



BOSTON CITY COUNCIL

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One City Hall Square ♦ 5th Floor ♦ Boston, MA 02201 ♦ Phone: (617) 635-3040 ♦ Fax: (617) 635-4203

HEARING MINUTES

COMMITTEE: *HOUSING AND COMMUNITY DEVELOPMENT*

DATE: *MARCH 21, 2016* TIME: *11:00 AM (11:08 am – 1:00 pm)*

LOCATION: *IANELLA CHAMBER; CITY HALL 5TH FLOOR*

SUBJECT: *DOCKET #0360 A CITY-SPONSORED RENTAL HOUSING VOUCHER PROGRAM*

MEMBERS PRESENT:

VOTING MEMBERS: Councilors Josh Zakim, Tito Jackson, and Andrea Campbell

NON VOTING MEMBERS: Councilors Michelle Wu, Michael Flaherty, Frank Baker, and Matt O'Malley

ISSUES DISCUSSED:

The Chair opened up by indicating that today's hearing was to discuss a city funded rental housing voucher, thanked the advocates and City staff for their efforts on this matter, and read Councilor Pressley's notice of absence into the record.

The first panel of speakers consisted of Sheila Dillon, Chief of Housing for the Department of Neighborhood Development (DND), Bill McGonagle, Executive Director of the Boston Housing Authority (BHA), and City policy and budget staff. Chief Dillon began by providing an overview of what rental assistance the City provides and how a city sponsored rental voucher could impact the City's budget. DND covers 1200 funded rental vouchers along with related supportive services to house people coming out of shelters. They get money from Continuum of Care and prioritize the homeless to help them secure permanent housing. Ten percent (10%) or 1100 units of the affordable housing developments are set aside for the homeless. Federal funding has decreased for rental vouchers, affordable housing, and Section 202 Supportive Housing for the Elderly. Community Development Block Grant (CDBG) production has also been cut. The City has been meeting the housing need by increased operating funds and extraction from the private market and commercial development properties through Inclusionary Development Program (IDP) and linkage fees.

Mayor Walsh's 2030 housing strategies include developing 6500 affordable housing units, 1700 of which will be for very low income households, and 1500 additional affordable elderly units. According to Chief Dillon, the concern with funding rental vouchers is the cost and the funds that will be taken away from funding other affordable housing goals. It would cost \$9.5 million per year to create 500 new rental vouchers; however, if the real estate market were to get soft, leading to less IDP funds, the City will need to cover that need in addition to any city sponsored rental vouchers. DND reiterated the importance of putting as many resources towards creating more affordable housing units and not rental vouchers, which they believe could negatively impact needed affordable housing.

Bill McGonagle indicated that public housing is highly dependent on federal funding for capital improvements. Although BHA's rental voucher program is still on firm footing, their housing program is threatened by steadily decreasing funds and aging infrastructure. They are currently looking at public/private partnerships to renovate the housing portfolio, and confirmed that the City of Boston has been a partner in supporting infrastructure improvements and covering costly public safety expenses. Without the City's continued financial support, it would be difficult for BHA to retain affordable housing units and to house the chronically homeless. BHA partners with the Boston Public Health Commission (BPHC)'s Healthy Start program and the Metropolitan Boston Housing Partnership as part of a home-based fast tract referral program that helps move people from shelters/motels into permanent BHA housing and counseling and stabilization services. This program prioritizes homeless veterans and high risk women (i.e. pregnant, displaced through no fault of their own, victims of domestic violence). BHA has a waiting list of 38,000 families/ individuals and has a 98% occupancy rate with a turnover of 1200 new families per year. When deciding who gets the next available unit, they don't just go by who's next on the waiting list; other factors such as highest need are considered (i.e. homeless, displaced individuals, victims of domestic violence).



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Mr. McGonagle agreed that funding for a City sponsored rental voucher program would place more strain not just on BHA, but on public schools and other city services that many people depend on, such as youth and family programs; instead, he suggested, that the City focus on ensuring that scarce tax revenue sustain existing City programs. Any municipality should be cautious about trying to fill the gigantic funding gap left behind by the federal government.

Mrs. Dillon reiterated that if the City were to take on a new \$10 million obligation per year for rental subsidies, it would prevent the City from meeting other demands. In any given night, there are 1700 homeless individuals in the City, 600 of which are chronic, and the City is focused on working with BHA to make units and vouchers available for that population. The City does not have the funds for a new voucher program; a rental subsidy program would need a consistent source of revenue that does not depend on outside sources, unlike the current affordable housing budget. Evaluating how committed city funds would impact other services was recommended. In response to the success of Washington DC's housing model, Dillon explained that DC uses real estate transfer tax and not money from the general operating budget, but due to these funds not yielding as much, they now need to use funding from traditional sources such as development.

The number of BPS homeless students housed outside the City and how to provide more efficient services to the homeless was raised by Councilor Jackson; he asked how much the City would save in the provision of support services if there were no homeless, such as in transportation and motel costs, which may offset the costs of a city rental voucher program. Other recommendations/comments from Councilors included: increasing state and federal advocacy; discussing how to better tap into state and federal funds; not relying just on IDP and linkage funds as these may change over time; considering all resources such as CPA, transfer tax, budget savings from lost programs; looking at other national models such as "save our section 8" out of DC; considering pilot initiatives.

Mass Alliance of HUD Tenants was part of the next panel. Mass Alliance expressed concern for the sustainability of affordable housing funds without a dedicated funding stream. The City should advocate to the congressional delegation for increased funds to the housing authorities. With just CPA, the city could generate \$15 million additional funds. How DND arrived at the estimated cost of \$9.5 million for 500 vouchers was questioned, particularly when comparing to the amount spent by DC, which has a comparable market to Boston. DC was able to fund vouchers without needing to cut into their housing trust fund until much later and was able to dedicate a substantially larger amount of money for housing compared to Boston. It was pointed out that there are only \$7.75 million set aside for housing in the City's overall \$2.8 billion; Boston should be able to find more funds in the budget for this purpose, perhaps from snow shoveling or police overtime savings. There's a gap in who will be served by the proposed number of affordable housing units in the Mayor's housing plan, particularly when over ½ of Boston residents has income below 50% of the area median. A dedicated rental voucher could help meet this gap for those with very low income. It was recommended that the Council look into how mixed income developments could work better for the very low income and how to tap into the millions of linkage funds collected by BRA over the past 20 years of downtown real estate growth.

[At 12:50 pm, the hearing was recessed for approximately 30 minutes to attend to an individual who experienced difficulty entering the chamber floor to testify.]

Testimony was heard from the following nonprofit organizations: Mass Alliance of HUD Tenants, City Mission, and American Friends Service Committee. Testimony included: addressing the Boston rental market as a primary way of stabilizing Boston families; a study by HUD indicated that housing first voucher programs, compared to other interventions, work best for keeping people housed; having a Boston specific voucher makes sense due to it costing only 14k per family compared to the state's cost of 39k per family and even when families have received a state voucher they have experienced difficulty finding an affordable home in Boston; vouchers help keep families in the communities they grew up in; the Mayor's housing plan does not meet the need of those with very low income; everyone needs to come together in resolving this crisis; the City can do so much more to address the homeless issue; residents rely on the leadership of the City to make a difference.



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Public testimony was overwhelmingly in favor of a city-sponsored rental voucher. Reasons in support of vouchers included: these have saved or improved people's lives; help keep families stable; the long waiting lists for section 8, upwards of 7,8,9 years and the poor quality of life experienced during the long wait; section 8 might be ending and more people will be out in the streets; the Long Island shelter closed down exacerbating the homeless situation; when in a decent, healthy apartment, it's easier for people to find and secure employment, get off of drugs, and contribute back to society; disabled people and veterans need safe housing; there's dignity in taking a shower every day or having a safe place where to leave your belongings; there are many City employees who can't even afford to live in Boston; people have experienced homelessness as a result of the high rents, even when trying to room up with multiple people to make the rent; there are unsanitary and uncomfortable conditions in hotel/motel shelters and halfway houses, which have exacerbated things for the homeless, especially for those who are also dealing with other serious medical conditions such as substance abuse, mental health, and even cancer; people have experienced challenges when needing to commute 2 hours back and forth from Boston when placed in faraway shelters.

Other public testimony included: people have stayed in abusive relationships in order to avoid homelessness; homeless people are perceived as being worthless; many people ended up homeless after state programs and/or services were terminated; concern with members of the panelists not fully understanding the issue if they didn't stay to hear public testimony; there should not be elderly people with disabilities out on the streets; putting everything on the shoulders of Pine Street Inn; concern with homeless people not being informed of these hearings.

Recommendations offered by public testimony included: work with landlords to address the high rents; consider prioritizing vouchers for all chronic homeless, not just for those with substance abuse problems; looking at other issues besides housing, such as drug addiction and mental health; give less money out so more people can get some; avoid using a "band aid" fix for a more permanent resolution; looking at how Pine Street Inn bought property and turned these into SRO's while people waited for section 8 certificates; advocacy to the government to stop funding cuts.

The Chair closed by indicating that this matter will remain in committee in order to have continued discussions and to allow more people to send in written testimony.

DECISIONS/NEXT STEPS/VOTES:

No decisions or votes. Docket will remain in committee for further consideration.

DOCUMENT LIST:

Documents received: Info Packet from Mass Alliance of HUD Tenants in support of city vouchers for Housing First; written testimony from BHA Administrator William McGonagle.

Prepared By
STAFF LIAISON: Daisy De La Rosa

Reviewed and Approved By
CHAIR: Josh Zakim

DATE: 4/6/16