



Proposed QAP Modifications for 2025

2025 QAP Update	
Remove	
Item	Reason for Removal
Developer Experience	Removing barriers to entry and increasing access to opportunity
LHA Pool	If PBV points are removed from competitive pools (SEE PROPOSAL IN 'UPDATE' TAB) then LHA pool is no longer at a competitive advantage and should compete in geographic pools
Child Care Incentive	Under-utilized; difficult to obtain in a meaningful way
Telehealth Incentive	Under-utilized; difficult to obtain in a meaningful way
Penalty language for refreshes	Will replace penalty with an incentive to place in service without a refresh
The entire Part 1 of the QAP	This is not part of the regulations and can be captured in the Manual
9/4 incentive	Slows down production; increases soft costs
Fire Prevention	Newly manufactured electric ranges meet this anyway; will add this to MDCRs

Update			
Item	Current Incentive	Proposal	Reason
Solar Incentive	10 pts for offsetting the electrical load of a building by 20%; the benefits from providing solar must be 'to the benefit of the resident'	Take out 'to the benefit of the resident'	Due to the complexity of Utility Allowances, the financial benefit cannot be conveyed to the resident
4% Developer Fee Cap	Max Developer fee is capped at \$5M but only \$3M can be included in basis	Keep the \$5M overall cap but remove the \$3M cap in basis for 4% deals ONLY; minimum deferred developer fee of 30% required if exceeding \$3M in basis	Increase production
SWAM Incentive	Currently applies to Women, Minority or Service-Disabled Veterans that are certified in Virginia	Broaden this to include emerging developers (completed at least 1 but no more than 2 tax credit deals); allow SWAM contractors from out of state to count	Removing barriers to entry and increasing access to opportunity
Minority Ownership	5 points for 25% ownership by a Socially Disadvantaged Individual	Increase points and reduce ownership % to 30 points for 10% ownership	Removing barriers to entry and increasing access to opportunity
SWAM and Minority Ownership	No current exclusions for immediate family	Add an exclusion from these points for Immediate Family members of any individuals in the ownership of the development	Removing barriers to entry and increasing access to opportunity
Resident Services	15 points for an MOU approved by DBHDS for intensive resident services	Remove points for competitive pools; allow a discretionary 10% boost if MOU is provided; make this a minimum threshold requirement for ASH pool	This is significant for Special Needs Housing Initiatives; difficult for Owners to meaningfully achieve if they are not Supportive Housing providers as funds to pay for services are limited
PBV Points	60 pts for 10% of units being 504 and having PBVs; also, 10 points for New Project Based rental assistance	Remove points from competitive pools; continue to require for ASH threshold but remove points	PBVs significantly increase the predevelopment timeline of a deal due to several mandatory layers of HUD/VH review; Owners must accept applicants with tenant based vouchers and will need to do so for deeper-targeted units anyway
ROFR and Extended Compliance Points	60 points for ROFR; 50 points for 50 years of extended compliance	Make 50 years of extended compliance match the points for a ROFR (60 points)	Preservation
Efficient Use of Resources	200 points for credit EUR; 100 points for cost EUR	Reduce credit EUR points to 100; remove cost EUR points	Production; also, cost EUR is redundant since there is a cost limit that all deals must meet
Free Wi-Fi and Broadband	Wi-fi for all units is 12 points; Broadband for all units is 10 points	Remove the split between wi-fi and broadband and just incentivize 'free internet provided to all units' - increase points to 15	Resident Well-being
Internet Infrastructure	1 point if rehabs incorporate internet infrastructure, if not already existing	Increase to 15 points	Resident Well-being

Add		
Item	Proposed Change	Reason
Preservation Set-Aside	15% forward allocation, competitive-- that would get us to a mandatory 40% (15% NC; 15% Preservation; 10% ASH); 'Preservation' would only apply to existing LIHTC properties in their extended use period with the initial investor removed; all geographic points would be removed in this pool to allow state-wide competition in this pool	Preservation
Job Creation Points	Replicate Job Creation Points in DHCD's proposed PAB guidelines	Address Economic Development priorities; cross-agency collaboration
Set a maximum amount of points that can be claimed for enhancements or 'bonus' items (only on non-ASH deals)	Point limit TBD	Remove the ability to 'check all the boxes' so applicants commit to point items they are confident they can provide; shorten development timeline
Points for placing in service without a refresh	20 points on a future application for placing in service without a refresh	Incentivize shortening development timeline
Make ASH pool competitive but deals below the line MAY flow to other pools with all of their enhancement points	ASH pool will become competitive but qualifying deals will be eligible for additional points (resident services; no cap on enhancement/bonus points); remains a forward allocation if funded in ASH pool; may be a current year allocation if funded in geographic pool	Special Needs Housing Initiative; in recognition of the complexity of these deals, they are eligible for additional points.
Points for Tribal Housing	5 points for developments on Tribal Lands	IRS Requirement