

Fact Sheet: An Act Preserving Publicly Assisted Affordable Housing. Lead Sponsors: Senator Susan Tucker and Representative Kevin Honan 2008 Bill No. S. 2799, 2009 Bill No. TBD

An Act Preserving Publicly Assisted Affordable Housing is a compromise piece of legislation that will help preserve the thousands of units of affordable housing that are in danger of being converted to market rate housing and displacing low income residents.

The Challenge:

Between now and December 31, 2012, 24,638 units of affordable housing have affordability restrictions that are at risk of expiring. If that window is extended to the 11-year period ending in December 2019, the number of affordable units at risk increases to over 41,000. Some of the tenants of these homes will get Section 8 vouchers to cover the increased cost of housing when their home converts to market rate rent. Others will not receive any assistance and will be subject to rent increases that will force displacement. The elderly and disabled residents have very little physical or financial ability to relocate. For the remainder of the residents, the financial burdens of moving and the shortage of housing affordable to low income residents will place them at risk of homelessness. In any case, the units will no longer be maintained as affordable housing and the Commonwealth will have to seek other means of providing housing for our low income residents.

The Solution:

A compromise legislative package to address the so-called "expiring use" challenge was crafted in consultation with a broad group of affordable housing advocates, the Patrick Administration, legal service representatives, property owners, CHAPA and the Mass. Association of Community Development Corporations. In the 2007-2008 legislative session, the Senate passed the legislation unanimously. The bill was reported favorably from the Housing Committee and House Committee on Ways and Means but did not come up for a vote on the full House floor prior to the session ending. The three main components of the bill are:

- 1. Tenant notification that restrictions are set to expire two years and one year prior to termination.
- 2. A 90-day exclusive opportunity for the Department of Housing and Community Development, or its designee (which may be a nonprofit, local housing authority, for-profit or municipality) to negotiate to purchase a publicly assisted housing development, and a 30-day right of first refusal to match any purchase contract for the sale of publicly assisted housing. Properties that are sold in transactions that preserve affordability are exempt from these provisions.
- 3. Modest protections for tenants in properties that terminate affordability restrictions and do not receive enhanced Section 8 vouchers for these tenants. The tenant protections cap rents at Consumer Price Index plus three percent for each year for a three-year period, and prevents no fault eviction for tenants during that period.

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