



Commonwealth of Massachusetts

**Executive Office of
Housing & Livable Communities**

Governor's FY26 H.1 Budget Briefing

**Executive Office of Housing & Livable
Communities**

January 22, 2025

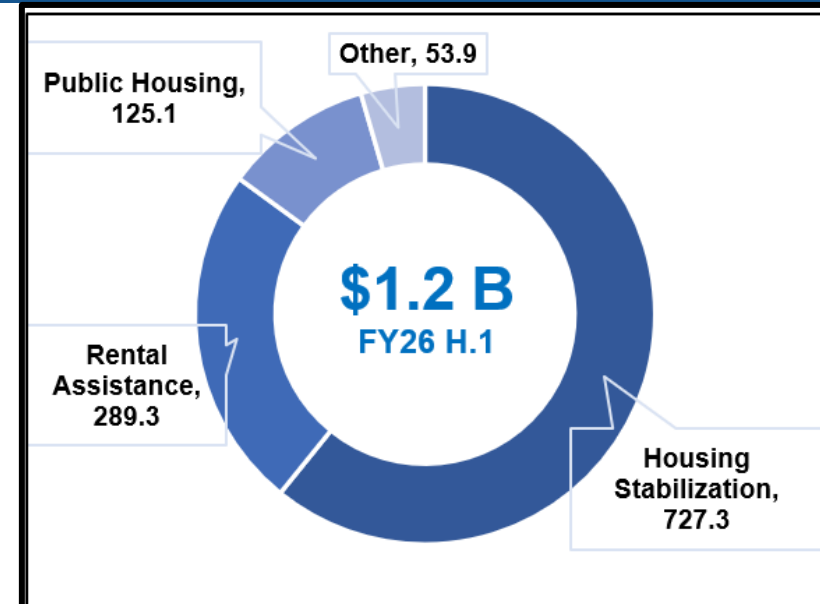




Funding and Policy Highlights

H.1 funds EOHLC at \$1.2 billion, a \$42.3 million (+3.7%) increase above the FY25 GAA. Highlights of this budget include:

- \$253.3M for Massachusetts Rental Voucher Program, a \$34.3M funding increase over the FY25 GAA
- \$19.5M for Alternative Housing Voucher Program, to support historically high FY25 leasing totals, increasing housing stability and access for people with disabilities
- \$3.5M in increased investments for public housing, including:
 - \$115.5M (total) to boost subsidies for Local Housing Authorities
 - \$7.5M (total) for the Resident Services Coordinators Program
- \$10.1M for Sponsor Based Permanent Supportive Housing, to provide wraparound services and rental assistance for longest stayers in individual shelter
- Investments in the agency infrastructure that enables HLC to act on the ambitious targets set forth in the \$5.2 billion Affordable Homes Act
- An Outside Section proposal which will require a broker's fee to be paid by whomever hires the broker for a residential property (usually a landlord), eliminating a financial burden for renters





FY26 House 1 Budget Line Item Summary

Line Item	FY25 GAA Budget	FY26 House 1 Budget	vs. FY25 GAA	
			\$	%
7004-0001 - Indian Affairs Commission	148,537	157,339	8,802	6%
7004-0099 - Office of the Secretary of Housing and Livable Communities	14,831,798	22,235,340	7,403,542	50%
7004-0100 - Operation of Homeless Programs	17,554,827	27,657,884	10,103,057	58%
7004-0101 - Emergency Assistance Family Shelters and Services	326,071,903	325,271,903	(800,000)	0%
7004-0102 - Homeless Individual Shelters	110,752,398	110,752,398	-	0%
7004-0104 - Home and Healthy for Good Program	8,890,000	8,390,000	(500,000)	-6%
7004-0105 - Sponsor-Based Permanent Supportive Housing	8,905,000	10,072,875	1,167,875	13%
7004-0106 - New Lease for Homeless Families Program	250,000	250,000	-	0%
7004-0107 - Local Housing Programs Earmarks	3,265,000	-	(3,265,000)	-100%
7004-0108 - HomeBASE	57,322,001	57,322,001	-	0%
7004-0109 - Shelter Workforce Assistance	10,000,000	-	(10,000,000)	-100%
7004-0202 - Homeless Individuals Rapid Re-Housing Program	5,000,000	5,000,000	-	0%
7004-3036 - Housing Services and Counseling	8,974,000	5,000,000	(3,974,000)	-44%
7004-3045 - Tenancy Preservation Program*	2,042,755	-	(2,042,755)	-100%
7004-4314 - Service Coordinators Program	6,500,000	7,500,000	1,000,000	15%
7004-9005 - Subsidies to Public Housing Authorities	113,000,000	115,500,000	2,500,000	2%
7004-9007 - Public Housing Reform	1,250,000	2,097,622	847,622	68%
7004-9024 - Massachusetts Rental Voucher Program	219,238,574	253,311,840	34,073,266	16%
7004-9030 - Alternative Housing Voucher Program	16,355,696	19,461,214	3,105,518	19%
7004-9031 - Accessible Affordable Housing Grants	2,500,000	-	(2,500,000)	-100%
7004-9033 - Rental Subsidy Program for DMH Clients	16,548,125	16,548,125	-	0%
7004-9034 - Housing Assistance for Re-Entry Transition	3,000,000	3,000,000	-	0%
7004-9315 - Low-Income Housing Tax Credit Fee Retained Revenue	3,493,584	3,571,512	77,928	2%
7004-9316 - Residential Assistance for Families in Transition	197,406,952	202,477,715	5,070,763	3%
Total	1,153,301,150	1,195,577,768	42,276,618	4%

*In FY26, MassHousing will fund the Tenancy Preservation Program.



Division Of Rental Assistance

The Division of Rental Assistance manages programs that provide financial aid to low-income families and individuals through various voucher programs.

- \$253.3M for the **Massachusetts Rental Voucher Program**, a \$34.1M (+16%) increase above FY25 GAA
 - Over 10,400 rental vouchers expected to be leased by voucher holders by the end of FY26, including over 130 new project-based vouchers
 - Maintains the current payment standard, the maximum subsidy a mobile voucher will pay, at 110% of HUD's published Small Area Fair Market Rates
- \$19.5M for the **Alternative Housing Voucher Program**, a \$3.1M (+19%) increase above FY25 GAA to support historically high FY25 leasing totals, increasing housing stability for people with disabilities
 - 800+ vouchers are expected to be leased in FY26
- \$16.5M for the **Rental Subsidy Program for Department of Mental Health** clients, consistent with the FY25 GAA
 - Coupled with additional funding from DMH, program will support 2,877 vouchers for DMH clients



Division Of Public Housing

The Division of Public Housing works in coordination with local housing authorities to oversee the Commonwealth's state-aided public housing portfolio.

- \$115.5M for **Subsidies for Local Housing Authorities**, a \$2.5M (+2%) increase above the FY25 GAA intended to moderately boost Local Housing Authorities operating subsidies in FY26
 - Supports operating subsidies for the 229 Local Housing Authorities that operate and manage over 43,000 units of state-aided public housing for low-income families and individuals
- \$7.5M for **Service Coordinators Program**, a \$1M (+15%) increase above the FY25 GAA, to allow LHAs to hire 15 additional coordinators to help preserve tenancies in senior housing, connect elders with healthcare services and transportation, and mediate disputes
 - Currently, 150 of the Commonwealth's 229 LHAs participate in the RSC program
 - The program successfully preserved over 2,600 tenancies last year, safeguarding vulnerable populations from entering homelessness, shelter, or unstable living conditions
- \$2.1M for **Public Housing Reform**, a \$848K (+68%) increase over the FY25 GAA, to support continued maintenance and development of public housing systems
 - Increase in funding level reflects net neutral transfers from the AHVP and MRVP line items to more logically organize central administrative costs



Division Of Housing Stabilization

The Division of Housing Stabilization focuses on the prevention of homelessness, sheltering those who are experiencing homelessness, and rapidly rehousing families into permanent housing.

- \$202.5M for **Residential Assistance for Families in Transition (RAFT)**, a \$5.1M (+3%) increase above the FY25 GAA, to provide flexible funding to households at risk of homelessness or housing instability
- \$110.7M for **Homeless Individual Shelters**, consistent with the FY25 GAA
 - Preserves approximately 2,500 shelter beds for individuals experiencing homelessness, including triage, diversion and rapid rehousing programming
- \$10.1M for **Sponsor Based Permanent Supportive Housing**, a \$1.2M (+13%) increase above the FY25 GAA, to expand the permanent supportive housing pipeline, bolstering an effective tool for homelessness prevention
 - Allows for vulnerable individuals to enter permanent housing and to access critical case management services – ultimately increasing availability of shelter beds for others with unmet needs
- \$5M for the **Housing Services and Counseling Program**, a \$4M (-44%) reduction vs. the FY25 GAA, maintains a \$1.2M increase over pre-pandemic funding levels
- \$3M for **Housing Assistance for Re-Entry Transition**, level to the FY25 GAA, which supports:
 - \$2.1M for sponsor-based, service-intensive transitional housing programming for individuals
 - \$900K to support 30 vouchers for elderly individuals (65+)
- Not represented in the Governor's budget in FY26 is the **Tenancy Preservation Program**, which will continue with funding from MassHousing in FY26



Emergency Assistance Family Shelter & HomeBASE

FY26 House 1 Budget Proposal

- Both the **EA Family Shelter** and **HomeBASE** line items are level-funded to the FY25 GAA
- Current efforts underway to make the shelter system fiscally and operationally sustainable must be observed over the remainder of the fiscal year to inform funding needs in FY26 and beyond

FY25 EA Supplemental Budget Proposal Policy Adjustments

- 1 Risk/Needs-Based EA System:** Families will be placed on one of two tracks within the EA program based on their strengths, risks, and needs

Rapid Shelter Track:

- Integrate Temporary Respite Centers (TRCs) as an ongoing feature of the EA system to help families who have strengths and needs that position them to rapidly find self-sufficient permanent housing.

Bridge Shelter Track:

- Continue to direct all families with higher relative risk and more complex needs to the appropriate shelter to best serve their needs.
- Add families with members with intellectual or developmental disabilities (IDD) to prioritization criteria.
- Increase focus on staffing for EA shelter system provider organizations to offer more intensive case management and rehousing services.

- 2 Length of Stay & Exit Tools:**

- 30d Bridge / 6mo Rapid Length of Stay
- Maintain HomeBASE at current benefit levels given continued success increased exits from the system in the last quarter (550+ in December)

- 3 Reduce reliance on hotels for EA shelter:**

- Reduce reliance on hotels and shift to a more cost-effective and supportive portfolio mix for EA shelter. This includes closing most hotels.
- Hotels and motels will be closed in a phased approach based on discussions with providers.
- Families and local community will be notified in advance of planned closures.
- Providers will work intensively with families to support exits into safe, stable housing prior to a site closing.

- 4 Updated Intake and Eligibility Process**

- Strengthened requirements to demonstrate residency
- Strengthened requirements to demonstrate immigration status
- Adjusting presumptive eligibility to prioritize highest need cases
- Expanding criminal background checks