

TO: All Interested Parties
FROM: Aaron Gornstein, Undersecretary; Department of Housing and Community Development
RE: Fall Rental Round: Priority Funding Categories and Pre-Application Process
DATE: June 19, 2012

In the past few years, the demand for DHCD rental resources has been unprecedented, and many sponsors of strong projects have had to apply multiple times before securing resources. In an ongoing effort to address this issue, while selecting the strongest projects, DHCD has taken the following actions:

- 1) We have established four priority categories for project applications to the fall 2012 funding round. Each project submitted to the round – which will begin on October 12 – is expected to fit within at least one category in order to be eligible for consideration. New applications must fit within a category; repeat applications are expected to fit within a category. The priority categories are described in the attachments.
- 2) We have developed a pre-application form which all sponsors of rental projects must submit by August 1, 2012. The form is included in the attachments. DHCD will amend the 2012 tax credit Qualified Allocation Plan and other program guidelines, as necessary, to incorporate the pre-application form and process. The pre-application form will help DHCD staff determine whether a project is eligible for consideration in the October 12 competition. In recent competitions, some sponsors have submitted applications for projects that are far from ready to proceed. As an example, some applications have represented projects with significant issues, such as multi-million dollar funding gaps, high costs, unresolved zoning, permitting, or historic issues, missing historic approvals. In the past, DHCD has reviewed applications despite such issues. However, through the pre-application process, DHCD will determine in advance whether a project is ready for evaluation in the October competition. Through this process, DHCD also will determine whether a project fits within one of the priority categories. We will notify developers in writing during August 2012 whether they may submit a full One-Stop to the October competition.

Many members of the affordable housing community have participated in discussions with DHCD and have offered suggestions on priority funding categories, the pre-application form, and the pre-application process. The comments have been welcome and helpful, and we have incorporated numerous suggestions into the priority categories and the pre-application form, as attached.

Please note that DHCD has scheduled a question-and-answer session on the priority categories and the pre-application process. If you would like to attend the session on July 9, at 1:30 p.m., 100 Cambridge St., 2nd floor, Boston, please notify Matt Seadale at matthew.seadale@massmail.state.ma.us. Because space is limited, we ask that each organization send no more than two representatives to the session.

If you have any questions on the categories, the pre-application form, or the pre-application process, please contact Kate Racer or Jo Ann McGuirk in the Division of Housing Development. Kate and Jo Ann will work directly with me as we determine which rental projects fit within a priority funding category and which projects are sufficiently ready for evaluation in the October competition.

Thank you for your ongoing efforts to develop affordable rental housing in the Commonwealth.

attachments