

# MOVING FORWARD ON SUPPORTIVE HOUSING IN THE COMMONWEALTH

March 14, 2018



On January 1st, during his inaugural address, [Boston Mayor Marty Walsh](#) announced that the City of Boston will undertake an effort to build 200 new units of housing for chronically homeless individuals. The city, in partnership with the Pine Street Inn and Bank of America, plans to raise \$10 million for the Way Home Fund.

A few weeks later, on January 16th, St. Francis House and the Planning Office for Urban Affairs (POUA) broke ground on The Union, a new permanent supportive housing project located in downtown Boston. The nonprofit agencies are renovating the historic former Boston Young Men’s Christian Union building into 46 units of affordable housing – 26 of those units will be for people who are currently or recently homeless and 20 will be for other low income residents with incomes at or below \$43,440. St. Francis House, a day shelter that provides services to homeless individuals and is located across the street, will relocate their administrative offices into The Union and will establish a business venture there to provide job training opportunities for the people they serve. CEDAC managed an investment of \$3 million from the state’s Housing Innovations Fund (HIF) for this supportive housing project in the heart of the city.

Both of these events show the importance of supportive housing to policy makers, advocates and others – it is worth noting that The Union’s groundbreaking ceremony featured Governor Charlie Baker and Mayor Marty Walsh along with Cardinal Sean O’Malley, Lisa Alberghini of POUA, and Karen LaFrazia of St. Francis House. Supportive housing is a specialized type of affordable housing that is targeted towards helping chronically homeless individuals. Agencies building supportive housing provide services that help stabilize men and women struggling with chronic homelessness – those services can include job training, addiction recovery programs, and life skills training, among other programs.

As we noted in an October [blog post](#) and more [recently](#), CEDAC has a long history of providing financing and technical assistance to supportive housing developers. Working with the Massachusetts Department of Housing and Community Development (DHCD), we manage several state-funded supportive housing programs, including HIF, the Facilities Consolidation Fund (FCF), the Community Based Housing (CBH) program. These capital funds are used

in combination with other local, state and federal sources including the most recent program created at the federal level, the National Housing Trust Fund (HTF).

Over the past several years, the Commonwealth of Massachusetts has made a tremendous effort into developing more supportive housing units throughout the state. The bond programs we manage have produced almost 2,000 supportive housing units over the past four years. A subset of 1,750 units were developed as the result of a recent initiative led by an Interagency Working Group. These efforts have helped to stabilize the lives of thousands of formerly homeless families and individuals.

This is remarkable because even though Massachusetts has an excellent affordable housing finance system, the Commonwealth's non-profit affordable housing providers still face considerable challenges in producing new units of housing for extremely low-income residents (incomes below 30 percent of the area median income), especially around project financing. And supportive housing can be even more complex for agencies to create.

During the Interagency Working Group effort, Massachusetts brought together all of the major state officials – from housing to health and human services agencies –to work collaboratively in a process overseen by Secretary Mary Lou Sudders and Secretary Jay Ash. Additionally, the Commonwealth has streamlined the often complicated funding process. Supportive housing development requires three different types of financing – capital dollars to acquire or build affordable housing, operational funding to maintain units, and service funding for tenant stabilization and other supports. For the past five years, DHCD has expedited the project development process by running an annual designated funding round exclusively for supportive housing projects, and offered all three types of funding in this consolidated process. This process has helped to bring new supportive housing online more efficiently.

It is encouraging to see the Commonwealth of Massachusetts, the City of Boston, and others utilize innovative approaches and dedicate additional resources to help develop supportive housing. As we discussed recently, the Housing Bond Bill currently in the Legislature will reauthorize the important capital resources for the supportive housing programs that CEDAC helps to administer. With all of these efforts, we expect that Massachusetts will continue building its great track record in creating supportive housing.



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