

To: Vermont Housing Finance Agency, Joint Committee on Tax Credits
From: Northeastern Vermont Development Association staff
RE: Qualified Allocation Plan
Date: July 8, 2015

Thank you for the opportunity to provide comments on the Qualified Allocation Plan.

As a means to help reverse the trend of poverty concentration in the historic downtowns of the Northeast Kingdom we recommend that the **QAP prioritize mixed-income developments in areas that already have a high level of poverty**. In this way, the tax credits can better serve to re-invigorate the economies of these centers that have aging housing infrastructure and high poverty, and can facilitate economically-integrated communities.

We recommend that mixed income housing be moved to a first-tier priority, and that the mix of income-restricted to un-restricted (market rate) use the ratios that are the minimum required to qualify for the federal LIHTC: 20% of the units in the project restricted to occupancy by individuals whose income is 50% or less of the area median gross income; or 40% of the units restricted to occupancy by individuals whose income is 60% or less of the area median gross income. The remaining 80% or 60%, respectively, would be unrestricted. It's important to note that since market rents in the traditional centers in the Northeast Kingdom are about the same as the HUD allowed rents, these units will still tend to serve moderate income individuals.

Leveraging investment in these communities through the use of valuable tax credits would bring market-rate development to areas that are not particularly attractive to for-profit developers, and could work to lower the poverty rate and end the cycle of poverty.

In support of this recommendation, we'd like to point to a study conducted by the U.S. Department of Housing and Urban Development, called Moving to Opportunity (MTO). This was an experiment to determine whether providing low-income families assistance in moving to better neighborhoods could improve their economic and health outcomes. An experimental voucher group was offered a subsidized housing voucher that came with a requirement to move to a census tract with a **poverty rate below 10%**.

A May 2015 paper prepared by the National Bureau of Economic Research in Cambridge, MA examined the results of the MTO experiment:

“More broadly, our findings suggest that efforts to integrate disadvantaged families into mixed-income communities are likely to reduce the persistence of poverty across generations.”

Moving low income families to towns with high opportunity, using the metrics of higher median incomes and higher-performing schools, is currently impractical in the Northeast Kingdom. Although all towns are required to allow accessory apartments wherever single-family residences are permitted, there is no mandate to have them, and so there is a virtually non-existent stock of apartments in communities with low poverty levels. There is also little existing infrastructure to support higher-density affordable housing developments. These communities

also tend to be auto-dependent, so it is more difficult and expensive to commute to a job and find childcare.

Rather than moving families out of low income areas, it is suggested that the opportunity be moved to them. Our two regional urban centers are currently ill equipped to provide workforce housing and unrestricted housing that's in turnkey condition, and if this is not addressed we will continue to see disinvestment from the private sector in these areas. Our regional analysis has shown that while there has been growth in residential construction in our region, the skilled workforce is, for the most part, choosing to live outside of established centers.

We recommend the tax credit program be used to finance the construction of high-quality affordable housing that is part of mixed income developments, in order to create truly economically-integrated communities.

Vermont Housing Finance Agency
Attention: Joe Erdelyi
P.O. Box 408
Burlington, VT 05402

July 28, 2015

Dear Joe:

On behalf of the Vermont Coalition of Runaway & Homeless Youth Programs, (VCRHYP) I am writing to express strong support for the proposed changes to Vermont's Qualified Allocation Plan to support affordable housing by providing tax credits for projects that agree to set aside 25% of units to provide supportive housing the homeless. This approach speaks to community inclusion, integration, and equitable access to public housing resources for some of the most vulnerable among us. These changes would benefit homeless youth, demonstrate tangible support for the work of the Vermont Interagency Council on Homelessness, and promote policies advocated by the Governor's Poverty Council. This change has been deferred for too long and our Coalition believes now is the time for adopting the proposed changes.

Respectfully,



Calvin Smith, VCRHYP Director



*Healthy Homes
Caring Communities
Positive Aging*

To: Joint Committee on Tax Credits

From: Cindy Reid, Cathedral Square Director of Development

Date: July 7, 2015

Thank you for the opportunity to review and comment on the proposed changes to the Qualified Allocation Plan (QAP). Our comments are outlined below.

Special Needs Housing

We strongly disagree with the proposal to strike Special Needs Housing from the definition section and from the top tier evaluation criteria. While we agree the definition should be clarified, complete removal has drastic consequences to providing housing for "at risk" persons.

The Special Needs definition and top tier priority has been an important element of the QAP for many years, particularly the AHS and DAIL priority 'combinations of housing with services.' Eliminating this priority from the QAP disconnects the QAP from the 2015-2010 Consolidated Plan (Con plan), and the 2015 Housing Needs Assessment (HNA), and other State policies.

Recommendation:

We recommend that 1) Special Needs Housing remain in the definition section; 2) Special Needs Housing remain a top tier criterion by itself; and 3) a small working group be created to update and clarify the definition of Special Needs Housing and that representatives from AHS and DAIL be members of that working group.

Explanation:

Both Con Plan and the HNA articulate the populations that make up "special needs populations" and their unique housing challenges. The HNA notes "excluding the homeless population, the largest number of special needs persons is among elderly, those with disabilities, persons with substance abuse, and adults with severe mental illness... housing alternatives that meet specific needs of the special needs populations are limited." Specifically, the HNA identifies the current homeless population at 1,556, and the Special Needs populations at 307,990. We wholeheartedly agree that Supportive Housing serving homeless persons should be a top tier criterion; we also recommend that Special Needs Housing continue as a top tier criterion, which would align the QAP with the Con Plan and need identified in the HNA. The HNA is updated every five years to look at the housing needs of our communities in light of changing demographics. Special needs populations continue to need appropriate, affordable housing with services that support successful tenancy, and should continue to not only be addressed in the QAP but remain as a top tier criterion in order to incentivize housing projects to continue to serve the needs of these populations.

The staff memo states that Special Needs Housing was included in the QAP to encourage assisted living (AL), but that because AL development is on the decline in the affordable market special needs is being deleted.



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AL is on the decline in the affordable market because it is very costly to develop and to operate, particularly given inadequate reimbursement rates for services. The trend both nationally and in Vermont over the past 5-10 years has been to develop residential alternatives to support aging in place. Support And Services At Home (SASH) is a more cost-effective model than a typical AL model. SASH is designed to slow functional decline and prevent movement to higher level, more expensive facilities. While Vermont continues to need AL units for our most frail and highest need seniors, we also need to support the development of service-intensive housing to delay and/or avoid the need for licensed residential care. Both AL and SASH are effective models to address the need for Special Needs Housing.

Senior Housing and Ceiling Credits

On page 19 of the draft QAP, section #16 on Senior Housing and Ceiling Credits refers to the 2010 HNA and to a much higher need for family housing. This is based on an outdated assessment and should reference the new 2015 HNA and its current assessment of demographics and housing needs. The 2015 HNA identifies the housing gap for rental units as 3,136 senior units and 2,818 family units. According to the 2015 HNA, the Housing Gap relative to the Housing Need estimates “are considered a more conservative representation of the housing shortage in the state and indicative of the more immediate housing requirements of the state.”

The need for more senior housing with services is articulated in both the Con Plan and the HNA and the QAP should align with these documents. The first goal of the Con Plan is to “increase the supply and quality of affordable housing.” The strategies outlined to achieve this goal include housing lower income seniors, and persons with disabilities:

- Produce affordable senior rental units in regions where a market analysis identifies a shortage of elderly housing affordable to lower income seniors
- Provide service enriched housing that allows seniors the opportunity to age in place
- Provide service enriched housing serving persons with disabilities

Similarly, the first two recommendations of the HNA state:

- Support development of rental housing
- Support development of senior housing and efforts to enable seniors to age in place

Recommendation:

We recommend deleting the first paragraph, beginning with “The HNA... and ending with Consolidated Plan” and deleting “However” from the first sentence of the second paragraph.

Threshold Criteria:

The proposed change to “two top tier plus two top-or-lower” threshold criteria will better align with State Con Plan priorities if Special Needs Housing continues to be included in the top tier criteria. The top tier criteria as proposed make it virtually impossible for senior housing projects to compete for 9% credits, effectively shutting the door on senior housing. This is in direct contrast to the HNA and Con Plan’s determination that senior housing is a significant need in our communities. Our communities need all kinds of housing, and well-planned senior housing projects that meet stated State goals should have the opportunity to access resources.

SASH Definition

We appreciate having the definition for SASH included in the QAP. We recommend the following alterations:

We recommend that the following sentence: “SASH communities include a care coordinator and wellness nurse who work in partnership with a team of community providers to assist SASH participants” be replaced with:

“SASH panels (approximately 100 participants) include a full-time care coordinator and a part-time wellness nurse who, through a formalized partnership with a team of community providers, meet monthly to assist SASH participants.”

This proposed change clarifies the intensity of the services provided by the SASH model as well as by the depth of the care team.

We caution against the last paragraph of the proposed definition which invites ambiguity in the level of services necessary to be considered SASH. Thanks to enormous public investment and commitment over the past six years SASH has developed a statewide infrastructure and is a nationally recognized model (several other states are currently working to replicate it). SASH includes rigorous staff training including compliance with HIPAA (Health Insurance Portability and Accountability Act), is connected to Medical Homes, is part of Vermont’s Blueprint for Health, and SASH participant health data is deposited into a statewide clinical registry. The federal funding connecting SASH to affordable housing requires a standard of quality; the program is audited and independently evaluated for effectiveness. SASH is a distinct program with proven, independently evaluated positive health outcomes and proven Medicare savings. We suggest that the SASH definition in the QAP recognize that these characteristics of quality control and infrastructure are inherent in, and necessary for SASH only.

Further, we suggest that AHS, not VHFA, be the determinant of any service plan review given that AHS and DAHL have the expertise and authority of reviewing quality standards for services, and auditing and reporting requirements for federal and state funding.

Last, we recommend that the SASH definition be included in the Special Needs Housing definition (to be further developed by the working group recommended above). Any application for 9% credits should be reviewed by AHS to determine whether that project would meet the Special Needs Housing definition through its design, service program, and resident selection plan.

Allocations

130% Basis Boost:

We support staff’s recommendation clarifying that projects incorporating SASH continue to qualify for the 130% basis boost, in light of the proposed change to the Supportive Housing definition. We also recommend further broadening the availability of the basis boost to other projects. Given the scarcity of resources and the high cost to develop quality affordable housing, it is critical that well designed housing have access to as many tools as possible to achieve financial feasibility, including the basis boost.

25% Target for Senior Housing:

We concur with staff’s interpretation that the 25% target was initially proposed as just that, a target, rather than a set-aside. If Special Needs Housing remains a top tier criterion, then service-intensive senior housing is afforded the opportunity to compete with family housing proposals for 9% credits. The 25% target language limits the resources senior projects can apply for, leaving ample opportunity for other well-designed projects meeting other community housing needs.

We hope that this target will be reviewed on an ongoing basis to keep pace with the changing needs of our communities.

Again, thank you for the opportunity to submit these comments. We appreciate your consideration.

From: Kim Fitzgerald [mailto:Fitzgerald@cathedralsquare.org]

Sent: Friday, July 17, 2015 1:10 PM

To: Sarah Carpenter

Subject: FW: Scoring Comparison.xlsx

Hi Sarah

As I mentioned at the Housing Council meeting, we ran the new criteria scoring to see if Elderly housing would still be competitive for 9% credits and as you'll see on the attached spreadsheet it is not. 89% of the projects in the past 4 years met more than 2 top criteria. Again we'll be able to meet the minimum but will not be competitive in total scoring. You mentioned that you might be okay with adding SASH Supportive Senior Housing as a lower tier but even that would not give us enough points to be competitive unless we added another lower tier criteria that we could get. We would ask that the SASH Supportive Senior Housing be added as a top tier knowing that at most it would be competing for 25% of the overall credits.

Please let me know your thoughts.

Thanks,

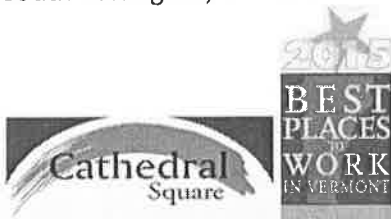
Kim Fitzgerald, PHR

Acting CEO

Cathedral Square

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9% Tax Credit Projects Ranked according to Proposed 2015 QAP Criteria														18			Total #	
Top Tier						Lower Tier								% Rank	Without RA	Was Special Needs	Criteria Met	
Rehab or <3.5% vacancy	Family Housing 2 BR+	Designated Downtown or Village Center	Removal of Blight	25% homeless		Mixed Income	Unique Design	Universal Design	Affordable to <30%	Serves Public Housing Waitlist	Eventual Tenant Ownership	dense Infill site	public transportation					
2015																		
95 North	2		2		2					1				1	44%		2	5
Bright St	2	2	2	1										1	44%			5
Gevry	2	2	1	2				1						1	44%			5
Hickory Phase 3	2	2	2							1				1	44%			5
Bridge & Main	2		2			1		1						1	39%			5
Hartford Scatt	2	2	2											1	39%			4
Battenkill North	2	1	2											1	33%			4
Milton	2		2					1				1		1	39%		1	4
Hawks Nest So	2		2									1		1	28%			3
2014																		
Red Clover	2		2	2				1	1	1				1	56%	50%		7
Summer Street	2	1	2	2				1	1					1	56%			7
Putney & Brattle	2	1	2					1						1	39%		2	5
2013																		
Ladd Hall	2	2	2					1						1	44%			5
Watkins School	1	1		2				1	1					1	33%	33%		5
Hinesburg Vill	2	2	2					1	1					1	44%			5
No Pleasant	2	2	2					1	1					1	50%			6
2012																		
Harrington Fam	2	2	2			1		1						1	50%			6
Bobbin Mill	2	2	2						1	1				1	50%			6
Black River Overl	2	2		1				1	1					1	39%			5
Forest Park II	2	2	2			1		1	1	1				1	61%			8
Arthurs	2		2	2		1		1						1	50%			6
West River AL II	2		2			1		1						1	39%		2	5
Wright House	2		2					1	1					1	39%	33%	2	5
Erastus Thayer	2	2	1	1				1	1					1	50%			7


128

5.333333 Average # met

Conclusions:
Milton Senior would not have gotten the minimum criteria needed yet it meets many Con Plan criteria
The family housing criterion puts senior projects at a disadvantage
These 2 top/2 lower criteria will not allow senior projects to compete
17 of 19 projects funded in this period met more than 2 top tier criteria (89%)
14 of 19 projects funded met the family housing (2 BR +) criteria (74%)
Average # of criteria met by each project = 5.3
Bold faced were funded
Red are senior projects



*Healthy Homes
Caring Communities
Positive Aging*

To: Joint Committee on Tax Credits
From: Kim Fitzgerald, Acting CEO 
Cindy Reid, Director of Development

Date: July 28, 2015

Thank you for the opportunity to comment on the proposed changes to the 2016 Qualified Allocation Plan (QAP). Our comments are outlined below.

Threshold Criteria:

In light of the proposal to remove Special Needs Housing from the QAP, service-enriched senior housing proposals are at a competitive disadvantage for funding. Using the proposed criteria, senior housing would rarely meet more than the minimum of two top tier criteria. In a review of projects funded over the past four years, 17 of 19 (89%) would meet three of the proposed top tier criteria.

This is in direct contrast to the 2015 Housing Needs Assessment (HNA) and 2015-2020 Consolidated Plan (Con Plan) determination that senior housing is a significant need in our communities. Our communities need all kinds of housing, and well-planned senior housing projects that meet stated State goals should have the opportunity to access resources.

We recommend adding an additional Top Tier Criterion, SASH Supported Senior Housing, so that quality senior housing projects can compete for credits fairly. Incenting SASH Supported senior housing in the QAP will align the QAP with the Con plan, the HNA, and other State policies (DAIL, etc.). This Top Tier criterion would work in concert with the 25% target for senior housing, to ensure that the relative distribution of resources to family and senior housing is appropriate.

Proposed projects' services plans should be reviewed and approved by AHS to determine whether they meet the SASH definition and are therefore eligible to receive the top tier criterion.

Additional comments:

As stated in our memo dated July 7, 2015 we reiterate the following comments:

- Senior Housing and Ceiling Credits Section #16 should be updated to reference the new 2015 HNA and its current assessment of demographics and housing needs. We recommend deleting the first paragraph, beginning with "The HNA... and ending with Consolidated Plan" and deleting "However" from the first sentence of the second paragraph.
- SASH Definition We recommend several amendments to the proposed SASH definition.
- AHS Service Plan Review We suggest that AHS be the determinant of any service plan review given that AHS and DAIL have the expertise and authority of reviewing quality standards for services, and auditing and reporting requirements for federal and state funding. Any senior housing application for 9% credits should be reviewed by AHS to determine whether that project would meet the SASH Supported Senior Housing definition through its design, service program, and resident selection plan.

Thank you for the opportunity to submit these comments on the proposed 2016 QAP. We appreciate your consideration and look forward to the discussion at the August 19th JCTC meeting.



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To: Joint Committee on Tax Credits
From: Nancy Owens, President
Date: July 30, 2015
RE: Proposed QAP changes

Thank you for the opportunity to present the following comments on the proposed changes to the 2015 Qualified Allocation Plan.

1. The draft QAP proposes to revise the basis for determining which Ceiling Credit projects qualify for the 30% basis boost. As originally established in the Code, the basis boost created additional equity in projects which were in areas with high construction, utility, and land costs relative to Area Median Income (Difficult Development Area), or census tracts in which more than half of the households had incomes more than 60% of AMI or poverty rates of 25% or more (Qualified Census Tracts). The basis boost allowed projects with higher costs to generate more equity, making the projects more feasible. As the Code was revised, states were allowed to create their own criteria for granting the basis boost. Vermont no longer recognizes the QCTs and DDAs as bases for granting the 30% boost to Ceiling Credit projects.

The draft QAP proposes to award the basis boost to projects (or developers) which promise to serve 10% of the units for the homeless population *or* for senior properties with a SASH program.

As financing resources for LIHTC projects become scarcer, the Committee should consider utilizing the basis boost as it was formerly used: to increase the amount of equity available for all projects that evidence a funding gap while employing other measures to promote state policy. Therefore, we propose that all projects which qualify for an allocation of Ceiling Credits be eligible for a basis boost. Supportive Housing and SASH projects would be eligible, but so would projects that remake neighborhoods, redevelop Brownfields and razed structures, or bring affordable housing to very underserved areas.

2. We concur with the Committee and the staff with the intention to target up to 25% of the annual 9% credit allocation for senior housing, though we'd like to see the language describing the process by which VHFA evaluates projects clarified. Below is the VHFA proposed language followed by our suggested replacement.

“VHFA will evaluate all applications for ceiling credits together and will report on the extent to which all applications meet the evaluation criteria. General occupancy and senior occupancy projects will not be separately evaluated. Those projects that meet the most evaluation criteria in the QAP will in general be recommended for credits, except to the extent that there are multiple such applications for senior occupancy that cumulatively have applied for more than 25% of the ceiling credits. In that instance staff will generally recommend senior occupancy projects that collectively utilize up to +/- 25% of the credit ceiling, and will recommend the balance of the credit ceiling for general occupancy projects.”

Here is the suggested replacement:

Commencing with the 2015 allocation round, VHFA will evaluate all applications for Ceiling Credits together and will report on the extent to which all applications meet the evaluation criteria. General occupancy and senior occupancy projects will not be separately evaluated or ranked. Those projects that meet the most evaluation criteria in the QAP will, in general, be recommended for Ceiling Credits, except that staff will recommend senior occupancy projects up to a maximum collective allocation of no more than 25 percent of the Ceiling Credit available.

- a. Additionally, if the language following the asterisk on page 19 is to remain, we request a change to the following sentence: **“The intent is to allow around 25% of allocated ceiling credits to be awarded to senior developments.”**

The suggested replacement is:

The intent is to allow up to 25% of allocated ceiling credits to be awarded to senior developments.

3. We support the change on page 24 to make “two top tier criteria plus two top or lower criteria” the threshold. The new top tier criteria for projects which target 25% of their units to the homeless population is a very challenging target to meet because of the lack of operating and rental subsidies.
4. Regarding the definition of Special Needs Housing and SASH, we recommend that VHFA retain a definition for Special Needs Housing within the QAP which includes, but is broader, than SASH. Additionally, there is value in continuing to have AHS participate in the evaluation of service programs presented by project applicants.
5. HV continues to believe that development of family housing is a priority for most communities in Vermont. While four of the proposed criteria can be accomplished by senior or family developers, it remains important for family housing (defined as housing with a majority of units having two bedrooms or more) to remain in the top tier. This criteria enables family projects outside of the downtown area to be developed. We often see housing for families located out of the core downtowns so that it can accommodate larger units, parking, play areas and other amenities needed by families. Additionally, in some communities such as Burlington or South Burlington, the designated downtown is a commercial center with little opportunity for residential development. A rural family housing example is Safford Commons in Woodstock which is adjacent to the middle and high school campus, but located 1 mile from the designated village.
6. HV agrees that all property managers should *accept* the common tenant rental application, but that is different from requiring that all managers *use* the common application. We understand that some nonprofits utilize applications that cover more than just rental housing or may ask supplemental questions that do not appear on the common application. Therefore, we would ask that you make the following change to the statement that appears on page 32 of the draft QAP.

“Owners and managers are required to ~~use~~ accept the Common Tenant Rental Application and provide project and vacancy information and participate in VHFA’s Directory of Affordable Housing (DOARH).”



JOHN GRAHAM SHELTER

69 Main Street, Vergennes, VT 05491

July 25, 2015

Dear Friends,

I am writing in strong support of adding the first tier ranking criteria that gives housing proposals a competitive advantage if they agree to set aside 25% of funded units to provide supportive housing for the homeless. Here is a true story that might help illustrate why.

A few years ago I was trying to help Mary, a homeless woman with a small child, to find housing in the Burlington area where she had grown up. She had struggled to leave a violent abusive spouse, overcome past addictions, been awarded a housing voucher, and saved the down payment from her paycheck at Shaw's, all while staying at the Shelter. She was vulnerable but had the firm hope of building a new life for herself and her daughter. But with the low vacancy rate in Chittenden County -- the task proved impossible, at least in a timeframe that would work for Mary and her daughter.

About the same time I got a call from my niece Sarah who had just completed her Masters in Public Health at UMass. She was inviting me to stop and see her new apartment. You can imagine how shocked I was to learn she had just moved into a beautiful new affordable unit near the Burlington waterfront owned by the Champlain Housing Trust!

Yes, it is true that my niece met the income criterion. She was an excellent tenant, paid on time, had great references and credit and was quiet and neat. She posed none of the risks that Mary did. Yes, my niece needed and deserved a place. But so did Mary and her little daughter. Somebody needed to give them a chance. Mary was at a crossroad. It would have made all the difference in the world for her to have a decent, uplifted apartment that was safe, and that she could afford. The home would have been just catalyst the catalyst needed for her to take her life in a new direction. Instead Sarah was in; Mary was out.

Vermont's exceptional network of affordable housing -- funded by VHCB, VHFA, CDBG, and tax credits, and supported by state and federal voucher programs through the VSHA -- is the envy of nearly every other state. But there is a cruel disconnect when we

consider the many beautiful units coming on line each year and the burgeoning number of homeless families with children growing up in abject poverty. Beyond the suffering, there is a pressing public policy issue in play as well: Vermont's emergency housing budget is not sustainable. And if research on the long-term negative impacts of homelessness on children's health and development are true, the cost of motels is a drop in the bucket compared to the bills that will come due as this this new generation of homeless children enter school, foster care, and the health care and judicial systems.

It is no longer enough to fight for annual housing appropriations for VHCB in the legislature. Vermont needs policies that target these publically funded units to those who need them most. The gap between poor people's incomes and the cost of housing has continued to widen. At the same time poor families often struggle with other obstacles such as physical and mental disabilities, addictions, poor credit histories and the stigma these circumstances can bring. There can be big differences between people who technically meet income criterion and those who face the myriad obstacles that come with homelessness. It is time for Vermont to give the homeless a leg-up when it comes to filling publically funded units. This preference for service supported housing for the homeless does exactly that.

Whatever happened to Sarah and Mary? Sarah took a research position funded by the Gates Foundation at Harvard University. She lives in Cambridge and travels around the world giving papers and trying to stop the spread of communicable disease. And Mary? She couch surfed for a while when she couldn't find an apartment. But it was tough with the little girl so she went back to her husband again. Things aren't working out so well for them but understandably she is nervous about trying to leave again.

I hope to be able to speak with you about this preference in person. Please let me know if there is an opportunity to do so.

Sincerely,

Elizabeth Ready
John Graham Shelter

From: [Kelliher, Stephen](#)
To: [Joe Erdelyi](#); [Josh Slade](#)
Cc: [Chaney, Angus \(Angus.Chaney@state.vt.us\)](#)
Subject: QAP
Date: Wednesday, July 29, 2015 5:03:49 PM

Hello Joe & Josh,

I am not sure if we have crossed paths at any point, but one of my roles is managing the VA based programs that serve homeless Veterans through the White River Junction VA.

I understand that you are accepting comments re: the proposed changes for the QAP. One of the greatest challenges in helping homeless Veterans move from homelessness into secure, stable housing is the paucity of quality affordable housing stock throughout Vermont where Housing & Urban Development / Veterans Affairs Supportive Housing (HUD/VASH) vouchers for homeless Veterans can be utilized. There are similar challenges for Veterans who have returned to work after residing in transitional housing who have a desire to move on to independent housing.

Quality affordable housing options for these Veterans are far too limited. Increasing the availability of quality affordable housing stock for permanent supportive housing for the homeless is an imperative component for resolving Veteran homelessness in the state of Vermont.

Thank you,

Steve

Stephen Kelliher, Psy.D.
Psychologist/Director of Recovery Services
VAMC (116A)
215 N. Main Street
White River Junction, VT 05009-0001

(802) 295-9363 X6932



July 27, 2015

TO: Joint Committee on Tax Credits
RE: Qualified Allocation Plan Proposed Changes
FROM: Kelly Stoddard Poor, Associate State Director

Thank you for the work that has gone into the Qualified Allocation Plan (QAP) for Vermont's Housing Tax Credit Program. The program presents important preferences and priorities for awarding credits with the ultimate goal to address the housing shortage and affordability crisis facing many low-income Vermonters. AARP Vermont recommends the following changes to the proposed changes to the 2016 QAP:

Threshold Criteria:

The 2015 Housing Needs Assessment (HNA) and the 2015-2020 Consolidated Plan (Con Plan) highlight the importance of senior housing and have determined that senior housing is a significant need for communities across the state. If affordable senior housing is not available, quality of life and health will seriously suffer due to the lack of access to services and lack of money for other essential needs. The needs of our senior population will only continue to increase if we do not proactively address them now. The proposed criteria in the QAP removed Specials Needs Housing, which we believe will place service-enriched senior housing proposals at a serious disadvantage for funding since they would rarely meet more than the minimum of two top tier criteria. The work of the JCTC is to balance the needs of Vermonters across the state while aligning the criteria of the QAP to support State goals and policies -- which is a very challenging order and we greatly appreciate the work that has gone into the QAP. To further improve senior housing needs and better align the QAP with the State's goals and policies on senior housing AARP Vermont strongly recommends including, SASH (Support and Services at Home) Supported Senior Housing, to the Top Tier Criterion of the QAP.

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

July 6, 2015

Joint Committee on Tax Credits
c/o Joe Erdelyi, Director of Development
Vermont Housing Finance Agency
PO Box 408
Burlington, Vermont 05401-0408

Dear Mr. Erdelyi,

On behalf of the American Lung Association in Vermont, I strongly recommend that the Vermont Joint Committee on Tax Credits (JCTC) amend the Qualified Allocation Plan (QAP) by adding 100% smokefree building policy to the 2015 evaluation criteria. Given the known negative health impacts of secondhand smoke exposure, we encourage the committee to assign it as a Top Tier Priority. Including 100% smokefree building policy in the QAP would be a win for the affordable housing developer, management staff, and tenants, especially children and the elderly.

The U.S. Department of Housing and Urban Development (HUD) has begun the rulemaking process in response to Secretary Castro's intent to mandate smokefree requirements within conventional, low-income public housing. The rule is currently under review by the U.S. Office of Management and Budget. HUD anticipates that the proposed rule will be published in late summer 2015 and a 60-day public comment period will follow. Vermont can take a lead on ensuring that *all* affordable housing is healthy and smokefree by adding 100% smokefree building policy in the QAP now.

Public Health Benefit:

According to the U.S. Surgeon General, there is *no risk-free* level of secondhand smoke exposure¹. The American Society of Heating, Refrigerating and Air-Conditioning Engineers stated that no ventilation can completely eliminate toxins from secondhand smoke; it seeps into adjoining units through shared walls, ductwork and ventilation systems².

JCTC members have expressed concern in the past that including 100% smokefree policy in the QAP would disparately impact those tenants seeking mental health services. In fact, it's smoking that causes the great disparity. The Substance Abuse and Mental Health Services Administration (SAMHSA) reported this year that 36 % of adults experiencing mental health or substance abuse disorders are current smokers, compared to 21% the general population. The negative effects of smoking on this population are staggering. For example, people with schizophrenia face double the risk of death from cardiovascular disease and triple the risk of respiratory disease and lung cancer.³

Vermont mental health centers that receive funding from the Department of Health's Alcohol and Drug Abuse Program are now tobacco-free campuses. According to the Department of Mental Health, "[F]acilities that promote treatment, health, and wellness would be doing clients a disservice by

¹ The Health Consequences of Secondhand Smoke: A Report of the Surgeon General, June 2006.

² The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), June 2005.

³ [A Hidden Epidemic: Tobacco Use and Mental Illness](#), Legacy, June 2011.

not addressing one of the greatest health challenges they face – tobacco. The health department is working closely with center staff to make tobacco treatment and nicotine replacement therapy available to staff and clients ready to quit smoking.

A 2013 study showed that when there is a 100% smoking ban in the home, smokers are more likely to reduce tobacco consumption and attempt to quit than when they are allowed to smoke in the house. Fortunately, Vermont offers free tobacco treatment and nicotine replacement therapy (NRT) for smokers through 802Quits (1-800-QUIT-NOW). In addition, Vermont Medicaid has a comprehensive medication benefit, covering NRT and tobacco cessation prescription drugs in addition to covering in-person provider counseling.

Public Safety Benefit:

Despite the fact that fire-safe cigarettes are required in most states including Vermont, they aren't fire proof. According to the Vermont Department of Fire Safety, the number one cause of civilian fire deaths in 2014 was due to smoking materials, killing four people. Nine Vermonters have died due to fires caused by smoking materials in the last five years.

Economic Benefit:

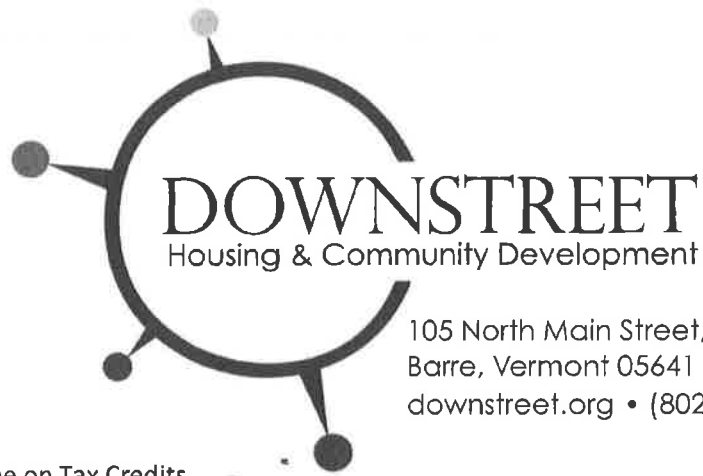
Many property insurance carriers provide discounts for fire-safe plans, including smokefree housing policy. According to a 2009 survey of New England housing authorities and subsidized housing, the cost to turn over an apartment of a non-smoker was \$560 compared \$3,515.00 for the apartment of a heavy smoker. And finally, smoking costs all of us. Vermont spends \$348 million each year, \$72 million of which are direct Medicaid expenditures, due to tobacco use.

The JCTC has a tremendous opportunity in Vermont to create healthy, safe and clean homes for those seeking affordable housing and to implement a cost-effective policy for owners/developers wishing to reduce maintenance costs and possibly property insurance. If you have questions, please contact me at (802) 876-6862 or rryan@lungne.org. Thank you for your careful consideration of this recommendation.

Sincerely,



Sr. Director, Health Education and Public Policy, Vermont
American Lung Association of the Northeast



105 North Main Street, Suite 209
Barre, Vermont 05641
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To: Joint Committee on Tax Credits

From: Eileen Peltier, Executive Director

Liz Genge, Director of Property Management

Date: July 8, 2015

Thank you for the opportunity to review and comment on the proposed Qualified Allocation Plan (QAP). Our comments are listed below.

At Risk of Homelessness

Under definition, At Risk of Homelessness (pg. 1): The annual income max is 30% AMI. The Balance of State CoC Program has adopted the 50% AMI threshold – 50% is also in line with LIHTC and HOME occupancy. Ideally, the QAP would be in line with these programs.

Recommendation

Change the annual income max to 50% AMI.

Common Tenant Application

Under definition, Common Tenant Application It is a great tool to have one application that customers can use. However most management agencies have specific releases and priorities that result in **the applicant** being "put on hold" until the management agency can mail them another application to satisfy their requirements. (i.e. HUD releases, criminal releases, student questionnaire, local priorities. It is an important goal to have the one stop coordinated entry for applying for housing, but there is a backlash for the applicant in our experience. We as managers aren't complaining that it doesn't work but we need to put some real time & energy in to ensuring it is meeting the true purpose.

Recommendation

Until we can roll out a true inclusive common application & a household can actually do the one-stop shopping, we suggest the common application "must be accepted" by the management company, but not required as the only application.

Thank you for your consideration.

From: [Josie Curtin](#)
To: [Josh Slade](#); [Joe Erdelyi](#)
Subject: QAP Comment
Date: Friday, July 31, 2015 12:14:19 PM

The Vermont Housing Managers Association would like to comment on the 2016 Qualified Application Plan. More specifically the following section:

Housing Credit developments are very management intensive and require a thorough understanding of the Section 42 regulations. The owner and/or management agent is required to attend compliance training or document that they have received training prior to lease up. Management agents are also required to demonstrate that they have received some Fair Housing training. Owners and managers are required to use the Common Tenant Rental Application.

VHMA agrees that one common application may ease the application process for customers seeking affordable housing, and as such has accepted this application since its creation. However, the condition that Owners and Manager are required to use the common rental application is burdensome as most companies will then start using their application for previously awarded credits and the common application for the new properties. We recommend that the wording be changed to: Owners and managers are required to **accept** the Common Tenant Rental Application.

Josie Curtin
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CHAMPLAIN HOUSING TRUST



To: Joint Committee on Tax Credits
Date: July 31, 2015
From: Brenda Torpy, Champlain Housing Trust
Re: Proposed changes to Qualified Allocation Plan

Thank you for the opportunity to comment.

1. Regarding the proposed revision of criteria qualifying for the basis boost

We feel strongly that this boost should be used to close the gap for Ceiling projects that have a funding gap due to higher land and construction costs, as originally intended to make projects in Difficult Development Areas and Qualified Census Tracts Feasible. These projects, while meeting the greatest need and often aligning with other QAP goals of being in downtowns and removing blight etc. would often not be feasible without the boost. Addressing the funding gap is more important than ever as all programs used by LIHTC applicants are more competitive due to decreased funding. Projects serving the homeless or other frail populations will remain eligible for the boost along with family projects and others meeting revitalization goals.

2. Senior Housing

We believe that family housing should remain a priority for the LIHTC as it is the greatest demonstrated need for affordable housing statewide. However including up to 25 percent of the allocation to be awarded to senior housing makes a lot of sense give the state's demographics. This would best be worded as 'up to' 25% to be clear that it is not a set-aside. Given the great need for affordable housing throughout the state it is really valuable to allow the reviewers to fund the best projects that meet all criteria at each round and not carve up the pool in advance.

3. Housing with services

Housing with well-defined and funded services attached should compete equally for the credit and the points attributed to services. Homelessness prevention should be an equal component of our overall homelessness strategy, and that means providing permanent housing for the chronically mentally ill, disabled, elderly or other frail adults who may be served in non-family serviced housing as well as those serving families. SASH not only supports seniors but also non-elderly disabled people and it is a very effective model that both supports the operations of many properties even as it reduces costs to our healthcare system. And, importantly for the housing sector, SASH leverages healthcare dollars for the



services at SASH properties. A more general definition of housing with services in the QAP allows us to match your housing investments with the best local partnerships and models that will prevent and reduce homelessness.

Additionally and on a related note, we'd like to request consideration of one aspect of LIHTIC Projects' oversight that is not a QAP issue. In response to a request from VHFA at a past Housing Managers conference all groups represented agreed to use the common application form and to make it available to our applicants. Recently we have been asked to use it for all applicants. For applicants not seeking apartments from multiple agencies this is just a burden and it adds no value. Please consider going back to the original intention. This will save paperwork and bureaucracy and allow us to serve people better.