

# 2022 Credit Round

January, 2022



# Agenda

1. Welcome & Introductions
2. Housing Credit Production
3. Pool Percentages & Available Credits
4. Reminders for 2022
5. 2022 Programmatic Updates
6. Q&A Wrap Up

# Welcome and Introductions

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# Housing Credit Team

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# Additional Players

**TAMMY NEALE**

Chief of Programs

**ART BOWEN**

Managing Director Rental Housing

**NEAL ROGERS**

Dir. of Compliance & Asset Mgt.

**EVERETT GARDNER**

Rental Housing Senior Counsel Manager

**ALENA HENDERSON**

Business Solutions Manager

**SERGIO GAMBALE**

Design & Construction Group Mgr.

# Housing Credit Production

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# Housing Credit Production 2021

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## 9% Developments

29 developments awarded credits in 2021; 1,730 units

Total 9% developments 2017-2021= 153

Total 9% units 2017-2021= 9,957

## 4% Developments

45 applications received in 2021: 6,287 units

Applications received in 2020: 18

Average number of applications received from 2017-2021: 29

Total 4% developments 2017-2021: 146

Total 4% units 2017-2021: 19,406

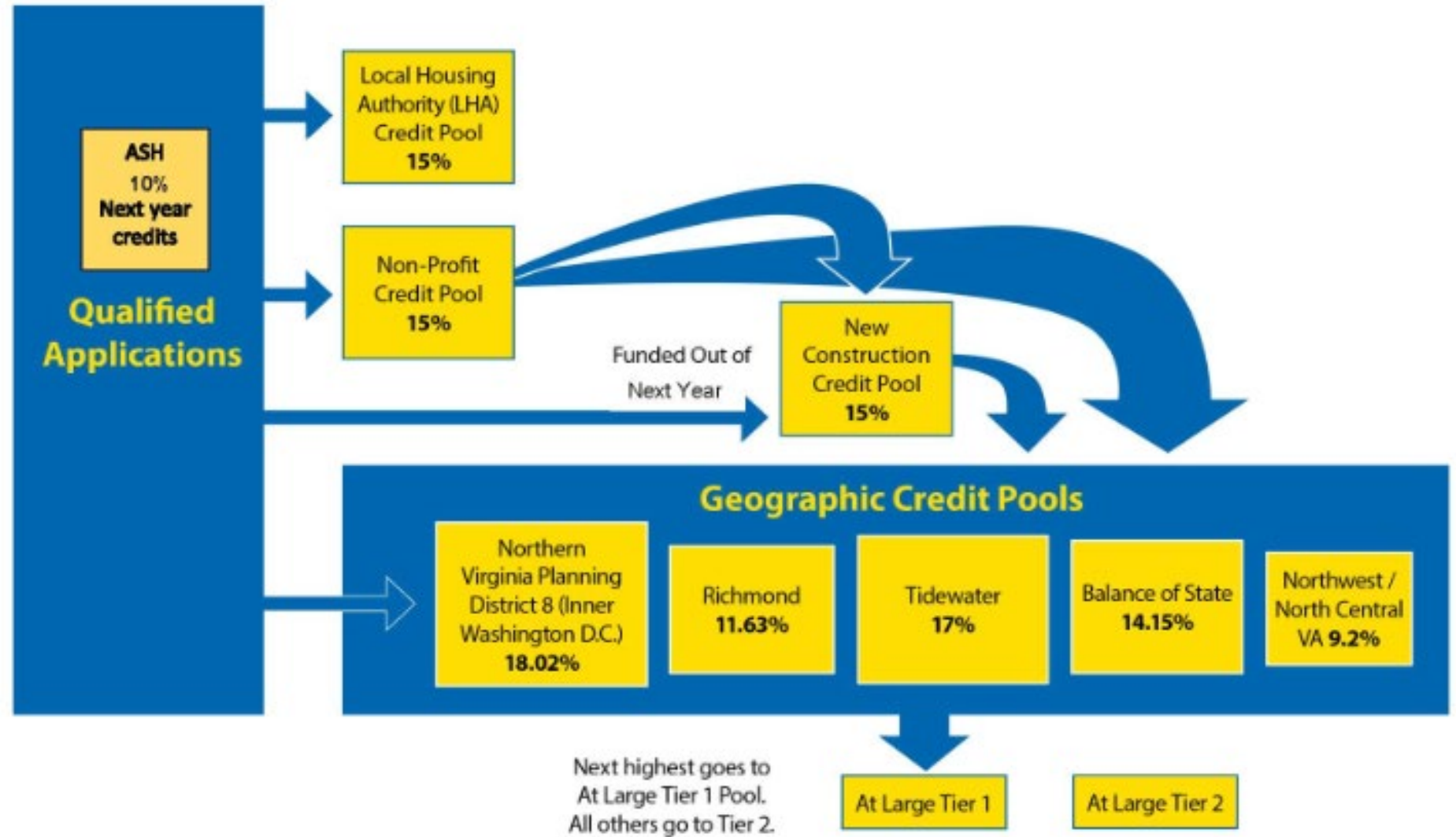
# Pools and Housing Credits

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# Rules of Ranking

## Low-Income Housing Tax Credit Pools: Rules of Ranking



# 2022 Pool Percentages

<b>Pool</b>	<b>Pool %</b>
Nonprofit Pool	15.00%
New Construction Pool	15.00%
Northern Virginia	18.02%
Northwest / North Central	9.20%
Richmond MSA	11.63%
Tidewater	17.00%
Balance of State	14.15%
Local Housing Authority	15.00%
Accessible Supportive Housing	10.00%

Denote Forward Funded Pools

# Estimated Housing Credits 2022

- Per Capita Credits  
\$2.60 per person\*
- ▶ Returned Credits:
- ▶ National Pool:
- LHA, Cost Overrun and HOTC
- New Construction:
- Accessible Supportive Housing Pool:
- Estimated 2021 Credits:

	\$ 22,335,464
	\$0
	\$100,000
	(\$9,962,455)
	(\$3,400,790)
	(\$2,438,740)
	\$6,633,379

\*Population Estimate = 8,590,563  
(U.S. Census Bureau 7/1/21)

# Estimated Housing Credits 2022

• 2022 Capita Credits	\$ 6,633,379
▶ New Construction :	\$3,350,320
▶ Accessible Supportive Housing Pool :	\$2,233,546
• Minimum Estimated Credits:	<b>\$ 12,217,245</b>
• Potential for additional credits:	\$3,350,320
• Maximum Estimated Credits:	\$15,567,565

\*Population Estimate = 8,590,563  
(U.S. Census Bureau 7/1/21)

# Estimated Housing Credits by Pool

<b>Pool</b>	<b>2022 Credits</b>
Nonprofit Pool	\$1,497,555
New Construction Pool	\$3,350,320
Northern VA	\$1,799,062
NW/NC	\$918,501
Richmond	\$1,161,104
Tidewater	\$1,697,229
Balance of State	\$1,412,693
Local Housing Authority	\$1,497,555
Accessible Supportive Hsg	\$2,233,546
<b>Total Estimate</b>	<b>\$15,567,565</b>

# SB 47 Income tax; housing opportunity tax credits

2022 SESSION

Introduced by: Mamie E. Locke (by request)

**SUMMARY AS INTRODUCED:** Income tax; housing opportunity tax credits. Increases the aggregate annual limit on housing opportunity tax credits from \$15 million to the sum of (i) \$150 million, (ii) the amount by which the allocation for the previous year exceeds credits actually reserved in that year, and (iii) the amount of credits recaptured or disallowed for the previous year. The bill removes the credit's sunset, which under current law is January 1, 2026; however, the Virginia Housing Development Authority (the Authority), which administers the credit, would be authorized to reserve credits only for fiscal years beginning in January 1, 2021, but before January 1, 2026.

The bill directs the Authority, which is the agency charged with administering the federal low-income housing tax credit (the federal credit), to reserve a housing opportunity tax credit (the state credit) for a taxpayer whenever it allocates a federal credit. The reserved state credit must be at least one-half of all federal credits allocated to the taxpayer over the 10-year period for the federal credit. However, the bill limits the amount of credits a taxpayer may claim in a single taxable year to the lesser of (a) the amount of the federal credit allocated to the taxpayer or (b) one-tenth of the reserved amount.

The bill removes the Authority's power to allow credit applicants to sell credits to other taxpayers

Full Text can be found at :

<https://lis.virginia.gov/cgi-bin/legp604.exe?221+sum+SB47>

# Reminders for 2022

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# **Change Requests & Minimum Design and Construction Requirements MDCRs**

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# Change Request Process

## **VHDA LIHTC Change Request Form**

Please submit document, via email, to [taxcreditapps@vhda.com](mailto:taxcreditapps@vhda.com) *\*Please submit this document in Word format.*

### **Property Information (Required)**

#### **Development Name:**

Street:

City:

### **Requester Information (Required)**

Name:

Email:

Date:

### **VHDA Information (Required)**

Request Date:

Request Number:

Regulation Year:

### **Waiver Request Information (Required)**

**Define Requirement** *\*Please define the requirement requesting to be waived/changed as well as the regulation year and type of construction.*

**Request Explanation** *\*Please give a brief explanation of why this waiver should be considered.*

*\*Please attach any supporting documentation and submit to VHDA. Submittal of this form to VHDA does not guarantee exemption from requirements. Requests will be approved, approved with conditions, or rejected in writing by the VHDA TC Allocation Department.*

# Minimum Design and Construction Requirements

- Failure to meet Virginia Housing's MDCRs will result in developer penalties and may result in credit loss and/or a ban from the program
- These are not minimum recommendations!

[Minimum Design & Construction Requirements](#) and [Minimum Cabinet Requirements](#) are available at [VirginiaHousing.com](http://VirginiaHousing.com)

# Updated Fee Schedule

Amount	Description	Program
\$1,000 initially, <b>\$2,000 for subsequent reviews</b>	Application Fee - Applications will not be processed until the application fee is paid. <b>An additional application fee of \$2,000 will be required for any updates to 4% applications that require a new review.</b>	9%, 4%
<b>\$2,000 per request (previously \$1,500)</b>	Extension Fee – per request	9%, 4%
<b>\$1,000 per form (previously \$100 per form)</b>	Correction of Form(s) 8609 - The fee is assessed when an owner requests Virginia Housing to issue an amended 8609 due to the original being issued with incorrect data supplied by the Owner. The amended 8609 will not be issued until the fee is paid.	9%, 4%
<b>\$5,000 per form (previously \$50 per form)</b>	Replacement of Documentation Previously Provided, e.g. original Extended Use Regulatory Agreement	9%, 4%

# Locality Notification Link (LNI)

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- ▶ Required by Code
- ▶ Link to the portal on website main page
- ▶ Online tutorial available on website under Reference Documents
- ▶ We will accept minor modifications to the LNI without resubmitting (do not focus challenge efforts on LNI submissions)
- ▶ Due January 27th by noon

# Physical Needs Assessment & Environmental Assessments

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- ▶ Reports are due at Allocation application for 9%
- ▶ Reports are due with Reservation application for 4%
- ▶ Physical Needs only for rehabilitation (NOT Adaptive Reuse)
- ▶ Unit by Unit write up still mandatory at Reservation for 9% Rehab projects (example on our website)

# Additional Items

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- Relocation Plans – Incorporate suggested language to address COVID and tenant/worker safety issues (link on website)
- Universal Design Certification is an online course
- We will be requesting submission of 50% tests for all 4% deals moving forward

# Payment Options

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VHDA accepts checks, wire transfers and Automated Clearing House (ACH) deposits.

**Checks** can be mailed or delivered to:

VHDA  
Attn: Tax Credit Allocation  
601 S. Belvidere Street  
Richmond VA 23220

Checks are 'received' when they arrive in the LIHTC department!

*This is the least desired method of payment, particularly in our current remote work setting.*

# Payment Options:

## ACH/Wire Transfer

To make an ACH or wire payment:

1. Email Aniyah Moaney, [Aniyah.Moaney@virginiahousing.com](mailto:Aniyah.Moaney@virginiahousing.com), the following:
  - ▶ The name of the development
  - ▶ The type of fee
  - ▶ The date that you will be making the transaction
  - ▶ How much you will be sending (to the cent)
  - ▶ You can make one payment for multiple applications
2. IMMEDIATELY AFTER completing the transaction, you MUST forward a remittance advice slip (i.e. confirmation that your transaction has been completed).
  - ▶ Payment is 'received' when it arrives in Virginia Housing's account!



# Uploading Your Application

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## Procorem.com

- ▶ Email Pamela Freeth ([Pamela.Freeth@virginiahousing.com](mailto:Pamela.Freeth@virginiahousing.com)) to create a WorkCenter for each deal
  - ▶ Must be done in advance of the deadline date
- ▶ Your log in will give you access to all your deals
  
- ▶ Upload all documents, make sure to mark them as “final”. Must all be uploaded before time deadline
  
- ▶ After all documents are loaded, email Pamela separately to tell her you are ready to submit
  - ▶ **Your application isn't submitted until you have sent Pamela this email**

# Your Application

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- ▶ The curing period will be available for 9% applications during this round (mandatory items only). There is a 48 hour window to address items identified before penalties become applicable.
- ▶ 4% applications will also have a 48 hour notice to address mandatory items. Other missing point items may result in a rejection of the 4% application
- ▶ 8609 applications that are incomplete will be rejected, and will go to the bottom of the list in order of our review.

# Blackout Period

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- ▶ 1) all comments and responses during the mandatory item review, points scoring, and comment and rebuttal periods must be in writing so that they may be posted to the website; and
- ▶ (2) to ensure a level playing field, staff will not meet with individual applicants during these periods (from application deadline to June Board meeting) to discuss the scoring and ranking of applications.

# 2022 Programmatic Updates

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# Threshold Adjustment

QAP Page #	Proposed Change	Reasoning	Proposed Language
21	Threshold calculations	Reduction of various point categories	Any application that is assigned a total number of points less than a threshold amount of <b>400 points</b> ( <b>300 points</b> for developments financed with tax-exempt bonds in such amount so as not to require under the IRC an allocation of credits hereunder) shall be rejected from further consideration hereunder and shall not be eligible for any reservation or allocation of credits.

# Efficient Use of Resources (EUR)

# Efficient Use of Resources: Credits

Using a sliding scale, the credit points will be calculated by the difference between your savings and the desired 60% program savings.

For example, if the Combined Max Allowable Credits is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Your savings divided by the goal of 60% times the max points of 200.

- ▶ In this example,  **$(40\% / 60\%) \times 200$  or 133.33 points.**

# Efficient Use of Resources: Costs

Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings.

For example, If the Applicable Cost by Square foot is \$238 and the deal's Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 credit points.

For another example, the Applicable Cost by Sq. Ft. is \$238 and the deal's Proposed Cost is \$153.04 or a savings of 35.70%. Your savings divided by the goal of 50% times the max points 100.

- ▶ In this example,  $(35.7\%/50\%) \times 100$  or **71.40 points**.

**NOTE: Points will be calculated for both per unit and per square foot costs and the greater amount of points will be used in the scoring of the application.**



# Amenity Items

# Amenity Items

QAP Page #	Proposed Change	Reasoning	Proposed Language
10	Make free Wi-Fi in the community room mandatory	Resident well-being	Each applicant shall commit in the application to provide free Wi-Fi access in the community room of the development and such access shall be restricted to resident only usage.
14	Internet infrastructure points	The Minimum Design and Construction Requirements (MDCRs) already require this for New Construction	For rehabilitations, if each unit is provided with the necessary infrastructure for high-speed Internet/broadband service. (1 point)
14	Increase individual unit wi-fi points	Resident well-being	If each unit is provided with free individual high-speed Internet access. (10 points, 12 points if such access is Wi-Fi.)

# Amenity Items

QAP Page #	Proposed Change	Reasoning	Proposed Language
14	Reduce points for brick	Reduce construction costs	If the exterior walls are constructed using brick or other similar low-maintenance material approved by the Authority (as indicated on the application form, instructions or other communication available to the public) covering up to 50% of the exterior walls of the development. (20 points times the percentage of exterior walls covered by brick)
14	Add fiber cement board points	Incentivize low-maintenance materials	If the exterior walls are constructed using fiber cement board covering up to 50% of the exterior walls. (20 points times the percentage of exterior walls covered by fiber cement board). Points for brick and fiber cement board are independent and can both be awarded.
16	Make entry shelf/ledge an elderly-only amenity	Simplification, currently applies to all developments	The following points are available to applications electing to serve elderly tenants: If each unit has a shelf or ledge outside the primary entry door in interior hallway. (2 points)

# Amenity Items

QAP Page #	Proposed Change	Reasoning	Proposed Language
17	New point category for renewable energy electric systems	Increased energy efficiency	<u>Effective January 1, 2023</u> , if the development has a renewable energy electric system. (1 point for each 2% of the development's on-site electrical load that can be met by the renewable energy electric system for the benefit of the tenants, up to 10 points)

# Cost Limits

# Cost Limits

QAP Page #	Proposed Change	Reasoning	Proposed Language
7, 8	Go back to both a per unit and per square foot cost limit	Currently only a per square foot cost limit applies. Address developers' concerns about square footage calculations on different building types	Any application that exceeds the cost limits described in this subsection shall be rejected from further consideration and shall not be eligible for any reservation or allocation of credits. The higher of the following two cost limit calculations the: per-unit cost or per-square-foot may be utilized by an applicant.
8	Provide discretion to remove cost for certain incentivized amenities (e.g., solar and services) from total development cost before applying cost limits	Not to penalize deals that are incorporating energy efficiency and/or services	For the purpose of determining compliance with the cost limits, the value of a development's land and acquisition costs, and such other expenses as the executive director determines are appropriate for the good of the plan, will not be included in total development cost. <b>NOTE: In the upcoming application you will be able to remove costs associated with</b> <b>1) Renewable Energy</b> <b>2) Structured Parking</b> <b>3) Reserves (for services)</b>

# 2022 Cost Limits – Per Square Foot

<b>Cost Limits</b>	<b>New Construction</b>	<b>Rehab</b>
Northern Virginia Richmond, Tidewater, NW/NC	\$476	\$356
Balance of State	\$229	\$184

# 2022 Cost Limits – Per Unit

<b>Cost Limits</b>	<b>New Construction</b>	<b>Rehab</b>
Northern Virginia	\$513,262	\$431,792
RIC, Tidewater, NW/NC	\$303,292	\$225,968
Balance of State	\$277,370	\$213,970



# Development Characteristics

# Development Characteristics

QAP Page #	Proposed Change	Reasoning	Proposed Language
13	Allow the Plan of Development to be a standalone point item	An approved Plan of Development should translate to greater project readiness	<u>Effective January 1, 2023</u> , Written evidence satisfactory to the Authority of unconditional approval by local authorities of the plan of development or site plan for the proposed development or that such approval is not required. (10 points)
15	Remove penalty for new construction in rural areas	Not penalizing new construction in areas of decreasing rent burden	See deletion on pg. 13 of language regarding areas with decreasing rent burdened populations.
20	Increase penalties for deals not meeting MDCRs	Quality control	Any applicant that includes a principal that is or was a principal in a development that (i) did not build a development as represented in the application for credit <b>(minus 2 times the number of points assigned to the item or items not built or minus 50 points per requirement for failing to provide a minimum building requirement or requirements, for a period of three years after the last Form 8609 is issued for the development,</b> in addition to any other penalties the Authority may elect to seek under its agreements with the applicant), or (ii) has a reservation of credits terminated by the Authority. (minus 10 points for a period of three years after the credits are returned to the Authority)

# Development Characteristics

QAP Page #	Proposed Change	Reasoning	Proposed Language
18-19	Reduce points for the 9/4 program	This has become outdated and less points are needed to incentivize developers to use the 9/4 program. The fixing of the 4% rate in recent legislation has increased demand without as many points needed in the QAP.	<p>Any applicant for a development that, pursuant to a common plan of development, is part of a larger development located on the same or contiguous sites, financed in part by tax-exempt bonds. Combination developments seeking both 9% and 4% credits must clearly be presented as two separately financed deals including separate equity pricing that would support each respective deal in the event the other were no longer present. While deals are required to be on the same or a contiguous, site they must be clearly identifiable as separate. The units financed by tax exempt bonds may not be interspersed throughout the development. Additionally, if co-located within the same building footprint the property must identify separate entrances. All applicants seeking points in this category must arrange a meeting with Authority staff at the Authority's offices prior to the deadline for submission of the application in order to review both the 9% and the tax-exempt bond financed portion of the project. Any applicant failing to meet with Authority staff in advance of applying will not be allowed to compete in the current competitive round as a combination development. <b>(10 points for tax-exempt bond financing of at least 30% of aggregate units, 20 points for tax-exempt bond financing of at least 40% of aggregate units, and 30 points for tax-exempt bond financing of at least 50% of aggregate units;</b> such points being non-cumulative; such points will be awarded in both the application and any application submitted for credits associated with the tax-exempt bonds)</p>

# Pool Structure

# Pool Structure

QAP Page #	Proposed Change	Reasoning	Proposed Language
27	Increase ASH pool % to 10% (currently 6%)	Consistent with the percentages funded in recent years	Any such reservations made in any calendar year may be up to ten (10%) percent of the Commonwealth's annual state housing credit ceiling for the applicable credit year. However, such reservation will be for credits from the Commonwealth's annual state housing credit ceiling from the following calendar year.
23,27	Increase % of future year's allocation that can be forward allocated to 50% (currently 40%)	Consistently exceeding 40% to address strategic initiatives	Available credits will include unreserved per capita dollar amount credits from the current calendar year under §42(h)(3)(C)(i) of the IRC, any unreserved per capita credits from previous calendar years, and credits returned to the Authority prior to the final ranking of the applications and may include up to 50% of the next calendar year's per capita credits as shall be determined by the executive director.

# Pool Structure

QAP Page #	Proposed Change	Reasoning	Proposed Language
24	Allow allocation department to move deals between Nonprofit and/or New Construction pool to appropriate geographic pool to best/fully allocate credits	Program efficiency	Move a development from the nonprofit or new construction pool to its or their appropriate geographic pool to more fully or fully utilize the total amount of credits made available therein during such round.
2	Clarify requirements to compete in Local Housing Authority Pool		Slightly rephrased this description to state the “developer or owner will not compete in this pool if”

# Resident Well-being

# Resident Well-being

QAP Page #	Proposed Change	Reasoning	Proposed Language
15	Incentivize resident services	Resident well-being	<p><b>Effective January 1, 2023</b>, any proposed development:</p> <p>(i) for which the applicant has entered into a memorandum of understanding approved by the Virginia Department of Behavioral Health and Developmental Services (DBHDS) with a resident service provider for the provision of resident services. Such resident services provider must have experience delivering direct, community-based services to individuals, as evidenced by a triennial license, in good standing, with no outstanding corrective action plans from DBHDS, or an agency or program accreditation or certification such as Commission on Accreditation of Rehabilitation Facilities, Council on Accreditation, or Certified Organization for Resident Engagement &amp; Services, Council on Quality and Leadership, or CSH Quality Supportive Housing accreditation or certification. Such resident service provider may, but is not required to, be the qualified nonprofit organization qualifying applicant to compete in the nonprofit pool or having the required ownership interest and holding an option or first right of refusal that qualified applicant for points under subsection 7 d of this subsection. Experience may also be evidenced by receipt of a grant or grants by the service provider for provision of direct services to the development's residents, <b>or</b></p> <p><b>(ii) if the development provides licensed childcare on-site with a preference and discount for residents or an equivalent subsidy for tenants, determined based on household income and household size, to utilize a licensed childcare facility of tenant's choice. (15 points)</b></p>



# Resident Well-being

QAP Page #	Proposed Change	Reasoning	Proposed Language
15	Incentivize telehealth services	Resident well-being	<b><u>Effective January 1, 2023</u></b> , If the development provides tenants with free on-call, telephonic or virtual healthcare services with a licensed provider. (15 points)
10	Required disclosure of availability of Virginia Housing's Renter Education	Resident well-being	Each applicant shall commit in the application to provide a disclosure, to be acknowledged by tenant, of the availability of renter education from the Authority.

# Developer Experience

# Developer Experience

QAP Page #	Proposed Change	Reasoning	Proposed Language
19,20	Completely overhaul the developer experience points	Address developer deficiencies	<p><b>For application submitted in calendar year 2022 only, the sponsor may receive experienced sponsor points under either subdivision 5 a or 5 c of this subsection, but not both. Effective January 1, 2023, subdivision 5 a of this subsection shall no longer be applicable.</b></p> <p>A maximum of 25 cumulative points in subdivision b of this subdivision 5 will be awarded to applicants with an experienced sponsor (“Experienced Sponsor”). Experienced Sponsors are those principals who meet the requirements of subdivision b of this subdivision 5 and who have an ownership interest of at least 25% in the controlling general partner or managing member for the proposed development, subject to the following conditions:</p> <p>(1) Experienced Sponsors may be (i) individuals; (ii) duly formed limited liability companies, limited partnerships, and corporations, whether for-profit or non-profit, and which are in good standing in their respective state of formation and registered to do business in Virginia; (iii) local housing authorities; (iv) business trusts; and (v) trusts;</p> <p>(2) Individual persons seeking points as an Experienced Sponsor shall not receive credit for prior participation in developments where such participation was in their capacity as either trustee or beneficiary of a trust or business trust; and</p> <p>(3) Individuals and entities seeking points as an Experienced Sponsor may not combine ownership or prior experience with any other individual or entity to meet the requirements of this subsection 5.</p>

# Developer Experience

QAP Page #	Proposed Change	Reasoning	Proposed Language (Continued)
18, 19	Completely overhaul the developer experience points	Address developer deficiencies	<p>b. Points for Experienced Sponsor involvement shall be awarded as follows:</p> <p><b>(1) Tier 1: Five (5) points shall be awarded to those Experienced Sponsors that have placed at least one federal low-income tax credit (LIHTC) development in service in Virginia within the past five years</b>, as evidenced by an IRS Form 8609 having been issued for such development. Said LIHTC development must be active with no reported compliance issues remaining uncured, as determined by the executive director.</p> <p><b>(2) Tier 2: Fifteen (15) points shall be awarded to those Experienced Sponsors that have placed at least three LIHTC developments in service (in addition to any deal for which points are awarded in Tier 1 above) in any state within the past six years</b>, as evidenced by corresponding IRS Form 8609s. Experienced Sponsors must certify with the application that each of said three developments is active with no reported compliance issues remaining uncured. The executive director may confirm the applicant’s certification with each state in which the three developments are located.</p> <p><b>(3) Tier 3: Any applicant competing in the Local Housing Authority pool may receive an additional five (5) points for partnering with an Experienced Sponsor, other than a local housing authority.</b> Applicants seeking said points must provide in their application evidence that the Experienced Sponsor is a principal in the Applicant (while ownership is required, no minimum ownership percentage of the Experience Sponsor partner is specified for points in Tier 3) and must provide a description of the assistance rendered and to be rendered by the Experienced Sponsor partner. Developments that move from the Local Housing Authority pool to their geographic pool will not be eligible for said five points in the geographic pool.</p>

# Developer Experience

QAP Page #	Proposed Change	Reasoning	Proposed Language
21	Incentivize SWaM participation	Promote Diversity, Equity and Inclusion within the LIHTC program	<p><b>Five (5) points shall be awarded to applicants that enter into at least one contract for services provided by a business certified as Women-Owned, Minority-Owned or Service Disabled Veteran owned through the Commonwealth of Virginia’s Small, Women-owned, and Minority-owned Business (SWaM) certification program.</b> The following services and roles qualify for points under this subdivision 5(d)(2): (i) consulting services to complete the LIHTC application; (ii) ongoing development services through the placed in service date; (iii) general contractor; (iv) architect; (v) property manager; (vi) accounting services; or (vii) legal services. An applicant seeking points in this subdivision 5.d(1) must provide in its application a certification, in a form to be developed by the executive director, certifying that a contract for services has been executed between the applicant and the service provider and describing the scope of the services provided or to be provided. The application must also include a copy of the service provider’s certification from the Commonwealth of Virginia’s Small, Women-owned, and Minority-owned Business certification program.</p>

# Developer Experience

QAP Page #	Proposed Change	Reasoning	Proposed Language
21	Incentivize Minority Ownership	Promote Diversity, Equity and Inclusion within LIHTC program ownership structures	<p>Applicants with at least one principal having an ownership interest of at least 25% in the controlling general partner or managing member for the proposed development that is a socially disadvantaged individual (5 points). Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. There is a rebuttable presumption that the following individuals are socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders. This provision shall be interpreted in accordance with 13 CFR § 124.103.</p>

# Developer Experience

QAP Page #	Proposed Change	Reasoning	Proposed Language
23,24	Implement a 'curing period' for 9% applications	Reduce assessing penalties for immaterial mistakes and scrivener errors	<p>3. May also choose to allow for the immediate correction of minor and immaterial defects affecting mandatory items (but not points items) in an application. Should the executive director choose to allow correction, applicants will be given 48 hours from the time of notification to cure defects with their application. If the executive director allows an applicant to cure minor defects, that does not constitute approval or acceptance of the application and is not an assurance that the application, upon further review, will be deemed acceptable.</p> <p>Examples of items that may be considered as "curable" include:</p> <ul style="list-style-type: none"> <li>a. <b>If the applicant has failed to include a required document, the applicant may supply the document, provided, however, that the document existed on the application deadline date and, if the document is a legal agreement or instrument, the document was legally effective on the application deadline date;</b></li> <li>b. <b>If statements or items in the application are contradictory or mutually inconsistent, the applicant may present information resolving the contradiction or inconsistency, provided, however, that the information accurately reflects the state of affairs on the application deadline date;</b></li> <li>c. <b>The applicant may provide any required signature that has been omitted, except for applications that the executive director deems to be substantially incomplete; and</b></li> <li>d. <b>The applicant may cure any scrivener's error, missing or defective notarization, defective signature block, or defective legal name of an individual or entity.</b></li> </ul> <p>4. Shall notify the applicant of any curable defects it discovers by telephone, and, simultaneously, in writing electronically (email). The applicant's corrective submission shall not be considered unless it is received by the executive director no later than 48 hours (excluding weekends and legal holidays) from the notification. <b>If an applicant fails to respond to the notification of curable defects within the 48-hour cure period, or if an applicant's response is nonresponsive to the question asked, a negative conclusion shall be drawn.</b> Failure to respond to an item in a cure notification will result in the denial of points in that category or the application may be deemed to not meet threshold. After the application deadline, telephone calls or other oral or written communications on behalf of a tax credit applicant (for example, from a project's development team, elected representatives, etc.) other than information submitted pursuant to this subdivision shall not be accepted or considered before preliminary reservation awards have been announced.</p>

# Miscellaneous



# Miscellaneous

QAP Page #	Proposed Change	Reasoning	Proposed Language
17	Update 60-pt. accessibility point item	Simplification	Any development in which (i) the greater of 5 units or 10% of the units will be assisted by any form of documented and binding federal or state project-based rent subsidies, in order to ensure occupancy by extremely low-income persons; and (ii) the greater of 5 units or 10% of the units will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits (all common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act, and all the units described in clause (ii) above must include roll-in showers and roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application). (50 points)
17	Delete 30-pt. Accessibility point item	Simplification and we already incentivize deeper income targeting	N/A. See deleted language on pg. 17.
17	Update 15-pt. accessibility point item	Simplification	Any development in which ten percent (10%) of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits. (20 points)
23	Incentivize wire/ACH payments	Simplification	Any applicant that commits in the application to submit any payments due the Authority, including reservation fees and monitoring fees, by electronic payment. (5 point)

# Miscellaneous

QAP Page #	Proposed Change	Reasoning	Proposed Language
10,11	Address Aggregators/ROFR's	Affordable housing preservation	<p>The Authority is committed to the long-term affordability of developments for the benefit of tenants and full compliance by applicants and principals with the provisions of the IRC, the extended use agreement and other program requirements. The Authority similarly has an interest in preserving the right of first refusal by a qualified nonprofit organization at the close of the compliance period, as authorized in Section 42(i)(7) of the IRC. The executive director is hereby authorized to require any or all of the following with respect to applications: <b>(i) provisions to be included in the applicant's organizational documents limiting transfers of partnership or member interests or other actions detrimental to the continued provision of affordable housing; (ii) a designated form of right of first refusal document; (iii) terms in the extended use agreement requiring notice and approval by the executive director of transfers of partnership or member interests; (iv) debarment from the program of principals having demonstrated a history of conduct detrimental to long-term compliance with extended use agreements, whether in Virginia or another state, and the provision of affordable tax credit units; and (v) provisions to implement any amendment to the IRC or implementation of any future federal or state legislation, regulations or administrative guidance.</b> The decision whether to institute, and the terms of, any such requirements shall be made by the executive director as reasonably determined to be necessary or appropriate to achieve the goals stated in this paragraph and in the best interest of the plan. Any such requirements will be indicated on the application form, instructions or other communication available to the public.</p>



# 2022 Schedule

<b>1/27/22</b>	Locality Notification Information (LNI) deadline (due for all 9% applications)
<b>3/10/22</b>	Reservation Application Deadline (9%)
<b>3/17/22</b>	9% Competitive Applications Posted to the Website
<b>5/5/22</b>	Preliminary Rankings Announced /Begin Comment Period
<b>5/12/22</b>	End Comment Period begin Rebuttal
<b>5/19/22</b>	End Rebuttal
<b>6/9/22</b>	Post Final Rankings
<b>6/22/22</b>	Review Final Rankings with Virginia Housing Board of Commissioners
<b>Early to mid-July</b>	VH mails reservations documents including Agreement, Contract to Enforce Representations, Extended Use Agreement, and Gross Floor Rent Election
<b>9/29/22</b>	Allocation Applications Due
<b>November</b>	Finalize Allocations


# Job Opportunities to Low Income Residents

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Virginia Housing encourages developers to provide job training, employment and/or contracting opportunities to low/very low-income residents in communities where LIHTC developments are rehabbed/constructed.



**USE ACCURATE NUMBERS** and  
You are responsible for meeting all  
Virginia Housing Minimum Design  
and Construction Requirements  
(MDCR)



# Wrap Up

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# Thank You.

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