



August 2, 2017

MAHC Recommendations – 2017 QAP and Guide Revision

MAHC recommends that DHCD consider the following comments and recommendations when preparing the 2017 QAP and Guide, as well as future Plans that guide the State's use of Low Income Housing Tax Credit resources in Maryland.

In general, our members are concerned that the State lacks a solid housing policy to guide investment of DHCD funds used to create affordable housing units. DHCD should undertake a Statewide housing needs assessment to determine where and how much additional affordable housing is needed in each region of the State and then guide resources to those areas with the greatest needs. We encourage DHCD to develop more defined housing policies that will serve as a guide for future investments.

1. **Priority for Projects in Communities of Opportunity.** MAHC recognizes that DHCD attempted to provide a better balance of projects located in Communities of Opportunity (COO), Qualified Census Tracts (QCT), and Defined Planning Areas (DPA) in the last round. However, we have concerns that 90 percent of the awards were in COO areas. This category and scoring criteria needs to be revisited and adjusted to ensure that housing units are created in areas across the State with the greatest affordable housing need. Again, we urge the State to complete a Statewide housing needs assessment.

We believe that the COO is given an overwhelming advantage against the QCT in the following 3 scoring categories: Transit Oriented Development, Income Targeting and Direct Leveraging. Small changes to any or all of these scoring categories will create an environment where COOs and QCTs will compete on a more level playing field.

2. **Basis Boost for COO Projects.** MAHC supports the basis boost for COO projects. However we remind you of our comments last year that it should be allowed in a manner that will address cost containment, have a clear and transparent methodology by which the boost will be applied, and protect state resources so as to maximize the number of projects that can be funded each round. Toward this end, we would

encourage you to develop underwriting standards to ensure that there is a real demonstrated and documented need for the basis boost for each COO project.

3. **Mixed Income Housing.** MAHC supports the encouragement of mixed income housing in all areas of the State regardless of demographics. Social and economic impact studies have shown that mixed income housing creates strong, healthy neighborhoods. Providing greater opportunities for residents of all income strata should be a high priority for promoting diversity across the State.

4. **Senior Housing.** MAHC feels strongly that there is an unmet and growing need for senior housing in many areas of the state, which is now virtually excluded from funding. While we appreciate the efforts to increase scoring potential for senior projects in the last round, the applications still do not have the ability to be competitive and the population continues to age. Therefore, we encourage you to look at the senior housing portfolio and analyze their waiting list data as well as look at rent rolls for family properties to determine how many seniors are living in non-age restricted units. We would be happy to work with our property management members to collect data on this if you are interested. A market study can also be used to confirm underserved locations where additional senior housing is most needed.

5. **Project Durability and Enhancements.** MAHC recommends that the following language be added to section 4.6.3 of the Guide in the bullet point regarding building exterior: “heavy gauge vinyl siding of at least .46” premium panel thickness will be considered acceptable and receive points under this section.”

Thank you for the opportunity to provide comments on the 2017 Qualified Allocation Plan. MAHC deeply values our partnership with DHCD and appreciates the consideration given to our organization and our members. We look forward to continuing to work with you on resolving some of the issues identified, and to additional opportunities to provide comments after the draft of the Plan is issued.