



2026-2027 Qualified Allocation Plan Update
February 2025

AGENDA

- Background
- QAP Update Timeline
- Online Resources
- QAP v2 Changes
- IRS Requirements



Background

The purpose of this Qualified Allocation Plan (QAP) is to set forth the process and criteria under which specific housing developments will be selected to receive Housing Credits:

- Federal Low Income Housing Tax Credit (LIHTC), including:
 - 9% “Ceiling Credits” or “Allocated” or “70% Present Value”
 - 4% “Bond Credits” or “automatic credits” or “30% Present Value”
- Vermont Tax Credits for Affordable Housing, including:
 - Rental Housing Tax Credits
 - Homeownership Tax Credits
 - Down payment Assistance Tax Credits

In accordance with the requirements of Section 42 of the Internal Revenue Code, this QAP describes the application and allocation process. Priorities are set by the requirements of the statutory law and the housing needs of Vermont, as determined by the Joint Committee on Tax Credits (JCTC), adopted by the Vermont Housing Finance Agency (VHFA) Board of Commissioners, and approved by the Governor.



QAP Update Timeline




Since Our Last Information Session

We've taken a deep dive into cost, considered a lot of feedback, and reworked the QAP draft substantially.



Online Resources

<https://vhfa.org/rentalhousing/qualified-allocation-plan-qap>



Vermont Housing Finance Agency

Home > Rental Housing Managers & Developers > Qualified Allocation Plan (QAP)

Search Select language Menu

Managers & Developers

- Developers
 - Common Application
 - Rates and Fees
 - Underwriting Standards & Design Elements
- Housing Tax Credits
 - Allocations and Reservations
 - Housing Credit Program Materials
 - Qualified Allocation Plan (QAP)**
 - State Homeownership Tax Credits
- Loan Programs
 - Predevelopment
 - Construction & Permanent
 - Construction Loan Requisitions
 - Housing Investments for Vermont (HIVE) Fund
 - Local Investment Advisory Committee (LIAC) Partnership
 - Middle-Income Homeownership Development Program (MIHDP)
 - Rental Revolving Loan Fund (RRLF) and Community Housing Accelerator (CHA)
- Managing Agents
- Rental Housing FAQ

Qualified Allocation Plan (QAP)

As administrator of the Housing Tax Credit program, Vermont Housing Finance Agency allocates credits to specific projects in accordance with Vermont's Qualified Allocation Plan (QAP), which is approved and signed by the Governor. The advisory Joint Committee on Tax Credits reviews and adopts allocation policies and reviews VHFA's performance.

2024-2025 Qualified Allocation Plan

The 2024-2025 Qualified Allocation Plan (QAP) will apply to projects that apply for Housing Tax Credits beginning October 1, 2023. The 2024-2025 QAP was approved by the VHFA Board of Commissioners in February 2023, and by the Governor of the State of Vermont in May 2023.

- 2024-2025 QAP (PDF)
- 2024-2025 QAP Evaluation Checklist (PDF)
- Recorded presentation on the 2024-2025 QAP and 2024 application round (recorded in September 2023)

If you have questions or concerns, you may contact Development staff via email at developmentdept@vhfa.org or by mail at 164 Saint Paul Street, Burlington VT 05402.

2026-2027 Qualified Allocation Plan


VHFA is currently in the process of developing the the 2026-2027 Qualified Allocation Plan. VHFA's goal is to have the 2026-2027 QAP approved a year in advance of 2026 applications to ensure potential applicants have time to consider any updates in planning 2026 projects.

Please see the following documents for information about the draft 2026-2027 QAP:

- DRAFT 2026-2027 QAP (PDF)
- Memo on changes in the draft 2026-2027 QAP (PDF)
- Slides from presentation about draft 2026-2027 QAP (PDF)

The timeline for the 2026-2027 QAP update is as follows (updated Dec. 17, 2024):

- June 4, 2024: VHFA opens initial comment period.
- July and August 2024: VHFA holds public comment meetings.
- August 13, 2024: VHFA closes the initial comment period at 4:30 pm.
- Summer and Fall 2024: VHFA reviews comments and drafts 2026-2027 QAP.
- November 4, 2024: VHFA presents recommendations to the Joint Committee on Tax Credits.
- November 5, 2024: VHFA makes draft of 2026-2027 QAP available, and opens second public comment period.
- November 21, 2024: VHFA holds public comment meeting.
- December 6, 2024: VHFA closes the second public comment period at 4:30 pm.
- January 24, 2025: VHFA releases second draft of 2026-2027 QAP, and opens third public comment period.
- February 6, 2025: VHFA holds public comment meeting.
- Early February 2025: Second meeting of Joint Committee on Tax Credits (date and time to be scheduled)



Vermont Housing Finance Agency

Onto the New Draft QAP

You'll see this graphic on most slides, which is meant to help digest at a glance what is currently in the QAP, what was originally proposed as a change, and what we're now proposing (if that is different)

2024-2025 QAP

What is currently in QAP

2026-2027 QAP v1

Changes we proposed in v1

2026-2027 QAP v2

Changes from v1 to v2
(If applicable)

Section 1 Changes: *Program Guidance and Applications*

1.4 Credits Available to Projects: Age-Specific Housing

- Removed limitation if multiple age-specific projects are recommended during a single funding round.
- Removed language that was repetitive with evaluation criteria, which requires Service-Enriched Housing (or similar) for all age-specific housing proposals.
- Language around the process of evaluating general occupancy and age-specific proposals was removed since age-specific projects will not be evaluated separately from general occupancy projects.

2024-2025 QAP

No more than 30% of housing credits can be allocated to age-specific projects

2026-2027 QAP v1

Keep the cap of 30% on age restricted projects but removed language around process of evaluating. Allows VHFA to exceed 30% if multiple age-specific projects are recommended during a single funding round.

2026-2027 QAP v2

Unchanged from v1

Section 1 Changes: *Program Guidance and Applications*

1.4 Credits Available to Projects: Basis Boost

- Basis Boost for 15% unit set aside for Housing with Services for the Homeless or Housing for People with Intellectual or Developmental Disabilities.
- Removed the Basis Boost for projects proposing utilizing the Historic Tax Credit and located in a designated downtown

2024-2025 QAP

Ceiling Credit Basis Boost for Historic State Tax Credits and Designated Downtown or Village Center

Ceiling Credit Basis Boost available for projects that set aside 15% for Housing with Services for the Homeless

2026-2027 QAP v1

Same as 2024-25, plus:

Expanded Housing with Services for Homeless to also include units for Intellectual or Developmental Disabilities

2026-2027 QAP v2

Ceiling Credit projects Basis Boost only if the project dedicates at least 15% for Housing with Services for the Homeless or People with Intellectual or Developmental Disabilities.

Old Section 2 Changes: *Application Process*

VHFA is creating a new Housing Credit Manual which will:

- Describe in depth various processes in LIHTC development stages
- Allow more frequent updates than the two-year QAP cycle

Added 1.3 Applications: This section has been added to Section 1 and replaces the previous Section 2: Application Process.

2024-2025 QAP

Section 2: Application Process describes LIHTC development stages and how to apply

2026-2027 QAP v1

Remove Section 2: Application Process. VHFA creating new manual with same info.

1.3 Applications added

2026-2027 QAP v2

Unchanged from v1

Thresholds

- Apply to all projects regardless of the *type* of credits
- Required by the IRS
- Created through federal legislation and state priorities
- Can be waived by the Board within reason but only for a substantiated purpose

Evaluation Criteria

- Used to comparatively analyze Ceiling Credit proposals
- Checkmarks issued based on project characteristics

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.3 Income Diversity:

- Replaces Mixed Income threshold
- New "Non-Housing Credit Unit" definition to reference units within a project that may have higher Area Median Income (AMI) limits than the Low-Income Housing Tax Credit (LIHTC) program.
- Automatic exception to the threshold for Average Income Test projects.

2024-2025 QAP

2.3 Mixed Income Threshold

2026-2027 QAP v1

2.3 Income Diversity Threshold with new "non-housing credit unit" definition. Exception for Average Income Test projects.

2026-2027 QAP v2

Removed
2.3 Income Diversity Threshold
(remains in Evaluation Criteria for 9% projects)

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.6 Housing for Previously Homeless Households:

- In coordination with the Department of Housing and Community Development, Staff proposes removing the requirement that Sponsors submit a Homeless Access Reporting Tool (HART).

2024-2025 QAP

Housing for Previously Homeless Households: Homeless Access Reporting Tool (HART)

2026-2027 QAP v1

Remove HART requirement

2026-2027 QAP v2

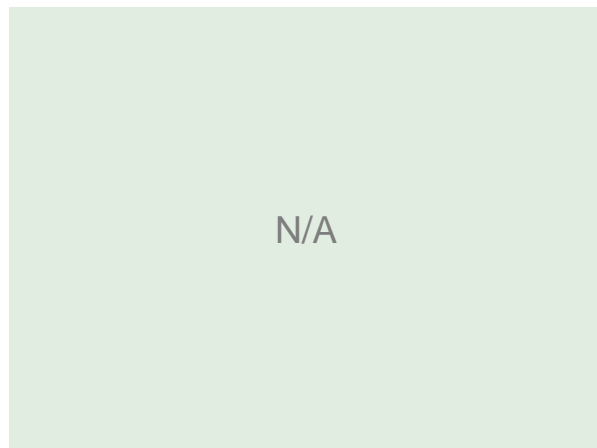
Unchanged from v1

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.8 Broadband:

- Requires that all projects provide access to broadband/high-speed internet. The project owner is not responsible for providing internet service; OR
- Requires that the building be constructed in anticipation of future access

2024-2025 QAP



2026-2027 QAP v1



2026-2027 QAP v2



Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.9 Community Development Experience, Compliance, and Diversity:

- Requires the developer has experience & capacity to undertake the proposed development
- Requires any owner to have followed tax credit compliance rules and kept other projects in good repair.
- Requires sponsor to document a plan to increase opportunities & demonstrate a commitment to new partnerships with entities owned or directed by women/BIPOC

2024-2025 QAP

Community Development
Experience
Included as a threshold and an
evaluation criteria (1 ✓)

2026-2027 QAP v1

2.10 Community Development
Experience
Remained a threshold but
removed as an evaluation criteria

2026-2027 QAP v2

Community Development
Experience
Updated definition

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.10 Tax Credit Yield and Internal Rate of Return:

- The threshold now requires at least two letters of interest to demonstrate ability to sell LIHTC
- Previously called a financing acknowledgment letter

2024-2025 QAP

3.9 Tax Credit Yield and Internal Rate of Return
Sponsors are required to submit at least one financing acknowledgment letter

2026-2027 QAP v1

2.11 Tax Credit Yield

2026-2027 QAP v2

2.10 Tax Credit Yield and Internal Rate of Return
Now requires two Letters of Interest

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.15 VHCB/VHFA Building Design Standards:

- Removed responsive designs for residential and employment trends

2024-2025 QAP

3.14 VHCB/VHFA Building
Design Standards
Projects must meet this standard

2026-2027 QAP v1

No changes proposed

2026-2027 QAP v2

2.15 Design Standards
Removed responsive designs

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.16 Costs:

- Ability to identify cost outliers & determine if project costs are comparatively reasonable
- Updated to reflect review of project costs during a competitive round

2024-2025 QAP

3.15 Costs
Project's budget, plans and specifications are reviewed as part of the underwriting process and evaluated for reasonableness

2026-2027 QAP v1

2.17 Costs
VHFA looking at cost outliers through comparative analysis

2026-2027 QAP v2

2.16 Costs
Ceiling credits will receive checkmarks based on cost management

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.17 Projects Intended for Eventual Tenant Ownership:

- Any project intended to transfer to tenants after the 15-year LIHTC compliance period have a conversion plan

2024-2025 QAP

1.2 Summary of Program Guidance

Defined projects that are intended for eventual tenant ownership and outlined Section 42 requirement

Included as an evaluation criteria
(1 ✓)

2026-2027 QAP v1

2.18 Projected Intended for Eventual Tenant Ownership
Outlined that a conversion plan is required and created guidance in the VHFA Housing Credit Manual. Kept as an evaluation criteria

2026-2027 QAP v2

Unchanged from v1

Section 2 Changes: *Threshold Requirements for all Housing Credits*

2.18 Project Fees:

- The developer fee section has now been completely rewritten to make it clearer and easier to determine an appropriate development fee calculation based on the project proposed.

2024-2025 QAP

3.16 Project Fees
Developer fees are calculated as a percentage of Total Development Cost, with different amounts of cash and deferred fee allowed for different types and sizes of projects

2026-2027 QAP v1

2.19 Project Fees
Increased developer fees; made fees more clear and easier to calculate

2026-2027 QAP v2

Unchanged from v1

IRS Requirements: *Are VHFA's Criteria Meeting the Requirements? Thresholds*

IRS Requirements	Met?	2026-2027 QAP Thresholds
IRS: The selection criteria must include projects intended for eventual tenant ownership	✓	Eventual Tenant Ownership
IRS: The selection criteria must include sponsor characteristics	✓	Experience & Capacity Threshold
IRS: The selection criteria must include tenant populations of individuals with children	✓	Credits Available to Projects: Using Ceiling Credits in age-specific housing: Awards to age-specific projects shall be limited to no more than 30% of the available Ceiling Credits to award.
IRS: Gives preference to projects obligated to serve qualified tenants for the longest periods, and	✓	Extended Use Period Threshold

2024-2025 QAP Evaluation Criteria	#	% of Total	2026-2027 QAP Evaluation Criteria	#	% of Total
			Costs	1-6	3-19%
Site Location & Designation; Underserved Areas; Access to Public Transportation	2-4 1 1-2	6-21%	Site Location, Designation, & Transportation	1-6	3-19%
Deeper Affordability; Historic Rehab Credit	2-3 1	3-13%	Leveraged Resources	1-4	3-13%
Project Tenancy; Eviction Prevention; Housing with Services	1-4 2 4	3-30%	Project Tenancy and Services	2-3	6-10%
Passive House or Net Zero	1	3%	High Performance Building	1-3	3-10%
Income Diversity	2	6%	Income Diversity	2	6%
Federally Subsidized and At-Risk	2	6%	Federally Subsidized and At-Risk	2	6%
Permanent Debt	1-2	3-6%	Permanent Debt	1-2	3-6%
Property Remediation	1-2	3-6%	New and Emerging Socially Disadvantaged Sponsors	2	6%
Eventual Tenant Ownership	1	3%	Eventual Tenant Ownership	1	3%
Highly Ready-To-Proceed	1	3%	Resilient Design	1	3%
Community Development Experience	1	3%			
Total Checkmarks	33			32	



Newly Named Criteria



Deleted Criteria



New Criteria Category



Unchanged Criteria

Section 3 Changes: *Evaluation Criteria*

1. Site Location, Designations, and Public Transportation (6 checkmarks)

- 2-4 checkmarks: For State Designated Areas
 - 4 checkmarks
 - Downtown or Village Center; or Support of a Downtown or Village Center by virtue of their location
 - Neighborhood Development Areas or Growth Centers associated with a Downtown or Village Center
 - 3 checkmarks
 - New Town Center; or Growth Centers not associated with a Downtown or Village Center
 - Neighborhood Development Areas associated with a New Town Center or Growth Center
 - 2 checkmarks
 - Location in a town or city that lacks a State Designation
- Additional 1 checkmark: Underserved Area
- Additional 1 checkmark: Location has access to public transportation (within 0.5 miles)

2024-2025 QAP

Site Location & Designation
(2-4 ✓)

Underserved Areas
(1 ✓)

Access to Public Transport
(1-2 ✓)

2026-2027 QAP v1

Site Location & Designation
(2-4 ✓)

Underserved Areas
(1 ✓)

Access to Public Transport
(1-2 ✓)

2026-2027 QAP v2

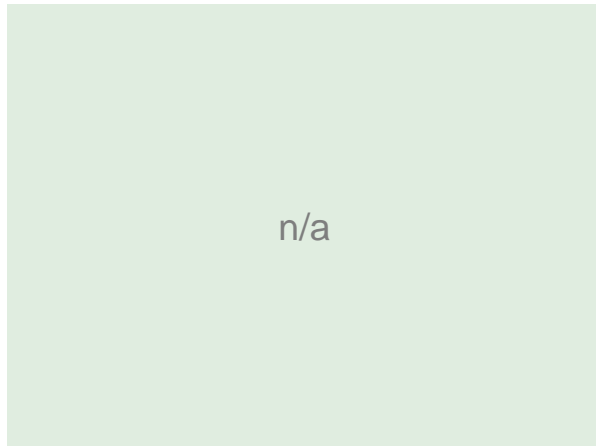
Combined into one:
Site Location, Designation, &
Public Transportation
(up to 6 ✓)

Section 3 Changes: *Evaluation Criteria*

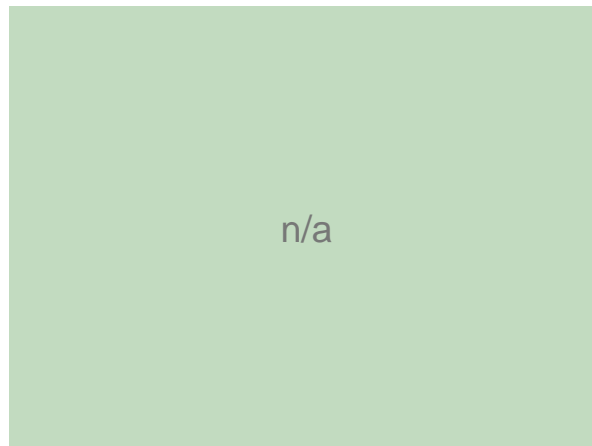
2. Cost (6 checkmarks)

- Analyzes the 5 most recent years of Ceiling Credit cost data: Application pro forma; CLC pro forma; 8609 pro forma
 - Adjustment to determine present value of previous years costs
- Cost data placed into quartiles; Checkmarks awarded based on which quartile
Q1: 6 checkmarks; Q2: 4 checkmarks; Q3: 2 checkmarks; Q4: 0 checkmarks

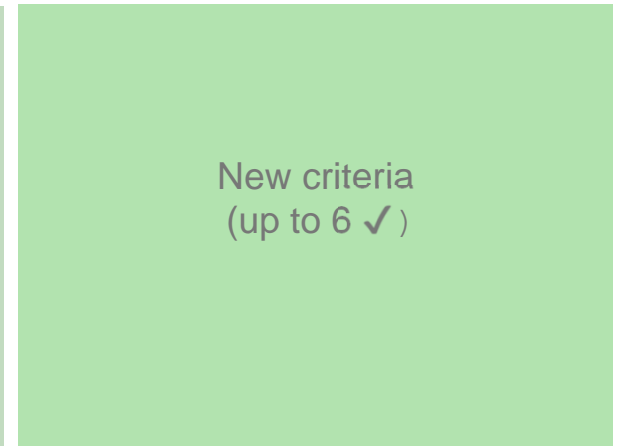
2024-2025 QAP

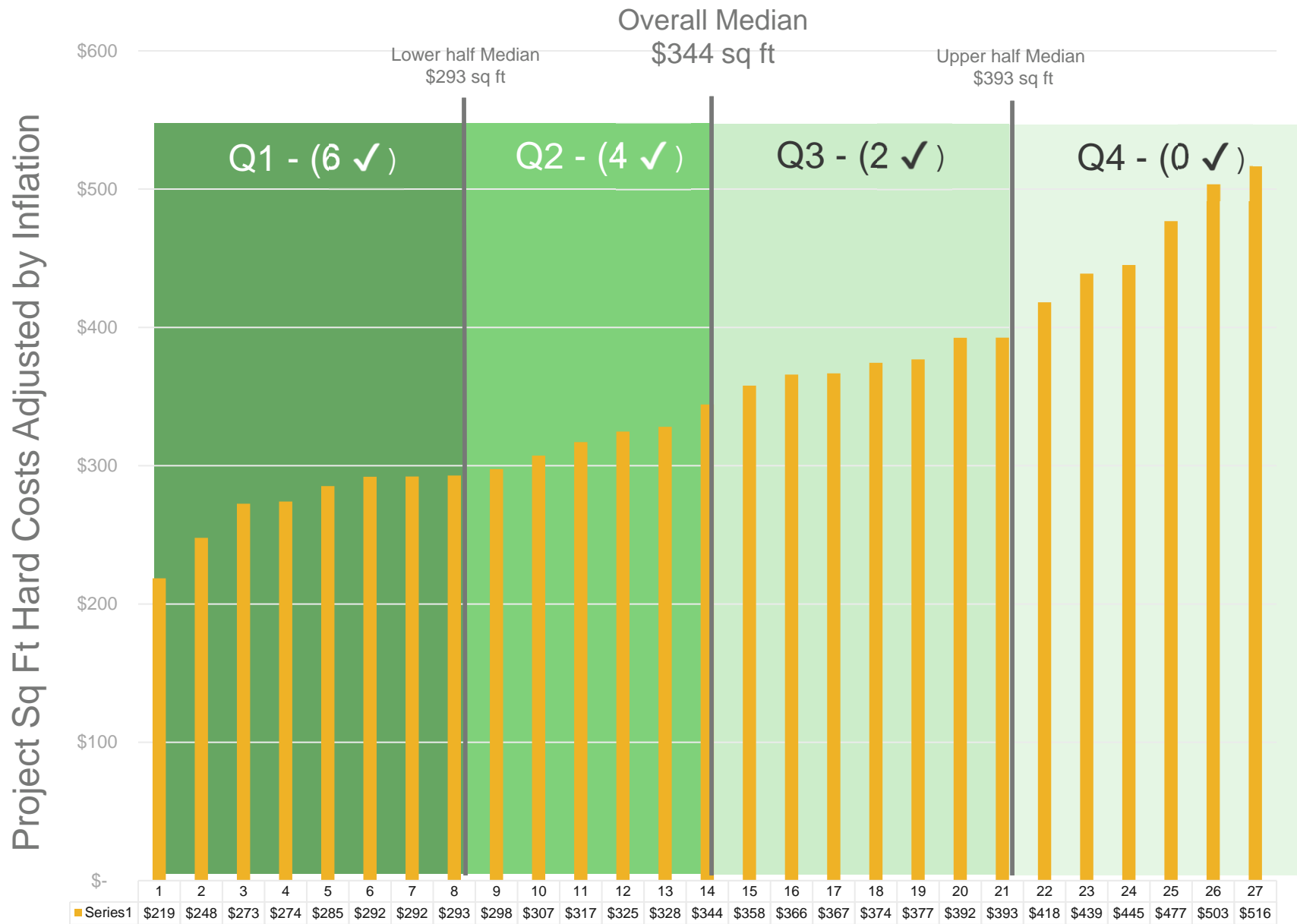


2026-2027 QAP v1



2026-2027 QAP v2





9% LIHTC Projects from Past 5 Years

Section 3 Changes: *Evaluation Criteria*

3. Leveraged Resources (4 checkmarks)

Maximum of 4 checkmarks for leveraging competitive resources not otherwise available in Vermont, in the form of either operating or development subsidy:

- 2 checkmarks - Development subsidy: Signed commitment from a resource not otherwise available for housing in VT, that provides development capital of at least \$20,000 per unit, e.g., employer or municipal investment
- 1 checkmark - Operating subsidy: Projects with an award or open application submitted in response to a NOFA for a federal rental assistance program for new PBRA, e.g., HUD 202 or RD 515. (Not Section 8 PBRA or Public Housing)
- 1 checkmark - Historic Tax Credits
- 1 checkmark - Commitment for a resource not otherwise available for housing development in Vermont which offsets the cost of energy efficiency measures

2024-2025 QAP

Deeper Affordability
(2-3✓)

Historic Tax Credit
(1✓)

2026-2027 QAP v1

Deeper Affordability
(2-3✓)

Historic Tax Credit
(1✓)

2026-2027 QAP v2

Combined into one:
Leveraged Resources
(4 ✓)

Section 3 Changes: *Evaluation Criteria*

4. Project Tenancy and Services (3 checkmarks)

- No checkmark difference between age-specific and general occupancy projects
- Tiers depend upon the services for either Formerly Homeless or IDD
 - 3 checkmarks for 20-25% of Housing Credit Units as Housing with Services for the Homeless OR Housing People with Intellectual and Development Disabilities
 - 2 checkmarks for 15-19.99% of Housing Credit Units as Housing with Services for the Homeless OR Housing People with Intellectual and Development Disabilities (IDD)

2024-2025 QAP

Project Tenancy
(up to 4 ✓)

Eviction Prevention
(up to 2 ✓)

Housing with Services for the
Homeless
(up to 4 ✓)

2026-2027 QAP v1

Project Tenancy
(up to 4 ✓)

Eviction Prevention
(up to 2 ✓)

Housing with Services for the
Homeless
(up to 4 ✓)

2026-2027 QAP v2

Combined into one:
Project Tenancy and Services
(up to 3 ✓)

Section 3 Changes: *Evaluation Criteria*

6. Federally Subsidized and At-Risk (2 checkmarks)

Defined as any development currently occupied by low-income households that faces, within the next five years:

- A loss of deep rental assistance or other operating subsidy
- Faces prepayment of its mortgage or other involuntary action by its owner that would terminate federal low income use restrictions.
- In addition, any project(s) that is slated to receive federal funding specifically for the preservation of the units as affordable housing. Examples include but are not limited to RD 515, Section 8, Section 23, Section 236, and Section 221(d)3.

2024-2025 QAP

Federally Subsidized
and At-Risk
(2✓)

2026-2027 QAP v1

No changes proposed

2026-2027 QAP v2

No changes proposed

Section 3 Changes: *Evaluation Criteria*

5. High-Performance Building and Energy Efficient Design (3 checkmarks)

- No longer only Net Zero or Passive House certification. New options to encourage improving emissions, energy efficiency operations, and data collection.
- Green Building Certification or Energy Efficiency Certification (1-3 checkmarks)
 - Basic Level – 1 checkmark; Advanced Level – 2 checkmarks; Net Zero Level – 3 checkmarks
- Utilize all-electric utilities, and include on-site renewable energy for 40% of the total electric load for common areas, residential units, and the site, as calculated by a qualified engineer (2 checkmarks)
- Mechanically commissioned by a certified commissioning agent (1 checkmark)
- Envelope commissioning by a certified commissioning agent (1 checkmark)

2024-2025 QAP

Passive House or Net Zero
(1✓)

2026-2027 QAP v1

High Performance Building &
Energy Efficient Design
(1-3✓)

All electric utilities + renewables
for 90% of total electric load
(2✓)

Commissioning added
(1✓ ea.)

2026-2027 QAP v2

Numerous Green Building
Certification options added
(1-3✓)

All electric utilities + renewables
for 40% of total electric load
(2✓)

Commissioning
(1✓ ea.)

Section 3 Changes: *Evaluation Criteria*

7. Income Diversity (2 checkmarks)

- 15% of the total units (minimum of two units) not restricted by the housing credit program
- Does not include Average Income Test units even if restricted to above 60%

2024-2025 QAP

Income Diversity
(2✓)

2026-2027 QAP v1

No changes proposed

2026-2027 QAP v2

No changes proposed

Section 3 Changes: *Evaluation Criteria*

8. Permanent Debt (2 checkmarks)

- Permanent debt is important to lower the demand for soft sources and to achieve greater income diversity
- Tradeoffs would be that projects may not be able to:
 - Achieve very deep affordability
 - Carry permanent debt without rental assistance.
- Looked at recent projects that carried debt & set a high and low mark for the percentage of amortizing debt

2024-2025 QAP

Projects in Chittenden County
9% (1✓) 18% (2✓)

Projects outside Chittenden
County
1.75% amortizing debt (1✓)
3.5% amortizing debt (2✓)

2026-2027 QAP v1

Decreased the amortizing debt %
for projects in Chittenden County.

No changes to amortizing debt %
outside Chittenden County

Projects in Chittenden County
7.5% (1✓) 15% (2✓)

2026-2027 QAP v2

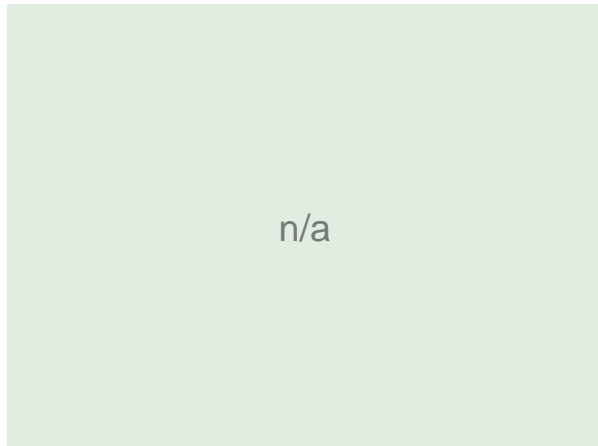
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Section 3 Changes: *Evaluation Criteria*

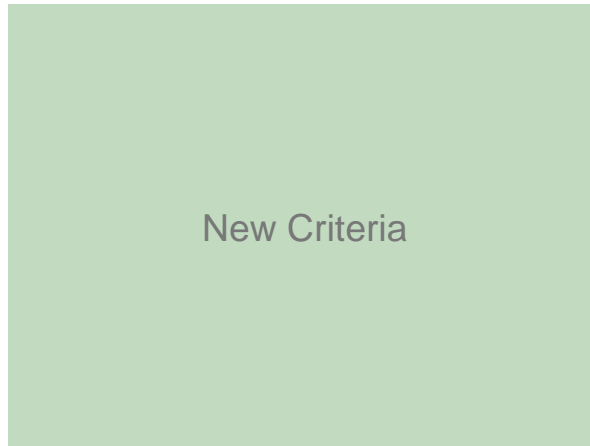
9. New and Emerging Socially Disadvantaged Sponsors (2 checkmarks)

- At least **one** principal with an ownership interest of at least 25% as general partner who is:
 - a socially disadvantaged individual (definition in draft)
 - completing their first tax credit project
- *Checkmarks are unique for new and emerging BIPOC sponsors*
 - Acknowledging social disadvantages within the development community
 - VHFA continues to prioritize growth in this area in all policies and practices

2024-2025 QAP



2026-2027 QAP v1



2026-2027 QAP v2



Section 3 Changes: *Evaluation Criteria*

10. Eventual Tenant Ownership (1 checkmark)

- A project that is intended for “eventual tenant ownership” is one that can demonstrate that the tenants that will be occupying the project at the end of the tax credit initial compliance period would have the choice of purchasing their residence, either as a condominium, a housing cooperative, or a single-family home.

2024-2025 QAP

Eventual Tenant Ownership
(1✓)

2026-2027 QAP v1

No changes proposed

2026-2027 QAP v2

No changes proposed

Section 3 Changes: *Evaluation Criteria*

11. Resilient Design (1 checkmark)

- New criteria for projects that conduct a **Property Resilience Assessment (PRA)** to identify physical risks from natural hazards and climate events and develop property-specific plans for risk mitigation measures for identified risks.
- *How do I perform a Property Resilience Assessment?:*

There is more information in the glossary of the revised QAP.

Use Vermont's specific state-developed tools to map the property and its known flood risk and other vulnerabilities (high heat, extreme precipitation, drought, landslide, wildfire, etc.).

Provide written statement of mitigation strategies being pursued relative to identified risks using these tools.

2024-2025 QAP

n/a

2026-2027 QAP v1

New proposed criteria
(1✓)

PRA not fully defined, may
require hiring external
consultants

2026-2027 QAP v2

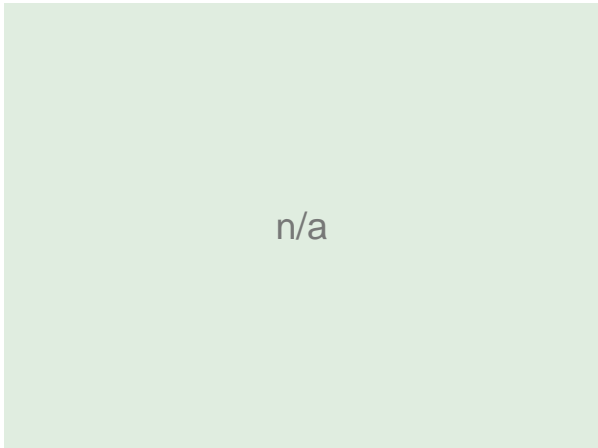
Updated language and
methodology around PRA to
allow this work to be completed
in house, using free state-
developed tools

Section 3 Changes: *Evaluation Criteria*

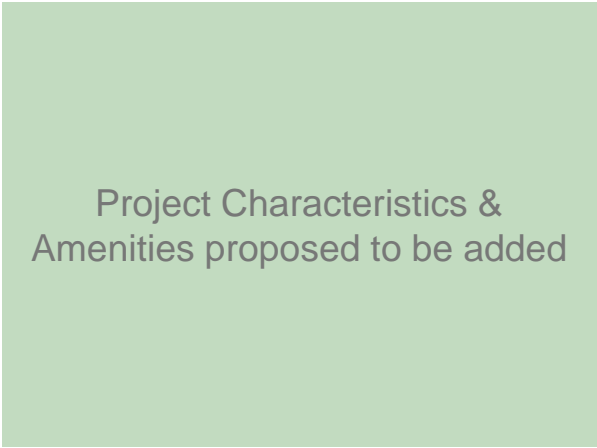
Project Characteristics & Amenities:

- ~~Four different paths to additional checkmarks based on:~~
 - ~~additional accessible units, (3 checkmarks)~~
 - ~~a community room with free WiFi access to the internet, (1 checkmark)~~
 - ~~amenities within walking distance to the project, and (1 checkmark)~~
 - ~~on-site characteristics such as a playground or community garden. (1 checkmark)~~

2024-2025 QAP



2026-2027 QAP v1



2026-2027 QAP v2



IRS Requirements: *Are VHFA's Criteria Meeting the Requirements?* *Evaluation Criteria*

IRS Requirements / Con Plan	Met?	2026-2027 QAP Evaluation Criteria
<p>IRS: Gives preference to projects serving the lowest income tenants The selection criteria must include tenant populations with special housing needs.</p> <p>Con Plan: Decrease the number of people experiencing homelessness.</p>	✓	Project Tenancy and Services
<p>IRS: The selection criteria must include Location, project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan.</p> <p>IRS: Gives preference to projects located in qualified census tracts (as defined in subsection (d)(5)(B)(ii)) and the development of which contributes to a concerted community revitalization plan</p>	✓	Site Location & Designation
IRS: The selection criteria must include the historic nature of the project.	✓	Leveraged Resources
IRS: The selection criteria must include projects intended for eventual tenant ownership	✓	Eventual Tenant Ownership
IRS: The selection criteria must include the energy efficiency of the project	✓	High Performance Building and Energy Efficiency Design

IRS Requirements: *Are VHFA's Criteria Meeting the Requirements?* *Evaluation Criteria*

IRS Requirements / Con Plan	Met?	2026-2027 QAP Evaluation Criteria
Not required by IRS	-----	Income Diversity
Not required by IRS	-----	Access to Public Transportation
Not required by IRS	-----	Permanent Debt
Not required by IRS	-----	Federally Subsidized and At-Risk
Not required by IRS	-----	Resilient Design
Not required by IRS	-----	New and Emerging Socially Disadvantaged Sponsors
Not required by IRS	-----	Cost

Section 4 Changes: *Vermont Affordable Housing Tax Credits*

Rental Housing Tax Credits:

- Changes to the prioritization process to create some variation among projects with both tiered priorities and additional specifications.
- **Prioritization is now in order of preference as follows:**
 1. **15% of Housing Credit units as *Housing with Services to Homeless Households or Special Needs Housing***
 2. **Rehabilitating, includes *adding* new accessible units & *improving* visitability, existing affordable housing**
 3. **Rehabilitating existing affordable housing**
 4. **Creating net new Housing Credit units in growing communities**
 5. **Demonstrating innovation in cost and scarce resource efficiencies**

Homeownership Tax Credits:

- Update language, not alter the intent of the content
- Prioritization of awards **added innovation in cost & scarce resource efficiencies**



Sections 5 Changes: *Compliance*

- A lot of this section has been **removed**
- All information regarding compliance is available in the VHFA **Compliance Manual**
 - This allows more flexibility for Staff to update compliance policies in accordance with changes from the IRS without waiting for a QAP update
 - This creates a more streamlined and consistent compliance process for owners and managers



Sections 6 Changes: *Definitions*

Staff **removed** certain definitions as part of the transition between the VHFA Housing Credit Manual & the VHFA Compliance Manual:

- Advanced Binding Commitment,
- Binding Rate Agreement,
- Carryover Allocation,
- IRS Form 8609,
- Letter of Intent,
- Reservation Certificate,
- Resident Manager's Unit,
- Residential Rental Unit,
- Violence Against Women and Justice Reauthorization Act of 2013 (VAWA)



Sections 6 Changes: *Definitions*

Removed or **added** as part of the update for Thresholds or Evaluation Criteria

- Consultant Fee (removed),
- Dense Infill Sites (removed),
- Highly Ready to Proceed (removed),
- Human Service Agency (removed),
- Non-Housing Credit Units (added),
- Property Resilience Assessment (added),
- Dense Infill Sites/Rural Communities, Special Needs Housing (added),
- Socially Disadvantaged (added),
- Underserved Area (added)

Amended as part of the update for Thresholds or Evaluation Criteria, or due to a change in the underlying definition

- Housing with Services for the Homeless,
- Property Remediation,
- Transitional Housing for Homeless



Sections 7 & 8 Changes: *Disclaimers*

Section 7 - Changes to the QAP:

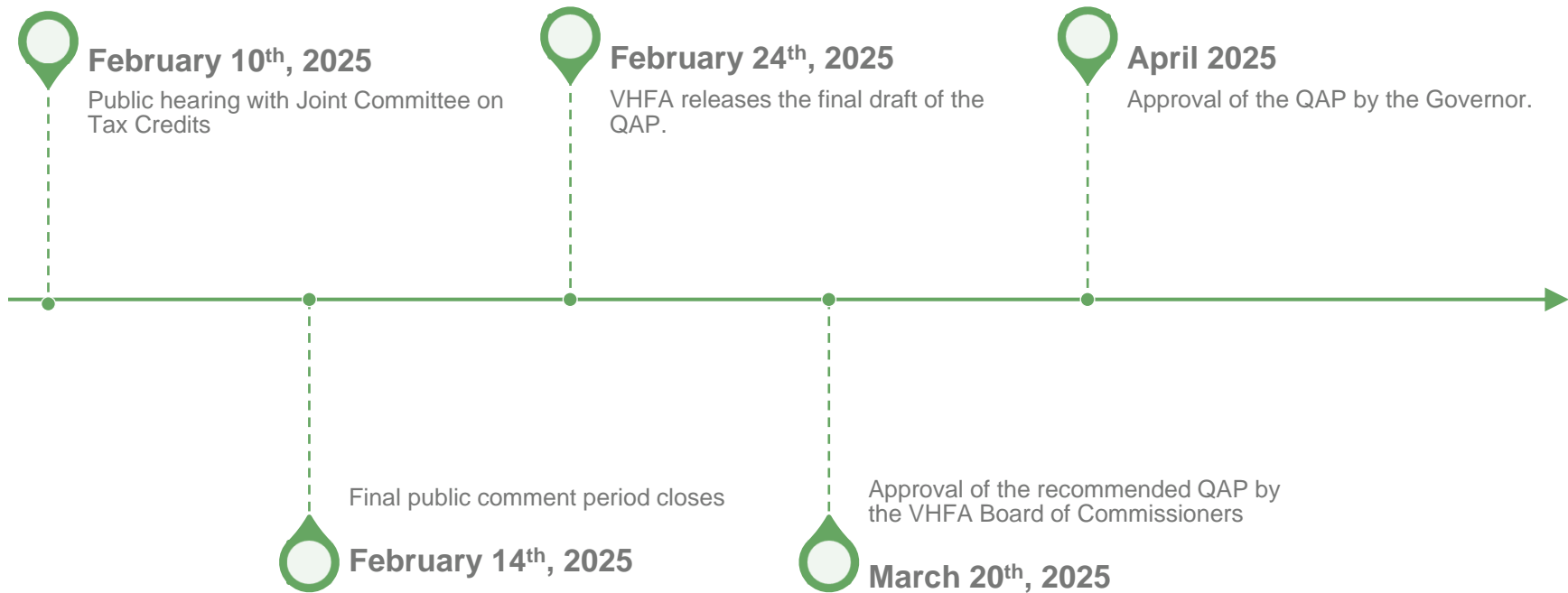
- Without the need for public notice or the Governor's approval, VHFA has the right, in its sole discretion:
 - To amend, modify, or withdraw provisions in the QAP that are inconsistent or in conflict with State or federal laws or regulations;
 - To resolve any conflicts, inconsistencies, or ambiguities in the QAP that may come to light in administering, operating, or managing the Housing Credit programs;
 - To modify or waive, on a case-by-case basis, any provision of this QAP that is not required by the Code;
 - To ensure that the QAP has the flexibility to adjust to changing market conditions or federally declared emergencies, to waive any section of the QAP (not otherwise required by the Code) that would hinder the ability of VHFA to meet the goals and priorities of the QAP.

Section 8 - Appendices:

- Updated members on the Joint Committee on Tax Credits, VHFA Board of Commissioners and Staff, and updated related policies.



What is Next?



Other Thoughts For The Future?



You can find this presentation, supporting materials, a draft of the QAP, and information about upcoming meetings at <https://www.vhfa.org/rentalhousing/qualified-allocation-plan-qap>

Contact us at developmentdept@vhfa.org