

Vermont 2024-2025 Qualified Allocation Plan Update

To: VHFA Board of Commissioners

From: Megan Roush, Director of Development
Joshua Slade, Development Underwriter
Seth Leonard, Managing Director of Community Development

Date: February 6, 2023

Re: Vermont 2024-2025 Qualified Allocation Plan (QAP) Update
**Revised 2/1/2023 from previous version. New changes are italicized and marked with an asterisk.*

Summary:

Staff received several suggested topics to research and consider from the Board of Commissioners and other interested parties prior to amending the 2024-2025 Qualified Allocation Plan (QAP). The topics reviewed and considered included:

- Centering racial equity and social justice outcomes
- Energy & climate change policy considerations for checkmarks
 - Considering all-electric buildings as another option to Net Zero or Passive House certified buildings
 - Creating electric vehicle-ready infrastructure
 - Leveraging alternative energy investments in housing
 - Looking at costs versus environmental benefits within the QAP
- Housing with Services for formerly homeless households
 - Clarifying the role of Continuum of Care in tenant placement
 - Reviewing and incorporating eviction prevention models into the QAP in greater detail
- Broadband/high-speed internet access in both common areas and units
- Coordinating housing with community-based and on-site amenities such as childcare facilities, fitness facilities, outdoor recreation areas such as playgrounds and nature trails/pathways
- Formalizing cost reviews and limitations
- Incentivize the development of housing that serves Vermonters with disabilities

Staff recommends holding off on these topics until the next QAP revision to minimize substantial changes to this important policy document so quickly on the heels of the previous comprehensive revision. Instead, the proposed changes for the upcoming QAP are mostly minor edits to improve clarity and readability with a few exceptions. The following is a summary of those changes:

Section 2:

Additional language to clarify the timing of the pre-application and application submissions as those submissions relate to annual deadlines set and published by VHFA staff.

Modification of language regarding the Letter of Intent and changes to project proposals after approval by the VHFA Board of Commissioners.

Modification of potential benchmark conditions found in tax credit documents to set expectations around housing with service agreements and capital needs assessments.

Section 3:

Additional language to alert developers of the potential requirement for de-concentration plans of proposed projects with over 30% of the units to be set aside for Housing with Services.

Additional language to include advancing racial equity on project teams, including both meeting the housing needs of all Vermonters and partnering with Black, Indigenous, and People of Color (BIPOC)-owned and -led organizations, professional teams, and service partners.

Additional language to require market studies to identify underserved and marginalized populations, as well as require Sponsors to explain how the project will be marketed to and serve those populations in the primary market area.

Reorganization of the market need section for flow and readability.

Section 4 Evaluation Criteria:

Relocation of the final paragraph under Evaluation Criteria to the beginning of the section to improve upon readability.

Separation of “Eviction Prevention” from “Project Tenancy and Services” (now “Project Tenancy”) without changes to criteria or overall checkmarks.

Addition of housing for workers (arts, farm workers, and forest product industries) as type of project that would qualify as meeting a market need and demand in an “Underserved Area”.

Reorganization and edits of “Community Development Experience and Unique Characteristics of a Sponsor” to include the addition of BIPOC-owned and -led development partners, service teams, and service providers, as well as edits to improve flow and readability. No changes were made to the underlying criteria intent or checkmarks.

Section 5:

Updated Manufactured Housing eligibility to require Energy Star and HUD standards.

Section 6:

Addition of language to include the ongoing need to monitor underserved populations in primary market areas and actively address marketing and other outreach to those populations.

**Updated language regarding requirements under the Violence Against Women Act of 2022.*

Definitions:

Site Remediation: Insertion of Vermont Statute definition of a brownfield as used by other housing partners.

**Violence Against Women Act (VAWA): Removed definition from QAP. The requirements for VAWA are found in the Compliance Manual for all owners and property managers. Since these requirements can change more frequently than the QAP updates, it made sense to put the definition and requirements into this more dynamic policy document.*

Appendix 1:

Update of members on Joint Committee on Tax Credits, VHFA Board of Commissioners and staff.

Appendix 2:

Update of related policies for Application Materials

Appendix 3:

Update of policies listed in Related Policies