level to promote housing opportunities, high-quality job growth and sustainability in every region of Massachusetts. The Framework is a living document that guides policy development, regional planning and local investments. It is premised on the belief that coordination of housing and economic development strategies is essential for creating strong, competitive communities. The Framework acknowledges that the long-term prosperity of the state depends on its success in attracting and retaining an educated workforce; creating an environment that supports economic growth while protecting natural amenities; and creating healthy and vibrant communities in which residents can afford to live. And it recognizes housing as an important economic development strategy.

The initiatives DHCD has committed to in its administration of the Massachusetts CDBG program are compatible with this larger vision:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs, in communities with the greatest level of demonstrated need;
- Coordinated, integrated and balanced agency responses to address the needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.
- The Asset Development Commission has prepared recommendations to reform existing regulations and expand programs and technical assistance to improve financial planning, economic security and asset-building for Massachusetts residents.
- The Executive Office of Labor and Workforce Development has developed the Regional Workforce Strategies Initiative, a statewide effort to build regional pipelines to prepare Massachusetts workers for high demand jobs. This initiative brings leaders in business, education, government, and workforce development together to develop concrete plans and partnerships to fill jobs that are in-demand in each region of the state.

Fair Housing

Fair housing is embedded in all the state's housing programs and activities. Massachusetts' fair housing policy is expressed through the Fair Housing Mission Statement and Principles in **Table 4.2**. The Analysis of Impediments to Fair Housing Choice (AI), completed in 2007 is available at http://www.mass.gov/?pageID=ehedterminal&L=5&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Department+of+Housing+and+Community+Development&L4=DHCD+Legal+Resources&sid=Ehed&b=terminalcontent&f=dhcd_hd_fair_fairh&csid=Ehed A Fair Housing Advisory Committee, comprised of fair housing advocates, representatives of quasi-public state agencies, and state and local enforcement agencies, assisted with development of the AI and continues to provide input to DHCD. The committee has recently focused on methods for furthering fair housing education and outreach; evaluating current local selection practices; promoting universal design and visitability; increasing community accountability for exclusionary practices; and improving housing access for residents with limited English proficiency.

With the committee's input, DHCD released its Affirmative Fair Housing and Civil Rights Policy in 2009. Available at: http://www.mass.gov/Ehed/docs/dhcd/hd/fair/affirmative_fairhousinggp.pdf, the Policy consists of the following components: legal context; policy goals; implementation methods for leveraging financial resources to further fair housing, including fair housing evaluation criteria for discretionary funding of project sponsors/developers and municipalities, and promoting access through a diversity of housing types for families with children and persons with disabilities; broadening access for persons of limited English proficiency; and affirmative fair housing initiatives. Full implementation of the policies and detailed action steps is expected to take several years, but current initiatives and key objectives for the 2010-2014 Consolidated Plan period are summarized below:

Current Fair Housing Initiatives and Activities Undertaken by DHCD (2008-2009)

- Affirmative Fair Housing Marketing Plan (AFHMP) Guidelines issued (2008), applicable to all privately assisted housing through the state or proposed for inclusion on DHCD's Subsidized Housing Inventory (SHI). Guidelines provide more consistent evaluation criteria and limits to use of local residency preferences;
- Requirement for reporting available affordable and accessible units to Citizens' Housing and Planning Association (CHAPA) Mass Access housing registry incorporated into the AFHMP Guidelines;
- Low Income Housing Tax Credit Qualified Allocation Plan (QAP) modified to include an increase in competitive scoring points for developments located in areas low in poverty and subsidized housing (as well as a decrease in points for local support), and developments with increased accessibility or features of Universal Design or Visitability (2008, 2009). The 2009 QAP also included incorporation of numerous Universal Design features into its fundamental project characteristics design scoring.
- Civil rights compliance review criteria developed for applicants of discretionary funding administered by DHCD. Implementation of review includes collaboration with the Massachusetts Office of the Attorney General and the Massachusetts Commission Against Discrimination.
- Published Public Housing Notice and Memorandum 2009-11 (June 2009), "Reasonable Accommodations and Modifications in State-Aided Public Housing," to local housing authorities in an effort to ensure compliance and improve access for persons with disabilities.
- Provided funding for accessibility modifications in state-aided public housing units.
- Engaged in planning and developing strategies for improving state program access by persons with limited English proficiency, including the drafting of a Language Access Plan (LAP) and participation in the Governor's Advisory Council on Refugees and Immigrants, which are discussed in further detail below as such efforts are still ongoing.
- Implementation of Data Collection for Government Assisted Housing.

In addition, DHCD provides ongoing assistance to housing agencies and organizations, including local housing authorities, municipalities, and private housing providers, in understanding and complying with fair housing laws and DHCD fair housing related guidelines and requirements.

2010-2014 Initiatives

Key new initiatives planned for the period covered by the Consolidated Plan include:

Accessibility for Persons with Disabilities

DHCD will continue its work with the CHAPA Access Committee and will promote accessibility compliance with all applicable codes under its programs.

Housing in Areas of Opportunity

DHCD has retained a leading civil rights researcher to analyze state subsidized housing based on the Agency's 2008 Data Collection reports DHCD to determine the relationship between opportunity areas and the location

and demographics of state subsidized housing.⁶¹ It is DHCD's goal to be able to perform similar comparative analyses over time to demonstrate the evolution of residential demographic patterns in relation to opportunity areas.

Language Access Planning

DHCD is currently in the process of completing its Language Access Plan (LAP), which defines the actions to be taken by DHCD and its subcontracting agencies to ensure Title VI compliance with respect to Limited English Proficiency (LEP) persons. DHCD works to provide documents and interpreter resources, under its Section 8/Housing Choice Voucher program.⁶² As necessary, DHCD will issue new guidance and/or regulations relating to its programs in order to ensure effective implementation of LAPs.

New Americans Agenda

Governor's Advisory Council on Refugees and Immigrants (GACRI), on which DHCD staff holds *ex officio* membership, has developed a series of policy recommendations for integrating new Americans into the economic and civic life of the Commonwealth. These recommendations are included in the October 2009 *Massachusetts New Americans Agenda* report, available at http://www.mass.gov/Eeohhs2/docs/ori/naa_report.rtf. Some recommendations in the report apply to all state agencies, such as improving access by LEP populations, including the provision of information about basic services in multiple languages, and extending language access requirements to all contractors and vendors that do business with the Commonwealth. Specific recommendations pertaining to housing and community development include increasing the number of rental vouchers, further expanding access to affordable housing near transportation and job centers, and promoting community development in immigrant neighborhoods.

DHCD has already addressed and begun implementing many of the recommendations through its Affirmative Fair Housing and Civil Rights Policy. As many of the recommendations are also dependent on funding, full implementation will require a longer-term response. A small working group of representatives from state agencies and offices, including DHCD, is currently convening to develop a state action plan, including short-term and long-term measures, in response to the recommendations.

Evaluating Local Preference

Fair housing stakeholders have raised the question as to whether the local preference policy promulgated by DHCD and in use by the state's housing funding agencies has been structured in a manner that sufficiently avoids disparate impact on racial/ethnic minorities in its implementation. DHCD identified the importance and appropriate framework of a study, now commissioned by the Massachusetts Housing Partnership (MHP), to further examine the use and effects of local preference policy implementation over time and across the state.

Measurable Objectives for 2010-2014

Based upon the initiatives discussed above, the following is a listing of key DHCD objectives that are measurable in nature:

- The number of accessible units for persons with disabilities in state assisted housing
- The number of projects incorporating features of Universal Design or Visitability in state assisted housing
- The number of projects receiving state funding for development or substantial rehabilitation in "areas of opportunity"
- The number of "opportunity area" communities or communities undergoing significant revitalization or improvements to fair housing access that receive DHCD discretionary funding
- The number of translations of DHCD vital program documents

⁶¹ See FN 6.

⁶² See DHCD's Section 8/Housing Choice Voucher Language Access Plan (July 2009) at <http://www.mass.gov/Ehed/docs/dhcd/ph/s8plans/sec8housingchoicevoucher.pdf> .

- The number of New Americans Agenda recommendations implemented
- The increase in representation of racial and ethnic minorities in communities with state assisted housing across the Commonwealth that are currently under-represented by minorities

It is DHCD's intention continue to leverage all opportunities to increase awareness of, compliance with and furtherance of fair housing in the Commonwealth throughout the Con Plan period. The Agency will continue to report on its accomplishments, goals, and action steps as part of the consolidated planning process, including through the annual Action Plan and future updates to the Analysis of Impediments to Fair Housing Choice. DHCD will maintain its relationship with the Fair Housing Advisory Panel to provide progress updates, receive feedback, and to discuss potential future initiatives. Additionally, DHCD's commitment to civil rights extends beyond housing. Under its community development programs, civil rights obligations such as providing reasonable accommodations for persons with disabilities, providing access to persons with limited English proficiency, and otherwise ensuring non-discrimination against protected classes of persons also apply. Furthermore, DHCD aims to promote open and diverse communities and thereby foster equal opportunity and enjoyment of civil rights in various aspects of life for residents across the Commonwealth.

Community First Transition Strategy

"Community First" represents the Commonwealth's commitment to empower and support individuals with disabilities and elders to live with dignity and independence in the community. Most individuals with long-term care needs prefer to remain in the community rather than receive care in a nursing facility or other institutional setting, and in many instances, community-based care can be more cost-effective than institutional alternatives.

The Commonwealth's dedication to community-based supports is embodied in the *Community First Olmstead Plan*, a strategy and action plan for ensuring that people with disabilities and elders, who collectively make up more than 20 percent of the Massachusetts population, have access to community-living opportunities that address each individual's diverse needs, abilities, and backgrounds. Executive Office of Health and Human Services (EOHHS) agencies collaborate to support the Community First policy agenda and the Olmstead Plan by expanding, strengthening, and integrating community-based long-term supports.

Several court settlements such as *Rolland v Cellucci*, *Hutchinson v Patrick* and *Fernald v Patrick* have resulted in EOHHS agencies being mandated to assist individuals with disabilities from nursing facility and institutional settings to the community. These settlements target the number of individuals that must be transitioned each year. Some receive services in group settings or with 24 hour supports but many choose to live in independent settings such as subsidized apartments with supports. To meet the legal mandates set forth in the settlements the Commonwealth needs to allocate vouchers to facilitate their ability to find affordable and often accessible housing.

Anti-poverty Strategy

Anti-poverty strategies, like fair housing strategies, are an integral part of program design, development and implementation throughout the Department of Housing and Community Development. The State's objective is to empower low income families to thrive with minimal dependence on public assistance; the desired outcome of its activities is to enable participants to achieve the highest level of family and community self-sufficiency.

The responsibility for mitigating the causes of poverty does not rest solely with DHCD. The Agency collaborates with a variety of resources within the community as well as other state agencies, to provide comprehensive programs within every community in the Commonwealth of Massachusetts.

Asset Development Commission

As part of the Commonwealth's 2006 Economic Stimulus Bill, the Legislature established an Asset Development Commission. The Commission was charged with making recommendations to ensure that Massachusetts residents, especially low and moderate income or asset poor residents, have opportunities throughout their lives to develop the assets necessary for sustainable economic security and improved quality of life, and the capacity to end intergenerational cycles of poverty. The Commission released its report in 2009, and its recommendations frame DHCD's anti-poverty strategy: maintain a strong social safety net, but also invest in programs that help build people's economic empowerment.

Helping families retain income through savings to purchase a home or car, or improve education and vocational skills, is one of the most effective ways to help them stay out of poverty and achieve economic independence and security. The Commission concluded, however, that low-to-moderate income families often face substantial barriers in developing those assets because of restrictive state income and asset limitations which can have the unintended consequence of reducing employment and savings incentives and opportunities. Over half of all Massachusetts families, it found, lack sufficient resources to maintain their households for three months of essential living expenses if wage income is lost. Among the Commission's recommendations, are eight administrative actions, regulatory reforms, and legislative proposals to reform current programs that DHCD will seek to implement in the coming years:

- Removing state-imposed barriers to asset development, such as too-restrictive asset limits on state programs
- Restructuring and coordinating benefit programs to reduce "cliff effects," which occur when someone receiving public assistance loses numerous benefits all at once after even a slight increase in their income
- Promoting education and skill development, particularly among recipients of public assistance
- Expanding college savings plans for low and moderate income families
- Protecting families from losing assets, such as affordable housing or savings
- Increasing the scale, impact and capacity of the state Earned Income Tax Credit
- Supporting financial education and helping families access systems to encourage savings and asset building
- Leveraging the full potential of housing-based, family self-sufficiency programs

Other Anti-Poverty Initiatives

DHCD is one of a small number of state Section 8 agencies that puts its entire Section 8 voucher portfolio into the Moving To Work program (MTW). The federal MTW program is designed to give voucher administrators more flexibility and to encourage voucher holders to increase their economic self-sufficiency. (The MTW initiatives are described in the section on public housing.) DHCD is creating efficiencies in its voucher program that will allow more client assistance and more support for escrow accounts, job training, and other tools for voucher holders to find good, sustainable work.

DHCD's infrastructure programs – housing construction, weatherization, etc. all represent major employment opportunities, and the Department coordinates with other state agencies such as the Executive Office of Labor and Workforce Development, to ensure that the administration's overall job creation and anti-poverty strategies are coordinated.

Institutional Structure and Coordination

Shortly after taking office in 2007, Governor Patrick filed a reorganization plan that elevated Housing and Economic Development to cabinet level status. Within the Executive Office of Housing and Economic Development (EOHED) are three departments: the department of business and technology, the department of consumer affairs and business regulation, and the department of housing and community development. By merging the housing and economic development agencies, the Governor acknowledged the importance of an

adequate supply of affordable workforce housing to the state's economic vitality. DHCD's place within the Executive Office of Housing and Economic Development has been a critical part of the administration's housing policy. Programs such as the Gateways Plus grant and EOHED's Growth District grant combine investments in affordable housing with investments in infrastructure and targeted economic development activity. All the EOHED agencies work closely with local governments. For example, DHCD's Division of Community Services, which administers the Community Development and Community Service Block Grant programs, also provides technical assistance through its Community Assistance Unit (CAU) to cities and towns as they work on neighborhood revitalization, downtown improvements, housing development, and many other community development issues.

In a further reorganization, the Department of Transitional Assistance, formerly in the Executive Office of Health and Human Services, was brought into DHCD. This move has allowed more coordination between the emergency shelter network and the Commonwealth's many housing resources, including public housing and rental assistance vouchers. At the same time, DTA and other EOHHS agencies continue to work with DHCD on the problem of homelessness, particularly among special populations (the elderly, people with a disabilities, etc.). DHCD's new Division of Housing Stabilization staff, Former DTA employees, now part of DHCD's new Division of Housing Stabilization, continues to work out of local DTA offices and work with DTA staff on coordinating the DTA benefits that many Emergency Assistance clients receive.

Increased coordination in the homelessness area does not stop with state agencies. The Interagency Council on Housing and Homelessness (ICHH) has funded ten regional networks, including non-profit and municipal groups. These networks work to create a coordinated response to the threat of homelessness across Massachusetts. In each region, the networks aim to create an integrated web of prevention resources that can stop family and individual homelessness before it happens. DHCD will continue to support this coordination effort over the next five years.

DHCD also continues to work with its quasi-public agency partners – MassHousing, the Massachusetts Housing Partnership, MassDevelopment, and the Community Economic Development Assistance Corporation. CEDAC is a key source of funding for the new affordable housing preservation fund, and MassHousing and MHP's resources have helped mitigate state operating budget cuts to affordable housing programs. DHCD will continue to work with these organizations, as well as the wide network of housing and community development advocacy groups, to promote affordable housing and sustainable, equitable community development.

Key Agencies Administering HUD Con Plan Funds

DHCD is the lead agency for the state's housing and community development policies and programs. It is charged with oversight of the Consolidated Planning process, including plan preparation, submission and performance monitoring. In addition, DHCD administers three of the four covered programs: the Community Development Block Grant, HOME funds and the Emergency Services Grant funds. The AIDS Bureau within the Department of Public Health at the Executive Office of Health and Human Services (EOHHS) administers the state's Housing Opportunities for Persons with AIDS (HOPWA) program. Both agencies partner with regional and local governments, public agencies, community-based organizations, and the business community to achieve the goals and objectives articulated in this plan.

DHCD is organized into the following divisions for delivery of services and agency operations:⁶³

- Office of the Director includes executive, policy, legislative, and public information staff.

⁶³ Also within DHCD are the Housing Appeals Committee, the Massachusetts Commission on Indian Affairs and the Manufactured Homes Commission. These units are not directly involved in the Consolidated Planning Process or housing and community development program administration.

- Division of Community Services offers programs, funding, and technical assistance to support the advancement towards self-sufficiency of low-income households and the revitalization of cities and towns. It administers the Community Development Block Grant Program, Community Services Block Grant, DHCD's Energy Programs, and several other state grant programs serving municipalities. These programs are described in greater detail in Section 5, the Action Plan, and the program-specific sections. Through its Community Assistance Unit, the division provides assistance and training to communities in the areas of strategic planning, land use planning and zoning, municipal governance, housing development and affordability, community and economic development, downtown revitalization, sustainable development, and relocation requirements and benefits.
- Division of Housing Development administers the state's allocation of HOME funds, as well as federal and state Low Income Housing Tax Credits. It also administers several state programs that promote private development and rehabilitation of affordable housing (e.g., state's Housing Stabilization Fund, Capital Improvement and Preservation Fund, Community Based Housing). The division also manages the state's Housing Innovations and Facilities Consolidation Funds, which support the private development of housing for special populations, and the Soft Second Loan Program, which promotes sustainable homeownership for low and moderate income home buyers.
- Division of Public Housing and Rental Assistance has the responsibility for administrative oversight of all state-aided public and private housing programs that address the housing needs of low and moderate income families, the elderly and persons with disabilities. It also manages the Massachusetts Rental Voucher Program (MRVP) and the Commonwealth's Section 8 portfolio, using contracts with regional administering agencies. DHCD is a HUD-recognized public housing authority.
- Office of Administration and Finance manages all administrative and fiscal aspects of agency operations (e.g., purchasing, personnel, payroll, accounting, budget, internal controls, information services), and serves as the agency's liaison to state's Comptroller's Division, Fiscal Affairs Division, and Executive Office for Administration and Finance.
- Office of the Chief Counsel provides legal services to the department and acts as liaison to the Attorney General's government law bureau. Conducts administrative law hearings as prescribed by state law.

The Executive Office of Health and Human Services (EOHHS) provides policy direction, general oversight, and certain fiscal and administrative services to the state's departments that serve the health and human service needs of the Commonwealth's residents. The EOHHS units that play a significant role in planning and implementing the Consolidated Plan include the departments of: Elder Affairs, Veterans' Services, Developmental Services, Mental Health, Public Health, Children and Families, Youth Services, the Massachusetts Commission for the Blind, the Massachusetts Commission for the Deaf and Hard of Hearing, and the Massachusetts Rehabilitation Commission. EOHHS also has a Housing Committee that works with DHCD to engage in dialogue and coordinate various issues around housing for people with disabilities and elderly households.

The state's quasi-public agencies – MassHousing, MassDevelopment, the Massachusetts Housing Partnership Fund, the Community and Economic Development Assistance Corporation, and the Community Development Finance Corporation, as well as the private nonprofit Massachusetts Housing Investment Corporation – are critical members of the state's housing and community development team. Each controls resources that are essential to the successful execution of the state's housing and community development agenda.

In addition, DHCD works with many groups outside state government that work on various aspects of housing and community development. These organizations are central to bringing the benefits of sound housing and community development programs to residents of Massachusetts. Such groups include Community Development Corporations, Independent Living Centers, for-profit and non-profit developers, Community Action Agencies, and many other local and statewide organizations.

Gaps and Strengths in the Institutional Structure

The State's institutional structure for carrying out its housing and community development agenda is robust. Numerous participants possess expertise in and commitment to carrying out a broad range of activities. State agencies strive to coordinate their efforts, but opportunities to more closely integrate policies and programs remain, and efforts to do so will continue to increase efficiency. The reorganization of EOHEd and within DHCD are examples of such efforts. The efficiency with which DHCD and its partner agencies identified and implemented 2009's new programs – TCAP, NSF, Tax Credit Exchange, etc. – is evidence of their competence and agility.

Some weaknesses in the delivery system are structural, not managerial. Fundamental aspects of state and local government will continue to pose challenges, as discussed in the section on Barriers to Affordable Housing. Massachusetts is a home rule state, and most government activity is localized in its 351 cities and towns. Sixty percent of the state's municipalities have fewer than 10,000 residents, including the one-third with fewer than 5,000 residents. Many small towns cannot afford to have professional community development and planning staff, and this lack of capacity makes the efficient delivery of programs and services challenging. The State establishes uniform building standards and safety codes and establishes the framework for local zoning and subdivision control laws, but implementation and enforcement rests with the municipalities. The manner in which localities interpret and exercise them influences what gets built and where. A long and strong tradition of local autonomy also makes it difficult to plan initiatives across the political boundaries of small Massachusetts communities.

To overcome these gaps and challenges, EOHEd and DHCD encourage regional cooperation among municipalities and the use of regional and other professional entities to facilitate the administration of programs and to overcome some of the limitations imposed by the small scale of some localities and their governments. DHCD and other state agencies will also continue to provide technical assistance and training for municipal officials to increase local government capacity.

Low Income Housing Tax Credit Use

In Massachusetts, DHCD is the tax credit allocating agency, through its Division of Housing Development. The Division also oversees approximately \$100 million annually in other federal and state affordable housing programs, including the federal HOME program, ensuring a coordinated approach to resource allocation.

Program Description and Oversight

Developers have the opportunity to apply competitively for the tax credit and DHCD's other affordable rental housing resources during regularly scheduled funding competitions. The Department typically holds two competitions each year – one in January or February and one in September. (In some years, the Department offers only one rental funding competition.) Developers who receive tax credit awards are able to sell the credits to corporations or other entities, which use the credits against their federal tax liabilities for a ten-year period. In exchange, the credit buyers provide developers with substantial amounts of equity to help finance their projects. In order to receive tax credit awards, projects must meet certain rental restrictions. Most projects are structured such that at least 40 percent of the total units are restricted for a minimum of 30 years at rents affordable to households or individuals earning less than 30 percent of area median income. (In Massachusetts, most projects are 100 percent restricted, rather than 40 percent restricted.) DHCD also requires tax credit developers to further restrict at least 10 percent of the total units for individuals or households earning less than 30 percent of area median income. Like other allocating agencies, DHCD monitors all tax credit projects on a regular basis to determine that the rent structure is appropriate, that the households occupying the units are in fact income eligible, and that the property is in good condition.

In a typical year, DHCD allocates \$14 to \$16 million in credit to 20 to 25 eligible projects. DHCD's allocations currently result in approximately \$100 to \$110 million in equity for Massachusetts credit projects. In a typical year, the Department's credit allocations, in combination with DHCD subsidy awards and other funds, generate support for about 1200 to 1500 affordable rental units, both production and preservation. In most years, approximately 90 percent of the units in credit projects are affordable to tenants earning less than 60 percent of AMI. Typically, 200 or so units are further restricted for occupancy by extremely low income tenants earning less than 30 percent of AMI. During the past few years, DHCD has strongly emphasized to the development community the importance of structuring projects to include units for extremely low income individuals and households, and has made project-based Section 8 allocations available to support these tenants. The Department also is encouraging developers to target the extremely low income units to individuals or families making the transition from homelessness. In 2009, DHCD made awards to several projects exclusively serving homeless individuals or families, including projects in Lawrence, Lowell, and New Bedford. DHCD intends to continue its emphasis on projects serving the homeless during the next five years.

Issues and Challenges

DHCD's tax credit portfolio currently consists of 430 projects. Overall, the portfolio is very strong, and most projects are performing well financially, despite the recent economic crises. The greatest challenge to the tax credit industry at this time is the depleted equity market. The number of corporations and other entities interested in buying allocated credits diminished substantially during 2008 and 2009, especially after the two government service entities (Fannie Mae and Freddie Mac) stopped their historically substantial investment in credit projects. The market is very slowly rebuilding, but currently is providing stronger yields than usual to credit purchasers and substantially lower amounts of equity to projects. The availability of federal recovery funds during 2009, through HUD and Treasury programs, had a significant positive impact on many stalled credit projects, including 29 in Massachusetts. However, as 2010 progresses, additional new projects are still encountering problems as they try to attract equity investors.

DHCD is the lead agency for the preparation of both the Consolidated Plan and the state's Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan. The Qualified Allocation Plan (QAP) establishes the priorities and policies under which the state will operate and distribute funds in its federal tax credit program. In much the same manner as it does when it prepares its HUD Community Planning and Development Consolidated Plan and One Year Action Plans, DHCD considers the Commonwealth's affordable housing needs and the condition of its housing markets when it prepares its LIHTC Qualified Allocation Plan. The two plans are complementary and consistent, and the QAP is incorporated by reference into this Consolidated Plan. The QAP is available in its entirety on the DHCD website, <http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/2010qap.pdf>

Public Housing Initiatives

No Massachusetts state agency administers federal public housing funds, but DHCD does oversee and fund a portfolio of approximately 50,000 state-aided public housing units that are owned and operated by 242 local housing authorities (LHAs). Within DHCD, the Bureau of Housing Management provides both fiscal and management oversight of the LHAs. Each housing authority is assigned a Housing Management Specialist who works closely with the authority's executive director and staff to advise in all areas of operations; DHCD is committed to improving communication and coordination between the Agency and the local housing authorities. It is compiling a set of management "best practices" for use by local housing authorities across the Commonwealth, and will make staff from the Bureau of Housing Management available to work with the local housing authorities on implementing these best practices. DHCD has recently implemented a new pro-active facilities management function, which focuses on preemptive assessments of the buildings, systems, grounds and units at housing authorities. When a troubled housing authority is identified DHCD targets its staff resources to oversee the corrective action.

Financial Support for Public Housing

The bulk of the state's public housing was built between 1948 and the late 1980s. Most are small (<100 units) low rise developments with small units. Chronic underfunding of both operating subsidies and capital needs over many years had jeopardized the long term viability of this inventory,⁶⁴ but the Patrick administration has made a commitment to reverse that neglect. Substantial increases in funding for both operations and modernization have begun to reverse these trends. A 2002 housing bond bill provided \$350 million for modernization over five years and the state's FY2008-2012 capital spending plan called for millions more, including \$90 million in FY2008.

The 2008 \$1.275 billion housing bond bill, the largest ever passed, included \$500 million for public housing modernization. It also included \$50 million for a pilot program that would provide grants to LHAs to test ways to improve management and marketing and address capital needs through such approaches as regional collaboration and mixed financing. (The same bond bill also provided nearly \$200 million for housing for persons with special needs, \$220 million for the Massachusetts Affordable Housing Trust Fund, \$100 million for the to preserve existing subsidized housing, and more than \$200 million for other housing and community development initiatives.)

The FY 2010 state budget includes \$62.5 million for operating subsidies for state-funded public housing, and a similar amount has been proposed by the Governor for FY2011. By comparison, at the time the last ConPlan was filed, just \$30.3 million was budgeted annually for public housing operations. In addition to financial and management support, DHCD has taken several steps to encourage tenant participation and economic self sufficiency.

Encouraging tenant participation in public housing management

DHCD encourages tenant participation in a number of ways. The Agency provides funding to the Massachusetts Union for Public Housing Tenants (MUPHT), assists tenants of public housing developments to form local tenant organizations (LTOs), and provides technical support to those organizations. DHCD works closely with MUPHT to ensure that it is consulted on proposed changes in policies affecting tenants in state-aided public housing. State regulations require that LTOs be consulted as well when the housing authority's annual operating budget is prepared, when LHA jobs become available or when modernization funds become available. Housing authorities are required to fund the LTOs and to notify them of all LHA board meetings.

Encouraging Work and Education

DHCD's rent regulations support tenant self help by allowing tenants a one-time twelve month opportunity to exclude earned income from the rent calculation as they move from government assistance to self-sufficiency through employment. Several other regulatory provisions also support tenant self-help. Tuition for a household member who is not a full-time student is deductible from income for the purpose of rent determination. Wages earned by a full-time student are not included in family income. Finally, day care expenses are deductible up to the full amount of a tenant's income. All of these measures are intended to provide incentives to tenants for work or education.

Moving to Work Program

In 1999, DHCD began operation of a very small-scale, 183-unit Housing Choice Voucher Program (HCVP) Moving to Work (MTW) initiative, targeted to families receiving public assistance and making the transition to

⁶⁴ A 2005 Harvard University study of operating costs estimated that Massachusetts public housing needed to increase operating subsidies by 69 percent, or about \$115 million a year. In addition, insufficient and unpredictable funding for major capital repairs (roof replacements, heating systems, upgrading of bathrooms and kitchens, elevator replacements) had created a significant backlog of needs. A 2001 study put the price tag at \$1.47 billion to stabilize the inventory over the next 10 years.

work. One-third of the families were required to be homeless. In lieu of a voucher, each participant was provided with a time-limited stipend (maximum 5 years) that included a shallow rent subsidy, an automatic contribution to a monthly escrow account, and a supports-budget for work-related expenses. All participants were required to work with a case manager during their tenure in the program.

When DHCD renegotiated its MTW Agreement with HUD in 2008, it elected to convert its entire 19,138 HCVP portfolio to MTW status. Massachusetts is one of the few states nationwide that has converted its entire voucher portfolio. In accordance with its HUD-approved FY 2010 MTW Plan, DHCD has already started to implement certain administrative efficiencies, including streamlining referrals to vacant project-based voucher units and establishing a landlord incentive program in Berkshire County to secure higher quality units and attract new owners to the program. Over the next several years, DHCD will continue to identify and implement additional administrative efficiencies that will streamline program operations and free up staff time to provide more directed one-on-one assistance to clients. DHCD will also work with its stakeholders from many disciplines, including workforce development, education, public health, child care and transportation, along with its eight Housing Choice Voucher Program regional administrators and current participants, to craft more transformative initiatives that will help current and new participants develop the skills and ability to earn a decent living wage and secure housing in communities of their choice.

The MTV plan is available at <http://www.mass.gov/Ehed/docs/dhcd/ph/mtw/2010mtw-plan.doc>.

5. FY 2010 Action Plan

91.320

The objectives and strategies described in the preceding section provide the framework for how Massachusetts intends to address the housing and community development needs it has identified over the next five years (2010-2014). Each year the state must develop and submit to HUD a detailed one-year action plan that describes the specific activities and goals for each of the four HUD programs covered by the Consolidated Plan.⁶⁵ This section presents the Commonwealth of Massachusetts' FY 2010 Action Plan. It partially fulfills the requirements of Section 91.320 of the Consolidated Plan regulations. The bulk of the requirements of Section 91.320 – including program specific requirements – are found in the program specific requirements section, which includes the Massachusetts FY 2010 CDBG Action Plan in its entirety). State required certifications are located in the appendices and will be published with the final draft.

Overview

Process

In the process of preparing the Consolidated Plan and this one year action plan, DHCD was guided by:

- Input it received from agencies and organizations that work on issues of housing and homelessness, including those that serve populations with special needs;
- Testimony from the public;
- Data analysis; and
- Market research.

The community participation process included five regional focus groups. Among other topics, focus group participants were asked to:

- Identify key priorities;
- Discuss if, and how, their needs had shifted since the last Consolidated Plan was prepared;
- Describe what progress had been made over the past five years;
- Describe which strategies succeeded and which fell short;
- Identify what the current gaps in services are; and
- Identify the types of non-financial resource requirements they have.

Reflecting the weak economy, both locally and nationally, the impact of the economic downturn, rising foreclosures and homelessness were a major focus of these discussions.

As it always does when allocating scarce resources among compelling competing demands, DHCD considers the broader context within which its programmatic and funding decisions are being made and their likely impact; the total resources available from all sources; the flexibility of those resources and the opportunity to leverage them; and the capacity of participating organizations and communities to effectively utilize these resources.

⁶⁵ The five-year Strategic Plan will also be reviewed annually and modified, if necessary, to ensure responsiveness to the identified housing and community development needs.

Guiding Principles and Objectives

The 2010 One-Year Action Plan is based on the housing and community development goals and objectives set forth in Section 4, the Strategic Plan:

- Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.
- Preserve and create affordable rental housing options for low and moderate income residents.
- Promote sustainable homeownership opportunities for low, moderate and middle income families.
- Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to maintain stream resources including employment and long term supports as needed.
- Promote strong communities throughout the Commonwealth.
- Encourage economic self sufficiency.
- Ensure full and fair access to housing for all residents of the Commonwealth.

In its execution of the plan, DHCD and its partner agencies will be guided by the following fundamental principles:

- Build upon the existing assets of the state's diverse regions;
- Promote sustainable development; (These were presented in the strategic plan as Table 4.3.)
- Improve the capacity of community based organizations and local government;
- Remove barriers to affordable housing development; and
- Forge partnerships with municipalities and regional institutions.

FY 2010 Resources, Initiatives and Expected Levels of Activity

A description of the programmatic initiatives being proposed for FY 2010 with the Consolidated Plan resources is included in this Section; more extensive program specific requirements are provided in the program-specific section.

Overview

DHCD and its partner state and quasi-public agencies promote the accessibility, availability, affordability, and sustainability of decent housing in a variety of ways, and will continue to do so during FY 2010. The Governor and Legislature have preserved financial resources for housing in the face of extraordinary budget pressures. Existing commitments have been refunded, and new federal resources have been effectively deployed to address the challenges of neighborhood stabilization, family homelessness, and concentrated foreclosures, all of them compounded by abuses in the mortgage system and the resulting global recession. The state's political leadership and capable, established nonprofit and for-profit affordable housing developers have worked hard to identify alternative resources for affordable housing production and preservation, after the collapse of the equity market for low income housing tax credits.

State agencies have been reorganized to ensure a coordinated response to these challenges and to the task of positioning the Commonwealth for a strong economic recovery. The creation of the cabinet level Executive Office of Housing and Economic Development and the integration of the Department of Transitional Assistance into DHCD have elevated issues of housing and homelessness; economic development; and planning, zoning, and land use regulation to new prominence.

DHCD's overall 2010 workplan for addressing these needs includes the following activities, supported by more than \$1.4 billion in funding from the federal and state governments. (Not included in this amount is another \$800 million to \$1 billion in resources provided by Massachusetts quasi-public agencies.)

- New rental production
- Preserving existing subsidized housing
- Preserving and expanding sustainable homeownership
- Maintaining and preserving existing privately owned housing
- Maintaining and improving public housing
- Providing rental assistance
- Addressing the needs of special populations, including the elderly
- Supporting non-housing community development
- Fostering individual economic development

FY 2010 Consolidated Plan Funding

Funding under the four Consolidated Plan programs for FY 2010 totals nearly \$54 million:

- \$36,316,247 in CDBG funds
- \$14,822,410 in HOME funds, including ADDI
- \$ 2,580,908 in ESG funds, and
- \$ 194,639 in HOPWA funds.

Other Resources

The total committed from all sources for housing and community development assistance and initiatives for FY 2010 is more than \$1.416 billion, a substantial increase over prior years, thanks to the infusion of \$302 million from the American Recovery and Reinvestment Act (ARRA). (See **Table 5.1.**)⁶⁶ In addition to the nearly \$54 million from the four Consolidated Plan programs and the \$302 million in ARRA funds, more than \$550 million comes from other federal sources (nearly half of which goes for federal rental assistance, and almost 40 percent to low income home energy assistance). The Commonwealth is providing more than \$425 million through its capital and operating budgets. Table 5.1 details the sources and uses of these various funds.

The Commonwealth is one of about two dozen states that regularly appropriate funds to support housing and community development activities. The State Legislature provides financing both through the state's capital and operating budgets. Massachusetts also has an affordable housing trust fund; a low income housing tax credit that piggy-backs onto the federal credits, enabling them to assist more units; and a state historic tax credit, which provides another funding source for affordable housing that is created through adaptive reuse of qualifying structures. The \$13.6 million that Massachusetts has available annually in federal low income housing tax credit allocation, plus the additional \$10 million in state credits, *had been expected* to generate more than \$100 million in equity to support the creation or preservation of low income housing. When the equity market for these tax credits collapsed, the federal government stepped in with two new initiatives to enable projects in the tax credit pipeline to move forward. Under the Tax Credit Assistance Program (TCAP) and the Low Income Housing Tax Credit Exchange Program, Massachusetts will receive over \$110 million in FY 2010. These funds have enabled 23 projects (nearly 1,500 units of housing, 80 percent of which will serve low, very low and extremely low income families and individuals).

⁶⁶ Going forward, the Commonwealth anticipates that it will have available just over \$1.035 billion during the 2010-2014 Con Plan period. This includes the \$52 million in covered programs plus funding from other federal programs and the State's capital and operating budgets.

MassHousing, the state's housing development finance agency, provides funding for a variety of rental housing development, home purchase and home repair programs. Other quasi-public and private public purpose agencies that also fund the production and preservation of low and moderate income housing are MassDevelopment, the Massachusetts Housing Investment Corporation (MHIC), the Massachusetts Housing Partnership Fund (MHP), and the Community Economic Development Assistance Corporation (CEDAC). Each contributes a specialized expertise in equity placement, lending, and/or technical assistance to support the efforts of the state's sophisticated and dedicated network of for-profit and nonprofit affordable housing developers. Between \$800 million and \$1 billion is expected to be committed by these agencies in FY 2010 to support the State's housing and community development agenda.

Through years of collaboration with banks, insurance companies and other financial institutions doing business in the state, and bolstered by legislation, Massachusetts has been able to expand the pool of resources available to support affordable housing development and preservation. In addition, most of the state's large cities, and an increasing number of smaller cities and towns, have dedicated resources to the creation or preservation of affordable housing. Among the mechanisms used are municipal funding, inclusionary zoning, contributions, the Community Preservation Act, and Municipal Affordable Housing Trusts. Private foundations and nonprofit organizations also provide a significant contribution to housing assistance in Massachusetts. Supporting the FY 2010 initiatives is a new partner, the John D. and Catherine T. MacArthur Foundation, which awarded Massachusetts a \$3.5 million grant to establish a loan fund to preserve affordable rental housing in "expiring use" properties.

Beyond the provision of funds, the Commonwealth has undertaken a variety of initiatives intended to meet its housing and community development needs, including updating and strengthening its 35-year old affordable housing zoning ordinance, MGL Chapter 40B, enacting smart growth legislation (Chapter 40R), and the provision of a wide range of technical assistance supports and incentives to induce communities to be more supportive of affordable housing opportunities appropriate for individuals and families across a range of age, need and income.

Table 5.1 Summary of Proposed FY 2010 Funding from All Sources

Summary of Proposed FY 2010 Funding From All State and Federal Sources						
Funding Sources	State Operating	Federal	ARRA	Trust	State Capital	Total
ADMINISTRATION						
MAIN ADMINISTRATION - 70040099	6,895,062					6,895,062
INDIAN AFFAIRS - 70040001	99,698					99,698
NATIVE AMERICAN STUDIES INSTITUTE - 70040011				110,254		110,254
Subtotal:	6,994,760	0	0	110,254		7,105,014
PUBLIC HOUSING & RENTAL ASSISTANCE						
AHVP (Alternative Housing Voucher Program) - 70049030	3,450,000					3,450,000
C.707 Rental Assistance (DMH & DPH) - 70049033	4,000,000					4,000,000
MRVP - 70049024	29,997,061					29,997,061
SEC 8 HOUSING CHOICE VOUCHER PROGRAM - 70049014		225,296,955				225,296,955
SEC 8 MODERATE REHABILITATION - 70049019		8,500,000				8,500,000
SEC 8 NEW CONSTRUCTION PROGRAM - 70049020		6,730,015				6,730,015
SEC 8 SUBSTANTIAL REHABILITATION - 70049009		9,400,000				9,400,000
SEC 8 ADMIN FEE HOUSING VOUCHER - 70042363		9,347,246		10,565,852		19,913,098
SEC 8 ADMIN FEE MODERATE REHAB - 70042364				191,195		191,195
SEC 8 ADMIN FEE NEW CONSTRUCTION - 70042365				261,171		261,171
SEC 8 ADMIN FEE SUBSTANTIAL REHAB - 70042361				399,364		399,364
MOVING TO ECONOMIC OPPORTUNITY - 70040013				1,750,000		1,750,000
SHELTER PLUS CARE LOWELL - 70049051		51,381				51,381
Resid. Asst for Families in Transition (RAFT) - 70049316	3,060,000					3,060,000
TENANCY PRESERVATION PROGRAM - 70043045	250,000					250,000
HOUSING SERVICES (HCEC'S) - 70043036	1,624,317					1,624,317
PUBLIC HOUSING SUBSIDIES - 70049005	62,500,000					62,500,000
PUBLIC HSG MODERNIZATION/DEVELOPMENT - 70047011				5,000,000	82,000,000	87,000,000
SERVICE COORDINATORS PROGRAM - 70044314	350,401					350,401
WARNER MULTI-FAMILY OIL OVERCHARGE - 34221066				304,958		304,958
HOMELESS PREVENTION & RAPID REHOUSING - ARRA			18,433,744			18,433,744
Subtotal:	105,231,779	259,325,597	18,433,744	18,472,540	82,000,000	483,463,660
HOUSING DEVELOPMENT						
AFFORDABLE HOUSING TRUST FUND - 70049300				295,830	35,000,000	35,295,830
CAPITAL IMPR. & PRES. (CIPF) - 70047015					5,000,000	5,000,000
HOME - 70049028		14,822,410				14,822,410
HOME PARTNERSHIP TRUST - 70049026				951,915		951,915
HOME TECHNICAL ASSISTANCE - 70049039		75,000				75,000
FACILITIES CONSOLIDATION FUND (FCF) - 40008200					7,500,000	7,500,000
HOUSING INNOVATION FUND (HIF) - 70047013					9,000,000	9,000,000
HOUSING STABILIZATION FUND - 70047014					13,000,000	13,000,000
LEAD-BASED PAINT HAZARD CONTROL PROG. - 70040304						0
LOW INCOME HOUSING TAX CREDIT - 70049315	2,329,213					2,329,213
TCAP TAX CREDIT - ARRA			59,605,630			59,605,630
TAX CREDIT EXCHANGE - ARRA			50,800,000			50,800,000
ARRA - LEAD HAZARD CONTROL - 70040305			2,640,000			2,640,000
COMMERCIAL AREA TRANSIT NODE HOUSING					1,000,000	1,000,000
TRANSIT ORIENTED DEVELOPMENT (ISA w/EOT)						0
HOME MODIFICATION LOAN PROGRAM (ISA w/MRC)					4,000,000	4,000,000
COMMUNITY BASED HOUSING INITIATIVE					5,000,000	5,000,000
TECH ASST/EMPLOYER ASSISTED TRUST 7004-0006				2,666,454		2,666,454
Subtotal:	2,329,213	14,897,410	113,045,630	3,914,199	79,500,000	213,686,452
COMMUNITY SERVICES						
CDAG - 70047012					5,400,000	5,400,000
COMMUNITY DEVELOPMENT GRANTS - 70040098						0
COMMUNITY SERVICE BLOCK GRANT/CSBG - 70042034		16,207,825				16,207,825
LOW INCOME HOME ENERGY ASST. (LIHEAP) - 70042033		214,444,143				214,444,143
HUD SOLAR ENERGY TRUST - 34221060				7,083		7,083
SMALL CITIES (CDBG) - 70043037		36,316,247				36,316,247
SMALL CITIES BLOCK GRANT EDSA TRUST - 70043041						0
SMART GROWTH TRUST FUND - 7004-4500				22,588,810		22,588,810
URDG - 70049108					3,696,306	3,696,306
WEATHERIZATION - 70042030		10,133,264				10,133,264
ARRA - WEATHERIZATION - (DOE) -70042031			122,077,457			122,077,457
ARRA - COMMUNITY SERVICE BLOCK GRANT - 7004-2032			24,922,586			24,922,586
ARRA - CDBG R - 70043041			9,103,174			9,103,174
NEIGH STABILZ PROGRAM (NSP1) 7004-3038		43,466,030				43,466,030
ARRA - NEIGH STABILZ PROGRAM (NSP2)			14,500,000			14,500,000
Subtotal:	0	320,567,509	170,603,217	22,595,893	9,096,306	522,862,925
HOUSING STABILIZATION						
OPERATION OF HOMELESS PROGRAMS - 7004-0100	4,754,159					4,754,159
FAMILY SHELTERS - 7004-0101	91,605,510					91,605,510
HOMELESS INDIVIDUALS ASST. - 7004-0102	36,281,684					36,281,684
HOME & HEALTHY FOR GOOD PROGRAM - 7004-0104	1,200,000					1,200,000
END HOMELESSNESS RESERVE - 1599-1004	7,030,801					7,030,801
EMERGENCY SHELTER GRANTS (ESG) - 4400-0705		2,580,908				2,580,908
CONTINUUM OF CARE (CoC) - 4400-0707		6,000,000				6,000,000
SHELTER PLUS CARE (SPC) - 4400-9404		3,400,000				3,400,000
Subtotal:	140,872,154	11,980,908	0	0	0	152,853,062

Notes: The Consolidated Plan resources are highlighted in yellow on Table 5.1. The amounts differ from the FY2010 awards because they include funds carried over from prior fiscal year awards that were still in the account at the beginning of the current (FY2010) year. The HOPWA funding is not shown as a special line item on this table, since this is the DHCD budget and HOPWA is administered at the state level by the Department of Public Health.

Source: DHCD

The Role of the Consolidated Plan Resources

HOME, CDBG, ESG, and HOPWA funds are important resources for the Commonwealth in the execution of its housing and community development agenda. CDBG, in particular, is the major resource the State has at its disposal to address the needs of its non-entitlement communities, all of which are facing fiscal constraints. A number of these communities have also been hard hit by foreclosures and job layoffs. Fifteen non-entitlement communities are among those identified as having the highest need of assistance through the Neighborhood Stabilization Program. In addition to supporting a broad range of infrastructure, accessibility and community development projects, the Massachusetts CDBG (Small Cities) Program facilitates small business development through support of regional, revolving loan funds, and the retention or expansion of existing businesses. Its housing rehabilitation funds are being used in many communities to revitalize older housing in established neighborhoods.

HOME remains the workhorse in the State's stable of housing programs. Along with the low income housing tax credit, with which it is often paired, HOME is a major tool for preserving and expanding the state's affordable rental inventory, identified as a priority need. In the past five years HOME has funded between 300-400 units annually. Close to 300 additional units are projected for FY 2010.

ESG and HOPWA, too, are important resources, each contributing to the challenge of combating homelessness and providing decent housing for at risk populations. Under the new HEARTH Act, the Emergency Shelter Grant has been renamed the Emergency Solutions Grant to reflect its focus on moving people beyond homelessness, a strategy consistent with the State's new approach to combating homelessness. Both the Consolidated Plan and this FY 2010 Action Plan are consistent with the Commonwealth's Continuum of Care Plan.⁶⁷

Summary of One Year Action Plan

The State's one-year Action Plan and Five-Year Goals are presented in **Table 5.2**. This table includes only the programs that are funded by the four covered HUD grants and presents the number of households or individuals (or other measurable variables) to be assisted with the amount expected to be available during FY 2010. An estimate of the level of assistance projected for the full five years covered by the Con Plan, assuming level funding, is also included. (Resources are listed more than once if they are being used to meet more than one objective, e.g. CDBG, but the total dollars committed are shown just once).

⁶⁷ The Commonwealth submits 22 separate Continuum of Care plans. The so-called Balance of State Plan, submitted by the Department of Transitional Assistance within the Executive Office of Health and Human Services, summarized the needs, objectives, priorities, and resources for the entire state.

Table 5.2 One and Five Year Goals/Objectives for Con Plan Programs

Objective/Consolidated Plan Resources Program	HUD Objective	FY10 Committed	Units/ People Served	Target Population	5-Year Total Units	5-Year Allocation
Preserve and create affordable rental housing options for low and moderate income residents.						
HOME -- Multi-Family Rental	Decent Home	\$11,590,000	283	No more than 60% AMI	1,410	\$57,625,000
Promote sustainable homeownership opportunities for low, moderate and middle income families.						
HOME -- Project-Based FTHB	Decent Home	\$1,500,000	27	No more than 80% AMI	135	\$7,500,000
HOME -- Purchaser-Based FTHB	Decent Home	\$250,000	35	No more than 80% AMI	175	\$1,250,000
Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.						
ESG	Decent Home	\$2,574,593	6,000	Homeless (generally <50% AMI)	30,000	\$12,872,965
Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.						
HOPWA	Decent Home	\$173,000	27	Low-income	135	\$865,000
Ensure that Massachusetts residents with long-term support needs have access to appropriate services and accessible, community housing options that maximize consumer choice.						
Promote strong communities throughout the Commonwealth.						
CDBG -- CDF I and II and Mini-Entitlement	Decent Home, Suitable Living Environment	\$29,500,000	NA	Minimum 51% low-income	NA	\$147,500,000
Economic development needs of low and moderate income residents						
CDBG -- Economic Development Fund	Decent Home, Suitable Living Environment, Economic Opportunity	\$2,000,000	NA	Minimum 51% low-income	NA	\$10,000,000

Two additional tables provide somewhat greater detail on the proposed uses of the State’s HOME and CDBG resources in FY 2010 and beyond. These optional HUD tables are presented as **Tables 5.3** and **5.4**. Table 5.3 details the number of units expected to be completed on an annual basis. HUD uses this table to track performance at the end of each year and over the course of the 5-year plan. Table 5.4 tallies the expected annual activity by HUD objective: decent housing, suitable living environment, economic opportunity. This table also identifies the indicator by which performance will be measured, for example, the number of units created or the number of persons assisted.

Table 5.3 State Annual Housing Completion Goals (HUD Optional Table 3B)

Grantee Name: Massachusetts	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
Program Year: 2010						
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215)						
Acquisition of existing units						
Production of new units	265 (10 CDBG, 255 HOME)		X	X		
Rehabilitation of existing units	78 (50 CDBG, 28 HOME)		X	X		
Rental Assistance						
Total Sec. 215 Affordable Rental	343		X	X		
ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215)						
Acquisition of existing units						
Production of new units	47 (20 CDBG, 27 HOME)		X	X		
Rehabilitation of existing units	500		X	X		
Homebuyer Assistance	47 (12 CDBG, 35 HOME)		X	X		
Total Sec. 215 Affordable Owner	594		X	X		
ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215)						
Acquisition of existing units						
Production of new units	311 (30 CDBG, 283 HOME)		X	X		
Rehabilitation of existing units	578 (550 CDBG, 28 HOME)		X	X		
Homebuyer Assistance	47 (12 CDBG, 35 HOME)		X	X		
Total Sec. 215 Affordable Housing	938		X	X		
ANNUAL AFFORDABLE HOUSING GOALS (SEC.215)						
Homeless households	34 (30 CDBG, 4 HOME)		X	X		
...Non-homeless households	842 (502 CDBG, 340 HOME)		X	X		
...Special needs households	70 (60 CDBG, 10 HOME, 27 HOPWA)		X	X		X
ANNUAL HOUSING GOALS						
Annual Rental Housing Goal	342 (60 CDBG, 283 HOME)		X	X		
Annual Owner Housing Goal	594 (532 CDBG, 62 HOME)		X	X		
Total Annual Housing Goal	936 (532 CDBG, 345 HOME)		X	X		

Notes: the Commonwealth’s HOPWA program technical assistance grants do not directly provide housing to people with HIV/AIDS, but do support programs that do. These grants help residential programs house hundreds of low-income people with HIV/AIDS in supportive environments. The “non-homeless households” served through ESG refer to households served through ESG prevention component. ESG also provided 1,554 homeless people with essential services last year, but some of these may also have been provided with shelter so it is difficult to separate these numbers.

Table 5.4 Summary of Specific Annual Objectives (HUD Optional Table 3A)

Objective	Activity	Year	Expected #	Performance Indicator
HOME				
Decent Home	Creating Affordable Units (with 80% of expenditures)	2010	1,500	For HOME-Units created, occupied, and reported in IDIS. HOME funds committed and expended in IDIS.
Decent Home	Preserving Affordable Units (with 20% of expenditures)	2011	1,500	For all programs: # units created for and occupied by the homeless and extremely low income households. of affordable units
Decent Home	Creating or preserving rental units affordable to households/individuals at/below 30% AMI, including units for the homeless. (at least 10% of the units created/preserved each year.)	2012	1,600	
Decent Home	Creating or preserving rental units affordable to households at/below 60% AMI (at least 85% of units created/preserved each year.)	2013	1,700	
Decent Home	Creating ownership units and/or opportunities affordable to households at/below 80% AMI (at least 5% of total units created by the division.)	2014	1,800	
		Multi-Year Goal	8,100	
CDBG				
Decent Home	Affordable Housing Production under CDBG/EDF	2010	30	Production of affordable housing
		2011	35	
		2012	35	
		2013	35	
		2014	35	
		Multi-Year Goal	170	
Decent Home	Homebuyer Assistance	2010	12	Downpayment assistance & housing counseling to LMI households
		2011	20	
		2012	20	
		2013	20	
		2014	20	
		Multi-Year Goal	92	
Decent Home	Housing Rehabilitation Programs	2010	550	Number of units rehabbed
		2011	600	
		2012	600	
		2013	600	
		2014	600	
		Multi-Year Goal	2,950	
Suitable Living Environment	Architectural Barrier Removal Public Social Services	2010	10,400	Number of persons for whom access is improved or provided Number of persons with new or continuing access to a service
		2011	12,000	
		2012	12,000	
		2013	12,000	
		2014	12,000	
		Multi-Year Goal	58,400	
Suitable Living Environment	Infrastructure and Public Facility Improvements Public Social Services	2010	46,000	Number of households assisted Number of persons with new or continuing access to a service
		2011	46,000	
		2012	46,000	
		2013	46,000	
		2014	46,000	
		Multi-Year Goal	230,000	
Suitable Living Environment	Public Social Services	2010	830	Number of persons with new or continuing access to a service
		2011	900	
		2012	900	
		2013	900	
		2014	900	
		Multi-Year Goal	4,430	
Suitable Living Environment	Downtown Revitalization Assistance through the Massachusetts Downtown Initiative	2010	15	Number of Communities assisted
		2011	15	
		2012	15	
		2013	15	
		2014	15	
		Multi-Year Goal	75	

Activities

Massachusetts allocates the funds it receives from HUD under the four programs cover by this Consolidated Plan to a number of specific programs. These programs enable the Commonwealth to equitably distribute funds to address its highest priority needs in each of the funding categories: affordable housing (including lead paint abatement), homelessness, special needs, and community development. NOTE: The following program descriptions are summaries only. They are described in greater detail in the next section.

Community Development Block Grant (CDBG)

The Massachusetts Community Development Block Grant program provides funds on a competitive basis to municipalities that have populations under 50,000 and are not designated as HUD entitlement areas. Communities may apply for a variety of projects including the rehabilitation/stabilization of housing stock, improvements to aging infrastructure, stabilization of neighborhoods and assistance to small businesses for job creation. In Federal FY 2010, the Massachusetts CDBG Program will receive approximately \$34 million from HUD. **Table 5.5** indicates how the State's CDBG funds will be allocated. The FY 2010 Community Development Block Grant One Year Action Plan is included in its entirety as the next section.

The CDBG Program has four components, each serving a different purpose or level of need. The programs are:

- ***The Community Development Fund (CDF)*** supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing, community and economic development activities in Massachusetts cities and towns. CDF is the largest of the CDBG programs, accounting for 57 percent of the total funding. The program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. It is divided into two parts for purposes of allocation. CDF I is targeted to communities with high needs, based on a statistical formula and very limited financial ability to address those needs with local funds. CDF II is for communities with more moderate needs.

Table 5.5 CDBG Resource Allocation

MA CDBG Program Component	FY 2010 Estimated Allocation
Community Development Fund I	\$16,500,000
Community Development Fund II	\$3,000,000
Mini-Entitlement Program	\$10,000,000
Economic Development Fund*	\$2,000,000
<i>Bridge Loan Financing**</i>	<i>\$5,000,000</i>
<i>Section 108 Loan Guarantee**</i>	<i>\$2,000,000</i>
Reserves	\$1,000,000
Section 108 Loan Repayments [^]	\$380,000
Administration and Technical Assistance	\$1,120,000
TOTAL AVAILABLE^{^^}	\$34,200,000

Notes:

* Includes \$200,000 in program income

** Does not impact FY 2010 allocation

[^] Section 108 loan repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.

^{^^} Includes \$34,000,000 allocation plus \$200,000 in program income.

- **Mini-Entitlement Program** Municipalities are selected to be Mini-Entitlement communities if they met the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7 percent and (3) population over 12,000. The program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems. DHCD expects to award up to \$10,000,000 from the FY 2010 Mini-Entitlement Program allocation to the following 10 designated Mini-Entitlement municipalities: Amherst, Chelsea, Everett, Gardner, Greenfield, North Adams, Southbridge, Wareham, Webster, and West Springfield.

DHCD requires Mini-Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. The Agency will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

- **The Economic Development Fund (EDF)** offers assistance to communities focused on retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF prioritizes assistance for physical improvements in support of economic development and job creation/retention. EDF funds a broad range of economic and community development projects, including:
 - Rehabilitation and Adaptive Re-Use: Acquisition, demolition, infrastructure improvements and building rehabilitation activities when clearly linked to economic development and jobs. Such projects may include commercial or mixed-use projects located in downtown or commercial center areas. Mixed use projects must contain a workforce housing component.
 - Public Facilities and Infrastructure: Acquisition, construction, reconstruction, or installation of public works, facilities and site or other improvements,
 - Architectural Barriers Removal: Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly persons and persons with disabilities.
 - Planning studies which, if implemented, would lead to an economic development project and meet a national objective.
 - Assistance to Non-Profit Development Organizations (NDOs): Assistance including public services, capitalization of loan funds and business technical assistance

Mixed-use development is encouraged. Economic Development Funds may be used alone or in partnership with other CDBG or non-CDBG funding sources to undertake building improvements for mixed-use projects.

- **Section 108 Loan Guarantees** allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The program provides communities with a source of loan financing for community and economic development efforts involving industrial, service, commercial real estate, and housing or mixed-use projects. Funding is provided to the community to loan to the business or other entity. The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development. This year the Commonwealth will pledge up to \$2 million in future CDBG allocations in support of these eligible activities.

HOME Investment Partnerships Act (HOME)

DHCD will administer three HOME programs in 2010: a multi-family rental housing program and two homebuyer assistance programs:

- ***Multi-Family Rental Housing Loans (Expected FY 2010 Funding: \$11,590,000)***
DHCD expects to commit approximately \$11.5 million to rehabilitate or newly construct a minimum of 283 HOME-assisted housing units. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per unit. Typically, a maximum of \$750,000 is awarded to a project.
- ***Homebuyer Assistance (Expected FY 2010 Funding: \$1,500,000)***
DHCD expects to award approximately \$1,500,000 million dollars in project-based homebuyer funds to construct or rehabilitate approximately 27 single-family homes for sale to eligible first-time homebuyers through this program. Typically, a maximum of \$750,000 is awarded to a project. In addition, DHCD expects to award approximately \$250,000 for purchaser-based assistance in the form of downpayment and closing costs assistance (HOME ADDI.) Funds can only be used to provide down payment assistance to enable low-income renters with household incomes at or below 80 percent of the area median to purchase their first home. HOME ADDI awards will be made to administering agencies who will make loans to approximately 35 eligible buyers. A maximum of \$10,000 is awarded to eligible first-time homebuyers.

In addition, DHCD may make up to \$2 million available to organizations seeking to preserve foreclosed properties as either rental or ownership opportunities for HOME-eligible occupants. The disbursement of HOME funds for this purpose will be made on a rolling basis.

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD also will competitively award HOME funds for rental loan projects and project-based homebuyer assistance in entitlement communities that provide a match for DHCD administered HOME funds.

Emergency Shelter Grant (ESG)

The Emergency Shelter Grant Program (ESG) funds activities designed to prevent homelessness, support basic shelter operations when needed and provide essential supportive services for homeless individuals and families, including those specifically geared to re-housing. ESG can assist with the cost of operating shelters, fund essential services or provide homelessness prevention assistance. Eligible activities include emergency shelter, case management support for people experiencing homelessness, tenancy preservation programs, other homelessness prevention services, substance abuse counseling, housing assistance, and services to homeless ex-offenders, battered women and veterans. Funding can also be used to improve the quality and quantity of shelter facilities, to meet the costs of operating the shelters, and to provide assessment and transitional services to homeless persons.

Massachusetts has used ESG funds to expand shelter capacity and enhance the availability of services for homeless individuals and families, serving approximately 6,000 individuals and families in each of the last several years. The FY 2010 ESG award of \$2,574,593 is expected to serve a similar number. Allocated through a competitive procurement, these funds will support emergency shelter operations by providing funding for overflow beds for which there is a demand but no current funding source. They will also support case management for homeless families and individuals, tenancy preservation programs, other homelessness prevention projects, substance abuse counseling, AIDS programs, and services to homeless veterans. The state seeks to provide its allocation of ESG funds to non-HUD ESG entitlement communities as well as high need areas which may include ESG entitlement communities if they are selected in accordance with the specific terms of the ESG procurement.

A new competitive procurement was issued in July, 2009 for distribution of the Emergency Shelter Grant (newly renamed the Emergency Solutions Grant), coinciding with the Commonwealth's transition of ESG Grantee status from the Department of Transitional Assistance (DTA) to DHCD. DHCD awarded 37 contracts as a result of that procurement. DHCD plans to continue to conduct procurements in accordance with the regulations of its oversight agencies. These regulations are designed to ensure that competitive funding requests are evaluated fairly and in accordance with common selection criteria which is provided to potential bidders within the Request for Response (RFR) issuance. If additional or unexpended funds become available during the procurement period they may be awarded on an emergency basis for emergency shelter when sufficient emergency shelter capacity is not available such as for overflow beds.

HOPWA

The Massachusetts Department of Public Health (MDPH) Office of HIV/AIDS administers HOPWA funds for the "balance of state" and prioritizes the use of these resources for programs which are geographically located outside the six HOPWA Eligible Metropolitan Statistical Areas (EMSAs). MDPH will fund technical assistance services for HIV/AIDS housing providers statewide and several housing programs. AIDS Housing Corporation provides technical assistance (TA) services statewide. The other funded special projects are located in Topsfield, MA and Fall River, MA.

These programs were originally awarded funds during a statewide procurement of training and technical assistance in state fiscal year 2006 and a housing procurement in fiscal year 2005. Both state and HOPWA funds were allocated during this procurement process. Services funded with state HOPWA dollars will include program support, needs assessment, program evaluation, and determination of training needs as well as facility operating costs for several residential programs. The TA dollars will assist agencies with establishing and updating operational policies and procedures, understanding and maintaining compliance with funding regulations, developing tenant selection policies, and assuring compliance with standards of care. Funds for housing programs will pay for some portion of the facilities' operating costs.

Institutional Structure and Coordination

The overall institutional structure and coordination is detailed in Section 4. This One Year Plan reflects the continuing cooperative participation of the many state agencies, municipalities and non-profit housing and service providers whose efforts are essential to its success. The Massachusetts Department of Public Health, which administers the state Housing Opportunities for Persons with AIDS (HOPWA) funding, also assisted in the development of the One-Year Plan.

As noted in Section 4, a significant change in the State's organizational structure and coordination this year is the incorporation into the Department of Housing and Community Development of the Department of Transitional Assistance (DTA), formerly a part of the Executive Office of Health and Human Services. In past years DTA was the state's Emergency Shelter Grant recipient; this year it is DHCD.

The implementation of the One Year Plan is carried out by dozens of state agencies, departments and quasi-public entities, working in concert with a network of for-profit and nonprofit service providers and developers and the 351 cities and towns of the Commonwealth of Massachusetts. The creation of the cabinet level Executive Office of Housing and Economic Development (EOHED) aligns the state's traditional housing and economic development agencies to more effectively coordinate policies and programs in these areas. Similarly, the merger of DHCD and the Department of Transitional Assistance is expected to move the Commonwealth closer to its ultimate goal of eliminating homelessness.

Initiatives to Overcome Gaps in the Delivery System

Some fundamental aspects of the structure of state and local government will continue to pose challenges, as discussed in the section on Barriers to Affordable Housing. Massachusetts is a home rule state, and most government activity is localized in its 351 cities and towns, 60 percent of which have fewer than 10,000 residents, including the one-third with fewer than 5,000 residents. Many small towns cannot afford to have professional community development and planning staff, and this lack of capacity makes the efficient delivery programs and services challenging. The State establishes uniform building standards and safety codes and establishes the framework for local zoning and subdivision control laws; implementation and enforcement, however, rests with the municipalities. The manner in which localities interpret and exercise them influences what gets built and where. A long and strong tradition of local autonomy also makes it difficult to plan initiatives across the political boundaries of small Massachusetts communities.

To overcome these gaps and challenges, EOHED and DHCD encourage regional cooperation among municipalities and the use of regional and other professional entities to facilitate the administration of programs and to overcome some of the limitations imposed by the small scale of some localities and their governments. DHCD and other state agencies will also continue to provide technical assistance and training for municipal officials to increase local government capacity.

Consultation/Citizen Participation

The Consolidated Planning process is a collaborative one. DHCD, the administering agency for the Commonwealth of Massachusetts, encourages broad citizen and stakeholder participation, especially from those low income residents most affected by its programs. Prior to developing the Consolidated Plan, and the more detailed 2010 Action Plan, DHCD held five regional input meetings across the state, updated its website, and created a new email address specifically to solicit citizen input regarding housing and community development needs in their communities. Among other topics, the focus group participants were asked to identify key priorities; discuss if and how their needs had shifted since the last Consolidated Plan was prepared; what progress had been made over the past five years; which strategies succeeded and which fell short; what the current gaps in services are; and what types of non-financial resource requirements they have. Reflecting the weak economy, both locally and nationally, an important focus of these discussions was the impact of the economic downturn, foreclosures, homelessness, and American Recovery and Reinvestment Act (ARRA) housing/community development investments.

Both the five-year strategic plan and the one-year action plan were issued in draft form for a 30-day public comment period that ran from March 29 through April 29. Three public hearings provided additional opportunity for the public to comment on either of these documents. These hearings were:

Thursday, April 15, 10 AM – 12 PM
West Springfield Municipal Building
26 Central St.
West Springfield, MA 01089

Tuesday, April 20, 11 AM – 1 PM
Union Hall
Union Station, Second Floor
2 Washington Square
Worcester, MA 01604

Thursday, April 22, 11 AM – 1 PM
Department of Housing and Community Development
100 Cambridge St.
Boston, MA 02114
Second Floor Conference Room A

Copies of the draft Plan were available electronically at DHCD's website, <http://www.mass.gov/dhcd>, or by calling DHCD during normal business hours at (617) 573-1100. The agency encouraged citizens to attend the public hearings to provide testimony verbally. Comments were also accepted via email at DhcdConsolidatedPlan@state.ma.us or by submission in writing to:

DHCD
100 Cambridge Street, Suite 300
Boston, MA 02114
Attention: Office of Policy Development

DHCD took into consideration all comments on the Consolidated and Action Plans received at the hearings or in writing prior to the close of business on April 29. The final application is being submitted to HUD on May 21. A complete description of Massachusetts' Citizen Participation Process appears in the citizen participation section.

Citizen Participation Plan and Comments

The citizen participation element of the Massachusetts Plan incorporates requirements of the state's CDBG program as well as additional requirements of Section 91 of Title 24, which governs the consolidated planning process. The citizen participation process has not changed fundamentally since it was first adopted a decade ago, but the Commonwealth now makes more effective use of the Internet and electronic technologies to reach a broader audience. DHCD continues to reach out to organizations and constituencies that have not previously been engaged in the process. This section describes the elements of the Commonwealth's public participation process.

Citizen Participation

As it does with all its programs, DHCD has encouraged broad public participation in the 2010-2014 Consolidated Planning process. Massachusetts has a strong tradition of extensive dissemination of information relating to all of its programs. The process typically includes written notice of funding availability of both state programs, and federal programs administered by the State through the DHCD, to an extensive list of potential participants. The following groups regularly receive notice:

- local chief elected officials, including selectmen and mayors
- community development departments; planning boards
- local and regional housing authorities; regional planning agencies
- community development corporations
- non-profit housing providers
- housing and municipal advocacy organizations
- local housing partnerships
- faith-based organizations

Public notice through newspaper publication is achieved by placing legal notices in newspapers serving metropolitan areas throughout the Commonwealth. Massachusetts also has a number of state and quasi-public agencies that also address housing and community development needs of the Commonwealth through their programs and DHCD collaborates and coordinates with them.

In addition to the outreach accomplished through the notice of public hearings related to the plan, a series of five initial regional public meetings were held where stakeholders were invited to identify any community development needs that might be specific to their region. Invitations were sent to representatives of all of the groups listed above and to people from both entitlement and non-entitlement communities. For the first time this year, DHCD set up a website to inform the public about the process, share information from the needs assessment, and elicit comments from the public. As part of this process, DHCD created its own Consolidated Plan email address to make it easier for people to send comments to the agency. Follow-up meetings were held with key personnel from DHCD during which information received at the regional focus sessions was disseminated and further discussed with recommendations on how to address the needs identified (see comments summary at end of this section). On an ongoing basis, topical focus groups and information sessions are conducted by CDBG and HOME staff during the program year to elicit feedback on program operations or policy development, as well as to provide guidance on development of program applications. Input from these sessions is also considered by DHCD in its preparation of the Consolidated Plan.

All public hearings, focus groups, information sessions, and application workshops are held in accessible locations. The notice for the meetings asks people with disabilities, or need for interpreters to contact the agency prior to the session so that the required assistance may be provided. A summary of the housing and community development needs identified through this process is included in this Plan.

Development of the Consolidated Plan, Annual Plans, and Grant Applications

The following information is shared with the public via the Consolidated Plan website, the focus groups and public hearings:

- **Anticipated funds available** At all of the regional meetings and all of the public hearings, the anticipated amount of HUD funds for the programs is clearly articulated. The information is broken out by program component in terms of HOME, HOPWA, ESG, and CDBG.
- **Program application and operation** Materials relating to grant program application and operation clearly state eligibility criteria, amounts of funding, restrictions – geographic or otherwise applicable to the programs, eligible activities under the programs and, where applicable, program beneficiaries. The CDBG program staff follows up the dissemination of application materials with informational workshops held at several locations throughout the state. These informal and loosely structured sessions devote a morning or afternoon to a thorough discussion of application requirements.
- **Technical Assistance** An amount equal to 2% of the entire grant allocation plus \$100,000 is set aside for DHCD administrative costs in the operation of the CDBG program, as allowed by federal statute. The 2% allocation is devoted to direct technical assistance for eligible municipalities. DHCD works with contractors receiving ESG funds on various citizen participation mechanisms and follows all ESG requirements relating to consumer involvement in the design and implementation of services funded.

In addition, the CDBG and HOME programs provide assistance to grantees and potential applicants through informational workshops, publications, and guidance provided through meetings, letters, or telephone conversations.

The HOPWA program is administered by the Department of Public Health (DPH) AIDS Bureau. DPH's Consumer Participation Policy includes the following elements that apply to the HOPWA program:

- AIDS service organizations receiving DPH funding must have representation from HIV-infected persons (or parent or guardian of such a person) equal to twenty-five percent of the membership of the organization's board of directors.
- Each organization must also have a consumer advisory board of at least four persons, which meets at least four times a year. Representatives of the board of directors or consumer advisory board should represent the diversity of populations served by the organization.
- Such organizations are urged to encourage greater levels of participation where possible by including in their budgets funds for transportation, child care, use of copy machines, etc. which may assist consumers in attending meetings and programs and or receive information about the types of services provided.

Publishing the Consolidated Plan and Making It Available for Public Comment

The legal notice describing the availability of the Commonwealth's consolidated plan, its contents, and public hearings, was published the week of March 29, 2010 in newspapers of general circulation throughout the state. The notice lists locations across the state where a hard copy of the plan can be viewed. At the same time, the Plan was mailed to the entities listed, made available at DHCD offices in Boston and posted in its entirety on the DHCD website www.mass.gov/dhcd. Notices announcing the comment period were sent to an extensive list of providers, eligible applicants, advocacy organizations, housing authorities, and local and regional entities that are or could be participants in one or more of the programs described in the plan.

- **Notice to Citizens** Notices regarding any and all aspects of the consolidated plan, including preparation, availability and amendment shall be sent to those jurisdictions and entities (e.g., local governments, non-profit service providers, public interest organizations), which regularly receive notice of program descriptions, application information, etc.
- **Comment Period and Public Hearings** As noted above, the consolidated plan notice appeared in newspapers throughout the Commonwealth during the week of March 29, 2010 as well as being distributed as described above. The public hearing notice clearly stated the length of the 30-day comment period and its end date of April 27, 2010; where the list of locations the plan is available for review can be found; and the addresses to which comments should be sent, e-mailed, or faxed. It also includes information on the date, time, and place of the three public hearings held on the draft of the plan.

Consistent with Consolidated Plan Regulations, public hearings were held:

Thursday, April 15, 10 AM – 12 PM
West Springfield Municipal Building
26 Central St.
West Springfield, MA 01089

Attendees

Megan Rhodes, Franklin Regional Council of Governments
Joseph LaPlante, West Springfield Community Development Director
Mark Siegenthaler, DHCD

Tuesday, April 20, 11 AM – 1 PM
Union Hall
Union Station, Second Floor
2 Washington Square
Worcester, MA 01604

Attendees

Paul Mushrush, Center for Living and Working
Tim Hansen, Central MA Regional Planning Council
Brian Johnstone, Center for Living and Working
Steve Stolberg, Center for Living and Working
Mike Kennedy, Center for Living and Working
Mark Southard, DHCD

Thursday, April 22, 11 AM – 1 PM
Department of Housing and Community Development
100 Cambridge St.
Boston, MA 02114
Second Floor Conference Room A

Attendees

Don Bianchi, MA Association of Community Development Corporations
Amanda Roe, MA Housing Partnership
Mary Doyle, Metro Boston Housing Partnership
Mark Siegenthaler, DHCD
Karen Bresnahan, DHCD
Jillian Standish, DHCD
Dan Tobyne, DHCD

Others who Submitted Electronic or Written Testimony

Lyndia Downie, Pine Street Inn

Barbara Ferrer, Boston Public Health Commission

Aaron Gornstein, Citizens' Housing and Planning Association

Richard Glassman, Disability Law Center

Eileen Feldman, Community Access and Inclusion Project

Jean McGuire, MA Executive Office of Health and Human Services

Joe Tringali, Stavros Center for Independent Living

As noted above, all hearing locations are wheelchair accessible and provision is made for special accommodation for language interpretation or services for the deaf or hard of hearing. A summary of the comments received during the initial public meetings on community development needs and those received on the draft plan whether orally or in writing is included below.

Amendment of the Plan

- Criteria for Amendment of the Plan Should DHCD (or in the case of HOPWA, EOHHS) determine that the plan or any of its elements should undergo significant revision or change, the following criteria will be used to define “substantial change:”
 - ▶ Discontinuance or addition of a set-aside to any of the programs included in this plan
 - ▶ Redefinition of the number and type of program beneficiaries prior to the submission of the annual plan
 - ▶ The number of people estimated to benefit from a program falls below the minimum number stated in the annual plan
- Amendments to the Consolidated Plan Notice and Opportunity for Comment If an amendment to the consolidated plan becomes necessary, the same notice and comment periods will be followed as were followed with the development and comments on the plan. A summary of comments received whether orally or in writing will be attached to the substantial amendment of the consolidated plan. A summary of the comments not accepted and the reasons therefore, will be attached to the substantial amendment of the consolidated plan.

Performance Reports

- Publishing of Performance Reports All performance reports prepared by DHCD at the end of each program year will show actual accomplishments with CPD-funded programs. They evaluate overall performance, including whether actions and strategies undertaken during the year made an impact on the goals and needs identified in the Consolidated Plan. Information is presented in a clear format designed to enable readers to understand the report. Citizens of the commonwealth will be given the opportunity to comment on the Performance Report prior to its submission to HUD.
- Public Notice and Comments DHCD will inform citizens and units of local government of the availability of the performance report, and that comments on the report may be submitted in writing anytime during a 15-day public review period. A notice will be sent to all grantees and to the mailing list described above notifying them that the report is available on the DHCD website www.mass.gov/dhcd. The notice will also explain how a hard copy of the report can be viewed or obtained.

A summary of the comments received will be attached to the final Performance Report, including the responses to the comments. Once the comment period is complete, and the comments and response is complete, the report will be submitted to HUD.

Citizen Participation Requirements for Local Government

All applicants for funding under the Programs covered by this consolidated plan must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. Details are available at 24 CFR 570.486 <http://www.hud.gov/cpd/cdbg/570483.html>. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Communities must include in their application for funding a local citizen participation plan that covers all of the items detailed in the one-year component of the plan and in the specific applications. Since the complete expectation for contents are specified in those locations, they are not detailed here.

- Availability to the Public The Consolidated Plan as adopted, substantial amendments, the performance report and applications are all available to the public on the DHCD website. In addition, anyone desiring a hard copy of any of these items may call or write the DHCD and request a copy. The Consolidated Plan is also available for viewing at 20 locations across the state. Persons needing a large print version or audio tape of any of these documents may request them by phone, fax, e-mail, or letter from DHCD.
- Access to Records Pursuant to federal and state requirements, the programs included in this plan provide reasonable and timely access to records relating to any grantee's/contractor's proposed and actual use of funds.
- Complaints Comments and complaints received during the development of the Consolidated Plan will be included in the final Plan. Should DHCD receive any written grievances or complaints regarding the consolidated plan, its implementation, proposed or adopted amendments, and/or performance report, DHCD will provide a timely written response within 15 working days of receipt where practicable.
- Use of Citizen Participation Plan The state, and DHCD as the administering agency for the four covered programs, agree to follow this Citizen Participation Plan.

Summary of Comments from Initial Public Meetings

These five meetings were held during the formative phase of the Consolidated Plan process in the fall of 2009. These meetings were designed to elicit feedback from stakeholders across Massachusetts on the current state of housing and community development in the Commonwealth, and the four Consolidated Plan programs in particular. The five meetings were held at:

Boston (September 29)
West Springfield (October 1)
Middleborough (October 6)
Andover (October 7)
Auburn (October 8)

What follows is a summary of the comments received at the meetings, as well as DHCD's response to them. It is not meant to be an exhaustive list of everything said, but rather a summary of general themes. A similar summary of comments received from the public hearings on the draft will be included in the final Consolidated Plan.

Funding for Housing and Community Development Programs

Comment: A number of speakers called for more funding for programs dedicated to affordable housing and community development. In particular, there was a large need cited for rental housing vouchers.

Response: DHCD sympathizes with all these comments and there is no question that in today's economy, there is a major need for housing supports. The Patrick Administration has been grappling with a difficult economic situation that has made it impossible to make the level of investment needed for certain programs. With the resources available, though, the Administration has made the largest housing bond bill ever, including important investment in public housing. DHCD has worked with our quasi-public agency partners to help cover shortfalls and prevent major housing budget cuts. Even in these harsh economic times, the Patrick Administration has worked hard to protect the housing safety net and DHCD will continue to work with our partners to ensure that these critical resources are preserved.

Operating Funding for CHDOs

Comment: A number of representatives of Community Housing Development Organizations (CHDOs) proposed that HOME funding be directly set aside to support CHDO operating funding. Similarly, some speakers encouraged portions of CDBG funding to be set aside for "capacity building."

Response: DHCD is not currently supporting CHDO operating funding or capacity building through CDBG funds. At the same time, DHCD wants to be an active partner for all these organizations and is constantly looking for ways to help support them. DHCD will continue its work to help strengthen the non-profit housing and community development sector.

Foreclosure

Comment: Several speakers emphasized the continuing foreclosure crisis. Both foreclosure prevention efforts and neighborhood stabilization programs remain major needs in many neighborhoods throughout Massachusetts.

Response: DHCD agrees with the concern. The Patrick Administration has aggressively responded to the foreclosure crisis with new foreclosure counseling programs, expanded consumer protection laws, and a strong neighborhood stabilization program. DHCD will continue to administer the neighborhood stabilization program and work with communities hit hard by the foreclosure crisis.

"Medium-size" projects

Comment: Several speakers noted the importance of support for "medium-size" projects (8-20 units) that do not fit into the traditional tax credit program. DHCD supports some projects of this type, but speakers encouraged more support.

Response: DHCD certainly values projects of this type and endeavors to support as many worthy affordable housing production and preservation projects as it can within the context of existing funding.

Priority for ELI Housing

Comment: A number of speakers emphasized the importance of setting funding aside to address the housing needs of extremely low-income households, those that are often at the greatest risk of homelessness.

Response: DHCD certainly agrees that funding for ELI housing resources is critical. Reforming the way the Commonwealth attacks the problem of homelessness has been a key part of the Patrick-Murray Administration's

agenda. We are working with our partners in the housing and community development world to create more ELI units and are changing the homelessness system to create more support and options for families and individuals and help them remain housed.

It is difficult to capture encapsulate every comment made, as the sessions were attended by a broad spectrum of representatives. Overall, the current state of the economy clearly weighed on many attendees' minds. Foreclosure remains a major concern, as does the overall need for affordable housing across Massachusetts. The DHCD staff conducting the meetings specifically asked about regionalization, since HUD is now focusing substantial energy on regionalization at the national level. While there was certainly some support for the idea of greater regionalization, the most pressing concerns for those in attendance tended to be the need for more affordable housing resources in these difficult times and in particular the need for more resources to combat the foreclosure crisis.

Summary of Comments From Draft Public Hearing/Comment Period

DHCD received over a hundred comments about the draft Consolidated Plan. We have attempted to summarize them here. Many of the comments focused on similar themes, and we have grouped the comments by theme. Some of the comments made went beyond the scope of the Plan or proposed changes that, while they might certainly be positive changes, are not shifts DHCD could make in short period between the public comment period and the final plan's publication. Others addressed documents, such as the Sustainable Development Principles and the Fair Housing Principles, that were created through other processes and not within the purview of the Consolidated Plan to change. Nevertheless, we aimed to address all housing and community development areas commented on, and we welcome continued dialogue with the residents of Massachusetts about how to improve housing and community development policies. The Consolidated Plan is not an end point, but merely one piece of a continuing narrative.

Overall Housing Need

Comment:

A number of individuals and organizations reiterated the state's severe need for affordable housing, particularly for extremely-low income households and households with disabilities. Many commentators asked for more funding to be available for many of DHCD's housing programs, particularly the MRVP program and the Community Based Housing program. There were also requests that the four Consolidated Plan programs include housing vouchers.

Response:

DHCD certainly agrees that there is a paramount need for more affordable housing, particularly in the extremely-low income category. In the plan, we included both extremely low-income households and households with disabilities as high priorities (see Table 4.6). Over the last few years, the budget and economic crisis has presented a real challenge to all government programs, and the Patrick Administration has done its best to keep support for these needed programs strong. While we have been unable to increase MRVP funding, we have avoided deep cuts to MRVP and used resources from other program areas to keep it strong. We are seeing an increased demand for CBH funds and will do our best in this challenging economic environment to continue investing in these needed programs.

Lead Paint Programs

Comment:

One comment supported DHCD's emphasis on reducing the disparate impact of lead poisoning on low income communities and communities of color. In addition, the comment recommended that DHCD call for the existing regulatory limit for lead in children be lowered from 25 micrograms per deciliter to 10 micrograms per deciliter. In addition, the same comment asked that the plan address lead contamination in the soil, as well as in the home.

Response:

DHCD agrees about the importance of lead hazard reduction and works with the MA Department of Public Health's Childhood Lead Poisoning Prevention Program to reduce lead levels in homes across the Commonwealth. Despite the legal limit, it should be noted that MACLPPP currently case manages families at 10 mcg/dL or greater, so the Commonwealth is attempting to address families facing lead hazards below the legal limit. Given available resources, and the fact that the link between soil contamination and lead poisoning is more uncertain than the link between home/paint contamination and lead poisoning, DHCD has focused its efforts on the home/paint contamination area. These efforts appear to be working – the number of lead poisoning (25 mcg/dL +) cases has declined from 269 in 1998 to 98 in 2008 and the number of moderate risk (15-19 mcg/dL) cases has declined from 973 in 1998 to 188 in 2008 (see Table 3.19). While any child suffering from lead contamination is one too many, we believe that our policies have put us on a consistent path that is reducing lead contamination every year.

Areas of Opportunity

Comment:

There were a number of comments on DHCD's use of Kirwan Institute Areas of Opportunity data. While all commenters approved of the concept, one commented that within the list of opportunity communities, there should be some prioritization based on regional housing needs, access to transportation, and other criteria. Another comment asked that DHCD conduct a similar analysis related to housing opportunities and barriers for people with disabilities.

Response:

This project is ongoing and DHCD welcomes these suggestions. We do plan to include details on accessibility/disability issues as we continue to perform these analyses.

Housing and Other Resources for Persons with Disabilities

Comment:

Several commenters focused on the housing needs of people with disabilities. While many commenters acknowledged and praised DHCD's work through its fair housing initiatives, there were also comments/suggestions for changes. Many commenters pointed out use of "handicapped" or "disabled" in the draft, as opposed to "people with disabilities". Others asked for more discussion of people with sensory disabilities, as well as more information about some of the court decisions and initiatives currently guiding the Commonwealth's work on housing for people with many types of disabilities. There were also requests for DHCD to take on more of an enforcement role when it came to fair housing complaints, as well as a call for an audit of the Subsidized Housing Inventory and more focus on accessibility issues in public housing. Some commenters called for visitability or universal design to be a threshold for all projects aiming to receive funding. Some asked for the Consolidated Plan programs to support rental vouchers for extremely low-income households with a member with disabilities. There were other suggestions as well, all focusing on the importance of accessible, affordable housing for persons with disabilities. These suggestions included more scrutiny of Local Housing Authorities and public housing for disability/accessibility-related issues, more use/examination of Section 504/ADA self-evaluations, and use of CDBG social service funds for Tenant Service Coordinators and accessibility improvement purposes.

Response:

DHCD takes all these concerns seriously and has a strong commitment to helping persons with disabilities find affordable housing suitable for their needs. We did change some terminology from the draft to eliminate outdated terms and added increased discussion of people with sensory disabilities. We increased the information available about various disability-related initiatives, concerns, and agencies in the final plan. In addition, in answer to some of the questions raised about CDBG, we want to emphasize that CDBG funds can be used for

accessibility improvements in infrastructure and that communities that apply for accessibility improvement funds must have an ADA self-evaluation/transition plan. Tenant service coordinators (along with other social services) are also an eligible use of CDBG funds, though it is up to each community to decide for which CDBG eligible uses to apply.

Some of the requests were not ones that it is possible for DHCD to accommodate at this time. Given the current difficult financial situation and the very high cost of building in Massachusetts, DHCD cannot realistically make visitability a threshold requirement for all new development, for example, or to audit the Subsidized Housing Inventory, which contains tens of thousands of properties. DHCD is also not a law enforcement agency in the same way as bodies such as the MA Commission Against Discrimination, so that precludes some of the enforcement action for which some commenters asked. At the same time, DHCD is working hard, within existing constraints, to advance opportunity for housing for persons with disabilities. Many of these initiatives are mentioned in the Fair Housing section of the Strategic Plan. DHCD issued a Public Housing Notice and completed statewide trainings for Local Housing Authorities regarding reasonable accommodations and modifications for persons with disabilities. Moreover, the Public Housing Division is updating its Capital Planning System to improve tracking and ongoing self-evaluation of LHAs with respect to provision of physical access for persons with disabilities. While not every shelter facility is accessible, DHCD works with any EA-eligible family that applies for assistance and includes a member with a disability to ensure that that family is placed in a facility that is fully accessible and accommodates that family's needs. In our HOME program, we are in the process of requesting technical assistance funding from HUD for training on accessibility. DHCD also utilizes resources such as the Interpreter/CART Referral Services through the MA Commission for the Deaf and Hard of Hearing to address language access issues as they arise. DHCD also continues to work with the relevant CHAPA committees, the Fair Housing Advisory Panel, the EOHHS Interagency Housing Committee, and other groups to continue to address the housing needs of persons with disabilities. DHCD will continue to provide updates on disability and fair housing concerns to the Fair Housing Advisory Panel and the community at large and will continue to work, to the extent possible, to increase the availability of accessible units in state-assisted housing.

Funding for CHDOs

Comment:

One comment asked for HOME funding to be used for operating grants to CHDOs, as well as a comment that DHCD should ensure that project financing allows for adequate cash flow for CHDOs.

Response:

DHCD is not currently supporting CHDO operating funding or capacity building through HOME or CDBG funds. At the same time, DHCD wants to be an active partner for all these organizations and is constantly looking for ways to help support them. DHCD will continue its work to help strengthen the non-profit housing and community development sector. In addition, DHCD always aims to finance projects in a way that is financially sustainable and responsible.

For example, the Department over time has funded hundreds of affordable housing applications from non-profit developers, all of whom are able to realize significant development fees for their projects. Such fees -- often in excess of half a million dollars -- can be used by the non-profits to support their organizations.

Public Housing and Health Issues

Comment:

One comment asked that DHCD work to improve health outcomes in public housing. Some suggestions included working with state and local health departments and adopting a smoke-free policy for state-subsidized housing.

Response:

We greatly appreciate these comments on the possibility for public health and public housing to partner to address health disparities in low-income communities. DHCD applauds the idea of such a partnership, and would gladly participate alongside interested housing authorities in any regional or statewide discussions about strengthening such partnerships.

DHCD is committed to creating the healthiest environment possible for the families and individuals that reside in our housing. To this end, our facilities management specialists are constantly out in the field working with housing authorities to ensure that we are ahead of any building maintenance or building health issues well before they become a debilitating problem to either tenants or the physical structure of public housing properties. We are always open to discussing policies and procedures with local housing authorities that would better the environment in and surrounding public housing.

Redevelopment Funds

Comment:

There was one comment that DHCD should give priority for Gateway Cities with its HOME redevelopment funds.

Response:

While this is not currently a practice of DHCD, we do maintain geographical diversity as one of our priorities in HOME redevelopment funds and other programs.

Housing and Homelessness Strategy

Comment:

There was a request for more details and specificity on DHCD's strategy for combating homelessness and creating new affordable housing.

Response:

The final plan contains more extensive details on our homelessness strategy, as well as several of the Commonwealth's goals around special needs housing. We would also refer commenters to the Low-Income Housing Tax Credit section in the Strategic Plan, which deals with some of our goals for affordable housing production over the next five years.

Descriptions and Plans for the Four Consolidated Plan Programs

HOPWA

As the focus of the McKinney program has shifted toward family homelessness, this has helped to find suitable housing for many HIV+ families as many also experience unstable housing and related problems. Also a larger percentage of the subsidies from DHCD for use with HIV+ households are being offered to families. CORI reform in the state will help with some of the housing obstacles but persons with a criminal history continue to face significant obstacles getting housed (with or without HIV).

The MDPH Office of HIV/AIDS administers HOPWA funds for the “balance of state” and prioritizes the use of these resources for programs which are geographically located outside the other six HOPWA Eligible Metropolitan Statistical Areas (EMSAs). In federal fiscal year 2008, the state spent \$201,335 as a formula grantee. MDPH will fund technical assistance services for HIV/AIDS housing providers statewide and several housing programs. AIDS Housing Corporation provides technical assistance (TA) services statewide. The other funded special projects are located in Topsfield, MA and Fall River, MA.

These programs were originally awarded funds during a statewide procurement of training and technical assistance in state fiscal year 2006 and a housing procurement in fiscal year 2005. Both state and HOPWA funds were allocated during this procurement process. Services funded with state HOPWA dollars will include program support, needs assessment, program evaluation, and determination of training needs as well as facility operating costs for several residential programs. The TA dollars will assist agencies with establishing and updating operational policies and procedures, understanding and maintaining compliance with funding regulations, developing tenant selection policies, and assuring compliance with standards of care. Funds for housing programs will pay for some portion of the facilities’ operating costs.

Vendors were selected after comprehensive community and internal review processes. The Office of HIV/AIDS conducts thorough oversight of all of its contracts. Monitoring mechanisms include an annual submission of a program workplan, system-wide performance measures, client-level data collection, annual site visits, and ongoing fiscal monitoring. OHA staff provides technical assistance when necessary and offer regular program development opportunities and trainings that help enhance staff capacity and improve quality throughout the service system.

ESG

ESG supports provision of the most basic shelter, services, and assessment efforts including emergency shelter, case management support for people experiencing homelessness, tenancy preservation programs, other homelessness prevention services, substance abuse counseling, housing assistance, and services to homeless ex-offenders, battered women and veterans. Funding can also be used to improve the quality and quantity of shelter facilities, to meet the costs of operating the shelters, and to provide assessment and transitional services to homeless persons.

Administered by the U.S. Department of Housing and Urban Development as a block grant program, ESG has been used to expand shelter capacity and enhance the availability of services for homeless individuals and families. Requiring a dollar-for-dollar match of the federal share, ESG funds are available to states, metropolitan cities, urban counties, and territories. Approximately 6,000 individuals and families have been served in each of the last several years.

ESG expects to be funded at a level of \$2,574,593, relatively similar to recent years, and to serve approximately 6,000 people. The Emergency Shelter Grant funding emphasizes the need to prevent homelessness, featuring a

"continuum" model to prevent people from having to enter shelter, to support them in the event a shelter stay is unavoidable, and under the new HEARTH ACT to move people beyond shelter.

The Emergency Shelter Grant Program (ESG) funds activities designed to prevent homelessness, support basic shelter operations when needed and provide essential supportive services for homeless individuals and families, including those specifically geared to re-housing. ESG can assist with the cost of operating shelters, fund essential services or provide homelessness prevention assistance. For the last 8 months of State FY2010, Emergency Shelter Grant (ESG) funding was allocated through a competitive procurement for shelter operations, essential services, and homeless prevention.

These funds will support emergency shelter operations particularly to providing funding for overflow beds for which there is a demand but no current funding source, case management for homeless families and individuals, Tenancy Preservation Programs, other homelessness prevention projects, substance abuse counseling, AIDS programs, and services to homeless veterans. Each grant recipient must provide matching funds. These awards are expected to serve approximately 6,000 individuals and families annually.

Geographic Distribution of Funds for the ESG Program

ESG funds are provided directly by HUD to ESG entitlement communities in Massachusetts. These communities are:

Boston	Lynn	Somerville
Cambridge	New Bedford	Springfield
Fall River	Newton	Worcester
Lowell	Quincy	

The state seeks to provide its allocation of ESG funds to non-HUD ESG entitlement communities as well as high need areas which may include ESG entitlement communities if they are selected in accordance with the specific terms of the ESG procurement.

For its monitoring and review of the ESG program, DHCD will require dual programmatic and fiscal sign-off by each agency for required reports. DHCD will conduct desk reviews and when possible on-site reviews at each of the DHCD contracted sites.

Process for awarding funds

A new competitive procurement was issued in July, 2009 for distribution of the Emergency Shelter Grant coinciding with the Commonwealth's transition of ESG Grantee status from the Department of Transitional Assistance (DTA) to DHCD. DHCD awarded 37 contracts as a result of that procurement. DHCD plans to continue to conduct procurements in accordance with the regulations of its oversight agencies. These regulations are designed to ensure that competitive funding requests are evaluated fairly and in accordance with common selection criteria which is provided to potential bidders within the Request for Response (RFR) issuance. If additional or unexpended funds become available during the procurement period they may be awarded on an emergency basis for emergency shelter when sufficient emergency shelter capacity is not available such as for overflow beds.

Allocation of Funds

Notice of funding availability is accomplished through notification of state agencies' provider networks and through the Internet Comm-PASS system. Proposals received in response to the RFR are received at DHCD, logged, and are first reviewed to determine if they meet the minimum qualification requirements specified in the RFR. All qualified responses received that meet the minimum qualification requirements are evaluated by an ESG Selection Committee. There are generally multiple Selection Committees depending on the number of responses received. Each Selection Committee comprises state employees who work with housing programs

and/or homeless individuals and/or families; and a Chairperson of the ESG Selection Committees and a recorder of minutes, both of whom participate in all selection committee meetings as non-voting members.

References submitted by a Selection Committee member who directly manages existing contracts with a bidder may be included in the evaluation of the references in accordance with the terms of the RFR.

After each Selection Committee completes its evaluations, all Selection Committees are convened as a Procurement Management Team (PMT). The PMT then conducts a final evaluation of each combined response to determine which responses received the highest evaluations and should be recommended for selection to the Director of the Housing Stabilization Division. The PMT recommendations are reviewed by the Director. Upon approval, the Director submits them to the Undersecretary of DHCD who makes the final determination of selections and awards.

The minutes of the Selection Committee meetings establish a permanent public record of the basis upon which contracts were evaluated and awarded.

Following the determination of any awards, the Department announces the awards through written notification to both successful and unsuccessful bidders. DHCD contracts with successful bidders, negotiates budgets, and monitors the provider's activities to assist and ensure the provider's compliance with the terms of its contract. DHCD maintains oversight responsibilities for administration of ESG grants.

HOME

HOME Investment Partnerships Act (HOME)

Expected FY 2010 Funding: \$14,822,410

Administering Agency: DHCD Division of Housing Development (617) 573-1300

DHCD is the state's administering agency for HOME funds. The Agency intends to continue awarding the majority of its HOME funds competitively, with priority being given to projects located in municipalities not receiving HOME funds directly from HUD. A state match of \$1 for every \$4 of federal money is a requirement of the HOME Program. As in past years, the state match will be the Massachusetts Rental Voucher Program. Annual expenditures through this program total approximately \$24 million. (States are allowed to "bank" match, so this expenditure level is sufficient to ensure funding for many years.) In addition, we have the State Housing Stabilization Fund available for match, with an annual expenditure level of approximately \$14 million.

DHCD will administer three HOME programs: multi-family rental housing loans and homebuyer assistance, both project-based and purchaser-based.

- **Multi-Family Rental Housing Loans**

Expected FY 2010 Funding: \$11,590,000

DHCD expects to commit approximately \$11.5 million to rehabilitate or newly construct a minimum of 283 HOME-assisted housing units. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per unit. Typically, a maximum of \$750,000 is awarded to a project.

- **Homebuyer Assistance**

Expected FY 2010 Funding: \$1,500,000

DHCD expects to award approximately \$1,500,000 million dollars in project-based homebuyer funds to construct or rehabilitate approximately 27 single-family homes for sale to eligible first-time homebuyers through this program. Typically, a maximum of \$750,000 is awarded to a project. In addition, DHCD expects to award approximately \$250,000 for purchaser-based assistance in the form of downpayment and closing costs assistance (HOME ADDI.) Funds can only be used to provide down payment assistance to enable low-income renters with household incomes at or below 80 percent of the area median to purchase their first home. HOME

ADDI awards will be made to administering agencies who will make loans to approximately 35 eligible buyers. A maximum of \$10,000 is awarded to eligible first-time homebuyers.

- DHCD may make up to \$2 million available to organizations seeking to preserve foreclosed properties as either rental or ownership opportunities for HOME-eligible occupants. The disbursement of HOME funds for this purpose will be made on a rolling basis.

MASSACHUSETTS HOME PROGRAM ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2010

The Department of Housing and Community Development will receive an allocation of approximately \$14,822,410 in HOME funds in federal fiscal year 2010 including funds that may be used for downpayment assistance. DHCD plans to reserve 10 percent of the HOME allocation for administrative purposes, and award the majority of the remaining \$13,340,169 through competitive funding rounds and, in certain circumstances, readiness-based rolling submissions.

DHCD will continue to award its rental funds through a competitive RFP process. However, DHCD reserves the option to make rental funds available on a rolling basis with clear readiness standards for projects that will serve low- and extremely low-income homeless families and individuals. Because some recent homeownership activities have faced general market challenges, DHCD reserves the option to make ownership funds available on a rolling basis with clear readiness standards. As needed, we will endeavor to utilize HOME funds in appropriate Neighborhood Stabilization Program homeownership projects. DHCD will award federal fiscal year 2010 HOME program funds to two program types: multi-family rental loans and homebuyer assistance. Eligible applicants for HOME funds are municipalities, non-profit agencies (including CHDOs as defined by HUD), and for-profit developers. Note: A minimum of 15 percent of the federal FY 2010 allocation will be reserved for CHDOs serving as owners, sponsors, or developers of rental production projects or project-based first-time homebuyer projects. The Undersecretary of DHCD reserves the right to consider geographic distribution in making funding decisions for the 15 percent CHDO set-aside. DHCD will continue to encourage CHDOs to participate in the HOME program and will provide HOME technical assistance that will be available to CHDO staff, as well as others.

Allocation of Funds

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD also will competitively award HOME funds for rental loan projects and project-based homebuyer assistance in entitlement communities that provide a match for DHCD administered HOME funds.

During federal FY 2010 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:

- \$11,525,000 - rental loan program
- \$1,500,000 - project-based first-time homebuyer program
- \$250,000 – purchaser-based first-time homebuyer program (aka ‘HOME ADDI’)

Evaluation Criteria for HOME Projects

DHCD will continue to competitively award HOME funds for Rental Loan and Project-based Homebuyer Projects. Purchaser-Based homebuyer funds also will be awarded competitively. Certain rental and homeownership submissions will be assessed on a rolling basis. HOME entitlement communities must provide a match for projects seeking DHCD-administered HOME funds.

The following criteria are used to evaluate projects:

- strength of overall concept
- strength of development team
- demonstrated need for project in the target neighborhood
- evidence of marketability and affirmative fair marketing plan included in proposal
- adherence to sustainable development principles
- suitable site and design, including appropriateness with regard to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development costs for properties included in proposal
- financial viability of the project, including evidence of minimal utilization of HOME assistance
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

The following terms and conditions apply to all HOME competitively awarded multi-family rental projects:

Terms and Conditions: Multi-Family Rental Projects	
Eligible Borrowers	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above.
Eligible Activities	Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties, or the new construction of multi-family rental projects. Minimum project size of 5 HOME-assisted units.
Maximum Loan Amount	DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits	Projects with Total Development Costs in excess of \$165,000 per unit may not be scored. Developer Fee + overhead may not exceed 12.5% of a project's Total Development Cost (with the exception of applicants also seeking LIHTC).
Security	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal.
Affordability	All units receiving HOME assistance must be occupied by households earning no more than 60% of the area median income and affordable to households earning 65% of the area median income. At least 20% of the HOME units must be occupied by and affordable to households earning no more than 50% of area median

Terms and Conditions: Multi-Family Rental Projects	
	income.
Holdback Feature	DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award until the project is substantially complete.
Term of Loan	Loans will be for 30 years. During the final year of a loan, the owner may request an extension of up to 30 years in order to maintain the affordability of the housing.
Recourse	The loans will be non-recourse.
Interest Rate	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HOME loan. HOME loans to projects receiving allocations of Low Income Housing Tax Credits are made at the Applicable Federal Rate (or higher) as required by the Tax Credits program.
Debt Coverage Ratio	DHCD expects HOME projects to have minimum debt coverage ratios of approximately 1.15 in year one.
Environmental	An ASTM Phase One environmental site assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing.
Lead Paint Requirements	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
Energy Star, Sustainability and Other Green Measures	All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.
Accessibility for Persons with Disabilities	For the new construction of any units or the substantial rehabilitation of 15 or more units of multi-family housing, Section 504 requires that 5% of the units (but not less than 1 unit) be accessible to individuals with mobility impairments and an additional 2% of the units (but not less than 1 unit) be accessible to individuals with sensory impairments. For moderate rehabilitation of 15 or more units, Section 504 also requires to the maximum extent feasible that the units be accessible to and usable by individuals with disabilities.
Good Standing at DHCD	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.

Terms and Conditions: Multi-Family Rental Projects	
Application Fees	The application fee for non-profit developers is \$400 per project; the fee for for-profit developers is \$1,000 per project.

The following criteria are used to evaluate first-time homebuyer projects:

- strength of overall concept
- strength of development team
- demonstrated need for project in the target neighborhood
- adherence to sustainable development principles
- suitable site and design, including attention to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development cost for properties included in proposal, including evidence of minimal utilization of HOME assistance
- appropriate sales prices and affordability analyses included in proposal
- evidence of marketability and buyer selection plan included in proposal
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

The following terms and conditions apply to all HOME-funded project-based first-time homebuyer projects:

Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects	
Eligible Borrowers:	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above.
Eligible Activities	Acquisition and/or rehabilitation of existing structures for sale to income eligible first-time homebuyers, including distressed or failed properties, or the new construction of homeownership projects. Minimum project size of 3 HOME-assisted ownership units, which must be secured with a signed Purchase & Sale Agreement at the time of application.
Eligible Properties	Eligible property types are 1-4 family residences, condominiums and manufactured homes and lots
Maximum Loan Amount	DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits	Projects with Total Development Costs exceeding the recommended TDC limit of \$165,000 per unit may not be scored. The total of the Developer Fee + Developer Overhead may not exceed 12.5% of the project's TDC.
Security	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of

Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects	
	the deal. Upon sale of a unit in accordance with the terms of the loan and execution of a deed rider by an income-eligible first-time homebuyer, the principal amount due under the loan is reduced by the amount of HOME funds applicable to the unit.
Affordability	All first-time homebuyers purchasing HOME-assisted units must earn no more than 80% of the area median income. Each HOME-assisted unit must conform to applicable value standards as prescribed by HUD. The purchase price must not exceed 95% of the area's median price as determined by the HOME program and as cited on HUD's HOME website and must have sales prices within DHCD's limits. Any HOME-assisted rental units in multi-family properties must be leased to households earning no more than 60% of area median income. These rental units may be leased at the "high" HOME rent. (Please contact DHCD for a list of the 95% of median mortgage limits or go to www.hud.gov/cpd/home/homeweb.html for the maximum rents and household incomes for your community.)
Holdback Feature	DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award by property until the property is substantially complete.
Term of Loan	Loans to "Eligible Borrowers" will be for 2 years. By the maturity date, each unit must be sold to income-eligible first-time homebuyers. The length of the Affordable Housing Restriction for the homebuyer is a minimum of 15 years. In the event the homebuyer desires to sell the property prior to the end of the term of the Restriction, certain resale/recapture requirements will apply.
Recourse	The loans to "Eligible Borrowers" will be non-recourse.
Interest Rate	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates.
Environmental	At a minimum, an ASTM Phase One environmental site assessment must be submitted for each property.
Lead Paint Requirements	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
Energy Star, Sustainability and Other Green Measures	All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.
Good Standing at DHCD	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with

Terms and Conditions: HOME-Funded Project-Based First Time Homebuyer Projects	
	respect to other DHCD-assisted projects.
Accessibility for Persons with Disabilities	Applicants should be sensitive to the need to develop adaptable and/or accessible units in properties that are being newly constructed. In addition, if a buyer or a member of the buyer’s household is a person with a disability, necessary modifications must be made to ensure accessibility. The costs of the modifications may be passed on to the buyer if they are such to unreasonably burden the project.
Application Fees	The application fee for non-profit developers is \$400 per project; the fee for for-profit developers is \$1,000 per project.

The following terms and conditions apply to all HOME purchaser-based homebuyer programs (aka HOME ADDI programs).

Terms and Conditions: HOME ADDI	
Eligible Applicants	Non-profit organizations and non-entitlement municipalities
Eligible Activities	Provision of funds to low-income households for down payment or closing costs assistance.
Maximum Application Amount	DHCD will award up to \$75,000 per application. Assistance to individual homeowners is limited to the lesser of 5% of a property’s purchase price, \$10,000, or the amount needed to complete the first-time homebuyer transaction.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. If an application is submitted without a full match, it may not be scored. In general, preference will be given to applications with full match commitments.
Security	All HOME loans will be secured by a second mortgage on each property purchased by an eligible first-time homebuyer
Affordability	First-time homebuyers receiving a HOME Acquisition Loan may earn no more than 80% of the area median income. Each HOME-assisted unit must have a purchase price that does not exceed 95% of the area’s median price, as cited by the HUD HOME program. Any HOME-assisted rental units in multi-family properties must be leased to households earning no more than 60% of area median income. Rental units may be leased at the “high” HOME rent.
Term of Loan	Loans to homebuyers will be for 5 years during which time the property must remain the buyer’s primary place of residence. In the event that a buyer desires to sell the property prior to the end of the five year term, DHCD will recapture the entire amount of the HOME ADDI loan or the net proceeds from sale, whichever is less. During the five year term of the HOME ADDI note,

Terms and Conditions: HOME ADDI	
	DHCD will not subordinate to cash out refinances.
Recourse	The loans will be recourse to the borrower.
Interest Rate	First-time Homebuyer Acquisition loans are deferred payment loans with zero percent interest rates.
Environmental	An environmental checklist and assessment is required to be completed for each property.
Good Standing at DHCD	Applicants for HOME funds must be in good standing with DHCD with respect to other DHCD-assisted projects.

First-time Homebuyer Resale or Recapture Provisions

DHCD may award up to approximately \$1,750,000 in HOME funds to support first-time homebuyer programs; however, rental projects continue to be a priority and an expected reduced HOME allocation may make it difficult to accommodate ownership projects in the coming year. Due to market conditions and the availability of some unsold properties, DHCD has not elected to hold a competitive homeownership round since the summer of 2007. At this time, DHCD has decided that it would be an opportune time to do a review of its homeownership loan documents. Therefore, DHCD recently formed a work group with some of our key development partners, counsel and one of our HOME TA partners for the purpose of developing new model homeownership loan documents. We are reviewing certain HOME models and expect to develop more than one form of deed rider that will work best in the various market areas of the state. In some high-market areas, we may employ the resale model and in other areas, we may employ the recapture model. We expect to be working on these documents through the first half of the 2010 program year and will submit a Consolidated Plan amendment proposal when our draft documents are ready. The restriction for purchaser-based assistance will continue to call for recapture only.

“Recapture” for purchaser-based assistance has a five-year restriction and the maximum assistance amount is limited to the lesser of: 5 percent of a property’s purchase price, what is necessary based on an individual needs assessment, or \$10,000. The recapture provision works as follows: A homeowner wishing to sell a unit within five years of the date of the deed rider may sell the unit to a third party free of any restrictions as long as the assistance amount is paid to DHCD. The recapture amount can never be greater than the net sales proceeds.

Eligible Applicants for HOME Funding

PROGRAM COMPONENT	ELIGIBLE APPLICANTS
Rental Production	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer
First-Time Homebuyer Project	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer

First-Time Homebuyer Purchaser	Non-Profit Sponsor Non-Profit Sponsor in partnership with a Municipal Entity Municipal Entity that is <i>not</i> a HOME Entitlement or a member of a HOME Consortium
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HOME Match

The resources for the HOME match continue to be the state-funded Massachusetts Rental Voucher Program and the state’s Housing Stabilization Fund (both described in this section of the plan). Annual expenditures through these two programs alone are approximately \$38 million. Since states are permitted to “bank” match, that expenditure level would constitute match -- calculated at 25 cents (\$0.25) on the HOME dollar (\$1.00) -- for many years.

HOME Technical Assistance

DHCD has successfully administered three HOME Technical Assistance grants. As of mid-2009, our entire 2004 HOME TA grant was expended. In 2008, in conjunction with Franke Consulting Group, Mostue & Associates, the Massachusetts Housing Partnership Fund, and Fine Point and Associates, DHCD applied for local HOME Technical Assistance. In August of 2009, HUD made an award of \$150,000 to the team. Our intention is to implement our proposal through the provision of a comprehensive array of technical assistance and training activities to communities, organizations and projects throughout the Commonwealth and across New England through the New England Housing Network. DHCD expects to begin training deliveries in the first quarter of 2010, with a goal to expend the 2008 grant within two years.

In addition to the training described above, DHCD hopes to continue its popular series of Peer to Peer Workshops where the participants are given control of the agenda, and allowed to get together in discussions with their peers and a seasoned HOME TA provider about practical program issues. Many HOME administrators are quite experienced and don’t want to sit through lengthy training sessions that offer too much basic “rules” training and not enough practical information about the day-to-day administrative challenges they have in running the program, we’ve found that the peer session responds to the needs of the seasoned administrator and provides helpful information to the more novice HOME specialist.

The team also would continue to work closely with the local HUD office to provide technical assistance to organizations it has identified. And, the team would continue to be available to perform other activities that assist HUD in meeting its community goals. To that end, our process for selecting which organization will receive technical assistance will be flexible and will incorporate HUD’s demand response model. Communities needing intensive technical support will be needs-assessed. We will be coordinating with our HUD GTR for approval of all workplans.

HOME Performance Measures

In accordance with CPD Notice 03-09, DHCD's HOME program has been working towards a method of quantifiable performance measurement. Representatives from Massachusetts have participated with the national workgroup which developed the HUD Outcome Performance Measurement System, as outlined in the Federal Register, June 10, 2005. HOME staff project managers attended HUD-sponsored performance measurement training in the summer of 2006. Two of the Commonwealth's housing and community development objectives are the primary focus of the HOME program:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs, and
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.

DHCD's HOME activities generally fall under the HUD objective:

- Provide decent affordable housing.

In general, the HUD outcome for our activities is:

- Affordability.

To meet these objectives and generate this outcome, DHCD provides funding for rental production, rental rehabilitation, homeownership production and homebuyer assistance. DHCD has begun incorporating the following primary performance measures for each funding type:

Rental Production

- Number of affordable units produced for each income category
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number of children under age 6 within HOME-assisted units
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Rental Rehabilitation

- Number of affordable units preserved for each income category
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units brought to lead safety standards
- Number of unit-years of extended affordability
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Homeownership Production

- Number of affordable units produced
- Amount of money leveraged for the homeownership production activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of children under age 6 within HOME-assisted units
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Analysis of the HOME beneficiaries as described below
- Number of homebuyers completing pre and post-purchase counseling
- Number of households coming from subsidized housing
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

Homebuyer Assistance

- Number of homebuyers assisted
- Of the homebuyers assisted, the number that had been residents of public housing, privately subsidized housing, or of a manufactured home community.
- Number of minority households assisted
- Number of household children under age 6 within HOME-assisted units
- Number of homebuyers moving from housing with lead-based paint
- Number of homebuyers who had been homeless
- Number of homebuyers at incomes below 60%, 50%, 30%
- Number of homebuyers that had previously been in an over-crowded or substandard housing situation
- Number of homebuyers completing pre and post-purchase counseling
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

We continue to expect that DHCD's HOME Program's performance measurement standards will further evolve, as our experience with the initiative matures and HUD issues further guidance.

CDBG

The One-Year Action Plan for the CDBG Program is included below.

One Year Action Plan

FY 2010

Massachusetts Community Development Block Grant Program



Commonwealth of Massachusetts

Deval Patrick, Governor

Timothy P. Murray, Lt. Governor

Department of Housing and Community Development

Tina Brooks, Undersecretary

FY 2010 ONE YEAR ACTION PLAN - PREFACE

The U.S. Department of Housing and Urban Development (HUD) requires the Commonwealth of Massachusetts, and all other Formula Grantees, to prepare a Five Year Consolidated Plan. The state's Consolidated Plan sets forth long term priorities for the use of funds received from HUD's Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), Housing Opportunities for People with AIDS (HOPWA), and American Dream Downpayment Initiative (ADDI) programs, and from other state and federal sources.

The preparation of this One Year Action Plan has considered and been informed by the development of the FY 2010-2014 Five-Year Consolidated Plan. Publication of the draft Massachusetts CDBG One-Year Action Plan takes place in advance of the Five Year Consolidated Plan/Annual Update public participation schedule that incorporates the HOME, ESG, HOPWA and ADDI programs. DHCD held informational sessions on CDBG program changes considered for FY 2010 Draft CDBG One Year Action Plan in November and December 2009, and held formal public hearings on the overall FY 2010-2014 Consolidated Plan, including the One Year Action Plan in April 2010.

DHCD encourages communities to approach CDBG projects in a comprehensive and integrated manner and requires communities to target their CDBG funds to particular geographic areas in order to achieve positive change within neighborhoods. This approach is in line with HUD's emphasis on coordinating funding and enhancing communities' ability to engage in comprehensive revitalization strategies. DHCD is seeking to assess the impact of CDBG investment in distressed areas through the focused targeting of financial and technical assistance resources. DHCD is encouraging communities in their planning processes to think comprehensively about community development – to consider planning and implementing projects that promote compact development, expand housing opportunities, and demonstrate measurable change in an area.

DHCD's intent is to provide for a number of activities that concentrate investments making measurable improvements in distressed neighborhoods. Comprehensive approaches to meeting the needs of these areas should be designed to improve the physical, social and economic conditions of low- and moderate- income families and neighborhoods.

Communities are encouraged to submit applications that include activities that are integrated with one another and targeted to a particular neighborhood or geographic area. For example, we are seeking applications that include a housing rehabilitation program that is targeted to a particular area, an infrastructure or playground improvement project to be undertaken in that same area, and perhaps also social service programs that will serve the residents of that same area. DHCD acknowledges that establishing such a program entails comprehensive planning and envisions that the Community Development Strategy will serve to inform this process. It is DHCD's expectation that for FY 2010, applicants will report on FY 2008 and 2009 activities funded in previously identified target areas in support of their FY 2010 applications.

CHANGES/CONTINUING REQUIREMENTS IN FY 2010 ONE-YEAR PLAN

CHANGES

- **Timely Expenditure** - Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2010 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application.

For FY 2010, Mass CDBG has instituted a percentage based system for calculating timely expenditure. In order to apply for CDBG⁶⁸ funding, a community must demonstrate, using the most recent financial status report at the time of application that 100% of all grant funds awarded for fiscal year 2007 and earlier have been fully expended, 80% of funds awarded in FY 2008 have been expended and for funds awarded in FY 2009, all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2010 funds.

- **Public housing projects** - For FY 2010, DHCD will accept applications for public housing modernization projects with the exception of projects eligible for ARRA Weatherization funds.
- **Public Social Services** - DHCD encourages communities to comply with the Department's policy that fifty-percent (50%) of funding for Public Social Services support activities that build economic security and self-sufficiency. For FY 2010 however, communities may apply for Public Social Services without adhering to this policy. Current economic conditions warrant a relaxation of this policy in order to serve pressing public service needs, in accordance with all other CDBG regulations.
- **Bonus points** - An additional five points will also be awarded if an applicant demonstrates that non CDBG-funded projects consistent with the community's Community Development Strategy and the requested CDBG activities are also targeted to the same geographic area and will also result in measurable improvements. These points will not be awarded for municipal operating budget activities, maintenance activities/projects, or activities that are an extension of a requested CDBG activity such as lead abatement funds to serve the same units as those in a proposed housing rehabilitation program. Applicants must provide specific documentation, as described in the CDBG application guidance materials, as evidence of the qualifying activity(ies).
- **Economic Development Fund** - For FY 2010, EDF will offer additional assistance to directly support rehabilitation of, or conversion to, affordable and workforce housing units located in downtown or commercial center areas. Housing unit rehabilitation will be limited to a maximum per unit cost of \$125,000. Such projects must be in mixed-use (residential and commercial use) buildings. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. A mixed-use project qualifying for commercial and residential EDF assistance will be limited to a maximum grant of \$750,000, plus administration costs. For most housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs. Direct assistance to for-profit businesses will be limited to non-residential building improvements located in downtown/commercial center areas, with emphasis on mixed-use development. EDF will not award funds for direct assistance to individual businesses or other entities for purchase of machinery and capital equipment, working capital and credit refinancing. Assistance made through revolving loan funds (RLFs) by eligible a community-based non-profit development organization (NDO) under a Subgrantee Agreement continues to be allowed for the purposes of purchase of machinery and capital equipment, working capital and credit refinancing.
- **Mini Entitlement Program** - DHCD has identified 10 Mini-Entitlement communities for FY 2010 and FY2011. These communities are required to approach CDBG projects in a coordinated and integrated manner and to target their CDBG funds to a particular identified neighborhood or target area. The following communities are Mini Entitlement applicants:

⁶⁸ CDBG includes CDF I and II, Mini-Entitlement, and Reserves, but for the purposes of this calculation excludes EDF, Section 108 guarantees, and Bridge Financing Program. Planning-only grants of \$50,000 or less are also excluded from this calculation. It is expected that FY 2008 Reserves recipients will be able to demonstrate that all administrative services procurements have been cleared and that grant activities have begun. Reprogrammed funds and program income funded activities will not be included in this calculation.

Amherst	Chelsea
Everett	Gardner
Greenfield	North Adams
Southbridge	Wareham
Webster	West Springfield

DHCD proposes a maximum annual grant award up to \$1,000,000 for each Mini-Entitlement community to carry out eligible target area activities.

- **Grant Award Amounts** – For FY 2010 maximum grant amounts for available categories are listed below.

Category - CDF I/CDF II	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000/\$800,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 1,00,000/\$1,000,000
Two or Three Communities (Regional)	\$ 100,000	\$ 1,000,000/\$1,000,000
Four or More Communities (Regional)	\$ 100,000	\$ 1,200,000/\$1,200,000
Planning- or Design-only grants	\$ 20,000	-----

- **For FY 2011**, it is anticipated that DHCD will accept applications in December of 2010. An earlier submission date will allow the Department to review and award CDBG funds closer to the program start date allowed by HUD and create greater opportunity for communities to commence construction activities within the calendar year. If an earlier application date is implemented, timely expenditure requirements will be temporarily modified with regard to FY 2011 applications.

CONTINUING REQUIREMENTS

- **Targeted Activities** - All FY 2010 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.
- **Target Area funds** - If excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds. DHCD’s preference is to approve reprogramming for the following purposes and in the following order:
 - Funds will be used for eligible housing activities in the target area,
 - Funds will be used for eligible housing activities in the remainder of the community,
 - Other existing target area activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

- **CDF I Community Eligibility** - Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY09 applications. A community may not apply to separate funds in different applications.

- **Web-based grant management system** - For FY 2010, all applications will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.
- **Community Development Strategies** will continue to be evaluated to determine adequacy. The following is the list of criteria by which Community Development Strategies will be evaluated. Any grant award to municipalities with CD Strategies that do not meet the four criteria below will be subject to special conditions that address Community Development Strategy criteria.
 - a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
 - b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them.
 - c. The CD strategy must identify and describe the geographic target areas, if any, that are intended as the focus of community development efforts.
 - d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least two (2) months prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually.
- **Sustainable Development Principles** - All projects must be consistent with the sustainable development principles listed in Exhibit 5. Guidance on this threshold may be found in Exhibit 6. This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk (e.g., demolition of a blighted structure).
- **Bid-ready plans and specifications** - DHCD continues to require bid-ready plans and specifications for all public facilities and architectural barrier removal projects of \$100,000 or more. The standard is for the total construction cost of the project. Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.
- **Bid-ready Plans and Specifications** – Communities may demonstrate compliance with the existing requirement for bid-ready specifications by submitting the table of contents for the specifications and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready. Bid-ready plans must still be provided in electronic format within an application.
- **Slum and Blight Designation** - DHCD will accept documentation from communities seeking slum and blight designation for a target area on an ongoing basis, but no later than thirty (30) calendar days prior to the submission of a CDBG application for which designation is to be considered. DHCD approval of a slum and blight target area does not qualify an activity or a project proposed in the target area as meeting the national objective or other CDBG threshold criteria. Each activity or project must meet the program criteria in effect at the time of application.
- DHCD will continue to implement **HUD's Outcome Performance Measurement System**. The system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the

MASSACHUSETTS CDBG ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2010

INTRODUCTION:

This One Year Action Plan describes the proposed use of Community Development Block Grant (CDBG) funding received by the Commonwealth of Massachusetts. The CDBG Program is a significant source of federal funding administered by the Department of Housing and Community Development, supporting a variety of community development efforts to revitalize our communities, meet the housing and service needs of our low and moderate-income population, build and repair infrastructure vital to the health and safety of residents, and support business development and retention. The One Year Plan addresses the basic features of the state's CDBG program, the applicable federal regulations and requirements governing state and local administration of this program, and the state's policies, administration responsibilities, and description of the program components.

In its administration of CDBG funding, DHCD is committed to:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs, in communities with the greatest level of demonstrated need;
- Coordinated, integrated and balanced agency responses to address the needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.

For FY 2010, DHCD will continue to implement HUD's Outcome Performance Measurement System. The proposed system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities. Therefore, for each proposed activity the applicant will select one of nine Outcome Statements. The proposed system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for consistent reporting to HUD on a national level.

The One Year Action Plan is organized into the following sections:

- SECTION A. Massachusetts CDBG Priorities
- B. Eligible Municipalities
- C. Eligible Projects/Use of CDBG Program Funds
- D. Applicant/Project Threshold Criteria
- E. Allocation of CDBG Funds to the Commonwealth
- F. Availability of CDBG Program Funds
- G. Evaluation Criteria for All Program Components
- H. Program Sanctions
- I. Citizen Participation Requirements for Applicants and Grantees
- J. CDBG Program Components (description)

A. MASSACHUSETTS CDBG PRIORITIES

The Community Development Block Grant (CDBG Program) was authorized by Congress, and is funded under Title I of the Housing and Community Development Act of 1974, as amended. The Commonwealth of Massachusetts has designated the Department of Housing and Community Development (DHCD) as the state's administering agency for CDBG funding. The primary objective of the federal statute creating the CDBG Program is: “...to develop viable, urban communities by providing decent housing and suitable living environment and expanding economic opportunities principally for low- and moderate-income persons.” DHCD will fund eligible projects designed to meet this objective, and that are consistent with the Commonwealth’s sustainable development principles listed in Exhibit 5. DHCD encourages:

- development and preservation of affordable housing;
- proactive and coordinated planning oriented towards both resource protection and sustainable economic activity;
- coordinated, integrated community development initiatives that are targeted to neighborhoods or particular geographic areas, that meet the needs of these areas, and are designed to demonstrate measurable improvements in the physical, social, and economic conditions of the area;
- community revitalization that is integral to community development;
- public social services designed to build economic security and self sufficiency; and
- broad local participation in meaningful community-based planning that assesses needs and identifies strategies for addressing those needs.

The Act requires that at least 70 percent of CDBG assistance shall be used to support activities that directly benefit low- and moderate-income citizens of the Commonwealth. In addition, the Massachusetts CDBG Program encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

B. ELIGIBLE MUNICIPALITIES

There are 351 municipalities incorporated in Massachusetts. The U.S. Department of Housing and Urban Development (HUD) has designated 36 as CDBG *entitlement* communities; in general, these communities exceed 50,000 in population and receive CDBG funds directly from HUD. Any city or town **not** designated as an entitlement community by HUD may apply for and receive Massachusetts Community Development Block Grant funds. (Refer to Exhibit 1 for a listing of Massachusetts’ entitlement communities.)

C. ELIGIBLE PROJECTS

The following projects are eligible for funding under the Massachusetts Community Development Block Grant Program:

- planning;
- housing rehabilitation and creation of affordable housing;
- economic development projects which create and/or retain jobs including awards to existing regional entities for regional economic development loan funds;
- efforts directed toward rehabilitation and stabilization of existing neighborhoods, commercial areas and downtowns;
- infrastructure;
- construction and/or rehabilitation of community facilities; and
- public social services.

DHCD has designed several Massachusetts CDBG program components to fund such projects. Each program component responds to particular community development needs. The rules and program guidelines are set forth in Section J: *PROGRAM COMPONENTS*.

LIMITATIONS ON USE OF PROGRAM FUNDS

- ❖ **Buildings used for the general conduct of government** – Assistance related to buildings used for the general conduct of government is specifically excluded from the program by federal statute, except for the removal of existing architectural barriers to improve access for people with disabilities. Such work is permitted on municipal buildings such as city or town halls, public works structures, public safety buildings, etc., **however the use of CDBG funds is limited to the relevant barrier removal work and directly related and required construction.**
- ❖ **Public housing projects** - For FY 2010, DHCD will accept applications for public housing modernization projects with the exception of projects eligible for ARRA Weatherization funds
- ❖ **Public Social Services**

Public Social Services projects are not eligible as a “stand-alone” application under Community Development (CDF) I, II or Mini- Entitlement grants. Furthermore, an application will not be considered a regional application if the only activity proposed to take place in more than one of the co-applicant communities is public social service.

Public Social Services cannot exceed 20% of a CDF I, CDF II, or Mini- Entitlement grant. DHCD encourages communities to comply with the Department’s policy that fifty-percent (50%) of funding for Public Social Services support activities that build economic security and self-sufficiency. The following are Public Social Services that meet this definition:

- ABE/GED classes
- Domestic Violence Prevention
- Earned Income Tax Credit (EITC) Counseling and Preparation
- Elder Self-Sufficiency
- English for Speakers of Other Languages (ESOL)
- Financial Literacy
- Homebuyer Counseling
- Individual Development Accounts (IDAs)
- Job Training
- Job-Related Childcare Assistance
- Job-Related Transportation Assistance
- Literacy Programs and Training
- Mortgage Foreclosure Prevention Counseling

For FY 2010 however, communities may apply for Public Social Services without adhering to this policy. Current economic conditions warrant a relaxation of this policy in order to serve pressing public service needs, in accordance with all other CDBG regulations.

In describing a requested Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level in order to determine the request for services. Such prioritizing must demonstrate an understanding of the needs assessment undertaken by the community’s Community Action Agency and not be inconsistent with such Agency’s assessment of service needs.

Applicants may apply for no more than five Public Social Services activities.

(Note: The 20% limit does not apply to social services designed and provided solely to support micro-businesses, or public social services that increase employment through job training or other related activities when carried out by eligible non-profit development organizations under 105(a)(15). These activities must apply under the EDF as part of a Community Economic Development project.)

Communities must demonstrate that, in accordance with Section 105(a)(8) of the Housing and Community Development Act, proposed social service activities have not been funded by the community using municipal and/or state funds within 12 months prior to the application.

DHCD will fund public social service projects that are not provided by other state or federal agencies, or are currently provided but are not available to CDBG-eligible residents in the applicant communities.

Planning funds may not be used to plan for public social service programs except as part of a broader community development planning project.

- ❖ **Downtown/commercial target area related projects** – Communities may apply for funds for downtown or commercial district related projects under CDF I, CDF II, and the Mini-Entitlement Program. Conditions listed below apply to CDF I, CDF II, EDF and the Mini-Entitlement Program. Such projects may include sign/facade programs and streetscape improvements, or other infrastructure improvements located in a downtown or commercial district revitalization target area that is defined in the Community-Based Planning documents and delineated in the slums and blight documentation supporting the Community Development Strategy. Communities may also apply through EDF for funds for rehabilitation of adaptive re-use for commercial use or workforce housing in mixed-use buildings located in downtown or commercial center areas. Funds may be used for acquisition, demolition, infrastructure improvements and building rehabilitation activities when clearly linked to economic development and jobs.

DHCD may fund projects that support physical downtown and commercial area revitalization efforts; however, communities may apply to Mass CDBG for downtown/commercial target area related projects in their downtown or commercial target areas only if a) they have satisfactorily demonstrated to DHCD that the proposed project is located in an area meeting National Objective requirements set forth in the Application Guidance on Threshold Questions, and b) their community development strategy (see page 6) contains a downtown or commercial area revitalization element.

CDBG funds **cannot** be used to fund overhead costs or management salaries related to the operation of a downtown organization, nor can they be used for any organizational development for a downtown organization or committee.

- ❖ **15 Year Housing Affordability Term** – In an effort to increase the supply of affordable housing, all projects supporting the creation, preservation, and rehabilitation of rental and owner-occupied housing units must be affordable to low and moderate income households for at least a 15-year period. Rehabilitation assistance for owner-occupied properties must be secured by a mortgage or lien on the subject property that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years – or as long as the loan is outstanding. Rehabilitation assistance for investor-owned properties must be secured by a mortgage or lien, and the affordability requirements must be secured by an **Affordable Housing Restriction** [provided by DHCD] on the subject property that runs with the land, and that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years. “Owner-occupied” is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered “investor owned.”

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D. APPLICANT/PROJECT THRESHOLDS

It is the responsibility of the applicant to ensure adherence to the applicable threshold(s). The following standard threshold criteria (#1 through #8) apply to all applications:

1. **Eligibility** – The project must be eligible as defined in §105(a) of Title 1 of the Housing and Community Development Act, as amended.

2. **National Objective** – Each project must meet one of three federal national objectives as defined below and in federal regulations 24 CFR 570.483:

- a. benefit a majority of low- and moderate-income persons;
- b. aid in the prevention or elimination of slums or blight; or
- c. meet an urgent condition posing a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs. This objective is extremely difficult to meet and is generally limited to unexpected events such as natural disasters. Prior approval from Massachusetts CDBG must be obtained to use this national objective.

3. **Timely Expenditure** – Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2010 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application. In order to apply for CDBG⁶⁹ funding, a community must demonstrate, using the most recent financial status report at the time of application that 100% of all grant funds awarded for fiscal year 2007 and earlier have been fully expended, 80% of funds awarded in FY 2008 have been expended and for funds awarded in FY 2009 all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2010 funds. It is expected that FY 2008 Reserves recipients will be able to demonstrate that all administrative services procurements have been cleared and that grant activities have begun. Reprogrammed funds and program income funded activities will not be included in this calculation.

Active grants include those for which project activities have yet to be completed and payments are outstanding. All lead applicants and participating applicants must meet this standard. An applicant must meet this threshold requirement at the time of application for all Mass CDBG components. Communities that do not meet this threshold will be eliminated from further Mass CDBG funding consideration. No waivers will be granted for the timely expenditure threshold. *Unexpended CDBG funds* are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

4. **Displacement of Non-CDBG Funds** – Applicants shall certify in the application that CDBG funds will not be used to displace non-CDBG funds already appropriated by or to the community for a specific project. DHCD will reduce an award, deny a grant, or impose special conditions in a grant contract with that community to assure compliance with this requirement.

5. **Targeted Activities** - All FY 2010 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the

⁶⁹ CDBG includes CDF I and II, Mini-Entitlement, CDBG-R and Reserves, but for the purposes of this calculation excludes EDF, HDSP, Section 108 and planning-only grants of \$50,000 or less.

target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

6. **Sustainable Development** – In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Additional guidance on this threshold may be found in Exhibit 6. **This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk.**

In addition, housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.

7. **Community-Based Planning Requirement** – The Department supports municipal efforts to engage in community-based planning, conduct needs assessments, and identify strategies for addressing those needs. DHCD seeks to fund projects identified through meaningful, public community-based planning and priority setting processes. Therefore projects must be consistent with community efforts to identify needs and engage in strategic planning for addressing those needs. *This helps to ensure that local needs have been identified and priorities determined in a comprehensive manner, and public resources are directed toward projects that address needs the community has identified as high priority.* All applicants and participants⁷⁰ must have engaged in a community-based planning process and be able to demonstrate project consistency with a Community Development Strategy, (not to exceed seven [7] pages), that must be included in the application.

The Strategy serves to summarize various planning documents used by a community, and to outline a plan of action intended to accomplish specific community development goals that will have an impact on the community. Therefore, each Strategy can reference various planning documents approved by a locally elected or appointed body, or by Town Meeting, but *it is important that the Strategy reflect a comprehensive, integrated approach to the municipality’s community development priorities.* The Strategy must also discuss how the community will plan for and implement projects that are consistent with the Commonwealth’s Sustainable Development Principles.

Each activity included in a Massachusetts CDBG application must relate to and be reflected in the Strategy. The Strategy must explain how the community expects to address the priorities with CDBG and non-CDBG funds over a 3-5 year period.

The Community Development Strategy may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by municipal boards, agencies and departments. Such plans may include but are not limited to EO 418 Community Development Plans, EO 418 housing strategies, Capital Improvement Plans, Master Plans, Downtown Plans, Open Space and Recreation Plans, Area Revitalization Strategies, Urban Renewal Plans, the regional Comprehensive Economic Development Strategy, and a Community Action Statement (CAS). The strategy must be discussed in a public forum, meeting, or hearing held at least two (2) months prior to the submission of a Mass CDBG application.

DHCD will evaluate the submitted Community Development Strategy to determine its adequacy. The Strategy must be determined to be adequate or the application will be subject to special conditions regarding the CD strategy. DHCD will use the following four criteria to make this determination:

- a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.

⁷⁰This includes regional applicants.

- b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them, and provide specific goals and annual timelines for accomplishing its goals.
- c. The CD strategy must identify and describe the geographic target areas that are intended as the focus of community development efforts.
- d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least two (2) months prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually. This requirement will not apply to EDF.

An applicant may submit a Community Development Strategy and supporting documentation that was previously developed within the past three years. Changes in priorities or the addition of target areas may be made at any time but must be presented to the public, as above, prior to being included in a subsequent application.

8. **Outcome Performance Measurement System** – HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate that data at the national, state, and local level. The outcome measures framework contained herein will satisfy the requirements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements.

The system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching statutory objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a “made available basis;”
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

Finally, grantees will report on several other indicators, required as applicable for each activity type. These will be established in each program component application, and within the grant management system.

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

9. **Regional Applications** – Each community in a regional application must comply with the same requirements as individual communities in individual applications, in order to participate in a regional grant. For example, each participating community must have a Community Development Strategy that is found to be adequate, the community must have been identified and be part of the required public participation/hearing process and the community must submit all required signatures. Communities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those communities that have complied with the requirements. As a result, the number of participating communities and/or the dollar amount requested in a regional application may be reduced during the review process.

Additional threshold criteria #10 through #13 apply to specific program applications or types of projects.

10. **Public Benefit Standards** – Economic development projects that are eligible under Title I of the Housing and Community Development Act of 1974, Sections (14), (15) and (17) must meet CDBG standards of underwriting and public benefit. Eligible projects under 105(a)(2) may also be required to meet public benefit standards when undertaken for Economic Development purposes.

11. **Senior Center Projects** – Applicants for Senior Center projects must meet the following threshold requirements to have their applications reviewed and scored:

- (i) provide evidence of site control⁷¹ by the municipality, as attested to by the Mayor or Board of Selectmen,
- (ii) provide documentation of the availability and commitment of any other funds necessary to complete the project, and
- (iii) provide one copy of the bid-ready plans⁷² prepared by a licensed architect or engineer, a table of contents for the bid specifications and a letter signed by the project architect or engineer attesting to the

⁷¹ Evidence of site control may include but is not limited to a deed, long-term lease agreement, purchase and sale agreement, or other contract or legal document.

⁷² Bid-ready plans and specifications are those construction documents that constitute a presentation of the complete concept of the work including all major elements of the building and site design. The bid documents shall set forth in detail and prescribe the work to be done by the construction specifications; the materials, workmanship, finishes and equipment required for the architectural, structural, mechanical, electrical and site work; and the necessary solicitation information. Drawings shall include the following: a) Site plan showing the location and type of building; b) Scale plans of

fact that a complete set of specifications has been prepared and is bid-ready (modular construction may require a lesser standard – see Project Threshold Criteria #13).

CDBG-assisted senior center projects funded in FY 2003 or later may not receive subsequent CDBG assistance for additional construction or reconstruction until five (5) years have passed since the grant closeout date. Communities seeking CDBG funds for senior center projects must request elderly low- and moderate-income household data from DHCD prior to submitting an application.

12. **Architectural Barrier Removal** – A municipality applying for assistance with an architectural barrier removal project must submit a copy of its locally approved Americans with Disabilities Act (ADA) Self Evaluation Survey and Transition Plan. The ADA was enacted in 1990 and requires local governments to evaluate for accessibility all of its programs and services that had not previously been reviewed under Section 504 of the Rehabilitation Act of 1973. The Act also required preparation of a Transition Plan for removal of programmatic and structural barriers to its programs and services, and set forth a process for involving the community in the development of the Self Evaluation Survey and Transition Plan. Programmatic removal of barriers must be fully explored before considering CDBG funding for structural barrier removal. Completion of the Transition Plan is a required threshold for Architectural Barrier Removal applications.

It is the responsibility of each community to ensure that its Transition Plan is consistent with federal regulations. A community's request for Mass CDBG funding must be consistent with the priorities set forth in these locally developed documents. Communities may wish to contact the Massachusetts Office on Disability or the U.S. Department of Justice for specific questions regarding the ADA and the Rehabilitation Act of 1973.

Applications for Architectural Barrier Removal projects with a total construction cost of \$100,000 or more require bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready in each copy of the application. Projects less than \$100,000 but more than \$25,000, require design development drawings.

Finally, when used for Architectural Barrier Removal, CDBG funds may be used only for the relevant barrier removal work and directly related and required construction. CDBG funds cannot be used to address building code or local requirements that are not directly part of the removal of the architectural barrier.

13. **Bid-ready Plans and Specifications** - Bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready are required for all public facilities and architectural barrier removal projects with a construction cost of \$100,000 or more (see definition in footnote #4). Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.

In addition, DHCD recognizes that this requirement may be problematic for communities considering modular construction projects. To satisfy these concerns, in order to apply for assistance to undertake modular construction a community may instead provide DHCD with a reasonable cost estimate for the project. Detailed backup for the total costs for modular construction projects must include the cost of site preparation, off-site construction of the modular unit, and the cost of delivering and assembling the modular unit including all work necessary - including but not limited to all utility work and sub-trades - to result in the issuance of an occupancy permit. To accomplish this, the community must provide the following: the program for the building; plans, specs, and prices of comparable unit(s) from a manufacturer; evidence of the manufacturer's ability to deliver the unit during the timeframe for construction identified in the grant application; and a site plan.

the building; c) Wall sections, details, and elevations in sufficient detail to serve as a basis for a construction estimate; d) All other required architectural, civil, structural, mechanical and electrical documents necessary to complete the project.

E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH

The federal Fiscal Year 2010 HUD allocation to the Commonwealth of Massachusetts is \$36,316,247. DHCD’s funds are subject to availability from the federal government, which is contingent on the federal budget and appropriations process and the HUD allocation process. In addition to the HUD allocation DHCD expects to receive approximately \$200,000 in program income, for a total of \$36,516,247 available for FY 2010. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined below.

MA CDBG PROGRAM COMPONENT	FY 2010 ALLOCATION
Community Development Fund I	\$18,246,760
Community Development Fund II	\$ 3,700,000
Mini-Entitlement Program	\$10,000,000
Economic Development Fund (includes \$200,000 in program income)	\$ 2,000,000
-Bridge Financing*	\$ 5,000,000
-Section 108 Loan Guarantee*	\$ 2,000,000
Reserves	\$ 1,000,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$ 380,000
Administration and Technical Assistance	\$ 1,189,487
TOTAL AVAILABLE (includes \$36,316,247 allocation plus \$200,000 in program income)	\$36,516,247
*Bridge Financing and Section 108 Loan Program allocations do not impact the FY 2008 Allocation	
**Section 108 Loan Repayments are budgeted but not necessarily required. This is an “up to” amount. Amounts not required for repayment to HUD will be reallocated to other components.	

Reallocation of funds among program components: During the year, DHCD may have cause to recapture earlier program year funds from non-performing grantees; or there may be small amounts of program funds from prior years that have yet to be used; or there may be opportunities to recapture program income generated by communities from earlier projects; or there may be extreme demand for one program component; or there may be minimal demand for one component. Funds will be reallocated depending on the timing of other components and the apparent demand for funds or to address emergency situations during the program year. When awarding those funds DHCD will use current program guidelines as established in the most recent One Year Plan. DHCD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment, DHCD will follow the process in accordance with the State’s Consolidated Plan and regulations at 24 CFR 91.505. DHCD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

F. AVAILABILITY OF CDBG PROGRAM FUNDS

All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a

regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.

A single community may receive no more than \$1 million from any combination of federal FY 2010 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Economic Development Fund and Reserves.

Listed below are application distribution dates for each program and the corresponding due dates. A Notice of Availability of Funds will be issued, as appropriate, prior to release of each Application subject to the availability of federal funds.

Program Components⁷³	Application Issued	FY 2010 Applications Due
Community Development Funds I and II	December 2009	Friday, February 12, 2010
Mini Entitlement Program	December 2009	Friday, February 12, 2010
Economic Development Fund	February 2010	Continuous

G. EVALUATION CRITERIA APPLICABLE TO ALL CDBG PROGRAMS

DHCD reserves the right to incorporate any or all of the following Evaluation, Regulatory and Performance criteria in its award decisions:

Evaluation:

- solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a community.
- conduct site visits for any proposed CDBG project or solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD’s satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.
- reduce or increase an award to a community to assure that a grant budget is reasonable.
- fund, fully or partially, a project from other state resources.
- reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.
- resolve tie scores in a competitive fund by applying the criteria below in the following order:
 1. An application from the community or region with the higher Community-Wide Needs score will be funded;
 2. Applications for projects that increase the community’s supply of affordable housing units;

⁷³ The FY 2010 applications will be operative upon their release. Actual release of funds is contingent on HUD approval of the state’s One Year Plan, and will be dictated by the date the state receives HUD approval on its Plan.

3. Regional applications;
4. Applications for housing and/or economic development projects that are consistent with the goals of the Administration; and
5. If scores remain tied after the application of steps #1 through 4, DHCD will conduct a lottery at which a representative from HUD will be present.

Regulatory:

- ensure that at least 70 percent of CDBG assistance, as per federal statute, is used to support projects that directly benefit low- and moderate-income persons of the Commonwealth.
- ensure that no more than 15 percent of the FY 2010 Massachusetts CDBG allocation is for public social service activities as per federal regulation.
- deny a grant, or a portion thereof, to ensure that no more than 20 percent of the FY 2010 Massachusetts CDBG allocation is for planning and administration as per federal regulation.
- not review an application unless signed by the municipality's Chief Elected Official.

Performance:

- reduce an award to a community with an uncommitted program income balance of \$100,000 or more.
- reduce an award, deny a grant, or impose special conditions on a community with prior year grants with a low rate of committed or expended dollars. This includes reductions in awards for projects funded in previous rounds for which unexpended funds remain.
- reduce an award, deny a grant, or impose special conditions on a community with outstanding, major findings that are unresolved at the time application decisions are being made; or which have otherwise had a history of significant, repeat findings. These findings could have resulted from any grant program offered by DHCD.

Major findings means non-compliance with a statutory requirement which, if not satisfactorily resolved by the community, would require that the federal funds be repaid by the municipality, or result in other serious sanctions.

History of significant, repeat findings means non-compliance with statutory or regulatory requirements in more than one grant cycle, where the community may have resolved those findings but with an unacceptably slow response.

- consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such as the number of program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities.

Awarding of Grants

Based on the scores produced through the review process, grant award recommendations are made to the Undersecretary of DHCD, whose decision is final. In the competitive programs, grants are awarded for projects to municipalities that received the highest application scores and which meet applicable thresholds until all available funds are distributed. In the programs with rolling applications, grants are awarded for projects to

municipalities with application scores that meet a minimum scoring threshold, or that meet other program criteria, or both. DHCD reserves the right to award a grant in whole or in part, or to reject any and all proposals received.

Grievance Procedure

Within forty-five (45) days of the date of the Undersecretary's written notice of grant determinations to applicant cities and towns, any municipality aggrieved by DHCD's decision may challenge the denial of its grant by submitting a letter of appeal from the Chief Elected Official of the municipality to the Undersecretary, who shall respond no later than forty-five (45) days from the date of receipt of the municipality's appeal.

H. PROGRAM SANCTIONS

DHCD reserves the right to suspend or terminate grant awards made to eligible communities should there be instances of fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, or in the event a grantee is unable to carry out a project as approved in an application. Communities should be aware that in the event that a project budget is found to be inadequate to fully implement the project as approved, DHCD reserves the right to review and approve any change in project scope to make a project fundable and may opt for recapturing the funds instead of authorizing a project with a reduced scope of work. In addition, if excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds.

DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities in the target area,
- Funds will be used for eligible housing activities in the remainder of the community,
- Other existing target area activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

The community staff and Chief Elected Officials will have the opportunity to discuss possible sanctions prior to any formal action. If formal sanctions are recommended, grantees will be provided a full opportunity to appeal such decisions to the Undersecretary of DHCD before any final action is taken.

All program funds recaptured through the sanctions process will be re-programmed consistent with the procedures in (E) *Allocation of CDBG Funds* and (J) *CDBG Program Components*. Based on the significance of the issues involved in any such determination, DHCD may suspend, for a period of up to three (3) years or until final resolution is achieved, a community's eligibility to participate in any Massachusetts CDBG component. Such action will only be taken in extreme circumstances and only after all alternatives have been exhausted.

I. CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES

All applicants for funding under the FY 2010 Massachusetts CDBG Program must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Communities must include in their Massachusetts CDBG application a local citizen participation plan detailing how the community will provide:

1. citizen participation, with particular emphasis on participation by persons of low- and moderate-income, residents of slums and blighted areas and of areas in the state where CDBG funds are proposed to be used, particularly residents of a proposed target area;

2. reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
3. information on the amount of state CDBG funds available during the year; the range of eligible CDBG activities; and how activities will benefit low- and moderate-income persons;
4. technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals;
5. **a minimum of 2 public hearings**, each at a different stage of the program (development and implementation), to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at *a minimum* (a) the development of needs, (b) the review of proposed activities, and (c) review of program performance. These hearings shall be held after adequate notice, at times and accessible locations convenient to potential or actual beneficiaries, and with accommodations for persons with disabilities. In cases of joint applications, all applicant communities must be included in and participate in the public hearing. At least one public hearing must be held prior to submittal of an application; a second must be held during the course of the grant year;
6. a timely written answer to written complaints and grievances, within 15 working days of receipt where practical; and
7. the plan must also identify how all residents and beneficiaries, including minorities and non-English speaking persons, as well as persons with disabilities can be reasonably expected to participate in the program in general, and at public hearings in particular.

J. CDBG PROGRAM COMPONENTS

This section briefly describes the components of the Massachusetts CDBG Program. Each program component description includes eligible uses, grant award amounts, and evaluation and award criteria. In the event of conflicting language, this One Year Action Plan takes precedence over language in all program component applications. The program components are:

1. Community Development Fund I (CDF I)
2. Community Development Fund II (CDF II)
3. Mini-Entitlement Program
4. Economic Development Fund
5. Reserves
6. Administration and Technical Assistance by DHCD

1. COMMUNITY DEVELOPMENT FUND I (CDF I)

Program Description

The Community Development Fund I (CDF I) annually awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. CDF I is targeted to communities with high Community-Wide Needs scores (ranging from 25 to 35) and very limited financial ability to address those needs with local funds. See Exhibit 3 for Community-Wide Needs Scores and Exhibit 4 for the indicators and formula used to derive the scores.

In federal FY 2010 DHCD expects to award approximately \$18,250,000 in CDF I grant funds, depending upon Massachusetts' federal allocation.

Grant Award Amounts

Applicants for a CDF I grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 1,000,000
Two or Three Communities (Regional)	\$ 100,000	\$1,000,000
Four or More Communities (Regional)	\$ 100,000	\$1,200,000
Planning- or Design-only grants	\$ 20,000	-----

A single community may receive up to \$1,000,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No single CDF I community in a regional application may receive more than \$800,000. There is a minimum grant amount of \$20,000 for planning or design-only grants.

Requirements:

1. CDF grants are **Single Year Grants** based on an 18-month implementation period. Communities should not apply for funds if the proposed project is not ready to proceed.
2. Two or more communities may apply **regionally**. *"Regional" is not limited to geographically contiguous cities and towns.* In order to comply with federal requirements governing such applications, each participating community would:
 - enter into an inter-local agreement that will allow a lead community to conduct grant activities within other communities;
 - sign the application certifications stating compliance with program regulations; and
 - demonstrate in the application how the requested funds will be allocated among all participants.

Each participating community in a regional application must have a locally approved Community Development Strategy, and all projects in the application must be consistent with those documents.

CDF I communities may also join with CDF II communities as regional applicants.

PLEASE NOTE: An application will not be considered a regional application if the only activity taking place in more than one of the communities is public social services.

3. An applicant is eligible to apply to Community Development Fund I if its FY 2010 Community-Wide Needs Score, rounded to the nearest integer, is 25 or greater on a scale of 35. Community Wide Needs Scores are available in Exhibit 3. Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY09 applications. A community may not apply to separate funds in different applications.
4. A community may apply in either one individual CDF application or in one regional application (including as a lead applicant), or in one of each. In addition, a municipality may not receive funds for the same activity under more than one CDF application during any one Mass CDBG federal fiscal year.

5. All CDF I applications must be received by DHCD’s web-based application system by **Friday, February 12, 2010**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, February 12, 2010.

Evaluation and Award Criteria

Application review and awards will be governed by the criteria and procedures as described above (Sections A through I), and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FY 2010 Community Development Fund Application Package.

1. Applications will be scored on a 100-point system, with the potential for bonus points, as follows:

CRITERION	POINTS
Community Wide Needs	35
Project Packets	65
Total	100
Regional Bonus	5 per activity
Comprehensive/Integrated	Up to 10

Each criterion is described below. Please be advised that applicants must meet a minimum threshold for **Project Feasibility -- i.e., each project must appear to be feasible to undertake and complete in the 18-month grant period, or the other criteria will not be scored.** Projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Proposals must also demonstrate site control, major permit approval, and other information that demonstrates the project is feasible and ready to go forward upon grant award. All projects must also meet threshold consistency with the Sustainable Development Principles.

Community-Wide Needs - are scored by DHCD, based on a set of criteria including population demographics, economic conditions, the community's fiscal condition, and assorted community development need indicators. A complete list of indicators is described in Exhibit 4. Communities are encouraged to submit a written request for their need scores. A community or its designee may make the request. DHCD will notify the community’s Chief Elected Official of when and to whom the score is mailed. Only the lead community of a regional application needs to submit a request for the community-wide needs score. Regional applications will receive needs scores based on a weighted average of the scores for the participating communities. (35 points)

Project Need - requires applicants to document and describe the particular needs that will be addressed by each proposed project and the severity of those needs. Project Need will be evaluated based on the documented severity of need.

Community Involvement and Support - requires applicants to describe and document project selection, outreach efforts, involvement by the community and potential beneficiaries in the planning and development of the project and a process for maintaining involvement in the project over time. Community Involvement and Support will be evaluated based on the extent to which the applicant provides greater opportunity for involvement, actual involvement and support for the activity beyond CDBG- required efforts.

Project Feasibility - requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the project, the procurement processes required of the project, the status of design and site control, the availability of all necessary funds and the readiness of the project to proceed,

including completeness of environmental review requirements, and completeness and reasonableness of timeline. Project Feasibility will be evaluated on the applicant's ability to demonstrate the overall readiness of the project, management capacity and the ability of the applicant to complete the project within the 18-month grant implementation period.

Project Impact - requires applicants to document and describe the impact of the proposed project on the identified needs of the target population or target area including physical and visual impacts, if applicable. Project Impact will be scored on the extent to which the project will have positive impacts on the target area or target population, the number of persons to benefit from the proposed project, quantitative and qualitative assessment measures.

To be determined fundable, a project packet must earn a score of at least 39 points out of the 65 possible for a project packet. Planning activity packets will be scored using Project Need and Impact criteria only and must receive at least half the available points for each criterion.

Available Bonus Points

Regional activities - fundable activities that will serve multiple communities will receive an additional five points. Regional activities are defined as housing rehabilitation in multiple communities, social services provided to multiple communities, shared facilities or planning/design activities that will be administered and bid centrally on behalf of regional participants.

Multiple, Targeted Activities

1. Five points are available to applicants proposing multiple activities in a target area and that demonstrate that the activities are complementary, coordinated or integrated. A minimum of at least two activities must be fundable.
2. An additional five points will also be awarded if an applicant demonstrates that non CDBG-funded projects consistent with the community's Community Development Strategy and the requested CDBG activities are also targeted to the same geographic area and will also result in measurable improvements. These points will not be awarded for municipal operating budget activities, maintenance activities/projects, or activities that are an extension of a requested CDBG activity such as lead abatement funds to serve the same units as those in a proposed housing rehabilitation program. Further details are contained in the Application Guidance document for FY 2010 CDBG applications. Specific guidance regarding required documentation appears in the FY 2010 Application Guidance.

Applications with more than one project packet (component) to be considered for funding will receive a single Activity Score that is based on the average score for each project that meets the thresholds enumerated above then rounded to the nearest whole number. Planning activity scores however, will not be included in the averaging of activity scores.

When all applications have been reviewed, each applicant's activity score, bonus points and community wide needs score are combined into a single application score. DHCD will fund proposals by ranking the scores from highest to lowest, applying the Evaluation Criteria above in (G) *Evaluation Criteria Applicable To All CDBG Programs* in the event of tie scores.

2. COMMUNITY DEVELOPMENT FUND II (CDF II)

Program Description

This program helps the state's non-entitlement cities and towns meet a broad range of community development needs in housing, physical development, downtown revitalization and public social services. In federal FY 2010, DHCD expects to award \$3,700,000 under the Community Development Fund II (CDF II) to eligible applicants, depending upon the allocation of federal funds from HUD.

Grant Award Amounts and Requirements

Applicants for a CDF II grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 1,000,000
Two or Three Communities (Regional)	\$ 100,000	\$ 1,000,000
Four or More Communities (Regional)	\$ 100,000	\$1,200,000
Planning- or Design-only grants	\$ 20,000	-----

A single community may receive up to \$1,000,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No one single CDF II community in a regional application may receive more than \$800,000 in FY 2010 funds. There is a minimum grant amount of \$20,000 for planning-only grants. All requirements of CDF I apply to CDF II.

This program is available to communities with a Community-Wide Needs Score equal to or less than 26 out of 35 points for federal Fiscal Year 2010. Community Wide Needs Scores are available in Exhibit 3. A community may apply in either one individual CDF II application or in one regional application (including as a lead applicant), or in one of each.

CDF II communities may join with a CDF I or with another CDF II for regional activities. Regional applicants are not limited to geographically contiguous cities and towns. The Community Wide Needs Score of CDF II applicants will not be considered in the composite regional Community Wide Needs Score. Participation in a regional application will not prohibit an eligible CDF II applicant from applying individually to the CDF II, within the stated restrictions.

The following conditions apply to regional applications:

- Funds allocated to the CDF II communities for regional activities will not be included when calculating the \$1 million cap in Mass CDBG funds that the lead CDF I communities may receive in a fiscal year.
- Funds allocated to the CDF II communities for regional activities will be included when calculating the \$1 million cap in Mass CDBG funds that participating CDF II communities may receive in a fiscal year.

All CDF II applications must be received by DHCD’s web-based application system by **Friday, February 12, 2010**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, February 13, 2010.

LIMITATIONS/CONDITIONS ON SUBSEQUENT CDF II APPLICATIONS

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year. FY 2009 CDF II grant recipients designated as FY 2010 CDF I-eligible communities in Exhibit 3: Program Eligibility and Community-Wide Needs Scores are not subject to this prohibition. In addition, a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

Exhibit 2 lists communities that may not apply for CDF funds in FY 2010.

Evaluation and Award Criteria

Applications will be reviewed according to the same criteria and process for activities as detailed in the discussion above describing criteria for CDF I. However, the Community-Wide Needs Score will not be factored into the evaluation. The application will be scored on a 65-point scale.

3. MINI-ENTITLEMENT PROGRAM

Program Description

Municipalities were selected to be Mini-Entitlement communities if they met the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

DHCD expects to award up to \$10,000,000 from the FY 2010 Mini-Entitlement Program allocation to 10 designated Mini-Entitlement municipalities, listed below:

Amherst	North Adams
Chelsea	Southbridge
Everett	Wareham
Gardner	Webster
Greenfield	West Springfield

DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

DHCD will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

Grant Award Amounts and Requirements

The maximum grant award is up to \$1,000,000. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Mini-entitlement grantees must comply with standards for timely expenditure and available program income (see Applicant/Project Thresholds above). FY 2010 Mini-

entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.

Evaluation and Award Criteria

The following requirements apply to the Mini-Entitlement Program:

1. In accordance with the Massachusetts CDBG Priorities listed in Section A, DHCD seeks to fund projects identified through meaningful community-based planning and priority setting processes as described in SECTION D. 6. Each Mini-Entitlement grantee must submit a Community Development Strategy. Community Development Strategies must also include how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.
2. Activity packets must be completed, but will not be competitively scored. All FY 2010 Mini-Entitlement applications must describe how CDBG funds will be allocated; include goals and performance measures for each activity; demonstrate compliance with a federal national objective and all federal/state requirements; and provide a management plan. The project packets will be reviewed for compliance with these evaluation criteria.
3. Mini-Entitlement applicants may however, propose projects, subject to DHCD approval, that do not meet the plans and specifications requirements of SECTION D. 12 and 13.
4. All activities that are eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, will be considered for funding with the exception of organizational activities of downtown partnerships.
5. Mini-Entitlement communities may not join with CDF I or CDF II communities as joint applicants.

All Mini-Entitlement applications must be received by DHCD's web-based application system by **Friday, February 12, 2010**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, February 12, 2010.

4. ECONOMIC DEVELOPMENT FUND

(a) Community grants

The Economic Development Fund (EDF) offers assistance to communities focused on retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF prioritizes assistance for physical improvements in support of economic development and job creation/retention.

EDF funds a broad range of economic and community development projects. EDF applications may request assistance for the following categories of projects, provided they can document an economic development purpose.

- **Rehabilitation and Adaptive Re-Use:** Acquisition, demolition, infrastructure improvements and building rehabilitation activities when clearly linked to economic development and jobs. Such projects may include commercial or mixed-use projects located in downtown or commercial center areas. Mixed use projects must contain a workforce housing component.

- **Public Facilities and Infrastructure:** Acquisition, construction, reconstruction, or installation of public works, facilities and site or other improvements,
- **Architectural Barriers Removal:** Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and individuals with disabilities.
- **Planning:** Planning studies which, if implemented, would lead to an economic development project and meet a national objective.
- **Assistance to Non-Profit Development Organizations (NDOs):** Assistance including public services, capitalization of loan funds and business technical assistance

Mixed-use development is encouraged. Economic Development Funds may be used alone or in partnership with other CDBG or non-CDBG funding sources to undertake building improvements for mixed-use projects. Workforce housing unit rehabilitation will be limited to a maximum per unit cost of \$125,000. A mixed-use project qualifying for commercial and residential EDF assistance will be limited to a maximum grant of \$750,000, plus administration costs. For most workforce housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs.

EDF will not award funds for direct assistance to individual businesses or other entities for purchase of machinery and capital equipment, working capital and credit refinancing. Direct assistance to for-profit businesses will be limited to non-residential building improvements located in downtown/commercial center areas, with emphasis on mixed-use development. Assistance made through revolving loan funds (RLFs) by an eligible community-based non-profit development organization (NDO) under a Subgrantee Agreement or other qualified entity continues to be allowed for the purposes of purchase of machinery and capital equipment, working capital and credit refinancing.

Project proponents are encouraged to contact EDF staff as early as possible in the process. A community may receive no more than one Economic Development Fund grant award in any fiscal year.

In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Guidance on this threshold may be found in Exhibit 6. Business assistance for projects not requiring construction and Public Services activities are exempt from this requirement.

DHCD anticipates that \$2,000,000 will be available to the Fund during FY 2010: \$1,800,000 will be available from the FY 2010 CDBG allocation, which will be supplemented by an estimated \$200,000 from revolving loan fund program income that DHCD expects to earn during the program year.

Grant Award Amounts and Requirements

- Grants are based on an 18-month implementation cycle.
- Applications will be accepted on an ongoing basis throughout the year, based on funding availability.
- Grants for rehabilitation or adaptive re-use of mixed-use buildings located in downtown or commercial center areas for commercial and workforce housing are limited to \$100,000 – \$750,000 plus administration. Workforce housing unit rehabilitation will be limited to a maximum per unit cost of \$125,000.

- Grants of up to \$50,000, plus administration costs for planning studies which, if implemented, would lead to a project that has an economic development purpose and will meet a national objective.
- All other EDF grants are limited to \$100,000-\$500,000 plus administration costs.

Public services activities, and small business or microenterprise loan funds (RLFs) or technical assistance programs will generally be carried out by eligible NDOs under HCDA Section 105 (a)(15) under a subgrantee agreement with the community. The eligible NDO or other qualified provider must have a demonstrated successful track record for delivering the services to be provided. Public Services activities supporting Community Economic Development Programs are limited to those which increase economic opportunities through job training and placement.

Gap Financing For a Single Business

- DHCD may make a grant award to a municipality for the purpose of assisting a particular business or other eligible entity for real estate acquisition, new construction and rehabilitation. The municipality will then use the grant funds to offer a loan, recapturable equity investment (REI), or other assistance to that business or other entity at terms determined by DHCD.
- Financing will fund up to one-third (1/3) of the total project costs.
- Loans and Recapturable Equity to a given borrower will be limited to \$500,000 each in a fiscal year (up to \$1,000,000 total assistance).
- The minimum financial assistance to a given borrower will be \$100,000.
- The Undersecretary of the Department of Housing and Community Development may waive program guidelines to allow for:
 - awards greater than 1/3 of total project costs
 - loans or recapturable equity above \$500,000
 - financing below \$100,000
- The applicant would need to demonstrate extraordinary circumstances and a strong rationale in order to receive any of these waivers. If the applicant anticipates the need for a waiver, it will be necessary to review all factors leading to this request with appropriate EDF staff.
- Program Income from the repayment of loans and/or recapturable equity has been and/or will be deposited in a revolving loan fund account established under Community Development Block Grant regulations and remain with DHCD. The amount of program income available may vary if loans and/or recapturable equity are either prepaid or the borrower defaults on payments.
- The amount requested/awarded may also include program administration costs to the community.
- Business assistance repayments will be made to DHCD or its authorized agent, as specified in the community's contract with DHCD.
- Business assistance terms are flexible. The grant period will be up to three (3) years to allow for completion of job creation and/or retention goals.
- Applications will be accepted on an ongoing basis throughout the year.
- DHCD reserves the right to limit the number of applications a community may submit in one fiscal year.

(b) Bridge Financing

- Bridge Financing is a short-term loan – up to 18 months – that enables communities to borrow against the Commonwealth’s annual CDBG allocation. DHCD will make up to \$5 million available during FY 2010. Loans will be provided for housing and economic development projects that meet Massachusetts CDBG threshold requirements, national objective criteria, and project evaluation criteria.
- Bridge Financing loan amounts will range from \$250,000 to \$2,000,000. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth’s annual CDBG allocation.
- Projects must exhibit readiness to proceed, and meet all CDBG requirements. The short-term nature of the Bridge Financing loan limits the types of projects that will be financed.
- Each loan will be fully secured by an unconditional, irrevocable line of credit from a commercial lending institution for the full amount of the loan principal and interest. The line of credit shall be provided by the end-recipient of the CDBG Bridge Financing funds, naming the Massachusetts Department of Housing and Community Development as beneficiary/payee. In addition, the line of credit shall be unconditionally available for drawdown by DHCD in the amount of any shortfall within 30 days of the date that the loan fails to meet the agreed repayment schedule, or upon failure of the grantee or borrower to comply with other specified terms and conditions of the loan agreement.

Evaluation and Award Criteria for Grants to Communities and Bridge Financing

EDF applications will be evaluated according to a two-stage process, which consists of (1) completion of an Application Information Form (AIF) and initial meeting and (2) the application.

- (1) AIF/Initial Meeting - The applicant must submit an Application Information Form (AIF), using DHCD’s web-based application system, before DHCD will consider an EDF application. Upon receipt and review of the AIF, CDBG staff will schedule, at its discretion, an initial informational meeting between program staff and representative(s) of the municipal government. If the EDF project will include gap financing to a single business, an initial meeting may include that business or entity, which will also submit basic financial and business information with the AIF for preliminary EDF staff screening.
- (2) Application - If the proposed project is considered to be consistent with program requirements, and likely to meet the threshold criteria discussed in Section D: *APPLICANT/PROJECT THRESHOLDS* above, CDBG staff will invite the community to submit an application. If the applicant does not submit an application within three (3) months of the date of the invitation letter, it may be required to submit another AIF and repeat the two-step application process in order for DHCD to further consider the proposed project. **The three (3) month application deadline may be extended in extenuating circumstances at DHCD’s discretion.**

Applications will be reviewed for completeness, documentation of application / project thresholds, and responses to project-specific questions and comments (project conditions) included in DHCD's letter of invitation. To be considered for funding, a proposed activity must meet all thresholds, and must address all project conditions to the satisfaction of DHCD. In the event there are insufficient funds for all eligible applications, DHCD reserves the right to consider EDF applications out of order of receipt based upon a review of the number of jobs to be created or retained, the impact of a project on the local tax base, such as increase in tax revenues, sudden job loss, levels of matching or leveraged funds, or other compelling circumstances.

Review of applications for gap financing to a single business will also include:

- **Credit quality** - Evaluation factors include viability of the business or development project, ability to generate cash flow to service debt, and availability of collateral to secure the loan.
- **Financial need for CDBG funds**, in accordance with underwriting guidelines established by the US Department of Housing and Urban Development and state policies.

(c) Section 108 Loan Guarantees

Description

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The program provides communities with a source of loan financing for community and economic development efforts involving industrial, service, commercial real estate, and housing or mixed-use projects. Funding is provided to the community to loan to the business or other entity.

The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

This year the Commonwealth will pledge up to \$2 million in future CDBG allocations in support of these eligible activities.

Grant Award Amounts and Requirements

- The minimum award is \$500,000 and the maximum is \$2 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- In general, awards from the Section 108 Loan cannot exceed 40% of the total project costs. However, DHCD will consider guaranteeing public infrastructure projects to a percentage greater than 40% on a case by case basis;
- DHCD is willing to consider phased projects, with the caveat that the time frame for full implementation is a maximum of five years or less;
- DHCD or HUD may disapprove applications, or approve a reduced guarantee or approve the request with conditions, such as but not limited to additional collateral and guarantees depending on the structure of the proposal; and
- Loan repayments will be made according to federal regulations, paid to the state on the basis of an agreement between the state (DHCD) and the grantee.

Section 108 Guidelines

Eligible activities include:

- Acquisition of developed or undeveloped property;
- Rehabilitation of real property;

- Acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements;
- Relocation payments and other relocation assistance;
- Site clearance and site preparation and construction of public improvements; and
- Payment of issuance, underwriting, servicing and other private sector financing costs.

Evaluation and Award Criteria

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. Applicants also need to review the evaluation criteria and the review process information found in the Economic Development Fund/Section 108 application. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive project money from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source. The state has developed an application that provides for thorough review including the following criteria:

- activity must meet a CDBG National Objective, and Public Benefit standards if applicable;
- project goals and activities are clearly defined;
- local efforts are consistent with state's economic development agenda;
- creation of public benefits;
- if the public benefit is jobs, the total number and quality of jobs created or retained;
- viability and feasibility of the proposed project;
- revenue projections and firm financial information of the proposed activity;
- revenue source for repayment of the loan must be clearly described and sufficient collateral available to secure the loan, appropriate to the level of exposure and risk;
- application must clearly demonstrate efforts to find conventional financing;
- the amount of financing required and information on any program income that the activity may generate must be included in the application;
- effective and capable management of the proposed activity;
- analysis of primary and secondary economic and fiscal impacts of the proposed activity;
- local community development needs and distress factors as demonstrated by a narrative or a variety of demographic statistics.

SECTION 108 LOAN ACTIVITIES

Everett – \$1 million Section 108 loan for roadwork (right-of-way & construction) for the Norman St./Internet Dr. intersection and entryway into the Rivers Edge (previously Telecom City) project area. The debt service for years 1-8 will be funded with a \$1.2 million Brownfields Economic Development Initiative (BEDI) grant.

In addition, DHCD and HUD approved the following Section 108 Loan Guarantee project in 2003.

North Adams - Massachusetts Museum of Contemporary Art (MASS MoCA): Approximate \$4.3 million loan to partially fund real estate development by the non-profit museum foundation. The \$13 million project involves rehabilitation of two buildings. This project is Phase II of the City and MASS MoCA's revitalization plan for one of North Adams' most distressed neighborhoods.

Loan Default

In the event of loan default, DHCD must be prepared to repay the Section 108 loans to HUD out of the Commonwealth's annual CDBG allocation. In addition to a pledge of future CDBG funds, collateral is provided from other sources, and the two noted above will be heavily collateralized with non-CDBG resources. The possibility exists, however, that the loans default and will need to be repaid from the annual allocation. In FY 2010 the potential liability, or repayment total, could be up to \$380,000 in the event of loan default.

If the loans do not default, or if there is default but the collateral is sufficient to cover the loan repayment (or a portion thereof), then DHCD will reallocate all (or part) of the budgeted default amount among other program components.

Please note that DHCD and HUD scrutinize Section 108 projects very carefully since any loan defaults are guaranteed by future CDBG funds and therefore could significantly affect availability of funds in future years.

6. RESERVES

An initial allocation of \$1,000,000 will be available for the Reserves component. Consistent with *Section E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH*, funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.

On occasion applications, or portions thereof, that were not funded during the competitive process may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.

Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities, as outlined in *Section A.*, particularly those that address the Administration's goal of developing and/or preserving affordable workforce housing opportunities.

The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.

All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds. Awards are generally limited to a maximum of \$800,000. Please contact Sandra Hawes, Associate Director of the Division of Community Services, at 617-573-1401 with any inquiries about Reserves.

7. ADMINISTRATION AND TECHNICAL ASSISTANCE BY DHCD

The Commonwealth of Massachusetts uses CDBG funds for administrative costs incurred by DHCD during the operation of the Massachusetts CDBG Program. As allowed by federal statute, this amount will equal two percent (2%) of the entire annual grant allocation, plus \$100,000.

An additional one percent (1%) of the allocation will be used for direct technical assistance to eligible municipalities for guidance relating to housing, economic development, including downtown revitalization, community development strategy and plan preparation and use, technical assistance training for non-entitlement communities, fair housing training, and additional assistance determined necessary during the program year.

During this fiscal year DHCD will continue to support and upgrade its software and reporting systems. Technical assistance will be available to communities for downtown revitalization planning activities.

In addition, two percent (2%) of program income generated by state CDBG grantees shall be returned to the Mass CDBG Program on a bi-annual basis.

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2010

EXHIBITS

1. LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
2. MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) IN FY 2010
3. COMMUNITY WIDE NEEDS SCORES AND PROGRAM ELIGIBILITY
4. COMMUNITY-WIDE NEEDS INDICATORS
5. SUSTAINABLE DEVELOPMENT PRINCIPLES
6. GUIDANCE ON MEETING THE SUSTAINABLE DEVELOPMENT THRESHOLD
7. MASSACHUSETTS FAIR HOUSING MISSION STATEMENT AND PRINCIPLES

EXHIBIT 1

**LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
as of Federal Fiscal Year 2010**

ARLINGTON	MALDEN
ATTLEBORO	MEDFORD
BARNSTABLE	NEW BEDFORD
BOSTON	NEWTON
BROCKTON	NORTHAMPTON
BROOKLINE	PEABODY
CAMBRIDGE	PITTSFIELD
CHICOPEE	PLYMOUTH
FALL RIVER	QUINCY
FITCHBURG	REVERE
FRAMINGHAM	SALEM
GLOUCESTER	SOMERVILLE
HAVERHILL	SPRINGFIELD
HOLYOKE	TAUNTON
LAWRENCE	WALTHAM
LEOMINSTER	WESTFIELD
LOWELL	WEYMOUTH
LYNN	WORCESTER
	YARMOUTH

EXHIBIT 2

**MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT
FUND (CDF) I AND II IN FY 2010**

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year, except that a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

DHCD has identified the following communities as ineligible applicants (except as noted) for Federal Fiscal Year 2010; each may apply again in the fiscal year noted in parentheses:

Ayer (2011)
Hubbardston (2011)
South Hadley (2011)
Westport (2011)
West Tisbury (2011)
Woburn (2011)

EXHIBIT 3

PROGRAM ELIGIBILITY AND COMMUNITY-WIDE NEEDS SCORES

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Abington town	26	X	X	
Acton town	16		X	
Acushnet town	24		X	
Adams town	30	X		
Agawam town	25	X	X	
Alford town	18		X	
Amesbury town	28	X		
Amherst town	29			X
Andover town	18		X	
Aquinnah	31	X		
Ashburnham town	26	X	X	
Ashby town	27	X		
Ashfield town	24		X	
Ashland town	21		X	
Athol town	30	X		
Auburn town	24		X	
Avon town	28	X		
Ayer town	26	X	X	
Barre town	25	X	X	
Becket town	31	X		
Bedford town	16		X	
Belchertown town	25	X	X	
Bellingham town	21		X	
Belmont town	21		X	
Berkley town	18		X	
Berlin town	28	X		
Bernardston town	29	X		
Beverly city	25	X	X	
Billerica town	22		X	
Blackstone town	27	X		
Blandford town	21		X	
Bolton town	18		X	
Bourne town	31	X		
Boxborough town	14		X	
Boxford town	13		X	

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Boylston town	18		X	
Braintree town	25	X	X	
Brewster town	26	X	X	
Bridgewater town	20		X	
Brimfield town	25	X	X	
Brookfield town	26	X	X	
Buckland town	29	X		
Burlington town	20		X	
Canton town	21		X	
Carlisle town	16		X	
Carver town	25	X	X	
Charlemont town	31	X		
Charlton town	19		X	
Chatham town	28	X		
Chelmsford town	21		X	
Chelsea city	32			X
Cheshire town	28	X		
Chester town	33	X		
Chesterfield town	33	X		
Chilmark town	26	X	X	
Clarksburg town	28	X		
Clinton town	31	X		
Cohasset town	22		X	
Colrain town	31	X		
Concord town	17		X	
Conway town	21		X	
Cummington town	31	X		
Dalton town	24		X	
Danvers town	26	X	X	
Dartmouth town	25	X	X	
Dedham town	28	X		
Deerfield town	25	X	X	
Dennis town	30	X		
Dighton town	25	X	X	
Douglas town	21		X	
Dover town	13		X	
Dracut town	24		X	
Dudley town	24		X	

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Dunstable town	17		X	
Duxbury town	17		X	
East Bridgewater town	25	X	X	
East Brookfield town	24		X	
East Longmeadow town	21		X	
Eastham town	30	X		
Easthampton town	28	X		
Easton town	20		X	
Edgartown town	32	X		
Egremont town	24		X	
Erving town	32	X		
Essex town	29	X		
Everett city	35			X
Fairhaven town	30	X		
Falmouth town	25	X	X	
Florida town	30	X		
Foxborough town	20		X	
Franklin town	20		X	
Freetown town	21		X	
Gardner city	29			X
Georgetown town	20		X	
Gill town	24		X	
Goshen town	26	X	X	
Gosnold town	32	X		
Grafton town	24		X	
Granby town	24		X	
Granville town	24		X	
Great Barrington town	33	X		
Greenfield town	34			X
Groton town	21		X	
Groveland town	21		X	
Hadley town	26	X	X	
Halifax town	26	X	X	
Hamilton town	22		X	
Hampden town	18		X	
Hancock town	26	X	X	
Hanover town	21		X	
Hanson town	21		X	

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Hardwick town	31	X		
Harvard town	14		X	
Harwich town	32	X		
Hatfield town	24		X	
Hawley town	33	X		
Heath town	30	X		
Hingham town	16		X	
Hinsdale town	30	X		
Holbrook town	26	X	X	
Holden town	18		X	
Holland town	25	X	X	
Holliston town	21		X	
Hopedale town	22		X	
Hopkinton town	15		X	
Hubbardston town	18		X	
Hudson town	25	X	X	
Hull town	29	X		
Huntington town	25	X	X	
Ipswich town	25	X	X	
Kingston town	28	X		
Lakeville town	21		X	
Lancaster town	27	X		
Lanesborough town	26	X	X	
Lee town	32	X		
Leicester town	22		X	
Lenox town	29	X		
Leverett town	25	X	X	
Lexington town	18		X	
Leyden town	24		X	
Lincoln town	19		X	
Littleton town	21		X	
Longmeadow town	15		X	
Ludlow town	24		X	
Lunenburg town	21		X	
Lynnfield town	15		X	
Manchester town	23		X	
Mansfield town	21		X	
Marblehead town	21		X	

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Marion town	26	X	X	
Marlborough city	25	X	X	
Marshfield town	20		X	
Mashpee town	27	X		
Mattapoisett town	25	X	X	
Maynard town	26	X	X	
Medfield town	14		X	
Medway town	20		X	
Melrose city	21		X	
Mendon town	21		X	
Merrimac town	25	X	X	
Methuen town	30	X		
Middleborough town	27	X		
Middlefield town	30	X		
Middleton town	21		X	
Milford town	26	X	X	
Millbury town	26	X	X	
Millis town	21		X	
Millville town	26	X	X	
Milton town	21		X	
Monroe town	35	X		
Monson town	26	X	X	
Montague town	32	X		
Monterey town	27	X		
Montgomery town	19		X	
Mount Washington town	21		X	
Nahant town	20		X	
Nantucket town	32	X		
Natick town	20		X	
Needham town	15		X	
New Ashford town	20		X	
New Braintree town	28	X		
New Marlborough town	28	X		
New Salem town	24		X	
Newbury town	20		X	
Newburyport city	26	X	X	
Norfolk town	14		X	
North Adams city	31			X

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
North Andover town	20		X	
North Attleborough town	24		X	
North Brookfield town	29	X		
North Reading town	21		X	
Northborough town	21		X	
Northbridge town	26	X	X	
Northfield town	26	X	X	
Norton town	21		X	
Norwell town	20		X	
Norwood town	25	X	X	
Oak Bluffs town	33	X		
Oakham town	17		X	
Orange town	29	X		
Orleans town	27	X		
Otis town	27	X		
Oxford town	25	X	X	
Palmer town	30	X		
Paxton town	18		X	
Pelham town	20		X	
Pembroke town	20		X	
Pepperell town	17		X	
Peru town	29	X		
Petersham town	27	X		
Phillipston town	31	X		
Plainfield town	33	X		
Plainville town	26	X	X	
Plympton town	22		X	
Princeton town	14		X	
Provincetown town	35	X		
Randolph town	25	X	X	
Raynham town	21		X	
Reading town	19		X	
Rehoboth town	21		X	
Richmond town	23		X	
Rochester town	20		X	
Rockland town	29	X		
Rockport town	28	X		
Rowe town	31	X		

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Rowley town	21		X	
Royalston town	29	X		
Russell town	32	X		
Rutland town	18		X	
Salisbury town	32	X		
Sandisfield town	26	X	X	
Sandwich town	20		X	
Saugus town	26	X	X	
Savoy town	31	X		
Scituate town	22		X	
Seekonk town	28	X		
Sharon town	17		X	
Sheffield town	31	X		
Shelburne town	31	X		
Sherborn town	16		X	
Shirley town	25	X	X	
Shrewsbury town	18		X	
Shutesbury town	27	X		
Somerset town	26	X	X	
South Hadley town	24		X	
Southampton town	18		X	
Southborough town	16		X	
Southbridge town	30			X
Southwick town	26	X	X	
Spencer town	29	X		
Sterling town	15		X	
Stockbridge town	24		X	
Stoneham town	25	X	X	
Stoughton town	24		X	
Stow town	17		X	
Sturbridge town	25	X	X	
Sudbury town	15		X	
Sunderland town	29	X		
Sutton town	18		X	
Swampscott town	23		X	
Swansea town	25	X	X	
Templeton town	29	X		
Tewksbury town	19		X	

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Tisbury town	33	X		
Tolland town	25	X	X	
Topsfield town	15		X	
Townsend town	20		X	
Truro town	32	X		
Tyngsborough town	19		X	
Tyringham town	20		X	
Upton town	18		X	
Uxbridge town	23		X	
Wakefield town	21		X	
Wales town	29	X		
Walpole town	20		X	
Ware town	30	X		
Wareham town	31			X
Warren town	30	X		
Warwick town	31	X		
Washington town	22		X	
Watertown town	25	X	X	
Wayland town	16		X	
Webster town	29			X
Wellesley town	14		X	
Wellfleet town	32	X		
Wendell town	24		X	
Wenham town	18		X	
West Boylston town	26	X	X	
West Bridgewater town	28	X		
West Brookfield town	26	X	X	
West Newbury town	14		X	
West Springfield town	33			X
West Stockbridge town	27	X		
West Tisbury town	21		X	
Westborough town	18		X	
Westford town	15		X	
Westhampton town	21		X	
Westminster town	25	X	X	
Weston town	15		X	
Westport town	25	X	X	
Westwood town	17		X	

City/Town	FY10 CWN Score	Eligible for CDF I	Eligible for CDF II	FY10 Mini-Entitlement
Whately town	25	X	X	
Whitman town	26	X	X	
Wilbraham town	20		X	
Williamsburg town	27	X		
Williamstown town	24		X	
Wilmington town	22		X	
Winchendon town	30	X		
Winchester town	15		X	
Windsor town	25	X	X	
Winthrop town	25	X	X	
Woburn city	26	X	X	
Worthington town	26	X	X	
Wrentham town	15		X	

EXHIBIT 4

COMMUNITY-WIDE NEEDS INDICATORS

MUNICIPALITY: COUNTY:	2000(06) Raw Number	Percent	Quartile	Maximum Possible Points	Score	
A. INDIVIDUAL FACTORS					21.0	0.00
Low/moderate income persons (US Census, 2000 universe: 0).....	0	0.0	0	17.5	0.00	
Unemployment rate (average annual 2008)	0	0.0	0	3.5	0.00	
B. COMMUNITY FACTORS					14	0.00
% households w/housing cost burden>=30% of household income (US Census, 2000 universe: 0)	0	0.0	0	5.25	0.00	
Total levy per capita, % of per capita income (2009 DOR, US Census estimate, 2000 US Census)	\$ 0	0.0	0	5.25	0.00	
Units built prior to 1940, % of total units (US Census 2000 universe: 0)	0	0.0	0	3.5	0.00	
A and B					35	

EXHIBIT 5

Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

7. Provide Transportation Choice

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase Job and Business Opportunities

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote Clean Energy

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan Regionally

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

EXHIBIT 6

Guidelines for Project Consistency with the **Commonwealth's Sustainable Development Principles**

Important choices about where and how Massachusetts will grow are made every day. These decisions have profound implications. While the Commonwealth has made progress, more needs to be done to ensure that the interests of future generations are not compromised by today's decisions.

It will take our cooperative efforts to build a greater quantity and diversity of housing, develop the businesses we need to provide jobs and increase revenue, and do a better job of acting as stewards of our natural resources for future generations. Governor Patrick's administration is interested in working in partnership with the development community and municipalities to improve our conservation and development practices. State policies, programs, and investments must encourage smart growth and development interests and municipalities must do the same. The Commonwealth has established a framework to ensure a strong economic future for the state and a high quality of life for its residents by undertaking a comprehensive approach to housing and community investment in a way that respects landscape and natural resources. The administration believes that sustainable development can and should take place in all communities. To be successful, our investments must bring the housing market into equilibrium and enable the state to attract new businesses while making strategic land use choices. In order to achieve our housing and community development goals, we rely on our strategic partners to develop projects that enable us to optimize our limited natural and financial resources.

The administration has refined its 10 Principles of Sustainable Development as a way to articulate and describe this vision to our strategic partners and to guide our investment decisions. Projects seeking funding from DHCD's **Community Development Block Grant (CDBG)** programs must be consistent with the Principles of Sustainable Development in the manner described below. A community development project must adhere to Method 1, Method 2 or Method 3.

Method 1

Be consistent with **Concentrate Development and Mix Uses**. Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage reuse and rehabilitation of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open space and homes.

In order to demonstrate consistency with this principle for Method 1, a project must:

a. Involve the rehabilitation or redevelopment of, or improvements to, vacant or occupied, existing structures or infrastructure; or

b. If new construction, contribute to the revitalization of a town center or neighborhood and/or be walkable to transit; the downtown; a village center; a school; a multiple activity retail, services or employment center; or be located in a municipally-approved growth center.

Method 2

Be consistent with at least five (5) of the Sustainable Development Principles, of which one must be either **Protect Land and Ecosystems** or **Use Natural Resources Wisely**.

Method 3

IF a housing project involving new construction is sited on municipally owned or municipally provided land, involves municipal funding or is supported by a letter from the chief elected official of the municipality at the time of Project Eligibility or an application for funding, only four (4) of the Principles must be met, of which one must be **Concentrate Development and Mix Uses, Protect Land and Ecosystems** or **Use Natural Resources Wisely**. See Further Guidance below for examples of ways in which a project can be consistent with **Concentrate Development and Mix Uses** beyond the characteristics used in Method 1.

Further Guidance

Each Principle is listed below with examples of ways projects may demonstrate consistency. Projects need to satisfy only one of the examples, not all those listed; other ways to satisfy the Principles will also be considered.

Concentrate Development and Mix Uses: Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.

Examples of ways to demonstrate consistency:

- The projects creates or supports mixed use.
- The project rehabilitates or redevelops existing structures or infrastructure.
- The project involves new construction that contributes to town or center revitalization.
- The project is at a higher density than the surrounding area.
- The project mixes uses or adds new uses to an existing neighborhood.
- The project produces multi-family housing.
- The project utilizes existing water and/or sewer infrastructure.
- The project is compact and/or clustered so as to preserve undeveloped land.

Advance Equity: Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

Examples of ways to demonstrate consistency:

- The project involves a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project.
- The project conforms to Universal Design standards and/or incorporates features that allow for "visitability".
- The project creates affordable housing in a neighborhood or community whose residents are predominantly middle to upper income and/or meets a regional need.
- The project targets a high-poverty area and makes available affordable homeownership and rental opportunities.
- The project promotes diversity and social equity and improves the neighborhood.

Make Efficient Decisions: Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.

- The project involves a streamlined permitting process, such as found in Ch. 40B, 40R or 43D.

Protect Land and Ecosystems: Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

Examples of ways to demonstrate consistency:

- The project involves the creation or preservation of open space or passive recreational facilities.
- The project protects sensitive land, including prime agricultural land, and/or resources from development.
- The project involves environmental remediation or clean up.
- The project is part of the response to a state or federal mandate (e.g., clean drinking water, drainage).
- The project eliminates/reduces neighborhood blight.
- The project addresses a public health and safety risk.
- The project significantly enhances an existing community or neighborhood by restoring an historic landscape.

Use Natural Resources Wisely: Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

Examples of ways to demonstrate consistency:

- The project uses alternative technologies for water and/or wastewater treatment that result in land or water conservation.
- The project uses low impact development (LID) or other innovative techniques for storm water management that result in land or water conservation.
- The project repairs or rehabilitates sewer or water infrastructure to conserve resources.

Expand Housing Opportunities: Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

Examples of ways to demonstrate consistency:

- The project increases the number of rental units available to residents of the Commonwealth, including low- or moderate-income households.
- The project increases the number of homeownership units available to residents of the Commonwealth, including low- or moderate-income households.
- The project increases the number of housing options for special needs populations and persons with disabilities.
- The project expands the term of affordability

Provide Transportation Choice: Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

Examples of ways to demonstrate consistency:

- The project is walkable to public transportation.
- The project reduces dependence on private automobiles (e.g., provides previously unavailable shared transportation (such as Zip Car or shuttle buses).
- The project reduces dependence on automobiles by providing increased pedestrian and bicycle access.
- For rural areas, the project is located in close proximity (i.e., approximately 1 mile) to a transportation corridor that provides employment centers, retail/commercial centers, civic or cultural destinations.

Increase Job and Business Opportunities: Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

Examples of ways to demonstrate consistency:

- The project creates or retains permanent jobs.
- The project creates or retains permanent jobs for low- or moderate-income persons.
- The project locates jobs near housing, service or transit.
- The project supports natural resource-based businesses, such as farming, forestry, or aquaculture.
- The project involves the manufacture of resource-efficient materials, such as recycled or low toxicity materials.
- The project supports businesses which utilize locally produced resources such as locally harvested wood or agricultural products.

Promote Clean Energy: Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

Examples of ways to demonstrate consistency:

- The project complies with EPA's Energy Star guidelines or with a similar system.
- The project uses a renewable energy source, recycled and/or non-/low-toxic materials, exceeds the state energy code, is configured to optimize solar access, and/or otherwise results in waste reduction and conservation of resources.
- The project reuses or recycles materials from a local or regional industry's waste stream.

Plan Regionally: Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Examples of ways to demonstrate consistency:

- The project is consistent with a municipally supported regional plan that identifies sub region, area or location, and the number and type of housing units or jobs needed.
- The project addresses at least one of the barriers identified in a regional Analysis of Impediments to Fair Housing.
- The project has a measurable public benefit beyond the applicant community.

NOTES:

Projects that entirely serve to eliminate a public health or safety risk (e.g., demolition of a blighted structure) are exempt from the Sustainable Development threshold. In addition, CDBG-funded Public Social Service and business assistance for projects not requiring construction are also exempt. Projects seeking funding from the state's community development programs remain subject to the specific programmatic requirements. Similarly, projects proposed under c. 40B are governed by MGL c. 40B Sections 20-23,

and applicable regulations, as well as all Fair Housing Laws. Projects should also demonstrate consistency with the Commonwealth's Fair Housing Principles, attached at the end of this document.

EXHIBIT 7

Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.
9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.

10. Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies. Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Appendix A

Homeless Facilities List

Homeless Facilities					
			Beds	Beds	Total
Vendor Name	Program Name	Location	Men	Women	Beds
<i>Night Shelters for Homeless Individuals</i>					
ACTION Inc.	Action Inc. Emergency Shelter	Gloucester	16	4	20
Berkshire Comm. Action Council Inc.	Barton's Crossing	Pittsfield	9	1	10
Boston Medical Center	Wood Mullen	Boston	124	66	190
Boston Medical Center	Long Island	Boston	424	73	497
Boston Rescue Mission	Kingston House	Boston	25	11	36
CAB Health and Recovery Services Inc.	Hawthome /Tewksbury St. Hosp.	Danvers	15	5	20
Catholic Charities - Boston	St. Patrick's Women's Shelter	Cambridge		20	20
Catholic Social Services of Fall River	Samaritan House	Taunton	17	4	21
The Salem Mission	Crombie St. Shelter	Salem	24	10	34
Emmaus, Inc	Mitch's Place	Haverhill	23	7	30
Father Bills Place & Mainspring, Inc.	Mainspring House	Brockton	41	10	51
Father Bills Place & MainSpring, Inc.	Father's Bill's	Quincy	65	10	75
First Church in Cambridge	First Church Shelter	Cambridge	14		14
Friends of the Homeless	Worthington House	Springfield	37	11	48
Friends of the Homeless	Gr. Springfield Emerg. Shelter	Springfield	65	20	85
Housing Assistance Corp	Noah Shelter	Hyannis	40	10	50
Lowell Transitional Living Center Inc.	Middlesex Shelter	Lowell	76	14	90
Lynn Shelter Association	Lynn Emergency Shelter	Lynn	32	8	40
Market Ministries Inc.	Market Ministries Shelter	New Bedford	25		25
Mass Housing and Shelter Alliance	Historic & Y Program	Boston	416	58	474
Middlesex Human Services Agency, Inc	Bristol Lodge (men)	Waltham	45		45
Middlesex Human Services Agency, Inc	Bristol Lodge (women)	Waltham		12	12
Our Father's House	Our Father's House	Fitchburg	17	11	28
Pine Street Inn, Inc.	Women's Unit	Boston	0	110	110
Pine Street Inn Inc.	Anchor Inn	Boston	198		198
Pine Street Inn, Inc	Holy family	Boston	65		65
Pine Street Inn Inc.	Transitional Housing	Boston	81	15	96
Pine Street Inn, Inc.	Men's Unit	Boston	280		280
Psychological Center, inc	Lawrence/Daybreak	Lawrence	20	10	30
ServiceNet Inc.	Franklin County Emergency	Northhampton	28	11	39
Shelter Inc	Shelter Inc	Cambridge	14	6	20
Somerville Homeless Coalition	College Ave (Chapel St.)	Somerville	4	4	8
South Middlesex Opportunity Council	Roland's House	Marlboro	14	4	18
South Middlesex Opportunity Council	Meadows	Natick	0	8	8
South Middlesex Opportunity Council	Turning Point	Framingham	15	3	18

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South Middlesex Opportunity Council	Shadows	Natick		10	10
Gr. Westfield Comm. for the Homeless	Samaritan Inn	Westfield	25	5	30
The Salvation Army	Cambridge Armory	Cambridge	35		35
Worcester Public Inebriate Program	Worcester Public Inebriate Prog.	Worcester	45	10	55
			2374	561	2935

Vendor Name	Program Name	Location	Number Served		
<i>Other Programs for Homeless Individuals</i>					
<u>Health Care</u>					
Boston Health Care for the Homeless, Inc.	Healthcare	Boston	2000		
Community HealthLink Inc. CFO	Healthcare	Worcester	min. 600		
Open Pantry Community Services	Healthcare	Springfield	min. 900		
Emergency Food Programs					
<u>Day Programs</u>					
Kit Clark Senior Services, Inc.	Kit Clark (Day)	Boston	165 meals/5 days		
Interseminarian	Project Place (Day)	Boston	50 meals/5 days		
St. Francis House	St. Francis House (Day)	Boston	350 meals/7 days		
The Salvation Army	Daystar	Hyannis	75 Persons/day		
<u>Food Bank</u>					
Open Pantry Community Services, Inc.	Food Bank	Boston	230 meals/ 7 days		
<u>Housing</u>					
DSS-Safe Passage Program	Safe Passage				
DMH-Housing 1st Pilot Program	Housing First Permanent Housing				

Vendor Name	Program Name	Location	Scattered Site	Cong-regate	Total Families
<i>Emergency Shelter Programs for Homeless Families</i>					
Berkshire Comm Action Council	Our Friend's House	Pittsfield		6	6
ServiceNet	Greenfield Family Inn	Greenfield		6	6
ABCD	Scattered Sites	Boston	15	10	25
Brookview House, Inc.	Scattered Sites	Boston	18		18
Casa Nueva Vida, Inc.	Casa Nueva Vida, Inc.	Boston		16	16
Catholic Charities Arch Boston	Nazareth Residence	Boston		7	7
Catholic Charities Arch Boston	St. Ambrose Family Inn	Boston		15	15
Children's Services of Roxbury	Cottage Shelter	Boston		9	9
Children's Services of Roxbury	Millenium Shelter	Boston		12	12
Children's Services of Roxbury	Scattered Site	Boston	105		105

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Crittenton Inc.	Hastings House at Crittenton	Boston		59	59
Crittenton Inc.	N. Beacon Inn Assessment Ctr.	Boston		6	6
Crittenton Inc.	Scattered Site Shelter	Boston	49		49
Crossroads Family Shelter	Crossroads Family Shelter	Boston		15	15
Crossroads Family Shelter	Scattered Site	Boston	10		10
Dimock Community Health Center	Mary Eliza Mahoney House	Boston		28	28
Heading Home	Boston Family Shelter	Boston		7	7
Hildebrand Family Self-Help	9 Page Street	Boston		9	9
Hildebrand Family Self-Help	Scattered Site	Boston	69		69
Middlesex Human Service Agency	Scattered Sites	Boston	78		78
Phoenix House of New England	Phoenix House	Boston		9	9
Project Hope	Project Hope	Boston		11	11
Sojourner House, Inc.	Sojourner House Family Shelter	Boston		7	7
St. Mary's Women & Children's	Margarets House	Boston		32	32
Travelers Aid Family Services	SCAT Program	Boston	80		80
Victory Programs, Inc	ReVision House	Boston		22	22
YMCA of Greater Boston	Families in Transition	Boston		22	22
Comm. Action Comm of Cape & Islands	Safe Harbor	Hyannis		20	20
Housing Assistance Corporation	Carriage House	Falmouth		9	9
Housing Assistance Corporation	Cataumet Program	Bourne		17	17
Housing Assistance Corporation	Scattered Sites	Hyannis	10		10
Central Mass. Housing Alliance	Catholic Charities - Youville House	Worcester		12	12
Central Mass. Housing Alliance	Friendly House - Elm Street	Worcester		10	10
Central Mass. Housing Alliance	Henry Lee Willis - Shepherds Place I	Worcester		8	8
Central Mass. Housing Alliance	Henry Lee Willis - Shepherds Place II	Worcester		7	7
Central Mass. Housing Alliance	The Village	Worcester		53	53
Central Mass. Housing Alliance	CMHA Scattered Sites	Worcester	59		59
Our Father's House	Transitions at Devens	Fitchburg	20		20
Center for Human Development	Jessies House	Amherst		6	6
Center for Human Development	Scattered Sites	Holyoke	78		78
HAP, Inc.	Prospect House	Springfield		9	9
HAP, Inc.	Scattered Sites	Springfield	46		46
New England Farm Workers	Family Place Shelter	Holyoke		25	25
New England Farm Workers	Scattered Sites	Holyoke	50		50

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Casa Nueva Vida, Inc.	Casa Nueva Vida, Inc.	Lawrence		12	12
Community Teamwork, Inc.	Merrimack House	Lowell		7	7
Community Teamwork, Inc.	Millys Place	Lowell		7	7
Community Teamwork, Inc.	SSFES	Lowell	49		49
Emmaus	Emmaus Family Shelter	Haverhill		25	25
Emmaus	Emmaus Family Shelter	Haverhill	27		27
House of Hope, Inc.	House of Hope Shelter	Lowell		18	18
House of Hope, Inc.	House of Hope Shelter 2	Lowell		5	5
City of Cambridge	YWCA Family Shelter	Cambridge		10	10
Heading Home - Metro	Scattered Site	Malden	75		75
Henry Lee Willis Community Ctr	Willis Center	Hudson		12	12
Henry Lee Willis Community Ctr	Willis Scattered Site	Hudson	16		16
Hildebrand Family Self-Help	39 Bishop Allen Drive	Cambridge		7	7
Hildebrand Family Self-Help	Scattered Site - Metro	Boston	14		14
Housing Families Inc.	Broadway Shelter	Malden		4	4
Housing Families Inc.	Salem Shelter	Malden		5	5
Housing Families Inc.	Scattered Sites	Medford	12		12
Middlesex Human Service Agency	Sandra's Lodge	Waltham		40	40
SMOC	Clinton	Framingham		8	8
SMOC	Medway House	Medway		12	12
SMOC	Pathways	Framingham		13	13
SMOC	Scattered Sites	Framingham	74		74
Somerville Homeless Coalition	Family Shelter	Somerville		5	5
Citizens for Adequate Housing	Inn Between	Peabody		5	5
Citizens for Adequate Housing	Inn Between II	Peabody		6	6
Citizens for Adequate Housing	Scattered Sites	Salem	5		5
Housing Families Inc.	Revere Shelter	Revere		15	15
Housing Families Inc.	Scattered Sites	Revere	13		13
Lynn Shelter Association	Bridge House Family Shelter	Lynn		11	11
NSCAP, Inc	Scattered Sites	Peabody	37		37
Serving People In Need, Inc.	Scattered Site FES	Lynn	77		77
Wellspring House	Wellspring House Family Shelter	Gloucester		5	5
Community Care Services, Inc.	Attleboro Family Resource Ctr.	Attleboro		7	7
Community Care Services, Inc.	Scattered Site	Fall River	25		25
Developmental Disabilities	Carolina Hills	Marshfield		16	16
Father Bills and MainSpring	Conway House	Stoughton		12	12
Father Bills and MainSpring	Evelyn House	Stoughton		16	16
Father Bills and MainSpring	Scattered Site	Brockton	54		54
Friends of the Homeless of the S. Shore	Faith Place Center	Weymouth		8	8
Friends of the Homeless of the S. Shore	Rehoboth Shelter	Norwell		15	15

Highpoint-Southeast Regional Network	Harbour House	New Bedford		16	16
Highpoint-Southeast Regional Network	Harbour House II	Fall River		7	7
Highpoint-Southeast Regional Network	Harbour House III	Taunton		7	7
Highpoint-Southeast Regional Network	Scattered Sites	Attleboro	11		11
Old Colony Y	David Jon Louison Center	Brockton		15	15
Old Colony Y	Scattered Sites	Brockton	16		16
Plymouth Area Coal. for the Homeless	Pilgrims Hope	Kingston		10	10
Totals			1192	845	2037

<i>DHCD Residential Substance Abuse Treatment Programs for Homeless Families</i>			
			Total
Contracting Agency	Program Name	Congregate Units/Rooms	Families
Department of Public Health	Residential Treatment	110	110
Department of Public Health	Sober Living	24	24
Totals		134	134

<i>DHCD Transitional Housing Programs (LHA TPPs)</i>				
<i>Local Housing Authority Transitional Housing Programs (LHA TPPs) For Homeless Families</i>				
Vendor Name	Program Name	Location	Scattered Sites	Families
Worcester Housing Authority	LHATHP	Worcester	20	20
Taunton Housing Authority	LHATHP	Taunton	20	20
Lowell Housing Authority	LHATHP	Lowell	11	11
Brookline Housing Authority	LHATHP	Brookline	7	7
Weymouth Housing Authority	LHATHP	Weymouth	5	5
Fitchburg Housing Authority	LHATHP	Fitchburg	5	5
Springfield Housing Authority	LHATHP	Springfield	20	20
Everett Housing Authority	LHATHP	Everett	10	10
Quincy Housing Authority	LHATHP	Quincy	5	5
Fall River Housing Authority	LHATHP	Fall River	10	10
Cape Cod Collaborative	LHATHP	Cape Cod	5	5
10 Programs				118

<i>Programs for Individuals and Families with HIV/AIDS</i>			
Program Name	Location	Type	Units
Project Home	New Bedford	Permanent	7 Families

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Proyecto Opciones	Boston & Chelsea	Permanent	24 Latinos/as & Families
Reb Brown Friendship House	Nantucket	Permanent	3 Men & Women (or 1 Adult and 1 Family)
The Rental Startup Program	MA & Southeast NH	Financial Assistance	Men, Women & Families
River Street Community	Mattapan	Permanent	13 Men & Women
River Valley Supportive Services and Housing Program	Holyoke & Springfield	Permanent	22 Units (For Adults and Families)
Robert McBride House	Fenway (Boston)	Permanent	13 Units for 1-2 persons/3 units for 2-4 persons
Rockwell House	Dorchester	Permanent	10 Men & Women
Roofs Over Our Families (ROOF)	Boston	Subsidies and Support Services	16 Families
Rosie's Place	Dorchester (Boston)	Permanent	10 Women
Ruah	Cambridge	Permanent	7 Women
Safe Harbor at Long Island Shelter	Long Island (Boston)	Shelter	20 Men & Women
School Street	Jamaica Plain/Roxbury	Permanent	12 Men & Women
Serenity Supportive Housing	Topsfield	Permanent or Transitional	12 Men & Women
Seton Manor	Brighton (Boston)	Permanent	24 Men & Women

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Sheila Daniels House/Edgewood	Roxbury (Boston)	Permanent	3 Families with a male head of household
Sheila Daniels House/Walnut Avenue	Roxbury (Boston)	Permanent	10 Mothers (with their children)
South Common Street Residence	Lynn	Transitional	7 Men & Women
Span Transitional Housing	Boston	Transitional	12 Male Ex-offenders
The SRO Collaborative	Boston	Permanent	32 Men & Women
Talbot Bernard Housing	Dorchester (Boston)	Permanent	5 Units
Transitional Shelter Program	Cambridge	Transitional	5 Men, 5 Women & 1 Family
Ummi's	Roxbury	Transitional	13 Women (children up to 12 years)
Victory Transitional House	Dorchester	Transitional	6 Men
Women's Hope Transitional House	Dorchester	Transitional	7 Women
Source: AIDS Housing Corporation Directory			

<i>Balance of State Continuum of Care Programs</i>					
				Sub	Total
Program Name	Location	Individuals Served	Families Served	Population	Served
Bedford Veterans Quarters	Bedford	4		Chronically Homeless Veterans	4

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Aggressive Treatment and Relapse Prevention	Statewide	55	5	Homeless households diagnosed with co-occurring psychiatric and substance abuse disorders	60
The Devens Project	Ayer, MA	36		Homeless veterans with disabilities who are in partial recovery from substance abuse, mental illness, Post Traumatic Stress Disorder and acute/chronic physical health crises as well as other disabilities.	36
Proyecto Opciones	Boston & Chelsea	5	4	Latino families and individuals living with HIV/AIDS	9
Post ATS/Pre RRS	Statewide	41		Chronically Homeless Men	41
	Chelsea and Plymouth	20		Homeless adults with a history of substance abuse relapse and return to homelessness who are in the first 2-3 years of recovery.	
Mass Sober-Oxford House					20
HarborCOV	Chelsea	3	3	Homeless Battered Women and their Children	6

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Scattered Site Transitional Apartment Program	Statewide		62	Women and their children become homeless due to domestic violence	62
Greater Boston Mobilization Stabilization Team	40 cities and towns to the north, south, and west of Boston	67	7	Homeless adults living in shelters and transitional programs	74
Aggressive Street Outreach	Statewide	300		Homeless individuals living on the streets, in the woods and in	300
Homeless Substance Abuse Initiative	Statewide	448		Homeless persons with alcohol and other drug problems	448
Mobile Resource Team	Statewide	606		Homeless Single Adults	606
Journey to Success	Chelsea and Revere	22		Homeless Individuals in substance abuse recovery.	22
Homeless Advocacy Project	MetroWest	38	25	Services to Homeless heads of households to get and maintain housing	63
New Beginnings	MetroWest	12		Homeless Women and Men living with HIV/AIDS .	12

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Lincoln St. SHP	MetroWest	8		Mentally ill and/or dually diagnosed individuals	8
Alexander St.	MetroWest	1		Individuals with severe disabilities	1
Metro West Supportive Housing	MetroWest	4		Severely mentally ill homeless adults	4
Cape Regional Housing S+C	Cape & Islands	21	3	Families and individuals living with HIV/AIDS	24
Pact S+C	Southeastern MA.			Chronically Homeless Individuals and Families with serious and persistent mental illness	5
Mental Health Assoc. Gr. Spr. S+C	Greater Springfield	10		Homeless, seriously mentally ill adults or adults with both serious mental illness and co-occurring substance abuse disorders.	10
Gr. Boston Sponsor Based S+C	Greater Boston	70		Homeless individuals with disabilities and severe and persistent mental illness.	70

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Gr Boston Tenant Based S+C	Greater Boston	55	3	Homeless persons with severe and persistent mental illness or disabilities due to HIV/AIDS disease,	58
Community Housing S + C	Western Ma.	3	50	Individuals and families with disabilities and substance abuse issues.	53
Brookside Terrace S+C	Greater Worcester		18	Families served have a history of chronic homelessness and substance abuse, in some instances coupled with presenting mental health issues.	18
Vietnam Veterans Workshop S+C	Greater Boston	15		Homeless veterans diagnosed with substance abuse and/or serious mental illness.	15

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Northeast Scattered Site Tenancy S+C	Northeastern MA.	8	2	homeless, seriously mentally ill adults or adults with both serious mental illness and co-occurring substance abuse disorders.	10
Project Home S+C	Southeastern MA.		4	Homeless women with HIV/AIDS disability and their dependent children.	4
HOAP S+C	Greater Worcester	20	10	families and individuals living with HIV/AIDS or mental illness.	30
Julie House S+C	Greater Lowell	8		Homeless Women and Men living with HIV/AIDS or mental illness.	8

Appendix B

Certifications

This section includes the following certifications, required by HUD

- Application for Federal Assistance SF-424
- General State Certifications
- Specific CDBG Certifications
- Specific HOME Certifications
- ESG Certification
- HOPWA Certification