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1. Schedule for 2027

See Virginia Housing's website.

2. Ranking and Scoring

The QAP contains scoring criteria for Credit Applications and outlines the minimum and maximum number of points allowed to each development. This Manual serves as a guide to further clarify the scoring criteria and contains mandatory forms required to receive an Allocation of Credits.

Any failure by Virginia Housing to identify an error or omission made by an applicant does not waive Virginia Housing's right to enforce program requirements. Any

- action or inaction,,
- determination or interpretation

by Virginia Housing is limited to that specific application, Reservation, or Allocation only and does not form binding precedent or otherwise impact Virginia Housing's future administration of its programs.

Virginia Housing will

- rank applications according to their scores,
- make reservations so long as Credits are available in the applicable pools, and
- disqualify applications seeking more Credits than are available in the applicable pool.

3. General Program Information

4. Virginia Housing administers the federal low-income housing tax credit program (LIHTC, or Credit) pursuant to Internal Revenue Code Section 42 (IRC) and the Virginia Housing Opportunity Tax Credit (HOTC) using the QAP and this Manual. Pools and Percentage of Available Credits

Virginia Housing divides the available annual Credit amount into the following pools. Virginia Housing may move applications to more fully use the total amount of Credits available.

4.1 Nonprofit Pool

Virginia Housing will allocate 15% of the annual credit to this pool. Each new construction or adaptive re-use development not funded in the Nonprofit Pool will compete in the New Construction pool, if eligible. All other developments not funded in this pool will compete in the applicable geographic pool. Individual credit requests for the Nonprofit pool may not exceed $950,000.

To participate in the Nonprofit Pool, the nonprofit entity must:	
4.1.01	Be authorized to do business in Virginia.
4.1.02	Demonstrate a history (more than one year) of being substantially based or active in Virginia.
4.1.03	Materially participate in the development and operation of the Development throughout the Compliance Period (i.e., regular, continuous and substantial involvement).
4.1.04	Own, either directly or through a partnership or limited liability company owned entirely by one or more nonprofit entities, 100% of the general partnership or managing member interest.
4.1.05	Not be affiliated with or controlled by a for-profit organization.
4.1.06	Not have been formed for the primary purpose of competition in the Nonprofit Pool.
4.1.07	Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the ownership or management of the Development as a for-profit entity.

4.2 Accessible Supportive Housing (ASH) Pool

Virginia Housing will reserve Credits for this pool from the following year's ceiling and will not exceed 10% of the current year's per capita credit amount unless authorized by the Board of Commissioners. These Credits are only available for non-elderly developments.

The minimum requirements to qualify for Credits in this Pool are as follows:	
4.2.01	At least 15% of the units will serve people with disabilities.

The minimum requirements to qualify for Credits in this Pool are as follows:	
4.2.02	At least 15% of the units will conform to HUD regulations interpreting the fully, permanently accessible unit requirements of Section 504 of the Rehabilitation Act as referenced in the requirements set forth in the Uniform Federal Accessibility Standards (UFAS).
4.2.03	The Development will provide rent subsidies to ensure occupancy by extremely low-income persons for 15% of the units. Subsidies may apply to any units, not only those built to satisfy Section 504. For purposes of this Pool, "extremely low income" means households with gross incomes no greater than 30% of the AMI paying no more than rent calculated at the 30% level. Applicants must submit binding documentation of rental assistance.
4.2.04	Applications must include a plan (following relevant Virginia Housing requirements) to actively market units to households including at least one person with a disability and a fully executed Virginia Housing Permanent Supportive Housing certification.
4.2.05	The developer must have a demonstrated capacity to develop supportive housing as evidenced by one of the available CORES certifications or other certification approved by Virginia Housing. Applicants must submit any alternative certification to Virginia Housing (taxcreditapps@virginiahousing.com) at least 30 days prior to the Application deadline for review and approval.
4.2.06	Evidence of prior services funding contracts, as well as a services budget for the first 5 years of services.
4.2.07	Evidence of dedicated services staff hired by an entity in the ownership of the deal and a budget for doing so.
4.2.08	A statement by the Applicant agreeing to accept referrals from Virginia Housing approved sources for 15% of units.

4.3 Local Housing Authority (LHA) Pool

Virginia Housing will allocate 15% of the annual credit to this pool. Developments must compete in this pool if either of the following apply:

1. An LHA or an industrial development authority would be the sole GP or MM (either directly or through a wholly owned subsidiary).

2. The LHA or industrial development authority is the landlord or seller, the site is in its jurisdiction, and
    a. the greater of 5 units or 10% of the units (or more) have project based subsidies provided by the LHA; or
    b. the LHA is a Principal in the Applicant (the landlord or seller being the grantee of a right of first refusal or purchase option, with no ownership interest in the Applicant, does not qualify).

Developments not funded in this pool will move to the At-Large pools.

For any development that either includes a LHA in the ownership structure or will participate in a conversion to project-based rental assistance program, the Applicant must arrange a meeting with TCA Staff at the time of Locality Notification Information (LNI) submission as a condition of Credit Application.

4.4 Preservation Pool

Virginia Housing will reserve Credits for this pool from the following year's ceiling and will not exceed 10% of the current year's per capita credit amount unless authorized by the Board of Commissioners.

Eligibility to compete in this pool is limited to developments seeking resyndication that prior to application have completed more than 20 years of compliance under the existing extended use agreement issued in connection with the development's most recent allocation. The investor or syndicator in place at the time of allocation must have transferred all of its ownership interest in the development. Rents may not increase by more than 5% for a period of five years beginning on the first day of the new Credit period.

4.5 New Construction Pool

Virginia Housing will allocate 15% of the annual credit percentage of the following year's annual credit authority. New construction and adaptive re-use applications (including excess nonprofit developments) located in a jurisdiction listed below will compete in this pool. Each development not funded in this pool will move to its applicable geographic pool.

New Construction Pool	
Alexandria City	Loudoun County
Arlington County	Manassas City
Fairfax City	Manassas Park City
Fairfax County	Prince William County
Falls Church City	

4.6 Northern Virginia/Planning District 8 (Inner Washington MSA) Pool – 18.02%

Northern Virginia/Planning District 8 (Inner Washington MSA)	
Alexandria City	Loudoun County
Arlington County	Manassas City
Fairfax City	Manassas Park City
Fairfax County	Prince William County
Falls Church City	

4.7 Northwest/North Central Virginia Area Pool – 9.20%

Northwest/North Central Virginia Area	
Albemarle County	Nelson County
Augusta County	Orange County
Charlottesville City	Page County
Clarke County	Rappahannock County
Culpeper County	Rockingham County
Fauquier County	Shenandoah County
Fluvanna County	Spotsylvania County
Frederick County	Stafford County
Fredericksburg City	Staunton City
Greene County	Warren County
Harrisonburg City	Waynesboro City
King George County	Winchester City
Madison County	

4.8 Richmond MSA Pool – 11.63%

Richmond MSA	
Amelia County	Hopewell City
Caroline County	King & Queen County
Charles City County	King William County
Chesterfield County	Louisa County
Colonial Heights City	New Kent County
Cumberland County	Petersburg City
Dinwiddie County	Powhatan County
Goochland County	Prince George County
Hanover County	Richmond City
Henrico County	Sussex County

4.9 Tidewater MSA Pool – 17%

Tidewater MSA	
Chesapeake City	Poquoson City
Gloucester County	Portsmouth City
Hampton City	Suffolk City
Isle of Wight County	Surry County
James City County	Virginia Beach City
Mathews County	Williamsburg City
Newport News City	York County
Norfolk City	

4.10 Balance of State Pool – 14.15%

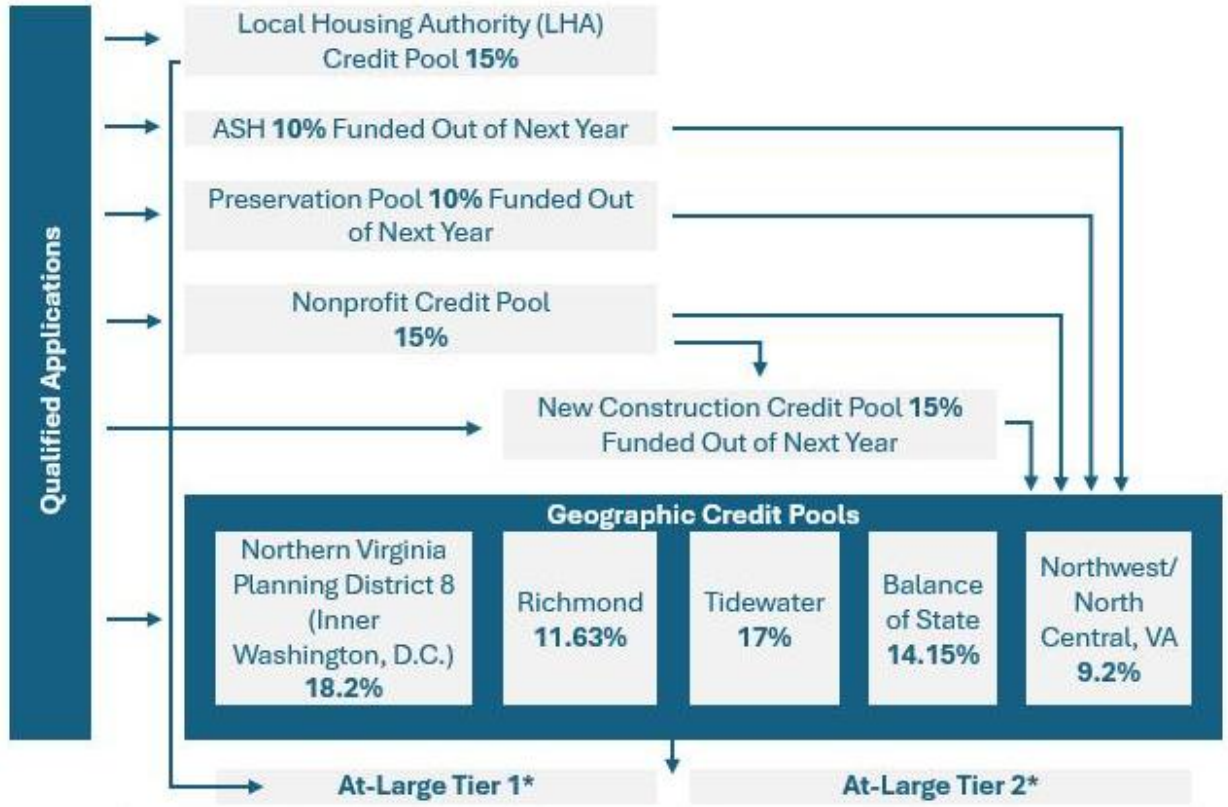
Balance of State (Remaining Geographic Areas)		
Accomack County	Essex County	Norton City
Alleghany County	Floyd County	Nottoway County
Amherst County	Franklin City	Patrick County
Appomattox County	Franklin County	Pittsylvania County
Bath County	Galax City	Prince Edward County
Bedford City	Giles County	Pulaski County
Bedford County	Grayson County	Radford City
Bland County	Greensville County	Richmond County
Botetourt County	Halifax County	Roanoke City
Bristol City	Henry County	Roanoke County
Brunswick County	Highland County	Rockbridge County
Buchanan County	Lancaster County	Russell County
Buckingham County	Lee County	Salem City
Buena Vista City	Lexington City	Scott County
Campbell County	Lunenburg County	Smyth County
Carroll County	Lynchburg City	Southampton County
Charlotte County	Martinsville City	Tazewell County
Covington City	Mecklenburg County	Washington County
Craig County	Middlesex County	Westmoreland County
Danville City	Montgomery County	Wise County
Dickenson County	Northampton County	Wythe County
Emporia City	Northumberland County	

4.11 At-Large Pool

The At-Large Pool is for all applications not ranked high enough and is separated into two tiers.

Tier 1: the next eligible developments in rank order from geographic and LHA pools that could not be fully funded with the remaining Credits in those pools.

Tier 2: all remaining developments ranking above threshold.



**Next highest goes to At-Large Tier 1 Pool. All others go to Tier 2*

4.12 Pre-Allocated Credits

Credits pre-allocated to developments will not change Total Credit Authority in the geographic pools where the developments are located. Deals competing in the New Construction Pool but funded in a different geographic pool or At-Large pool are not guaranteed a future allocation of Credits.

All determinations for deals receiving a pre-allocation of Credits are at Virginia Housing's discretion.

5. Minimum Program Requirements

5.1 Minimum Program Requirements

The following are minimum requirements.

Minimum Requirement	
5.1.01	All applicants commit to utilizing the Average Income Test as their minimum set-aside.
5.1.02	Owner may not require an annual minimum income requirement that exceeds the greater of $3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance.
5.1.03	Developments must comply with the Minimum Design and Construction Requirements (MDCR).
5.1.04	Rehab developments using 9% credits must incur a minimum of $15,000 of contractor hard costs, on average per unit .
5.1.05	Rehab developments financed with tax-exempt bonds must incur a minimum of $10,000 of contractor hard costs, on average per unit .
5.1.06	The Management company must be a Virginia Housing Certified Property Manager by time of 8609 issuance.

Minimum Requirement	
5.1.07	Unless prohibited by an applicable federal subsidy program, each Applicant will commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between Virginia Housing and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding (a locality resolution may be acceptable) commitment for rental assistance\, and (iii) referred to the Development by a referring agent approved by Virginia Housing (2027 approved agents include the Virginia Department of Behavioral Health and Development Services (DBHDS) and Virginia Community Service Boards). The leasing preference is not required to be applied to more than ten percent (10%) of the units in the Development at any given time. The Applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than • those applicable to prospective tenants that do not receive this preference, • the eligibility criteria for prospective tenant's rental assistance, or • any eligibility criteria contained in a memorandum of understanding between Virginia Housing and one or more participating agencies of the Commonwealth.
5.1.08	Applicants receiving Credits must waive their right to pursue a Qualified Contract (QC). Any Principals participating in a deal that is currently pursuing a QC or planned foreclosure in Virginia are ineligible for an Allocation of Credits (9% or 4%).

	Minimum Requirement
5.1.09	The Owner may conduct (or contract with a nonprofit provider to conduct) programs or classes for tenants and members of the community in the community room, so long as: • the cost of the community room is not included in eligible basis; • tenants compose at least one-third of participants, with first preference given to tenants above the one-third minimum; • no program or class is offered more than five days per week; • no individual program or class lasts more than eight hours per day; • all programs and class sessions last no more than ten hours per day in the aggregate; • cost of attendance of the program or class is below market rate with no profit from the operation of the class or program being generated for the Owner (Owner may collect an amount for reimbursement of supplies and clean-up costs); • the community room is available for use for tenants when programs and classes are not offered, subject to reasonable quiet hours, and • if the Owner offers programs or classes, it provides an annual certification to Virginia Housing regarding compliance with these requirements. Failure to comply may result in a point penalty. Each Applicant must commit to provide free Wi-Fi access in the community room (if such a room is provided, regardless of whether points are claimed) restricted to resident only usage.
5.1.10	Each Applicant shall commit in its Application to provide a disclosure, to be acknowledged by tenant, of the availability of renter education from Virginia Housing. Applicant must submit a sample disclosure with the Application.

5.2 Compliance Monitoring

Virginia Housing will

- complete the initial on-site inspection of buildings and units in the Development, and compliance monitoring review of project records and tenant certification files by the end of the second calendar year following the year the last building in the Development is Placed in Service and at least once every three years thereafter;

- provide a reasonable notice of inspection and compliance monitoring review of not more than 15 days; and
- charge an annual compliance monitoring fee.

For more complete information regarding mandatory compliance monitoring please reference VirginiaHousing.com/Partners/Rental-Housing/Compliance-Monitoring.

6. Housing Credit Application Information

6.1 Reservation Application

Applicants must use the Credit Application available for download on the Website for 9% and 4% credit submissions.

Applicants may not use copy and paste within the Credit Application except where expressly permitted.

Between the Application deadline and Reservation Award Announcement, Virginia Housing will not accept telephone calls or other oral or written communications made on behalf of the Applicant (for example, from the Project's development team, elected representatives, etc.) pertaining to 9% Credit competitive applications submitted and under review unless specifically requested as part of the cure period.

6.2 Reservation Application for 4% Credits Combined with Tax-Exempt Bonds

Applicants who have not previously submitted a successful 4% Application in Virginia must meet with TCA Staff prior to submitting a Credit Application.

6.3 Reservation Specifications

9% and 4% Applications must either meet the following specifications or submit documentation to support any variations.

	Specification	Description
6.3.01	Revenue	Within the Unit Mix grid, add a line item for each different unit floor plan configuration and rent target for the Development. Rents should not include utility allowance.

	Specification	Description
6.3.02	Vacancy	Use either 7% of gross potential income or market vacancies. If the Development includes both market and low-income units, use 7% of gross potential income or market vacancies for both. Submit documentation to support market vacancy if less than 7%.
6.3.03	Operating Expenses	Operating Expenses must be at least $____ 4,500 per unit excluding replacement reserves and assuming the tenant is paying their own utilities. The pro forma operating expenses increase is at least 3% for purposes of calculating Projections for Financial Feasibility.
6.3.04	Replacement Reserves	Minimum replacement reserves should equal $250 per unit for new construction and elderly developments and $300 per unit for all other developments.
6.3.05	Pro Forma Rent Increases	The pro forma rent increase is no more than 2% per year for purposes of calculating Projections for Financial Feasibility.
6.3.06	Debt Coverage Ratio	A minimum of 1.15 in year one.
6.3.07	Cost Limits	Virginia Housing will check total development costs per square foot and per unit against the applicable cost limits below. The Development must meet either the per unit or per square foot limit. Virginia Housing may remove costs associated with parking structures, acquisition, renewable electric energy systems and supportive service reserves from the total development calculation for purposes of meeting the cost limit.
		$_589Per Square Foot, New Construction
		$_417 Per Square Foot, Rehabilitation
		$_589,015 Per Unit, New Construction
		$_504,522 Per Unit, Rehabilitation

	Specification	Description
6.3.08	Builder's Overhead, Profit and General Requirements	In total, the combined amount included in basis (including any change orders) must not exceed 14% of total structures and land as shown in the application.
6.3.09	Operating Reserve	Use a minimum of 6 months of operating expenses and debt.
6.3.10	Tax Credit Equity Factor	The amount generally does not include syndication, legal, accounting, overhead, sales commissions and/or required reserves. The Applicant will determine the amount appropriate for the Development.
6.3.11	Deferred Developer Fee Loan	The Application must include evidence that the property can support the repayment within 15 years based on the cash flow analysis.

6.4 Developer Fee Calculation

The maximum developer's fee will be the lesser of the following calculations:

	Description
6.4.01	**Acquisition:** (i) Less than or equal to 10% of the building's acquisition cost, excluding the developer's fee. No developer's fee will be allowed on the acquisition basis in cases where there is an identity of interest between the purchaser and seller and the application claims points for HUD Section 8 or 236 or Rural Development 515. (ii) In addition, the building acquisition portion of the developer fee for all Rural Development developments will not exceed 8%, plus • **Rehab:** Less than or equal to 25% of the building's eligible basis arising from the rehab, excluding the developer's fee, or • **New Construction:** Less than or equal to 20% of the building's eligible basis, excluding the developer's fee.
6.4.02	Less than or equal to 15% of the total development costs, not including the developer fee.

	Description
6.4.03	For developers with a related entity contractor or architectural entity, the maximum developer's fee cannot exceed the total development hard costs, less the contractor's overhead, profit and any incentive payments.
6.4.04	For developers with both a related architectural entity and a related contractor entity, the maximum developer's fee cannot exceed the total development costs, less • the developer fee, • contractor's overhead, profit, • any incentive payments, and • all architectural and engineering fees.
6.4.05	A cumulating declining scale of total development costs, as follows: • 15% for the first $1 million, plus • 12% for amounts between $1 million and $10 million, plus • 8% for amounts greater than $10 million total development costs.

The fee amount cannot increase after Reservation.

6.5 Reservation Criteria

	Description
6.5.01	Increase to Eligible Basis is allowed under the following circumstances: (i) The Development is located in a HUD-designated qualified census tract (QCT) or difficult to develop area (DDA). (30% increase available to both 9% and 4% deals) (ii) Developments in the ASH Pool and other Permanent Supportive Housing. (30% increase only available to 9% deals) (iii) If the Development qualifies for revitalization points. (30% increase only available to 9% deals) (iv) If the Development obtains an additional green certification. (10% increase only available to 9% deals) Virginia Housing may remove a basis boost at 8609 if unnecessary for feasibility.

	Description

	Criteria	Description
6.5.02	Determining Total # of Rental Units in Development	Exclude units from rental unit count that will not be rented to qualified households (e.g. manager's unit).
6.5.03	MDCR	Developments must meet MDCR as a condition of Credit Allocation, regardless of when or whether they were included within the plans and specifications and/or work write-up. Virginia Housing will hold a pre-construction meeting with the development team and periodically monitor the construction/rehab for compliance. All 4% applications will be subject to an A&E review. See Section 6.6.14, A&E Review Process, A&E Review Workflow, and A&E Review Memo Template.
6.5.04	Operating Budget	Project revenue for the date the buildings will place in service, using rents not greater than the current maximums, or HAP rents where applicable.

6.6 Reservation Application Mandatory Items

Applications must include the following mandatory documents. Form templates are on the Virginia Housing website.

If the Applicant does not submit or correct the mandatory items within the time frame specified, or submits in bad faith, Virginia Housing may penalize or disqualify the Application. An Application may still be ineligible even after correcting all mandatory items. Refer to the Submission Checklist in the Credit Application for correct tab placement.

	Mandatory Item	Description
6.6.01	Electronic Copies of Application and Attachments	Submit via Procorem the completed Credit Application as an Excel workbook and a signed, completed copy of the Credit Application in .pdf format, using Virginia Housing tab dividers. (See Section 6.14)
6.6.02	(LNI) form (online submission)	Applicants must complete Virginia Housing's online LNI form at least 45 days prior to Application. Slight discrepancies between the LNI and the Application will not result in penalties. Any person or entity submitting more than 5 LNIs must meet with TCA Staff prior to submitting. Include the names and e-mail addresses for all parties in the LNI that need access to the Procorem folder. Owners are responsible for providing correct contact information for the localities. As a condition of Credit Application, for any development that either includes a Public Housing Authority in the ownership structure or will participate in a PHA conversion to project-based rental assistance program (e.g., RAD, etc.), the developer must arrange a meeting with TCA Staff at the time of LNI submission.
6.6.03	$1,000 Reservation Application Fee	Must be paid via check or electronically prior to the Application deadline. The process for submitting payments is in Section 11.2. An application fee can be used for one resubmission in the same calendar year, otherwise a new fee is required.
6.6.04	Organizational Chart	Applications must include an organizational chart showing each Principal (as defined within the QAP) of the GP/MM of the Owner, including as follows: • For Principals organized as a corporation (public or private), the corporation itself, any officers directly responsible to the Board of Directors (or equivalent), and any stockholder holding a 25% or more interest in the corporation.

	Mandatory Item	Description
		• For public housing authorities and nonprofit Principals, the nonprofit/PHA and its executive director or CEO. • For Principals organized as a limited liability company or limited partnership with more than 25 individual members/partners, all officers and managing members/partners responsible for managing the affairs of the company, along with the name of any individual member/partner holding 25% or more interest in the company. • For Principals organized as a trust, all trustees and any individuals possessing a 25% or more beneficial interest in the assets of the trust. Virginia Housing may request additional information and organizational documents related to any Principal of the Applicant (including partnership agreements, operating agreements, bylaws, etc.), regardless of whether such Principal must be included in the organizational chart.
6.6.05	Virginia State Corporation Commission (SCC) and Additional Organizational Documents	Applications must include a SCC Certificate of Fact or Certificate of Good Standing evidencing Applicant's ability to lawfully conduct business in the Commonwealth, and Applicant must remain active and in good standing with the SCC throughout the review process.
6.6.06	Principal's Previous Participation Certification (PPC)	Applicants must provide an executed PPC and a draft of any Right of First Refusal (if applicable), both using the required forms.
6.6.07	Site Control	Applications must include evidence showing that the Applicant maintains site control over all parcels within the Project at Application Submission. Acceptable forms of site control are limited solely to: (i) a deed evidencing Applicant's exclusive fee simple ownership;

Mandatory Item	Description
	(ii) a ground lease agreement between the fee simple owner and the Applicant, which grants Applicant the right to lease the parcel(s) for a term extending beyond the applicable Extended Use Period; and (iii) the right to acquire or lease the site as described above and qualified below, pursuant to a binding, bona fide contract or option between the current fee simple owner and the Applicant. Additional Site Control Requirements and Qualifications: • Applications must include a copy of the most recent real estate tax assessment issued for each parcel. • Site control must be maintained by the Applicant itself – site control by a related party or Principal of the Applicant with the intent to subsequently transfer ownership to the Applicant is insufficient. • An Applicant may evidence site control by demonstrating it assumed a contract or option executed by a third party and that the assumption puts the Applicant in the same position as if the Applicant had originally contracted directly with the fee simple owner. • Applicant's right to acquire or lease the site may not be contingent upon matters or conditions outside of its discretion or control. • Leases, contracts, and options provided to evidence site control must extend at least four months beyond the applicable application deadline and prohibit further marketing of the property by the seller/lessor. • If the contract, option, or lease states that the price owed to the seller includes an assumption

	Mandatory Item	Description
		of outstanding debt, the Application must include documentation substantiating its value. • Contracts/options to acquire a site with existing residential property may not require an empty building as a condition of purchase unless displaced households receive relocation assistance in accordance with Virginia Housing's Relocation Assistance Guidelines. • For projects involving the acquisition and rehabilitation of USDA RD developments, site control documents that require approval by the seller's partners does not need to be approved if the GP of the seller executing the site control document provides either an attorney's opinion confirming that such GP has the authority to enter into a site control document binding on the seller or a letter from the existing Investor or Syndicator indicating a willingness to secure the necessary partner approvals upon the Reservation of Credits.
6.6.08	Expiration of Third-Party Documentation	Unless specified otherwise, any form, letter, plan, report, or study prepared by a third party must be no more than 18 months old as of the Application deadline.
6.6.09	Attorney's Opinion (Virginia Housing form)	Each Application must include an executed legal opinion on the Applicant's legal counsel's letterhead. (i) The Application must include a blackline showing no changes have been made to the form beyond those necessary to complete it (e.g. filling in blanks, selecting bracketed language as appropriate). (ii) Virginia Housing must approve any modification of the form in writing within six months prior to the Application deadline.

	Mandatory Item	Description
		Include a copy of any approval in the Application. (iii) Failure to use the correct form (for 9% or bonds) or to abide by the instructions above may result in a point penalty or Application disqualification.
6.6.10	Nonprofit Questionnaire	Submit the completed questionnaire and consulting agreements if Applicant is eligible to compete in the Nonprofit Pool and/or receive points for nonprofit involvement.
6.6.11	Appraisal (Acquisition Credits)	Appraisals are required with the Reservation Application only when seeking acquisition Credits. Virginia Housing will accept RD appraisals that include its requested values. The Applicant obtains appraisals independently following Virginia Housing's most recent appraisal guidelines. Virginia Housing may order its own appraisal (at the Applicant's expense). All questions and concerns regarding the appraisal must be resolved before • 9% Credit preliminary rankings (an Application may be ineligible if Virginia Housing orders its own appraisal), or • the 42(m) letter is issued for 4% Credit Applications.
6.6.12	Market Study	Reference Virginia Housing Market Study Guidelines available on the Website. Approved market analysts must be a member of the National Council of Housing Market Analysts.

	Mandatory Item	Description
6.6.13	Zoning Certification	The appropriate locality official or professional civil engineer registered in Virginia must certify proper zoning, without substantive modification and no earlier than three months before the Application Deadline. If the proposed site overlaps the boundary between multiple political jurisdictions, Virginia Housing will accept either a Certification form from each locality or a letter from one locality specifying that the other has jurisdiction. • Development Description should be provided by the Owner. • Development Address, Proposed Improvements, and Other Descriptive Information should correspond to the Application. • Any change in this Certification may result in disqualification of the Application.
6.6.14	Plans and Specifications	Following are minimum requirements for all property types applying for 9% Credits (new construction, rehab and adaptive reuse). • A location map with the property clearly defined on the plans. • A site plan showing locations of all building(s) and major site elements (e.g., parking lots and location of existing utilities and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required. Sketch plans of main building(s) reflecting overall dimensions. • Typical floor plan(s) showing apartment types and placement. • Ground floor plan(s) showing common areas. • Sketch floor plan(s) of typical dwelling unit(s).

	Mandatory Item	Description
		• Typical wall section(s) showing footing, foundation and wall and floor structure. Notes must indicate basic materials in structure, floor and exterior finish. • All items reflected in the MDCR. • Rehab developments must include a 100% Unit Condition Survey and Scope of Work Narrative in addition to a Capital Needs Assessment prepared by a third party. Virginia Housing may require a complete A&E review prior to awarding 9% Credits. Virginia Housing awarding the Application does not confirm approval with MDCRs. Awarded Developments must comply with the MDCR even if not reflected in the Application. Failure to do so may result in an Application being ineligible for Credits at project close out or penalty points assessed against the Applicant on future submittals. All 4% Applications are subject to an A&E review prior to award. Applications must include Plans and Specs that are complete at least through the Design Development phase and must include Architectural, Civil, Structural and MEP design disciplines. A 100% unit condition survey is also required for all rehab deals. For more information, see the submission section in the Virginia Housing MDCR, Section 6.14 of this Manual and the A&E Review Process, Workflow, and Memo Template on the Website.
6.6.15	Environmental Site Assessment (Phase I) – 4% only	Each 4% Credit Application must include an environmental site assessment (Phase I). Virginia Housing may request additional reports/ documentation.

	Mandatory Item	Description
6.6.16	Relocation Assistance Plan (Rehab only)	The Reservation Application must include a Relocation Assistance Plan and Relocation Budget any time residents will be displaced and for all rehab deals. The approved relocation plan must be kept in plain sight, available for tenants to review, and be property specific, including at a minimum: • The name, address and contact person for the Owner and management company. • Scope of the work to be completed, including estimated start and completion dates. • Planned measures to minimize construction impact on occupied units. • Projected rents and rental policies after rehab. • Advisory services to be offered. • Estimated determination as to Moving Cost Reimbursement. • A unit delivery schedule. • Relocation Budget. Owners must document compliance by including in each tenant's file all documentation related to relocation, including all notices and agreements referenced herein, as well as bill receipts and canceled checks.
6.6.17	Capital Needs Assessment (4% Rehab only)	Applications for 4% rehab deals must include a Capital Needs Assessment.
6.6.18	Existing Conditions Questionnaire (Rehab only)	Applications for all 9% and 4% rehab deals must include a Virginia Housing Existing Conditions Questionnaire.
6.6.19	Minimum Points	Any development earning fewer than 200 total points (100 for bond deals) will be ineligible.

6.6a Cure Period Information

Virginia Housing may allow for the correction of minor and immaterial defects affecting mandatory items (not points items) in 9% and 4% Applications. Applicants will have 48 hours from the time of notification (excluding weekends and legal holidays) to cure defects. Allowing a cure does not constitute approval or acceptance of the Application.

Virginia Housing will notify the Applicant by email. If the Applicant fails to respond within the cure period or the response is nonresponsive, the cure will not take effect.

Virginia Housing may reject an Application upon determining it either

- contains a substantial volume of errors or issues unlikely to be resolved within the cure period, or
- lacks sufficient information to allow for such determination.

6.7 Project Readiness — Point Items

Refer to the Submission Checklist for correct tab placement.

	Project Readiness		
	Point Category	**Points**	**Explanation**
6.7.01a	Locality CEO Letter	0 or -25	The Application will qualify for 0 points if by the Application Deadline Virginia Housing receives either • a letter in support or a 'no comment' from the locality, or • no letter Virginia Housing will deduct 25 points if an opposition letter (i) certifies that the proposed development is inconsistent with current zoning, comprehensive plan or other applicable land use regulations; and (ii) is accompanied by a legal opinion from the locality's attorney, stating that the locality's opposition to the Development does not have a discriminatory intent or effect that is in violation of the Fair Housing Act and implementing regulations. Regardless of such an opinion, Virginia Housing may conclude the opposition does not have a sufficiently valid basis to result in negative points.
6.7.01b	LNI Forms	0 or -50	Virginia Housing will deduct 50 points for each instance of failing to submit an LNI form and any required attachments by the prescribed deadline. This applies only to competitive applications.
6.7.02	Location in a Revitalization Area	0, or 15	Applicants may receive 15 points for providing a completed Community Revitalization Plan Form Letter. . This includes areas such as QCTs, Opportunity Zones, federally or Virginia recognized Tribal Nation lands located in present-day boundaries, or certain other areas formally designated as identified on the form.

	Project Readiness		
	Point Category	**Points**	**Explanation**
			•
6.7.03	Plan of Development	0 or 10	Applicants may receive 10 points for providing Virginia Housing's Plan of Development Certification form.

6.8 Housing Needs Characteristics — Point Items

	Housing Needs Characteristics		
	Point Category	**Points**	**Explanation**
6.8.01	Section 8 or PHA Waiting List Preference	Up to 5	Developments without or with less than 100% federal project-based assistance where the Applicant agrees to set a leasing preference for households on the jurisdiction's PHA or Section 8 waiting lists.
6.8.02	Existing RD, HUD Section 8 or 236 Program	0 or 20	Developments subject to Rural Development or HUD Section 8 or 236 programs at the time of Application, including program participation. • Where the Applicant is the current owner or has any common interests with the current owner (directly or indirectly), an Application will earn points only if the Applicant acknowledges there will be no developer's fee associated with the acquisition. • These points may apply to new construction if an existing RD or HUD contract is being bifurcated.

	Housing Needs Characteristics		
	Point Category	**Points**	**Explanation**
6.8.03	New Project-Based Rental Subsidy (HUD or RD)	Up to 8	In either the New Construction or Northern Virginia pools, one point for each project-based voucher up to a maximum of eight. Any points awarded reduce in equal measure any awarded for Subsidized Funding.
6.8.04	Subsidized Funding Commitments	Up to 60	Any • funding source, as evidenced by a binding commitment or letter of intent, that reduces the credit request; • commitment to donate land or buildings or tap fee waivers from the local government; or • commitment to donate land (including a below market-rate land lease) from an entity that is not a Principal in the Applicant. To qualify, loans must be below the IRS applicable federal rate at the time of commitment or cash-flow only and not from Virginia Housing or market rate sources. The Applicant receives two points for each percentage point of the total development cost up to a maximum of 60 points. Confirming receipt of such subsidized funding will be a condition of issuing the IRS Form 8609. Firm commitment(s) for the following funding sources must include the following: (i) **Local government funding** –a resolution passed by the locality committing financial support to the Development in a form approved by Virginia Housing. (ii) **Local government donations** – a commitment to donate land, buildings or tap fee waivers.

Housing Needs Characteristics			
	Point Category	**Points**	**Explanation**
			(iii) **Donation of land, not from a local government** – a commitment to donate land (including a below market rate land lease) from an entity (not a local government) that is not a Principal in the Applicant (being the grantee of a right of first refusal or purchase option, with no ownership interest in the Applicant, does not make the donor a Principal in the Applicant). The value of donated land (including a below market rate land lease) will be based on the most recent locality tax assessment.
6.8.05	Tax Abatement	0 or 5	The Development qualifies for a deferral on a portion of real estate tax increases (a real estate tax abatement or equivalent) as authorized by § 58.1-3219 of the Code of Virginia. Affordable housing tax assessment reductions described in § 58.1-3295 or for local or state subsidy do not qualify.
6.8.06	High Opportunity Census Tract	Up to 20	Virginia Housing will award points on a sliding scale, at an inverse relationship to census tract poverty rates between 0-25% according to the most recent available data from the American Community Survey table S1701 – Poverty Status in the Past 12 months. Tracts with a below poverty level rate of 0% will earn 20 points, and tracts with poverty level rates above 25.00% will earn 0 points. •
6.8.07	Rural Development Priority	0 or 15	The Application includes a support letter from USDA RD stating the rehab development is a priority.

Housing Needs Characteristics			
	Point Category	**Points**	**Explanation**

6.9 Development Characteristics — Point Items

Refer to the Submission Checklist for correct tab placement. Any selected enhancement points apply to all units.

Development Characteristics			
	Point Category	**Points**	**Explanation**
6.9.01	Amenities		
6.9.01.a	Community/ Meeting Room	0, 5, or -10	The Development has a community room that • is a minimum of 749 sq. ft., • complies with use guidelines, • includes wireless internet access that is restricted to residents only and • is physically located within the boundaries of the Development (not a different phase). Failure to comply with the requirements in 5.1.09 will result in a 10 point penalty for three years from the date of such noncompliance for Principals in the Owner. Free community room Wi-Fi service must have a rotating password accessible only to residents. The Application must include resident internet education information, draft resident acknowledgment form, and internet security plan. Resident education information and resident acknowledgment form must be included in all resident files.

	Development Characteristics		
	Point Category	**Points**	**Explanation**
6.9.01.b	Brick Walls or other similar low-maintenance material	Up to 20	Applications will earn (i) 10 points if at least 25% of exterior façade consists of anchored, full-depth, vented brick masonry units;(ii) 10 points if 100% of exterior façade consists of durable, low-maintenance material. Community buildings are included in consideration for this category. For purposes of the coverage calculation in (i), the triangular gable end area, doors, windows, knee walls, columns, retaining walls and any features that are not a part of the façade are excluded from the denominator. "Durable Low-maintenance material" means: • Anchored, full-depth, vented brick masonry units, architectural CMU, or natural stone; • Adhered natural or cultured stone or brick veneer with vented drainage plane; • Fiber cement siding; • Metal panel siding with vented drainage plane. •
6.9.01.c	Accessible Units	5 or 10,or 15	Applications will earn points if common areas and at least 5% (5 points) or 10% (10 points) of units • conform to the Type A regulations of American National Standards Institute (ANSI) A117.1-2017 - Accessible and Usable Buildings and Facilities, and the accessibility requirements of the Virginia Uniform Statewide Building Code as interpreted by the Authority;

Development Characteristics			
	Point Category	**Points**	**Explanation**
			• conform with Section 1106 of ANSI A117.1-2017; • have permanent accessible features (e.g. grab bars, kitchen and bathroom roll-under sink, roll-in shower seat when provided); • have common areas and routes that conform with ANSI A117.1-2017; • 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. Applications will earn 5 additional points if all accessible units include at least one roll-in or step in shower.
6.9.01.d	WaterSense Toilets, Faucets & Showerheads	0 or 3	Applications will earn points if every unit in the Development will have bathroom(s) containing only WaterSense labeled toilets, faucets and showerheads Points only apply if additional green certifications are not obtained.
6.9.01.e	High Speed Internet/ Broadband Infrastructure (rehab only)	0 or 5	Each unit will have the necessary infrastructure for high-speed or broadband internet service if it does not already exist, including wiring and jacks in accordance with MDCRs and ready for provider activation.
6.9.01.f	Bath Fans	0 or 3	Each full bathroom will include a bath fan: • wired to primary light with delayed timer; or • with a humidistat. User-controlled interfaces are not allowed.

	Development Characteristics		
	Point Category	**Points**	**Explanation**
6.9.01.g	Solid Core Doors	0 or 3	All interior doors within the unit will be solid core (including solid wood).
6.9.01.h	Dehumidification	0 or 5	Each unit will have • permanently installed dehumidification systems, • with humidistat control, • that do not require manual disposal of condensation, • concealed in a wall cavity or a secondary space that easily communicates air with the rest of the unit. A balanced, whole-building Dedicated Outdoor Air System with humidity control qualifies. The primary apartment HVAC and portable models do not qualify for points. Equipment may not be set in a primary living space.
6.9.01.i	Dehumidification, (rehab and adaptive reuse projects not receiving points under 6.9.01.h)	0, or 2	Each unit will have • dedicated space, drain and electrical hookups for possible future permanently installed dehumidification system, • either concealed in a wall cavity or a secondary space that easily communicates air with the rest of the unit. Primary apartment HVAC system and portable models do not qualify. Equipment may not be set in a primary living space.

	Development Characteristics		
	Point Category	**Points**	**Explanation**
6.9.01.j	Fire Suppression	0 or 2	All cooking surfaces will be equipped with fire suppression features for the duration of the Compliance Period, including over the range fire suppression (such as canisters) or similar features approved by Virginia Housing.
6.9.01.k	Renewable Energy	0 or 5	The Development will incorporate a renewable energy electric system as reflected in Plans & Specifications. The Plans & Specifications must include documentation that the building site and design are feasible for such system.
6.9.01.l	Green Certifications	0 or 10	Applications including both a commitment to obtain one of the following Green Certification options and an architect certification that the design incorporates the necessary elements: • EarthCraft Gold; • LEED; • NGBS Silver or higher; • Enterprise Green Communities. • Efficient New Homes (DOE) formerly Zero Energy Ready Home • Passive House • Green Globes • Certified Sustainable Property •
6.9.01.m	Front-Control Ranges (elderly only)	0 or 1	Every unit in the Development will have a cooking range with front controls.

	Development Characteristics		
	Point Category	**Points**	**Explanation**
6.9.01.n	Independent/ Supplemental Heat Source (elderly only)	0 or 1	All full bathrooms in the Development will have an independent or supplemental heat source, in addition to the unit's standard HVAC system.
6.9.01.o	Two Eye Viewers (elderly only)	0 or 1	Every unit in the Development will have an entrance door with two eye viewers, one at 44"- 48" and the other at standard height.
6.9.01p	Zero Energy or Passive House	0 or 10	Applicant contains a Principal eligible to apply points previously awarded for participation in a development (until December 31, 2028) meeting either • Efficient New Homes / Zero Energy Ready Home, or • Passive House.

	Development Characteristics		
	Point Category	**Points**	**Explanation**
6.9.02	Proximity to Public Transportation	0, 10 or 20	The Development is certified to be within ½ mile of an existing or proffered commuter rail, light rail or subway station or ¼ mile of an existing or proffered public bus stop using the Virginia Housing certification form. • Applications in and ranked against others in the New Construction, Northern Virginia / Planning District 8, or Tidewater MSA pools receive 20 points. • LHA and other pools receive a maximum of 10 points. • On-call transportation for elderly developments will qualify for points. • All 4% applications will qualify for a maximum of 10 points. Applicants relying on a proffered stations/stops must also provide alternative documentation demonstrating the location and commitment.

	Development Characteristics		
	Point Category	**Points**	**Explanation**
6.9.03	Units Constructed to Meet Virginia Housing's Universal Design Guidelines	Up to 15	Applications will receive points for the number of units meeting this criterion: • Virginia Housing will award points on a prorated % basis in a non-elderly development, or • Elderly Developments must have 100% of the units meet this criterion to qualify for the points. The Application must include the Universal Design Checklist, Training Certificate, and Plans. The Architect of Record must • have attended Virginia Housing Universal Design training within the last 5 years; • be on Virginia Housing's most current Universal Design Certificate Holders' listing; and • sign the Virginia Housing Architect's Certification.
6.9.04	Historic Rehab	0 or 5	The Structure is listed individually in the National Register of Historic Places or located in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district. The rehab must be completed in such a manner as to be eligible for historic rehab tax credits. The Application must include evidence that the Part I has been approved by the Department of Historic Resources.

Marketing Plan Requirements

Properties with points awarded for Accessible units, must have a marketing plan to actively market units to individuals including persons with a disability. Every marketing plan must:

- Be customized for the property-specific leasing preference or special needs tenant population that the property is intending to serve.
- Include information on networking contacts with centers for independent living, disability services boards and address the efforts that will be necessary to fill a vacant unit.
- State that referred applicants will be given a leasing preference to fill the property's required unit commitment.
- State that units will be held vacant and actively marketed to the networking contacts included in the written marketing plan.
- State that units may be held vacant for 60 days during which ongoing marketing must be documented.
- State that the property will be listed on VirginiaHousingSearch.com or MyHousingSearch.com.

6.10 Tenant Characteristics — Point Items

Refer to the Submission Checklist for correct tab placement.

	Tenant Population Characteristics		
	Point Category	**Points**	**Explanation**
6.10.01	1BR Units (elderly only)	Up to 30	Applicants will earn 30 points for committing to provide age-restricted housing and maintain at least 20% of total units within the development as one-bedroom units. If an application commits fewer units, Virginia Housing will award 0.75 points for each percent of the low-income units in the Development with 1-bedroom units. .
6.10.02	% of Units with 3 or More Bedrooms (family only)	Up to 30	Applicants will earn 30 points for committing to maintain a leasing preference for households with children and at least 20% of total units contain at least three bedrooms.

	Tenant Population Characteristics		
	Point Category	**Points**	**Explanation**
			If an application commits fewer units, Virginia Housing will award 0.75 points for each percent of the low-income units in the Development with three or more bedrooms .
6.10.03	Units at or below 30% of AMI (mutually exclusive with 6.10.06 below)	Up to 10	Applications will receive one point for each percentage point of units in the Development that are both rent-restricted to and occupied by households at or below 30% of AMI that are not subsidized by project-based rental assistance. The limits will remain in effect until the close of the Compliance Period.
6.10.04	Units at or below 40% of AMI (mutually exclusive with 6.10.06 below)	Up to 10	Applications will receive one point for each percentage point of units in the Development that are both rent-restricted to and occupied by households at or below 40% of AMI. The limits will remain in effect until the close of the Compliance Period.
6.10.05	Units at or below 50% of AMI (mutually exclusive with 6.10.06 below)	Up to 30	Applications will receive one point for each percentage point of units in the Development that are both rent-restricted to and occupied by households at or below 50% of AMI. The limits will remain in effect until the close of the Compliance Period.

	Tenant Population Characteristics		
	Point Category	**Points**	**Explanation**
6.10.06	Housing Credit Units that are rent-restricted (mutually exclusive with 6.10.03, .04, and .05 above)	Up to 25	The Applicant commits to impose rent limits on the low-income housing units until the close of the Compliance Period below those required for the Development to be a qualified low-income development. Awarded on a sliding scale when up to half of total units whose income limits are 60% AMI or above and are rent restricted to 50% or below. For more information on the sliding scale, see the LIHTC application.
6.10.08	Target Population Strategic Elements	10	The Applicant commits to the following DBHDS guidelines: • non-elderly, • no more than 10% of the units have project-based rental assistance, and • at least 20% of the units are one-bedroom.

6.11 Sponsor Characteristics — Point Items

Refer to the Submission Checklist for correct tab placement.

	Sponsor Characteristics		
	Point Category	**Points**	**Explanation**
6.11.01	Developer Experience – Uncorrected Life Threatening Hazard	0 or -50	Penalty points will apply to an Application that includes a Principal that, within the past three years, was in a development that failed to correct a life-threatening hazard in the required timeframe set by Virginia Housing.
6.11.02	Developer Experience -	0 or -15	Penalty points will apply to an Application that includes a Principal, within the past

	Sponsor Characteristics		
	Point Category	**Points**	**Explanation**
	Uncorrected Form 8823 to IRS (non-compliance)		three years, who was a Principal in a development (i) had not corrected such noncompliance by the time Virginia Housing filed an IRS Form 8823 or (ii) that remained out-of-compliance with the terms of its extended use commitment after notice and expiration of any correction period set by Virginia Housing.
6.11.03	Developer Experience - Principal Who Did Not Build As Represented	-2x	This penalty will apply if the Application includes a Principal who, in a previous Application, did not build a development as represented in the Application for credit. The penalty of -2x the number of points assigned to the item(s) not built (per occurrence) will apply for three years after the last Form 8609 issuance date for the development and is in addition to any other penalties Virginia Housing may impose.
6.11.04	Developer Experience - Principal Who Failed to Provide a Minimum Building Requirement	0 or -50 per item	This penalty will apply if the Application includes a Principal who, in a previous application, did not provide either a minimum MDCR or required non-point item as referenced in the Tax Credit Application. A 50-point penalty per requirement will apply for three years after last Form 8609 issuance date and is in addition to any other penalties Virginia Housing may impose.

	Sponsor Characteristics		
	Point Category	**Points**	**Explanation**
6.11.05	Developer Experience – Principal Who Had Credits Terminated	0 or -10	This penalty will apply if the Application includes a Principal who, in a previous application, had a reservation of Credits involuntarily terminated by Virginia Housing. A 10-point penalty will apply for three years after the termination and is in addition to any other penalties Virginia Housing may impose.
6.11.06	Developer Experience – Exceeding Cost Limits	0 or -50	This penalty will apply if the Application includes a Principal who was a Principal in a development for which the actual cost of construction exceeded the applicable cost limit by 5% or more. A -50 points penalty will apply for a period of three calendar years beginning January 1 of the year following the completion of the cost certification unless the Board of Commissioners determines exceeding the cost limit was outside the Applicant's control (based upon documented extenuating circumstances).
6.11.07	Developer Experience – More than One Follow Up for Final Inspection	0 or -5	This penalty will apply if the Application includes a Principal who, in a previous application required more than one follow up final inspection. Negative 5 points will apply beginning the year after the prior application required the additional inspection(s) and continues for two years.

	Sponsor Characteristics		
	Point Category	**Points**	**Explanation**
6.11.08	Management Company Rated Unsatisfactory by Virginia Housing	0 or -25	If the ownership of any Applicant includes a Principal, who in a previous application hired a management company after it received an "unsatisfactory" rating from Virginia Housing within the preceding three years.
6.11.09	Developer Experience – Requesting a Qualified Contract	Disqualified	Any Applicant that includes a Principal who has pursued a QC in Virginia after January 1, 2019 will be permanently disqualified and held not in good standing. Virginia Housing may notify housing program administrators in other state and local agencies.
6.12.10	Planned Foreclosure	Disqualified	Any Applicant that includes a Principal who has participated in a foreclosure or instrument in lieu of foreclosure arranged for the primary purpose of terminating an extended use agreement.

6.12 Efficient Use of Resources

Efficient Use of Resources point items will be calculated in the Application.

	Efficient Use of Resources		
	Point Category	**Points**	**Explanation**
6.12	Credit Per Unit	Up to 50	Applications will earn up to 50 points based on the percentage by which the total amount of Credits, per low-income housing unit type, for a given property, is less than the maximum allowable Credit amount using a sliding scale, the points are calculated by the difference between the Application's savings and the maximum score for 60% savings. Overall Cost limits still apply.

6.13 Bonus Point Items

Refer to the Submission Checklist for correct tab placement.

	Bonus Points		
	Point Category	**Points**	**Explanation**
6.13.01	Extended Use Restriction (mutually exclusive with 6.13.03 below)	15 or 30	Applications documenting that the Owner will maintain the low-income units beyond the standard Extended Use Period: • 10 additional years, for 40 years of total compliance earns 15 points; or • 20 additional years, for 50 years of total compliance earns 30 points.
6.13.02	Nonprofit or Local Housing Authority (LHA) Purchase Option	0 or 30	The Applicant and nonprofit or LHA both submit a signed and notarized Right of First Refusal in a form provided by Virginia Housing . If Virginia Housing determines the nonprofit or LHA is not qualified, the Applicant may request to select one of the extended compliance options instead. The nonprofit must maintain a minimum of 10% ownership throughout the entire Compliance Period to qualify for these points (not applicable to LHAs).
6.13.03	Homeownership Option (mutually exclusive with 6.13.01 above)	0 or 5	The Application qualifies under 6.13.02 above and the LHA or nonprofit commits to sell the units in the Development to tenants. • Only developments consisting of freestanding single-family dwellings are eligible. Apartments, townhomes and condo units are ineligible. • No units within the Development may be sold prior to the close of the Compliance Period. • Only developments with an applicable fraction of 100% are eligible.

	Bonus Points		
	Point Category	**Points**	**Explanation**
			• Applicant must agree to accept the terms of Virginia Housing's form Homeownership EUA Rider.. • The Application must contain a homeownership plan that aligns with all Virginia Housing program requirements and is otherwise acceptable. • The homeownership plan must demonstrate that the Development is expected to be capable of operating as a rental housing development throughout the Extended Compliance Period. • Prior to the Application submission deadline, the Applicant must arrange a meeting with TCA Staff to review the proposed homeownership plan; failure to do so will result in rejection of the Application.
6.13.04	RAD or other PHA conversion	0 or 10	Any LHA pool Application participating in the Rental Assistance Demonstration (RAD) program or other PHA conversion to project-based rental assistance. Applicants must show proof of a CHAP or HUD commitment.
6.13.05	Electronic Payment	0 or 5	For committing in the Application to submit any payments due to Virginia Housing, including reservation fees and monitoring fees, by electronic payment.

6.14 How to Submit Reservation Applications (9% and 4%)

Applicants must submit all application materials through Procorem only following the protocol below. An application fee paid via Virginia Housing's invoice portal counts as received at the date and time of payment. Submit an application fee paid by check no less than 3 business days prior to the Application deadline. Checks count as received upon delivery to the Allocation Department.

Virginia Housing will

- create the Procorem workcenters after LNI submissions and a separate Plan Review workcenter for all 4% applications, and
- send email invitations to the contact persons indicated.

Owners must notify TaxCreditApps@VirginiaHousing.com directly once all Application materials have been uploaded. Virginia Housing may disqualify any submissions past stated deadlines. See instructions for using Procorem at VirginiaHousing.com for more information.

Naming Protocol	Description
[Dev Name] – Reservation App	Active Microsoft Excel workbook
[Dev Name] – Reservation App Note: If all attachments are not in one PDF, Virginia Housing has the right to deny the application. [Dev Name] – Market Study	PDF file which includes the following: PDF copy of the signed Application, including self-score sheet and all Application attachments (i.e. tab documents, excluding the market study, plans, specs and/or work write-up) PDF
[Dev Name] – Appraisal (if applicable)	PDF
[Dev Name] – Capital Needs Assessment (if applicable)	PDF
[Dev Name] – Phase I Environmental Assessment (4%s only)	PDF

Naming Protocol	Description
[Dev Name] – Plans [Dev Name] – Specs [Dev Name] – Unit Survey (if applicable) [Dev Name] – Report Type (if applicable) 4% Deals may upload once to Plan Review Workcenter	PDF Plans (specify if Architectural, Structural, MEP, etc. as needed) PDF Specifications PDF 100% Unit Condition Survey (rehabs only) PDF Reports (as needed per MDCR)

*[Dev Name] = type in the name of the Development

[*text moved to 6.6a*]

6.15 Virginia Housing Subsidy Layering Information

HUD granted Virginia Housing authority to conduct Subsidy Layering Reviews (SLR) for LIHTC new construction and rehab properties receiving Project-Based Voucher (PBV) awards from a Virginia PHA. To request an SLR, the PHA must submit to Virginia Housing a cover letter on PHA letterhead to SLR@VirginiaHousing.com with the following information:

1. PHA Number
2. PHA Contact Person and Email
3. Owner Contact Person and Email
4. Project Name
5. Project Address

Virginia Housing will provide the PHA and the Owner with access to a Procorem folder to submit the required documentation. Send an email to SLR@VirginiaHousing.com once all documentation is uploaded.

Upon completion of the SLR Virginia Housing will invoice a one-time fee of $15,000, which must be paid prior to the issuance of the SLR Certification Letter. This certification applies only to the necessary SLR; the Development still must comply with any other HUD and/or local requirements.

The PHA must make the initial request at least six weeks prior to expected completion and submit all documentation at least four weeks prior to expected completion.

7. Allocation Information

7.1 Review Process

Developments qualify for the lesser of

- the maximum credits based on eligible basis and the applicable fraction, and
- the amount necessary to generate enough equity to fill the gap between the Development's total sources and uses.

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Virginia Housing makes a Reservation of Credits after an initial feasibility analysis conditioned on the Development's sponsor meeting certain requirements, and a second feasibility analysis to confirm an Allocation for 9% Credits. Failure to meet Application commitments may result in a reduction or complete loss of Credits.

After a building Places in Service, the Owner will submit the Application for IRS Form(s) 8609 and Virginia Housing will perform a final feasibility analysis

7.2 Allocation Applications

Virginia Housing sends customized Carryforward Allocation Applications to developers that have accepted a Reservation of 9% Credits. Carryforward Allocation Applications are due back to Virginia Housing no later than the established deadline posted in the schedule or noted in the Reservation Agreements. A significant delay may result in loss of the Reservation. Virginia Housing will notify Applicants of their assigned allocation officer at the issuance of the allocation.

7.3 How to Submit Allocation Applications

Complete the Allocation Application by verifying and/or updating answers to all questions, then submit all Application materials to the Virginia Housing Procorem site by the deadline using the following protocols to name files. All files other than the Excel Workbook must be in PDF format.

Naming Protocol	Description
Allocation – [Dev Name] – Application	Active Microsoft Excel workbook
Allocation – [Dev Name] – Application	PDF copy of the signed Application

Naming Protocol	Description
Allocation – [Dev Name] – Attorney's Opinion	Attorney's Opinion (including blackline), if applicable
Allocation – [Dev Name] – IRS EIN #	IRS EIN #
Allocation – [Dev Name] – Owner's Cert	Owner's Certification / 10% Test
Allocation – [Dev Name] – Investor LOI	Investor LOI
Allocation – [Dev Name] – [Document Name]	Other document(s) revised since the Reservation Application
Allocation – [Dev Name] – Capital Needs Assessment	Capital Needs Assessment, only applicable for 9% rehab
Allocation – [Dev Name] – Phase I Environmental Site Assessment	Phase I Environmental Site Assessment, only applicable for 9% deals

*[Dev Name] = type in the name of the Development

7.4 Allocation Application Mandatory Items

Submit the following items with the Allocation application.

	Mandatory Item
7.4.01	Excel copy of the Allocation Application
7.4.02	Electronic/PDF copy (via Procorem site) of signed Allocation Application and attachments
7.4.03	Attorney's Opinion
7.4.04	IRS Letter Confirming the Assignment of the EIN Number (Form SS-4) to the Owner (i.e. LP, LLC, etc.)
7.4.05	Site Control Documentation as required in 6.6.07. These costs must align with the representation made in the Reservation Application. Recording Taxes and Fees should be allocated to the appropriate cost line. If not available at Allocation, this must be submitted by the deadline established in the Reservation documents.

	Mandatory Item
7.4.06	Owner's Certification – must include an itemized list of expenditures. This does not have to be certified by a CPA, unless required by the attorney for the Attorney's Opinion letter.
7.4.07	Commitment or Letter of Interest from Syndicator or Investor
7.4.08	Other documents revised since the Reservation Application
7.4.09	Capital Needs Assessment, if rehab
7.4.10	Phase I Environmental Site Assessment

7.5 Meeting the 10% Test

10% tests are due 30 days prior to the 12-month deadline for meeting the expenditure test as outlined in the Carryforward Allocation Agreement.

8. Application for 8609 Information

8.1 Application for 8609

Following submission of the Certificate of Occupancy or Notice of Substantial Completion, the Owner will receive a customized 8609 application for their development.

Submit a copy of the permanent funding commitment(s) and other supporting documentation on the 8609 Submission Checklist. Submit all Application materials to the Virginia Housing Procorem site by the deadline

8.2 Deadline for 8609 Applications

Owners must meet the following deadlines for the submission of 8609 application.

Deadline	Description
Within 30 days of construction completion of the units in the last building	Submit notification to Virginia Housing's TCA Department no later than 30 days after the units in the last building are ready for occupancy.

Deadline	Description
No more than 180 days after construction completion of the units in the last building	Submit the 8609 Application, including supporting documentation (see list above and 8609 checklist).
No later than April 30th of the second year following the year of Allocation	8609 Applications for developments financed with 9% Credits are due. Extensions may be granted for up to 12 months beyond April 30th with prior approval by Virginia Housing.

Owners must submit a completed 8609 Application and supporting documentation on the earlier of

- 180 days from when a development's last building becomes ready for occupancy, or
- April 30th of the second year following the year of Allocation for 9% deals (Virginia Housing may grant extensions for up to 12 months).

8.3 Occupancy Notice and Final Inspection

Required occupancy notifications consist of:

New Construction - A copy of the certificate of occupancy for each building.

Rehabilitation - A certificate from the Architect that construction is substantially complete or a cost certified per unit expenditure.

8.4 Final Inspection

Developments are subject to initial and follow-up final inspections once all work is complete. Virginia Housing may allow phased final inspections for an additional fee.

- The developer must email TaxCreditApps@VirginiaHousing.com to request a final inspection. Attach to the email (for each phase, if applicable) all Certificates of Occupancy or the Architect's Certificates of Substantial Completion.
- Virginia Housing may request documentation for items that cannot be visually verified during the final inspection, e.g., receipts, delivery tickets, warranties, etc.
- The final inspection will include verification of amenity items selected by the developer and MDCR.
- If previously identified deficiencies have not been adequately corrected by the follow-up final inspection, the penalty for a failed final inspection will apply.

Additional details regarding the phased final inspection process:

1. At the pre-construction meeting, developers interested in phased final inspections must submit a schedule of phases including which buildings/floors will be included in each inspection, along with tentative substantial completion dates for each phase.
2. Developer must pay the full upfront fee to administer the phased final inspection process prior to scheduling the first final inspection. See section 11.1 Summary of Program fees for more details.
3. Multiple buildings may be grouped into one phase, but the inspections for those buildings must occur on the same day.
4. Schedule initial final inspections for the same day as the Virginia Housing Construction Control Officer's (CCO) recurring monthly meeting. Follow-up inspection may occur off-schedule.
5. Virginia Housing will track 'passed' phases on the CCO field report in an open item labeled 'Final TC inspections.' The item will be updated each time a final inspection walkthrough occurs. A phase that passes a final inspection will be labeled as 'passed' in the field report.
6. The CCO will fill out the Tax Credit Final Inspection form to establish one development wide Placed in Service date. CCO will not reenter previously 'passed' buildings for final inspection purposes, but may need access to the site and common areas to complete the full development final inspection form.

8.5 How to Submit the 8609 Application

Owners must submit an Excel copy of the Application, as well as an electronic/PDF copy of the signed Application and all attachments to the Development's Procorem site and notify TaxCreditApps@VirginiaHousing.com when complete. Do not submit hard copies.

8.6 Application for 8609 Mandatory Documents

Owners must submit the following items with the application for 8609 using the Virginia Housing Procorem site:

	Mandatory Item
8.6.01	Completed 8609 Application (active Excel workbook).
8.6.02	Electronic/PDF copy of the signed Application.
8.6.03	Recorded EUA (include for 4% deals), Right of First Refusal (if applicable) and other Virginia Housing-requested supporting documents (see Excel Application Submission Checklist).

	Mandatory Item
8.6.04	Permanent financing documentation (or other docs, if Closing has not occurred). If any developer fee is deferred, provide documentation clearly showing it is bona fide debt (may include a Note or other documentation as approved by Virginia Housing).
8.6.05	Construction Contract and GC Cost Certification.
8.6.06	Grant Agreement(s), if applicable.
8.6.07	Final Partnership Agreement and Development Agreement (if applicable).
8.6.08	Independent Auditor's Report.
8.6.09	Final Cost Certification (include 25% Test if a 4% deal).
8.6.10	Certification of Sources and Uses Form.
8.6.11	EIN verification for 4% deals.
8.6.12	Energy Star or other Green certification (as applicable). Evidence of proper permitting, locality inspection, and confirmation of operational system.
8.6.13	Final RESNET Form & HERS Reports. The HERS Reports are required for all units and at least 10% must be field verified (not projected scores).
8.6.14	Final Universal Design Certification (if applicable).
8.6.15	Final HAP Contract (if applicable)

9. Recapitalization

Virginia Housing will not accept an Application for new Credits for any building or development that is still subject to the Credit Compliance Period.

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The Applicant may apply for Credits for a development for which the Extended Use Period was terminated by foreclosure if the Applicant has no relationship with the owner or owners of such development during its initial Compliance Period.

10. Virginia Housing Opportunity Tax Credits (HOTC)

Overview

The Virginia Housing Opportunity Tax Credit Act, Va. Code §§ 58.1-439.29 and 58.1-439.30, authorizes Virginia Housing to award Virginia Housing Opportunity Tax Credits ("HOTC") to developments eligible for the federal Low-Income Housing Tax Credit ("LIHTC"). HOTC is separate from LIHTC, and eligibility for or an award of LIHTC does not entitle an applicant to an award of HOTC.

The HOTC Act authorizes a total of $64 million in HOTC for each calendar year from 2026 through 2030. This statutory amount represents the total credit claimed over the 10-year credit period rather than the annual HOTC amount used by Virginia Housing and applicants when describing an award. Because one-tenth of a HOTC award generally may be claimed in each year of the credit period, the $64 million statutory authorization generally corresponds to $6.4 million in annual HOTC awards for each calendar year.

HOTC is not currently structured as a freely transferable certificated tax credit that may be sold to a taxpayer having no direct or indirect ownership interest in the qualified project. Applicants should consult their legal and tax advisors regarding any proposed ownership, allocation, or assignment structure.

Application for HOTC

Applicants seeking HOTC must submit a LIHTC application in accordance with the Qualified Allocation Plan ("QAP"), this Manual, and the applicable application materials. The LIHTC application will also serve as the application for HOTC unless Virginia Housing provides otherwise.

Application deadlines, notification dates, and other important dates are identified in the application schedule published on Virginia Housing's website.

Virginia Housing reserves the right to request such additional information as it determines necessary to evaluate an application or administer the HOTC program.

Reservation and Award of HOTC

Virginia Housing will determine the amount of HOTC, if any, awarded to each development based on the HOTC available, the applications seeking HOTC, and any other factors Virginia Housing determines necessary or appropriate to administer the program.

Applications will only be required to meet the minimum threshold score. Once threshold is met, the only additional criteria that will be evaluated for competitive purposes is the HOTC Efficient Use of Resources. This will measure the efficiency of the allocation by ranking applications higher for smaller HOTC requests as a percentage of overall credit eligibility.

Applications for developments in jurisdictions that fall within the Balance of State pool will be prioritized until the mandatory $2 million preference is satisfied. Remaining Balance of State deals that do not score high enough to be prioritized for the $2 million preference will then be ranked with the remaining applications.

Virginia Housing will identify in each award letter the annual amount of HOTC awarded and the calendar year from which the award is made. If Virginia Housing makes an award from HOTC authorized for a future calendar year, the HOTC may not be claimed before the calendar year identified by Virginia Housing.

Eligibility Certificate

An applicant receiving an award of HOTC will apply for an eligibility certificate through the same general process used to request issuance of IRS Form 8609.

Upon satisfaction of the applicable requirements of the HOTC Act, the HOTC regulations, and the HOTC award letter, Virginia Housing will issue an eligibility certificate and report its issuance to the Virginia Department of Taxation.

Taxpayers claiming HOTC are responsible for complying with applicable filing requirements of the Virginia Department of Taxation.

Compliance and Recapture

Virginia Housing will monitor developments receiving HOTC in the same manner that it monitors developments receiving LIHTC.

HOTC is subject to recapture and disallowance as provided in the HOTC Act and HOTC regulations. If Virginia Housing awards HOTC without a corresponding allocation of LIHTC, the percentage of HOTC subject to recapture or disallowance will be determined by Virginia Housing as provided in the HOTC regulations.

Applicants, owners, and taxpayers are responsible for reviewing and complying with the HOTC Act, the HOTC regulations, and applicable guidance issued by the Virginia Department of Taxation.

11. Program Administration

11.1 Summary of Program Fees

Submission after 5 p.m. on any date counts as the following calendar day.

Amount	Description	Program
$1,000 or $2,000	**Reservation Application Fee** – Required to process a Reservation Application. An additional application fee of $2,000 will be required for any 4% Reservation applications that require resubmission and review in the same calendar year.	9%, 4%
TBD	**Appraisal Fee** – The appraisal fee (if ordered by Virginia Housing) is based on the complexity of the assignment. Virginia Housing will not order the appraisal until the fee is received.	9%, 4%
7% of annual credit amount (9% LIHTCs)	**Reservation Fee** –The amount and due date are communicated in a letter sent with the Reservation Agreement.	9%

Amount	Description	Program
7% of annual credit amount (4% LIHTCs)	**Reservation Fee** –Due after the submission of the Application, upon written request by Virginia Housing. This fee will be calculated based on the lesser of the credit amount • from Virginia Housing's feasibility review, or • requested by the Applicant. Virginia Housing will not • refund the fee if 8609 Application review causes a reduction in the credit amount, or • issue the Section 42(m) letter until the fee is paid.	4%
$500 per calendar day	**Late Submission of Reservation Agreement** –Assessed when any of the Reservation documents, including Reservation Agreement, are not submitted by the stated deadlines, up to a fee of $7,500.	9%
$500 per calendar day	**Late submission of Allocation Application** –Assessed per calendar day after the deadline, up to a fee of $7,500.	9%
$100 per calendar day	**Late submission of Placed in Service documentation** – Assessed per calendar day after the deadline, up to $7,500.	9%, 4%
$1,500 per phase	**Phased Final Inspection** – For developments requiring a phased occupancy, the Owner may elect a phased final inspection process. The fee is $1,500/phase and will provide up to two inspections per phase, an initial final inspection, and a follow-up final inspection. Fee is due at time first inspection is scheduled.	9%, 4%
$100 per calendar day	**Late Submission of 8609 Application** –. The fee is $100 per calendar day beyond 6 months of the Development's Placed in Service Date, up to $7,500.	9%, 4%
$2,000	**Resubmission of 8609 Application –** Assessed for resubmission and review of the 8609 Application due to incomplete or inaccurate information.	9%, 4%

Amount	Description	Program
$1,000 per form	**Correction of Form(s) 8609** –Assessed when the Owner requests Virginia Housing to issue an amended 8609 due to incorrect data supplied by the Owner. The amended 8609 will not be issued until the fee is paid.	9%, 4%
$5,000 per form	**Replacement of Documentation Previously Provided**, e.g. original Extended Use Regulatory Agreement.	9%, 4%
$45 per unit per year	**Compliance Monitoring Fee** – Assessed after all buildings are Placed in Service. The fee is reduced to $30 per unit during the Extended Use Period (years 16+).	9%, 4%
$35 per unit per year	**Compliance Monitoring Fee – RD Developments** – After all buildings are Placed in Service. The fee is reduced to $20 per unit during the Extended Use Period (years 16+).	9%, 4%
$20,000	Qualified Contract Preliminary Application Fee	9%, 4%
$20,000	Qualified Contract Application Fee	9%, 4%
$2,000	**Extension Fee – per request** – Each approved request will extend the deadline by 6 months unless otherwise approved. Virginia Housing may extend 8609 application submissions up to a total of 12 months.	9%, 4%
$10,000	**Hybrid Extension Fee** – One-time extension for the 4% development financed with Tax-Exempt Bonds to close six months after September of the year after 9% Allocation.	4%
$15,000	Subsidy Layering Review	9%, 4%
$15,000	Credit Refresh Fee	9% only

For-profit sponsors pay reservation fees at the time signed Reservation agreements are due. Nonprofit sponsors competing or eligible to compete in the Nonprofit Pool and developments competing or eligible to compete in the LHA Pool pay reservation fees at the time of the first syndication payment, but no later than the Allocation Application Deadline.

Virginia Housing will not waive application fees and reservation fees under any circumstances. If the reservation fee is not paid within the same calendar year as the Application, the deal will be terminated.

11.2 How to Submit Payments

Virginia Housing's invoice portal to collect fees provides options to set up a free one-time direct draft from a banking account or charge to a credit card (for an additional 3% transaction fee). Virginia Housing is using a banking provider and no account information will be stored after the transaction is complete.

Virginia Housing will provide an invoice with information on how to access the Rental Housing Invoice Portal; the application fee invoice will be uploaded when the Owner requests a Procorem work center and the reservation fee invoice will be sent with Reservation documents.

Owners may still submit payments by check if the Application did not elect the points for electronic payments.

Mail checks to:

Virginia Housing
Attn: Tax Credit Allocation
601 S. Belvidere Street
Richmond, VA 23220

11.3 Updating Program Information

Virginia Housing will send updates via email and post them on the Website. Sign up via the Website.

11.4 Change of General Partner or Managing Member

The General Partner or Managing Member (direct or indirect) may not change prior to the Development being placed-in-service. Afterwards, any sale, assignment, transfer or exchange of all or any part of the Development or of any ownership interest in the Owner (other than Investor member interests) is subject to approval by Virginia Housing in advance.

Anyone contemplating a change in ownership, structure or management agent, should email Owner-MgmtChange@VirginiaHousing.com.

11.5 Related Entities Limit

Virginia Housing will reserve no more than 15% of the current year's per capita credit amount (including all acquisition Credits awarded in the 9% round) to any party or parties related, directly or indirectly, through one or more common Principals. For purposes of this limitation, parties will be considered related if they are subject to common direct or indirect control, direction, or material influence by one or more Principals, excluding any individual or entity that is a Principal solely by virtue of a limited partner or similar investor interest in an applicant. If the initially determined awards would cause an applicant and its related parties to exceed this limit, Virginia Housing will notify the affected applicants and provide an opportunity to designate which application(s) will not proceed.11.6 Credit Refresh Process

Owners must make requests using the Change Request form. Virginia Housing will process requests September 1 through September 30. The Consent to Cancel must be formalized by November 1. Credits that are refreshed will be issued for current year Credits. Virginia Housing may elect to not refresh Credits more than once for the same project.

11.7 Applications are Open to the Public

Applications are subject to review under the Virginia Freedom of Information Act.

Applications for 9% and 4% Credits and all attachments (excluding plans, specifications, and appraisals) are available on the Website.

11.8 Authorization of the Executive Director

The Executive Director is authorized to waive or modify any provision herein for good cause to promote the goals and interests of the Commonwealth in the federal LIHTC program, to the extent not inconsistent with the IRC.

11.9 Glossary

Core Terms:

- "**Allocation**" means the formal award of Credits to an Applicant.
- "**Application**" means the Credit Application submitted by the Applicant.

- "**Credit Application**" refers to the Virginia Housing form application for a Reservation of 9% Credits or an Allocation of 4% Credits.
- "**Credits**" refers to either federal Low-Income Housing Tax Credits issued pursuant to Section 42 or Virginia housing opportunity tax credits issued pursuant to the Virginia Housing Opportunity Tax Credit Act (VA Code § 58.1-439.29 et seq.).
- "**Compliance Period**" has the same meaning as defined within Section 42.
- "**Development**" and "**Project**" refer to the entirety of the proposed affordable housing development described within the Application, including all buildings issued a unique IRS Building Identification Number.
- "**Extended Use Period**" means the period following the initial 15-year Compliance Period during which the development must continue to operate in accordance with affordability and occupancy restrictions set forth in the Extended Use Agreement.
- "**HERS Index**" means Home Energy Rating System Index used to measure the energy efficiency of a residential building, as verified by a RESNET-certified rater approved by Virginia Housing.
- "**Manual**" refers to this 2027 Housing Tax Credit Manual.
- "**MDCR**" means the most recent edition of the Virginia Housing Minimum Design and Construction Requirements published on the Website.
- "**QAP**" means the Qualified Allocation Plan for the Commonwealth of Virginia accessible via Virginia Housing's Website and within Virginia Housing's Rules and Regulations found within the Virginia Administrative Code.
- "**Placed in Service**" refers to a building in the development being made ready for occupancy.
- "**Reservation**" refers to Virginia Housing's formal commitment of Credits to a project.
- "**Section 42**" and "**§ 42**" refer to Section 42 of the Internal Revenue Code of 1986, as
- amended.
- "**Website**" means VirginiaHousing.com/Partners/Rental-Housing/Rental-Housing-Tax-Credits.

Entities and Roles:

- "**Applicant**" and "**Owner**" each mean the legal entity applying for or awarded Credits, as context requires.
- "**General Partner**," "**GP**," "**Managing Member**," and "**MM**" may be used interchangeably to refer to the legal entity responsible for managing and controlling the Applicant, whether the Applicant is a limited liability company or limited partnership.
- "**Investor**" and "**Syndicator**" may be used interchangeably to refer to the entity providing equity to an applicant in exchange for Credits.
- "**Limited Partner**" and "**LP**" may be used interchangeably to describe the non-managing legal entity with the greatest ownership interest in the Applicant.

- "**Principal**" has the same meaning outlined within the QAP."**TCA Staff**" refers to staff within the tax credit allocation department within Virginia Housing.
- "**Virginia Housing**" means Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia responsible for administering the federal Credit program.