



# Homeownership Tax Credit Program

Homeownership Qualified Allocation Plan (HQAP)  
Information Session

February 25, 2026

1.

# Background

# Healey-Driscoll Administration Responds

- The Healey-Driscoll Administration drove the **largest housing investment of its kind in Massachusetts history**, through the passage of the **\$5 billion+ Affordable Homes Act (AHA)** in 2024.
- Included in the AHA was a **brand-new and innovative approach** to the development of affordable homeownership opportunities statewide, the **Homeownership Tax Credit**.
- This policy initiative represents an important part of the administration's efforts to **expand homeownership opportunities** for low- and moderate-income individuals and families across Massachusetts.
- Through the AHA, up to \$10 million in tax credits will be available per year for five years through CY 2029, for a total of **\$50 million in credits**. The utilization of the credits will be governed by a qualified allocation plan that will be **issued by MassHousing**.

# Demand for Affordable Homeownership

- **Rising home prices** are increasingly pricing low- and moderate-income households out of the Massachusetts housing market.
- In June 2025, the Greater Boston Association of Realtors reported that the median sales price for a single-family home reached **\$1 million** in the Greater Boston region.
- The average age of a first-time homebuyer is now **40 years old**, reflecting **growing barriers** for moderate-income households to access **wealth creation through homeownership**.
- Through the **CommonWealth Builder program**, MassHousing has been able to increase the production of **affordable homeownership opportunities** across Massachusetts.
- The **Homeownership Tax Credit (HTC)** represents an additional **strategic tool** to **expand affordable homeownership supply**.

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# Homeownership Qualified Allocation Plan (HQAP)

# Eligibility Overview

## Eligible Locations

- Developments may be located in **any community in Massachusetts**

## Eligible Properties

- **New construction** and **adaptative re-use**
- Fee **simple dwelling units** and **professional managed condominiums**

## Project Size

- Developments must contain at least **10 for-sale units**, with no less than **20%** of those units **designated as affordable** to income-qualified first-time homebuyers

## Qualified Buyers

- Buyer income threshold up to **<120% of AMI**
- Must be a first-time homebuyer
- Obtain a **fixed rate 30-year mortgage**, and;
- Complete **homeownership counseling** by the time of purchase

# Deed Restriction

## Statutory Deed Restriction

- 10- year deed restriction from the date of the original sale of the unit
- If a sale takes place before the 10- year period, the owner will be entitled to a 10% increase in value for each year of ownership.
- The deed restriction does not restart after resale

Sale After	Owner Share	MassHousing Share
1 year	10%	90%
2 year	20%	80%
3 year	30%	70%
4 year	40%	60%
5 year	50%	50%
6 year	60%	40%
7 year	70%	30%
8 year	80%	20%
9 year	90%	10%
10 year	100%	0%

# Developer Responsibilities

- Secure both a **construction lender** and a tax **credit investor**; a letter of intent (LOI) or commitment letter **must be included in the application**.
- Developers receiving a conditional award will have **90 days to resubmit documentation** demonstrating **committed construction financing** and **tax credit investment**.
- Submit a **cost certification** for MassHousing review and approval to receive the tax credit coupon.
- Credit may be claimed in the **first year** in which **all units are sold and closed**.
- Credits may be carried forward for **up to 10 years** if the investor **does not have sufficient state tax liability** to utilize the full credit amount in the initial year.

# Credit Calculation

The **maximum tax credit calculation** for an affordable homeownership unit is based on a calculation of 35% of the lesser of either: (i) **the total qualified project expenditures (TDC)** for the unit; or (ii) **80% of the area median** new single family dwelling sales price.

Essex County 80% of Average Transfer Price	Per Unit TDC of Project in Essex County
\$874,094	\$582,471
\$305,933	<b>\$203,865</b>

Sales Price	\$378,606
Necessary Income	\$107,905
Affordable AMI	80-100% AMI

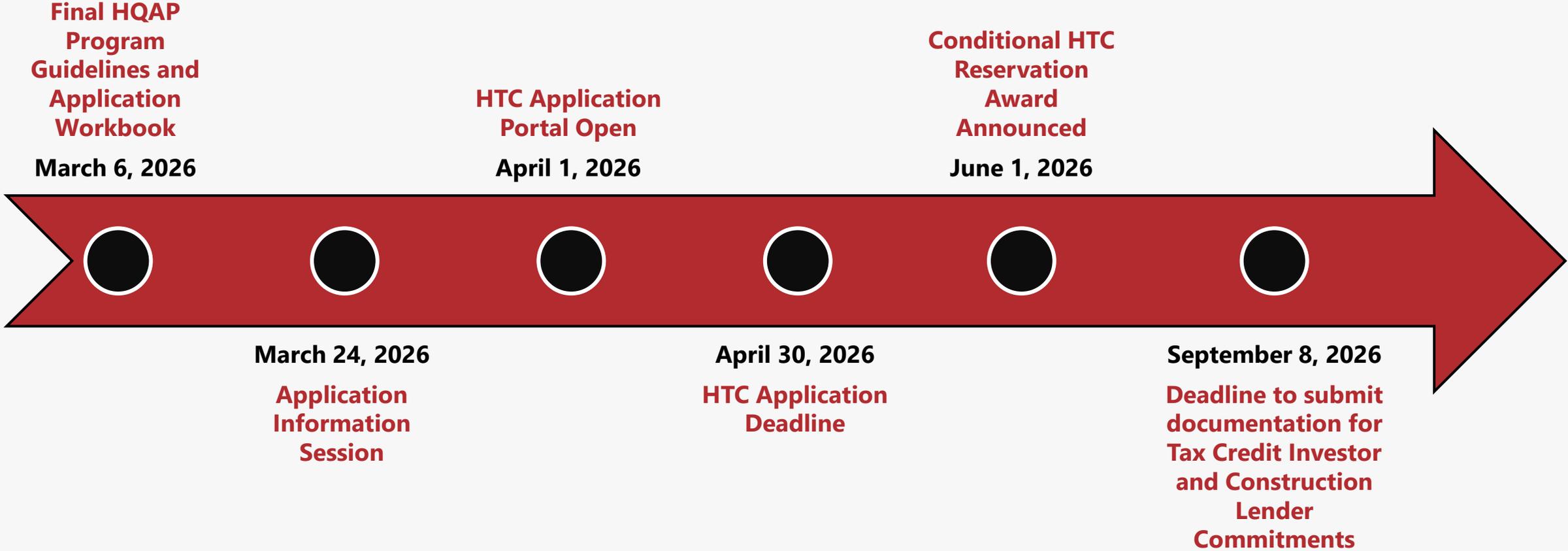
*For complete list of Average Sales Price by County: See Appendix 3  
Program Income Limits: See Appendix 4*

# Application Scoring

A maximum of **115 points** may be awarded across **six categories**

<b>Readiness to Proceed</b> (28 points)	The extent to which a project is sufficiently advanced to proceed without material delays
<b>Development Team Capacity</b> (20 points)	Development team's qualifications, experience, financial capacity, and organizational readiness
<b>Financial Feasibility</b> (30 points)	The clarity, completeness, and feasibility of the project's financing structure, including anticipated development costs and the status of identified funding sources
<b>Market Feasibility</b> (9 points)	The market feasibility of the proposed development, the readiness of the homeownership sales strategy, and compliance with fair housing requirements
<b>Leveraging Resources and Local Support</b> (8 points)	The extent to which the project leverages local resources, municipal support, and public actions that strengthen feasibility, reduce risk, and demonstrate alignment with local housing priorities
<b>Innovation, Cost Efficiency and Delivery Approach</b> (20 points)	Innovative approaches that enhance cost efficiency, reduce delivery risk, accelerate timelines, and improve alignment between development costs, subsidy levels, and market feasibility

# 2026 Program Timeline





**Submit comments and feedback on the HQAP to:**

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