



July 24, 2015

Karen Bresnahan, Senior Policy and Planning Manager
Massachusetts Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

RE: MACDC Comments on Draft FY2015-2019 Massachusetts Consolidated Plan

Via e-mail to karen.bresnahan@state.ma.us

Dear Ms. Bresnahan:

On behalf of the Massachusetts Association of Community Development Corporations (MACDC) I am submitting these comments on the Draft 2015-2019 Massachusetts Consolidated Plan for CDBG, ESG, HOME, and HOPWA Funds.

MACDC is an association of mission-driven community development organizations dedicated to working together and with others to create opportunities for people of diverse incomes and backgrounds to access housing that is affordable, benefit from economic opportunities, and fully participate in the civic life of their communities. We represent 89 member organizations, including all 54 state-certified CDCs.

We commend DHCD for its demonstrated commitment to affordable housing in general, and to support for CDCs and other non-profit CHDOs engaged in this important work. We consider DHCD a consistent and dependable partner in this effort. MACDC respectfully requests that DHCD consider some changes to the Draft Consolidated Plan, which we believe will strengthen our collective efforts.

Need for Affordable Housing and Sustainable Homeownership:

Under Needs Assessment Overview (page 5), the Draft Plan states “There is a need for affordable rental housing and sustainable homeownership opportunities for a range of incomes, especially in areas where economic expansion and job growth is likely to occur as the economy recovers.”

Recommendations:

1. In order to accomplish this objective, State funding for affordable rental housing, through the capital and operating budgets, needs to be increased. We request a mid-year increase in the housing capital budget by \$20 million, to create a Community Scale Production (CSP) Program, to support the creation of smaller scale housing developments of 6-20 units, both rental and homeownership, that meet the specific market needs of a local community, and fit within the context of that community in terms of scale, density, and height. This would enable DHCD to support targeted investments in community-scale housing that will have the greatest housing and economic impacts, preserve sufficient funding for the larger tax credit projects, and hold separate funding rounds for community-scale and larger projects to allow for “apples to apples” comparison of applications.

2. Increase the per unit subsidy limits to \$125,000 per unit or \$150,000 per unit, depending on the project specifics and the market context. We propose that DHCD allow greater subsidy per unit when a developer can demonstrate three things: first, that local and other resources are limited, despite good-faith efforts to secure them; second, that the project is able to achieve demonstrable benefits (to the community or to populations) that go beyond those typically achieved in affordable housing development; and third, that the developer demonstrates that it is requesting the minimum amount of subsidy necessary to successfully develop and operate the project.

Need for Housing Rehabilitation and Addressing Lead Paint:

Under Housing Market Analysis (page 45) the Draft Plan cites the need for owner and rental rehabilitation, and the fact that many units still contain lead-based paint.

Recommendations:

1. Continue to prioritize using CDBG funds for existing owner/renter rehabilitation programs, and lead paint abatement programs.
2. Assess whether existing State programs for lead abatement (at DHCD and MassHousing) should be amended to meet the current needs for lead abatement. If yes, work with stakeholders to identify changes so that state and federal fund utilization can be maximized for impact.

Importance of Increasing Capacity of Community-Based Organizations:

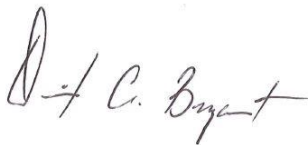
Under the Strategic Plan Overview (page 62), the Draft Plan says that DHCD and its partner agencies will be guided by several fundamental principles, among these “improve the capacity of community-based organizations and local government.”

Recommendation:

Under the appropriate section of the Draft Plan (one possibility is under AP-85: Actions planned to foster and maintain affordable housing), we propose that language be added to the Draft Plan to provide that, in order to improve the capacity of community-based organizations, “DHCD may provide up to 5% of HOME resources in the form of operating grants to CHDOs.” DHCD would still maintain discretion, each year, as to whether to make such operating grants to CHDOs. By inserting this recommended language, DHCD will establish this as an option over the five-year period covered by the Consolidated Plan.

Thank you for the opportunity to comment. Feel free to contact me if you have any questions or would like additional information.

Sincerely,



David Bryant
Director of Advocacy