

**NATIONAL COALITION FOR HOMELESS VETERANS**



# ANALYSIS OF STATE QUALIFIED ALLOCATION PLANS FOR THE LOW-INCOME HOUSING TAX CREDIT PROGRAM

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THE HOME DEPOT FOUNDATION

*The state-by-state data in this document was collected in March 2022. Some states are not included in the analysis because their final QAP was not published at the time of data collection.*

### **What is the Low-income Housing Tax Credit?**

The Low-Income Housing Tax Credit (LIHTC) program is a federal funding subsidy, administered by states, for the purpose of building and rehabilitating affordable housing (Changelab). Since its inception, the LIHTC program has created over three million housing units shared between more than forty-seven thousand projects, making it the most powerful financing tool for affordable housing development (HUD). The amount of 9% tax credits each state receives is based on population size or the federally set minimum, whichever is greater (Novogradac).

### **What is the Qualified Allocation Plan (QAP)**

There are federal laws that set minimally qualifying criteria for the projects that will receive tax credits; however, state Housing Finance Agencies have the authority to prioritize various housing developments suited to their unique housing needs through their Qualified Allocation Plan (QAP). In the QAP, states outline their housing goals, special populations or geographies that will be given preference, and how points will be awarded for LIHTC funding through the competitive application processes. Developers then submit applications for these tax credits, and the highest-scoring applications, that align with the state's housing priorities, are awarded credits.

### **Why should veterans be prioritized in a state Qualified Allocation Plan?**

The most recent Point in Time (PIT) conducted in January 2023 estimates that there are over 35,500 veterans experiencing homelessness on any given night. Of all the veterans represented in the PIT count, 44% of them were living unsheltered (VA). Although veteran homelessness has declined 52% since 2009, temporary or transitional housing is only part of the solution for ending homelessness amongst veterans. Uplifting more veterans out of homelessness requires making more housing units available to graduating veterans that are living in temporary or transitional housing or veterans utilizing rapid rehousing, permanent supportive housing subsidies, or those who are able to fund their housing self sufficiently. Developing permanent, long-term affordable housing is undeniably crucial to ending veteran homelessness, and the LIHTC program can aid in efforts to end and prevent veteran homelessness.

It is crucial that this is communicated with states so that they finalize their QAPs to include practices that benefit veterans exiting homelessness. The QAP has the potential to provide affordable housing for veterans and shape what type of affordable housing becomes accessible to them. The housing projects we advocate for should be in accessible, economically viable, equitable and complete communities that offer the highest possible quality of life for veterans in the long term. Many states already weigh projects against several factors: length of affordability, community housing needs, onsite service capacity and amenities, populations served, project location, energy efficiency and sustainability, the share of incomes served, and overall development costs. Many states have yet to include housing veterans in their priorities.

Quantifying how many units that are currently operable, under construction, or in the pipeline that directly provides housing for extremely low-income veterans or veterans exiting homelessness are just a few of the ongoing challenges we are currently facing. There are only estimates of the number of housing units that become occupied by veterans. Although occupancy preference has been a helpful tool for housing veterans, it cannot confirm if they are occupying those units. Including and prioritizing veterans in a state's QAP represents a long-term commitment to permanently ending veteran homelessness.

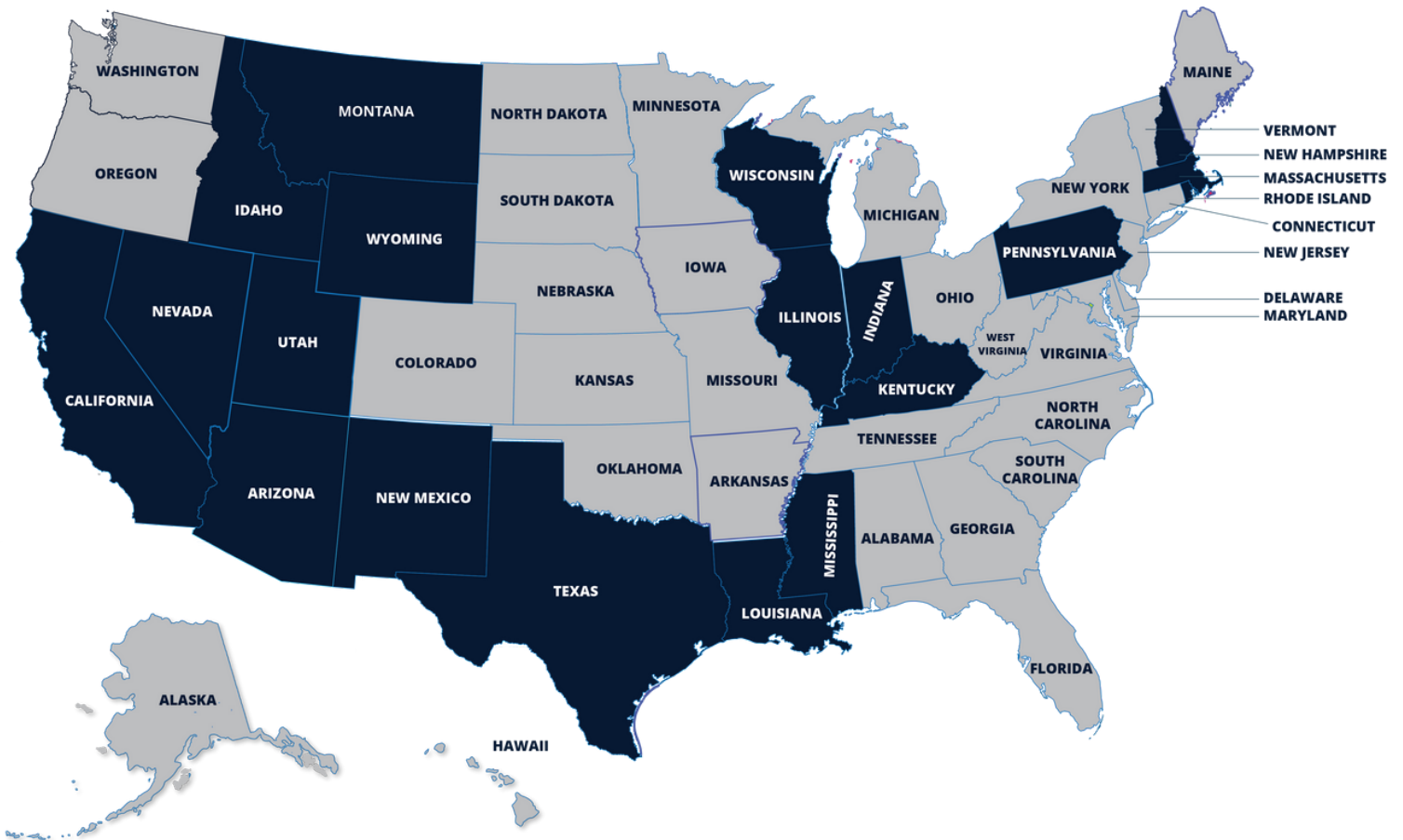


**Why should veterans be prioritized in a state Qualified Allocation Plan?**

Tax credits fund developments that remain affordable for 30 years, or longer, if motivated by the state or locality (Novogradac). These projects can take years to coordinate and complete, so it is critical to advocate in every state for greater veteran preference, set asides and overall consideration now so we can see our goals come to fruition in the years to come.

Here is a brief state-by-state QAP comparison of who built in a veteran preference and how they do it, as well as the states that do not mention veterans at all in their Qualified Allocation Plan. Each state has different processes and timelines to draft their QAP. Several states also construct their QAP to cover multiple years. This map is accurate through the year 2023, depending on where each state is in its QAP drafting process.

**19 states mention veterans in their QAPs.**  
**(all of these QAPs are finalized)**



**States Colored Blue: Mention Veterans in the QAP**

**States Colored Gray: Do not Mention Veterans in the QAP**



## Several states include veterans in their special populations section

*Arizona, Colorado, Illinois, Massachusetts, Mississippi, Montana, Texas, Utah, West Virginia*



### **EXAMPLE**

“20 points will be awarded to an Applicant that commits to target for occupancy one or a combination of more than one of the Applicant-selected tenant populations...for at least 25% of the residential rental units in the property. The units in the property should be designed and suitable for the targeted occupancy populations: [homeless, disabled, displaced, elderly, and veterans].” - West Virginia (2023)

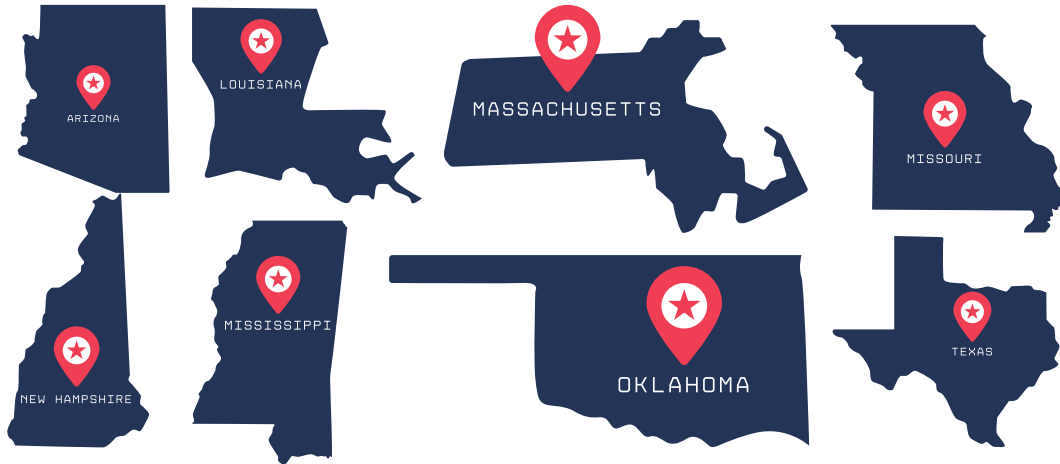
### **So, what does this all mean?**

Developers can target this subpopulation without violating public use requirements. If a state considers specific subpopulations of people to be “special needs,” this means that they have identified that this group needs to be more heavily supported or subsidized to maintain housing. For example, including veterans exiting homelessness in a state's special populations list allows the development to directly market to, or receive referrals for this group before considering other individuals in the general population. Adding veterans experiencing homelessness to a state's special or target population lists means more units with additional services for veterans and more referrals for veterans transitioning out of temporary living arrangements. Veterans will be welcome to communities of their choice without the pressure from income limitations or social stratification that would otherwise force them out.



**Several states offer extra points for developments that set aside units for veterans.**

*Arizona, Louisiana, Massachusetts, Missouri, Mississippi, New Hampshire, Oklahoma, Texas*



**EXAMPLE**

“Under this QAP, DHCD will provide up to eight points in this category for projects that provide units with services that are appropriate for special populations that may include, but are not limited to, persons with disabilities, including but not limited to homeless veterans, other homeless individuals or households with identified special needs, frail elderly to be served in service-enriched senior housing or assisted living facilities. The points will be awarded only if at least 20% of the units in the project are reserved for a special population and if the project design, amenity package, and population-specific services are appropriate for the population to be served.” Massachusetts (2023)

**So, what does this all mean?**

While this builds on veterans being included as a special needs or target population, this provision takes it a step further by awarding points for setting units aside for special needs housing for veterans or listing veteran housing as one of the priorities in the QAP. Those developments that serve veterans will become more competitive overall. Development applications that meet the state’s list of housing priorities and amass the most points will receive tax credits. This measure dedicates units or even whole developments for veterans, making housing more accessible for them as new LIHTC units become available.



**Some states have a veteran occupancy priority or offer additional points for projects that have a tenant selection criterion that preferences veterans.**

*Alaska, Illinois, Montana, New Mexico, Nevada, Oklahoma*



**EXAMPLE**

“Two (2) points will be awarded to projects that contain a written commitment to giving a preference in the tenant selection criteria to households containing a veteran.” Alaska (2023)

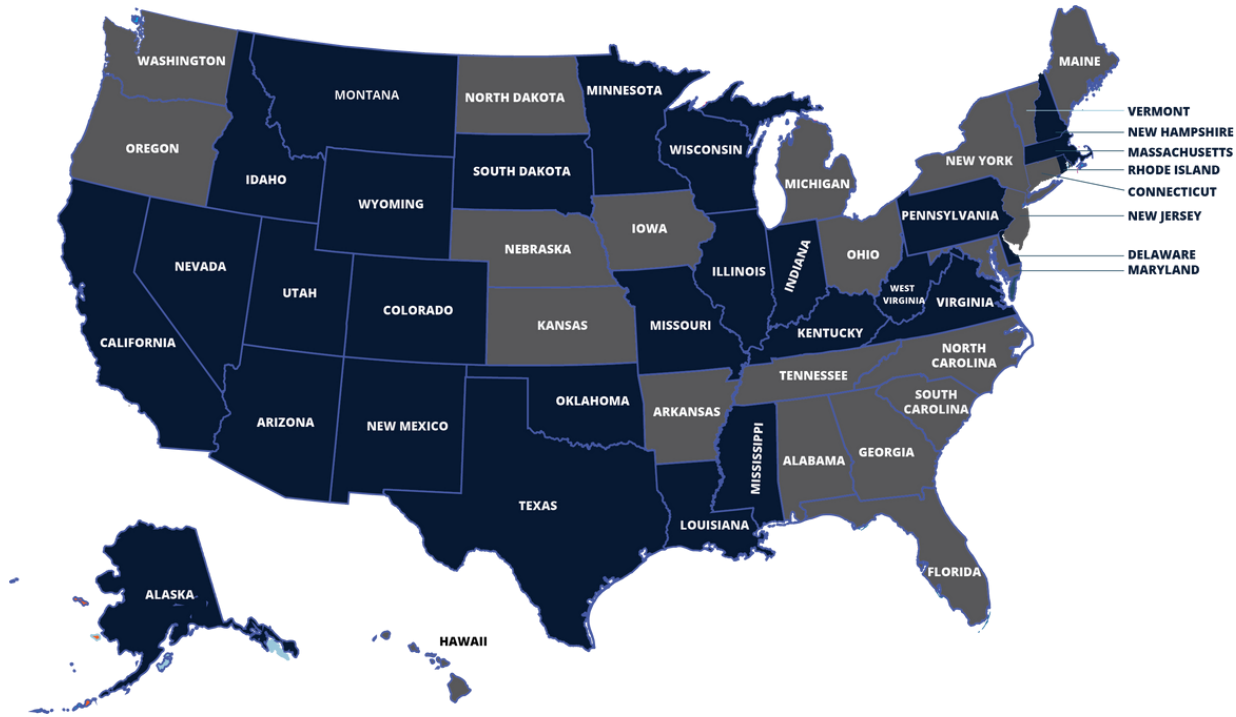
**So, what does this all mean?**

When veterans are included in the tenant selection criteria and given priority this ensures a greater likelihood of being housed, especially if they are waitlisted. Some states have historically required every development application to identify a portion of units that will be set aside for special populations, including veterans. When developers apply to receive LIHTC they outline how their units are apportioned by which populations or income groups will be allocated a share of the overall units. While there are minimal federal guidelines that outline the spread of incomes that can be served, there are hardly any other demographic parameters that must be met. It is upon a state’s discretion to identify which subpopulations have the biggest overall need for affordable housing and deliver the necessary housing availability.



## Several States have published their current QAPs without mentioning veterans

*Alabama, Arkansas, Connecticut, Florida, Georgia, Hawaii, Iowa, Kansas, Maine, Maryland, Michigan, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, South Carolina, Tennessee, Vermont, Virginia, Washington*



### How veterans can be prioritized in a Qualified Allocation Plan

*States highlighted in Grey do not mention veterans in their current QAPs*

Several examples have been identified in QAPs that already include veterans. There are some additional ways states can strengthen their commitment to ending veteran homelessness within their QAPs such as:

- require every development to set aside some portion of units to serve special populations including veterans
- reserve a share of their total tax credit allocation for veterans supportive housing
- commit to an annual unit count as a state for veterans
- build on local funding streams or efforts to develop housing for veterans, in geographies where commitment already exists





## Other ways that states build veterans into their QAP



DSHA may award up to five (5) points for material participation in the development team by minority-owned businesses, woman-owned businesses, veteran-owned businesses, service-disabled veteran-owned businesses and Individuals with Disabilities-owned businesses certified by the State of Delaware, Division of Supplier Diversity. Five (5) points will be awarded for the Development Entity/Developer/Applicant with a MBE/WBE/VBE/DBE business enterprise majority ownership stake." Delaware (2023



Service-Disabled Veteran-Owned Small Business (SDVOSB), and Veteran-Owned Small Business (VOSB) development teams receive additional points for their tax credit application.

Wisconsin



## How to influence a state's Qualified Allocation Plan, and provide a voice for veterans

Every state conducts a writing process to update their annual QAPs. The important first step would be figuring out what housing or finance agency is responsible for administering the LIHTC program in your state. They reach out to them, or research on their website for information on when and how public comments can be made. Most states will hold public listening sessions but there are also ways to submit written comments. Then advocate on behalf of veterans experiencing homelessness and ask your state to make changes that would result in more affordable or supportive units and ultimately an end to veteran homelessness.

### Checklist for advocates to consider when drafting comments



- Analyze your state's current QAP to figure out if and how veterans are included
- Compare the current QAP with prior drafts, or versions from neighboring states
- Review the following information for your state or service area
  - Sheltered and unsheltered veteran homelessness in the Point in Time counts for your state (PIT)
  - The Annual Homeless Assessment Report to Congress (AHAR)
  - Which cities in your state have joined the Mayors Challenge to End Veteran Homelessness
  - VASH voucher distribution and utilization by Public Housing Authority for the state
- Work together with other veteran service providers in your area to create some talking points or examples that identify housing demand, and also geographical housing need for veterans exiting homelessness
- Include developers in your conversations within your community to get an idea of how the tax credit process can be adjusted to increase housing options for veterans
- Draft comments that reflect where, how, and why tax credits should be better directed to serving veterans in your state
- Submit comments and participate in the listening sessions, but also check back frequently to make sure the agency considers the changes and suggestions being made on behalf of veterans

### Sources

- <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2021-qaps-and-applications#T>
- <https://www.huduser.gov/portal/datasets/lihtc.html>
- [https://www.urban.org/sites/default/files/publication/98761/lihtc\\_past\\_achievements\\_future\\_challenges\\_final\\_0.pdf](https://www.urban.org/sites/default/files/publication/98761/lihtc_past_achievements_future_challenges_final_0.pdf)
- <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/lihtc-basics/about-lihtc>
- [https://www.changelabsolutions.org/sites/default/files/QAP-Primer\\_Public-Health\\_Affordable-Housing\\_FINAL\\_20150305.pdf](https://www.changelabsolutions.org/sites/default/files/QAP-Primer_Public-Health_Affordable-Housing_FINAL_20150305.pdf)
- <https://nlihc.org/resource/urban-institute-evaluates-low-income-housing-tax-credit> [https://www.va.gov/HOMELESS/pit\\_count.asp](https://www.va.gov/HOMELESS/pit_count.asp)

*This information is constantly changing as awards are distributed, drafting takes place, and QAPs are rewritten for the upcoming year.  
This is to give an idea of the share of states that include veteran housing needs in their tax credit planning.*



# QAP CHART

States	Final QAP Coverage Years	Currently Updating QAP for Future Years
Alabama	2023	
Alaska	2023	
Arizona	2023	
Arkansas	2023	
California	2023	
Colorado	2023-2024	
Connecticut	2023	
Delaware	2023-2024	
Florida	2023-2024	
Georgia	2023	
Hawaii	2023	
Idaho	2023-2024	
Illinois	2023	
Indiana	2023-2024	
Iowa	2023	2024
Kansas	2023	
Kentucky	2023	2024
Louisiana	2023	2024
Maine	2023-2024	
Maryland	2023	
Massachusetts	2023-2024	
Michigan	2023	
Minnesota	2023	2024-2025
Mississippi	2023	
Missouri	2023	
Montana	2023	
Nebraska	2023	2024
Nevada	2023	
New Hampshire	2023	

New Jersey		
New Mexico	2023	
New York	2023	
North Carolina	2023	
North Dakota	2023	
Ohio	2023	2024
Oklahoma	2023	
Oregon	2023	
Pennsylvania	2023	
Rhode Island	2023	
South Carolina	2023	
South Dakota	2023	
Tennessee	2023	
Texas	2023	
Utah	2023	
Vermont	2023	2024
Virginia	2023	
Washington	2023	2024
West Virginia	2023-2024	
Wisconsin	2023	
Wyoming	2023	2024

\* These states have current drafts available to the public