SECTION 1. The Executive Office of Health and Human Services, Executive Office of Housing and Economic Development, the Executive Office of Elder Affairs, the Executive Office of Veterans Services, the Department of Housing and Community Development, the Department of Transitional Assistance, the Department of Developmental Services, the Department of Mental Health, the Department of Children and Families, the Department of Public Health, the Massachusetts Rehabilitation Commission, Massachusetts Commission for the Blind, Massachusetts Commission for the Deaf and Hard of Hearing, the Massachusetts Housing Finance Agency, the Massachusetts Housing Partnership and the Community Economic Development Assistance Corporation shall develop and execute a memorandum of understanding which shall include an action plan to coordinate the procurement and availability of community based supportive services, capital subsidies, and operating subsidies for new and existing housing available to low and extremely low income residents to be known as the community housing and services memorandum of understanding. The memorandum of understanding shall identify and resolve barriers and reduce fragmentation for the provision of community based supportive services and affordable housing. The community housing and services memorandum of understanding shall be filed with the Governor, Lieutenant Governor, the Joint Committee on Housing, the Joint Committee on Elder Affairs, the Joint Committee on Children, Families and Persons with Disabilities, the Senate Committee on Ways and Means and the House Committee on Ways and Means no later than March 15, 2012. Said memorandum shall facilitate the creation of a demonstration program that creates no less than one thousand units of permanent supported housing that includes coordinated operating, capital subsidies and voluntary community based supportive services within three years of enactment of this act, provided that the aforementioned agencies shall assess the need for permanent supportive housing to serve the Commonwealths homeless or at-risk of homelessness, people with disabilities, and elders and shall establish a long range target to produce new supportive housing opportunities to meet the Commonwealths need. Community based supportive services shall include, but need not be limited to:

resident service coordinators, housing support teams and other models to link low and extremely low income tenants with any services necessary to maintain their tenancy, or direct community-based social services or other services necessary to maintain a successful tenancy, provided that receipt of services by a tenant with any disability shall not be an eligibility requirement or a requirement of maintaining a tenancy under the plan. The plan shall establish benchmarks to assess financial savings to the Commonwealth resulting from the avoidance of institutionalization, shelter, or nursing care due to the availability of community based housing support services.

SECTION 2. There shall be, subject to appropriation, a grant program to be known as the community housing supportive services action grant, to be administered by the Interagency Council on Housing and Homelessness to support new and existing low and extremely low income housing that is developed or provided with service coordination in accordance with the community housing and services memorandum of understanding; provided that applicants seeking to use said funds in conjunction with a new housing development receiving funds authorized under chapter 119 of the acts of 2008, the Massachusetts Rental Voucher Program or section 8 of the United States Housing Act of 1937, as amended, shall do so by submitting a simultaneous application for said funds; provided that housing that requires a tenant with a disability to receive services to maintain the housing shall not be eligible; provided further that no greater than four per cent of the funds may be used to administer said program.