

HOUSING DEVELOPMENT FUNDING PRIORITIES

PRIORITY CATEGORIES

Applications to DHCD in the October 2012 rental round will be required to fit within one or more of the following categories:

- 1) **Housing for extremely low-income (ELI) individuals, families, and seniors** earning less than 30 percent of area median income with a particular focus on those who are homeless or at risk of homelessness. Projects in this category must be supported by tenant services and include at least 20 percent ELI units. Projects can serve families or individuals, seniors, persons with disabilities, and persons with special needs.
- 2) **Investment in distressed and at-risk neighborhoods** where strategic housing investment has a strong likelihood of catalyzing private investment, improving housing quality, and promoting occupancy at a range of household incomes. Projects in this category include projects located in the Commonwealth's 24 Gateway Cities and/or Qualified Census Tracts (QCTs, as defined by Section 42 of the Internal Revenue Code). Projects serving families, seniors, persons with disabilities, or populations with special needs are eligible in this category.
- 3) **Preservation of existing affordable housing** that extends affordability in situations that are consistent with QAP policies and the preservation working group policies (matrix). To be eligible to apply for 9 percent tax credits, a sponsor must demonstrate that the project is infeasible with 4 percent credits and tax-exempt financing. Projects serving families, seniors, persons with disabilities, or populations with special needs are eligible in this category.
- 4) **Family housing production in neighborhoods and communities** that provide access to opportunities, including but not limited to, jobs, transportation, education, and public amenities. Access to opportunity locations will be defined by publicly-available data. At least 65 percent of the units in a project must be 2 BR or larger, and at least 10 percent must be 3 BR, unless that percentage of 2 BR or 3 BR units is infeasible or unsupported by public demand. Projects serving families, including families with a member with a disability or special needs, are eligible in this category.

ADDITIONAL CONSIDERATIONS

Projects that fall into one or more of these four funding categories and that also meet pre-screening criteria and QAP threshold criteria will be competitively scored. In order to achieve a balance between locations and housing types and to promote the most effective uses of limited public subsidy, the Department also will consider the following:

Geographic Balance

It is important to ensure that changes to the QAP do not disproportionately affect particular regions or types of communities. DHCD currently considers geographic distribution in making funding decisions and will continue to do so.

Location and Transportation

Housing affordability is now often defined by the combination of housing costs and transportation costs. The competitive scoring of state funding applications should take this into account through enhanced scoring for transit-oriented developments with the possibility of additional points for projects located in close proximity to public transportation (for example: within $\frac{1}{4}$ mile of a rapid transit or community rail station).

Subsidy Efficiency

Given the increasingly constrained subsidy resources, DHCD must evaluate the amount of state subsidy requested per affordable unit. This evaluation may include leveraging of local financial support, donated land, and other resources. However, DHCD recognizes that certain smaller, mission-driven projects (such as housing for formerly homeless households) tend to require more subsidies per affordable unit.

Community Development Impact

The Department seeks to support affordable housing projects that also advance broader community development goals while understanding that such strategies will vary from municipality to municipality. An ideal community development strategy would address multiple goals and may include: the role of residents, local businesses and other local stakeholders in the development process; whether the project is part of a series of connected or linked real estate projects that together are designed to revitalize the area; whether the project or development sponsor links residents to community services, such as education, workforce development, recreation, and other amenities; or whether the project is part of a neighborhood or community plan that was developed with community input and leadership, whether or not it is an official municipal plan.