



December 9, 2016

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 2017 Draft Qualified Allocation Plan

Dear Kate:

I am pleased to offer these comments on the 2017 Draft Qualified Allocation Plan.

We believe that the Draft 2017 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 2017 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 appreciate that DHCD has stated its commitment to pursue a balanced approach, that creates meaningful housing choice across a broad range of communities while continuing to invest in place-based strategies within low-income neighborhoods. We look forward to the release, in 2017, of the case study analysis of the outcomes generated by public investment in affordable housing projects in neighborhoods that were perceived as distressed when the public investments initially were made. We hope that DHCD will couple the release of this case study with data on the percentage of units and dollars that have gone to different types of neighborhoods, and how this has changed in recent years.
2. We appreciate that DHCD continues to award up to six points under Special Project Characteristics for "inclusion in a neighborhood revitalization effort", which were increased from 4 points prior to 2016. We also commend DHCD for continuing to include language under this item explicitly acknowledging the importance of projects which "have been developed with significant, demonstrated community input."
3. We commend DHCD for continuing to award 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 2017 through a separate funding round. Such projects cannot utilize tax credits and thus typically require additional soft debt subsidy (although typically less total public subsidy).
6. We request that DHCD amend the minimum project size of twelve units, for production and preservation units, in anticipation that DHCD may consider "community-scale housing" in 2017 through a separate funding round. In the QAP, DHCD states that the priorities included in this plan to a large extent are priorities for the Department's other affordable housing programs as well. We hope that DHCD will clarify that the 12-unit minimum applies only to projects utilizing low income housing tax credits.
7. We look forward to DHCD publishing draft regulations for the new Donation Tax Credit, which offers the possibility of stretching the State's dollars under the State Low Income Housing Tax Credit into creation of more affordable units.

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 a large, sweeping flourish at the end.

Joe Kriesberg, President and CEO

Cc: Don Bianchi, MACDC