



Public Comments Received on VHFA Draft Qualified Allocation Plan 2027-2028

PART 4

Public Comment Period from March 24, 2026 through April 24, 2026



Re: Comments on Draft 2027-2028 Qualified Allocation Plan

Dear VHFA Development Team,

Thank you for the opportunity to comment on the draft 2027-2028 Qualified Allocation Plan (QAP). We appreciate the significant effort that has gone into developing this draft and share VHFA's commitment to increasing housing production, improving cost effectiveness, and ensuring that Vermont's housing system serves those with the greatest needs.

Downstreet Housing & Community Development works across Washington, Orange, and Lamoille Counties to develop, own, and steward permanently affordable housing in predominantly rural communities. We view the QAP as one of the most important tools for shaping housing outcomes across the state. For that reason, we are concerned that, as currently drafted, the proposed QAP introduces changes that may have unintended consequences-particularly for rural development, projects already in predevelopment, and the long-term viability of mission-driven developers.

Summary of Key Concerns

The draft QAP represents a substantial departure from prior allocation plans, with significant changes to both threshold requirements and scoring criteria. Given the scale of these changes and the relatively short review period, it is difficult to fully understand and responsibly plan for their implications.

We respectfully request:

- Additional time for review and refinement of the draft particularly given the significant changes from the most recently published proposal
- Consideration of delaying implementation until a later funding round given the extended predevelopment process and the risks already taken by developers with projects in predevelopment
- Greater clarity and predictability in how new requirements will be applied

Without these adjustments, the proposed timeline creates real risk for projects currently in predevelopment that have been advancing under the assumptions of the existing QAP.

Threshold Requirements and Development Feasibility

The proposed threshold requirements significantly increase upfront cost, risk, and complexity at a stage when projects do not yet have access to LIHTC equity.

Requirements such as full land use approvals, commitments for permanent debt, advanced cost documentation, and demonstration of development team capacity based on prior closings collectively shift a substantial amount of financial risk onto developers prior to any assurance of funding.

Advancing projects to this level before award requires significant design investment and exposes projects and developers to risk without any associated increase in confidence in funding. In rural Vermont-where projects are smaller, margins are thin, and predevelopment resources are limited-this shift will disproportionately reduce the ability to bring projects forward.

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We recommend:

- Scaling readiness requirements to reflect typical LIHTC timelines (e.g., ORB-level approvals rather than full permitting)
- Removing or modifying requirements for permanent debt commitments at application
- Deferring highly detailed cost analyses until later stages of development

Scoring Changes and Financial Viability

The proposed scoring framework represents a significant shift away from mixed-income development and toward deeper income targeting without corresponding subsidy.

Specifically, the removal of incentives for 50% AMI units and the strong prioritization of 30% AMI units—often tied to the availability of project-based rental assistance—create a structural mismatch between policy goals and financial feasibility and will also require deeper capital subsidy in the form of deferred debt or Project Based rental assistance at a time when both are becoming more limited.

While we strongly support serving extremely low-income households, these units are only financially viable when paired with reliable rental assistance or with unsustainable levels of deferred debt. These resources are limited and outside the control of developers. Without it, this scoring structure risks producing fewer total units or projects that are not financially feasible.

We recommend:

- Reinstating incentives for 50% AMI units
- Maintaining a balanced mixed-income framework
- Conditioning deeper targeting requirements on the availability of rental assistance

Rural Development and Site Constraints

Several proposed provisions create significant barriers for rural communities, including strict amenities requirements, scoring or penalties related to site conditions, and structural changes that favor larger projects.

In many rural communities, viable sites will not meet rigid proximity requirements for services such as grocery stores or pharmacies, despite being appropriate locations for housing. Similarly, discouraging projects with site challenges risks undermining infill, historic rehabilitation, and redevelopment opportunities that are essential to rural housing strategies. This conflicts with what have been longstanding state priorities and also potentially conflicts with the CDBG program's focus on minimizing blight.

The removal of the per-project cap on credit allocation also raises concerns about geographic equity and the ability of smaller communities to compete for limited resources.

We recommend:

- Converting strict amenities thresholds into flexible scoring criteria
- Providing clearer standards and guardrails for evaluating site-related challenges
- Reinstating the per-project allocation cap to preserve geographic equity

Developer Fees and Long-Term Stewardship

Developer fees are a critical component of the affordable housing system. For nonprofit developers, these fees support not only the delivery of new housing but also the long-term stewardship of existing properties. Changes to developer fee structures—particularly those that disadvantage the smaller projects needed in more rural parts of the state—risk

undermining the financial sustainability of organizations that are responsible for maintaining permanently affordable housing over time. Given the scale of reinvestment needed across Vermont's existing portfolio, it is essential that the

QAP continue to support financially viable development, particularly in rural areas where projects are smaller and more complex.

Process, Transparency, and Predictability

The draft QAP introduces increased discretion in several areas without clear standards or benchmarks. This creates uncertainty in an already complex and competitive process and makes it difficult for developers to evaluate risk, design projects, and secure financing.

We recommend:

- Clearer definitions, standards, and examples for discretionary decisions
- Scoring systems that allow applicants to reasonably predict outcomes
- Sufficient time and process to fully understand and implement changes

Conclusion

We are aligned with VHFA's goals and appreciate the agency's leadership in addressing Vermont's housing crisis. At the same time, we believe the current draft QAP, if implemented as proposed in 2027, risks slowing production, reducing feasibility-particularly in rural communities-and creating uncertainty for projects already in progress.

We respectfully urge VHFA to provide additional time for review and refinement, consider a phased or delayed implementation, and ensure that the QAP continues to support a diverse and feasible pipeline of projects across Vermont.

We appreciate the opportunity to provide input and would welcome continued dialogue.

Sincerely,



Angela Harbin
Executive Director



Outlook

Re: [EXTERNAL]Green Mountain Habitat for Humanity (GMHFH) Comments re: SHOTC QAP

From DevelopmentDept <developmentdept@vhfa.org>

Date Wed 4/22/2026 10:55 AM

To Brett Johnson <bjohnson@vermonthabitat.org>; DevelopmentDept <developmentdept@vhfa.org>**Cc** Vogel, John H. <john.h.voge1Jr@tuck.dartmouth.edu>; Jonathon Goldhammer <JGoldhammer@vermonthabitat.org>

Hi Brett - Thank you for reviewing the draft QAP and submitting these comments. I'm confirming that we've received your comments, and VHFA will consider them as we work on next steps in developing this QAP.

My best,
Olivia

Olivia Lavecchia (she/her)

Community Development Underwriter

164 St. Paul St., Burlington VT, 05401 | (802) 652-3428

[Vermont Housing Finance Agency](#)**vhfa** Affordable homes for a sustainable Vermont**From:** Brett Johnson <bjohnson@vermonthabitat.org>**Sent:** Tuesday, April 21, 2026 1:04 PM**To:** DevelopmentDept <developmentdept@vhfa.org>**Cc:** Vogel, John H. <john.h.vogel.jr@tuck.dartmouth.edu>; Jonathon Goldhammer <JGoldhammer@vermonthabitat.org>**Subject:** [EXTERNAL]Green Mountain Habitat for Humanity (GMHFH) Comments re: SHOTC QAP

Dear VHFA Development Staff,

Thank you for the opportunity to comment on the draft Qualified Application Plan for the 2027-2028 funding period. For 40 years, Green Mountain Habitat for Humanity (GMHFH) has built affordable homeownership opportunities across Franklin, Grand Isle, Lamoille, and Chittenden counties, serving households earning 50-80% of AMI. We have long relied on the Vermont State Homeownership Tax Credits (SHOTC) as a critical tool to reduce construction costs and make these homes attainable for Vermonters. The comments attached are offered to help VHFA understand how the proposed changes would affect our ability to deliver permanently affordable housing.

Sincerely,

Brett Johnson

Chief Executive Officer

Green Mountain Habitat for Humanity

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4/22/26, 10:59 AM

Re: [EXTERNAL]Green Mountain Habitat for Humanity (GMHFH) Comments re: SHOTC QAP - Olivia Lavecchia - Outlook

Mailing address: P.O. Box 1436, Williston, VT 05495

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2/2



We build **strength, stability, self-reliance and shelter.**

April 16th, 2026

Dear VHFA Development Staff,

Thank you for the opportunity to comment on the draft Qualified Application Plan for the 2027-2028 funding period. For 40 years, Green Mountain Habitat for Humanity (GMHFH) has built affordable homeownership opportunities across Franklin, Grand Isle, Lamoille, and Chittenden counties, serving households earning 50-80% of AMI. We have long relied on the Vermont State Homeownership Tax Credits (SHOTC) as a critical tool to reduce construction costs and make these homes attainable for Vermonters. The comments below are offered to help VHFA understand how the proposed changes would affect our ability to deliver permanently affordable housing.

Timing and certainty of funding amounts

GMHFH's success depends on a fundamentally different model from most developers: we must price homes before we build them. Historically, we have been able to rely on early approval of VHFA tax credits, alongside support from the Vermont Housing Conservation Board (VHCB), which allows us to commit to affordability and move projects forward within the Habitat affiliate model.

We select homeowners before construction so they can participate in required sweat equity alongside our staff and volunteers-building not only homes, but strong, connected communities. To do this, we set prices for the homes we build before we select a homeowner. This model cannot function without certainty around grants, subsidies, and incentives at the outset. We need assurance from VHFA that funding will be available early in the process so we can price homes appropriately and select eligible families who can afford their mortgage.

For these reasons, we recommend that VHFA align SHOTC requirements with VHCB and retain these resources as grants with long-term covenants, ensuring both program viability and perpetually affordable homeownership for Vermont communities.

Determining funding levels and income limits

When GMHFH approaches affordability through three lenses: 1) What are the sales prices of the home, 2) what is the maximum income eligibility, and 3) how do these two factors intersect to ensure an affordability window that is reasonable and feasible for our future Habitat Homebuyers. We feel that the affordability window should be at least 30%, where there is no less than a 30% different between the income used to set the price, and the maximum eligible income. We suggest that prices be set using a household of 1.5 people per bedroom spending 30% of household income toward their monthly housing



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costs. From a GMHFH, we look to set affordability based on approximately 50% of AMI, with an income eligibility that goes up to 80% of AMI.

In determining house prices and income limits, GMHFH does not feel that it is feasible, reasonable, or practical to set unit prices based on income. We post homes for sale at a specific price that assumes approved VHCB grants, VHFA tax credits, and other construction or homeowner grants/tax credits that reduce the cost to future homeowners. GMHFH then recruits potential Habitat homeowners who then qualify for financing based on that price. Further, our development budgets assume sales at that price to fund the project costs. While we recognize VHFA's concern that some households might receive too much subsidy, the inability to set a price until an applicant's income eligibility for VHFA support would require GMHFH to set a price that does not include potential tax credits. This would risk turning away eligible, lower-income homeowners who have a greater need for support, thus diminishing the desired impact of the SHOTC program. As a possible solution, we suggest that the definition of eligible buyers in the "Income Limitation" section state the minimum amount of income a household must pay toward housing costs.

Section 3. Threshold Requirements

We support the Site Control requirement; however, the language in *Compliance with Zoning and Land Use Regulations* needs clarification. As written, it appears to require all legislative and quasi-judicial approvals before application. For GMHFH projects, this standard is not workable.

Many of our developments anticipate federally appropriated funding through VHCB, which can trigger additional permitting steps-such as Phase I environmental reviews-that may take a year or more to complete and add significant cost. Historically, early funding commitments from VHFA have allowed us to proceed through these approvals responsibly. Requiring all municipal, state, and federal permits upfront would be inconsistent with the Habitat affiliate model and would significantly delay the delivery of affordable homes across Vermont.

We also have concerns with the *Funding Commitments* requirement. While we plan projects two to three years in advance, the full funding stack is often not finalized until construction is imminent. Our proven approach has been to secure VHFA and VHCB funding first, then assemble additional financing as needed. We may not have all commitments in place at the time we apply for SHOTC, and requiring them would limit our ability to advance projects.

3.03 Financial Feasibility and Cost Reasonableness

Green Mountain Habitat for Humanity; PO Box 1436, Williston, VT 05495-1436
Registered 501(c)(3) nonprofit organization; EIN 22-2558923 | (802) 872-8726 | vermonthabitat.org



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GMHFH consistently delivers some of the most affordable and energy-efficient homes in Northwest Vermont by leveraging the strengths of the Habitat for Humanity model. Volunteer labor and Gift-In-Kind (GIK) contributions dramatically reduce costs. For example, a recently completed triplex in Winooski benefited from approximately 13,500 volunteer hours, lowering the cost of each home by roughly \$100,000. Additional GIK from vendors, subcontractors, and manufacturers further enhances affordability.

This combination allows GMHFH to stretch public investment and achieve an exceptional level of cost reasonableness compared to other builders in Vermont.

3.09 Design Standards and Broadband

GMHFH is committed to building healthy, safe, durable, and energy-efficient homes that support long-term affordability and market viability for generations of homeowners. We do not believe it is reasonable to require all-electric utilities as a universal design standard. Our homes already exceed VEIC and Efficiency Vermont air-infiltration requirements, delivering proven energy savings through reduced consumption.

Mandating a single fuel type can create financial, operational, and market challenges that undermine affordability and homeowner choice:

- **Reduced financial flexibility:** Homeowners lose the ability to select the most affordable or predictable energy option for their circumstances and to hedge against fuel price volatility-potentially increasing utility burdens for lower-income households.
- **Increased market risk:** Many homeowners have no alternative electricity providers, leaving them fully exposed to rate increases and winter price spikes without diversification.
- **Limited consumer choice:** Fuel mandates reduce homeowner autonomy, may deter qualified buyers, and can create challenges related to comfort, reliability, and familiarity-particularly during the winter peak time-of-use rates.
- **Higher long-term costs:** All-electric systems can involve shorter equipment life cycles, higher replacement costs, and increased maintenance over time.
- **HOA operational complexity:** In multifamily buildings, all-electric requirements can complicate metering, billing, budgeting, and reserve planning beyond the capacity of manyHOAs.

We recommend removing the all-electric requirement in favor of performance-based outcomes, which would provide needed flexibility across projects and regions. GMHFH has completed all-electric homes, including EV-ready and solar-ready projects, and is currently building two all-electric duplexes. However, these projects have already experienced multiple

heat pump and compressor failures, resulting in thousands of dollars in additional costs per unit.

3:10 Amenities/Opportunities and Incompatible Uses Part A

GMHFH believes that the two-mile radius of a *full-service grocery store, general merchandise, retail pharmacy, and a public community center, library, park, or school* is too restrictive. For example, we recently purchased property at 99 Oak Hill Road in Williston, located in the Village Zoning District as well as the Historic District of Williston. Although the school is within two miles, Williston has been growing significantly outside the Village near Taft's Corners for decades and, by design, will continue to grow in that area. All the amenities are located at least 2.3 miles away; this is one example, but there are 3 more properties within our portfolio of development that run into the same problem. We recommend expanding this to at least 4 - 5 miles.

3.10 Amenities/Opportunities and Incompatible Uses Part B

We would request that VHFA clarify the *industrial or agricultural activities generating odors or pollution* clause. Almost all farms omit odors. Is VHFA adopting HUD standards for this, or are creating new Vermont standards around this subject?

3.18 Maximum Developer Fees

We recommend that you make the SHOTC program eligible for the developer fees pertaining to new construction.

SHOTC Application Scoring Rubric (10 Point Scale)

We are building in the state's most densely populated county (Chittenden) as well as two of the least densely populated counties (Grand Isle and Lamoille). Larger developments are feasible in Chittenden County because water and sewer infrastructure are available. In Grand Isle and Lamoille counties, development size is constrained by limited municipal infrastructure, where most lots can support only 1--4 homes using wells and in-ground septic systems.

While the goal of encouraging growth in rural towns and village centers is shared, the current point structure does not align with the realities of rural and village-scale development. We recommend a more graduated scoring approach: 0.5 points for 1 home, 1.0 point for 2--4 homes, 1.5 points for 5-9 homes, and 2.0 points for 10 or more homes.



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Additionally, geographic equity should be based on current housing need by region, rather than whether a region has received SHOTC awards in the past five years. Using past awards as a proxy does not accurately reflect present-day demand or growth pressures.

We recommend that VHFA consider revising the rubric to prioritize housing impact over scale alone, recognize different development models and capacities, support rural and village-scale housing, and assess geographic equity based on current regional housing need rather than historical funding patterns.

Conclusion

GMHFH appreciates VHFA's continued partnership and consideration of these comments as you refine the QAP. We look forward to working together to preserve the flexibility and early funding certainty necessary to deliver permanently affordable homeownership opportunities for Vermont families.

Thank you,

Jonathon Goldhammer
Director of Real Estate Development and Construction
Green Mountain Habitat for Humanity

Brett Johnson
CEO
Green Mountain Habitat for Humanity



Outlook

Re: [EXTERNAL]QAP public comments

From DevelopmentDept <developmentdept@vhfa.org>

Date Wed 4/22/2026 10:26 AM

To Doug Greason <dgreason1@gmail.com>

Hi Doug - Thank you for reviewing the draft QAP and submitting these comments. I'm confirming that we've received your comments, and VHFA will consider them as we work on next steps in developing this QAP.

My best,

Olivia

Olivia Lavecchia (she/her)

Community Development Underwriter

164 St. Paul St., Burlington VT, 05401 | (802) 652-3428

[Vermont Housing Finance Agency](#)**vhfa** Affordable homes for a sustainable Vermont*I'm currently working /Monday-Thursday, and off on Fridays. Thanks for your patience if my response is delayed.*

From: Doug Greason <dgreason1@gmail.com>**Sent:** Tuesday, April 21, 2026 9:52 AM**To:** DevelopmentDept <developmentdept@vhfa.org>**Cc:** Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; g.seelig@vhcb.org <g.seelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>; kristin.mcclure@vermont.gov <kristin.mcclure@vermont.gov>**Subject:** [EXTERNAL]QAP public comments

Dear VHFA Development Team,

I am writing to offer public comment on proposed changes to how affordable housing projects are funded in Vermont. I believe that the proposed changes will make it harder to build housing in rural areas, especially in smaller towns where the result would be fewer houses being built, not more. I also believe that these proposed changes are being rushed and that an adequate period of time for review and comment before implementation needs to be provided.

Housing tax credits, such as the Low Income Housing Tax credit, are a key part of getting affordable housing built. The changes that VHFA is proposing will make it harder to build affordable houses in general, and favor larger projects. Requiring housing be built in areas with certain services such as groceries and pharmacies would automatically eliminate many smaller towns from this program. Smaller towns also lack the infrastructure for larger projects, so these changes will skew new

large housing construction projects to large towns and cities. Smaller towns also generally have a

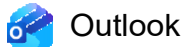
shortage of site options. For this reason, historic reuse and brownfield redevelopment are especially important to smaller towns and need to be favored by new regulations.

Developers of affordable housing need a clear set of rules that govern new projects. Increased risk without an assurance of funding will disincentivize affordable housing developers, especially for smaller projects where developer fees are more limited. Focusing on projects for 30% AMI without an assurance that subsidies will be available is not a workable strategy. Instead, increasing focus on projects aimed at 50% AMI would provide housing more in line with what local households can afford.

Vermont needs more affordable housing, and towards that end we need regulations that promote affordable housing construction (as well as support maintenance of existing affordable housing) in both rural and larger communities throughout the state. Please consider my comments, and significantly extend the comment period on the proposed changes regulating how Low Income Tax Credits will be awarded in the future. These are important issues, and should not be rushed.

Sincerely

Doug Greason
Waterbury, Vermont



[EXTERNAL] Form submission from: QAP comments

From VHFA.org - Vermont Housing Finance Agency <home@vhfa.org>

Date Tue 4/21/2026 11:53 AM

To DevelopmentDept <developmentdept@vhfa.org>

Submitted on April 21, 2026

Submitted by: Anonymous

Submitted values are:

Organization name

Poultney Planning Commission Chair (submitted in personal capacity)

First name

Jaime

Last name

Lee

Date

2026-04-21

Comment

I appreciate the opportunity to comment on the draft 2027-2028 Qualified Allocation Plan.

As someone engaged in local planning work in Vermont, I am concerned that the draft QAP may unintentionally undervalue one of the state's most durable housing strategies: creating and preserving housing within historic downtowns, village centers, and other compact settlement areas already served by infrastructure.

I share the concern raised by the Preservation Trust of Vermont that the draft moves away from a stronger preference for development that reinforces Vermont's traditional settlement pattern. While the scoring criteria continue to award points for projects located in downtowns, village centers, and

related designated areas, that appears to be a weaker policy signal than the prior framework. In practice, this may advantage easier-to-develop sites even where they are less efficient from a long-

term public standpoint.

I am also concerned that the draft's approach to financial feasibility and cost reasonableness focuses too narrowly on upfront project cost. Housing developed in compact, established centers often delivers broader public benefits that are not captured in a simple per-unit comparison: use of existing infrastructure, proximity to jobs and services, reduced transportation burdens, support for walkable communities, and reinvestment in places where Vermont has long directed growth. These benefits should be more explicitly recognized in the QAP.

Similarly, the proposed deduction for on-site challenges may have unintended consequences for infill and adaptive-reuse projects, many of which are more complex but still represent sound land-use policy. I encourage VHFA to refine this provision so that it distinguishes between imprudent development and policy-consistent redevelopment in existing settlement areas.

Finally, I urge VHFA to revisit the treatment of historic rehabilitation. Historic rehab is not simply an added expense; in many Vermont communities it is one of the most effective ways to create housing in walkable, infrastructure-served locations. The QAP should not make those projects compete at a disadvantage merely because their public value is harder to express in a conventional cost-efficiency framework.

Vermont needs more housing, but it also needs the right housing in the right places. The QAP should continue to support production while ensuring that state housing policy remains aligned with long-term land use efficiency, infrastructure stewardship, and the revitalization of existing communities.



Outlook

Re: [EXTERNAL]QAP Pubic Comment

From DevelopmentDept <developmentdept@vhfa.org>

Date Wed 4/22/2026 10:56 AM

To Mary Cohen <mcohen@cornerstonehousingpartners.org >

Hi Mary - Thank you for reviewing the draft QAP and submitting these comments. I'm confirming that we've received your comments, and VHFA will consider them as we work on next steps in developing this QAP.

My best,

Olivia

Olivia Lavecchia (she/her)

Community Development Underwriter

164 St. Paul St., Burlington VT, 05401 | (802) 652-3428

[Vermont Housing Finance Agency](#)

vhfa Affordable homes for a sustainable Vermont

I'm currently working /Monday-Thursday, and off on Fridays. Thanks for your patience if my response is delayed.

From: Mary Cohen <mcohen@cornerstonehousingpartners.org>

Sent: Tuesday, April 21, 2026 10:27 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Cc: Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; Gus Seelig <gseelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>; McClure, Kristin <kristin.mcclure@vermont.gov>

Subject: [EXTERNAL]QAP Pubic Comment

Hello VHFA Development Staff,

Thank you for the opportunity to provide feedback on the many changes in this year's QAP. I do believe, as written, that the impact of the proposed changes could be detrimental to our ability to develop affordable housing in the communities in the southwest portion of the state. Many towns in Rutland and Bennington Counties have inquired about much needed housing in their villages and town centers and some of these opportunities will not come to fruition if these drastic changes are implemented.

I appreciate your willingness to review public comments, make reasonable changes and clarify the many gray areas that seem discretionary.

Mary Cohen
Chief Executive Officer



CORNERSTONE

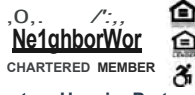


HOUSING PARTNERS



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CornerstoneHousingPartners.org

Bennington

Cornerstone Housing Partners
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Rutland west Neighborhood Housing services d/b/a Cornerstone Housing Partners Licensed lender vt6200 NMLS #194008 Equal Housing Lender. This email message may contain privileged and/or confidential information. If you are not the intended recipient(s), you are hereby notified that any dissemination, distribution, or copying of this email message is strictly prohibited. If you have received this message in error, please immediately notify the sender and delete this email message from your computer.



To: VHFA Development Staff

From: Mary Cohen, CEO Cornerstone Housing Partners

Date: 4/20/2026

RE: QAP Public Comment

Thank you for the opportunity to provide feedback on the 2027-2028 Draft of the QAP. Many of the new threshold requirements will make it difficult for Cornerstone Housing Partners to continue to build affordable rental housing where we develop, in Rutland and Bennington Counties. More specifically, there is significantly more financial risk on the developer, there appears to be bias toward larger projects that don't work in the rural nature of our service area and there are many instances of staff discretion that make it unclear if a project is competitive.

Comments by Section:

Application and Award Process

- Completing and providing all application materials in 30 days seems nearly impossible. There is a great deal of time and effort needed to create and pull together all materials that are needed to apply. We would recommend extending that timeline to 90 days.

Threshold Requirements

3.02 Readiness to Proceed

- Compliance with zoning and Land Use regulations - while we believe it to be prudent to have the local Development Review Board approval but requiring all (including Act 250 permits) to be in hand prior to applying adds a great deal of **cost and risk to the developer**. The level of engineering and design work this requires is significantly more and would not make sense without the tax credit allocation.
- Funding Commitments -Permanent debt is usually one of the last steps as we may **engage our equity investor as a permanent debt lender to receive favorable pricing**. It doesn't seem logical to have this commitment in hand prior to receiving a tax credit allocation. It does makes sense to have a VHCBC commitment in hand as an indication of readiness to proceed.

3.03 Financial Feasibility and Cost Reasonableness

- This section has a great deal of gray area. It is very **costly and risky to advance to construction drawings prior to receiving a tax credit award**. This shift would make it financially unfeasible and put

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Homeownership Services: 802.438.2303



organizations in unreasonable jeopardy. While we understand the need to have cost reasonableness, both the cost exposure and the **lack of clarity around reasonableness** will likely reduce multifamily rental development within the counties that we work in.

3.09 Design Standards and Broadband

- The use of "**all electric utilities**" is **worrisome** and feels too soon. We have been unable to source a reliable domestic hot water system for our larger buildings and BABA is complicating sourcing as well as adding cost.

3.10 Amenities/Opportunities and Incompatible Uses

- While we look for development opportunities that are located within a 2-mile radius of a full service grocery store, general merchandise, retail pharmacy and public community center, library, park or school, the **rural nature of our development footprint doesn't always allow for this**. So many small towns are looking for us to build affordable housing in their communities, and this requirement would literally shut out many towns in our service area.

3.18 Maximum Developer Fees

- The maximum developer fee cap has been removed which appears to incentive larger projects to the detriment of smaller ones. It would be helpful to understand why this change.

EVALUATION CRITERIA

4.03 Occupancy and Rent Restrictions

- We **value mixed income properties**, and this section appears to incentivize housing more at 30% AMI instead of 50% AMI when housing subsidies are increasingly difficult to obtain.

4.05 Project Based Rent Assistance

- This criteria seems off the mark in an environment where not only are there no new vouchers, but some current contracts are also not being honored.

4.09 On Site Challenges

- This section appears to be discouraging development on brownfield sites which are in so many of our downtowns and village centers and where many private developers won't invest. This could **result in many downtown areas having prominent locations with blight**. We have many good projects that have ACCD's Brownfield funding and towns and cities that are very appreciative that may not have happened if these criteria were in place. Also, the Brownfields funding requires a match so it will be challenging to achieve funding of 110% of estimated costs.

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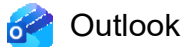
4.11 Historic Rehab or Energy Efficiency

- We believe that the 2024/2020 Energy codes in Vermont and the Efficiency Vermont High Performance track require highly efficient buildings and giving points for building to yet another standard simply **adds cost to our projects.**

We appreciate the chance to provide feedback on this draft of the 2027-2028 QAP. As a developer in the southwest region of the state, these changes feel dramatic and detrimental to our ability to continue to develop the much-needed affordable housing that the towns and villages in our region want and need. I hope there will be consideration of the impact of these changes as they are currently written and either modifications made to mitigate negative impacts on our ability to develop affordable housing or a pause in the changes until next year to better help us plan for these impacts.

Mary S. Cohen

Bennington Office Cornerstone Housing Partners 307
North St. (mail: PO Box 1247)
Bennington, VT 05201
Rental Services: 802.442.8139
Homeownership Services: 802.438.2303



Re: [EXTERNAL]Changes to Low-Income Housing Tax Credit Program comments

From DevelopmentDept <developmentdept@vhfa.org>

Date Wed 4/22/2026 10:56 AM

To Sarah Henshaw (She/Her) <sarah@leavesofchangevt.com>

Hi Sarah - Thank you for reviewing the draft QAP and submitting these comments. I'm confirming that we've received your comments, and VHFA will consider them as we work on next steps in developing this QAP.

My best,

Olivia

Olivia Lavecchia (she/her)

Community Development Underwriter

164 St. Paul St., Burlington VT, 05401 | (802) 652-3428

[Vermont Housing Finance Agency](#)

vhfa Affordable homes for a sustainable Vermont

I'm currently working /Monday-Thursday, and off on Fridays. Thanks for your patience if my response is delayed.

From: Sarah Henshaw (She/Her) <sarah@leavesofchangevt.com>

Sent: Tuesday, April 21, 2026 4:05 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Cc: Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; g.seelig@vhcb.org <g.seelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>

Subject: [EXTERNAL]Changes to Low-Income Housing Tax Credit Program comments

Dear VHFA Development Team,

I am writing as a Vermont resident who is concerned about the availability of affordable housing in our communities-especially in smaller towns, like Stowe (where workforce housing is non-existent and the community is actively working to find solutions - [see the housing assessment](#)), Johnson (where over 20 units of housing are now off the market due to buyouts and flooding), and Hardwick (where housing units are off market due to flooding and there is increasing need for housing).

I understand that VHFA is proposing significant changes to how affordable housing projects are funded through the Low Income Housing Tax Credit program. While I support efforts to improve the system, I am concerned that these changes are being advanced too quickly and may make it harder to build housing in rural areas.

From what I understand, the proposed changes could:

- Make it more expensive and riskier to apply for funding

- Favor larger housing developments over smaller ones

- Reduce prioritization of apartments affordable at 50% of area median income, which are often more affordable for many local residents than standard tax credit rents
- Emphasize deeper affordability levels that require subsidies that are limited or not available
- Make it harder to build housing in places without nearby services like grocery stores or pharmacies

In a state like Vermont with a severe housing crisis (including and importantly workforce and middle income housing options), and most towns being small and rural, these kinds of changes could mean that fewer homes are built-and that some communities are left behind.

I am especially concerned that there has only been a 30-day review period for such major changes. That does not seem like enough time to fully understand how these changes will affect housing development across the state.

I respectfully ask that VHFA:

- Provide more time for public review and input
- Delay implementation of the proposed changes
- Ensure that the final plan works for rural communities as well as larger towns

We need more housing in Vermont-but we need a system that actually makes it possible to build it in all parts of the state.

Thank you for your time and consideration.

Sincerely,
Sarah Henshaw
Stowe, Vermont

(small business owner, coordinator for LeARN, and UVM faculty)

[EXTERNAL]Comments on Draft 2027-2028 Qualified Allocation Plan

From Anna Kern <kernaaj@gmail.com>

Date Wed 2026-04-22 14:01

To DevelopmentDept <developmentdept@vhfa.org>

Cc Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; g.seelig@vhcb.org <g.seelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>; kristin.mcclure@vermont.gov <kristin.mcclure@vermont.gov>

April 22, 2026

Vermont Housing Finance Agency

Development Department

164 St. Paul Street

Burlington, VT 05402

Re: Comments on Draft 2027-2028 Qualified Allocation Plan

Dear VHFA Development Team,

As a Board member of Lamoille Housing Partnership (LHP), I am writing to express concern regarding the proposed changes to the Qualified Allocation Plan (QAP) and the limited timeframe provided for review.

LHP works in vital rural communities in Lamoille County to develop and steward permanently affordable housing. Through this work, I have seen firsthand how complex and fragile affordable housing development can be—particularly in small towns where projects are smaller, resources are limited, and margins are thin.

The proposed QAP represents a significant shift in both process and priorities. However, with only a 30-day review period, there is concern that there has not been sufficient time to fully understand how these changes will impact the feasibility of projects currently in development or those planned in rural communities.

I am particularly concerned about how the combined changes may affect the viability of smaller, rural developments, including:

- Reduced prioritization of 50% AMI units, which help ensure rents are more affordable to local residents than standard tax credit rents
- Increased emphasis on 30% AMI units without consistent access to rental subsidies
- Requirements and scoring that appear to favor larger projects over smaller, community-scaled developments
- Reduced feasibility for projects involving historic buildings, redevelopment sites, or other typical rural conditions

- Constraints on developer fees that may make smaller projects financially unsustainable

Taken together, these changes risk slowing production and limiting where housing can be built-particularly in the rural communities that are already underserved, reducing the impact of affordable housing orgs to fewer and fewer communities.

Before moving forward, it is critical that VHFA provide additional time for analysis and stakeholder input to better understand how these changes will affect housing development across Vermont.

I respectfully urge VHFA to:

- Extend the timeline for review and feedback
- Delay implementation of the proposed QAP
- Ensure that the final plan supports the continued development of housing in rural
- communities

Thank you for your consideration and for your continued leadership on housing in Vermont.

Sincerely,
Anna Kern, PhD
Board Chair, Lamoille Housing Partnership



Outlook

Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>

Date Wed 4/22/2026 12:42 PM

To Alison Calderara <acalderara@capstonevt.org>

Hi Alison - Thank you for reviewing the draft QAP and submitting these comments. I'm confirming that we've received your comments, and VHFA will consider them as we work on next steps in developing this QAP.

My best,

Olivia

Olivia Lavecchia (she/her)

Community Development Underwriter

164 St. Paul St., Burlington VT, 05401 | (802) 652-3428

[Vermont Housing Finance Agency](#)

vhfa Affordable homes for a sustainable Vermont

I'm currently working /Monday-Thursday, and off on Fridays. Thanks for your patience if my response is delayed.

From: Alison Calderara <acalderara@capstonevt.org>

Sent: Wednesday, April 22, 2026 12:10 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Cc: Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; g.seelig@vhcb.org <g.seelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>; kristin.mcclure@vermont.gov <kristin.mcclure@vermont.gov>

Subject: [EXTERNAL]QAP Public Comment

Hello all,

Attached is Capstone's letter of concern about imminent changes to the OAP. Thank you for the opportunity to comment and advocate for the Vermonters we serve.

Respectfully submitted,

Alison

Alison Calderara

Executive Director

Capstone Community Action
20 Gable Place, Barre, Vermont 05641

about:blank?windowId=SecondaryReadingPane49

1/2

Please visit us at: <https://link.edgepilot.com/s/7144ea2f/D-ds51cGykWMZwJYr59C8A?u=http://www.capstonevt.org/>

(Direct Line) 1-802-479-1053 | (Cell) 1-802-355-4073

(Main Line) 1-802-479-1053 | (Fax) 1-802-479-5353

Connect with us!

<https://link.edgepilot.com/s/315011a3/GztMOHNV20Cf9mhHdba1IQ?u=https://www.facebook.comNTCommunityAction>

<https://link.edgepilot.com/s/84c5dlfe/wi7Uj5UVOEmtCHXkJYSpjA?u=https://www.instagram.com/capstonecommunityaction>

<https://link.edgepilot.com/sideI988c5/hB6HJLZJGOCisKRzGxbSLQ?u=https://www.youtube.com/user/CapstoneVT>

Checkout our impact! [https://link.edgepilot.com/s/dec5e3d4/8Srn0X8zQ7UOEzPrAbRe7ug?
u=http://www.capstonevt.org/irnpact](https://link.edgepilot.com/s/dec5e3d4/8Srn0X8zQ7UOEzPrAbRe7ug?u=http://www.capstonevt.org/irnpact)



April 22, 2026
Vermont Housing Finance Agency
Development Department
164 St. Paul Street
Burlington, VT 05402

Re: Comments on Draft 2027-2028 Qualified Allocation Plan

Dear VHFA Development Team,

On behalf of Capstone Community Action, we appreciate the opportunity to comment on the draft Qualified Allocation Plan (QAP). Capstone serves over 10,000 Vermonters each year, virtually all of them low income. It is no exaggeration to say the lack of affordable housing is a crisis that is deeply impactful to our clients in all aspects of their ability to make ends meet. Not only are we grappling with many more unsheltered clients, but the high costs of rents simply mean much less to spend on daycare, heat, food and transportation.

In thinking about the crisis we see every day at Capstone, we are very worried about the proposed changes to the QAP being advanced with only a 30-day review period, despite representing a significant shift in both process and criteria. From our perspective, there has not been sufficient time to fully understand how these changes will impact the availability of housing in rural communities-where needs are already acute and options are limited.

Many of the individuals we serve cannot afford rents at standard LIHTC levels. We are concerned that reduced support for 50% AMI units, combined with a stronger emphasis on 30% AMI units without guaranteed rental assistance, could result in fewer units that are actually deliverable. Housing that depends on subsidies that are not consistently available risks not being built at all.

We are also concerned that changes affecting smaller projects, historic reuse, and development in less-served areas will reduce housing opportunities in rural communities-where many of our clients live and seek to remain.

Before these changes are finalized, we strongly urge VHFA to provide additional time for analysis and feedback. It is critical that service providers, developers, and communities have the opportunity to fully assess how these changes will affect the ability to create housing that meets real needs across Vermont.

20 Gable Place, Barre, VT 05641-4138
(802) 429-1053 11 (800) 639-1053 | Fax: (802) 479-5353 | www.capstonevt.org

We respectfully request:

- Additional time to evaluate the impacts of the proposed changes
- Delay of implementation to avoid disrupting projects currently in development
- Consideration of how these changes affect the feasibility of housing in rural communities

Thank you for your consideration and for your continued commitment to Vermont's most vulnerable residents.

Sincerely,

A handwritten signature in black ink that reads "Alison Calderara". The signature is written in a cursive, flowing style.

Alison Calderara
Executive Director
Capstone Community Action

[EXTERNAL]Comment Letter on QAP due April 24

From Cheryl Charles <cheryl.charles@wnesu.com>

Date Wed 2026-04-22 18:12

To DevelopmentDept <developmentdept@vhfa.org>

Cc Cheryl Charles <cheryl.charles@wnesu.com>; Andrew Haas <andrew.haas@wnesu.com>; Elizabeth Harty <elizabeth.harty@wnesu.com>; Nicole Barnett <nicole.barnett@wnesu.com>

 1 attachment (122 KB)

QAP Letter FINAL.pdf;

Attached and below is a comment letter sent on behalf of the WNESU and Westminster Town School Boards. We appreciate your consideration and are happy to respond to questions.

April 22, 2026

Dear Vermont Housing Finance Agency:

We are writing with both appreciation and concerns about the draft update to the Qualified Allocation Plan (QAP).

First, our appreciation is extended for this important resource that helps to serve the needs of Vermont's rural communities.

As we know, housing is a challenge for many in the state of Vermont. We see it especially from the perspective of our school boards that serve our rural communities children and their families. Almost two years ago, the Westminster Center School that serves kindergarten through sixth grade students in Westminster, Vermont lost 19 enrolled students at the beginning of the school year. When queried about why the children would no longer attend the school, most families indicated they could no longer find or afford available housing. **Development of housing in Vermont's rural communities is especially critical to the towns' overall economic vitality and stability.**

Four major issues stand out for us in the current version of the draft QAP.

Reinstate the Cap

A cap to prevent any entity from receiving more than 30% of the state's allocation of tax credits needs to be reinstated. The current version of the QAP and earlier versions have included this cap. In the draft 2027 version, this cap has been removed, meaning that large projects could use an outsized amount of credits, thus limiting the available pool of credits for smaller, more rural projects. **Leaving this cap in place better serves the state's smaller, more rural communities.**

Reinstate Incentives for Mixed Income Developments

The proposed draft removes the incentive for mixed income developments that include homes targeted to people earning 50% of area median income. This is particularly problematic in Windham County where renter median incomes are much lower than area median income. By removing this incentive, projects are encouraged to include the highest rent levels available within the program (60% AMI) or the lowest (30% AMI), the latter being paired with rental vouchers which are now very difficult to obtain and not in the control of the developer. The problem

with this approach is that a whole swath of the population would remain eligible for a unit with rents set for 60% AMI, but many would not be able to afford those rents. **That is especially problematic here in Windham County**

where incomes are lower than other parts of the state. It's a change that will tend to preference larger projects in areas of the state where the incomes are higher.

Remove Restrictions on Construction Financing Completion

A very specific rule in the new QAP could have had a disastrous effect for housing development in Windham County. **In Windham County, we greatly benefit from the work of the Windham and Windsor Housing Trust (WWHT). A new rule in the proposed draft would require WWHT to have closed on all construction financing prior to applying for a new allocation of tax credits.** We had a situation in the county with a project in Putney that was under appeal for more than two years. If this new rule goes into effect, the Alice Holway Drive project would have prevented WWHT from applying for another project until the appeal was resolved.

Add more Flexibility to Location Requirements

The draft QAP prioritizes developments that meet very specific location requirements, including being in a 2-mile proximity to full service grocery stores, general retail, schools, **and** retail pharmacies. The "and" is very important as it severely limits what locations are actually viable for an application. **This new requirement essentially limits development to the downtown cores of our larger towns, and severely limits opportunities in our smaller towns and villages where additional affordable housing is so needed.**

Making these four changes will be important and beneficial to Vermont's rural communities.

We appreciate your consideration of this request.

Sincerely,

Cheryl

Cheryl Charles, Ph.D.
Chair, Westminster School Board
Chair, WNESU Board
Chair, Steering Committee, Rural School Community Alliance
cheryl.charles@wnesu.com
(802) 376-8093



April 22, 2026

Dear Vermont Housing Finance Agency:

We are writing with both appreciation and concerns about the draft update to the Qualified Allocation Plan (QAP).

First, our appreciation is extended for this important resource that helps to serve the needs of Vermont's rural communities.

As we know, housing is a challenge for many in the state of Vermont. We see it especially from the perspective of our school boards that serve our rural communities children and their families. Almost two years ago, the Westminster Center School that serves kindergarten through sixth grade students in Westminster, Vermont lost 19 enrolled students at the beginning of the school year. When queried about why the children would no longer attend the school, most families indicated they could no longer find or afford available housing. **Development of housing in Vermont's rural communities is especially critical to the towns' overall economic vitality and stability.**

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closed on all construction financing prior to applying for a new allocation of tax credits. We had a situation in the county with a project in Putney that was under appeal for more than two years. If this new rule goes into effect, the Alice Holway Drive project would have prevented WWHT from applying for another project until the appeal was resolved.

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Making these four changes will be important and beneficial to Vermont's rural communities.

We appreciate your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "Cheryl Charles". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Cheryl Charles, Ph.D.
Chair, Windham Northeast Supervisory Union School Board of Directors
Chair, Westminster Town School District Board of Directors
Cheryl.Charles@wnesu.com

[EXTERNAL]Comments on Draft 2027-2028 Qualified Allocation Plan

From Charles Cooley <cmcooleyjr@yahoo.com>

Date Wed 2026-04-22 14:00

To DevelopmentDept <developmentdept@vhfa.org>

Cc Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; g.seelig@vhcb.org <g.seelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>; kristin.mcclure@vermont.gov <kristin.mcclure@vermont.gov>

April 22, 2026

Vermont Housing Finance Agency
Development Department
164 St. Paul Street
Burlington, VT 05402

Re: Comments on Draft 2027-2028 Qualified Allocation Plan

Dear VHFA Development Team,

As a Board member of Lamoille Housing Partnership (LHP), I am writing to express concern regarding the proposed changes to the Qualified Allocation Plan (QAP) and the limited timeframe provided for review.

LHP works across rural communities in Lamoille County to develop and steward permanently affordable housing. Through this work, I have seen firsthand how complex and fragile affordable housing development can be-particularly in small towns where projects are smaller, resources are limited, and margins are thin.

The proposed QAP represents a significant shift in both process and priorities. However, with only a 30-day review period, there has not been sufficient time to fully understand how these changes will impact the feasibility of projects currently in development or those planned in rural communities.

I am particularly concerned about how the combined changes may affect the viability of smaller, rural developments, including:

- Reduced prioritization of 50% AMI units, which help ensure rents are more affordable to local residents than standard tax credit rents
- Increased emphasis on 30% AMI units without consistent access to rental subsidies
- Requirements and scoring that appear to favor larger projects over smaller, community-scaled developments
- Reduced feasibility for projects involving historic buildings, redevelopment sites, or other typical rural conditions
- Constraints on developer fees that may make smaller projects financially unsustainable

Taken together, these changes risk slowing production and limiting where housing can be built -particularly in the rural communities that are already underserved.

Before moving forward, it is critical that VHFA provide additional time for analysis and stakeholder input to better understand how these changes will affect housing development

across Vermont.

I respectfully urge VHFA to:

- Extend the timeline for review and feedback
- Delay implementation of the proposed QAP
- Ensure that the final plan supports the continued development of housing in rural communities

Thank you for your consideration and for your continued leadership on housing in Vermont.

Sincerely,
Charles Cooley

Board Member, Lamoille Housing Partnership

[EXTERNAL]QAP Public Comment from the Family Center of Washington County

From Claire Kendall <clairek@fcwcvt.org>

Date Wed 2026-04-22 14:17

To DevelopmentDept <developmentdept@vhfa.org>

Cc Alex Farrell <alex.farrell@vermont.gov>; Maura Collins <mcollins@vhfa.org>; g.seelig@vhcb.org <g.seelig@vhcb.org>; Kathleen Berk <kathleen@vsha.org>; kristin.mcclure@vermont.gov <kristin.mcclure@vermont.gov>

 1 attachment (65 KB)

VHFA Letter QAP Public comment.pdf;

Please accept this public comment letter from the Family Center of Washington County. We are the Family Supportive Housing partner for the Barre district and are concerned about the proposed changes. We feel the proposed changes will negatively impact our ability to successfully house the families we work with.

Thank you.
Claire

Claire Kendall, M. Ed (she/her)
Executive Director
Family Center of Washington County
383 Sherwood Drive
Montpelier, VT 05602
802.262.3292 ext. 151

<https://link.edgepilot.com/s/3672d8ed/dsGjvkOraUuuC6UvfhBxJg?u=http://www.fcwcvt.org/>

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April 22, 2026
Vermont Housing Finance Agency
Development Department
164 St. Paul Street
Burlington, VT 05402

Re: Comments on Draft 2027-2028 Qualified Allocation Plan

Dear VHFA Development Team,

On behalf of the Family Center, we appreciate the opportunity to comment on the draft Qualified Allocation Plan (QAP). Our organization works directly with individuals and families who rely on stable, affordable housing to maintain health, employment, and overall well-being, and our workforce which will be directly impacted.

We are deeply concerned that the proposed changes are being advanced with only a 30-day review period, despite representing a significant shift in both process and criteria. From our perspective, there has not been sufficient time to fully understand how these changes will impact the availability of housing in rural communities where needs are already acute and options are limited.

Many of the individuals we serve cannot afford rents at standard LD-ITC levels. We are concerned that reduced support for 50% AMI units, combined with a stronger emphasis on 30% AMI units without guaranteed rental assistance, could result in fewer units that are actually deliverable. Housing that depends on subsidies that are not consistently available risks not being built at all.

We are also concerned that changes affecting smaller projects, historic reuse, and development in less-served areas will reduce housing opportunities in rural communities where many of our clients live and seek to remain.

Before these changes are finalized, we strongly urge VHFA to provide additional time for analysis and feedback. It is critical that service providers, developers, and communities have the opportunity to fully assess how these changes will affect the ability to create housing that meets real needs across Vermont.

We respectfully request:

- Additional time to evaluate the impacts of the proposed changes
- Delay of implementation to avoid disrupting projects currently in development
- Consideration of how these changes affect the feasibility of housing in rural communities

Thank you for your consideration and for your continued commitment to Vermont's most vulnerable residents.

Sincerely,

Clare Kendall
Executive Director

Re: [EXTERNAL]Draft 2027-2028 QAP Additional Comments from Cathedral Square

From DevelopmentDept <developmentdept@vhfa.org>

Date Thu 2026-04-23 12:03

To Cindy Reid <Reid@cathedralsquare.org>

Hi Cindy,

I can confirm that your additional comments have been received and will be reviewed as we continue to update the Plan!

Thank you,

Jameson T. Williams (he/him)
Community Development Underwriter
164 St. Paul St, Burlington VT, 05401
[Vermont Housing Finance Agency](#)



From: Cindy Reid <Reid@cathedralsquare.org>

Sent: Wednesday, April 22, 2026 18:38

To: DevelopmentDept <developmentdept@vhfa.org>

Subject: [EXTERNAL]Draft 2027-2028 QAP Additional Comments from Cathedral Square

Hello Development Team,

Please find attached additional comments on the draft 2027-2028 OAP.
Can you kindly confirm receipt.

Thank you, Cindy

Cindy Reid, MSCED (she/her)
Director of Real Estate Development
(802) 859-8805
reid@cathedralsquare.org

PRIVACY & CONFIDENTIALITY NOTICE: This message and any attachments are for the designated recipient only and may contain information that is privileged, confidential or otherwise private. If you are not the intended recipient, any use or distribution of this communication is strictly prohibited. Please immediately notify the sender and delete the original message and any copies and attachments from your system.

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To: VHFA Development Staff
From: Cindy Reid, Director of Real Estate Development
Re: Feedback on Draft 2027-2028 QAP
Date: 4/22/2026

We are writing with additional comments on the 2027-2028 draft Qualified Allocation Plan (QAP).

We again request that additional time be provided for review of the changes proposed in the 2027-2028 QAP. The recent communication from VHFA regarding the public engagement process indicated that public feedback provided in 2024 was the basis for the following draft QAP. However, previous draft QAPs were rolled out with a staff presentation and then discussion. The process for the 2027-2028 QAP began with a public hearing on 4/6 which was limited to a listening session. Given how substantial the changes are, more time and engagement with the public is warranted. We request that a second draft QAP be issued prior to the JCTC meeting for review and discussion.

Given that the QAP governs the largest single funding source for affordable housing in Vermont, such significant QAP changes warrant meaningful public engagement. And, given the positive track record of the housing network in Vermont - delivering perpetually affordable housing for decades, strengthening communities, addressing homelessness and climate change, creating serviced enriched communities to address the needs of the most vulnerable residents - such significant QAP changes deserve public engagement from the very housing network that has successfully and historically utilized the tax credit program.

We request that the 2026 QAP remains in place for 2027 so there is more time to review and engage with VHFA on the 2027-2028 QAP before it is implemented. Developers are currently working on projects for the 2027 round, and the substantial changes being proposed are adding uncertainty and risk to projects underway.

Our concerns are summarized here, additive to the comments provided in our memo dated 4/2/26.

Push for Readiness: Requiring developers to have a permanent loan commitment and all permits prior to LIHTC application represents a significant increase in risk and cost. Requiring a developer to have closed on its construction financing for any previously awarded projects before being able to apply for a new project raises the bar significantly and may result in fewer projects advancing. The time between a project receiving a credit award and the following year's application round is short given the many complexities of the real estate deals we are advancing. We request this requirement be removed.



802-863-2224 ■ info@CathedralSquare.org ■ FAX 802-863-6661 ■ TTY/TTD 800-253-0191



Apparent push for larger projects: The removal of per project caps and developer fee caps would seem to promote larger projects at the expense of smaller projects that may better serve smaller and more rural communities around the State. Historically the LIHTC program in Vermont has invested in rural and urban communities, with a mix of project types that has benefited different populations and addressed unique needs in different communities. Many goals are met by investing in a diversity of projects including downtown/village revitalization and redevelopment, brownfield remediation, historic preservation, and many different populations and community needs have been served, individuals, families, older adults, special needs populations. The price of pushing for fewer larger projects is that smaller, rural communities will suffer.

Removal of 50% AMI units and mixed income projects in scoring: Incentivizing 50% AMI units and mixed income projects has been consistently prioritized in previous QAPs. Its absence in this draft is concerning. Multiple references to creating 30% units at a time when rental assistance is declining doesn't make sense to us. Nor does creating housing exclusively to serve 60% AMI households - the 60% AMI LIHTC units are our most challenging units to fill, having higher rents and a smaller pool of eligible applicants given the low-income nature of the residents it is our mission to serve.

Bias against age-specific housing communities: Given our growing older adult demographic, we request not dis-advantaging age-specific projects by awarding non-age-specific projects five points.

Site Amenities: remove the 2-mile proximity language to specific amenities and reinstate the historic settlement pattern language of past QAPs. Many communities around the State do not have many of the amenities listed in the draft within 2 miles.



802-863-2224 ■ info@CathedralSquare.org ■ FAX 802-863-6661 ■ TTY/TTD 800-253-0191





Outlook

Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>
Date Wed 4/22/2026 10:56 AM
To Elise Shanbacker <elise@addisonhousingworks.org>

Hi Elise - Thank you for reviewing the draft QAP and submitting these comments. I'm confirming that we've received your comments, and VHFA will consider them as we work on next steps in developing this QAP.

My best,
Olivia

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I'm currently working /Monday-Thursday, and off on Fridays. Thanks for your patience if my response is delayed.

From: Elise Shanbacker <elise@addisonhousingworks.org>
Sent: Wednesday, April 22, 2026 10:29 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: [EXTERNAL]QAP Public Comment

Good Morning,

Attached please find comments on the rental portion of the QAP.

Elise

Elise Shanbacker
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April 3, 2026
Vermont Housing Finance Agency
Development Department

Re: Comments on Draft 2027-2028 Qualified Allocation Plan (QAP)

Dear VHFA Staff,

Thank you for the opportunity to comment on the draft 2027-2028 Qualified Allocation Plan. We appreciate VHFA's stewardship of scarce federal resources and its commitment to improving housing production and affordability outcomes in Vermont.

The draft QAP represents a substantial departure from prior allocation plans. While we support VHFA's goals-cost containment, deeper affordability, and serving households with the greatest needs-we are concerned that, as drafted, the QAP introduces uncertainty, misaligns with development realities, and may impede production.

1. Process and Timing

Given the scale of proposed changes, a 30-day public comment period is insufficient. The draft introduces fundamental shifts in threshold requirements, scoring, and underwriting assumptions that warrant deeper analysis and dialogue with practitioners.

A nine-month lead time before the 2027 application cycle is also inadequate. Affordable housing projects advance over multiple years; many projects already in predevelopment cannot reasonably pivot to new requirements without added cost, delay, or risk.

Recommendation: Extend the comment period and maintain the current QAP for one additional year to enable a more iterative, transparent revision process in partnership with practitioners.

In addition, we recommend separating the Vermont State Homeownership Tax Credit (SHOTC) allocation plan from the LIHTC and state rental credit QAP. This separation is not precluded by statute and would allow VHFA to advance needed improvements to the SHOTC program on a more immediate timeline, while providing additional time to thoughtfully revise the rental credit QAP. Maintaining a single combined document risks delaying important homeownership policy updates or, alternatively, advancing rental policy changes without sufficient review.

2. Increased Discretion Without Standards

The draft expands VHFA discretion in cost reasonableness, procurement expectations, site evaluation, and builder compensation, while removing or not replacing longstanding benchmarks.

Without clear standards, applicants cannot reliably assess competitiveness or structure viable proposals. This undermines the QAP's core function as a transparent, replicable allocation framework.

Recommendation: Reintroduce clear, objective standards for threshold and scoring. Specify how cost reasonableness will be evaluated, what documentation satisfies threshold, and how discretion will be applied consistently.

These concerns are particularly evident in the draft's procurement and cost documentation requirements, discussed further below.

3. Misalignment with Development and Financing Realities

Several proposed requirements conflict with standard LIHTC sequencing:

- **Procurement and cost documentation:** As drafted, the language may be read to require bid-level certainty at application-unachievable prior to award and likely to increase pre-award cost and risk.
- **Permanent debt commitments:** Requiring fully secured permanent debt at application is inconsistent with underwriting timelines and capital stack assembly.
- **Readiness to proceed:** Advanced permitting expectations shift substantial pre-award risk onto applicants without funding certainty.
- **Pipeline continuity:** The development team capacity requirement may constrain pipeline continuity (see Section 4).

Collectively, these provisions increase upfront costs, discourage participation, and reduce viable applications.

Recommendation: Align threshold requirements with typical development timelines. Clarify that projects are not expected to be fully bid at application and set a reasonable standard for procurement documentation (e.g., narrative of approach, evidence of competitive intent, and preliminary cost estimates), without requiring completed bidding or construction-level documentation.

4. Development Team Capacity Requirement

While related to threshold requirements, this provision warrants separate attention due to its potential impact on statewide production.

The draft appears to require that applicants have closed construction financing on all previously awarded Ceiling Credit developments before submitting a new application. As written, this functions as a strict threshold.

In practice, LIHTC projects often take more than a year to close due to permitting, appeals, procurement, and financing coordination. This requirement would prevent developers from maintaining an annual pipeline.

In Vermont's development model-where a limited number of experienced developers partner with multiple nonprofit sponsors statewide-this would have broader impacts. A project in one community could be blocked by the status of an unrelated project elsewhere, effectively creating a statewide bottleneck tied to individual project timelines. If this is not the intent, the language should be clarified. If it is, it should be reconsidered to better balance capacity management with consistent production across regions.

Recommendation: Replace the blanket requirement with a targeted standard that evaluates pipeline capacity and performance (e.g., limits on open awards, evidence of substantial progress toward closing, or demonstrated track record), and clarify applicability to partnerships and affiliated entities.

5. Policy Inconsistencies

Several provisions create inconsistencies within the policy framework or with broader state housing and land use objectives:

- The absence of basis boost language creates uncertainty around a fundamental component of LIHTC project feasibility and may be an unintended omission.
- The lack of clear cost reasonableness standards (discussed in Section 2) may conflict with the eviction prevention threshold requirements, creating uncertainty around how operating costs for housing stability programs will be evaluated (discussed further below).
- Site challenge penalties may discourage infill, redevelopment, and brownfield sites despite smart growth priorities.
- Amenities/location requirements may conflict with supporting development in designated centers, particularly in smaller communities.
- Certain design and electrification requirements may outpace current technology readiness and supply chain constraints, conflicting with stated policy goals of increasing housing production and controlling costs.

These tensions risk outcomes that diverge from stated policy goals.

Recommendation: Ensure QAP criteria are consistent with state housing, land use, and climate policies and calibrated to current market and regulatory conditions.

6. Eviction Prevention and Operating Feasibility

We support the draft's emphasis on eviction prevention and housing stability. The concern is not the policy goal itself, but the lack of clarity around how the associated operating costs will be treated in underwriting.

Effective eviction prevention requires ongoing staffing, coordination, and programming that carry real and recurring operating costs. For many nonprofit providers, these programs are partially funded through property operations. Without clear guidance, there is a risk that projects could be required to implement eviction prevention while simultaneously being penalized through cost reasonableness review for the associated operating expenses.

This creates a disconnect between policy intent and implementation, and may discourage or constrain robust housing stability efforts.

Recommendation: Explicitly recognize eviction prevention and resident services as appropriate and allowable operating expenses within underwriting standards, and ensure that cost reasonableness reviews do not penalize projects for maintaining effective housing stability programs.

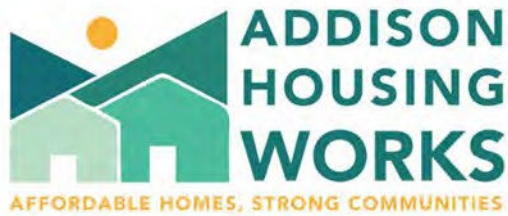
7. Geographic Equity and Rural Impacts

Several provisions may unintentionally disadvantage rural communities and smaller-scale developments:

- Amenities and proximity requirements are more easily met in urban areas, limiting competitiveness in rural regions where need remains significant.
- The proposed developer fee structure may favor larger, urban projects that benefit from economies of scale, while making smaller rural developments less viable.

Taken together, these provisions risk concentrating resources where projects are easiest to deliver, rather than where need is greatest, exacerbating regional disparities.

Recommendation: Evaluate geographic impacts and ensure a balanced distribution of resources across rural and urban communities. At a minimum, remove or modify the



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requirement that developments be located within two miles of a pharmacy, which presents a barrier even in larger towns and does not reflect current access patterns given widespread prescription delivery services.

Conclusion

The QAP is VHFA's primary tool for advancing Vermont's housing priorities. As drafted, the proposed changes risk increasing uncertainty, reducing competition, and slowing production at a time of acute need.

We encourage VHFA to pause implementation, extend the review timeline, and engage in a more iterative process with practitioners. Housing providers are essential partners in translating policy into production, and a collaborative approach will better ensure the QAP achieves its intended outcomes.

Thank you for your consideration.

Sincerely,

Elise Shanbacker
Executive Director
Addison Housing Works



Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>
Date Wed 4/22/2026 10:56 AM
To Elise Shanbacker <elise@addisonhousingworks.org>

Hi Elise - I'm confirming that we received these SHOTC comments also! Thank you.

My best,
Olivia

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From: Elise Shanbacker <elise@addisonhousingworks.org>
Sent: Wednesday, April 22, 2026 10:30 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: [EXTERNAL]QAP Public Comment

Good Morning,

Attached please find comments on the SHOTC portion of the proposed QAP.

Elise

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