

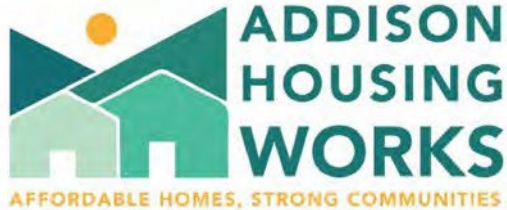


Public Comments Received on VHFA Draft Qualified Allocation Plan 2027-2028

PART 5

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





272 Main Street, P.O. Box 311
Vergennes, VT 05491
www.addisonhousingworks.org •
(802) 877-2626 •

April 21, 2026

Dear VHFA Development Staff,

Thank you for the opportunity to comment on the draft 2027-2028 Qualified Allocation Plan. We appreciate VHFA's continued commitment to supporting affordable homeownership in Vermont. These comments focus on the State Homeownership Tax Credit (SHOTC) provisions and are intended to support a clearer, more workable framework for permanently affordable homeownership in Vermont.

1. Alignment with Vermont's Shared Equity Model

Vermont has a more than 40-year track record of success delivering permanently affordable homeownership through shared equity models. These models—most notably those supported by VHCB—are the foundation of the state's homeownership system and are widely understood by developers, funders, and buyers.

The draft QAP does not clearly recognize or accommodate shared equity as a central affordability mechanism. Instead, it frames SHOTC primarily as a gap financing tool based on upfront affordability and, in practice, may be structured as a loan. Structuring SHOTC as a loan is incompatible with Vermont's shared equity approach, which relies on shared appreciation to preserve affordability over time. A loan-based structure fails to harness the growth of the initial subsidy investment and can require increasing subsidy over time to maintain affordability. This creates a disconnect between the QAP and the systems currently used to maintain long-term affordability.

Recommendations:

- Explicitly recognize shared equity homeownership models as an eligible and preferred approach for achieving perpetual affordability.
- Distinguish between homeownership uses of SHOTC that function appropriately as loans and permanently affordable stick-built homeownership units that should be supported as grants.
- Structure SHOTC as a grant (rather than a loan) where a shared equity covenant is in place, with that covenant designed to protect and carry forward the value of the initial public investment over time.
- Align SHOTC requirements with existing VHCB standards, particularly with respect to resale restrictions and appreciation sharing.

Absent this alignment, projects may face conflicting requirements and inefficient subsidy structures, ultimately undermining the durability of affordability.

2. Pricing and Affordability Methodology

We are concerned that the draft QAP does not provide sufficient clarity or consistency in how home prices and income eligibility are determined.

In practice, Vermont's shared equity model requires:

- Fixed initial purchase prices set using standard underwriting assumptions, including household size, not individualized buyer income.
- A predictable resale formula that determines future prices independent of buyer income and aligns with how households shop for homes-by purchase price.

Recommendations:

- Establish a clear pricing standard with at least a 30% spread between the income used to set the initial sales price and the maximum eligible buyer income.
- Set prices using a household size assumption of 1.5 people per bedroom and 30% of household income devoted to monthly housing costs. In conjunction with a 30% affordability band, households of multiple sizes should be able to afford homes priced this way so that projects don't inadvertently exclude households based on family composition.
- Avoid variable pricing of identical units based on buyer income, which creates operational challenges, inequities, and conflicts with how households shop for homes and how projects are financed and administered.
- Use a clear, uniform resale formula to ensure long-term affordability and predictability for buyers, lenders, and program administrators.

Without clearer guidance, projects may face uncertainty in underwriting and implementation, particularly when layered with other funding sources.

3. Need for Clear and Predictable Program Standards

The issues described above point to a broader need for clearer and more predictable program standards specific to homeownership.

Homeownership development operates under different constraints than rental housing, including longer development timelines, complex resale requirements, and reliance on consistent pricing assumptions. The current QAP structure does not fully reflect these distinctions.

We encourage VHFA to consider whether SHOTC would benefit from a more clearly defined and independent policy framework that can evolve on its own timeline and better reflect the

realities of homeownership delivery in Vermont. As part of that effort, VHFA should consider other clarifications raised by CHT and other practitioners, including treatment of condo conversions, buyer selection standards, and resale income limits.

4. Importance of Collaborative Implementation

Finally, we want to emphasize the importance of strong, collaborative relationships between VHFA and program partners. Delivering affordable homeownership at scale in Vermont requires close coordination across funders and developers.

We value VHFA's role in this system and encourage continued efforts to ensure that program requirements are clear, consistent, and aligned with established practices, so that all partners can work effectively together to serve Vermont households.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Shanbacker', with a stylized flourish at the end.

Elise Shanbacker
Executive Director
Addison Housing Works

Re: [EXTERNAL] Re: QAP Public Comments

From DevelopmentDept <developmentdept@vhfa.org>

Date Thu 2026-04-23 12:10

To Marla McQuiston <marlamcquiston@gmail.com>; Olivia Lavecchia <OLaVecchia@vhfa.org>; Megan Roush <MRoush@vhfa.org>; Jenn Townley <j.e.townley1@gmail.com>; Karen Price <karen.price@vtn.org>; Laurie Mumley <mjustlaurie@aol.com>; Collins Reading Twing <collinstwing@gmail.com>; Katie Tormey <decarolisk@gmail.com>

Hi everyone,

Thank you for following up and providing more feedback, and for being so thorough in your review of the QAP and your comments. I will make sure that these new items are added with your initial feedback and considered as we move towards the new QAP.

Thanks again,

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



From: Marla McQuiston <marlamcquiston@gmail.com>

Sent: Thursday, April 23, 2026 08:56

To: DevelopmentDept <developmentdept@vhfa.org>; Olivia Lavecchia <OLaVecchia@vhfa.org>; Megan Roush <MRoush@vhfa.org>; Jenn Townley <j.e.townley1@gmail.com>; Karen Price <karen.price@vtn.org>; Laurie Mumley <mjustlaurie@aol.com>; Collins Reading Twing <collinstwing@gmail.com>; Katie Tormey <decarolisk@gmail.com>

Subject: [EXTERNAL]Re: QAP Public Comments

Hi Vermont Housing and Finance Agency,

The Developmental Disabilities Housing Initiative (DDHI), parent advocacy group has been working hard to facilitate creation of more housing options in Vermont for people with Developmental Disabilities. We already sent comments for suggested changes to the draft QAP on April 15. **We would like to amend our comments with several additional requests.**

Thank you for your support.

Collins Twing, Jenn Townley, Karen Price, Katie Tormey, Laurie Mumley, Marla McQuiston for Developmental Disabilities Housing Initiative

A. We request that **adults with Intellectual and Developmental Disabilities (I/DD) are included as state priorities** for awarding federal tax credits. Low Income Housing Tax Credits have been used effectively in other states to create the housing we need in Vermont. People with disabilities are more likely to be poor, under or unemployed, and unhoused. As such, they represent a significant constituency within the community of people served by affordable housing organizations. However, people with disabilities also have specific housing needs. For example, Vermont's older housing stock limits access for people with mobility related disabilities. People who are blind or Deaf may need technologies built into their home for their safety and comfortable use. People with intellectual or developmental disabilities or who experience mental health conditions may need on-site support services within their housing complex. All of these accommodations can be thoughtfully embedded in the development of new, affordable housing.

Recommendation

We note with appreciation that other underserved groups are specifically - and appropriately - given priority in the evaluation criteria used to distribute tax credits. We respectfully suggest that similar measures be adopted that will incentivize the development of housing that serves Vermonters with disabilities. Community development projects that take a creative approach to integrating people with disabilities into affordable housing projects should also be a VHFA priority.

From Vermont Developmental Disabilities Council Research brief Page 75:

Add language to Vermont's Qualified Allocation Plan (QAP) that includes adults with I/DD among the state's priorities for awarding federal tax credits to housing properties. The OAP is a critical driver in housing policy. Developers receive extra points toward tax credits when they build new units that align with the priorities set forth by the OAP.

B. We are also requesting the changes below suggested by the Addison Housing Works, concerning increased requirements for applications that will disadvantage smaller development in rural areas. Many of the individuals with Intellectual and Developmental Disabilities live in rural Vermont and do not wish to move. We are working to develop housing in the places people currently live statewide.

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 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.

[EXTERNAL]QAP Public Comment

From Polly Nichol <pnicholvt@gmail.com>

Date Wed 2026-04-22 21:24

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,

I am writing as a board member of Downstreet Housing and Community Development. As you know, Downstreet develops and stewards affordable housing in some of the more rural counties in the state - Washington, Orange, and Lamoille. I want to express my concern about the effect the proposed changes to the OAP will have on the ability to develop housing in these rural counties as well as the short time allotted for the review of such significant changes.

Because the proposed changes would affect both process and priorities I believe that more time is needed to fully understand how these changes will impact the feasibility of projects currently in development or those planned in rural communities. Without allowing more time to review and understand what is being proposed, there may be unintended consequences that severely impact the ability to develop affordable housing in Vermont's rural communities.

I know both from my long career in affordable housing and my more recent service on the Downstreet board that developing housing in rural towns can be exceedingly difficult. Appropriate projects are often small in size compared to those in urban areas and they frequently involve the rehabilitation of existing buildings as opposed to new construction. They lack the economies of scale of urban developments, margins are thin, and contractors and other resources are limited. Yet a development in a rural community not only plays a vital role in housing the people who live and work in the area but also can act as a catalyst for community revitalization. I fear that the proposed changes to the OAP will make it difficult if not impossible for smaller projects to compete because of requirements and scoring that appear to favor larger projects over smaller developments, developments that may be appropriate for smaller communities.

More specifically, in addition to allowing for more time to review and understand the proposed changes, I suggest that you (1) Reduce upfront requirements so developers do not have to incur significant cost and risk before knowing if a project will be funded. (2) Make location requirements flexible so rural communities are not excluded simply because of a lack of certain services, (3) Keep brownfield redevelopment and historic preservation projects competitive. Such projects are often the best fit for a small town and garner the most public support. (4) Make sure that developer fee policies work for both large and small projects so developers can cover

costs. (5) Do not prioritize units targeted at 30% of area median **unless** reliable rental subsidies are available to support them. This is a serious problem, particularly because rents in rural counties tend to be lower than in urban areas yet operating costs are similar if not higher. Therefore without rental assistance a project may be unable to cover its operating cost.

Affordable housing development is a high risk business, often undertaken by mission driven developers. These developers need clear, predictable rules so they can confidently plan, finance, and deliver housing.

Rural communities are, to a large extent, what makes Vermont the special place that it is. We consistently rank as one of the most rural states in the nation, with approximately 2/3 of the population living in rural areas. I urge you not to implement a plan that makes it more difficult, if not impossible, to serve the rural communities of the state.

Thank you for considering these comments.

Sincerely,

Polly Nichol, Downstreet Board Member



Outlook

[EXTERNAL]Comments on the QAP draft dated March 24, 2026

From Preston Bristow <preston.bristow@chestervt.gov>

Date Wed 2026-04-22 13:46

To DevelopmentDept <developmentdept@vhfa.org>

To: VHFA Development Staff:

Thank you for the opportunity to comment on the draft VHFA Qualified Application Plan for 2027-2028.

Chester is a vibrant community of 3,000+ residents with a municipal water and sewer system and a designated Village Center. In 2022, Chester adopted a Short-Term Rental Registration ordinance, and in 2024, amended the registration ordinance to cap the total number of short-term rentals town-wide at 65. In July of 2023, the Selectboard appointed a Chester Housing Commission which has been meeting monthly for two and a half years. The voters approved establishing a Housing Trust Fund at Town Meeting in March of 2025 to be funded initially by the net receipts of short-term rental registrations (about \$24,000 per year). A Chester Housing Development Feasibility Study funded through a Municipal Planning Grant was completed in May of 2025. An expansion of Chester's Neighborhood Development Area to include all areas that are currently served or could potentially be served by municipal water and sewer was approved by the state Community Investment Board in October of 2025. Chester's Housing Commission has identified four potential properties, two town-owned and two privately owned, for affordable/attainable housing and has engaged marketing studies for the town-owned properties and an appraisal for one of the privately owned properties. Chester is currently host to three low-income housing projects developed between 1982 and 2013 and is committed in its pursuit to provide additional affordable and attainable housing.

We have three areas of concern where conditions in the draft OAP could threaten our ability to fund future projects in Chester:

1. Previous QAPs contained a stipulation that a single project cannot receive more than 30% of the state's allocation of tax credits. In the draft 2027 OAP this cap has been removed, which could result in larger, more urban projects gobbling up an outsized amount of tax credits, and limiting the available pool of credits for smaller, more rural projects. Please consider leaving this cap in place to ensure regional equity and enable viable projects in smaller communities like Chester.
2. Previous QAPs incentivized mixed income development. This is not present in the draft 2027 OAP, which would limit the ability to serve higher income individuals (80-100% AMI). The draft QAP also removes the incentive for 50% AMI units and replaces it with an incentive for 30% AMI units. The overall effect of this is that income restrictions are shifting downward, which requires larger projects to ensure financial feasibility. Smaller communities may not be able to create large enough projects to support these income restrictions. Please consider retaining the mixed income incentives of previous QAPs to enable viable projects in smaller communities like Chester.
3. The draft 2027 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. Housing projects within our designated Neighborhood Development would be within 2 miles of schools and general retail (Dollar General), but we do not have a chain grocery store or a retail pharmacy in town. Please consider moving this requirement to a scoring criteria so as not to disqualify projects in smaller communities like Chester.

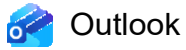
Thank you for your consideration of these concerns.

Preston Bristow

Town Planner | Town of Chester

556 Elm Street, P.O. Box 370, Chester, VT 05143

802-875-2173 | [https://link.edgepilot.com/s/d6d74ede/Qnddt0vHwkKVDpsPslvGlg?
u=http://www.chestervt.gov/](https://link.edgepilot.com/s/d6d74ede/Qnddt0vHwkKVDpsPslvGlg?u=http://www.chestervt.gov/)



[EXTERNAL]Draft 2027-2028 QAP - CHT Additional Comments

From Amy Demetrowitz <amy.demetrowitz@champlainhousingtrust.org >

Date Thu 2026-04-23 11:12

To DevelopmentDept <developmentdept@vhfa.org>

 1 attachment (157 KB)

CHT QAP 2027 comments - additional.pdf;

This message was sent securely using Zi/R:

Development Team -

Attached are additional comments from CHT on the draft 2027-2028 QAP.

Thank you for your consideration.

- Amy

Amy Demetrowitz (she/her)

Chief Operating Officer

Champlain Housing Trust

802-318-7101

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April 22, 2026

VHFA Development Staff,

We are providing additional comments on the draft QAP following the recent public hearing, particularly in light of the limited opportunity for dialogue and clarification during that process.

VHFA has noted that this draft QAP builds on prior engagement efforts dating back to 2024. However, the process used for this draft QAP is not comparable to the process in 2024.

At that time, VHFA provided detailed presentations explaining proposed changes, held section-by-section discussions with opportunity for dialogue, and issued a subsequent draft for additional public comment. That iterative approach allowed stakeholders to understand both the intent and the implications of proposed policy changes and to provide informed feedback.

In contrast, the current process has consisted of a single public hearing without presentation or explanation of the proposed changes, and without opportunity for dialogue or response. The draft itself represents a substantial shift in policy direction, yet stakeholders have not had the opportunity to engage with VHFA on how or why these changes were developed, or how they are intended to function in practice. The proposed changes are also markedly different than the proposed 2024 changes, not relating to them in policy or approach.

We understand that VHFA plans to issue a revised draft for consideration by the Joint Committee on Tax Credits. Given the scope of the proposed changes, we respectfully request that this revised draft be released for public review with an additional opportunity for comment, including a public hearing. This would allow for a more informed and constructive process and better ensure that the final QAP reflects both policy goals and development realities.

The draft QAP represents a significant shift in approach. We appreciate that the intent appears to be focused on reducing development costs and prioritizing projects that are ready to proceed. These are important goals, particularly given the current housing crisis and the high cost of construction.

However, the proposed changes have broader implications that should be carefully considered. As drafted, the QAP places a strong emphasis on readiness, cost containment, and scale. In practice, this favors a narrower set of larger, less complex projects that can move quickly and demonstrate lower per-unit costs.

This shift comes at the expense of the types of projects that have historically been advanced in Vermont and State policy goals - smaller, more complex developments that often serve multiple goals, including downtown revitalization, brownfield redevelopment, and historic preservation. Many communities will not be able to meet the proposed threshold requirements yet also do not have sites that can support larger-scale development. Even in Chittenden County, this approach limits the range of viable projects and is not always responsive to community needs.

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Vermont's longstanding housing policy has been to address community needs through a nonprofit housing delivery network, a network that is there to also support communities in times of crisis whether it be flooding, a pandemic or a homelessness epidemic. Non-profit sponsors with a demonstrated history of community development outcomes are recognized in the scoring of the current QAP, but this is eliminated in the proposed 2027 QAP. Additional points for non-profit sponsors should remain.

In addition, the draft does not fully reflect the realities of development in Vermont. Permitting timelines are often lengthy and uncertain due to the combination of state and local review processes and advancing projects to a high level of readiness prior to an award requires significant cost and risk. The proposed income targeting similarly does not align with current funding realities, particularly the limited availability of rental assistance needed to support units at the lowest income levels.

We also offer the following additional framing of our previous comments on the SHOTC portion of the draft QAP. We request that the SHOTC program explicitly aligns with Vermont's shared equity model as supported by VHCBC to ensure a consistent and effective approach to maintaining permanent affordability. This includes the grant-based subsidy, price-setting, income-eligibility and resale requirements/process. CHT has a long track record of successfully delivering shared equity homeownership with over 1,400 families being served. This proven model has long been supported by the SHOTC program and we encourage VHFA to make that alignment explicit in the QAP.

We are hopeful that these and our previous comments will be considered in formulating the next draft, and we respectfully request that stakeholders be given the opportunity to review and comment on that draft before it is considered by the Joint Committee on Tax Credits.

Sincerely,

Amy Demetrowitz
Chief Operating Officer

Re: Federal funding for Low Income Housing Tax Credits (LIHTC), the Qualified Allocation Plan

From DevelopmentDept <developmentdept@vhfa.org>

Date Mon 2026-04-27 11:29

To Andrea Van Liew <andrea.vanliew@gmail.com>

Hi Andrea,

Thank you for taking the time to review the proposed Qualified Allocation Plan and for your feedback and advocacy for your daughter and others in the community. I wanted to follow up and let you know that your comments have been received, and will be reviewed by the appropriate folks at the Agency as we continue to develop the finalized Plan.

Thank you again,

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



From: Andrea Van Liew <andrea.vanliew@gmail.com>

Sent: Thursday, April 23, 2026 09:44

To: DevelopmentDept <developmentdept@vhfa.org>

Subject: Federal funding for Low Income Housing Tax Credits (LIHTC), the Qualified Allocation Plan

To the Development Dept of the Vermont Housing Finance Agency,

I appreciate the opportunity to comment on the Qualified Allocation Plan.

My daughter has an Intellectual and Developmental Disability (IDD) and will need stable service supported housing to live in when she can no longer live with me, her parent. The state immediately needs 602 units of this housing according to the VTDDC Housing Brief of 2023. We appreciate the support and additions made in past QAPs that help to create development of housing and while there is more development recently, we know you are aware that much more is needed.

Thank you for your consideration of my family's need for housing. I have listed several recommendations below. I hope you will take action in favor of these recommendations.

Sincerely, Andrea Van Liew

Essex Jct. VT

Recommendations:

A. I am requesting that the **new QAP add language that includes adults with Intellectual and Developmental Disabilities (I/DD) be awarded federal tax credits**. This will help with the development of service-based housing for my daughter and many others across the state. The QAP is a critical driver in housing policy. Developers receive extra points toward tax credits when they build new units that align with the priorities set forth by the QAP. People with disabilities are more likely to be poor, under or unemployed, and unhoused. As such, they represent a significant constituency within the community of people served by affordable housing organizations. Community development projects that take a creative approach to integrating people with disabilities into affordable housing projects should also be a VHFA priority.

B. Permit the creation of a rental subsidy fund for accessible unit

Many extremely low-income households, especially those on fixed incomes like Supplemental Security Income (SSI), face a significant affordability gap in housing despite meeting the qualifications for affordable units. For these individuals, the cost of rent remains out of reach without further subsidy, leading to a precarious housing situation even within "affordable" housing programs. Implementing an internal rent subsidy policy within affordable housing developments could be a transformative approach to bridging this gap and providing stability for those most in need.

An internal rent subsidy model would allow developers to directly subsidize rents for extremely low-income tenants rather than depending exclusively on external sources, such as vouchers or government-funded rental assistance programs, which are often scarce or unreliable. To make this feasible, developers could be permitted to increase their development fees, stipulating that a portion of these fees be allocated specifically for subsidizing rents within the project. This approach incentivizes developers to incorporate an internal subsidy system while preserving project viability and reducing reliance on unpredictable external funding streams.

Pennsylvania's OAP provides a noteworthy example of this type of internal rent subsidy policy. In Pennsylvania, developers who receive tax credits can increase their allowable developer fees by a certain percentage if they commit to setting aside funds for an internal rent subsidy. This increase enables developers to subsidize extremely low-income residents' rent while preserving the project's financial viability. Key components of

Pennsylvania's model includes:

- **Increased Allowable Developer Fees:** Developers can raise their fees beyond standard levels, specifically when committing a portion of this increase to an internal rent subsidy fund
- **Flexible Use of Subsidy Funds:** The allocated subsidy can be applied directly to reduce rents for tenants with the greatest need, typically those earning 20-30% of the area median income (AMI) or who are on fixed incomes like SSI.
- **Alignment with Tax Credits:** This model works within the **LIHTC** framework, allowing developers to meet affordability requirements while creating a financial cushion that is a sustainable subsidy source.

C. Create a tax-credit allocation pool for Accessible Supportive Housing (ASH)

Establish a dedicated Accessible Supportive Housing (ASH) Tax Credit Allocation Pool within the state's Low-Income Housing Tax Credit (LIHTC) program. Modeled after Virginia's Qualified Allocation Plan (QAP), this pool would prioritize developments that:

- Designate at least 15% of units for individuals with disabilities who require supportive services.
- Comply with HUD Section 504 accessibility standards to ensure fully accessible housing options.
- Include project-based rental assistance to make units affordable for extremely low-income households.

Several states have successfully implemented dedicated LIHTC allocation pools for supportive housing, for example:

- The Illinois Housing Development Authority (IHDA) reserves a portion of its LIHTC allocation specifically for supportive housing. The state has successfully utilized this model to develop deeply affordable, accessible housing linked with services, leveraging federal and state resources, including Medicaid waivers and Section 811 PRA.

- Pennsylvania has a dedicated set-aside within its LIHTC Qualified Allocation Plan (QAP) for projects that provide housing for persons with disabilities and other vulnerable populations. This pool has facilitated the expansion of disability-inclusive housing across the state by offering competitive but protected funding opportunities.

By setting aside a specific portion of tax credits for ASH developments, states would streamline funding for disability-inclusive housing and incentivize developers to integrate accessibility and supportive services into their projects.

D. I am also requesting the changes below suggested by the Addison Housing Works, concerning increased requirements for applications that will disadvantage smaller development in rural areas. Many of the individuals with Intellectual and Developmental Disabilities live in rural Vermont and do not wish to move. We are working to develop housing in the places people currently live statewide.

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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.

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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

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Several proposed requirements conflict with standard LIHTC sequencing:

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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.

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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.

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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:

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

Andrea Van Liew
Sugar Moon Ceremonies & Consulting, **LLC**
802-318-0605
andrea.vanliew@gmail.com
sugarmoonvt.com



Re: Qualified Allocation Plan

From DevelopmentDept <developmentdept@vhfa.org>

Date Tue 4/28/2026 10:16 AM

To Anne Barbano <barbanoa@yahoo.com>

Cc Mike George <michael.george@uvm.edu>

Hello Anne,

Thank you for taking the time to review the proposed Qualified Allocation Plan, and for your feedback and advocacy for your son and others in the community. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.

Best,

Mia

Mia Watson (she/her)

Program Development Director

164 St. Paul St, Burlington VT, 05401 | 802.652.3453

[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Anne Barbano <barbanoa@yahoo.com>

Sent: Thursday, April 23, 2026 10:01 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Cc: Mike George <michael.george@uvm.edu>

Subject: Qualified Allocation Plan

Vermont Housing Finance Agency,

We appreciate the opportunity to comment on the Qualified Allocation Plan.

Our son Nicholas has great functional needs Autism, a Developmental Disability (IDD), and will need stable service supported housing to live in when he can no longer live with us, his parents. The state immediately needs 602 units of this housing according to the VTDDC Housing Brief of 2023. We appreciate the support and additions made in past QAPs that help to create development of housing and while there is more development recently, we know you are aware that much more is needed.

Thank you for your consideration of our family need for housing.

Sincerely,

Anne Barbano and Michael George

Recommendation:

A. We are requesting that the **new QAP add language that includes adults with Intellectual and Developmental Disabilities (I/DD) in the priorities for awarding federal tax credits**. This will help with the development of service supported housing for our son and many others across the state. The QAP is a critical driver in housing policy. Developers receive extra points toward tax credits when they build new units that align with the priorities set forth by the OAP. People with disabilities are more likely to be poor, under or unemployed, and unhoused. As such, they represent a significant constituency within the community of people served by affordable housing organizations. Community development projects that take a creative approach to integrating people with disabilities into affordable housing projects should also be a VHFA priority.

B. Permit the creation of a rental subsidy fund for accessible unit

RECOMMENDATION

Many extremely low-income households, especially those on fixed incomes like Supplemental Security Income (SSI), face a significant affordability gap in housing despite meeting the qualifications for affordable units. For these individuals, the cost of rent remains out of reach without further subsidy, leading to a precarious housing situation even within "affordable" housing programs. Implementing an internal rent subsidy policy within affordable housing developments could be a transformative approach to bridging this gap and providing stability for those most in need.

An internal rent subsidy model would allow developers to directly subsidize rents for extremely low-income tenants rather than depending exclusively on external sources, such as vouchers or government-funded rental assistance programs, which are often scarce or unreliable. To make this feasible, developers could be permitted to increase their development fees, stipulating that a portion of these fees be allocated specifically for subsidizing rents within the project. This approach incentivizes developers to incorporate an internal subsidy system while preserving project viability and reducing reliance on unpredictable external funding streams.

Pennsylvania's QAP provides a noteworthy example of this type of internal rent subsidy policy. In Pennsylvania, developers who receive tax credits can increase their allowable developer fees by a certain percentage if they commit to setting aside funds for an internal rent subsidy. This increase enables developers to subsidize extremely low-income residents' rent while preserving the project's financial viability. Key components of Pennsylvania's model include:

- **Increased Allowable Developer Fees:** Developers can raise their fees beyond standard levels, specifically when committing a portion of this increase to an internal rent subsidy fund.
- **Flexible Use of Subsidy Funds:** The allocated subsidy can be applied directly to reduce rents for tenants with the greatest need, typically those earning 20-30% of the area median income (AMI) or who are on fixed incomes like SSI.
- **Alignment with Tax Credits:** This model works within the LIHTC framework, allowing developers to meet affordability requirements while creating a financial cushion that is a sustainable subsidy source.

C. Create a tax-credit allocation pool for Accessible Supportive Housing (ASH)

RECOMMENDATION

Establish a dedicated Accessible Supportive Housing (ASH) Tax Credit Allocation Pool within the state's Low-Income Housing Tax Credit (LIHTC) program. Modeled after Virginia's Qualified Allocation Plan (QAP), this pool would prioritize developments that:

- Designate at least 15% of units for individuals with disabilities who require supportive services.
- Comply with HUD Section 504 accessibility standards to ensure fully accessible housing options.
- Include project-based rental assistance to make units affordable for extremely low-income households.

Several states have successfully implemented dedicated LIHTC allocation pools for supportive housing, for example:

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Sent from my iPhone

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

From DevelopmentDept <developmentdept@vhfa.org>
Date Mon 4/27/2026 3:48 PM
To Beth Sightler (she/her) <elizabeth.sightler@wcmhs.org>

Hello Beth,
Thank you for taking the time to review the proposed Qualified Allocation Plan. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.
Best,
Mia

Mia Watson (she/her)
Program Development Director
164 St. Paul St, Burlington VT, 05401 | 802.652.3453
[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Beth Sightler (she/her) <elizabeth.sightler@wcmhs.org>
Sent: Thursday, April 23, 2026 1:54 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]Re: Comments on Draft 2027-2028 Qualified Allocation Plan

April 23, 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,

I am writing as CEO of Washington County Mental Health Services. We work alongside individuals and families across central Vermont who rely on stable, affordable housing to maintain their health and stay connected to their communities.

We share the goal of expanding housing in Vermont, and we also live with the realities on the ground. Housing in rural areas is already tough to build, and when it doesn't happen, the consequences are real: fewer homes, fewer options, and more people pushed out.

The proposed changes to the Qualified Allocation Plan bring big shifts in criteria. A 30-day review isn't enough time to understand how these changes will affect rural housing, which is already a fragile balancing act.

We are particularly concerned about the reduced focus on homes affordable to people earning around half of the area's median income. Those homes are often what keep our clients (and staff) stable. At the same time, shifting emphasis to homes for the lowest incomes without guaranteed rental subsidies leaves projects financially shaky and harder to deliver.

We also see how stricter location requirements and favoring larger developments will leave smaller communities - like ours- out in the cold. Many rural towns simply don't have all the services the new rules require nearby, even though these are places where housing is desperately needed.

We respectfully request:

- More time to assess how these changes affect rural housing
- A delay in implementation so current projects aren't derailed
- A thoughtful look at how these changes impact rural communities' ability to get housing built

Thank you for your commitment and thank you for inviting feedback.

With appreciation,
Beth Sightler

Beth Sightler • CEO • Washington County Mental Health Services

Office: 802-229-1399 • Fax: 802-223-8623

PO Box 647 • Montpelier, VT 05601



Any clinical information contained in this e-mail is confidential and intended only for the professional use of the intended recipient. The privacy of this information is protected by law. If you have received this in error, please notify the sender and delete this e-mail from your computer. Do not forward.

Thank you.

Re: QAP Comments from DDHI Parent

From DevelopmentDept <developmentdept@vhfa.org>

Date Tue 4/28/2026 10:02 AM

To Collins Twing <collinstwing@gmail.com>

Hello Collins,

Thank you for taking the time to review the proposed Qualified Allocation Plan, and for your feedback and advocacy. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.

Best,

Mia

Mia Watson (she/her)

Program Development Director

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[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Collins Twing <collinstwing@gmail.com>

Sent: Thursday, April 23, 2026 4:02 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Subject: QAP Comments from DDHI Parent

Vermont Housing Finance Agency,

We appreciate the opportunity to comment on the Qualified Allocation Plan.

I am one of over 175 families with the Developmental Disabilities Housing Initiative (DDHI). The state immediately needs 602 units of permanent, affordable, service supported housing to support adults with Intellectual and Developmental Disabilities (I/DD) according to the VTDDC Housing Brief of 2023. We appreciate the support and additions made in past QAPs that help to create development of housing for individuals with I/DD, and we know you are aware that much more is needed. Please see my comments on the proposed QAP below.

Thank you for your consideration of our DDHI families' need for housing.

Collins Twing, South Royalton

Recommendation:

A. We are requesting that the new QAP add language that includes adults with Intellectual and Developmental Disabilities (I/DD) in the priorities for awarding federal tax credits. This will help with the development of service supported housing for our son and many others across the state. The QAP is a critical driver in housing policy. Developers receive extra points toward tax credits when they build new units that align with the priorities set forth by the QAP. People with disabilities are more likely to be poor, under or unemployed, and unhoused. As such, they represent a significant constituency within the community of people served by affordable housing organizations. Community development projects that take a creative approach to integrating people with disabilities into affordable housing projects should also be a VHFA priority.

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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 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.

Re: [EXTERNAL]

From DevelopmentDept <developmentdept@vhfa.org>

Date Mon 2026-04-27 09:13

To Jewett, Ellen <emckay@middlebury.edu>

Cc David McKay <palimpsest2@myfairpoint.net>

Hi Ellen,

Thank you for taking the time to read and provide feedback on our draft Qualified Allocation Plan. I appreciate your comments and input, and I'll ensure that your thoughts and perspective are considered as we move forward with finalizing the Plan.

All the best,

[Jameson T. Williams](#) (he/him)

Community Development Underwriter

164 St. Paul St, Burlington VT, 05401

[Vermont Housing Finance Agency](#)



From: Jewett, Ellen <emckay@middlebury.edu>

Sent: Thursday, April 23, 2026 09:12

To: DevelopmentDept <developmentdept@vhfa.org>

Cc: David McKay <palimpsest2@myfairpoint.net>

Subject: [EXTERNAL]

Vermont Housing Finance Agency,

We appreciate the opportunity to comment on the Qualified Allocation Plan.

Our daughter has Intellectual and Developmental Disabilities (IDD), spastic quadriplegia, cerebral palsy, is non-verbal and profoundly deaf, and will need stable service supported housing to live in when she can no longer live with us, her parents. The state immediately needs 602 units of this housing according to the VTDDC Housing Brief of 2023. We appreciate the support and additions made in past QAPs that help to create development of housing and while there is more development recently, we know you are aware that much more is needed.

Thank you for your consideration of our family need for housing.

Ellen McKay Jewett

Middlebury

*Ellen McKay Jewett, Program Coordinator
The Charles P. Scott Center for Spiritual & Religious Life
Middlebury College
135 South Main Street
Middlebury, VT 05753
(802) 443-5626*

Re: [EXTERNAL]Qualified Allocation Plan

From DevelopmentDept <developmentdept@vhfa.org>

Date Tue 4/28/2026 10:15 AM

To Allen, Holly <hallen@middlebury.edu>

Hello Holly,

Thank you for taking the time to review the proposed Qualified Allocation Plan, and for your feedback and advocacy for your son and others in the community. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.

Best,

Mia

[Mia Watson](#) (she/her)

Program Development Director

164 St. Paul St, Burlington VT, 05401 | 802.652.3453

[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Allen, Holly <hallen@middlebury.edu>

Sent: Thursday, April 23, 2026 7:10 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Subject: [EXTERNAL]Qualified Allocation Plan

Vermont Housing Finance Agency,

We appreciate the opportunity to comment on the Qualified Allocation Plan.

Our son has an Intellectual and Developmental Disability (IDD) and will need stable service supported housing to live in when he can no longer live with us, his parents. The state immediately needs 602 units of this housing according to the VTDDC Housing Brief of 2023. We appreciate the support and additions made in past QAPs that help to create development of housing and while there is more development recently, we know you are aware that much more is needed.

Thank you for your consideration of our family need for housing.

Holly Allen and Michael Newbury

Weybridge

Re: Public Comment to the 2027-2028 QAP Draft

From DevelopmentDept <developmentdept@vhfa.org>

Date Tue 4/28/2026 10:10 AM

To Jenn Townley <j.e.townley1@gmail.com>

Hello Jenn,

Thank you for taking the time to review the proposed Qualified Allocation Plan, and for your feedback and advocacy for your son and others in the community. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.

Best,

Mia

Mia Watson (she/her)

Program Development Director

164 St. Paul St, Burlington VT, 05401 | 802.652.3453

[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Jenn Townley <j.e.town1ey1@gmail.com>

Sent: Thursday, April 23, 2026 4:29 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Subject: Public Comment to the 2027-2028 QAP Draft

To Whom it May Concern,

My 28-year-old son with a developmental disability needs stable, permanent, service-supported housing to live in that is affordable and with the proper level of support. His father and I are retired and he currently lives at home with us, but desires to have the opportunity to live with his friends like others his age do in the community. He works a part time job and receives social security benefits, but his income remains at about 30% of AMI. We are requesting that the 2027-2028 Quality Allocation Plan be amended by adding language that will include adults with intellectual and developmental disabilities as a priority group in addition to the recommendations below.

Thank you for your consideration and the opportunity to provide comment.

Ed & Jenn Townley, Developmental Disabilities Housing Initiative & family member of the Vermont Developmental Disabilities Council (Williston)

RECOMMEND

A. We are requesting that the **new QAP add language that includes adults with Intellectual and Developmental Disabilities (I/DD) in the priorities for awarding federal tax credits.** This will help with the development of service supported housing for our son and many others across the state. The QAP is a critical

driver in housing policy. Developers receive extra points toward tax credits when they build new units that align with the priorities set forth by the QAP. People with disabilities are more likely to be poor, under or unemployed, and unhoused. As such, they represent a significant constituency within the community of people served by affordable housing organizations. Community development projects that take a creative approach to integrating people with disabilities into affordable housing projects should also be a VHFA priority.

B. Permit the creation of a rental subsidy fund for accessible unit

RECOMMENDATION

Many extremely low-income households, especially those on fixed incomes like Supplemental Security Income (SSI), face a significant affordability gap in housing despite meeting the qualifications for affordable units. For these individuals, the cost of rent remains out of reach without further subsidy, leading to a precarious housing situation even within "affordable" housing programs. Implementing an internal rent subsidy policy within affordable housing developments could be a transformative approach to bridging this gap and providing stability for those most in need.

An internal rent subsidy model would allow developers to directly subsidize rents for extremely low-income tenants rather than depending exclusively on external sources, such as vouchers or government-funded rental assistance programs, which are often scarce or unreliable. To make this feasible, developers could be permitted to increase their development fees, stipulating that a portion of these fees be allocated specifically for subsidizing rents within the project. This approach incentivizes developers to incorporate an internal subsidy system while preserving project viability and reducing reliance on unpredictable external funding streams.

Pennsylvania's OAP provides a noteworthy example of this type of internal rent subsidy policy. In Pennsylvania, developers who receive tax credits can increase their allowable developer fees by a certain percentage if they commit to setting aside funds for an internal rent subsidy. This increase enables developers to subsidize extremely low-income residents' rent while preserving the project's financial viability. Key components of Pennsylvania's model include:

- **Increased Allowable Developer Fees:** Developers can raise their fees beyond standard levels, specifically when committing a portion of this increase to an internal rent subsidy fund.
- **Flexible Use of Subsidy Funds:** The allocated subsidy can be applied directly to reduce rents for tenants with the greatest need, typically those earning 20-30% of the area median income (AMI) or who are on fixed incomes like SSI.
- **Alignment with Tax Credits:** This model works within the LIHTC framework, allowing developers to meet affordability requirements while creating a financial cushion that is a sustainable subsidy source.

C. Create a tax-credit allocation pool for Accessible Supportive Housing (ASH)

RECOMMENDATION

Establish a dedicated Accessible Supportive Housing (ASH) Tax Credit Allocation Pool within the state's Low-Income Housing Tax Credit (LIHTC) program. Modeled after Virginia's Qualified Allocation Plan (QAP), this pool would prioritize developments that:

- Designate at least 15% of units for individuals with disabilities who require supportive services.
- Comply with HUD Section 504 accessibility standards to ensure fully accessible housing options.
- Include project-based rental assistance to make units affordable for extremely low-income households.

Several states have successfully implemented dedicated LIHTC allocation pools for supportive housing, for example:

- The Illinois Housing Development Authority (IHDA) reserves a portion of its LIHTC allocation specifically for supportive housing. The state has successfully utilized this model to develop deeply affordable, accessible housing linked with services, leveraging federal and state resources, including Medicaid waivers and Section 811 PRA.
- Pennsylvania has a dedicated set-aside within its LIHTC Qualified Allocation Plan (QAP) for projects that provide housing for persons with disabilities and other vulnerable populations. This pool has facilitated the expansion of disability-inclusive housing across the state by offering competitive but protected funding opportunities.

By setting aside a specific portion of tax credits for ASH developments, states would streamline funding for disability-inclusive housing and incentivize developers to integrate accessibility and supportive services into their projects.

D. We are also requesting the changes below suggested by the Addison Housing Works, concerning increased requirements for applications that will disadvantage smaller development in rural areas. Many of the individuals with Intellectual and Developmental Disabilities live in rural Vermont and do not wish to move. We are working to develop housing in the places people currently live statewide.

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 OAP 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 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.



Virus-free [https://link.edgepilot.com/s/523379e5/DowEC23HpkGbfPttyYY0nw?
u=http://www.avast.com/](https://link.edgepilot.com/s/523379e5/DowEC23HpkGbfPttyYY0nw?u=http://www.avast.com/)

Re: [EXTERNAL]QAP Public Comment

From Mia Watson <MWatson@vhfa.org>
Date Mon 4/27/2026 3:45 PM
To Jenna O'Farrell <jofarrell@nekcvvt.org>

Hello Jenna,

Thank you for taking the time to review the proposed Qualified Allocation Plan. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.

Best,
Mia

Mia Watson (she/her)
Program Development Director
164 St. Paul St, Burlington VT, 05401 | 802.652.3453
[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Jenna O'Farrell <jofarrell@nekcvvt.org>
Sent: Thursday, April 23, 2026 1:41 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>; McClure, Kristin <kristin.mcclure@vermont.gov>
Subject: [EXTERNAL]QAP Public Comment

Good Afternoon,

I appreciate the opportunity to provide comments on the Vermont Housing Finance Agency's Proposed Qualified Allocation Plan (QAP) for 2027-2028. At Northeast Kingdom Community Action we serve low-income individuals and families, and we strongly support policies that expand access to safe, permanent, and affordable housing. The QAP is one of the most critical tools for achieving this goal, as it determines how Low-Income Housing Tax Credits, competitive and non-competitive, are allocated across the state.

These tax credits represent a substantial portion of project financing and are often between 30% and 60% for organizations like Rural Edge, a key partner in developing affordable housing in Vermont's Northeast Kingdom. For this reason, changes to the QAP have a direct and significant impact on whether housing projects in rural communities can move forward.

We are concerned that several proposed changes represent a significant shift from prior QAPs and may unintentionally disadvantage rural regions. For example, new threshold requirements mandating that developments be located within two miles of both a full-service grocery store and a pharmacy create a standard that is difficult, if not impossible, to meet in many parts of the Northeast Kingdom. Similarly,

requiring all permits to be secured prior to application presents a substantial barrier, particularly for smaller developers and projects in rural areas where pre-development resources are limited.

We are also deeply concerned about the removal of prioritization for units affordable at 50% of Area Median Income (AMI). Shifting incentives toward maximizing rents at 60% AMI may improve project feasibility on paper, but it does not reflect the economic realities of the households we serve. For many low-income Vermonters, even 60% AMI rents are out of reach, placing them at risk of becoming rent-burdened or excluded altogether. Affordable housing must be truly affordable to those with the greatest need.

Finally, we are concerned about provisions that appear to favor larger-scale developments. While increasing the overall number of housing units is an important statewide goal, eliminating the previous cap where no single project could receive more than 30% of competitive funds. This raises concerns about equitable geographic distribution. Without this safeguard, there is a risk that funding could be concentrated in a small number of large projects, potentially leaving rural communities without the resources needed to address local housing challenges.

We urge careful consideration of these proposed changes to ensure that the QAP continues to support a balanced, equitable approach that includes rural communities, prioritizes affordability, and recognizes the diverse conditions across Vermont. A strong housing system must work for all Vermonters, regardless of geography.

Sincerely,
Jenna O'Farrell

Jenna O'Farrell, NEKCA Executive Director
(802) 624-0454

70 Main Street
Newport, VT
05855

1197 Main Street
St. Johnsbury, VT
05819

Re: [EXTERNAL]Housing Needs for IDD

From DevelopmentDept <developmentdept@vhfa.org>

Date Tue 4/28/2026 9:56 AM

To Judy Kennedy <judy245762@yahoo.com>

Hello Judy,

Thank you for taking the time to review the proposed Qualified Allocation Plan, and for your feedback and advocacy for your son and others in the community. Your comments have been received and will be reviewed by VHFA as we continue to develop the finalized plan.

Best,

Mia

Mia Watson (she/her)

Program Development Director

164 St. Paul St, Burlington VT, 05401 | 802.652.3453

[Vermont Housing Finance Agency](#)

vhf a Affordable homes for a sustainable Vermont

From: Judy Kennedy <judy245762@yahoo.com>

Sent: Thursday, April 23, 2026 3:45 PM

To: DevelopmentDept <developmentdept@vhfa.org>

Subject: [EXTERNAL]Housing Needs for IDD

Vermont Housing Finance Agency,

We appreciate the opportunity to comment on the Qualified Allocation Plan.

Our son, Evan, has Autism, an Intellectual and Developmental Disability (IDD), and will need stable service supported housing to live in when he can no longer live with us, his parents. The state immediately needs 602 units of this housing according to the VTDDC Housing Brief of 2023. We appreciate the support and additions made in past QAPs that help to create development of housing and while there is more development recently, we know you are aware that much more is needed.

Thank you so much for your consideration of our family need for housing.

Judy Kennedy & Steve Belanus

5322 Route 30

Cornwall, VT 05753

[Sent from Yahoo Mail for iPhone](#)

Recommendation:

A. We are requesting that the **new QAP add language that includes adults with Intellectual and Developmental Disabilities (I/DD) in the priorities for awarding federal tax credits.** This will help with the development of service supported housing for our son and many others across the state. The OAP is a critical driver in housing policy. Developers receive extra points toward tax credits when they build new units that align with the priorities set forth by the OAP. People with disabilities are more likely to be poor, under or unemployed, and unhoused. As such, they represent a significant constituency within the community of people served by affordable housing organizations. Community development projects that take a creative approach to integrating people with disabilities into affordable housing projects should also be a VHFA priority.

B. Permit the creation of a rental subsidy fund for accessible unit

RECOMMENDATION

Many extremely low-income households, especially those on fixed incomes like Supplemental Security Income (SSI), face a

significant affordability gap in housing despite meeting the qualifications for affordable units. For these individuals, the cost of rent remains out of reach without further subsidy, leading to a precarious housing situation even within "affordable" housing programs. Implementing an internal rent subsidy policy within affordable housing developments could be a transformative approach to bridging this gap and providing stability for those most in need.

An internal rent subsidy model would allow developers to directly subsidize rents for extremely low-income tenants rather than depending exclusively on external sources, such as vouchers or government-funded rental assistance programs, which are often scarce or unreliable. To make this feasible, developers could be permitted to increase their development fees, stipulating that a portion of these fees be allocated specifically for subsidizing rents within the project. This approach incentivizes developers to incorporate an internal subsidy system while preserving project viability and reducing reliance on unpredictable external funding streams.

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This increase enables developers to subsidize extremely low-income residents' rent while preserving the project's financial viability. Key components of Pennsylvania's model include:

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C. Create a tax-credit allocation pool for Accessible Supportive Housing (ASH)

RECOMMENDATION

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services, leveraging federal and state resources, including Medicaid waivers and Section 811 PRA.

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D. We are also requesting the changes below suggested by the Addison Housing Works, concerning increased requirements for applications that will disadvantage smaller development in rural areas. Many of the individuals with Intellectual and Developmental Disabilities live in rural Vermont and do not wish to move. We are working to develop housing in the places people currently live statewide.

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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.

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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.

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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

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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:

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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 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.


[EXTERNAL]QAP comments from Evernorth

From Kathy Beyer <KBeyer@evernorthus.org>

Date Thu 2026-04-23 11:01

To DevelopmentDept <developmentdept@vhfa.org>

Cc Nancy Owens <nowens@evernorthus.org>

 1 attachment (335 KB)

Evernorth QAP revision comments April 23, 2026.pdf;

Good morning,

Attached please find additional comments from Evernorth in regards to the draft 2027 OAP.

Kathy Beyer

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