



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

NOTICE OF FUNDING AVAILABILITY (NOFA)

**Title: Winter 2023 – AH Competition for Rental
Projects**

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Department of Housing and Community Development
Notice of Funding Availability
Winter 2023
Affordable Housing Competition for Rental Projects

The Department of Housing and Community Development (DHCD) is pleased to announce the start of the winter 2023 affordable housing competition for rental projects. The ongoing need for more affordable rental housing in Massachusetts has been exacerbated by the COVID-19 pandemic and its wide-ranging effects -- in particular, on lower-wage earners and on frail seniors. With resources available through this NOFA, DHCD will fund hundreds of new affordable rental units and will help preserve existing affordable units.

The deadline for submitting applications to the winter 2023 competition will be January 19, 2023. On or before January 19, 2023, DHCD will accept applications from sponsors whose projects were approved in November 2022 through the Department's pre-application process. Only projects with November 2022 pre-application approvals will be considered during the winter 2023 competition. All applications to the winter 2023 competition must be submitted on-line using the Department's OneStop+ web-based application. Each sponsor will be limited to no more than two project applications for available resources. Please note: Sponsors of supportive housing projects are expected to apply to the Department's full supportive housing round rather than to the January 2023 round.

It is of great importance to DHCD to provide housing, not shelter, as a solution to homelessness. DHCD's resources are critically important to this effort. Consistent with the goal of eliminating homelessness in Massachusetts, DHCD -- through this NOFA and the winter 2023 competition -- will give priority in funding to projects that provide affordable housing for homeless families or individuals. In order to meet this priority, a sponsor must reserve at least 13% of the units in each project as extremely low income (ELI) units that could be rented to homeless families or individuals earning less than 30% of area median income.

In addition, sponsors must provide an occupancy priority in 3% of all subsidized units for residents referred by the Department of Mental Health (DMH), the Department of Developmental Services (DDS), the Massachusetts Rehabilitation Commission (MRC), and/or the Executive Office of Elder Affairs (EOEA) according to a Memorandum of Understanding among DHCD, the Massachusetts Housing Finance Agency, the Massachusetts Development Finance Agency, the Massachusetts Housing Partnership, DMH, DDS, MRC, and EOEA. All referrals must pass the usual management screening and comply with any eligibility requirements under the approved tenant selection plan. Units set aside for DMH, DDS, and/or MRC clients under the FCF or CBH programs will count toward the 3% priority requirement.

Sponsors who receive awards through the 2023 winter competition will be expected to participate in the new Housing Navigator platform developed by the Kuehn Foundation, state housing agencies, and other supporters. More information on Housing Navigator is available from the Kuehn Foundation and from DHCD. The Navigator platform was activated in August 2021 and is available to all interested parties.

The tax credit and subsidy resources available during the winter 2023 competition include the following:

- Federal Low Income Housing Tax Credits (LIHTC)
- Massachusetts State Low Income Housing Tax Credits
- American Rescue Plan Act (ARPA) Rental funds in combination with LIHTC and/or other sources or as a stand-alone source
- HOME Investment Partnerships Program (HOME) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits* (see below)
- National Housing Trust Fund (HTF) in combination with LIHTC or as a funding source without LIHTC
- Affordable Housing Trust Fund (AHTF) 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 unless 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. The regulations and guidelines for this program are available on DHCD's website at: <http://www.mass.gov/hed/docs/dhcd/hd/cbh/proguidelines.pdf>
- Transit Oriented Development (TOD) funds. TOD is available in combination with federal and/or state tax credits and other subsidy funds. (Please see below for additional information on TOD.)

Additional Information on LIHTC Syndication:

Sponsors who seek federal LIHTC must commit to selecting a syndicator and/or investor acceptable to DHCD. The syndicator/investor cannot have been involved in any "aggregator" activity in Massachusetts or in other states seeking to undermine the exercise of a LIHTC right of first refusal/right of first option, including, without limitation, refusal to honor a LIHTC right of first refusal/right of first option in favor of a non-profit sponsor executed concurrent with the initial tax credit equity closing for a LIHTC project.

* Sponsors may express interest in the special HOME funds – HOME-ARP – made available by the U.S. Department of HUD appropriation in 2021. DHCD anticipates that its HOME-ARP allocation plan will be approved by HUD in 2023. DHCD will work with sponsors whose projects are selected under this NOFA to determine whether they can incorporate HOME-ARP to their project financing.

Additional Information on DHCD Subsidy Programs:

The Department reserves the right to restrict the overall amount of funding committed during the winter 2023 competition, based on the availability of federal and state resources. All resources have been significantly oversubscribed in recent competitions. The Department expects demand to significantly exceed supply in the winter 2023 competition as well. Developers should further note that the state LIHTC continues to be a particularly stressed resource.

Under this NOFA, the minimum number of units for a project seeking tax credits is 20. For projects that do not need tax credits, the minimum number of units typically will be eight.

As long as their projects contain at least the minimum number of units, developers seeking ARPA, HOME, HTF, AHTF, HSF, CIPF, FCF, CBH, and TOD 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, AHTF, CIPF, HIF, FCF, CBH, and TOD funds -- provided from the proceeds of the Commonwealth's general obligation bonds -- is always subject to decisions on the bond accounts made from time to time by the Secretary of Administration and Finance. Developers seeking HOME, HSF, TOD, or CIPF for projects located in HOME entitlement/consortium communities should note that a local contribution of funds is required. Local match also is required for federal or state tax credit projects to be developed in municipalities that have their own funds through federal or other sources, unless the developer can provide matching funds from philanthropic or other sources acceptable to DHCD. Further information is available from the Division of Housing Development at (617) 573-1309.

Applicants should contact Department staff to discuss the likely limits on all rental resources. DHCD has established \$100,000 as the typical subsidy limit per affordable unit for the winter 2023 rental round. It is the Department's expectation that sponsors typically will limit their request for DHCD funding subsidy to \$100,000 per affordable unit. Non-profit sponsors of projects that primarily or exclusively serve persons with disabilities, veterans, or homeless families or individuals should contact DHCD staff directly to discuss the subsidy limit for their projects.

Developers who intend to apply for tax credits and/or subsidy during the winter 2023 competition must simultaneously identify and apply for any other DHCD resources included in the financing package. DHCD typically will not accept applications for additional resources at a later date from sponsors applying for tax credits and/or subsidy during this competition. Interested sponsors should refer to the program restrictions and additional application requirements summarized on pages 5-11 of this NOFA.

Additional Information on New Subsidy Programs – ARPA Rental and TOD:

American Rescue Plan Act (ARPA) Funds: ARPA-1 Rental

Under this NOFA, DHCD will allocate certain federal housing funds made available through the American Rescue Plan Act (ARPA) of 2021 and through Chapter 102 of the Acts of 2021,

appropriating ARPA funds for affordable rental housing development (item 1599-2022) (Chapter 102). During 2022 and 2023 competitions, DHCD will allocate approximately \$110 million in ARPA-1 Rental funds to support the production or preservation of affordable rental housing. All ARPA-1 Rental funds must be obligated, by federal definition, no later than December 31, 2024. In addition, all ARPA-1 Rental funds must be expended, by federal definition, no later than December 31, 2026. Under this NOFA, DHCD will make available up to \$70 million in ARPA-1 Rental funds. As of the date of this NOFA, with further Congressional action and further guidance from the U.S. Department of the Treasury, most of the structuring issues between ARPA funds and LIHTC have been resolved. DHCD will shortly issue ARPA guidance confirming the resolution of these challenging issues. Under this NOFA, DHCD expects all sponsors who seek DHCD subsidy funds to apply for ARPA-1 Rental as well as other Department subsidy sources. Sponsors should apply for at least \$2 million in ARPA, while respecting DHCD's overall limits on DHCD subsidy per unit. Sponsors of larger scale projects may seek up to \$5 million in ARPA under this NOFA. At the close of the winter rental round 2023, DHCD anticipates making ARPA-1 Rental awards in the form of long-term soft loans, structured to be consistent with the ARPA guidance issued by the U.S. Department of the Treasury. If, at the close of the competition, DHCD makes an ARPA-1 Rental award that cannot be used by the sponsor, the Department will work with the sponsor to find an alternative source. All sponsors should note, however, that the ultimate decision as to whether ARPA-1 Rental funds can be incorporated into the project will be DHCD's decision.

ARPA funding is designed to assist states and localities in recovering from the impact of the COVID-19 pandemic, and Chapter 102 specifically requires that funds be targeted towards communities and/or populations disproportionately impacted by COVID-19, while also requiring distribution to promote geographic equity. The Commonwealth has identified 29 communities as disproportionately impacted by COVID-19 (Attleboro, Barnstable, Boston, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Framingham, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Randolph, Revere, Salem, Springfield, Taunton, Westfield, Worcester). DHCD will prioritize both projects in these 29 communities and projects outside of those communities that provide a priority in initial tenant selection for:

- Residents of the disproportionately impacted communities,
- Severely cost-burdened renters, and
- Individuals or families employed in COVID-impacted industries.

Transit-Oriented Development Program (TOD)

The economic development legislation, An Act Enabling Partnerships for Growth, enacted in January 2021, created the Transit Oriented Development Program (TOD). While this program contains elements of prior Massachusetts programs targeted to housing near transit, it also contains new or modified requirements. DHCD will administer the new TOD program in coordination with the Massachusetts Housing Partnership (MHP), as authorized in the legislation, and will make up to \$10 million in TOD funds available under this NOFA.

DHCD anticipates making TOD funding awards of \$1 million to \$1.5 million per project with a maximum of \$75,000 in TOD funds per affordable unit. The Department reserves the right to make larger awards -- for example, to larger-scale projects. Eligible projects typically must be located within .5 miles of an existing or planned transit node, defined as a subway station, commuter rail station, bus station served by multiple high-frequency bus lines, or a ferry terminal, with safe and direct pedestrian or bicycle access between the proposed project site and the transit node. An eligible planned transit node must have an expected completion date on or before the expected occupancy of the proposed project. Projects also may be eligible if they are located between .5 and 1 mile of an eligible transit node and have other compelling TOD features, such as parking ratios of less than one space per unit or proximate secondary transit connections such as a public or private bus. In accordance with the legislation, at least 25% of the occupants of projects assisted by TOD must have incomes no greater than 60% of AMI.

In accordance with the legislation, preference will be given to projects located in communities most severely impacted by COVID-19. The new TOD funds are intended to support projects that will expand access to affordable housing and employment opportunities in mobility-rich areas to reduce automobile dependency. Sponsors of age-restricted housing will not be eligible to seek this resource but will be eligible to seek many other DHCD resources available under this NOFA. Sponsors of projects seeking TOD funds must meet with MHP before submitting a pre-application in advance of DHCD's 2023 winter rental round.

Project-Based Assistance:

Some sponsors of rental projects 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, as amended, 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: <https://www.mass.gov/service-details/section-8-plans>

In addition, DHCD will make project-based assistance available to certain projects through the Massachusetts Rental Voucher Program (MRVP). Please refer to pages 11-12 of this NOFA.

Sponsors also are encouraged to seek Section 811 PBVs in support of certain individuals with disabilities as certified by the Massachusetts Rehabilitation Commission. For further information on this resource, sponsors should contact Bronia Clifton at (617) 573-1305.

For certain eligible projects, DHCD may offer project-based Veterans Affairs Supportive Housing (VASH) subsidies in place of or in addition to other project-based subsidies.

I. Pre-Application and Application Deadlines

The deadline for submission of pre-applications to the winter 2023 affordable housing competition for rental projects will be October 27, 2022. DHCD will accept no more than two pre-applications from each developer. All pre-applications must be received at the Department on or before that date. Pre-applications must be submitted using OneStop+, DHCD's on-line financing application. The link to the application system is: <https://massonestopplus.intelligrants.com>.

The deadline for submission of all on-line applications to the winter 2023 affordable housing competition for rental projects will be January 19, 2023. All applications must be submitted through the Department's Intelligrants system on or before that date. Sponsors may submit applications in January 2023 only if the Department has approved their pre-applications as submitted in October 2022. Developers should note that DHCD reserves the right to limit state LIHTC requests during the January 2023 competition to one request per developer.

All applications must be submitted using OneStop+, DHCD's on-line financing application. As indicated, the link to the application system is: <https://massonestopplus.intelligrants.com>. The Department will soon provide each sponsor with instructions on delivering full sets of architectural materials to DHCD's reviewing architects. Applications submitted after the deadline of January 19, 2023, will not be accepted by DHCD.

II. Eligible Applicants

Each of the funding resources available during the winter 2023 competition, with the exception of ARPA-1 Rental and TOD, 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
- ARPA: for-profit or non-profit developers
- HOME: for profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers
- HTF: non-profit developers (please refer to page 7)
- AHTF: 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
- TOD: for-profit or non-profit developers, or municipalities in partnership with 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) 573-1309.

III. Specific Program Guidelines for the Winter 2023 Competition

As indicated in this NOFA, DHCD will require sponsors to provide 13% of the units within each project for individuals and households earning less than 30% of AMI. It is DHCD's expectation that many of these units will be reserved for homeless individuals or families. Certain guidelines and/or regulations exist for each funding resource available during DHCD's winter 2023 competition, with the exception of ARPA and TOD. Sponsors should review 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 2022-2023 TaxCredit Qualified Allocation Plan (QAP) as posted to the LIHTC page of DHCD's website at: <http://www.mass.gov/hed/housing/affordable-rent/low-income-housing-tax-credit-lihtc.html>

Please note that all 9% credit project sponsors should assume that the applicable percentage for the rehabilitation credit (also known as the 70% Present Value Credit) will be fixed at 9%. The applicable percentage for the 4% credit will be 4%.

- *Massachusetts State Low Income Housing Tax Credits:* Please refer to the 2022-2023 QAP, as posted to DHCD's website. In addition, please note that demand for the state low-income housing tax credit has increased significantly during recent rental competitions. DHCD anticipates that demand will remain strong during 2022-2023. Sponsors of projects seeking state LIHTC during the winter 2023 competition should note the following typical limits:
 - \$ 400,000 for projects with 40 or fewer units
 - \$ 700,000 for projects with 41 to 60 units
 - \$1,000,000 for projects with 61-99 units
 - \$1,500,000 for projects with 100 or more units

DHCD also strongly encourages all sponsors to limit state credit requests to \$10,000 to \$12,000 per unit. On a case-by-case basis, the Department may permit applications for higher state LIHTC requests. However, DHCD is likely to entertain such requests only for certain very large-scale and/or major-impact projects. Sponsors should contact Department staff to discuss such requests.

Under the 2018 Housing Bond Bill, \$5 million in state LIHTC annually is set aside specifically for preservation projects. Only projects that will preserve and improve existing state- or federally-assisted housing will be eligible for this category of state LIHTC.

- *HOME Investment Partnerships Program:* In general, \$750,000 to \$1,000,000 is the maximum amount available per project; \$50,000 to \$95,000 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 \$75,000 to \$100,000. Applications for projects located in municipalities that receive HOME funds directly from HUD must include matching funds (i.e., HOME, CDBG, or other sources) 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. Applicants also should note current HUD HOME requirements referenced in the HOME Final Rule, as amended. Projects seeking HOME funds must undergo the HUD environmental review process, which includes notice to the State Historic Preservation Office and the Tribal Preservation Office. Sponsors of potential HOME projects must not undertake any choice limiting actions, as defined by HUD, until the HUD environmental review is complete. Eligible HOME Community Housing Development Organizations (CHDOs) with potential HOME CHDO projects are strongly encouraged to apply for funds. DHCD may elect to apply higher per-unit HOME limits for CHDO projects. If the U.S. Dept. of HUD has approved DHCD's HOME-ARP plan by the conclusion of the winter rental round 2023 competition, DHCD will contact sponsors whose projects are being selected for funding to determine whether they wish to substitute HOME-ARP for a different source.

- *National Housing Trust Fund:* In general, \$2,000,000 is the maximum available per project. HTF is intended to help finance projects designed to house individuals or households who can benefit from supportive services and who earn no more than 30% of the area median income. Populations targeted for HTF funding include but are not limited to, homeless families, homeless individuals, military veterans, unaccompanied homeless youth, frail seniors with service needs, and individuals in recovery from substance abuse. Eligible sponsors either must be non-profit entities or partnered with non-profit entities that receive supportive services funds from federal sources, from private foundations, and/or from the Massachusetts Executive Office of Health and Human Services, including the Office of Elder Affairs. Sponsors may choose to identify particular units within a larger project as supportive housing units eligible for HTF funds. Sponsors of rehabilitation projects should closely review the U.S. Department of HUD's mandatory rehabilitation standards for HIF projects to ensure that they can meet the standards.
- *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.
- *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.

- *Transit-Oriented Development Program:* Please refer to page 3 of this NOFA for detailed information.
- *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 from the community in which the project is located, if the community has its own funds through federal or other sources. 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 available to a project that primarily or exclusively serves homeless individuals or families. Sponsors also should 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 in which clients of the Departments of Mental Health or Developmental Services will have first priority for occupancy. Sponsors must include in the OneStop+ application a certification from the central office of DMH or DDS 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 must include in their applications a letter of support for the project and for the population to be served from the Massachusetts Rehabilitation Commission.
- *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. 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. Projects located within the city of Boston may apply for PBV vouchers if the project has set aside 20% or more of its units for homeless families, and will use the PBV vouchers on

some or all of such set-aside units. In addition, city of Boston projects funded with Community Based Housing (CBH) or Facilities Consolidation Funds (FCF) may apply for PBV vouchers (maximum of 12 PBVs per funding round). DHCD expects these PBV vouchers to be available in fall 2023. 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 at initial occupancy. 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) A limit of the lesser of 8 PBVs per project, or 25% of the total project units as PBVs;
- 3) All PBV units must have a private bath; and
- 4) 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 unit and project size 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 statutory requirements and project-based voucher regulations found at 24 CFR Part 983, published October 30, 2005, as amended, including all subsequent revisions, and all requirements of the Housing Opportunity Through Modernization Act of 2016 (81 F.R. 73030) and subsequent regulations. Sponsors also must agree to comply with all DHCD PBV Administrative Plan requirements, as they may be amended from time to time. Sponsors should contact the Division of Rental Assistance for further information.

Interested sponsors should immediately contact both the Division of Housing Development and the Division of Rental Assistance 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 OneStop+ application due on January 19, 2023.

Massachusetts Rental Voucher Program (MRVP), Project Based Voucher (PBV) Assistance: A maximum of 100 MRVP PBVs will be made available as part of this funding round. Successful applicants must be approved for at least one other available source of DHCD funding in the winter rental round in order to be eligible for MRVP PBV assistance. MRVP is a state-funded program and is not part of DHCD's federal Section 8 PBV program. Sponsors must agree to comply with all MRVP regulations found at 760 CMR 49.0 and with DHCD MRVP PBV Administrative Plan requirements, as they may be amended from time to time, which can be found on DHCD's web page at <https://www.mass.gov/files/documents/2019/11/15/mrvpadminplan17.pdf>. Owners will be responsible for maintaining a PBV waiting list in coordination with the administering agency and selecting tenants in accordance with a DHCD-approved tenant selection plan.

DHCD expects the MRVP PBVs to be available in spring or summer 2025. All MRVP PBV reservations are subject to available funding from DHCD. MRVP PBV contract authority can be requested for up to 15 years, with the option to renew. MRVP PBV funds will be used to pay the owner a portion of the monthly rent on behalf of eligible households. In most cases, the incomes of eligible households must be at or below 50% of AMI. The contract rent for these units will be set at the lesser of 60% of AMI rents or FMR. Typically, no demolition or construction can begin until a pre-leasing agreement contract is signed. Therefore, projects that already are in construction cannot receive MRVP PBV assistance.

Unit and Project Size Requirement:

- 1) Family units of 2 or more bedrooms;
- 2) A limit in most cases of the lesser of 8 MRVP PBVs per project, or 25% of the total project units as MRVP PBVs;
- 3) All MRVP PBV units must have a private bath; and
- 4) MRVP PBV units can be used in group residence or shared housing arrangements, although private baths are required.

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

Owners will be responsible for maintaining an MRVP PBV waitlist and selecting tenants in accordance with a DHCD-approved tenant section plan.

Sponsors must agree to comply with all MRVP PBV regulations found at: <http://www.mass.gov/hed/economic/eohed/dhcd/legal/regs/>

Interested sponsors should immediately contact both the Division of Housing Development at (617) 573-1309 and the Division of Rental Assistance at (617) 573-1208 for further information about the MRVP program.

IV. Competitive Evaluation Criteria:

All applications will be evaluated first to determine that at least 13% of the units in the project will be reserved as ELI units, including ELI units for homeless families or individuals. All applications also will be evaluated according to criteria that apply to the specific DHCD programs from 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's Sustainable Development Principles is a threshold requirement for all projects. In addition, sponsors should carefully review the design/scope requirements in the LIHTC 2022-2023 QAP, as DHCD is strongly encouraging green, sustainable, and climateresilient approaches to design and construction. Sponsors applying for resources other than taxcredits also must provide market study information, as well as Appendices I and J of the 2022-2023 QAP. The specific criteria for tax credit applications are set forth in the Department's 2022-2023 Qualified Allocation Plan, to be posted to DHCD's website at: <http://www.mass.gov/hed/housing/affordable-rent/low-income-housing-tax-credit-lihtc.html>

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

- percentage of units to be reserved as ELI units, including ELI units for homeless families or individuals (13% minimum)
- strength of overall concept
- strength of development team, including prior and proposed MWBE participation and additional commitment to diversity within the team
- degree to which the project maximizes sustainable development principles
- appropriate design for the project that promotes green, sustainable, and climate resilient design as well as increased accessibility (Please note: sponsors must review the design sections of the 2022-2023 QAP.)
- provision of accessible units for persons with disabilities (Please note: sponsors of senior projects must review the design and scope requirements for such projects incorporated into the 2022-2023 QAP as Appendix K.)
- appropriate scope of construction for 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
- total request for state subsidy (exclusive of tax credits) (subsidy requests should not exceed \$100,000/unit)
- evidence of market feasibility
- demonstrated need for project in the target neighborhood
- evidence of satisfactory progress on projects previously funded with DHCD resources

It is important to note that sponsors of applications to the winter 2023 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 Department with respect to other projects.

Please refer to section VI of this NOFA for application requirements. Please contact DHCD's Division of Housing Development at (617) 573-1309 with any questions related to the winter 2023 affordable housing competition for rental projects.

V. Performance Measurement and Fair Housing Data Collection:

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

VI. Application Requirements

All applications must be submitted on-line at <https://massonestopplus.intelligrants.com>, using the OneStop+ application. All online applications must be submitted on or before the close of business on January 19, 2023. Sponsors who need assistance in signing up for training or logging in should contact DHCD at 617-573-1309.

VII. Pre-Application and Application Fees

Pre-application fees are due from all applicants who submit pre-applications by close of business on October 27, 2022. The pre-application fee is \$1,000 for each project sponsored by a for-profit and \$500 for each project sponsored by a non-profit. Pre-application fees are non-refundable. Please note that sponsors are limited to no more than two pre-applications.

Application fees for the winter 2023 rental round are due with OneStop+ 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 when the application is submitted to DHCD. This fee is non-refundable. Application fee checks for tax credit projects should be made payable 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 with the OneStop+ submission are the tax credit application fees listed above. No additional fees are due with the submission.

ARPA, HOME, HSF, TOD, or CIPF funds as a source exclusive of tax credits:

Applicants seeking ARPA, HOME, HSF, TOD 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

ARPA, HTF, HIF, FCF, or CBH as a source exclusive of tax credits:

No application fee is required for these sources.

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.