

**Department of Housing and Community Development**  
**Notice of Funding Availability**  
**Spring 2011**  
**Affordable Housing Competition for Rental Projects**

The Department of Housing and Community Development (DHCD) is pleased to announce the start of the spring 2011 affordable housing competition for rental projects. The deadline for submitting applications to the spring 2011 competition is the close of business on Thursday, April 28, 2011. Either before or on that date, DHCD will accept a maximum of two One-Stop Affordable Housing Applications from each sponsor seeking the following rental resources:

- Federal Low Income Housing Tax Credits (LIHTC)
- Massachusetts State Low Income Housing Tax Credits
- HOME Investment Partnerships Program (HOME) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits
- Housing Stabilization and Investment Trust Fund (HSF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits
- Capital Improvement & Preservation Trust Fund (CIPF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits
- Housing Innovations Fund (HIF) monies as a funding source without Low Income Housing Tax Credits except if the sponsor intends to provide homeless units in conjunction with appropriate supportive services
- Facilities Consolidation Fund (FCF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits. Although these monies are available on a rolling basis, developers also may submit applications for FCF during this funding round.
- Community-Based Housing (CBH) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits. Although CBH funds are available on a rolling basis, developers may submit applications during this funding round. The regulations and guidelines for this program are available on DHCD's website at: <http://www.mass.gov/Ehed/docs/dhcd/hd/cbh/cbhguidelines.doc>
- Commercial Area Transit Node Housing Program (CATNHP) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits.
- Affordable Housing Trust Fund (AHTF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits.

The Department reserves the right to restrict the overall amount of funding committed during the spring 2011 competition, based on the availability of federal and state resources.

Likely funding limits for this rental round include, but are not necessarily limited to, the following:

HOME -- approximately \$5 million  
HSF -- approximately \$7 million  
CIPF -- approximately \$2.5 million  
HIF -- approximately \$2.5 million  
CATNHP -- approximately \$1 million

Applicants should contact Department staff to discuss the likely limits on these and other resources.

In addition, some sponsors of rental projects located outside the City of Boston may apply for an allocation of Section 8 project-based voucher assistance from DHCD, in accordance with all Section 8 project-based voucher regulations found at 24 CFR Part 983, published October 30, 2005 and all DHCD PBV Administrative Plan requirements, as they may be amended from time to time, which can be found on DHCD's web page at:

[http://www.mass.gov/?pageID=eheadterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehead&b=terminalcontent&f=dhcd\\_ph\\_pbvplans&csid=Ehead](http://www.mass.gov/?pageID=eheadterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehead&b=terminalcontent&f=dhcd_ph_pbvplans&csid=Ehead)

Developers who intend to apply for tax credits during this competition must simultaneously identify and apply for any other DHCD resource included in the financing package. DHCD will not accept applications for additional resources at a later date from sponsors applying for tax credits during this competition. **Interested sponsors should refer to the program restrictions and additional application requirements summarized on pages 2-5 of this NOFA.**

Developers seeking HOME, HSF, CIPF, FCF, CBH, or CATNHP funds may apply for these funds in combination with tax credits or as a funding source without tax credits. Developers seeking HIF may not apply for tax credits during this competition unless they intend to provide homeless units in conjunction with significant supportive services. The availability of state resources such as HSF, CIPF, HIF, FCF, CBH, or CATNHP funds, provided from the proceeds of the Commonwealth's general obligation bonds, is at all times subject to decisions on the bond accounts made from time to time by the Secretary of Administration and Finance. Developers seeking HOME, HSF, or CIPF for projects located in HOME entitlement/consortium communities should note that a local contribution of funds is required. Further information is available from the Division of Housing Development at (617) 573-1300.

DHCD has established \$100,000 as the subsidy limit per affordable unit for the spring 2011 rental round. It is the Department's expectation that sponsors will limit their request for DHCD funding subsidy to \$100,000 per affordable unit. Nonprofit sponsors of projects that primarily or exclusively serve special needs tenants should contact DHCD staff directly to discuss the subsidy limit for their projects.

#### **I Application Deadline**

The deadline for submission of applications to the spring 2011 affordable housing competition for rental projects will be Thursday, April 28, 2011, by the close of business. All applications must be received at:

Department of Housing and Community Development  
Division of Housing Development  
100 Cambridge Street, Suite 300  
Boston, MA 02114

**All applications must be submitted using version 1.21 of the One-Stop Affordable Housing Application.** Version 1.21 is the most current version of the One-Stop and can be accessed at: <http://www.mhlc.com>. Please note: sponsors must provide DHCD with an unaltered version 1.21 of the One-Stop (i.e. no extra tabs, no notes, no changes in cell, row, or column configuration). Instructions on the number of applications to be submitted and on the fees due are listed on pages 7 and 8 of this NOFA. **Applications submitted after the deadline will not be accepted by DHCD.**

## II. Eligible Applicants

Each of the funding resources available during the spring 2011 competition has guidelines and/or regulations describing eligible applicants. In general, eligible applicants are as follows:

- LIHTC (federal and state): for-profit or non-profit developers
- HOME: for profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers
- HSF: for profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers
- CIPF: for-profit or non-profit developers
- HIF: non-profit developers
- FCF: non-profit or for-profit developers
- CBH: non-profit or for-profit developers
- CATNHP: for-profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers
- AHTF: for profit or non-profit developers

For additional information on eligible applicants for each resource, please contact the Division of Housing Development staff at (617) 573-1300.

## III. Specific Program Guidelines for the Spring 2011 Competition

Certain guidelines and/or regulations exist for each funding resource available during DHCD's spring 2011 competition. Sponsors should review copies of the current program-specific guidelines and/or regulations before preparing their funding applications. Sponsors who intend to prepare applications for tax credits in combination with other DHCD resources should take note of the following specific program standards:

- *Federal Low Income Housing Tax Credits*: Please refer to the 2011 Tax Credit Qualified Allocation Plan (QAP). The QAP is located on the LIHTC page of DHCD's website at: <http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/final2011qap.pdf>
- *Massachusetts State Low Income Housing Tax Credits*: Please refer to the 2011 QAP. In addition, please note that the amount of state credit available to a single project and/or a single development entity may be limited by DHCD.
- *HOME Investment Partnerships Program*: In general, \$750,000 to \$1,000,000 is the maximum amount available per project; \$50,000 is the maximum amount available per affordable unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum amount available per affordable unit is \$65,000. Applications for projects located in municipalities that receive HOME funds directly from HUD must include matching funds (i.e. HOME, CDBG) as a funding source for the project. Each application must be signed by the chief elected official of the community in which the project is located.
- *Housing Stabilization Fund monies*: In general, \$750,000 to \$1,000,000 is the maximum amount available per project; \$50,000 is the maximum amount available per affordable unit in

HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum amount available per affordable unit is \$65,000. Each application must be signed by the chief elected official of the community in which the project is located. Applications for projects located in municipalities that receive HOME funds directly from HUD must include matching funds as a funding source for the project.

- *Capital Improvement and Preservation Fund:* CIPF is intended to help preserve and improve projects where the prepayment of a state or federally-assisted mortgage would lead or has led to the termination of a use agreement for low income housing. CIPF funds are subject to the bond expenditure cap established for DHCD by the Executive Office of Administration and Finance. The maximum amount of CIPF available per project is \$40,000 per unit for projects with more than 25 units with a typical per project maximum of \$2,000,000. The maximum amount of CIPF available per project is \$50,000 per unit for projects with 25 units or less with a typical per project maximum of \$1,250,000. Sponsors also must obtain a commitment of funds from the community in which the project is located. Interested parties should contact the Division of Housing Development staff to obtain more information.
- *Housing Innovations Fund:* \$500,000 is the maximum amount of HIF typically available to a project. \$750,000 to \$1,000,000 is the maximum amount of HIF typically eligible to a project that primarily or exclusively serves homeless individuals or families. Sponsors should also note that HIF, by statute, can support no more than 50% of the total development cost per HIF unit.
- *Facilities Consolidation Fund:* In accordance with statute, requests for FCF may not exceed 50% of the total development cost of the project (or of the total development cost of eligible units in a larger project). Please note that FCF funds are only available to projects or units within larger projects available for the exclusive use of the Departments of Mental Health or Developmental Services. **Sponsors must include in the One-Stop application a certification from the central office of DDS or DMH that the project is part of the Facilities Consolidation Plan.**
- *Community Based Housing:* A request for CBH funding for a project may not exceed the lesser of: 1) \$750,000; or 2) 50% of total development costs (or of the total development cost of eligible units in a larger project). **Sponsors of projects seeking CBH funds should include a letter of support for the project and for the population to be served from the Massachusetts Rehabilitation Commission.**
- *Commercial Area Transit Node Housing Program:* \$50,000 per affordable unit is the CATNHP maximum. \$750,000 to \$1,000,000 typically is the per project maximum for CATNHP. Each sponsor may submit only one request for CATNHP funding, and no more than one application will be accepted from one community in a funding round. Projects must be located in proximity to transit, defined as “within .25 (1/4) miles of an existing Transit Station or Planned Transit Station”.
- *Affordable Housing Trust Fund:* In general, \$1,000,000 is the maximum available per project; \$50,000 is the maximum amount available per affordable unit. The level and type of assistance provided by AHTF to a project must be the minimum amount necessary to achieve the desired degree of affordability.

- *Section 8 Project-Based Voucher (PBV) Assistance:* A maximum of 100 Section 8 PBV vouchers will be made available as part of this funding round for projects located outside of the City of Boston. Successful applicants must be approved for at least one other available source of funding from a DHCD funding round in order to be eligible for PBV assistance. DHCD expects these PBV vouchers to be available in late 2012/early 2013. All PBV voucher reservations are subject to available funding from HUD and DHCD. PBV contract authority can be requested for up to 15 years, with the option to renew. PBV funds will be used to pay the owner a portion of the monthly rent on behalf of eligible households whose incomes must generally be at or below 30% of the area median income (AMI), and in no case can exceed 50% of AMI. No demolition or construction can begin until an Agreement to enter into a Housing Assistance Payments (AHAP) contract is signed; therefore, projects that are already in construction cannot receive PBV assistance. Prior to AHAP: 1) a subsidy layering review for projects with any form of federal, state or local housing assistance, including tax credits and tax concessions, must be approved by HUD or a HUD designated agency; and 2) an environmental review performed in accordance with 24 CFR 58 must also be completed and approved by HUD.

Unit and Project Size Requirement:

- 1) Family units of 2 or more bedrooms;
- 2) Units funded with Community Based Housing (CBH) or Facilities Consolidation Funds (FCF). Up to 12 of these units will be excluded from the City of Boston restriction;
- 3) A limit of the lesser of 8 PBVs per project, or 25% of the total project units as PBVs;
- 4) All PBV units must have a private bath; and
- 5) PBV units cannot be used in group residences or shared housing arrangements.

At the discretion of DHCD, up to 20 of the 100 PBVs may be awarded to units not meeting these criteria. DHCD reserves the right to limit the number of vouchers awarded to each project.

Owners will be responsible for maintaining a PBV waiting list and selecting tenants in accordance with a DHCD approved tenant selection plan.

Sponsors must agree to comply with all Section 8 project-based voucher regulations found at 24 CFR Part 983, published October 30, 2005 and all DHCD PBV Administrative Plan requirements, as they may be amended from time to time, which can be found on DHCD's web page at:

[http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehed&b=terminalcontent&f=dhcd\\_ph\\_pbvplans&sid=Ehed](http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehed&b=terminalcontent&f=dhcd_ph_pbvplans&sid=Ehed)

Interested sponsors should immediately contact both the Division of Housing Development at (617) 573-1300 and the Bureau of Rental Assistance at (617) 573-1217 for further information about the Section 8 project-based option and how to structure the development and operating pro formas which must be submitted as part of the One-Stop application due on Thursday, April 28, 2011.

#### **IV. Competitive Evaluation Criteria:**

All applications will be evaluated according to criteria that apply to DHCD programs for which funding is sought. The Commonwealth's commitment to the principles of sustainable development is reflected in the Division's programs and policies. **Sponsors should note that consistency with the Commonwealth Sustainable Development Principles is a threshold requirement for all projects. Sponsors applying for resources other than tax credits also must provide market study information, as well as Appendices G and H of the QAP.** The specific criteria for tax credits applications are set forth in the 2011 Qualified Allocation Plan. For copies of the Qualified Allocation Plan, please contact DHCD's Division of Housing Development or visit the LIHTC page of the DHCD website:

<http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/final2011qap.pdf>

In general, the evaluation criteria for all applications include, but are not limited to, the following:

- strength of overall concept
- strength of development team
- total request for state subsidy (exclusive of tax credits) should not exceed \$100,000/unit
- evidence of market feasibility
- evidence of satisfactory progress on projects previously funded with DHCD resources
- demonstrated need for project in the target neighborhood
- appropriate design for the project that promotes green building standards and increased accessibility
- appropriate scope for construction of the project
- appropriate total development costs for properties included in proposal
- financial viability of the project
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- the degree to which the project maximizes sustainable development principles

It is important to note that sponsors of applications to the spring 2011 rental competition must be in good standing with DHCD with respect to any and all other affordable housing projects, supported by DHCD resources, with which they are involved. DHCD may elect not to review applications from sponsors who are not in good standing with the agency with respect to other projects.

See pages 7 and 8 of this NOFA for application requirements. Please contact DHCD's Division of Housing Development at (617) 573-1300 with any questions related to the spring 2011 affordable housing competition for rental projects.

#### **V. Performance Measurement and Fair Housing Data Collection:**

Applicants seeking DHCD funds should note that, if they receive funding, they must comply with HUD approved performance measurement standards and data collection requirements, and Commonwealth of Massachusetts fair housing data collection requirements. Please refer to Attachment A for Massachusetts' Fair Housing Mission Statement and Principles.

**Application Requirements  
Spring 2011  
Affordable Housing Competition for Rental Projects**

**I. Application Requirements**

All applications must be submitted on the One-Stop Affordable Housing disk and forms. All applications must be submitted (in three-ringed binders and tabbed by section) to DHCD, Division of Housing Development, 100 Cambridge Street, Suite 300, Boston, MA 02114, no later than the close of business on Thursday, April 28, 2011. ***All applications must include a completed coversheet (see Attachment B).*** The application requirements by funding resources are as follows:

Applications with Tax Credits

- Tax Credits only: 1 disk, 3 hard copies, and 1 set of plans.
- HOME, HSF, CIPF or CATNHP in combination with Tax Credits: 1 disk, 5 hard copies, and 1 set of plans.
- HOME, HSF, CIPF or CATNHP *and* FCF, HIF or CBH in combination with Tax Credits: 2 disks, 7 hard copies, and 1 set of plans.
- FCF, HIF or CBH in combination with Tax Credits: 2 disks, 5 hard copies, and 1 set of plans.
- Affordable Housing Trust with any of the above: 1 additional disk and 1 additional hard copy.

Applications without Tax Credits

- HOME, HSF, CIPF or CATNHP only: 1 disk, 3 hard copies, and 1 set of plans.
- HOME, HSF, CIPF or CATNHP and FCF, HIF or CBH: 2 disks, 5 hard copies, and 1 set of plans.
- HIF only: 1 disk, 3 hard copies, and 1 set of plans.
- FCF only: 1 disk, 3 hard copies, and 1 set of plans.
- CBH only: 1 disk, 3 hard copies, and 1 set of plans.
- Affordable Housing Trust with any of the above: 1 additional disk and 1 additional hard copy.

DHCD urges sponsors to print application copies double-sided, if possible.

## **II. Application Fees**

Application fees are due with One-Stop submissions for several of the funding resources currently available. The fee schedules for the funding resources are as follows:

### **Low Income Housing Tax Credits only:**

All tax credit applicants must pay a portion of the tax credit fee at the time the application is submitted to DHCD. This fee is non-refundable. Application fee checks for tax credit projects should be made payment to the **Department of Housing and Community Development**. The fees due with the application submission are as follows:

projects sponsored by non-profits:	\$1,050
projects containing 20 units or fewer	\$1,050
all other projects	\$5,250

### **Low Income Housing Tax Credits in combination with other DHCD resources:**

The only application fees due are the tax credit application fees listed above. No additional fees are due.

### **HOME, HSF, CATNHP, or CIPF funds as a source exclusive of tax credits:**

Applicants seeking HOME, HSF, CATNHP or CIPF funds, but not tax credits, must pay an application fee at the time of submission. The fee is non-refundable. Checks should be made payable to the **Massachusetts Housing Partnership Fund**. The fees are as follows:

projects sponsored by non-profits	\$ 450
projects sponsored by for-profits	\$1,250

### **HIF as a source exclusive of tax credits:**

No application fee is required.

### **FCF as a source exclusive of tax credits:**

No application fee is required.

### **CBH as a source exclusive of tax credits:**

No application fee is required.

## Attachment A

### Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote

diversity and social equity and improve neighborhoods while limiting displacement of current residents.

9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

**Spring 2011 (2011-1) Funding Round**

**Attachment B**

**Applicant Information:**

Developer Name \_\_\_\_\_  
Developer Type (Non-Profit/For Profit) \_\_\_\_\_  
Address (w/zip code) \_\_\_\_\_  
\_\_\_\_\_

Contact Person(s) \_\_\_\_\_  
Contact Phone, Fax and Email \_\_\_\_\_

**General Project Information:**

Project Name \_\_\_\_\_  
Project Address (w/zip code) \_\_\_\_\_  
\_\_\_\_\_

Total # Units \_\_\_\_\_ Total # Affordable Units \_\_\_\_\_

Development Type (check all that apply)  
\_\_\_\_ New Construction  
\_\_\_\_ Acquisition and moderate/substantial rehabilitation of existing housing  
\_\_\_\_ Adaptive re-use of non-residential structure

Housing Type (check all that apply)  
\_\_\_\_ Rental-Family  
\_\_\_\_ Rental Senior (62+)  
\_\_\_\_ Rental Senior (55+)  
\_\_\_\_ Single Room Occupancy  
\_\_\_\_ Assisted-Living  
\_\_\_\_ Other Special Needs

Population \_\_\_\_\_

Set-Aside Category (check one)  
\_\_\_\_ Production  
\_\_\_\_ Preservation

**Project Financing Information:**

Check all sources of financing listed below that you have applied for or will apply to for this project:

____ RHS Section 515	____ Federal 9% LIHTC
____ MHFA Official Action Status	____ Federal 4% LIHTC
____ FHA Insurance	____ State LIHTC
____ Risk-Sharing	____ Federal Historic Tax Credit
____ FHLB	____ State Historic Tax Credit
____ MassDevelopment Funds	____ HOME
____ Tax-Exempt Bond Financing	____ HSF
____ Taxable Bond Financing	____ AHTF
____ HOPE VI	____ CBH
____ # Project-Based Section 8 - DHCD	____ HIF
____ # Project-Based Section 8- City/Town	____ FCF
____ City/Town Funding	____ CATNHP
____ CDBG	____ TOD
____ CIPF	____ Other _____

Amount of federal 9% LIHTCs Applied for (allocation requested NOT equity) \_\_\_\_\_

Amount of federal 4% LIHTCs Applied for (allocation requested NOT equity) \_\_\_\_\_

Amount of State LIHTCs Applied for (allocation requested NOT equity) \_\_\_\_\_

Amount of DHCD HOME Funds Applied for \_\_\_\_\_

Amount of HSF Applied for \_\_\_\_\_

Amount of AHTF Applied for \_\_\_\_\_

Amount of CBH Applied for \_\_\_\_\_

Amount of HIF Applied for \_\_\_\_\_

Amount of FCF Applied for \_\_\_\_\_

Amount of CATNHP Applied for \_\_\_\_\_

Amount of TOD Applied for \_\_\_\_\_

Amount of CIPF Applied for \_\_\_\_\_