



October 17, 2011

Dear Potential Applicant:

RE: 2012 LOW INCOME HOUSING TAX CREDIT PROGRAM

On October 12, 2011, the VHDA Board of Commissioners approved revisions to the Qualified Allocation Plan and those changes have been forwarded to the Governor for final approval. The Board also expressed concern over the rising costs of tax credit developments and has asked staff to explore ways to curtail costs and develop cost limits for future tax credit developments.

There were many useful comments and suggestions received during the QAP public comment period. Enclosed is a summary of the major changes made to the Plan in response to the comments. A copy of the Plan, as approved by the Board, is posted on the VHDA web site at www.vhda.com. Plan changes are highlighted by underlines and highlighted areas. The changes highlighted in yellow show items that were discussed at the focus group meeting that did not change. The changes highlighted in green show items that were changed as a result of public comment. The schedule for 2012 is as follows:

Jan.	06	How-to-Apply @ Marriott - Norfolk Marriott Chesapeake
Jan.	11	How-to-Apply @ Fairfax Marriott at Fair Oaks - Fairfax
Jan.	12	How-to-Apply @ The Virginia Housing Center (4224 Cox Road-Innsbrook)
Jan.	13	How-to-Apply @ The Southwest Virginia Housing Center -Wytheville
Jan.	27	VHDA Locality CEO Notification Form Letter 2:00 PM Deadline
Mar.	16	Reservation Application & Market Study 2:00 PM deadline
May	15	Announce Preliminary Rankings, begin general comment period
May	22	Close general comment period, begin rebuttal comment period
May	29	Close rebuttal comment period
Jun.	06	Announce Final Rankings
Nov.	02	Application for Allocation Deadline

As shown above, the How-to-Apply workshops begin in the month of January. **The workshops will begin promptly at 8:30 AM and conclude at approximately 12:00 Noon.** The workshop will include issues such as **the WEB based locality notification information submittal due January 27, 2012,** QAP and manual changes from last year, application requirements, scoring categories, Reservation documents, Allocation documents, tax-exempt bond credit requirements, completing the Excel spreadsheet application and identifying areas where common mistakes occur. Links to VHDA's Housing Centers and hotel web sites with directions to the Housing Centers and hotels can be found above. If you would like to attend any of the workshops, **please use our online [calendar](#) to register.** If you have any questions, please call me at (804) 343-5786. Please note that copies of the Application, Manual and Tab documents will not be provided at the workshop. If you prefer to have these items for your information at the

2012 Low Income Housing Tax Credit Program

October 17, 2011

Page 2

workshop you will need to download them from the VHDA.com web site and bring the copies to the workshop. **We do not anticipate the 2012 application materials to be updated and available on to the web site until mid to late December 2011.** An update email will be sent to you in December notifying you that the web site has been updated with the 2012 application materials.

We look forward to working with you next year. If you have any tax credit questions, please call me at (804) 343-5786 or email me at jim.chandler@vhda.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "James M. Chandler", is written over the typed name.

James M. Chandler
Director of Low Income Housing
Tax Credit Programs

JMC/rer
Enclosures

**SUMMARY OF CHANGES APPROVED BY
THE VHDA BOARD OF COMMISSIONERS FOR THE 2012
LOW INCOME HOUSING TAX CREDIT
QUALIFIED ALLOCATION PLAN**

1. Revise the Credit Pools to increase the Local Housing Authority pool to 15% as well as removing the credit limitation and adjust other pools based on Marshall and Swift cost factors and data for rent burdened households at or below 60% of Area Medium Income. (Part I)
2. Allow Local Housing Authority sponsored developments to only compete in the Local Housing Authority pool. (Part I)
3. Add a New Construction pool utilizing 15% of the following years credits limited to Planning District 8 localities and delete the non-competitive Preservation pool. (Part I and Page 23)
4. Delete the requirement in the 20-point new construction category that limits the points to Urban Development Areas or Affordable Dwelling Unit designation. (Page 12)
5. Delete the 10-point Amenity category for 1 ½ bathrooms in 2 bedroom units and 2 bathrooms in 3+ bedroom units. This will be a minimum requirement for the new construction points mentioned in item 4 above. (Page 13)
6. Revise the 3-point amenity category to 2-points for units that have WaterSense faucets and showerheads. (Page 13)
7. Expand the 5-point Energy Star hot water heater category to include a centralized commercial system with 95% efficiency or solar system for 60% of the total hot water needs. (Page 14)
8. Add a 2-point amenity category if the development has a WaterSense labeled toilet. (Page 14)
9. Add a 2-point amenity category if the development has an EPA Energy Star bath vent. (Page 14)
10. Add a 5-point amenity category if the development has new installation of continuous R-3 or higher wall sheathing. (Page 14)
11. Add a 4-point or 2-point amenity category if the developments' cooking ranges are equipped with fire prevention or suppression features. (Page 14)
12. Allow the Executive Director to add additional credits to a pool, from the following years' credit amount, to fully fund the next development when there are not enough credits remaining to fully fund that development. (Page 20)

PROGRAM CHANGES NOT REQUIRING CHANGES TO THE QAP

1. Provide a list of Developers pre-qualified for experience points
2. Clarify that points for local subsidized funding will be for development costs only.
3. To qualify for the HUD 504 disability 50, 30 or 15 point categories or the non-competitive disability pool, the required marketing plan must include a reference that the development will be listed on the Virginia Housing Search.com web site (no points if this is not included in the marketing plan) and failure to list the development on the Virginia Housing Search.com web site would be grounds for loss of credits and future penalty points.
4. Creating an approved Market Analyst list and limit the number of studies that one firm may perform in the competitive round.