



January 30, 2014

Massachusetts Department of Housing and Community Development  
Low Income Housing Tax Credit Program  
100 Cambridge Street, 3<sup>rd</sup> Floor  
Boston, MA 02114  
Attn: Wendy Cohen, Director, Low Income Housing Tax Credit Program

**RE: MACDC Comments on Draft 2014 Qualified Allocation Plan**

Dear Wendy:

I appreciate the opportunity to be involved in DHCD's QAP Working Group, and to provide ongoing input to the changes DHCD has made to its rental rounds over the past two years. DHCD has balanced the need for change, in response to unprecedented demand on its available resources, with the need to proceed incrementally so as to provide an opportunity to evaluate the impact of changes over time. With that in mind, MACDC offers the following comments on the Draft 2014 Qualified Allocation Plan.

In short, we believe the changes that were instituted as part of the 2013 QAP, especially the introduction of a pre-application, have improved the efficiency and fairness of the process. In these comments, we offer support for key components of the Draft 2014 QAP and suggest some changes to continue the process initiated in 2013.

1. We commend DHCD for awarding points to DHCD-Certified CDCs: We appreciate that DHCD again offers points under Special Project Characteristics for projects sponsored by a nonprofit organization certified by DHCD as a CDC. By offering points for certified CDCs in two categories (Inclusion in a Comprehensive Neighborhood Revitalization Effort and Non-Profit Sponsorship) DHCD offers an important acknowledgment that these projects are sponsored by organizations that have already demonstrated that they meaningfully and effectively represent their communities.
2. We commend DHCD for offering a Rolling Application Process for Homeless Projects: We appreciate that the QAP identifies a process whereby DHCD can accept applications on a rolling basis where at least 25% of the units are restricted to households under 30% of median income who are transitioning from homelessness, with an appropriate long-term service plan. DHCD's ability to accept applications and make timely decisions out of round will expedite completion of these essential projects and allow sponsors to minimize carrying costs.
3. We support DHCD's Encouragement of Sponsors to Provide Units targeted to Extremely Low Income Households beyond the 10% threshold requirement. We note that DHCD will, for the first time in over 20 years, make state-funded project-based rental assistance to these projects, and commend DHCD for doing so.

4. We support DHCD's engagement of the affordable housing community in its efforts to contain project development costs. We appreciate that DHCD has stated that these discussions will take place before the 2014 QAP is amended to incorporate changes about development costs, and acknowledges that one piece of this effort is capacity development at smaller organizations.
  
5. We offer suggestions on the Location in an Area of Opportunity section under Special Project Characteristics. As before, we suggest that DHCD change the "opportunity community" nomenclature, as many urban neighborhoods that would be classified as "lower opportunity" communities in fact offer many opportunities and amenities. Beyond this, we note that the QAP states the following: "On a case by case basis, at its sole discretion, the Department will permit certain projects to receive points in this category if the poverty rate in the census tract and/or the municipality is 15% or higher, as long as the project is located in an area with compelling attributes that make the location desirable to renters." We support this provision, and suggest that DHCD identify examples of what these "compelling attributes" may be, such as: existing infrastructure, access to transit, social service networks, cultural amenities, and consistency with many of the Commonwealth's established Sustainable Development Principles.

Finally, we understand that sponsors with pre-applications where full applications are not invited receive a briefing on the reasons. We encourage DHCD to use this process to identify the specific conditions which, when met, would assure that the sponsor will be able to submit a full application for funding. Such assurance would only apply to the conditions for inviting a full application; no assurance would ever be given in advance about a funding award. There is a direct correlation between lower project development costs and a sponsor's ability to better manage the timing of incurring predevelopment expenses, tied to a reasonable expectation about when a full application will be reviewed.

Please feel free to contact me at 617-379-5922, or Senior Policy Advocate Don Bianchi at 617-379-5926, if you have questions about these comments or would like additional information. Thank you for the opportunity to comment.

Sincerely,



Joe Kriesberg, President and CEO

Cc: Kate Racer, DHCD  
Don Bianchi, MACDC