

Overview and application materials



Tax Credit Assistance Program and Monetized Credit

Two programs of the new American Recovery and Reinvestment Act, which includes enhancements to the LIHTC program.

Learn more

- [TCAP & Monetized Credit cover memo](#) (104 KB; PDF)
- [TCAP competitive priorities](#) (72 KB; PDF)

Apply

- [Tax Credit Assistance Program \(TCAP\) Financing Certificate](#) (40 KB; DOC)
- [Tax Credit Assistance Program \(TCAP\) checklist](#) (40 KB; DOC)

Comment

The TCAP competitive priorities are open for public comment. [Submit your comments.](#)

Background

The Housing Credit was designed by Congress to assist in the creation and preservation of affordable rental housing for lower-income households.

This program has proven to be a very effective means of raising equity capital for the development of affordable rental housing in Vermont.

It provides a direct cost-based reduction in federal tax liability over a 10-year period for owners of qualifying rental housing who agree to conform to certain operating restrictions for at least a 15-year period.

Housing Credits in Vermont

The Tax Reform Act of 1986 (and succeeding revisions of that law) set a maximum housing credit allocation for each state based on population.

Vermont's annual allocation is approximately \$2.125 million.

Housing Credits have produced most of Vermont's recently-developed affordable rental housing. Since Vermont is a rural state, with little development capital available, the Housing Credits allocated since the program's inception in 1987 have made possible the construction and rehabilitation of much-needed rental housing which otherwise could not have been accomplished. Thousands of apartments targeted at households earning no more than 60 percent of the median income have been created or preserved.

The Housing Credit benefits Vermont's economy. Since the program's inception in 1987, the Housing Credits allocated in Vermont have resulted in millions of dollars in acquisition, development, and construction activity, benefiting the local and regional economies statewide.

Read a [summary of historical Housing Credit activity](#).

Using Housing Credits

Credits are allocated based on eligible new construction and rehabilitation housing costs as defined by the Housing Credit program. Both nonprofit and for-profit project sponsors can then "sell" (syndicate) these credits to create equity for the rental housing development. The credits are sold to investors who purchase an ownership position in the project and thus are able to utilize the benefits of the tax credits. Because investors are purchasing the "present value" of ten years' worth of credits, the equity raised from syndicating tax credits can be substantial.

Allocating credits

VHFA is responsible for administering the Housing Credit program and allocates credits to specific projects in accordance with Vermont's [Qualified Allocation Plan](#) (123 KB; PDF), which is approved and signed by the Governor. The advisory Joint Committee on Tax Credits reviews and adopts allocation policies and reviews VHFA's performance.

Compliance monitoring

Since 1994, VHFA has conducted compliance monitoring activities for the Housing Credit Program. Multifamily owners and managers whose properties received Housing Credits are responsible for complying with federal requirements associated with this program. VHFA staff conduct physical inspections, review tenant file documentation, and monitor IRS-based file retention requirements.

Read a [summary of VHFA's historical asset management and monitoring activities](#).

For more information on compliance monitoring, [contact Assistant Director of Multifamily Programs Kim Roy](#).

- [LIHTC Compliance Manual](#) (497 KB; PDF)

Vermont Affordable Housing Tax Credit

Developers can use the Vermont Affordable Housing Tax Credit program in tandem with the federal Housing Credit to assist in the creation and preservation of affordable rental housing.

- [Vermont Affordable Housing Tax Credit fact sheet](#) (36 KB; PDF)

Housing Credit application and resources

Applications are accepted on an ongoing basis and approved at [monthly meetings of the VHFA Board of Commissioners](#).

- [Common application](#)
- [Multifamily rental proforma](#) (206 KB; XLS)
- [Evaluation checklist](#) (109 KB; PDF)
- [2008-09 submission timing chart](#) (19 KB; PDF)
- [2009 "Difficult to Develop Area" map](#) (568 KB; PDF)
- [Market study standards](#) (329 KB; PDF)
- [Market study sources](#) (109 KB; PDF)
- [Housing Tax Credit Year 15 Policy](#) (450 KB; PDF)
- [Universal design information](#)



Willard Mill, St. Albans

Qualified Allocation Plan (QAP)

- [Qualified Allocation Plan \(QAP\)](#) (120 KB; PDF)
- [Evaluation checklist](#) (60 KB; DOC)
- [NCSHA summary of legislative changes](#) (152 KB; PDF)

Standards

VHFA worked with several partners to develop these standards for green building and design for projects that submit applications to the Agency:

- [Green Building and Design Standards](#) (352 KB; PDF)
- [Multifamily Comprehensive Design Checklist for Energy Efficiency](#) (157 KB; PDF)

Fees

- Application fee: \$250
- Reservation fee: 4% of annual credit amount
- Compliance monitoring: \$4 per tax credit unit per month

Reservations and allocations

Extensive [data on all tax credit projects](#) since 1987

IRS Housing Credit percentages for December

70% credit	7.79
30% credit	3.34

[More percentages](#)



©2001-09 Vermont Housing Finance Agency (VHFA)
 Equal Housing Opportunity
 Web site by [Craig Bailey](#)