

In July and August 2024, Vermont Housing Finance Agency (VHFA) sought public input on recommendations to consider for the 2026-2027 Qualified Allocation Plan (QAP) update. VHFA hosted in-person QAP public meetings around the state, and a virtual public comment meeting. More information about the QAP and the 2026-2027 update is available on the VHFA website: <https://vhfa.org/rentalhousing/qualified-allocation-plan-qap>.

The five public meetings were well-attended, with more than 25 attendees in total. The five public meeting dates and locations were:

- July 24: 10:00 am-12:00 pm, The HUB CoWorks, 67 Merchants Row, Rutland
- July 26: 10:00 am-12:00 pm, Brattleboro Municipal Center, 230 Main St., Brattleboro
- August 1: 6:00 pm-8:00 pm, Virtual
- August 7: 10:00 am-12:00 pm, Vermont Housing Finance Agency, 164 St. Paul St., Burlington
- UPDATE: August 8: 11:00 am-1:00 pm, Catamount Arts Center, 115 Eastern Ave, St. Johnsbury

This document summarizes public comment from all five meetings, organized by topic.

Site location

- We often talk about the designations program as the benefit being: checkmarks and also Act 250 relief. As Act 250 is changing, is VHFA coordinating with ACCD on the designations program? Will the designations still be relevant in 2026-2027?
- Transportation is challenging. Only having commuter transit is a big knock, and more than that can be hard to get outside of Chittenden County.
- And ridership and investment in public transit is decreasing, and so that's a challenging dynamic.
- Zoning has been used to create exclusive neighborhoods, and does the focus on location have a similar effect in saying – this is where low-income households can live? These criteria exclude certain neighborhoods from having low-income housing. In S Burlington we have an opportunity near South Village and there's a soft inclusionary zoning requirement – but it's not in a designated area and it's a mile from a bus stop, so it wouldn't score well. It's also important that low-income people have access to beautiful conserved land and not only the people with wealthy homes. The QAP is almost shadow zoning that says where affordable housing can be built.
- I agree. Southeast Quadrant in S Burlington is an extreme example of anti-inclusivity hiding behind environmental conservation. That would be a great location for low-income housing. That's a good example to use.
- What do people think about the flooding issue? You can't make a significant investment in a place that's going to flood regularly, but then does the community not get served by affordable housing, or does the affordable housing look different or get built differently? And precautions add to the cost of the project.
- Considering flood risk in a different way could lead to disinvestment.
- We're running up against this in rural towns, where they don't have public infrastructure. Trying to get pushback on having housing in the center of towns – don't want to build up the towns, and the argument that we need to locate housing near the infrastructure doesn't apply because the town doesn't have any infrastructure. We can't go for 9% credits in a lot

of our rural towns and then we're scrambling to go for 4% credits and fill the gap. And with downtown infill, every site is a brownfield site and is more expensive and takes more time.

- I do think it's important that this take into consideration the state's changes as we look toward moving growth toward new town centers or growth centers, and maybe those being as high a priority as other locations. But also, since more state funding goes here, are these the locations that need 9% credits?
- The Kingdom is so rural, and if you only look at designated areas, you're leaving out a lot of areas. The Kingdom has needs and doesn't always have downtowns. Could you look at places that are rural, and might not have downtowns, but are still connected?
- It sounds like you want specificity but also flexibility. I know that Vermont has done all of these programs with downtowns and village centers. With flooding in particular – Plainfield, Barre, other places – there are buyouts happening. A lot of those towns and municipalities are losing that tax base from those buyouts and need new investment. And those places also have existing infrastructure.
- Also though, not every community can support the size of a 9% project. There are towns where the size of a 9% project isn't going to make sense.
- How will the State designations program change as Act 250 reform happens?
- This is too restrictive.
- Dense infill means you're already filling?
- Project cost in dense infill areas is high.
- Should incentivize projects that are served by municipal water and sewer.
- Transit – what about micro-transit that's not on a fixed route?
- Flooding is an urgent issue. FEMA maps are backward-looking; don't take climate change into account. Think beyond the standard floodplain map and look at river corridors. VCDP received guidance from HUD; talk with them.
- Is there an effort underway to coordinate the State designations?
- If you add more amenities, leave open what the distance to amenities should be. Not a fixed mile or half-mile. Allows for more flexibility.
- Do you analyze how as you layer different priorities it adds more restrictions and limits projects?

Housing with Services for formerly homeless households:

- Access to rental subsidy is increasingly challenging. In the 9% round going for 25% PSH but only assuming 15% PBVs creates a big gap. And then funding services is very challenging. Some of our communities are at the tipping point of having staff burnout, challenging residents, trying to prevent evictions but our eviction rate is going up.
- Funding services adequately is very challenging and can get squeezed in pro formas in order to leverage more permanent debt – so that's in conflict. For concentrating vs deconcentrating, I've worked on COTS, and now I'm working on Chalet; in denser areas deconcentration is the right goal, but in less dense areas the challenges of staffing service providers and property management make concentration much more viable.
- This is pre-Covid, pre-Coordinated Entry, and the intent is right, and/but bringing 20 families through Coordinated Entry for a 90 unit development – it feels like the QAP is out ahead of what this community can support. In Chittenden County – it relies on having a good relationship with CCHA and the service providers that are coming through CCHA. And how

this works across the state and in different communities across the state. We're going to start building pro formas with more turnover and more damage upon turnover, and that drives down the debt that a project can support too. And I know that Vermont is out ahead of other state HFAs in this. It would be interesting to have the developers, the asset managers, and the property managers all at the table.

- We struggle with this, but we couldn't advocate for lower %s because these are the resources the state has available for this emergency situation. It's hard but also necessary.
- Which means that we're using housing dollars to subsidize the human services budget, which is a policy choice.
- It would be great to have more human services dollars available to support in-house resident services that we need to provide now.
- Health care and housing funding sources should be more connected. Conversation happening right now about the state needing to fund hospitals differently and pushing those dollars out into the community. There has to be a change in how Vermont funds health care, and that could be an opportunity for housing.
- Building units in the SE Quadrant in S Burlington is great for families with kids and cars, maybe not for formerly homeless households. (Projects can meet different needs).
- VHFA should be open to projects seeking to deconcentrate, but not prioritizing it and creating even more buckets for projects to fit into.
- This is probably the room that is capable of building and managing these projects. And we don't have the capacity on the property management side. As a State that creates an issue for how many developers can participate.
- Even if you have an MOU that doesn't mean it's going to work. The MOU is only as good as the partnership. Also, there are no requirements for services for those housed. It would be helpful to clarify the difference percentages.
- The units that get services are way more successful than the units that don't. The households that we bring in from homelessness that don't use services – because the services are voluntary – are much less successful in maintaining their housing.
- I think it's a good policy that projects are not 100% homeless projects. It's a good policy that we have integrated housing. VHFA has held the line on that where other funders don't want to. From a policy perspective there probably is a way to simplify this while keeping it as strong as it is. From a process perspective it could be tightened up to underwrite the services component. I think sometimes the services plan is something that AHS doesn't fund. That relationship with AHS is important to understand how those services are funded. And SASH does not qualify as services for formerly homeless households. Resident services is not the same thing as permanent supportive housing. PSH is more intensive case management with low case loads.
- The pieces of the MOU. My agency is the provider on that side. We have been in some cases lucky in leveraging other funds to be able to do that. But sometimes that's us doing the work for free. I think of how successful Cherry Street has been in this area because it is a funded position with the capacity of a person to be there.
- And the reason there's a position at Cherry Street is because VHCB went to AHS, and AHS had a conversation with NEKCA and said – this project is important and followed up on funding. There was a lot of coordination that went in to have the service dollars follow the housing dollars. How do make that happen in a more systematic way. The MOU process I see is that service providers hungry for units sign MOUs, but need backup funding for the

positions to support that. There is a lot of pressure on service providers to sign the MOUs, and the service provider wants access to those units, but is there vetting that there is funding available. This person funded with this source will work on this.

- The State funds millions of dollars for services for households coming out of homelessness that could be leveraged for this, and there is a lack of figuring out how to braid that funding together with the housing.
- The Agency needs to show how they will be supporting the services. Agencies are woefully underfunded. Not setting up residents for success.
- It's hard to work with Coordinated Entry.
- Has there been a study of how well this works? Is housing people exiting homelessness making a difference? Are people successful long term?
- It is challenging when there are residents who cause issues for the rest of the building. Afraid of our management company dropping us. Operational budgets are so thin and we are too small of a business to absorb the cost. Spending all of our time managing these problems. Funders need to understand the implications of these criteria. Supportive services are very difficult and specialized.
- We need to have an open discussion with partners about eviction rates.
- Could there be a tie-in to flood impacted? People who are moving from a floodplain? A project could serve a lower percentage of people exiting homelessness, if it also serves people who have lost housing because of flooding? People who would like to do buy-outs but have no place to go.
- It stifles innovation that larger non-profits in Vermont get all of the housing funding. The housing crisis cannot be solved by a few non-profits.
- 25% is plenty high in 9% projects. We have seen 25% wreak havoc in a complete project. To have a higher concentration need very high level of services in place. It's hard when there's not designated funding for services. It's not just resident service coordinators -- we need mental health support staff. No more than 25%. So in a 24-unit building -- six units Permanent Supportive Housing feels high, or appropriate, as long as there are the right partners and the right mix of individual acuity.
- For homeownership, we've had homeless families move into a home. There was a reason former housing was lost without all of the other underlying issues of chronic homelessness. If there was ever discussion about a homeownership step-up plan for the formerly homeless -- maybe that could be built in ahead of time to a plan.
- I do think these priorities encourage development of supportive housing. I would hope 15% threshold would not go up. I would hate for a higher threshold to be mandated because of the challenges that come with it.
- If there's not always money for the services -- do you look at whether there is funding available to support what you're asking for, when you put that criteria in the QAP? We need development in Vermont to be easier.
- We have a formal MOU, and AHS supplied funding for a role to be there, but they get paid on a per-client basis but we wanted someone there to provide blanket support. We had to work around that. It would be helpful to have more flexibility from AHS. Services tied to a project or population instead of to a particular client.

Housing retention

- I think having on-site presence is a project-by-project decision. Factors vary. That should be left to the developer.

- We're serving people in a building, and some are formerly homeless and some are at risk, and we're trying to prevent homelessness – so there's not a bright line between the two. I'd like to not have the QAP clarify the difference more.
- The more we can simplify the articulation of who's providing what services to whom, the better. What are rapid rehousing dollars, and housing retention dollars, and etc., and coordinating that across the ecosystem of working with Coordinated Entry is a challenge.
- The idea for this was more resident services available for all residents. Could you do this through partnership also, with an MOU, instead of in-house resident services?
- We have an eviction prevention person. We have an HOC program. But we could not put an on-site property manager at all of our rural properties 30 miles apart. That's a hard ask in the Kingdom.
- There's not a large enough credit pool for the size of projects. 25-40 units isn't big enough to incentivize an on-site presence.
- If there is an on-site presence for a property manager it would be helpful to see that incentivized with resources. VHFA should do the housing resources; could AHS provide the services resources? Make sure projects can pay for this before you make it a priority. It could work if more management fees or other items in the operating budget are allowed.

Costs

- We use a per unit metric to compare costs across projects. But there's variation even within that. At Bay Ridge we worked to develop family size units and those cost more. Could we look at cost psf?
- Maine looks at cost per bedroom and cost psf, and has good cost comparison metrics, as an example from another small rural state.
- Also a hard time to make big changes to costs when we're all about to confront BABA. And when ARPA and other soft sources are decreasing.
- If anything considering more credits per application. And there aren't enough contractors out there. Having more contractors would help a lot.
- I worry about incentivizing this. BABA, RBES, are going to increase cost. And we need to build housing that will last, is durable, is high-quality.
- And other states that don't have the historic settlement pattern requirements – we do less greenfield development here. Geotechnical work, parking garages, that all adds costs.
- We are encouraged to bring projects that hit other policy goals – and these projects end up being expensive. Brownfield redevelopment, supportive services, etc. If our goal is only net new units – we might be making different policy decisions. And not focus on brownfields. That's also hard in a state that gets four 9% projects every year. That's part of a broader conversation
- As ARPA is dwindling, new construction with 4% credits is going to be a lot harder. Is that a place where we could loosen the Threshold requirements for 4% projects just to get net new units, and lower costs?
- There used to be per unit TDC guidelines in the QAP.
- I saw VHFA sent out the modular homes survey. We know we're going to need a certain number of houses. Can we put those on order with a manufacturer.
- Efficiency Vermont has it going and is talking with all of us. Greensticks – modular pilot program. And we design that block once and we use it again in the next community. Could

the cost savings of a pilot program like that be something that gets you more points?
Incentivizing us to do a pilot program like this?

- In Vermont, all of the standards that you have to meet drive up costs.
- Each project can be very different and that adds cost in different ways. What is the cost of housing without brownfield remediation?
- The worry is punishing developers who don't have access to a subcontractor pool that does that kind of work. Need to look at this regionally. More formal cost criteria could crush development in certain areas.
- And then BABA comes along.
- Can't incentivize how cheap you can make it. Need high-quality housing. And building efficient is expensive.
- Do you track the names of the GCs behind the developments?

Timing

- So this is different than scoring and the Readiness to Proceed evaluation criteria?
- The readiness to proceed Evaluation Criteria could also be a good way to do this.
- I would encourage you to look at this. Keep the readiness to proceed, and maybe add another checkmark. It seems like you look at that anyway, and you could formalize it. It's reasonable that you're funding projects that are more ready to go and you could formalize it.
- Being that ready is a \$700k investment to get that checkmark. Taking a huge amount of risk. So it's very hard to present that way; we can't outlay that kind of money to get to everything but the final building permit.
- There's a readiness that comes before that that I think should also get a point.
- But if that's happening informally, adding a checkmark for that forces all of us to take on more risk. We typically don't start CDs until we have a VHFA award. Adding more readiness checkmarks seems like it would shift more risk back on us.
- But wouldn't it be helpful to make it explicit, and objective, instead of intuitive or less formal? Like all funding except for 9% and permits?
- And that could help balance out some of the other checkmarks that we all go for, but that make projects harder and more expensive, like brownfields. Creating some balance in the checkmarks – we build projects around the checkmarks. If there was a way to offset a brownfield development, that would be helpful.
- If in practice you're funding the project that's more ready to go, how are you actually looking at that?
- I wonder what we would be incentivizing if we were incentivizing readiness to proceed.
- Encourage projects to be on a fast track and step in if needed.
- Scheduling and trying to submit applications from different funders can be very challenging. Aligning funder program schedules.
- 4% credits are very helpful because they're considered on a rolling basis.
- Are you talking to ANR?
- From my perspective some construction closings could happen sooner if there were incentives for that. Construction closing timeline is pretty generous.
- Quarterly reports could become important with BABA too, as we have delays getting parts etc.
- I think quarterly would be reasonable, especially if coordinated between VHFA and VHCB.

Age-specific housing and tenancy

- We hear a lot more and more the benefits of having seniors in communities with families, and not segregated. We embrace the general occupancy concept with universal design. People can come and stay and age in place, and they're not restricted to a certain place. And we can provide services to that general occupancy building just as easily. And having this scoring in the QAP helps us pushback to communities that prefer senior housing.
- Rehab of old school buildings. Vermont has older school buildings and what do communities do with these buildings. Could they become mixed-income and mixed-age housing because these are big buildings.
- Get rid of the cap, it's not fair, it doesn't make sense for our demographic in Vermont. And in tenancy we think there shouldn't be a discrepancy between GO and age-specific – all housing should have services. GO does serve older adults, but some older adults prefer age-specific, and there should be options. We have service provision, amenities, design specific to older adults. They're built for SASH delivery; we've also been working on SASH for all and we're trying to bring resources to other housing in the state.
- We're not suggesting that age-specific be prioritized, but not de-prioritized. And we can lower health care costs through service delivery model. We are going to need more service-enriched age-specific projects; hard to build more residential care or assisted living.
- Do you have data on where people are moving from when they move into your housing? Because the promise of age-specific housing is that you're moving into a one-bed from a larger home.
- They were level playing fields, and what was happening was that a lot more senior housing was being developed because communities tend to be more receptive to it.
- Is there much LIHTC senior housing outside of NW Vermont, and where CSC is focused?
- Because of the QAP change, our senior housing is all 20+ years old; we shifted away from it.
- Is there a marked difference in the number of formerly homeless households moving into age-specific housing?
- How long does the age-specific covenant go with the building? Our needs might change over time over the decades. Once a development is created that is funded as senior housing, is it senior housing forever?
- The population of seniors is going to double in some counties and they don't have the housing. Anything that restricts housing for seniors is a mistake. Need to have housing available for seniors. Universal design is an issue, as there is a cost associated with this. The tax credit program is not going to be an overall solution because many seniors do not meet the housing restriction amount.
- Need housing to allow seniors to age in place. Mental health counselors are needed.
- Get rid of the senior restriction. Senior isolation is a very large issue. Integrate into general population.
- Priority for age-specific units within a project without concentrating into groups? Basis boost for mixed-age?
- QAP shouldn't disincentivize age-specific housing too much. Need for senior housing.

Energy and emissions reductions policies

- I don't think it should require certification, if you do keep this. But I do think these policies led us, and now everyone else has caught up.
- Passive house was a 10% premium. Do we really want to see that as a policy goal. And all-electric utilities, we're doing that.
- But there is no good way in a MF building to have effective hot water heating.
- It seems like it's a physics problem and about the volume of space and air.
- I don't think the QAP should play that role, when there are other guiding pressures.
- Passive house is a very expensive process that doesn't mean a better building. Adding more nuance would be beneficial.
- The new RBES standard is very high. My biggest issue right now is what BABA is going to do to all of us. Cost and time.
- And is the added cost worth it in areas with high high needs.
- Chasing points that are expensive without that much benefit
- It sounds like this could be a good place to take this point and put it to another category. Especially as the Vermont energy code standard is high now.
- I think resiliency is going to be our key point in the next few years.
- Suggest removing this. This isn't necessary anymore. Moving toward resilience rather than energy focus. A new incentive for resilience? Resilient Design Institute. Locating mechanicals above grade for flood resilience.
- Heat pump dryers -- by the time you buy one and need to service for \$140 every year and you can't replace coils. The costs of operations and maintenance.
- Same for our maintenance staff. We don't really know how long these heat pumps are going to last. Having figured out that we need to clean them.
- And I think we overpay to maintain them because we don't have dedicated HVAC companies in this area; we have plumbers who are taking this on. The operational costs outweigh the efficiency benefit in savings for the project. Efficiency Vermont is looking at this. Subcontractors are learning, and we're paying for that learning curve. The passive stuff like weatherization is great. But cold climate heat pumps are latest and greatest. We have a lot of redundant systems in our buildings -- backup systems. We are looking at one building being all-electric. But right now we have some redundancy.
- And it's nice to pair these with community solar. We don't always have the roof space.
- Community solar is the way to get the benefits of this too.
- BABA will impact what you can put in projects too.

Racial equity and social justice

- We have a professional services pipeline problem. We've looked for other entities to do business with, and they don't exist.
- FHLBB scoring for AHP added how many people are on the project team who are BIPOC or women-owned, and construction jobs and subcontractors and contractors. Helping people learn about David Bacon and Section 3 and regulations that can be a barrier for smaller subs.
- I like the idea of making some of these Threshold issues instead of an EC.

- For how else QAP could consider this – location again. For example, evidence that the community is a welcoming community. Like the schools being welcoming to different groups and having a DEI statement.
- But that can't backfire.
- Right. Opening up communities that don't have a lot of racial diversity is important, and also redeveloping in diverse communities is important.
- High opportunity areas.
- Hard to meet in one single criteria in a document as complex as this. It's more of a lens that applies to the whole QAP. How does every checkmark touch on racial justice and social equity outcomes? And could you get input from BIPOC community on how to implement a lens that touches all parts of the QAP?
- It sounds like the part of the checkmark that everyone's getting. If it's a plan, do you have follow up on the plan?
- Thinking about location, the idea of being thoughtful about places where redlining has happened.
- This is flawed since every project received this checkmark.
- There is not currently a BIPOC-led organization that can compete with the other organizations.
- Flooding and environmental justice. Could projects get this checkmark for moving people out of harm's way? Could you tie this in with climate action plan and who is living in high-risk areas?

Eventual tenant ownership

- In Ohio there's a group building SFHs and those are easy to convert; that won't happen in Vermont. Townhomes easy to convert. But if people have to be able to be allowed to choose to stay then can't condo. Co-op – those residents have stability, control, ability for financial gain in how they manage their operating expenses – even though they don't build equity. The point of the criteria in Section 42 is for tenant control of housing. So I hope that you keep it, I don't think it should require equity building, and I appreciate you building out the policy. I like the idea of keeping the checkmark. The residents who live there control and make the rules.
- There was a comment that it would take a rental project out of operations, but it would be a rental project until 15 years.
- Or rental housing but the residents are the managers.
- It does seem like resident control is an important priority.
- It's niche enough and one point isn't going to dictate the results for everyone.
- For all CHT has done to invest in that concept, it feels like it definitely should be weighted.
- I don't think this should be a priority. Something like 92% of residents in the state of Vermont can no longer afford a median-priced residence in the state. The answer is not to convert our existing affordable rental housing. But instead focus on affordable homeownership separately.
- Also, this is complicated with perpetual affordability covenant.
- Create new/more affordable homeownership resource.

Mixed-income and AIT

- I think units over 60% AMI rent even if they are restricted by the tax credit program should count for the mixed income threshold.
- I have seen 100% tax credit projects across the country.
- There's no difference on the ground; all of these units were restricted or affordable, just not all tax credit units.
- Using AIT – we've been able to add truly unrestricted units on top. If developers are committed to doing truly market rate units within a building it can work. QAP could say – market rate units need to be truly unrestricted. And there is a big difference doing this in Chittenden County vs outside of Chittenden County.
- Using AIT should receive points.
- Going up to 80% AMI is a good idea. Serve as many people as possible.
- I think you should change this to allow AIT units to count for mixed income threshold. More flexibility.

Broadband and high-speed internet

- There's so much money out there right now for Broadband. At a very minimum I think that if it's an extra point, I think there should be a baseline – interior room in the building where someone gets access. That means that a family can get connected to telehealth, job link, important resources. I would love that all projects should be required to pay for broadband in all units – but I know that increases the cost to developers and that cost has to come from somewhere. Thinking about equity, accessibility, affordability. Maybe the Threshold is – a connected location at some point within the building. And then a 9% Evaluation Criteria – every unit gets it free.
- We put campus-wide internet at every new property at a base level, for all of our new buildings, and then wiring for a unit to connect individually if they want a private connection or higher level of service and to pay for that. And then our asset management is looking at where we can add this to existing properties. At a lot of our properties though, electricity is still a tenant-paid utility; if we make broadband for every unit there should be a utility allowance for that and should be a broader conversation with VSHA etc.
- HOME is already requiring it so it's in a lot of our deals.
- Does it need to be available at the site, or the project is paying for internet for everyone?
- Free individual access in apartments will add to our operating budgets.
- Feels more like a reporting checklist.
- Wifi should be available in common space but not campus wide.
- HUD already requires this.
- Issues with property management.
- Is the goal to aid an expansion of broadband?
- I think it's important. It's an equity issue. And if we could build it into development cost and operations.
- Priority to incentivize but not require, and people can not hit it if they can't.
- Needed for people to have the same tools to be able to compete in the market.

Format

- The simpler the better. Separating it would make the QAP feel less daunting.

- I think breaking out LIHTC manual would help.
- A policies and procedures manual is a good idea.
- I think they would be useful separate. Less daunting of a document.
- Make it as clear as possible
- Simple!

Other

- GIS analysis. If you have these different criteria, and start tinkering with those criteria, you could analyze the distribute of possible checkmarks across the state, and then adjust the criteria to distribute opportunity across the state.