

**MEMORANDUM**

**TO:** Jonathan Tucker, Planning Director

**FROM:** Judi Barrett

**DATE:** October 30, 2014

**SUBJECT:** Inclusionary Zoning Feasibility Review

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RKG Associates, Inc. (RKG) has been asked to evaluate the impact of inclusionary zoning requirements on development in Downtown Amherst and other areas of the town. The purpose of our work is to estimate whether exacting an affordable housing benefit from private developers will discourage investment and frustrate the goals of Amherst's Master Plan. Following our several conversations with you and others in Amherst and our two meetings with the Zoning Subcommittee, we offer the attached report for your review.

## **A. Background**

Amherst has an inclusionary zoning provision in Article 15 of the Zoning Bylaw (ZBL). Under Article 15, any residential development requiring a special permit must include affordable housing if the project involves ten or more new dwelling units. For a variety of reasons, no affordable units have been constructed under Article 15. Recently the Town considered amending ZBL Article 15 to make it a more effective vehicle for creating affordable housing. The amendments were proposed under Warrant Article 24 of the 2014 Annual Town Meeting, but town officials decided to postpone Article 24 for further study.

Article 24 differs from the existing zoning in several ways. First, it would apply to any development that involves a net increase in housing units, whether allowed by right or by special permit. Second, the affordability formula in Article 24 is expressed as a percentage of units in a development with ten or more units, with different percentages applied to single-family developments and “other uses/developments” in the B-G district (generally the downtown area) and other districts. Amherst has a total of twenty-four zoning districts (some are overlay districts), and tailoring the affordable housing requirements to different types of districts makes sense. Third, the Article 24 amendments offer “cost offsets,” or compensatory mechanisms to make inclusionary housing more realistic for the developer and less vulnerable to legal challenge. For example, a mixed-income development would qualify for two additional market-rate units for every one affordable unit and increases in maximum building and lot coverage. Fourth, Article 24 gives applicants some optional ways to comply instead of providing affordable units within a proposed development.

Meanwhile, Town Meeting had approved other changes to the ZBL in order to achieve the goals of Amherst’s new (2010) Master Plan. At issue for RKG’s analysis is a change to the maximum height limit in the B-G district: a change the Town made to encourage mixed-use buildings with ground floor commercial space and upper-story housing units. Under current zoning, a five-story building is permitted by right in the B-G district. However, the district’s maximum height in feet (55) is not really enough for an attractive five-story structure, so the applicant still needs a special permit for the few additional feet needed to build five full stories. This special permit, already granted for at least one other project in the downtown area, has triggered a dispute about whether ZBL Article 15 (as currently written) applies to a development of ten or more units when the special permit is for dimensional relief, not use.

The Planning Board and Zoning Subcommittee considered taking a revised version of Article 24 to a special town meeting this fall. However, they decided to hold off in order to review other potential changes and work with the Board of Selectmen and others on non-zoning options for encouraging affordable housing. Residents have petitioned to amend ZBL Article 15, specifying that the affordable housing threshold applies to any type of special permit, thus bringing special permits for dimensional relief under the umbrella of the Town’s existing inclusionary zoning rules. Suffice it to say that people do not agree, and the resolution may have an impact on a currently proposed mixed-use development in the downtown area.

## **B. Approach**

RKG has been asked to estimate the feasibility of Amherst’s proposed inclusionary zoning regulations (Warrant Article 24) on properties in three different parts of town. This is a very broad question and, unfortunately, a question that lends itself to disputed assumptions for estimating a

project's market value, development costs, return on investment, and so forth. The rationale for selecting different areas is that Downtown Amherst's land costs are much higher than the land costs found elsewhere in Amherst. At some point, a significant difference in income to the investor affects the land acquisition cost that a project can absorb. In our experience, an added factor that affects mixed-income housing developments is that the maximum affordable rents allowed by regulation are not necessarily the rents that are actually affordable to lower-income people in a given community. For example, an "affordable" rent by regulation may be a rent that does not exceed 30 percent of the monthly gross income of a household at 80 percent of area median income (AMI), but the rent that is affordable to people seeking housing – that is, the market for affordable units – may be closer to 30 percent of the monthly gross income of a household at 50 percent AMI, or less. This kind of disconnect can be seen in towns where new affordable units attract relatively few applicants. Sometimes what qualifies as "affordable" by law is not affordable in a given market area.

In addition:

- The allocation of floor space to residential, retail, office, or other permitted uses in mixed-use developments can vary significantly from site to site. Space allocation matters because the rents and vacancy assumptions for each land use are not the same.
- While some operating costs remain the same for market-rate and mixed-income developments, others change and in some cases, they change quite a bit. An example of an operating cost that tends to run higher in mixed-income developments is management and marketing. By contrast, affordable units sometimes have fewer vacancies, but they are never at 100 percent.
- Without an actual project to review, analyzing the outcomes of any zoning change requires one to use assumptions for what can be done by right. In the B-G district, this is complicated by height limits that are not aligned well. On one hand, Amherst allows five-story buildings by right, but on the other hand, maximum building height is limited to 55 feet. Since a five-story building will almost always needs somewhat more than 55 feet to work well, an analysis of inclusionary zoning in the B-G district should adopt a more conservative approach and assume a maximum of four stories. We have used five, but there is no certainty that a five-story mixed-use building can be constructed in the B-G district (assuming all other applicable requirements are met).

Rather than try to construct detailed construction budgets and operating pro formas for three unspecified projects, given the number of unknowns, we opted for a series of assumptions that could be applied to the selected sites or other similarly zoned and configured properties. The more factors that require finely tuned metrics, the more likely it is that people will focus too much on a few individual details at the expense of the larger question, which is the effect of "lost" income from affordable units on the incentive to develop.

The Planning Department asked RKG to include the following three sites in our review: 33-37 East Pleasant Street (B-G district); 24 Dickinson Street (B-VN district); and 133 Belchertown Road (R-N district). Under existing conditions, they have the following characteristics:





Site	Lot Area	Assessed Value			Land Value
		Total	Building	Land	Per Ft
33-37 East Pleasant Street	19,299	\$624,900	\$386,300	\$233,300	\$12.09
24 Dickinson Street	16,335	\$301,200	\$141,900	\$155,300	\$9.51
133 Belchertown Road	175,892	\$2,323,900	\$1,588,500	\$716,800	\$4.08

Development on these sites is subject to the following basic density and dimensional regulations:

Site	Minimum Lot Area	Maximum Height (Stories)	Maximum Building Coverage	Maximum Lot Coverage	Maximum Height (Stories)
33-37 East Pleasant Street	N/A	5	70	95	5
24 Dickinson Street	N/A	3	35	70	3
133 Belchertown Road	20,000 sq. ft. plus 6,000 sq. ft. per unit for each above 2	3	20	30	3

Given these basic parameters, RKG developed the following feasibility estimates for each site. It is important to note, however, that the existing apartment development at 133 Belchertown Road may need additional relief from the Town in order to achieve redevelopment feasibility. Rental income assumes market-rate rents.

	33-37 East Pleasant Street	24 Dickinson Street	133 Belchertown Road
<b>I. Costs</b>			
Acquisition <sup>(a)</sup>	\$291,600	\$194,100	\$896,000
Demolition <sup>(b)</sup>	\$25,000	\$19,300	\$180,500
Residential Construction <sup>(c)</sup>	\$9,118,800	\$1,929,600	\$7,598,500
Parking <sup>(d)</sup>	\$0	\$0	\$156,000
<b>Total</b>	<b>\$9,435,400</b>	<b>\$2,143,000</b>	<b>\$8,831,000</b>
<b>II. Income</b>			
Gross Rents (5% Vacancy) <sup>(e)</sup>	\$1,202,700	\$303,600	\$1,183,900
Expenses (40%)	\$481,100	\$121,400	\$473,500
Net Operating Income (NOI)	\$721,600	\$182,100	\$710,300
Cap Rate	7.0%	7.0%	7.5%
Total Value (NOI x Cap Rate)	\$10,308,800	\$2,601,900	\$9,470,800
<b>Net</b>	<b>\$873,400</b>	<b>\$458,900</b>	<b>\$639,800</b>

Notes:

(a) Existing land value x 1.25, except 133 Belchertown Road

(b) \$5 per foot

(c) \$150-\$180 per foot (varies by site and building type)

(d) \$3,000 per surface parking space

(e) Rents assume \$2.05 to \$2.45 per sq. ft.; varies by location (highest in town center).

Multifamily redevelopment on any of these sites appears feasible, assuming market-rate rents. The difference between market-rate and affordable rents is generally a ratio of 1.5 to 1.6, i.e., market rents per sq. ft. generally run 1.5 to 1.6 times the affordable rent. The following table illustrates the impact of requiring a minimum of 10 percent affordable units in each of the above scenarios.



	<b>33-37 East Pleasant Street</b>	<b>24 Dickinson Street</b>	<b>133 Belchertown Road</b>
<b>I. Costs</b>			
Acquisition <sup>(a)</sup>	\$291,600	\$194,100	\$896,000
Demolition <sup>(b)</sup>	\$25,000	\$19,300	\$180,500
Residential Construction <sup>(c)</sup>	\$9,118,800	\$1,929,600	\$7,598,500
Parking <sup>(d)</sup>	\$0	\$0	\$156,000
<b>Total</b>	<b>\$9,435,400</b>	<b>\$2,143,000</b>	<b>\$8,831,000</b>
<b>II. Income</b>			
Gross Rents (5% Vacancy) <sup>(e)</sup>	\$1,142,500	\$293,100	\$1,144,800
Expenses <sup>(f)</sup>	\$481,100	\$121,400	\$473,500
Net Operating Income (NOI)	\$661,400	\$171,700	\$671,300
Cap Rate	7.0%	7.0%	7.5%
Total Value (NOI x Cap Rate)	\$9,448,571	\$2,452,857	\$8,950,667
<b>Net</b>	<b>\$13,171</b>	<b>\$309,857</b>	<b>\$119,667</b>
Notes: (a) Existing land value x 1.25, except 133 Belchertown Road (b) \$5 per foot (c) \$150-\$170 per foot (varies by site and building type) (d) \$3,000 per surface parking space (e) Rents assume \$2.05 to \$2.50 per sq. ft. for market rents; \$1.35 per sq. ft. for affordable unit rents, assuming an average of two bedrooms per unit (affordable rents are based on household size appropriate for a unit with N bedrooms). (f) Expenses remain the same as in the first scenario, which means they are slightly more than 40 percent when the gross rental income drops. The significant difference in gross rental income for 33-37 E. Pleasant Street is that the number of affordable units is the same as for 133 Belchertown Road even though the latter would have more units in total. The reason: one involves a fraction => .5 and the other is =< .5			

To manage the impact of the affordable rents in the first scenario (downtown), where the difference is most apparent, the Town could either redefine “affordable” to a higher income group, e.g., 95 or 100 percent AMI, or allow a payment in lieu of units for some of the affordable units. Alternatively, the Town could reduce the required number of affordable units for households at 80 percent AMI. For example, reducing the number of affordable units from five to three brings the net closer to the original (all market-rate) net and would presumably work for a developer. Simply increasing density alone will not solve the problem because the redevelopment scenario assumes a maximum buildout under existing zoning (including a special permit for additional height in feet).

Arguably, there are other ways to make including affordable units more profitable in all of the above scenarios. For example, developers could build a less expensive product or renegotiate the land acquisition price, or they could seek financial subsidies for the affordable units. Whatever the remedy, there is no question that requiring the full 10 percent with rents for households at or below 80 percent AMI could discourage investment in some downtown properties. This may not be the case universally in the B-G district, there is clearly reason for concern.

**C. Fee in Lieu of Units**

For reasons discussed in Section D below, RKG does not recommend offering the option to pay a fee in lieu of units. There are other ways for developers to provide affordable units when no amount of additional density will work on a given site. In addition, most towns find it difficult to

manage a housing fund. Some Massachusetts communities have literally millions of dollars in housing trust funds with no plan in place for how the monies will be used. Developers know how to build housing; municipalities generally do not. **If Amherst wants to consider a fee in lieu system, we strongly recommend that you limit it to projects with two or more affordable units and that you require at least 50 percent of them to be created within the project or in another location.**

We cannot exaggerate the importance of keeping a fee in lieu formula simple to administer. We have seen many versions of “affordability gap” formulas. They may seem appropriate, but they are inconsistent, based on a wide variety of assumptions, rarely current, and almost always formulated without any consultation with local developers. Moreover, gap formulas fail to recognize the fact that each real estate deal is a bit different, so site costs in one project could differ dramatically from site costs in the next project, and so forth.

A second and far more important point is that the Town’s “cost” to create affordable units will vary dramatically depending on how Amherst decides to invest monies in the trust fund. **In our opinion, the Town should postpone providing for fees in lieu until you develop a business plan for your housing trust fund.** The Town should have a plan for how it will use monies in the trust before trying to determine what a developer’s fee should be. For example, the per-unit subsidy required to buy down existing homes in Amherst and rent or resell them as affordable units is very different from the subsidy needed to close the financing gap in a non-profit multifamily housing development. The role you expect to play in creating affordable housing should be considered when you establish an inclusionary zoning fee schedule. As manager of a housing trust fund, Amherst will become a housing subsidy program. The trustees could simply spend all of the principal on buy-down grants and generate no income to the fund, or they could invest some of the principal in non-income generating subsidies and some in loans that will eventually be repaid, even if at a very low interest rate. They could focus on buying down units from 100 percent to 60 percent AMI and function as a lender. How much to keep in reserve is another decision the trustees should make. In short, how the fund is invested will determine the number of affordable units that Amherst effectively enables. The “cost” per unit could range from \$20,000 to \$150,000 per unit.

These recommendations do not answer the question Amherst has asked of us, which is what the fee in lieu should be. We recommend a formula that anyone can apply and arrive at the same conclusion. Though it has limitations, the formulas that rely on a simple multiplier of median household income or average construction cost are generally transparent. The approach shown on the next page, which relies on readily available data that anyone can obtain, might be appropriate in Amherst. (Note: land cost/unit and average construction cost are approximations, not actual data requested from the Assessor or Building Inspector. Our point here is to illustrate a formula.)

One of the issues any town with a fee in lieu program needs to consider is that the fee should relate rationally to the community’s cost, expressed as the subsidy per unit, but the fee should also be high enough to discourage its use unless there is no other option. It is beyond our scope to address this because it is really a policy issue, but we think the Town should consider a “disincentive” factor in any fee in lieu formula. There is no disincentive factor in the following table.





Fee in Lieu of Units: Sample Formula				
	Residential Use			Source of Data
	Two-Family Unit	Multifamily Flat	Townhouse	
Land Cost/Unit	\$50,000	\$15,000	\$50,000	Assessor
Average Construction Cost	\$195,000	\$175,000	\$185,000	Building Inspector
Compliance Costs	\$5,430	\$4,830	\$5,430	DHCD
Cost to Town	\$250,430	\$194,830	\$240,430	Sum
Maximum Sale Price	\$181,000	\$161,600	\$181,000	DHCD
Gap	-\$69,430	-\$33,230	-\$59,430	

(1) Land cost per unit is acquisition cost of record divided by number of approved units; use a two-year average. (2) Average residential construction cost can be obtained from the Building Inspector or the Bureau of the Census; again, use a two-year average. (3) Compliance cost assumes an average of 3% of the sale price; (4) Maximum sale price is as determined by DHCD or MassHousing.

#### D. Flexible Zoning

In May 2014, the Massachusetts Chapter of the American Planning Association (APA-MA) sponsored a half-day workshop on inclusionary zoning. A memorable comment during one of the panel presentations came from an experienced mixed-income housing developer. He noted that developers tend to want a permitting system with two characteristics that conflict: predictability on one hand and flexibility on the other hand. Inclusionary zoning is a good example of a zoning framework that should offer predictability, yet differences in sites, landowner and developer expectations, lender requirements, access to subsidies, and market conditions make it very difficult for inclusionary zoning to work without lots of flexibility. Since flexibility usually involves some discretion on the part of permitting authorities, it almost always means a special permit will be needed at some point in the approval process.

- **Variable inclusionary requirements.** Given variations in land values around Amherst and the multiplicity of needs described in the Town’s Housing Production Plan (HPP), it makes sense to tailor Amherst’s inclusionary zoning policies to differences in place and population. It will be easier for a multifamily development outside the mixed-use centers to accommodate affordable units than a project in a part of town where both high land values and high design expectations make mixed-income housing a more difficult (if not infeasible) proposition. Uniformity may seem “fair,” but a bylaw that is equitable on the surface is worth little if it fails to produce affordable housing. If residents are concerned about appearing to favor one part of town over another, Amherst could still have an across-the-board affordable housing goal but achieve it through different means. For example, where providing affordability is much more difficult, the Zoning Bylaw could require a smaller percentage of affordable units and the Town could make the same area a priority target for affordable housing buy-downs.
- **Residential use.** We recommend that Amherst focus its inclusionary zoning policies on two-family and multifamily units, and **exempt ANR lots, lots in subdivisions, and units in semi-institutional quarters such as assisted living.** First, there are significant, unanswered questions about the legality of imposing an affordable housing requirement on lots created under Subdivision Control. Second, there are practical problems involved with requiring affordable units on subdivision lots, and for this reason, most states we have researched do not extend their inclusionary zoning to detached single-family homes in conventional subdivisions. Third, under current DHCD policies it is extremely difficult to create assisted living units that “count” on the Subsidized Housing Inventory (SHI). Even without DHCD’s approach, however, the

affordability of assisted living units hinges on many factors that are often beyond the control of the developers and owners of these projects. For any type of affordable housing option for the elderly, projects rarely work without deep subsidies.

- **Income limits.** Like most communities, Amherst defines “affordable housing” as housing for families with incomes at or below 80 percent of Area Median Income (AMI), adjusted for household size – that is, the maximum household income eligible under the HUD Section 8 program. The 80 percent threshold is so common that no one seems to question it, yet in our experience, pricing units to be affordable for people at 80 percent AMI usually creates housing that is not affordable to people who really need assistance. Amherst could consider a different (and we think better) approach. For example, in a project that has to provide 10 percent affordable units, 5 percent could be affordable to households at 50 or 60 percent AMI and 5 percent for households closer to the median. In the B-G district where the land values are so high, the affordability standard could be set at 95 percent or 100 percent AMI and if the Town wants deeper affordability, it could “buy down” some units with CPA funds or other housing trust resources (if available), or federal HOME funds. (HUD publishes 95 percent AMI limits for the Section 221 and 235 BMI mortgage insurance programs, so an advantage to using a standard like 95 percent is that the Town could fall back on established income limits instead of trying to create income limits on its own.)
- **Fee in lieu of affordable units.** Many Massachusetts towns give developers the option to pay a fee in lieu of building affordable units. The fee is typically calculated on a per-unit basis (a fee for each affordable unit not built in the development), and it varies significantly from town to town, as evidenced in work prepared for the Planning Board by PVPC earlier this year. In our experience, the differences reflect a range of opinions about what constitutes a “fair” payment from a developer, different understandings of what an “affordability gap” is and how it should be calculated, and fundamentally different ideas about the role of local government in affordable housing development. Some of the affordable housing fee formulas we have seen are very complicated and subject to dispute, and others are remarkably simple (and also subject to dispute).

We do not recommend allowing developers to pay a fee in lieu of creating affordable units. Although there was a time that fees in lieu were quite popular and often recommended as a way to reduce the risk of having an inclusionary zoning ordinance challenged in court, very few communities have actually created any affordable units with the income to their housing trust funds.

- **Off-site affordable units.** An off-site affordable housing option gives developers flexibility to comply with inclusionary zoning if they cannot accommodate all of the required affordable units in their project. It can be the flexibility developers need to compensate for difficult sites (natural constraints, odd-shaped lots, and so forth). At the same time, the off-site affordable housing places some additional burdens on the Town. If the Planning Board decides to offer the off-site option, it will be critical to adopt inclusionary housing rules and regulations with minimum housing quality standards and a process for determining comparability of off-site with on-site units. In addition, the Town should be open to providing some flexibility as to the location of off-site units. A reasonable distance from the project site makes sense, but to require the units to be provided within the same zoning district is excessive and may be counter-productive, especially in districts with very little land.

- **Affordable housing credits.** We have not attended many meetings in Amherst, but from our limited experience with the Town, it seems that residents recognize the profit side of real estate development and not the risk side. Developers naturally seek ways to minimize risk and maximize both flexibility and predictability (seemingly a contradiction in terms). Sometimes, no matter how much regulatory flexibility we give developers to be creative or how many incentives we offer to build what towns say they want, site constraints stand in the way of meeting everyone's objectives. The Town could consider offering affordable housing credits to developers who create more than the minimum number of units required under Article 15 (or Warrant Article 24, if it passes in the future). Developers that hold affordable housing credits can use them to meet their affordability requirements on one or more other sites in the future, e.g., within ten years. For example, a developer who builds four affordable units on a site where the zoning requirement is only two units could use the two "surplus" units to satisfy Article 15 in another project elsewhere in Amherst. For-profit developers may never earn any credits, but non-profit developers routinely build projects with far more than 10 percent affordable units. They could use their credits in a future project of their own or sell their credits to another non-profit or a for-profit developer.

#### **E. Non-Zoning Methods of Encouraging Affordable Housing**

RKG has been asked to describe other opportunities to encourage the creation of affordable housing in residential and mixed-use developments. In our experience, it is critical for cities and towns to think about affordable housing production programmatically, i.e., a comprehensive strategy with many tools that can be applied flexibly to produce the best possible outcome. Sometimes generous density bonuses or the ability to build multifamily units by right seem adequate to make inclusionary housing advantageous for the developer, but that is not always the case.

We have discussed several of these techniques with the Planning Department, Zoning Subcommittee, and Planning Board, but we will summarize them here. It is important to note that many of these options require acceptance and action by other town offices, notably the Board of Selectmen,

- **Fee waivers.** One of the most common contributions communities make to encourage affordable housing is a waiver or reduction of fees normally imposed on market-rate development. The fees eligible for waiver vary from town to town, but in general we have seen options to reduce fees for special permit, site plan, or building permit applications, waivers of water and sewer connection charges, and waivers of some types of inspection fees. Most of these types of waivers require action by other authorities in town government – the Board of Selectmen, Town Manager, Public Works Department, or others – so there needs to be a framework for inter-departmental communication and policy making.
- **Marketing and monitoring.** Instead of making each developer take responsibility (and pay) for all of the requirements for complying with the federal Fair Housing Act or the affordable housing requirements in a regulatory agreement, the Town could handle some or all of these tasks for developers and property owners. Doing so would be especially helpful to small developers – those who make up the vast majority of applicants in our cities and towns – and also give the Town more authority to ensure that federal, state, and local requirements are actually met. Examples of "services" the Town could either provide in-house or purchase from

qualified vendors include preparing the affirmative marketing plan and a Local Initiative Program (LIP) application, conducting the lottery process, and assisting with initial buyer or tenant eligibility screening. Some towns in Massachusetts are already doing this with Community Preservation Act (CPA) or other funds, and a few towns have established regional organizations (via inter-local agreements) to provide the same kinds of services.

Many affordable housing advocates do not realize the amount of paperwork involved with qualifying affordable units for listing on the Subsidized Housing Inventory (SHI) and keeping them on the SHI once listed. The larger, experienced rental and for-sale housing developers who frequently work with Chapter 40B understand the state's requirements and they are very familiar with both HUD and Department of Justice (DoJ) requirements under the Fair Housing Act. Due to the sheer volume of housing they build each year, they usually have in-house staff who are trained in the eligibility and fair housing compliance practices that must be met in order to satisfy the content of an affordable housing restriction. The situation is different for small-scale developers. When an inclusionary zoning ordinance does not make economic sense for them, they will usually change the size of their projects or make other adjustments as necessary in order to avoid what they consider the "bureaucracy" of inclusionary housing. This has happened throughout Massachusetts. Anything the Town can do to reduce regulatory burdens could make a significant difference in the effectiveness of inclusionary zoning.

- **Tax incentives.** A little-used but potentially important method of supporting affordable housing development is a real estate tax exemption for units rented to low- or moderate-income tenants. There are a few ways to use a community's taxation power to encourage affordable units. For example, the towns of Provincetown and Truro have special legislation to grant exemptions to property owners who rent to low-income tenants at affordable rents (generally 30 percent of the tenant's monthly gross income). This is a relatively simple method to administer. In a development with 10 percent affordable units, the Provincetown/Truro approach would mean a net operating income and assessed value reduction of about 12 percent. More complicated but nevertheless available to the Town is Urban Center Housing Tax Increment Financing (UCH-TIF), which requires DHCD approval. It also requires a larger percentage of affordable units (25 percent), but the subsidy is deeper because the exempted value is a share of the net increase in total assessed valuation, just only the value of the affordable units. In addition, a UCH-TIF tax reduction expires over time, up to a maximum of twenty years, whereas the Provincetown/Truro model lasts as long as the property owner rents to income-qualified tenants.