

# **2024 QAP General Listening Session 1**Overview of Changes Under Consideration

# **Revisiting State Priorities**

This section refers to internal discussions thus far regarding updating (Core Plan) State Priorities.

## Priorities to Keep

The following are likely to remain as high priorities, though defining language will be updated:

- Quality Developments
- Health Outcomes for Residents
- Preservation of Existing Affordable Housing

#### Priorities to Reframe

- Integrated Housing Opportunities for Persons with Disabilities may become a subset of a new, broader priority that speaks to increasing housing opportunities for those facing barriers to housing beyond income.
- **Geographic Distribution** may be reframed to incorporate "housing needs" as an additional lens for allocating resources.
  - "Need" in the QAP would be broadly defined for this purpose (e.g., jobs concentration, population growth, housing cost).
  - Geographic distribution would include the following sub-priority: "Balanced allocations between 'high opportunity areas' and 'revitalizing communities."

#### New Priorities to Consider

The following may be added or emphasized as sub-priorities:

- Economic Mobility for Residents
- Deeper Targeting
- Effective Use of Resources

#### Priorities to Reevaluate

Internal dialogue suggests "Innovation" may be removed as a standalone priority or significantly reframed.

# Overview of Major Policy Questions and Goals for 2024 QAP

The following is a non-exhaustive list of QAP topics under consideration.

## Homelessness and Supportive Housing

- What QAP requirements should DCA impose to ensure all properties serve high priority populations in some capacity?
- What are best practices in permanent supportive housing (PSH)? How can the QAP provide a competitive advantage to applications best positioned to deliver PSH effectively?
- How can the QAP facilitate increased PSH capacity in communities around the state that currently face significant barriers to doing so?

#### Geographic Distribution & Site Selection Policies

- Incorporate new Scoring Criteria that cover "housing need," broadly defined. For example: jobs concentration, housing cost burden, population growth.
- Assess collective impact of all site-based Scoring Criteria to ensure points do not direct developers to too few areas.
- Adjust Scoring Criteria to better balance "revitalizing" and "high opportunity" areas.

## Preservation & Long-Term Affordability

- Does the QAP currently allocate too much or too few credits towards Preservation?
- Do the current set aside structure and Scoring Criteria prioritize the right properties?
- What steps can we take to maintain quality and minimize resident displacement at existing Housing Credit properties?
- Currently considering changing "New Supply Competition" to "New Affordability Competition," removing the current disqualification of certain developments (e.g., NOAH rehabilitation).

# 4% Credits/Bonds Allocation

- What major issues did DCA partners observe on the ground in DCA's implementation of the first 4%/Bonds Competitive Round?
- In what ways can DCA more effectively prioritize "readiness to proceed"?

#### **Qualifications Determination**

- How can DCA simplify the process of approving development team qualifications?
- What is the appropriate balance of...
  - o ...maintaining a high bar for development team qualifications, and...
  - o ...minimizing barriers to entry?

#### **Deeper Targeting**

• How can DCA expand housing opportunities for extremely low-income households beyond what is currently in (Scoring Criteria) Deeper Targeting?

#### Efficient Use of Resources

- If there were no per-property limitations on credits, bonds, and developer fees, how large of properties would be built on average for each DCA resource by QAP "geographic pool"?
- Given the above and related DCA goals, what should the appropriate limits be for 9% credits, tax-exempt bonds, and developer fees per property or development team?
- What other major issues does DCA need to consider for purposes of using scarce 9% credits and bonds optimally?

## QAP and Competitive Round Structure Priorities

- Current expectation is that the next QAP will be a "2024-2025" 2-year QAP.
- Consider changing competitive round structure to "Scoring review happens first. Threshold review happens after competitive selection."
  - To mitigate the risks of removing Threshold from competitive selection, DCA is considering adding a broader "Readiness to Proceed" Scoring section.
- Is Application Completeness currently more stringent than it should be?
- What other changes can be made to achieve efficiency in round administration?

#### Simplifications

- DCA hopes to simplify the following sections: Previous Projects, Community Transformation, Revitalization/Redevelopment Plans, Exceptional Nonprofit/PHA
  - O What other sections should be highlighted for simplification?
- DCA wants to identify any sections for which we are asking for more Minimum Documentation than is needed.