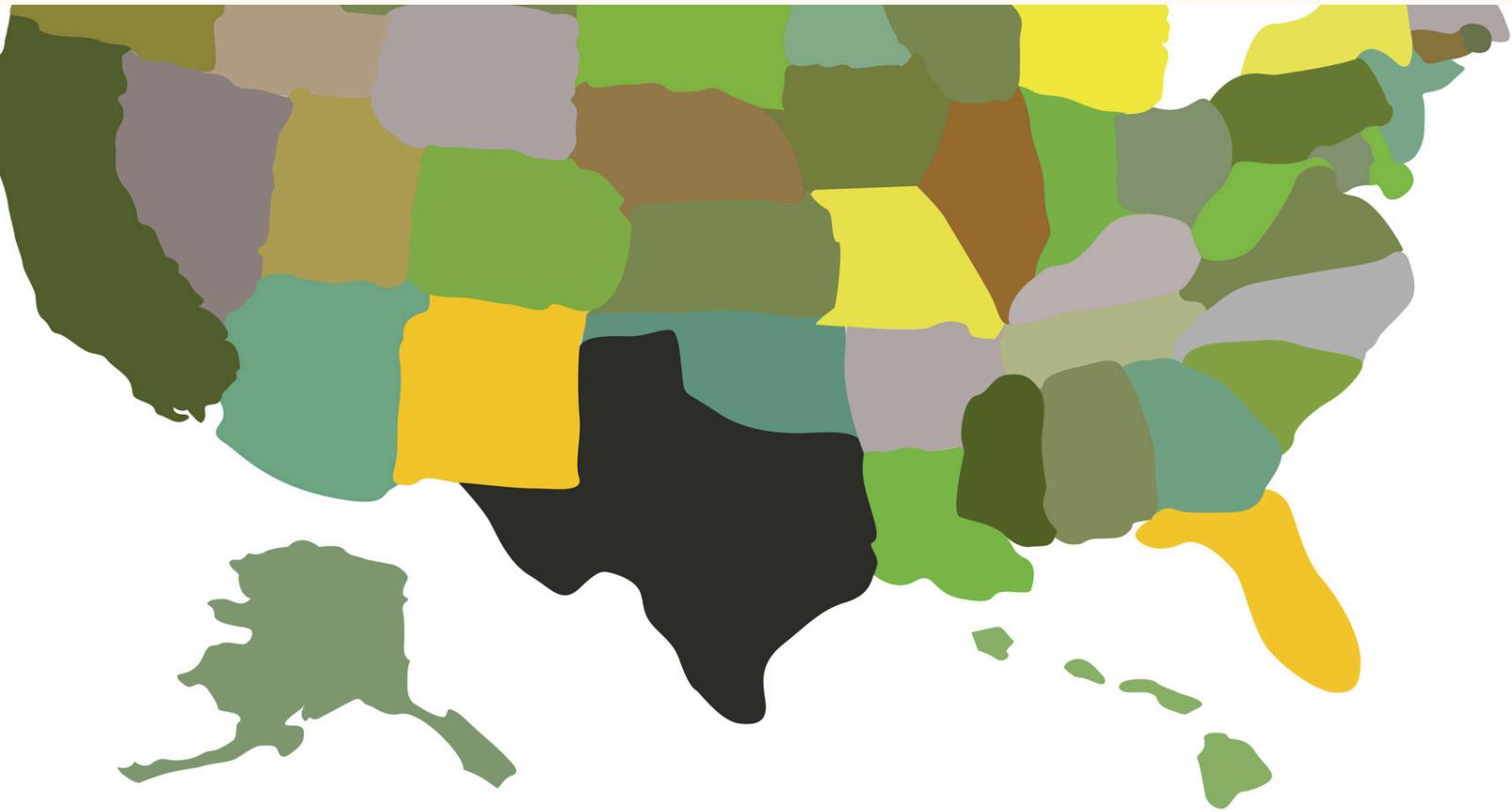


NATIONAL COALITION FOR HOMELESS VETERANS



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

SPRING 2025

PREPARED WITH THE GENEROUS SUPPORT OF THE HOME DEPOT FOUNDATION

The state-by-state data in this document was collected in March 2025. 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 state-administered federal funding subsidy to build and rehabilitate affordable housing (Changelab). Created in 1987, the LIHTC program has created over three million, six hundred and fifty thousand housing units shared between more than fifty-three 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 2024 estimates that there are over 32,500 veterans experiencing homelessness on any given night, an 8% decrease since January 2023. Of all the veterans represented in the PIT count, 40% of them were living unsheltered (HUD). Although veteran homelessness has declined 52% since 2009, temporary or transitional housing is only part of the solution for ending homelessness amongst veterans. To help more veterans transition out of homelessness, it is essential to increase the availability of affordable housing units for graduating veterans currently in temporary or transitional housing. This includes veterans utilizing rapid rehousing, permanent supportive housing subsidies, or those who can independently finance their housing. 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 key that this is communicated with states so that they finalize their QAPs to include practices that benefit veterans exiting homelessness. Further insight into the data shows that the risk of becoming homeless is disproportionate, demonstrating a clear need for equity toward the most at-risk populations. Veterans already face an increased risk of falling into homelessness, and specific veteran subpopulations (e.g. elderly, disabled, LGBTQ+, women) are at an even greater vulnerability as those subpopulations are projected to increase (VA). Affordable housing is not a one-size-fits-all approach; veterans are not a monolith, and each subpopulation must have the necessary housing options and support services that meet their distinct needs. The QAP has the potential to direct funding 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.



States that include veterans in their special population designation

Arkansas, Arizona, Colorado, Illinois, Louisiana, , Massachusetts, Montana, Oklahoma, Pennsylvania, Texas, West Virginia, Wyoming



EXAMPLE

“HLC 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 (2025)

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, California, Colorado, Louisiana, Massachusetts, Missouri, Montana, New Hampshire, Oklahoma, Pennsylvania, Texas, Utah



EXAMPLE

“Provide at least one unit for one or more of the following groups: persons with disabilities, domestic violence, maturing foster children, refugees, veterans, other special needs units with written pre-approval by UHC. Applicant must provide a narrative outlining an active marketing plan (not simply receiving referrals) for the units and the nature and extent of supportive services offered to tenants. 1 point per percent of the low-income units up to a maximum of 10.” - Utah (2025)

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, Idaho, Louisiana, New Mexico, Nevada, Texas, West Virginia



EXAMPLE

“Projects must exercise a waitlist preference for veterans for a minimum of 10% of the development’s total units. A waitlist preference shall mean that if there is a veteran on the Project waitlist, the veteran’s application shall be considered before non- veteran applicants. If there is not a veteran on the Project waitlist, the unit may be filled with qualified applicant who is not a veteran. If 10% of Project units are occupied by veterans, the Project will not be required to execute the preference until veteran occupants drop below the 10% minimum, though Projects may elect to apply the preference for more than 10% of the units.” - Illinois (2025)

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.

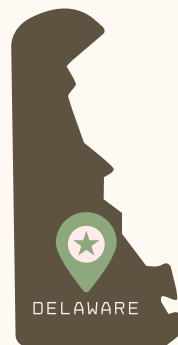


How veterans can be prioritized in a Qualified Action Plan

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 can support veterans in their QAPs

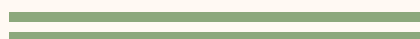


“DASHA may award up to five (5) points for material participation in the development team by minority-owned businesses, woman-owned businesses, veteran-owned businesses, service-disabled veteran-owned businesses and Individuals with Disabilities-owned businesses certified by the State of Delaware, Division of Supplier Diversity.” - Delaware (2025)

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.

Not every state updates their QAP on the same timeline, however most states update their QAP’s every two years. It is important to research on the tax credit agency’s website or connect with the agency’s point of contact to see when the next update period is; some states will post a timeline of events that will lead up to the final draft.



The update timeline offers windows in which the public has opportunities to influence the QAP draft. Most state agencies will hold public listening sessions (sometimes for each new draft version of the QAP) but there are also ways to submit written comments such as completing agency surveys or setting up meetings with the agency. These are opportunities to advocate on behalf of homeless veterans by asking your state to make changes that would result in more affordable or supportive units for veterans.

HUD has a list a complete list of each state agency that administers LIHTC you can access here:

https://lihtc.huduser.gov/agency_list.htm

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) Continuum of Care, and local data including on local inflow/outflow rates, size of your by-name-list, average time to housing placement and any other relevant factors.

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 talking points or examples that identify housing demand, and 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

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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.*

