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

PART 6b

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

Outlook

[EXTERNAL]QAP Public Comment

From Daniel Noyes <DNoyes@leg.state.vt.us>
Date Thu 2026-04-23 19:08
To DevelopmentDept <developmentdept@vhfa.org>

1 attachment (115 KB)
VHFA QAP.pdf;

Good Afternoon,
Attached please find comments on the draft QAP on behalf of the Representatives and Senator from Lamoille County. Thank you for your consideration.
In Service,
Dan

Rep. Daniel Noyes
Lamoille-2 | Committee on Human Services, Clerk
1394 Richard Woolcutt Rd. Wolcott, VT 05680
cell/text 802-730-7I71 - DNoyes@leg.state.vt.us
Wolcott, Hyde Park, Johnson, Belvidere

STATE OF VERMONT
HOUSE OF REPRESENTATIVES
115 STATE STREET
MONTPELIER, VT
05633-5201

April 23, 2026

Maura Collins
VHFA Executive Director
164 St. Paul St,
Burlington VT, 05401

Dear Ms. Collins, VHFA Staff & Board,

Thank you for the opportunity to provide comments on the draft Qualified Allocation Plan for 2027/ 2028. Our comments below focus on the impact of the draft QAP will have on housing for older Vermonters in rural communities across the state, we believe the current draft creates unintended barriers that deserve careful reconsideration.

Expanding Age/Specific Housing, affordable housing for older Vermonters is a top priority of ours. We appreciate the removal of the 30% cap for age/specific housing in the current draft. That cap was far too limiting given the growth of Vermont's aging population and older Vermonters' strong preference for supportive services designed to allow aging in place. Well/ designed housing options for older Vermonters also free up single/family homes and general occupancy apartments for younger adults and families, a benefit that extends well beyond the residents of any individual project.

Unfortunately, the removal of that cap is undercut by new language in Section 4.02, Project Terrancy. The new scoring system penalizes age/specific housing by awarding 5 points for non/ age/specific projects and O points for age-specific ones. In such a competitive environment for public funding, this disparity puts all age/specific housing applications at an immediate and compounding disadvantage. This is difficult to justify given that the most recent Housing Needs Assessment identifies senior households as the most dominant demographic trend in Vermont, and that more than half of year/round Vermont households are headed by someone at least 55 years old. There should be an enhancement added for Age-specific housing over non-age-specific housing in the scoring system. We respectfully request that VHFA change the language from Section 4.02 to award an additional 5 points for age/specific housing while eliminating any scoring advantage for non age specific.

Neighborhood Services Requirement for New Construction:
Of greatest concern is the provision requiring all new construction projects to demonstrate convenient access to neighborhood and city-wide goods, services, and employment opportunities within a two/mile radius - including a full-service grocery store, general merchandise, retail pharmacy, and a public community center, library, park, or school. Based on a LCPC analysis of Lamoille County, the only village and downtown areas that meet these criteria are Morrisville, Stowe, and a small portion of Hyde Park Village. Cambridge/Jeffersonville and Johnson do not qualify. This is a problem.

This provision would significantly hamper housing development in communities that have already suffered serious losses to their existing housing stock from recent flood events. The redevelopment of McClelland Hall inJohnson, for example, would not meet these criteria due to the closure of Sterling Market following the July 2023 flood. Requiring flood impacted communities to meet a services threshold they cannot currently meet - precisely because of flood damage - compounds an already difficult recovery. Remove this requirement for communities that have "designated downtowns" and "village centers"

Brownfield Remediation:
Several provisions in the draft QAP will discourage affordable housing efforts that include brownfield remediation. Affordable housing organizations have been critical partners in remediating contaminated sites, with examples in Lamoille County ranging from large projects like Arthurs Main Street in Morrisville and the VEC Subdivision on School Street in Johnson, to smaller sites like the Habitat for Humanity lot within the Town Forest in Wolcott. Early investment in challenging brownfield sites by affordable housing organizations has repeatedly set the stage for further investment by small private builders and businesses who lack the capital and capacity to navigate the brownfields process on their own. Policies that discourage this work will have lasting consequences for rural village and downtown revitalization.

Mixed Income Projects:
The draft QAP would no longer allow tax credit investment in mixed income projects. Beyond the risk of concentrating poverty in large urban developments, this change also fails to reflect market realities in smaller communities, where there may not be sufficient demand to support developments consisting entirely of low income units. At the same time, moderate income households in these communities face significant challenges finding suitable housing. Mixed income development is often the only financially viable model in rural Vermont, and eliminating it as an option removes a critical tool from the affordable housing toolbox.

Project Scale and Rural Communities:
Finally, the draft QAP discourages smaller projects while incentivizing larger ones in ways that will disadvantage rural communities. The proposed caps on per unit development fees do not account for the diseconomies of scale and the added complexity of smaller projects in rural areas. At the same time, lifting the cap on tax credits allocable to a single project creates the real possibility that a large urban development could absorb the lion's share of Vermont's tax credit allocation, leaving smaller rural projects, which may meet critical community needs - unable to compete for funding. We urge VHFA to recalibrate these provisions to ensure that rural communities have a meaningful opportunity to access the resources they need.

Conclusion:
We are grateful for VHFA's commitment to expanding affordable housing across Vermont and for the considerable work that goes into developing the QAP. We offer these comments in the spirit of partnership and with the shared goal of ensuring that Vermont's housing resources reach the communities and populations that need them most. We would welcome the opportunity to discuss any of these concerns further.

In Service,

Rep. Daniel Noyes/ Lamoille 2
Senator Richard Westman/ Lamoille
Rep. Richard Bailey Lamoille 2
Rep. Lucy Boyden Lamoille 3

Rep. David Yacovone/ Lamoille/Washington
Rep. Saudia Lamont/ Lamoille/Washington
Rep. Jed Lipsky Lamoille 1
Rep. Mark Higley/ Orleans/Lamoille

Outlook

Re: Qualified Allocation Plan Comments

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:29 AM
To David Bogdan <dbogdansr@gmail.com>

Hello David,
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: David Bogdan <dbogdansr@gmail.com>
Sent: Friday, April 24, 2026 5:54 PM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: Qualified Allocation Plan Comments

Vermont Housing Finance Agency,

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

Our son has Williams Syndrome 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.

David C. Bogdan
Burlington, VT

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.

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

RECOMMENDAT/ON

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:

- 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 isnot 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.

Outlook

Re: Service Supported Housing

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:19 AM
To dlamden@gmavt.net <dlamden@gmavt.net>

Hello Deborah,
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: dlamden@gmavt.net <dlamden@gmavt.net>
Sent: Friday, April 24, 2026 7:31 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: Service Supported Housing

Vermont Housing Finance Agency,

We appreciate the opportunity to comment on the Qualified Allocation Plan.
Our son, Ari DiMaio has cerebral palsy and is developmentally delayed and needs stable service supported housing to live in. 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.

Deborah Lamden and Enzo DiMaio, Charlotte

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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RECOMMENDATION

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Sent from my iPhone

Outlook

Re: Comment: QUALIFIED ALLOCATION PLAN

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:25 AM
To Donna Roberts <roberts.donna@mac.com>

Hello Donna,
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: Donna Roberts <roberts.donna@mac.com>
Sent: Friday, April 24, 2026 5:17 PM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: Comment: QUALIFIED ALLOCATION PLAN

Vermont Housing Finance Agency,

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

Our son Gabriel has autistic spectrum disorder and Intellectual and Developmental Disability (100), and will need stable service supported housing when he no longer be cared for by 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.

Donna C, Roberts & Gerald Lee Hoffman,

Burlington, Vermont

05408

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.

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.

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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:
- 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 isnot 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.

Donna C. Roberts, M.S.
Writer/filmmaker/educator
https://link.edgepilot.com/s/530d8d1e/FiK4H7qJIk2AIbM9fUc1Xg__?u=http://www.yemanjathefilm.com/
a. 239-771-9759

Outlook

Re: Qualified Action Plan comment.....

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:20 AM
To Donna Savage <donnasavagevt@gmail.com>

Hello Donna,
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: Donna Savage <donnasavagevt@gmail.com>
Sent: Friday, April 24, 2026 11:07 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: Qualified Action Plan comment.....

Dear Vermont Housing Finance Agency,

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

Our son Jack has an Intellectual and Developmental Disability **(IDD)** as well as is profoundly deaf and visually impaired (and 100% non-verbal), and will need stable, service supported housing to live in when he can no longer live with us, his parents, who currently provide the care he requires 24/7. 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's dire need for housing for our son Jack.

Donna Savage (mom and co-legal guardian of Jack D. Savage) Williston, Vermont

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.

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

RECOMMENDAT/ON

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.

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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.

Thanks!

Donna Savage
cell: 802-503-5690

Outlook

Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 11:54 AM
To Frances Rose Subbiondo <frances.subbiondo@plainfieldvt.gov>

Hello Frances,
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: Frances Rose Subbiondo <frances.subbiondo@plainfieldvt.gov>
Sent: Thursday, April 23, 2026 5:44 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 Comment

Dear VHFA Development Team,

On behalf of the Town of Plainfield, I appreciate your time & attention, considering comments on the draft Qualified Allocation Plan.

Our community was hit hard by the floods, and continues to work hard to address local housing needs. We need all the help we can get. And like many small towns in Vermont, we rely on smaller, carefully-scaled developments that fit our infrastructure, character, and community priorities.

We are deeply concerned that the proposed changes-combined with a short 30-day review period-do not provide sufficient time for municipalities to understand how these changes will affect our ability to support and attract housing development.

This proposal raises serious concerns for our community. For example ::

- Requirements tied to proximity to services, do not exist in many rural towns
- Changes appear to favor larger developments over smaller, right-sized projects
- Reduced support for 50% AMI units, which are often the most feasible and appropriate for our residents
- Increased emphasis on deeper affordability levels that require subsidies not readily available

We are also concerned that projects currently under consideration in our community may no longer be viable under the proposed framework.

Before these changes move forward, municipalities need the opportunity to fully assess their impact on local housing efforts.

We respectfully request:

- Additional time for municipalities to evaluate the proposed changes
- Flexibility to ensure rural communities are not excluded
- Delay in implementation to avoid disrupting projects already underway

We appreciate VHFA's work~ and share the goal of increasing housing across Vermont. AND, It is critical that the system supports development in communities like ours. Thank you.

Sincerely,
Frances Rose Subbiondo
Vice-Chair, Plainfield Selectboard

Outlook

Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>
Date Mon 2026-04-27 11:53
To Jeff Lubell <jefflubell@gmail.com>
Cc Marsha Price <marshaprice@gmail.com>; Barbara Landau <landaubkl@gmail.com>; Karen Lubell <karenlubell@yahoo.com>; Linda Gray <linda.c.gray@gmail.com>; Susan Barrett <sjbarrett924@gmail.com>

Hi Jeffrey,

Thank you for taking the time to review and comment on the draft QAP. I'm reaching out to confirm that your feedback on behalf of Homes for Norwich has been received, and will be reviewed as we continue to finalize the Plan.

Thank you again!

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

From: Jeff Lubell <jeffiubell@gmail.com>
Sent: Friday, April 24, 2026 13:21
To: DevelopmentDept <developmentdept@vhfa.org>
Cc: Marsha Price <marshaprice@gmail.com>; Barbara Landau <landaubkl@gmail.com>; Karen Lubell <karenlubell@yahoo.com>; Linda Gray <linda.c.gray@gmail.com>; Susan Barrett <sjbarrett924@gmail.com>
Subject: [EXTERNAL]QAP Public Comment

To the Development Department of VHFA,

I am pleased to submit the attached comments on the 2026 daft QAP on behalf of Homes for Norwich, a nonprofit organization based in Norwich, VT focused on education and outreach to expand the availability of affordable homes in Norwich.

We would appreciate acknowledgement of receipt of this comment letter.

Thank you.

Jeffrey Lubell Board member Homes for Norwich

April 24, 2026

VHFA
164 Saint Paul Street
Burlington, VT. 05402
By email: developmentdept@vhfa.org

Re: OAP Public Comment

To the Development Department of the Vermont Housing Finance Agency,

We are Board members of Homes for Norwich, a nonprofit based in Norwich, VT that seeks to increase the affordability of housing in Norwich through education and advocacy. We congratulate you and the Department on your progress in preparing an updated Qualified Allocation Plan (OAP). We understand that it takes a lot of work to develop, refine and implement Vermont's OAP and greatly appreciate the work that you do as well as your openness to considering our comments on the draft document.

As you know, the housing landscape has changed in important ways in recent years. Among other shifts, there have been huge increases in housing production costs, growing awareness of the challenges posed by the state's limited housing supply and a growing willingness of state policymakers to adopt new legislation to address barriers to new development. The growing severity of the problem and the open-mindedness of policymakers to new approaches suggest it's a good time to take a step back and determine whether changes to the OAP are needed and appropriate to ensure there are sufficient sites on which to locate future LIHTC developments and to align LIHTC siting with the state's economic development, fair housing, and open space preservation goals.

Summary of Recommendations

In this comment letter, we offer two recommendations for strengthening the location criteria in the draft OAP. Our comments are motivated by a desire to ensure the OAP addresses the high housing costs in Norwich and the broader Upper Valley that are driven by a strong job market in Vermont and just over the border in Lebanon and Hanover, NH, and a strong demand for housing in high-performing school districts. While motivated initially by our region's experiences, we expect these recommendations, if adopted, will help expand the availability of affordable housing in key locations throughout the state, ensuring workers can find housing close to where they work and low- and moderate-income households can better access areas of opportunity.

In brief, we recommend that the draft OAP be revised to:

1. **Add "areas in close proximity to major job centers" to the list of areas where development is incentivized in section 4.01 (page 12) of the draft Plan and elsewhere in the Plan.** This will level the playing field by ensuring that areas in close proximity to major job centers have equal priority for receiving Low-Income Housing Tax Credit (LIHTC) allocations as designated places located far from job opportunities.

2. **Add "opportunity-rich areas" to the list of areas where development is incentivized in section 4.01 (page 12) of the draft Plan and elsewhere in the Plan.** This will help to affirmatively further fair housing by ensuring that at least some affordable housing is developed in areas with high-performing schools and low poverty rates.

We explain our recommendations in more detail below.

Discussion

1. Add "areas in close proximity to major job centers" to the list of areas where development is incentivized in section 4.01 (page 12) of the draft Plan and elsewhere in the Plan.

While there is a housing crisis across Vermont, areas close to major job centers have been particularly hard hit, with workers seeking housing close to where they work driving housing costs up to unaffordable levels. Among other adverse effects, this forces many workers to move far from where they work, increasing vehicle miles traveled and associated energy use and greenhouse gas emissions. Those workers who do find housing near where they work often pay excessive shares of their income for housing, potentially contributing to food insecurity and other health issues. The lack of affordable housing options in job-rich areas also makes it hard for employers to find workers, inhibiting economic growth and opportunity.

To address these problems, we recommend that the State add "areas in close proximity to major job centers" to the list of areas where development is incentivized in section 4.01 (page 12) of the draft OAP and other parts of the document that prioritize specific locations, such as in Section 5.2 Vermont State Homeownership Tax Credits (SHOTC). Focusing development on the State's designated downtowns, village centers, neighborhood development areas and other designated areas advances important economic development objectives,[1] but there is far too

[1] We understand and appreciate that the state's land use policies are in flux and that Act 181 provides an interim exemption under Act 250 for priority housing projects within half a mile around a designated downtown, neighborhood development area (NOA) or growth center. While this is modestly helpful in facilitating development outside the boundaries of designated places, it still leaves many areas within close proximity to jobs outside the scope of prioritized areas. We look forward to seeing the Future Land

little land in these areas to meet the state's needs for an expanded housing supply. Extending the preference to growth centers not associated with a downtowns or village center is helpful, but there is a limited number of such areas and they do not include all of the state's main job centers. To help reduce vehicle miles traveled and associated energy use and greenhouse gas emissions, help support the state's economic development by making it easier for employers to find workers, and ensure that residents of LIHTC developments have good access to job opportunities, it is important to give equal priority in siting decisions to locations that are in close proximity to major job centers.

There are a number of different ways this concept can be operationalized. The state could choose to leave it undefined and require grantees to establish that they are close to major job centers, but this could be challenging to administer. Alternatively, and preferably, the state could define what it means by a major job center and specify that the preference applies to sites that are within a designated distance of these areas or a specific number of minutes by car representing a brief yet reasonable commuting distance.

One option would be to specify that proposed housing projects within the following areas are within close proximity of a major job center and thus receive an equal priority as applications from the designated places specified in the draft Plan if they are within 5 miles of the centroid of a census tract that has at least 4,500 jobs.[2]

Since jobs located just over the border in a neighboring state drive up housing demand in Vermont just as jobs located in Vermont do, we recommend including job-rich census tracts in Vermont or in close commuting distance to Vermont as the basis for this preference. There are at least 17 census tracts within Vermont or within close commuting distance to Vermont that meet this definition, as shown in the Appendix. Three of these are in the Upper Valley, and seven are in Chittenden County.

If desired, smaller zones (such as within 3 or 4 miles) could be established around the centroids of census tracts with a smaller number of jobs (such at 3,000 to 4,499). It would also be important to consider for inclusion two or more adjacent census tracts that fall below the relevant thresholds for a single track but combine to have a substantial job impact on the region.

In considering the appropriate size of these commuting sheds, please remember that it may be difficult to find vacant property on which to site affordable homes within too narrow a land area. It is important to have a large enough zone to allow communities and nonprofit developers to be opportunistic in identifying sites that are available and appropriate for development while still

use maps that Regional Planning Commissions develop but worry that these maps similarly will not effectively enable and incentivize the development of affordable housing near jobs.

[2] These thresholds were calculated based on a review of data for all jobs by census tract, U.S. Census Bureau, OnTheMap Application and LEHO Origin-Destination Employment Statistics. That analysis was performed on March 19, 2026 using version 8.4 (20251202_1657) of the Longitudinal Employer-Household Dynamics database.

keeping the zone tight enough to preserve open space. Affordable housing developed within these zones will be within about a 10-minute commuting distance or less of major job centers, greatly shortening the commutes and related energy use and greenhouse gas emission of working families.

If it would be helpful, we'd be happy to share a map of these areas to facilitate your decision-making.

2. Add "opportunity-rich areas" to the list of areas where development is incentivized in section 4.01 (page 12) of the draft Plan and elsewhere in the Plan

Raj Chetty and his collaborators at Opportunity Insights have conducted foundational resources underscoring the importance of the neighborhood conditions in which children grow up. As Chetty has summarized: "[W)hat we've learned is where you grew up really matters for your chance of achieving the American dream ... Where you lived from birth to, say, your early 20s seems to matter a great deal. .. Every extra year that you grew up in a better neighborhood, a neighborhood with better schools, with better access to opportunities, the better you end up doing in the long run."[3]

To provide children with the best possible foundation for future academic and occupational success, we recommend that "opportunity-rich areas" be added to the list of areas where development is incentivized in section 4.01 (page 12) of the draft OAP and other parts of the document that prioritize specific locations, such as in Section 5.2 Vermont State Homeownership Tax Credits (SHOTC). This can be operationalized in a number of different ways. One approach would be to define an opportunity-rich area as a municipality that is both (a) in the quartile of Vermont municipalities with the lowest child poverty rate and {b) in the quartile of municipalities with the highest elementary school test scores. Alternatively, you could use the Child Opportunity Index to identify the Vermont census tracts that are rated mostly highly on their index (either normed to the U.S. as a whole or normed to Vermont specifically).

Conclusion

We readily acknowledge that these recommendations will help to facilitate the development of affordable housing in Norwich. But this is for good reason - Norwich is very close to three of the biggest job centers in or within easy commuting distance of Vermont and has high-performing schools and low poverty rates. The median home sales prices in Norwich in 2025 was $943,382 and there are very few affordable rental units.[4] Norwich - and communities like Norwich in other parts of the state - are excellent locations for affordable and workforce

[3] For more information, see Chetty, R., Friedman, J., and Hendren, N., Jones, M., and Porter, S. 2020. The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility, Executive Summary. Cambridge, MA: Opportunity Insights and the US Census Bureau.

[4] https://www.snyderdonegan.com/blog/posts/2026/01/17/norwich-vermont-real-estate-market-report-full-year-2025/

housing. The benefits of siting affordable housing in Norwich do not stop at the boundaries of our very small designed village center or of the immediately adjacent areas. A wider conception of a desirable site location is needed to ensure that housing is well located near jobs and in opportunity-rich areas.

We also understand that the state's funds are limited and the addition of geographical priorities beyond the ones already included in the OAP could increase the number of projects seeking funding and the need to winnow projects down further to the projects for which funding is available. We acknowledge that there are important housing needs across the state, but we do not think that the limited availability of funding is a sound reason to elevate projects within designated places that are far from job centers over projects in close proximity to major job centers or in opportunity-rich areas. Certainly, the need for funding to support affordable housing in the state exceeds available resources. But that is a reason to supplement the federal government's resources with additional state resources, rather than artificially constraining the priority project list. Without additional resources, difficult choices will be needed to select among eligible projects, but the state does not avoid those choices by excluding areas of opportunity and near job centers from the QAP's list of priority areas.

Thank you for considering our recommendations. If it would be helpful, we'd be pleased to discuss these ideas with you further. To discuss further, please contact Jeffrey Lubell at jefflubell@gmail.com or 857-259-2795.

Respectfully submitted,

Homes for Norwich

by Board members: Susan Barrett, Linda Gray, Barbara Landau, Jeffrey Lubell, Karen Lubell and Marsha Price

Appendix

Census tracts with the most jobs in Vermont or close commuting distance to Vermont

Census Tract ID	Number of Jobs	Centroid Latitude	Centroid Longitude
9617.01 (Grafton, NH)	13,077	43.658148	-72.2475
39 (Chittenden, VT)	11,878	44.472432	-73.1973
31.01 (Chittenden, VT)	11,091	44.454154	-73.0937
10 (Chittenden, VT)	10,773	44.472671	-73.216

9656 (Windsor, VT)	8,751	43.657327	-72.3194
40.02 (Chittenden, VT)	7,490	44.467673	-73.1626
9633 (Rutland, VT)	6,768	43.599613	-72.9732
9608 (Addison, VT)	6,752	44.008599	-73.1722
9616.04 (Grafton, NH)	6,069	43.697909	-72.2833
22.01 (Chittenden, VT)	5,858	44.501062	-73.162
33.04 (Chittenden, VT)	5,463	44.439268	-73.205
9685 (Windham, VT)	5,121	42.845187	-72.5634
9545 (Washington, VT)	5,058	44.218085	-72.587
9536 (Lamoille, VT)	4,869	44.470488	-72.6961
36 (Chittenden, VT)	4,860	+44.459034	-73.176692
106 (Franklin, VT)	4,606	+44.810334	-73.101151
9535 (Lamoille, VT)	4,550	44.550852	-72.6063

Source: Data for all jobs in Vermont and Grafton County, NH by census tract, U.S. Census Bureau, OnTheMap Application and **LEHO** Origin-Destination Employment Statistics. Analysis was performed on March 19, 2026 using version 8.4 (20251202_1657) of the Longitudinal Employer-Household Dynamics database.

Outlook

[EXTERNAL]QAP Comment

From Jordan Redell <jordan@letsbuildhomes.org>

Date Fri 2026-04-24 15:05

To DevelopmentDept <developmentdept@vhfa.org>

Cc Miro Weinberger <miro@letsbuildhomes.org>

1 attachment (124 KB)

4-24-26 VHFA QAP Comments-3.pdf;

Dear Development Department,

Please see attached QAP comments from Let's Build Homes.

Best,
Jordan

Jordan Redell
Deputy Director
Let's Build Homes Partnership
802-503-7664
Join our coalition at letsbuildhomes.org

LET'S BUILD HOMES

To: Vermont Housing Finance Agency
From: Miro Weinberger, Executive Chair
Date: April 24, 2026
Re: Comments on Draft Qualified Allocation Plan (QAP)

Thank you for the opportunity to submit comments on VHFA's draft 2027-2028 Qualified Allocation Plan.

Cost Reasonableness

We are encouraged to see cost reasonableness as a focus of the current draft. Construction and land costs are rising across the board, and affordable housing developments experience these pressures more acutely, in part because of building requirements that apply exclusively to affordable housing. We share the goal of containing costs wherever possible to maximize the number of affordable homes we can build.

Prioritizing Housing Growth Areas

Consistent with the goals of Act 181, Let's Build Homes supports directing a substantial majority of new housing to housing growth areas: our downtowns, village centers, and planned growth areas. While these areas are still being mapped, they substantially overlap with the temporary Act 250 exemption areas defined in Act 181, meaning developments there currently benefit from reduced permitting costs and timelines. We support QAP incentives that prioritize projects in housing growth areas where Vermonters have collectively agreed that growth should occur.

We also note that housing growth area opportunities must not be limited to larger communities. While we are concerned about the current size of both the interim housing areas and draft Tier I eligible maps, our ROOT Zones proposal would allow towns to voluntarily adopt a zoning overlay that makes residential permitting faster, more predictable, and less expensive, extending these benefits to smaller and rural communities across the state. It is our explicit goal for ROOT Zones to be an easy to implement tool for all Vermont communities to encourage housing growth by creating Act 250-exempt housing growth areas.

Better Utilizing 4% Bond Cap Authority

Vermont's chronic underutilization of its 4% bond cap authority is a meaningful and underappreciated constraint on our affordable housing supply. Other states consistently deploy this resource more fully, and Vermont should too. We urge VHFA to use this QAP cycle to identify and adopt concrete steps to better utilize the cap.

Approval Requirements and Predevelopment Risk

We are concerned about the draft QAP's permit approval requirements and the upfront costs they impose on developers. In some communities, obtaining a final permit, particularly where an Act 250 permit may be required, would require hundreds of thousands of dollars of predevelopment capital before a developer knows whether their project will receive VHFA funding. This dynamic introduces substantial risk: developers are asked to bear major costs without any certainty that they will receive tax credits, which could be very costly to unsuccessful applicants and could deter projects from exploring LHTC funding.

We share VHFA's goal in ensuring projects are shovel-ready and can move quickly once funded. However, within Vermont's system of discretionary review, requiring final permits prior to award puts developers in an untenable position. This is one of the many reasons Let's Build Homes has been working to eliminate discretionary review in Vermont's permitting system and we believe such reform would be a much more impactful way to address VHFA's project readiness goals.

We appreciate VHFA's ongoing leadership on these issues and welcome the opportunity to discuss any of these comments further.

Outlook

Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 11:52 AM
To Jeff Lubell <jefflubell@gmail.com>

Hello Jeff,
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: Jeff Lubell <jefflubell@gmail.com>
Sent: Friday, April 24, 2026 7:56 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: [EXTERNAL]QAP Public Comment

To the Development Department of VHFA,

I was pleased to work with VHFA on a report examining Opportunities to Utilize Off-Site Construction to Meet Vermont's Housing Workforce and Climate Goals.

https://link.edgepilot.com/s/ef8eabca/1Afh2wGXw0aU8__vfnLFD_g?u=https://vhfa.org/pubs/off-site-construction

I have been working with a number of other Vermont agencies on how to take advantage of the economies of scale offered by offsite construction in single-family and missing middle housing housing typologies. I would encourage VHFA to similarly consider whether there might be ways to encourage greater use of offsite construction in the LIHTC program as well.

The Urban Land Institute's Terwilliger Center for Housing and the Center for Public Enterprise will be supporting a working group of northeastern states focused on expanding the use of offsite construction to produce lower cost homes. We are in the final stages of securing the initial funding for this work and hope to launch the network this summer/ fall.

The working group will provide a forum for peer learning with other HFAs and other states, and for considering how to use offsite construction to lower costs in both single-family and multifamily housing. As a Vermont resident, I would encourage consideration of ideas that emerge from this working group in the current and future QAPs so that we can serve more people with our limited resources..

I am submitting this comment in my personal capacity only. I will shortly be sending another comment on behalf of a nonprofit based in Norwich, but will do so in a separate email so as not to confuse who is making the comment..

Please let me know if I can be helpful in implementing this suggestion.

Thank you for considering my comments.

Best,

Jeff Lubell

Outlook

Re: Please Support Affordable Housing for Adults with Intellectual and Developmental Disabilities

---

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:24 AM
To Jennifer Lagro <jenlagro@hotmail.com>
Cc dlagro@hotmail.com <dlagro@hotmail.com>

Hello Jennifer,
Thank you for taking the time to review the proposed Qualified Allocation Plan, and for your feedback and advocacy for your sons 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: Jennifer Lagro <jenlagro@hotmail.com>
Sent: Friday, April 24, 2026 4:03 PM
To: DevelopmentDept <developmentdept@vhfa.org>
Cc: dlagro@hotmail.com <dlagro@hotmail.com>
Subject: Please Support Affordable Housing for Adults with Intellectual and Developmental Disabilities

Dear Vermont Housing Finance Agency,

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

Our sons both live with moderate to severe Autism Spectrum Disorder, an Intellectual and Developmental Disability (IDD), and will need stable service supported housing to live in when they can no longer live with us, their 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.

Jennifer and Ernest LaGro
Hinesburg

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.

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:

- 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 isnot 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.

Outlook

Re: [EXTERNAL]West Windsor comments on VHFA Draft QAP

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 12:03 PM
To Jill Appel <jill.appel@comcast.net>

Hello Jill,
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: Jill Appel <jill.appel@comcast.net>
Sent: Friday, April 24, 2026 2:50 PM
To: DevelopmentDept <developmentdept@vhfa.org>
Cc: Jason Rasmussen <jrasmussen@marcvt.org>; Peter Paggi <ppaggi@homemattershere.org>; Jill Appel <jill.appel@comcast.net>; Barsaleau, Jessica <jessicap3342@gmail.com>; Frederick, Matt <townadmin@westwindsorvt.org>; Keiller, Al <sienawine@me.com>; Meyer, Doug <pdougm77@gmail.com>; Money, Peter <projects.peter.money@gmail.com>; Preston, Dan <dan@prestonpropertiesvtnh.com>
Subject: [EXTERNAL]West Windsor comments on VHFA Draft QAP

Good afternoon. Please see the attached. Please confirm receipt.

Thanks so much.

Jill Appel
Chair, West Windsor Housing Commission

April 22, 2026

Vermont Housing Finance Agency (VHFA) Development Staff
164 Saint Paul Street
Burlington, VT 05402
Via email: developmentdept@vhfa.org

SUBJECT: West Windsor Comments on Draft 2027-2028 Qualified Allocation Plan (QAP) for Vermont

Dear Sir/Ma'am:

As a rural community committed to affordable housing and economic growth, we are writing to provide our comments on the recently-released draft QAP.

We are a small community with a population of roughly 1,300. Our village center includes the town hall, library, historical society, elementary school and one major business, the Brownsville Butcher and Pantry general store. We have invested in water and sewer infrastructure but its reach is currently limited. The Holiday Inn Vacation Club resort facility located on Mt. Ascutney and the Brownsville Butcher and Pantry employ about 70 service workers. According to the 2022 West Windsor Housing Snapshot from our Regional Planning Commission, of the 560 people who work in West Windsor, 90% live elsewhere. We have a dearth of rental housing. Only 5% of WW households are long-term rentals, leaving many current workers with long and expensive commutes and preventing us from attracting candidates for local jobs.

In 2024, after a year-long effort by the Planning Commission, our SelectBoard approved revised zoning bylaws to incorporate the requirements of the State's Homes Act. In 2025, the Planning Commission led an Affordable Homes Study with town ARPA and state Municipal Planning Grant funding. Town staff and volunteers spent well over a thousand hours working on zoning updates and the Affordable Homes Study to support affordable housing. Two Community Forums in 2025 showed strong support from the community. In 2026, the SelectBoard established a 7-member Housing Commission which is fully committed to completing 67 units of additional housing by the end of 2030, the town's goal as submitted by our partner, the Mt. Ascutney Regional Commission, to the State Land Use Review Board last month.

During the Affordable Homes Study, we met several times and toured our local housing site opportunities with Elizabeth Bridgewater and Peter Paggi of the Windham-Windsor Housing Trust (WWHT). We highly respect the people, experience and operations of WWHT and are pleased to be working with them to pursue a potential 24-unit rental building in our Resort Residential area. We understand that housing trusts face many obstacles in delivering much-needed rental housing to communities. These obstacles are our obstacles and affect our ability to sustain and grow a vibrant community for our residents.

Response to the Draft QAP

We are new to this process and do not have the benefit of seeing the big picture or strategy behind the proposed changes to the Qualified Allocation Plan. The West Windsor Housing Commission has been engaging with many state agencies (e.g., ACCD, VHCB, VLCT, VEPC) who are actively rolling out tools to help communities make progress on building affordable housing. We have been excited to see the focus and flexibility at the state level to bring housing to all communities, large and small.

We have the following concerns and comments to express regarding the draft QAP.

1. In previous QAPs, there was a requirement that a single project could not receive more than 30% of the allocated tax credits. The current QAP increases this limit to 50%. What this means to us as a small community is that our projects will be much less able to compete with large projects in large communities and that the pool of money available for our appropriately-sized projects will be diminished. As this is a key component of WWHT funding, our ability to develop what we need is threatened.
2. The proposed QAP changes the income parameters for mixed income development from 50% to 30% of AMI. We strongly support mixed income development as a strategy to promote diversity and to provide homes for a variety of community members. We would like to be able to support a wide range of incomes up to 100% of the AMI. We understand that the financial stack available to developers is critical to getting projects built. In light of the decline in rental assistance, this change also favors larger projects and disfavors our projects.
3. We realize that there has been considerable concern already expressed about the specific location requirements stated in the QAP regarding the two-mile proximity to services. As an aside, the Rite-Aid pharmacy in our much larger neighbor to the east, Windsor, closed last year. We are a rural community with some services available and we hope to add more as we continue to grow. Our projects should not be automatically disqualified because we're small and cannot meet this requirement.
4. Our ability to develop housing is based on land availability and development cost. Presently our only available site for meaningful development is not in the village but is in an attractive area near a major commuting corridor that we see as having good future growth potential. We are committed to the State's goals of developing housing in current village centers and are actively working to identify and pursue opportunities there. We encourage consideration of projects both inside and outside the new Tier 1A and 1B areas based on local needs and opportunities.

We believe that now is the time to support a variety of approaches to housing by highly-motivated communities of all sizes. Thank you for your consideration.

Jill Appel
Chair, West Windsor Housing Commission
Jill.appel@comcast.net

Cc: Peter Paggi, Windham-Windsor Housing Trust
Jason Rasmussen, Mt. Ascutney Regional Commission
West Windsor Housing Commission Members

Outlook

Re: COMMENTS: QAP

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:22 AM
To Jill Schwenderman <jillevax@gmail.com>

Hello Jill,
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

vhfa **Affordable homes for a sustainable Vermont**

From: Jill Schwenderman <jillevax@gmail.com>
Sent: Friday, April 24, 2026 1:14 PM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: COMMENTS: QAP

Vermont Housing Finance Agency,

I appreciate the opportunity to comment on the Qualified Allocation Plan. My son has AuDHD, the co-occurrence of ADHD and autism, which is an Intellectual and Developmental Disability (IDD). He currently lives with me and I am in my 70s. My son will need stable, service supported housing to live in when he can no longer live with me. The state immediately needs 602 units of this housing according to the VTDDC Housing Brief of 2023. I appreciate the support and additions made in past QAPs that helped to create development of housing and, while there is more development recently, I know you are aware that much more is needed. I ask that you support the recommendations of the **DDHI,** included below.

Thank you for your consideration of my family's need for housing.

Jill Schwenderman
Montpelier

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 my 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 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 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:

- 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 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.

Outlook

[EXTERNAL]QAP Public Comment

From Lachlan Francis <lach.francis@gmail.com>
Date Fri 2026-04-24 15:44
To DevelopmentDept <developmentdept@vhfa.org>

1 attachment (47 KB)
WPC QAP Public Comment Letter F04.24.26.pdf;

Hello,

Please find the attached public comment, submitted by the Westminster Planning Commission.

Cheers,

Lachlan Francis
Chair, Westminster Planning Commission

To: Vermont Housing Finance Agency
From: Westminster Planning Commission
Date: Friday, April 24
RE: Concerns Regarding Adverse Impact to Rural Vermont in Draft QAP

We greatly appreciate the positive impact VHFA has had to address Vermont's housing crisis in recent years, though we are writing to share concerns with regards to three specific elements of the draft QAP that we believe would adversely impact the development of housing that regular people can afford in rural Vermont. At the Planning Commission meeting on Monday, April 13, we voted 3-0 to submit public comment to reflect these concerns, which are itemized below.

1. **Prioritization Standards that Disadvantage Rural Vermont:** The draft QAP prioritizes developments that meet very specific and overly burdensome location requirements. A stunningly small percentage of Vermont's parcels - even in populous and well-developed communities - are within a 2-mile proximity to full-service grocery stores, general retail, schools, and retail pharmacies.

   We are particularly concerned about the word "and" in the draft, as we are concerned that it would severely limit what locations are viable for an application, with limited nuance. Within Windham County, this would essentially limit QAP-supported development to Bellows Falls, Brattleboro, and Wilmington - even though a majority of Windham County residents live in outside these three communities.

   We also observe that, given the trends around medical services (including pharmacy) and school consolidation, the number of parcels that meet these priority standards will decrease overtime.

2. **Removing Single Project Cap May Diminish Impact in Rural Vermont:** Past QAPs have included a stipulation that a single project cannot receive more than 30% of the state's allocation of tax credits, with the goal of preventing a small handful of Chittenden County projects from taking up the state's tax credits. We believe that this measure is important to ensure regional equity for rural communities like Westminster. And coupled with prioritization standards, as detailed above, we are concerned that this change strongly incentivizes larger projects that rural communities such as ours couldn't support. It is our opinion that leaving this cap in place better serve the state's smaller communities.

3. **Requiring Closure of Construction Financing Limits Growth:** A very specific rule in the new QAP would have had disastrous effects for housing development in Windham County if in effect over the past five years. The proposed requirement that developers have closed on all construction financing prior to applying for a new allocation of tax credits would hamstring developers who have projects under appeal, as frequently happens in Vermont.

   For example, in neighboring Putney, the Alice Holway Drive project was under appeal for 2 and a half years. Windham-Windsor Housing Trust, the project developer, reports that under the draft rules, they would not have been able to apply for another project until April of 2025. <u>This would have put the planning of 91 additional affordable homes on hold until that appeal was resolved</u>.

Taken together, we believe that the draft plan significantly and negatively impacts rural Vermont. Our state has historically been defined by small village centers -we have three of them in our town, alone. If we want to assure economic diversity and provide adequate housing for all segments of our society- from young professionals and families to seniors - communities like ours will depend on a more regionally equitable state funding such as that provided by the current draft QAP.

Thank you for your work on behalf of Vermont.

Sincerely,

Westminster Planning Commission
3651 US Route 5
Westminster, VT 05158

CC:
Westminster Select Board
Windham Regional Commission
Vermont League of Cities and Towns
Sen. Wendy Harrison
Sen. Nader Hashim
Rep. Leslie Goldman
Rep. Michelle Bos-Lun

Outlook

[EXTERNAL]QAP comments from Westminster VT

From Lise Sparrow <lisemsparrow@gmail.com>
Date Fri 2026-04-24 14:31
To DevelopmentDept <developmentdept@vhfa.org>

1 attachment (340 **KB)**
QAP letter final.docx;

Attached please find comments from the Westminster Inclusion Committee.

Thank you very much,

Lise

Rev Dr Lise Sparrow
(802) 345-3982

Westminster Inclusion Committee
Westminster, Vermont

"Welcoming all persons, regardless of race, color, religion, national origin, sex, *sexual orientation, gender identity and expression, age, disability, or socioeconomic status..."*

To: Vermont Housing Finance Agency
Date: April 24, 2026
Re: 2026 QAP revisions

I am writing on behalf of the Westminster Inclusion Committee and as a member of the Westminster Planning Commission as your work will impact the work of both committees.

In 2025 Westminster approved the Declaration of Inclusion which includes the following:

"The Town of Westminster condemns racism and welcomes all persons, regardless of race, color, religion, national origin, sex, sexual orientation, gender identity and expression, age, disability, or socioeconomic status, and wants everyone to feel safe and welcome in our community..."

Since then the Westminster Inclusion Committee has worked hard to make Westminster a welcoming town, especially focusing on the needs of families with children, young professionals and senior citizens, welcoming immigrant workers and people of all races and persuasions to our town.

Today, 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. Westminster has both large and small farms which are essential to the town and it serves as a bedroom community to Brattleboro, Bellows Falls and to Keene New Hampshire.

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 <u>needs to be reinstated</u>. 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 in larger towns 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 is a change that will tend to privilege larger projects in areas of the state where the incomes are higher and person with higher incomes and, concomitantly, disadvantage young families and senior citizens.**

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.**

In contrast, please consider that we need the opportunity for our village centers to thrive with by accessing this type of investment in our community. We're not a large regional hub but have much to offer. This type of funding would be transformative and impactful to our rural town."

Making these changes will be important and beneficial to Vermont's rural communities and assure equity and access to all Vermont's citizens.
We appreciate your consideration of this request.

Sincerely,

Rev. Dr. Lise M. Sparrow

Chair, Westminster Inclusion Committee
Member, Westminster Planning Commission

Outlook

Re: [EXTERNAL]QAP Public Comment

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 11:57 AM
To Mary Ann Goulette <mgoulette@westrutlandvt.org>

Hello Mary Ann,
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

From: Mary Ann Goulette <mgoulette@westrutlandvt.org>
Sent: Friday, April 24, 2026 9:17 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: [EXTERNAL]QAP Public Comment

Please see attached QAP public comment letter.
Thank you.

Mary Ann Goulette
Town Manager
Town of West Rutland
35 Marble Street
West Rutland, VT 05777
(802) 438-2263

Town of West Rutland
35 Marble St. West Rutland, VT 05777 (802) 438-2263

To: VHFA Development Staff

From: Mary Ann Goulette, West Rutland Town Manager

RE: Comments on the QAP Draft 2027-2028

Date: April 24, 2026

Thank you for the opportunity to provide comment on the 2027-2028 Qualified Allocation Plan.

Cornerstone Housing Partners just completed a 24-unit multi family, mixed income, affordable rental project in the center of our Village downtown. This location contained a burned-out building, a vacant lot and some significant brownfields. Today it is a beautiful fully functioning multifamily rental property for 24 new households in our community. This development has allowed our seniors to downsize into manageable homes which also opened up some larger homes for families. It has also provided housing affordability to many residents in West Rutland, and we would love another project just like it.

The QAP, as it reads today, does not incentivize developers to take on the difficult brownfield sites that are so prevalent in smaller communities like West Rutland. The project mentioned above may not have been competitive with the new criteria in this draft and our next identified project may also not qualify based on these criteria. It appears this plan favors larger projects over smaller ones that are less suitable for smaller communities like West Rutland.

The current draft QAP also disincentivizes historic reuse. In West Rutland, there is a project that Cornerstone completed that reused the historic Stanislaus School. This affordable multifamily rental property is important to many families, makes good use of an empty and abandoned building in the middle of town and also may not have happened under the current draft.

We want to see more affordable housing built not only in West Rutland but in our neighboring rural towns, as we all need affordable, safe and respectful housing for our residents. The QAP, as written, favors larger projects, disincentivizes cleaning up brownfield sites that private developers don't typically do and are widespread in smaller towns and villages, and does not help smaller communities repurpose the beautiful historic properties that are often in the center of town.

We recognize that it is difficult and costly to develop housing in rural areas. But we are hoping that smaller, right-sized projects will be as competitive as larger ones. We would like to continue to see historic preservation and brownfield redevelopment projects carry significance in the QAP process. We want to make sure that affordable housing project opportunities are equitable across the state.

Thanks again for the opportunity to provide relevant feedback to the QAP process.

Outlook

[EXTERNAL]QAP Comments from Vermont Legal Aid

From Rachel Batterson <rbatterson@vtlegalaid.org>
Date Fri 2026-04-24 13:52
To DevelopmentDept <developmentdept@vhfa.org>

1 attachment (534 KB)
VT Legal Aid QAP Comments 2026.pdf;

Dear VHFA Staff:

Please find attached VLA's comments on the current Draft OAP for 2027-2028.

Best, Rachel

VERMONT LEGAL AID

264 North Winooski Ave., Burlington VT 05402
(802)-863-5620 • (800) 747-5022
www.vtlawhelp.org • Fax: (802) 863-7152

April 24, 2026

Maura Collins, Executive Director and Joint Committee on Tax Credits
Vermont Housing Finance Agency
164 St. Paul Street
Burlington, Vermont 05401

By email only to developmentdept@vhfa.org

Re: Comments on the 2027-2028 Qualified Allocation Plan

Dear Ms. Collins, Joint Committee on Tax Credits, and VHFA:

Thank you for the opportunity to comment on VHFA's 2027-2028 Qualified Allocation Plan (QAP). We thank VHFA for its work providing homes for lower income Vermonters. Vermont Legal does not finance, develop, build, or manage housing of any kind. We have never applied for federal or state tax credits. We strongly support affordable housing of all kinds and advocate for its inclusion in opportunity communities. As a statewide civil legal services organization, our primary work is providing free legal services to Vermonters. A large part of our practice is representing tenants facing eviction and homelessness. We also advocate for land use planning and zoning that supports accessible, inclusive communities.

Our 2024 comments urged VHFA to prioritize unrestricted, accessible housing in higher-opportunity neighborhoods, to stop incentivizing age-restricted housing, and to expand the QAP's definition of accessibility to benefit people with mental health disabilities. Those recommendations remain equally applicable to the 2027-2028 QAP, and we incorporate them here by reference. Our comments this cycle address several additional concerns raised by our direct representation of tenants in tax-credit housing and our review of the draft QAP.

I. *Where* Tax Credit Housing is Built is As Important as *That* It's Built

As the backbone of below-market housing developed in Vermont, the LIHTC is a significant driver of development and of creating inclusive communities with public investments. Every Vermont city, town, village, and gore, needs some housing that is affordable to people with incomes below the median, some significantly below AMI. Where tax credit developments are built is integral to fair housing in Vermont.

We're concerned that the current draft QAP's amenities incentive may unintentionally concentrate poverty and urge you to reconsider or modify it (Sections 3.10 and 4.01). The draft QAP's requirement that new construction be within a two-mile radius of a full-service grocery store, general merchandise retailer, retail pharmacy, and public community resource (Section 3.10(a)), combined with the scoring incentives for downtown and village center siting (Section 4.01), creates a structural bias that effectively confines most tax-credit development to a handful of Vermont communities-primarily parts of Chittenden County, Rutland, portions of Brattleboro, and a small number of other locations with sufficiently dense commercial infrastructure. We understand the desire to locate below-market housing near amenities and public services. We also are intimately familiar with the issues with poverty and car ownership. But we also know that the majority of Vermonters are largely dependent on travel by car. The amenities requirement creates two overlapping problems.

First, this requirement tends to concentrates publicly supported housing in the same geographic areas year after year. The unintended cumulative consequence will likely be to create large clusters of below-market housing near each other. Concentrating low-income housing in specific neighborhoods perpetuates economic segregation and, because poverty and race are statistically correlated, perpetuates and creates future racial segregation. We urge you to carefully consider how to avoid publicly supported housing development creating poverty-concentrated enclaves.

Second, the amenities incentive effectively excludes most of Vermont's smaller communities from receiving tax-credit housing at all. We understand that scattered-site and small-multifamily development in lower-population towns is more expensive on a per-unit basis, but they serve important fair housing inclusivity goals by helping to create inclusive communities, promoting housing choice, avoiding creating concentrated poverty, and are often a better fit for Vermont's predominantly rural, historical settlement pattern.

In light of this, we urge VHFA to:

- Review and consider relaxing the two-mile amenity radius requirement or create an alternative pathway for projects in underserved rural communities that demonstrate other indicators of livability and community integration.
- Add scoring incentives for scattered-site and small-multifamily development in communities without existing concentrations of publicly assisted housing.

II. Require Outcome-Based Data for Housing for People who were Homeless (Sections 3.07, 4.04, 5.1)

The QAP currently awards points and priority for new developments that provide a percentage of units as Housing with Services for the Homeless or At Risk of Homelessness (Sections 4.04 and 5.1) and requires sponsors to meet the 15% goal under Executive Order 3-73 (Section 3.07). While we strongly support these goals, the current framework relies on a static snapshot-the number of formerly homeless households in units at a single point in time-rather than longitudinal housing stability.

Without stability metrics, the QAP may inadvertently reward "churning." A developer can report 15% occupancy by people who were formerly homeless while the units referenced have high turnover rates due to eviction or lease non-renewal. Under the current criteria, a short-term tenancy ending in a return to homelessness is indistinguishable from a long-term housing success story. This "revolving door" undermines the core intent of the Executive Order and fails the residents the program is meant to serve.

To ensure publicly funded projects align with the goals of reducing homelessness and improving housing stability, VHFA should adopt the same performance language used by the U.S. Department of Housing and Urban Development (HUD). Specifically, we urge VHFA to transition from measuring outputs (occupancy) to outcomes (retention).

As a condition of receiving points under Sections 3.07 and 4.04, VHFA should require sponsors to provide the following data for their formerly homeless units, mirroring HUD System Performance Measures (SPM):

- **Housing Retention (HUD SPM 7b.2):** The percentage of formerly homeless residents who remain in the unit-or exit to other permanent housing-for at least 12 months.

- **Rate of Return to Homelessness (HUD SPM 2):** The number of tenants who, after exiting the landlord's housing, reappear in the Coordinated Entry or shelter system within 6 to 24 months.

- **Exit Destinations:** A breakdown of where people go when tenancies end, classified by HUD's HMIS Data Standards (e.g., Permanent Housing, Emergency Shelter, Place Not Meant for Human Habitation, or Unknown).

- **Legal Basis for Termination:** Where tenancies end via eviction, the specific legal basis asserted (e.g., non-payment vs. lease violations) to identify if supportive services are being effectively deployed to prevent displacement.

Recommendation: In future application cycles, VHFA should prioritize or "weight" points for sponsors who can demonstrate a high housing retention rate (e.g., 85% or higher) and a low rate of return to homelessness within their existing portfolio.

III. Prioritize Performance through Housing Stability and Quality Management Data (Sections 3.04, 4.04, 5.1).

Our direct representation of tenants in LIHTC properties has revealed a recurring and troubling pattern: "compliance on paper" that masks systemic failures in actual housing retention. We have observed:

- **Administrative Displacements:** Tenants with cognitive disabilities or severe anxiety are being evicted for failing to navigate complex annual recertification paperwork. These "paperwork evictions" occur without first attempting the interactive process or administrative support. These can be masked as "nonpayment" evictions when they are, in reality, failures to fill out confusing paperwork.

- **Stability Gaps in Service-Enriched Housing:** Tenants in units designated for "Housing with Services" are frequently evicted for behaviors directly related to the disabilities that qualified them for the housing in the first place. Further, reasonable accommodations should be explored before termination. Simply changing the focus from noncompliance to "how can we help you be successful" would, in our experience, yield better results and also comply with fair housing laws.

- **Passive Fair Housing Compliance:** A routine failure to engage in the "interactive process," where reasonable accommodation (RA) requests are ignored unless submitted on particular forms or use particular words, alternatives aren't offered, or requests are handled as adversarial and escalate into eviction filings.

Section 3.04(d) of the QAP currently evaluates "compliance history," but this is a reactive metric based on formal findings of legal violations. This is problematic since many tenants move out before a formal eviction is filed and also because so few tenants are represented by a lawyer or even know that they have legal rights. To ensure tax credits are awarded to the most capable managers, VHFA should use instead data about housing stability.

We urge VHFA to align its evaluation of "Sponsor Capacity" with the Corporation for Supportive Housing's Quality Supportive Housing Standards. These standards define a high-capacity landlord as one who moves beyond basic legal compliance to actively employ tenancy preservation strategies.

To ensure that points awarded under Section 4.04 are going to sponsors who prioritize long-term stability, VHFA should require sponsors to disclose the following performance data for their portfolio:

- **Eviction Filing Analysis by Category:** The number of eviction filings categorized by legal basis. A high volume of "material lease violation" filings indicates a failure to effectively use the tenancy supports promised in the original application.

- **Reasonable Accommodation (RA) Outcomes:** The number of RA requests received, granted, and denied and the reasons. Proactive RA management is the most accurate predictor of a property's compliance with disability discrimination laws.

- **Administrative Retention Rate:** The percentage of tenancies that end due to "failure to recertify" or other paperwork-related defaults (including, in appropriate cases, nonpayment). High rates in this category suggest a lack of the "low-barrier" management capacity required for vulnerable populations.

- **Longitudinal Stability:** Consistent with HUD System Performance Measure 7, the percentage of formerly homeless residents who remain in the housing or exit to other permanent destinations after 12 months.

The current QAP treats all sponsors with a clean regulatory record as having equal capacity. Most tenants do not pursue legal claims against their landlords; therefore, a clean record does not necessarily indicate a lack of violations. There is a vast difference in community impact between a landlord who uses eviction as a primary management tool and one who utilizes tenancy preservation protocols to resolve lease issues. And the measure of that is stable housing tenure.

Recommendation: VHFA should incorporate these QSH metrics into Section 3.04 Capacity Review. Sponsors who demonstrate high housing retention rates and a proactive reasonable accommodation grant rate should be prioritized for points. Conversely, a documented history of evicting large numbers of vulnerable tenants should be grounds for a point deduction under Section 5.1.

IV. Vermont Has Sufficient Age-Restricted Housing (Section 3.08)

First, Vermont's data remain stark: **90%** of Vermont renter households headed by a person aged 55 or older with incomes below 60% of area median income currently receive the benefit of publicly supported housing. Meanwhile, only **38%** of low-income households headed by a Vermonter younger than 55 receive publicly assisted housing.[1]

It is legal to restrict housing to people aged 55+ and bar minor children from such housing. But it is poor public policy to use scarce tax dollars to publicly support below-market housing that is restricted to just one demographic. Vermont's publicly supported housing includes a covenant of perpetual affordability. That means that housing built in 2027 and 2028 that is age-restricted housing will long outlast the current demographic age bubble. Further, financing age-restricted housing emboldens communities to exclude families with children and younger low-income people. It also contributes to Vermont forfeiting housing voucher funding because voucher holders (more of whom are younger) cannot find homes to rent.

Older Vermonters can and do live in unrestricted housing. But younger Vermonters and families with children are barred from age-restricted housing. Nearly all new construction housing has since 1996 been required to be accessible and adaptable for further accessibility modifications. Principles of universal design should be encouraged in all housing.

We fully support services of all kinds provided at people's homes. But this isn't a reason to restrict by age who may live in publicly supported housing. Services can and should be made available at their homes to all residents of affordable housing regardless of age. We urge VHFA to phase out scoring incentives for age-restricted projects and to prioritize accessible, unrestricted housing that serves the full range of Vermonters of all ages who need it.

V. The Homeownership Tax Credit Program Needs More Data, Greater Transparency, and Better Income-Targeting (Section 5.2)

It appears that the Vermont State Homeownership Tax Credit (SHOT() program has data, transparency, and equity issues that we believe the QAP should address. Based on our understanding of the data VHFA provided at its February 19, 2026 stakeholder meeting,[1] the program has been producing an inversion of its stated goals in a way that is contrary to generally accepted principles for affordability and subsidized housing for renter households. That is, in the SHOTC program, homeowners with higher incomes (even if still at or below 120% AMI) have in some cases been paying *less* than 30% of income toward housing costs, while lower-income households have been paying *more* than 30%. This is backwards. The purpose of housing subsidy is to reduce cost burden and make housing affordable-not to provide a windfall to the highest income households served while requiring the lowest to pay more than 30% of their income for the opportunity to own their home. Deeper subsidies should go to households with lower incomes, not higher ones.

We urge VHFA to address the following in the 2027-2028 QAP:

- **Mandatory data reporting.**
  As a condition of receiving SHOTC funds, Homeownership Centers should be required to report to VHFA-at minimum annually-the income level served, subsidy amount, and resulting housing cost-to-income ratio for each assisted household. This data should be tracked at the individual household level and made available in aggregate to the public.
- **Correct income-targeting inversions.** The QAP scoring rubric (Section 5.2) should explicitly require that subsidy amounts result in lower housing cost burdens for lower-income households than for higher-income households.
- **Parity with renters.** Subsidized homeowners should not receive a more favorable effective subsidy rate (more than 70% subsidy) than comparably situated subsidized renters. VHFA should review program parameters to ensure parity.
- **Resale provisions.** The QAP should clarify the mechanisms for ensuring perpetual affordability on resale, including what protections exist if a homeowner sells to a buyer above the income limit, and how ground lease or deed restriction terms are enforced in practice. This information should be publicly reported.
- **Public transparency.** VHFA should publish a regular SHOTC program report summarizing aggregate subsidy data, income levels served, and cost-burden outcomes by HO Center. Greater transparency will allow VHFA, advocates, and the public to evaluate whether the program is achieving its equity goals.

VI. Require Affirmative Marketing to Black Vermonters

The Vermont Housing Needs Assessment (VHNA) documents that Black Vermonters are significantly more likely to be homeless and significantly less likely to own their homes than white Vermonters.[2] The QAP does not currently require or incentivize affirmative

[1] https://vhfa.org/sites/default/files/documents/VHFA-HODP-partners-meeting-Feb.-19-2026.pdf

marketing to Black Vermonters or other groups who face documented barriers to accessing affordable housing.

We urge VHFA to add a requirement that recipients of tax credits report racial, ethnic, and minor child household status to VHFA and implement an affirmative fair housing marketing plan targeting Black Vermonters and other groups identified in the VHNA and Vermont Analysis of Impediments to Fair Housing Choice as facing disproportionate barriers to accessing affordable housing. This requirement should apply to all tax-credit properties and should include outreach through community-based organizations serving Black Vermonters.

Conclusion

We appreciate VHFA's open process and your willingness to engage with stakeholder comments. The OAP is a powerful tool for shaping where and how Vermont builds affordable housing, and who gets to live in it. Where VHFA incentivizes the building of LIHTC homes can affirmatively further fair housing or have the impact of concentrating poverty. We urge VHFA to use the OAP to prioritize data collection and transparency, accountability for tenancy outcomes, parity in public subsidy of owned and rented homes, equitable geographic distribution of resources, and unrestricted housing in inclusive communities.

Please do not hesitate to contact us if you have any questions or concerns.

Sincerely,

/s/ Maryellen Griffin, Staff Attorney
/s/ Sara Kagle, Esq., Director, Tenant Representation Pilot

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[1] 2024 Vermont Housing Needs Assessment, p. 90.

[2] Vermont Housing Needs Assessment 2025-2029, pp. 88-90.

Outlook

Re: Qualified Allocation Plan input

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:18 AM
To robert price <robert_p_05452@yahoo.com>

Hello Robert,
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: robert price <robert_p_05452@yahoo.com>
Sent: Friday, April 24, 2026 7:20 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: Qualified Allocation Plan input

Vermont Housing Finance Agency:
We appreciate the opportunity to comment on the Qualified Allocation Plan.
Our adult 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.
Karen and Robert Price
Essex Town

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.
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 SSL

• 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 isnot 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 ofLIHTC 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.

Outlook

[EXTERNAL]comments from the Town of Bennington

From Shannon Barsotti <sbarsotti@benningtonvt.org>
Date Fri 2026-04-24 15:56
To DevelopmentDept <developmentdept@vhfa.org>
Cc Mary Cohen <mcohen@cornerstonehousingpartners.org>

1 attachment (797 KB)
TOB comments on QAP.pdf;

Hello,

I've attached comments on the VHCB Qualified Allocation Plan.

Thanks,
Shannon

Shannon Barsotti
Assistant Town Manager/Housing, Community & Economic Development Director
Town of Bennington
Office: 802-445-1330
Cell: 413-346-7166
sbarsotti@benningtonvt.org

TOWN OF BENNINGTON

April 24, 2026

Dear VHFA Board and Staff,

We appreciate the opportunity to provide comments on the proposed Qualified Allocation Plan. We are writing to share several concerns regarding how the current framework may unintentionally limit the production of feasible, community-appropriate affordable housing-particularly in towns like Bennington, Vermont.

First, the QAP's emphasis on larger-scale developments makes it more difficult for smaller, right-sized projects to compete, even when they are the best fit for the community context. In rural and small-town environments, appropriately scaled developments are often more financially viable, more easily integrated, and more responsive to local housing needs.

Second, increased uncertainty within the allocation framework makes it significantly more challenging to plan, finance, and deliver projects. Predictability is essential to assembling financing, securing partnerships, and advancing developments. Without it, housing production is slowed at a time when it is urgently needed.

Third, the lack of support for 50% Area Median Income (AMI) units removes a critical tool for achieving deeper affordability. These units often allow developers to offer rents below standard Low-Income Housing Tax Credit (LIHTC) levels while maintaining financial feasibility. Without this flexibility, projects become both less affordable for local residents and more difficult to lease.

At the same time, emphasizing 30% AMI units without reliable rental subsidies creates significant feasibility challenges. While deeply affordable housing is a vital goal, projects at this level are often not financially viable without sustained subsidy sources. This can result in delays, costly redesigns, or cancellations-ultimately reducing overall housing production.

Additionally, proposed changes that make historic reuse and brownfield redevelopment less competitive are concerning. In communities like Bennington, these sites are often the most appropriate and readily available opportunities for development. Discouraging investment in these areas risks leaving key properties underutilized while undermining broader community revitalization goals.

In light of these concerns, we respectfully recommend the following:

- Restore prioritization for 50% AMI units to enable projects to deliver rents that are meaningfully below standard tax credit levels.
- Avoid prioritizing 30% AMI units unless reliable, long-term rental subsidies are available to ensure financial feasibility.
- Maintain strong competitiveness for historic preservation and brownfield redevelopment projects, recognizing their importance in small-town development patterns.

These considerations are directly relevant to ongoing development efforts in Bennington. Cornerstone Housing Partners, in partnership with Evernorth Rural Ventures, is currently engaged in predevelopment planning for the third phase of the Putnam Block redevelopment in downtown Bennington. This project represents a critical opportunity for both economic development and affordable housing.

The proposed phase includes more than 30 affordable housing units that are essential to a broader mixed-income development, alongside market-rate units being planned by M&S Development. The success of this project depends on a balanced and feasible financing structure-one that aligns with the realities outlined above.

Bringing the Putnam Block back to life is vital to the health and long-term viability of downtown Bennington. This effort reflects over a decade of coordinated local and regional planning, and its success will have lasting impacts on housing availability, economic vitality, and community resilience.

Thank you for your consideration and for your continued commitment to addressing Vermont's housing needs.

Since�

μ_J. ?

��/

Daniel Monks
Bennington Town Manager

/ Shannon Barsotti
Assistant Town Manager
Director of Housing_,Community &
Economic Development

205 SOUTH STREET P.O. BOX 469 BENNINGTON, VERMONT 05201
(802) 442-1037 FAX (802) 442-1068

Outlook

[EXTERNAL]CVHFH Comments 2026-2027 QAP Draft

From Zachariah Watson <zach@centralvermonthabitat.org>
Date Fri 2026-04-24 15:33
To DevelopmentDept <developmentdept@vhfa.org>

1 attachment (376 **KB)**
CVHFH Comments-VHFA QAP Draft.pdf;

Hello,

Please find attached comments from Central VT Habitat for Humanity in regards to the 2026-2027 QAP draft. We are grateful for the opportunity to provide feedback and for the ongoing partnership with VHFA.

Please let me know if you have any questions or need clarification about anything in my comments.

Sincerely,

Zachariah Watson
Executive Director
Central VT Habitat for Humanity
zach@centralvermonthabitat.org
https://link.edgepilot.com/s/57aca655/LSElsuLX40_NANemCkG3-g?u=http://www.centralvermonthabitat.org/
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Cell Phone: 802-280-5066
Office Hours: Monday- Friday 9:00AM-5:00PM
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April 24, 2026

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

Central Vermont Habitat for Humanity- SHOTC Comments

Dear VHFA Development Staff,

Thank you for the opportunity to provide comments on the draft 2027-2028 Qualified Allocation Plan (QAP). We appreciate VHFA's continued engagement with developers and stakeholders.

On behalf of Central Vermont Habitat for Humanity (CVHFH), we offer the following comments specific to the Vermont State Homeownership Tax Credit (SHOTC) program. CVHFH develops permanently affordable homeownership opportunities across Washington, Orange, Caledonia, and Orleans counties, serving households earning approximately 30%-80% of Area Median Income (AMI).

Section 3.18 - Maximum Developer Fees

The proposed developer fee structure appears to be designed primarily for larger rental developments and does not clearly translate to small-scale homeownership projects.

For homeownership developments:

- Fees are typically realized at the sale of homes
- Project scale is smaller and more variable
- Development capacity must still be sustained, particularly for nonprofit organizations

Recommendation:

- Establish a SHOTC-specific developer fee standard, such as:
  - Up to 10% of total development cost, or
  - A reasonable per-unit cap applicable to small-scale development
- Explicitly clarify applicability to homeownership projects

Clear guidance is necessary to ensure that developer fees support, rather than constrain, the delivery of permanently affordable homes.

Section 3.03 - Financial Feasibility and Cost Reasonableness

The QAP outlines documentation requirements for cost reasonableness but does not clearly define cost certification standards.

Recommendation:

- Ensure any cost certification requirements:
  - Align with generally accepted accounting principles (GAAP)
  - Are scaled appropriately to project size and complexity
- Allow small-scale developments to:
  - Use non-CPA certification methods
  - Provide alternative documentation where appropriate

Overly burdensome certification requirements risk increasing costs and limiting participation by smaller developers, particularly in rural communities.

Section 5.2 - Vermont State Homeownership Tax Credits (SHOTC)

Deeper Affordability and Income Targeting

The current structure does not explicitly prioritize deeper affordability and maintains a minimum income threshold that excludes many households who can successfully achieve homeownership with appropriate subsidy.

Recommendation:

- Lower the minimum income threshold to at least 30% AMI
- Provide scoring incentives for projects serving:
  - �60%AMI
  - �50% AMI where feasible
- Establish "promoting deeper affordability" as a clearly defined scoring objective

Projects serving lower-income households require more subsidy but deliver significantly greater public benefit.

Funding Structure and Alignment with Other Subsidies

Most SHOTC-supported homeownership developments rely on multiple funding sources, including VHCB and Federal Home Loan Bank programs, each with different timelines and requirements. In particular, some federal subsidies expire after a limited period, while others are permanent.

Recommendation:

- Allow SHOTC to be structured as grants, deferred loans, or hybrid models
- Align SHOTC with other funding sources, particularly VHCB, to:
  - Simplify compliance
  - Support permanent affordability
- Encourage repayment structures that are triggered at resale and responsive to buyer income

Without this alignment, projects face unnecessary complexity and long-term affordability risks.

Resale and Long-Term Affordability

Clarity and flexibility at resale are essential to maintaining affordability across ownership cycles.

Recommendation:

- Explicitly allow resale to households earning up to 120% AMI
- Allow subsidy repayment structures that:
  - Adjust based on the income of the subsequent buyer
  - Require repayment when homes are sold to higher-income households
- Encourage consistent resale frameworks across funding programs

This approach ensures that subsidy is used efficiently-deepening affordability when needed and recapturing value when possible.

Eligible Projects

Recommendation:

- Expand eligible project types to include:
  - Small-scale developments (1-4 units)
  - Scattered-site and rural developments

These project types are often the most viable way to create homeownership opportunities in rural communities.

Central Vermont Habitat for Humanity, Inc. *An affiliate of Habitat for Humanity International*
P.O. Box 837 Montpelier, VT 05601
zach@centralvermonthabitat.org11-802-522-8611

Central Vermont
Habitat for Humanity®

Funding Amounts and Pricing

Homeownership projects require fixed pricing at the time of sale, and development financing depends on those prices being predictable and consistent.

Recommendation:

- Ensure pricing assumptions reflect:
    - A realistic affordability window (e.g., at least a 30% spread between target and maximum income)
- Avoid structures that require variable pricing based on buyer income

Variable pricing introduces significant challenges for:

- Project financing
- Buyer qualification
- Future resales

Income Limits

Recommendation:

- Set maximum income eligibility at 120% AMI at resale
- Ensure income eligibility frameworks:
    - Provide a sufficient pool of eligible buyers
    - Maintain affordability over time
- Encourage buyer selection policies that prioritize lower-income households

SHOTC Application Scoring Rubric

We appreciate VHFA's efforts to create a transparent and objective scoring system. Several adjustments would improve alignment with program goals:

Promoting Deeper Affordability

- Explicitly define and weight this category to prioritize lower-income households

Project Scale

- Replace current thresholds with a graduated scale that includes small projects
- Ensure 1-4 unit developments remain competitive

Cost Efficiency

- Evaluate cost effectiveness based on:
    - Income levels served
    - Long-term affordability
    - Non-cash contributions such as volunteer labor and donated materials

Readiness to Proceed

- Allow:
    - Approvals in process
    - Partial funding commitments
    - Conditional awards

Many homeownership projects require early funding commitments to move forward, particularly when multiple funding rounds are involved.

Central Vermont Habitat for Humanity, Inc. *An affiliate of Habitat for Humanity International*
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zach@centralvermonthabitat.org1 1-802-522-8611

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Geographic Equity

- Base scoring on current housing need, rather than prior funding distribution

Energy Requirements (Section 3.09)

Recommendation:

- Allow flexibility in how projects meet energy performance goals
- Provide additional scoring incentives for all-electric or highly electrified projects
- Recognize established high-performance standards

This approach promotes strong outcomes while maintaining compatibility across funding programs.

The SHOTC program is a critical opportunity to expand permanently affordable homeownership in Vermont. As drafted, several provisions risk limiting its effectiveness-particularly for projects serving lower-income households and rural communities.

With targeted revisions focused on:

- Deeper affordability
- Flexible and aligned subsidy structures
- Realistic development requirements

the program can more effectively deliver long-term, sustainable homeownership opportunities.

Thank you for your consideration and for your continued partnership in addressing Vermont's housing needs.

Sincerely,

Zachariah Watson

Zachariah Watson,
Executive Director
Central Vermont Habitat for Humanity

Central Vermont Habitat for Humanity, Inc. *An affiliate of Habitat for Humanity International*
P.O. Box 837 Montpelier, VT 05601
zach@centralvermonthabitat.org1 1-802-522-8611
Building strength, stability, and self-reliance through shelter.

Outlook

Re: Qualified Action Plan

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:31 AM
To Alisa Martin <amartinvt@gmail.com>

Hello Alisa,
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: Alisa Martin <amartinvt@gmail.com>
Sent: Saturday, April 25, 2026 7:09 PM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: Qualified Action Plan

Vermont Housing Finance Agency,

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

My son has Autism, an Intellectual and Developmental Disability (IDD), and a seizure disorder He will need stable service supported housing to live in when he can no longer live with me. 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.

Alisa Martin, Enosburg Falls

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:

- 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 OAP 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 OAP. This separation isnot 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 OAP. 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 OAP'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.

Outlook

Re: IDD housing

From DevelopmentDept <developmentdept@vhfa.org>
Date Tue 4/28/2026 10:30 AM
To Juliane Foley <julianefoley4@gmail.com>

Hello Juliane,
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: Juliane Foley <julianefo1ey4@gmail.com>
Sent: Saturday, April 25, 2026 9:04 AM
To: DevelopmentDept <developmentdept@vhfa.org>
Subject: IDD housing

Vermont Housing Finance Agency,

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

Our son Owen has Sturge-Weber syndrome 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.

Juliane and Dan Foley

Georgia

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