



October 17, 2014

Massachusetts Department of Housing and Community Development
Low Income Housing Tax Credit Program
100 Cambridge Street, 3rd Floor
Boston, MA 02114
Attn: Mark Siegenthaler, Director, Low Income Housing Tax Credit Program

RE: MACDC Comments on 2015 Draft Qualified Allocation Plan

Dear Mark:

I am pleased to offer these comments on the 2015 Draft Qualified Allocation Plan. The Draft QAP demonstrates DHCD's deft approach to balance: in maintaining continuity of the QAP while addressing emerging issues, in supporting production and preservation projects, and in continuing to prioritize neighborhood revitalization while assessing its impact on neighborhoods. In these comments, we offer support for key components of the 2015 Draft QAP and offer our thoughts on some of the issues involved.

1. We appreciate DHCD's commitment to focusing the housing development subsidies it awards on both neighborhood revitalization in distressed urban neighborhoods, where many families need quality, affordable housing, and on providing opportunities for low- and moderate-income families in suburban and other lower-poverty locations. We support DHCD's undertaking of a case study analysis of the benefits and outcomes generated by public investments in affordable housing projects that were perceived as distressed when the public investments initially were made. We also acknowledge the importance of Chapter 40B, which has resulted in the development of thousands of affordable units in suburban locations without the need for scarce state subsidy funding.
2. We support DHCD's recognition of the importance of both production and preservation projects, through the establishment of set asides for both categories. We support DHCD requiring sponsors of preservation projects to utilize tax-exempt financing and 4% tax credits whenever feasible. We understand that 2015 will be the final year that the 20% set aside for HOPE VI projects will be needed, and look forward to additional resources next year being available for production and preservation projects.
3. We commend DHCD for awarding points to DHCD-Certified CDCs, under Special Project Characteristics: By offering points for certified CDCs in two categories, DHCD offers an important acknowledgment that these projects are sponsored by organizations that have already demonstrated that they meaningfully and effectively represent their communities.
4. We commend DHCD for offering a Rolling Application Process for Homeless Projects: DHCD's willingness to accept applications and make timely decisions out of round will

expedite completion of these essential projects and allow sponsors to minimize carrying costs.

5. We request that the stated minimum project size of twelve units for both production and preservation projects continues to be applied only to tax credit projects. These statements on minimum project size are made in Section VIII: Set-Aside Categories, and in Threshold Criterion #1 in Section X. The QAP also states that the priorities established in it are “to a large extent priorities for DHCD’s other affordable housing programs as well.” In prior years, DHCD has awarded funding to projects of fewer than 12 units which have not utilized tax credits. Therefore, we hope that DHCD will continue to apply the 12-unit minimum for production and preservation projects only to projects that utilize low income housing tax credits.
6. We applaud the efforts of the Design Guidelines Working Group convened by DHCD and by the City of Boston Department of Neighborhood Development, and its efforts to identify cost-saving measures and to develop a streamlined and simplified set of design guidelines for use by the public lenders. We look forward to their distribution to the broader development community for comment.

Please feel free to contact me at 617-379-5922, or MACDC 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,

A handwritten signature in black ink, appearing to read "Joe Kriesberg". The signature is stylized and cursive.

Joe Kriesberg, President and CEO

Cc: Kate Racer, DHCD
Don Bianchi, MACDC