



December 15, 2015

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

RE: MACDC Comments on 2016 Draft Qualified Allocation Plan

Dear Kate:

I am pleased to offer these comments on the 2016 Draft Qualified Allocation Plan.

We believe that the Draft 2016 QAP continues DHCD's thoughtful approach to maintaining continuity of the QAP while addressing emerging issues. In these comments, we offer support for key components of the Draft 2016 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 agree with DHCD's statement that projects in low-income communities can be part of a larger effort to enhance residents' access to opportunity. Now that these priorities have been in place for a few years, it would be useful for DHCD and other stakeholders to review how well it has been working. Has the flexible definition of "opportunity communities" proven to be useful or challenging? Which municipalities or neighborhoods have qualified? Has there been any tough calls regarding particular locations? Beyond these process questions, has the new set of priorities enabled DHCD to find the balance it was seeking between higher income and lower income places? What percentage of the units/dollars have flowed to different types of communities. Have these numbers changed since the new policy was adopted? A review of these data and questions would better enable MACDC and other stakeholders to offer feedback on the QAP, along with the forthcoming study of tax credit projects that were part of comprehensive revitalization plans.
2. We support DHCD increasing the maximum number of points under Special Project Characteristics for "inclusion in a neighborhood revitalization effort" from 4 points to 6 points. We also commend DHCD for adding language to this item explicitly acknowledging the importance of projects which "have been developed with significant, demonstrated community input."
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. It also helps ensure that some of the proceeds of affordable housing can be recycled back into the very communities where the housing is built contributing to further community enhancement.

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 agree with the requirement that "the amount of public subsidy to be invested in the project is reasonable", and request flexibility, when appropriate, in defining what is reasonable. With regard to the public subsidy amount, the Draft QAP states "typically, less than \$100,000 per affordable unit unless the project primarily is a special needs and/or supportive housing project." We request that "community-scale housing" be included in the projects where the public subsidy amount can exceed \$100,000 per unit, in anticipation that DHCD may consider such projects in the future through a separate window. Such projects cannot utilize tax credits and thus typically require additional soft debt subsidy (although less total public subsidy).
6. We believe that the Commonwealth's new emphasis on supporting production of mixed-income housing can broaden housing opportunities for individuals and families not able to afford apartments in many hot markets, allow limited subsidy dollars to go further, and strengthen public support for affordable housing. We hope the Administration can create additional resources for the moderate-income tier to make such mixed-income projects more feasible.
7. We support DHCD limiting each sponsor to no more than one state tax credit award. Given the scarcity of this resource, we believe this change will allow more sponsors to benefit from these funds, which could result in a broader geographic impact.

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 fluid and cursive, with the first name "Joe" and last name "Kriesberg" clearly distinguishable.

Joe Kriesberg, President and CEO

Cc: Don Bianchi, MACDC