2020 Housing Credit Applications
Application Workshop and Overview of QAP

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<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pre-Application Meeting with VHFA and Sponsor</td>
</tr>
<tr>
<td>2</td>
<td>Full Application</td>
</tr>
<tr>
<td>3</td>
<td>Board Approval &amp; Letter of Intent to Provide Credits</td>
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<td>4</td>
<td>Reservation Certificate or Binding Agreement to Allocate Credits</td>
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<tr>
<td>5</td>
<td>Carryover Allocation</td>
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<td>6</td>
<td>8609</td>
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Pre-Application Meeting with VHFA and Sponsor

1. Map with site location.

2. Starts discussions with appropriate staff about the availability and compatibility of soft funding sources for proposed development.

3. Review of thresholds and evaluation criteria.
Thresholds

1. Occupancy and Rent Restrictions
2. Limitation on Supportive Housing
3. Proven Market Need
4. Experience and Capacity
5. Previous Loss of Affordable Housing
6. Tax Credit Yield and Rate
7. Project Fees
8. Extended Use Period
9. Capital Needs Assessment
10. Mixed Income
11. Historic Settlement Pattern
12. Adaptable and Visitable Housing
13. Universal Design
14. Housing People Who Are Homeless
15. Appraisals
16. Green Building and Design Standards

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Full Application & Board Approval

1. Purchase or Sales (P&S) Agreement or other option or long-term land lease or deed

2. Plans and specifications for new construction or mixed new construction/rehab:
   - Elevation drawings or computer-generated image of buildings on the site and site plan

   Plans and specifications for rehabilitations:
   - Photographs of building, and site plan
3. Permits for new construction or mixed new construction/rehab:
   - Evidence of meeting with town zoning administrator;
   - Letter from municipality finding the proposal’s density conforms with current zoning.

Permits for rehabilitations with no change in housing density:
   - None

4. Market Study
Full Application & Board Approval Cont.

5. Other documentation Including:
   - documentation of growth center
   - designated downtown
   - serving special needs populations
   - eventual tenant ownership
   - documentation of serving Section 8 waiting list tenants.

6. Application program fee: TBD

7. Projects will be ranked based upon Evaluation Criteria
## Evaluation Criteria

1. **Site Location**  
   2-5 ✓

2. **Projects Tenancy/Type**  
   1-5 ✓

3. **Supportive Housing**  
   4 ✓

4. **Serving Extremely Low Income Households**  
   1-3 ✓

5. **Mixed Incomes**  
   2 ✓

6. **Access to Public Transportation**  
   2 ✓

7. **Projects that propose removal of Blight**  
   2 ✓

8. **Existing projects that are Federally Subsidized and At-Risk**  
   2 ✓

9. **Historic Rehabilitation Tax Credit**  
   1 ✓

10. **Constructed to and certified as meeting Passive House or Net Zero**  
    1 ✓

11. **Highly Ready-To-Proceed to construction**  
    1 ✓

12. **Intended for Eventual Tenant Ownership**  
    1 ✓

13. **Town that has market need and demand**  
    1 ✓

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Vermont Housing Finance Agency  
Affordable homes for a sustainable Vermont.
### Project Checkmark Outcomes 2019:

<table>
<thead>
<tr>
<th>Village Center</th>
<th>Downtown or Village Center</th>
<th>25% of TC Units Homeless</th>
<th>Hshlds at 30% AMGI</th>
<th>20% Units Unrestricted</th>
<th>Public Trans</th>
<th>Blighted</th>
<th>At-Risk Federally Subsidy</th>
<th>Historic Rehab</th>
<th>Tax Credit</th>
<th>Passive Hse or Net Zero</th>
<th>Highly Ready to Proceed</th>
<th>Eventual Tenant Ownershi p</th>
<th>Underserved Town</th>
<th>Total</th>
<th>Percent of All Possible</th>
<th>Housing Credit Amount</th>
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<tbody>
<tr>
<td>Juniper House South</td>
<td>2019</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>*</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>17</td>
<td>57%</td>
<td>$990,000</td>
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<tr>
<td>Lake Paran</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
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<td>2</td>
<td>2</td>
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<td>2</td>
<td>1</td>
<td>19</td>
<td>63%</td>
<td>$580,500</td>
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<tr>
<td>New Avenue (Depot Square)</td>
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<td>4</td>
<td>4</td>
<td>1</td>
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<td>2</td>
<td>2</td>
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<td>1</td>
<td>17</td>
<td>57%</td>
<td>$825,000</td>
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<td>Vergennes Cnty Hsg</td>
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<td>17</td>
<td>57%</td>
<td>$505,000</td>
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<tr>
<td>Maiden Lane</td>
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<td>4</td>
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<td>17</td>
<td>57%</td>
<td>$600,000</td>
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<tr>
<td>Wentworth II</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
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<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
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<td>19</td>
<td>63%</td>
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<td>Red Clover II</td>
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<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>**</td>
<td>**</td>
<td>**</td>
<td>16</td>
<td>53%</td>
<td>$385,000</td>
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</table>

*Note: 30 of the 70 units (Bond and Allocated phases combined) could serve 30% AMGI households if anticipated rental assistance is awarded.

**Note: Eventually flooding or the threat of flooding will cause loss of federally subsidized units at Melrose Place. Definition references 5-year window for loss of units.
Delayed Project Set Aside (p. 25)

Is a set-aside of ceiling credits for projects that had been awarded credits but had to return those credits due to factors beyond the control of development team. Factors include but are not limited to:

- permit appeals
- lawsuits
- Unforeseen physical impediments to construction commencement.
Reservation Certificate, Binding Agreement or Out of Cap

Must meet requirements of the Letter of Intent:

1. Plans & specifications in a form sufficient to generate reliable cost estimates

2. All local approvals required for construction have been issued and are past appeal period; Act 250 process has been started.

3. Conditional commitments from all sources $100,000 or greater

4. Program fees: Any increase in credits greater than 5%; $5,000, Any increase less than 5%; 10% of the increment
Carryover Allocation (2.6, P.9)

1. Deed or long-term land lease; Owner may be developer or affiliate or the taxpayer
2. Plans & specs in final construction form
3. All permits to build issued
4. All permanent sources in or committed. Except for equity, no sources can pay in other than permanent closing.
5. Cost Certification due no more than 1 year from carryover
6. 10% Cost Certification
1. Deed or long-term land lease; Owner must be the taxpayer, or lessee must be developer or affiliate or the taxpayer.

2. Final certificate(s) of occupancy issued.

3. Funding Commitments- All permanent sources in but equity holdback.

4. Final Cost Certification

5. Compliance monitoring fees throughout the extended period
Changes that were made to the 2020 QAP that may affect your project are:

- Income averaging
- Maximum credit award
- Limit on Supportive Housing units
- Hybrid project development fees
Looking ahead to 2022:

Staff’s goal is to have the next QAP approved by the Board of Commissioners by February 2021 to allow for ample planning time by the development community before the 2022 award round:

- Considering implementation of cost containment incentives
- Including with Readiness to Proceed a provision that no more than 10% of the total development sources are from limited public sources (not including equity generated from Housing Credits)
- Discussing “phasing” of projects in greater detail including looking deeper into Hybrid Developments
- Discussing yields as a scoring criteria with a greater understanding of internal rate of return, availability of equity and other factors that determine projected yields
- Reviewing the practice of using an existing portfolio to meet the supportive service and homelessness requirements
- Clarifying how VHFA will use required appraisals
FEEDBACK AND QUESTIONS?
Thanks for listening!

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