



ELEVATE
Equity through climate action



QAP Commenting Toolkit

A Midwest Building Decarbonization Coalition guide to submitting formal comments to Qualified Allocation Plans

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Introduction

While there are organizations and individuals that have familiarity and experience submitting comments to their state's Qualified Allocation Plan (QAP), there are many that do not. This is unfortunate because, as we will discuss, a QAP is a policy document that impacts all of our communities by shaping the type, amount, and quality of low-income housing that is developed and rehabilitated. Because bureaucratic barriers and a perceived lack of housing policy expertise have historically prevented organizations and individuals from having a voice in this process, the Midwest Building Decarbonization Coalition (MWBDC) partnered with Elevate to create this toolkit so that anyone can have access and contribute their own formal comments.

MIDWEST BUILDING DECARBONIZATION COALITION (MWBDC)

Founded in 2019, the Midwest Building Decarbonization Coalition (Midwest BDC) was established to facilitate the transition to carbon-free building systems and appliances while centering the needs of the most marginalized people and communities. Doing so has the potential to reduce utility costs, increase housing affordability, improve residents' health and safety, and help state and local governments achieve climate goals. Therefore, Midwest BDC has taken a leadership role convening stakeholders and allies around equitable decarbonization strategies to address the regional challenges of cold climates and purple state politics in Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin through equity, market transformation, consumer inspiration, public policy, and research.

Affordable Housing/QAP Working Group

Building decarbonization efforts must be equitable and inclusive of affordable housing; our strategies to date focus on starting decarbonization efforts with affordable housing at the outset, rather than in other communities with more resources. In several states, our focus has been on encouraging state Housing Development Authorities to tighten standards ("QAP") for more efficient new construction standards for projects built with federal Low Income Housing Tax Credits. In addition to utilizing this toolkit, consider joining the collaborative efforts of the working group.

ELEVATE

Elevate is a nonprofit organization that works nationally and is headquartered in Chicago. Elevate designs and implements programs to ensure that everyone has clean and affordable heat, power, and water in their homes and communities— no matter who they are or where they live. We help people reduce costs and improve their quality of life, from homeowners, renters, and property owners, to nonprofit organizations, utilities, and municipalities. Our team builds strong connections in the places we work and delivers high-quality programs and services that contribute to healthy, thriving communities.

Background

The Low-Income Housing Tax Credit (LIHTC) program was created as part of the [Tax Reform Act of 1986](#) to encourage developers to build units specifically for residents with incomes below their local Area Median Income (AMI). The concept was to encourage and improve new construction and rehabilitation of housing development projects by allowing developers to compete for federal dollars, in the form of nonrefundable and transferable tax credits, to subsidize their costs. Today, the LIHTC program currently represents the largest source of affordable housing financing in the United States¹ with nearly 46,000 projects and 3 million housing units placed in service from 1986 to 2015.²

How It Works

To accomplish this, the Department of Housing and Urban Development (HUD) annually sets nationwide affordability requirements for the rental costs of all potential projects, and then the Internal Revenue Service (IRS) allocates respective tax credits to Housing Finance Authorities (HFA)s in every US state, plus New York City, Chicago, and several independent entities in Minnesota. Figure 1 provides an illustration of these relationships. Each of these states, cities, and entities then get to create their own application process and specific criteria to decide which projects are selected and how their LIHTC dollars are distributed to each one. The criteria that they use to make these decisions is known as the Qualified Allocation Plan (QAP), and every QAP is open to recommendations proposed by residents during a formal commenting period.

National & State Requirements

HUD's national affordability requirements state, "Federal law requires that a QAP give priority to projects that serve the lowest-income households and that remain affordable for the longest period of time."³ In addition, QAPs must also give preference to projects located in qualified census tracts (QCTs) or difficult development areas (DDAs), as long as it contributes to a concerted community revitalization plan. Finally, every state's QAP selection criteria must address ten (10) essential items:⁴

1. Location
2. Housing needs
3. Public housing waiting lists
4. Individuals with children
5. Special needs populations
6. Inclusion of existing housing as part of a community revitalization plan
7. Project sponsor characteristics
8. Projects intended for eventual tenant ownership
9. Energy efficiency
10. Historic nature

¹The Tax Foundation, Washington D.C., [https://taxfoundation.org/low-income-housing-tax-credit-lihtc/#:~:text=As%20part%20of%20the%20Tax,area%20median%20income%20\(AMI\).](https://taxfoundation.org/low-income-housing-tax-credit-lihtc/#:~:text=As%20part%20of%20the%20Tax,area%20median%20income%20(AMI).)

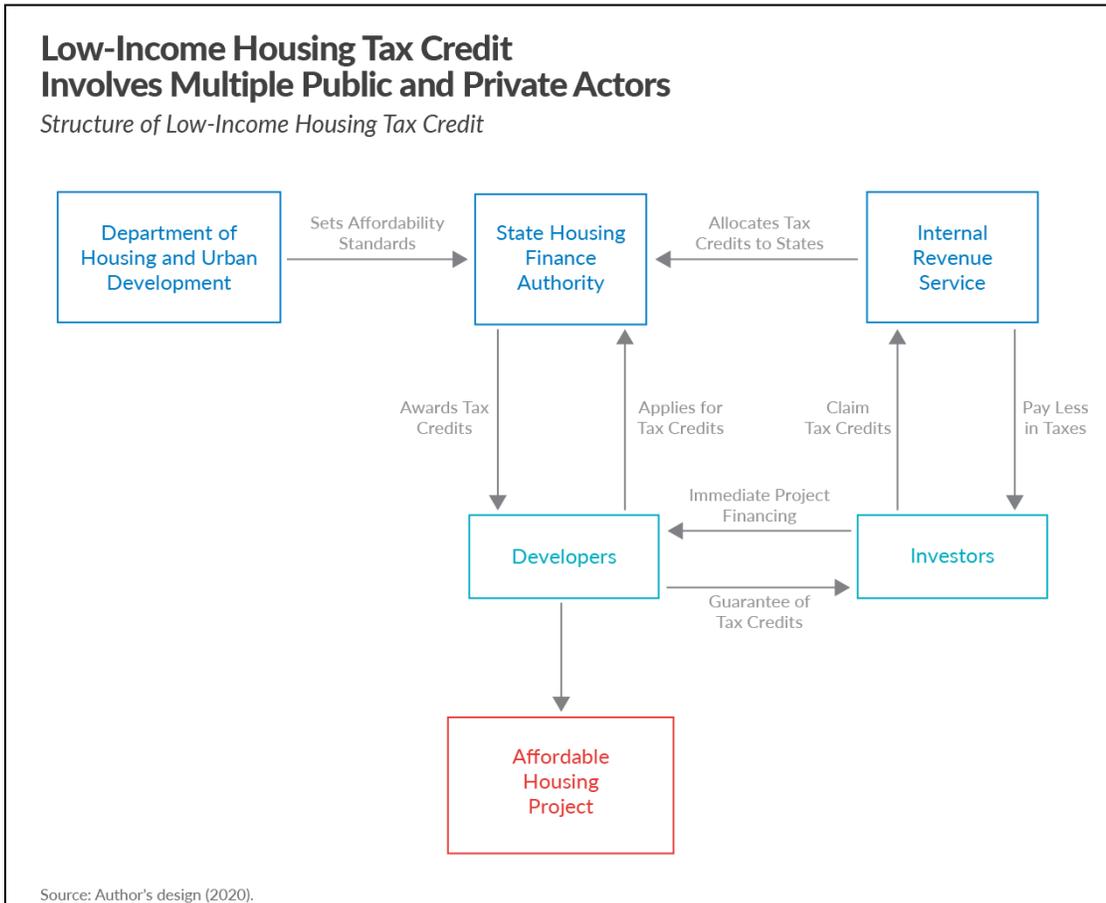
²The Low Income Housing Tax Credit, Urban Institute, July 2018 https://www.urban.org/sites/default/files/publication/98758/lihtc_how_it_works_and_who_it_serves_final_2.pdf

³Congressional Research Service, Washington D.C., <https://sgp.fas.org/crs/misc/RS22389.pdf>

⁴Gramlich, Ed. National Low Income Housing Coalition (NLIHC) <https://nlihc.org/sites/default/files/2014AG-259.pdf>

As for states, “[They] have flexibility in developing their QAPs to set their own allocation priorities (e.g., assisting certain subpopulations or geographic areas) and to place additional requirements on awardees (e.g., longer affordability periods, deeper income targeting). But each QAP must clearly spell out a [HFA’s] priorities and specify the criteria it will use to select projects competing for tax credits.”⁵

Figure 1: Relationship Structure of Low-Income Housing Tax Credit-Related Entities



Why Submit Comments?

Although many people do not know that they can submit comments to their state’s QAP, this process can be an important tool to influence affordable rental housing across the country by determining what developers are required or incentivized to include and focus on in their projects. Later in this toolkit we will explore what kind of recommendations are considered the “norm,” but for now the important thing to know is that everyone, not just housing experts, has the opportunity to shape those requirements and incentives by submitting comments.⁶ Advocates from a variety of sectors, including climate, health, and even transportation and education can and

⁵ <https://nhc.org/policy-guide/low-income-housing-tax-credit-the-basics/elements-of-effective-state-qualified-allocation-plans/>

⁶“Who gives a QAP: Why Non-housers should care about their local QAP” Urban Institute Initiative <https://housingmatters.urban.org/articles/who-gives-qap-why-non-housers-should-care-about-their-local-qualified-allocation-plan>

should get involved with the QAP commenting process to ensure future housing developments meet their community's needs.

Housing development can have a significant impact on the local and global environment, both in positive and negative ways. Sprawling, inefficient building designs and unhealthy, unsustainable building materials can exacerbate existing community problems and even create new ones. On the other hand, requiring or encouraging green building certifications (as Michigan's QAP does), encouraging development that can be accessed via public transit or within a walkable range (as Ohio's QAP does), encouraging electric-readiness and electrification (as Illinois' QAP does), and amending the QAP to better address racial and economic segregation (as many are beginning to) all contribute to significant and even historic solutions. QAPs can also include components related to air quality, proximity to schools and grocery stores, internet/broadband service, and other equitable considerations.

Commenting Periods

Every state, city, or entity that receives LIHTC funding accepts a new allocation every year, but QAPs are re-drafted either annually or biannually, and can take place at any time during the year. Each redrafting process gives advocates an opportunity to influence the priorities and criteria by submitting recommendations in the form of formal comments during the designated commenting period. Before the commenting period begins, the HFA will provide its "draft" QAP, which is accompanied by a legally required public hearing and sometimes a document that details what changes from the last version have been proposed. Normally, QAP commenting periods have a duration of about 3-4 weeks, and the HFA will often announce when to expect it before it begins, but these are norms, not requirements, and are therefore at the discretion of that HFA. (Note: If you find the commenting process is not accessible, suggestions for improvements to the commenting process itself can be included in your comments.)

When to Comment

The HFA, most recent QAP, typical QAP cycle, and typical commenting period duration of all eight Midwestern states plus Chicago are all captured in the '[State QAP Tracker](#)' document, and also on the webpage for [Novogradac's Affordable Housing Resource Center](#).⁷ Figure 2 provides an image of the State QAP Tracker's primary spreadsheet on tab 1; tabs 2 and 3 contain links to examples of QAP comments submitted by MWBDC and others in the past for reference. Per its name, this tool is helpful in keeping track of each state's QAP cycle and progress, so advocates can more easily stay abreast of which state is due for a draft QAP release, what to expect regarding their commenting period norms, and what are their potential areas of improvement. With some basic QAP education and preparation, you will be ready to get involved in the process as soon as it happens and will be able to draft your comments in the time you have available.

⁷ <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2022-gaps-and-applications>

Figure 2: Still Image of ‘State QAP Tracker’ Spreadsheet Included in Toolkit

State	Agency (linked)	Last QAP	Last QAP commenting period	Term Cycle	Next Draft release	Typical comment period
Illinois	IL Housing Dev. Authority (IHDA)	2022-2023 IL QAP	10/5/21	Biannual	Summer 2023	4 weeks
Chicago	City Dept. of Planning & Dev.	2021 Chicago QAP	4/6/21	Biannual	Spring 2023	4 weeks
Indiana	IN Comm. Housing & Dev. Authority	2023-2024 IN QAP	4/19/22	Annual	Spring 2023	4 weeks
Iowa	Iowa Finance Authority (IFA)	2022-2023 IA QAP	3/30/21	Biannual	Spring 2023	4 weeks
Michigan	MI State Housing Dev. Authority	2022-2023 MI QAP	7/19/21	Biannual	Spring 2023	3 weeks
Minnesota	MN Housing Finance Agency	2022-2023 MN QAP	6/29/22	Biannual	Spring 2024	3 weeks
Missouri	MO Housing Dev. Commission	2021 MO QAP	4/28/22	Annual	Summer 2023	3 days
Ohio	OH Housing Finance Agency	2022-2023 OH QAP	6/1/21	Biannual	Summer 2023	4 weeks
Wisconsin	WI Housing & Economic Dev. Authority	2021-2022 WI QAP	4/29/22	Annual	Spring 2023	4 weeks

How to Draft and Submit Comments in Eight Steps

- Step 1: Gather partners
- Step 2: Identify your goals
- Step 3: Reach out to your HFA
- Step 4: Review existing and draft QAPs
- Step 5: Develop a strategy
- Step 6: Format comments
- Step 7: Submit comments
- Step 8: Analyze the final QAP

1. GATHER PARTNERS

Gathering a coalition of environmental justice and healthy home advocates, nonprofit organizations, developers, and any other partners who would be aligned in your mission is the first step before brainstorming what you specifically want to accomplish. Some states have an [Energy Efficiency for All \(EEFA\) coalition](#) that you may want to collaborate with, as they may already be aware of and plugged into this process. Once you have your group, everyone should have an equal seat at the table to be able to voice their priorities and preferred language. There may need to be compromise when it comes to these topics, but some give and take is a necessary part of developing comments that everyone can sign onto. As a general note, the larger and more diverse the list of partners, the more likely your comments are to be adopted. As mentioned in the Comment Template document, be sure to list who the comments are from at the beginning and at the end before the actual signatures.

2. IDENTIFY YOUR GOALS

The natural first step stakeholders should take is to broadly determine what they want to accomplish. This step does not necessarily require specific detail, but instead should focus on more general goals and intentions over the long and short term. For example, rather than deliberate if energy audits/assessments should be required

for rehab projects, a better scope would simply be “promote energy audits/assessments.” Once you create a list of goals, you should then prioritize it by level of importance, with the topmost preferred recommendations appearing first, and proceeding in descending order thereafter. This is because, from the readers’ perspective, the order in which the recommendations are read conveys an inherent hierarchy of preferability. It is also because if an HFA is open to making no more than one or two changes, which is not atypical, you want your top choices to appear for selection first.

3. REACH OUT TO YOUR HFA

Stakeholders should consider reaching out to and engaging with their state’s HFA with regard to the current QAP commenting period, but also for the long term. Establishing a relationship with staff from the HFA can help commentors gain a deeper understanding of the thought process behind some of their recent changes and the goals and intentions they may have for that cycle, as well as access to information that may not be publicly listed. Learning about the HFA’s priorities in general and for that particular cycle can be quite valuable, because while some states list them explicitly in their QAP, others can be merely implied by their incentive structure. There may be a staff member who oversees energy efficiency or sustainability, or if you are able to make a connection through a mutual contact, that is also preferable. To find this connection, if you are in contact with an affordable housing developer, they often have a person they work with at the HFA to whom they can refer you. Otherwise, there will be a person listed on the HFA website who is in charge of the QAP updating process, and their email should be available for contact.⁸

4. REVIEW EXISTING AND DRAFT QAPS

Once you have your ordered priorities, your next step is to review the most recently *established* QAP to understand what current provisions do (and do not) exist that pertain to them. QAPs can be found on each state’s HFA website, which can be easily searched on the web, or also at [Novogradac’s Affordable Housing Resource Center](#). Every QAP is different, so where your recommendations begin and at what pace they progress will be determined by the existing standards of your current QAP. For instance, if a group is interested recommending that the QAP promote healthy building materials, they should first check to see if they are already incentivized, and in what way. Is that provision a requirement, or just something for which developers can earn points? If the latter, decide if you agree with the number of points earned for complying, especially as compared to point allocations for other upgrades. In addition to analyzing your own priorities’ status within the QAP, reviewing the last established QAP will give stakeholders an idea of the state’s current operating standards for the last one or two years.

The most obvious and necessary rationale for an examination of the new *draft* QAP is to look for changes to your priorities already proposed by the HFA, and determine if you approve. If there are changes that you approve of, take note of them for inclusion in the corresponding section of the QAP Comment Template document. If there are changes you oppose, take note of those too and decide if they warrant inclusion in your comments. Additionally, a more nuanced reason for this review is that the number, type, and magnitude of changes made by the HFA can be a very telling indicator of how motivated the HFA is to making changes. Few and/or only subtle changes may mean they are not particularly interested in major revisions, whereas many and/or more dramatic changes may mean their appetite for updates is more substantial. The aforementioned

⁸ https://living-future.org/wp-content/uploads/2022/05/2021-Guide-for-Greener-QAPs_reduced.pdf

(required) public hearing and the (not required) ‘summary of changes’ document are particularly helpful resources in conducting this review.

5. DEVELOP A STRATEGY

Now that you have your goals and an analysis of whether and where the standards for those priority areas exist in the QAP, the next step is to develop a strategy for the best way to move each one forward. Good questions to ask yourself throughout this process include, “What would make the greatest impact?”, “What accomplishes my goals in an acceptable amount of time?”, and “What would be seen as acceptable to the HFA and also embraced by the development community?” The following is a list of tactics for your assistance in this process:

Use active language. When drafting your recommendations titles, begin each one with the action verb you wish for the HFA to take (i.e., “*Create* a fourth tier...,” “*Require* all projects...,” “*Adopt* the sixth category...,” “*Allocate* more points...”). This helps make your recommendations read as active directions rather than passive suggestions.

Aim for gradual improvements. Regardless of your recommendations’ aim, a meaningful and gradual advancement of your priorities, even if it takes more than one QAP cycle, provides a more realistic path forward. This step highlights the importance of the earlier planning around short- and long-term goals because QAPs often do change slowly, over time. While this incrementalism can be frustrating, a more gradual evolution does help developers to acclimate to changes and learn to build compliant projects efficiently and economically. To plan for your goals’ advancement, there are three important concepts to note:

- ***Thresholds*** are minimum requirements for development – every project must complete these particular standards.
- ***Competitive points*** are awarded for building or renovating to specific standards or including certain features. These points can determine which projects get funded, where a project must have at least a certain amount; or the amount of funding offered, where more funding is distributed to projects with more points.
- ***Set asides*** are reserve credits for specific types of development or target populations, and not others. They are protected in order to ensure that certain initiatives are guaranteed at least a certain share of funding that cannot be diverted elsewhere.⁹

A priority that is not currently included in the QAP will rarely become a threshold requirement or set-aside after just one recommendation. Typically, the first step is to recommend that a provision be included by creating an incentive within the QAP of just one or two points. Then, recommendations should request increasing the awarded points or transitioning the measure from one that is awarded points to one that is a threshold requirement. In this way, recommendations move each priority area toward an outcome that better accomplishes your goal, through gradual incorporation and increasing emphasis.

Explain your reasoning. Every recommendation should be followed by an explanation. Your recommendation gives the HFA the action you would like them to take, and your explanation tells them why they should take that action and what result you expect it to have. As you draft your explanations, be sure to use a firm but polite tone. Your comments will be thoughtful and well-intended, and they should read with adequate confidence and respect. In contrast, an aggressive tone that delivers your recommendations like a list of demands will not likely

⁹ <https://housingmatters.urban.org/articles/who-gives-qap-why-non-housers-should-care-about-their-local-qualified-allocation-plan>

be well-received. Remember to mention who your recommendation will benefit and why they deserve that change. References to scientific and health studies, similarly intentioned state and local policies and programs, or any other evidentiary information can bolster your case and should be included. A helpful resource for building this explanatory framework is the International Living Future Institute's [Living Building Challenge Framework for Affordable Housing](#).

Use examples from other states. In addition to your recommendations and your explanations as to why they should be adopted, your comments can be further strengthened through reference to other states that have made the same or similar changes to their own QAP. These case studies reinforce your argument by demonstrating to the HFA that another state's HFA was offered the same recommendation, recognized its value, and took the same or similar action that you are recommending. It can be even more helpful to the HFA by providing a detailed example of not only why, but *how* the change was implemented, which they can research further and potentially emulate. It may be difficult to know which states have made your recommended changes without reviewing dozens of other QAPs, but there are resources like EEFA's [State Strategies](#) report and the American Council for an Energy Efficient Economy (ACEEE)'s [Energy Equity for Renters Policy Tracker](#) that have aggregated this information for you. Regardless of the source you use, just be sure to double-check that any case studies you include are up to date.

Narrow your recommendations. Given the wide array of priorities and competing needs within a QAP, it is also important to limit your recommendations to the most important ones. There are varying opinions on how many is too many, but a rule of thumb is that the longer the list, the more diluted your asks become. Try to think about submitting these comments verbally, and how ineffectual it would be to rattle off a list of a dozen or more changes – it would be a lot, perhaps too much, to keep track of. Often only one or two recommendations are accepted at a time. For the purposes of this toolkit, it's recommended to narrow your submissions to the three to five most important priorities in order to ensure you are selecting only the most impactful changes to maximize their chances of adoption. After all, submitting one recommendation that gets accepted is better than submitting ten that are not. Your recommendations should be numbered and bolded for easy reference.

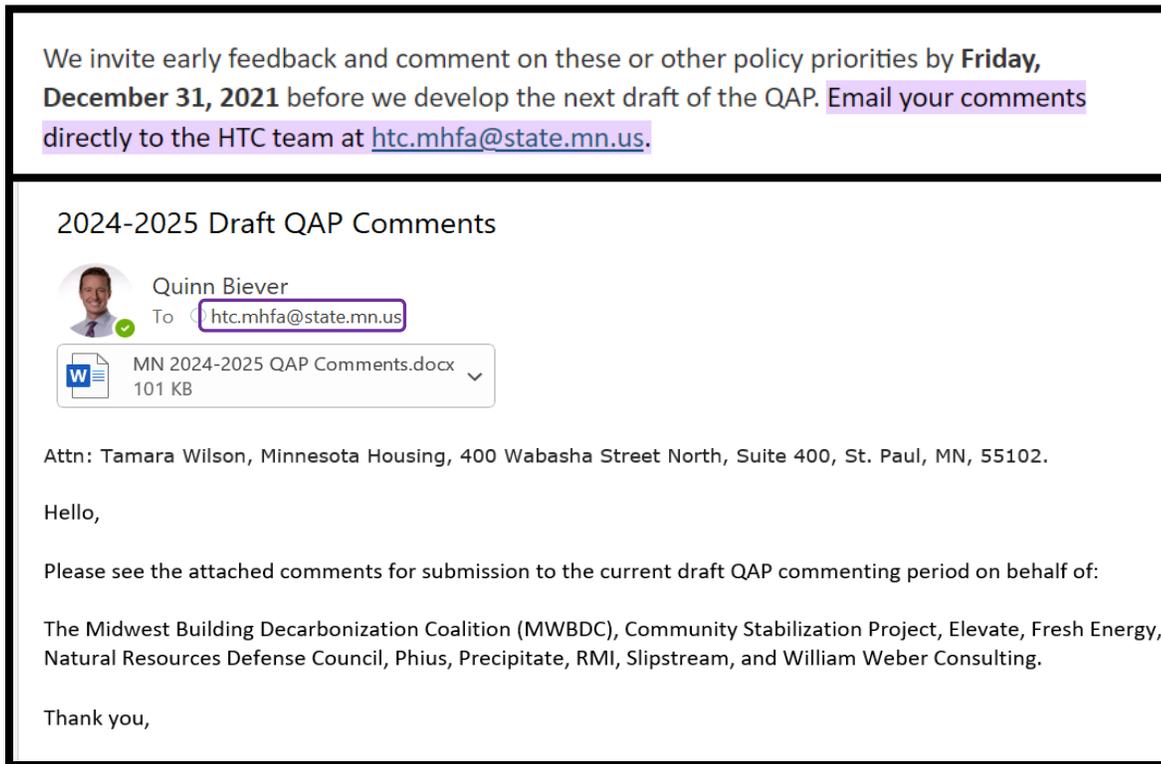
6. FORMAT COMMENTS

Now that you have your recommendations, explanations, and case studies fleshed out, the final step before you submit is to put your comments into the appropriate format. Use the Comment Template document in this toolkit to create the final version of your QAP comment document. Follow the notes included in it to assist you in making the appropriate adjustments. When finished, return to this guide for the final steps.

7. SUBMIT COMMENTS

Each state has their own process for receiving comments, but the most common method is simply by attaching them to an email and sending it to the email address designated on the HFA's website. It will usually be either a specific staff member or one specifically intended to field QAP comment emails, like the one pictured in Figure 3 below.

Figure 3: Example of Submitting Comments Via Email Response



8. ANALYZE THE FINAL QAP

After the HFA has time to process all submitted comments and deliberate whether and how to incorporate them, they will eventually release a final QAP document. Once again, they may release a document summarizing the changes they made, but they are not required to. If they do not, it will be your responsibility to determine which of your comments they chose to accept and how they incorporated them. The process for this is fairly straightforward: simply open the final QAP and scan it for changes based on your recommendations. If a recommendation has been included, highlight it in your favorite color (and also, congratulations!). If it has been partially included or incorporated in a different way than you advised, highlight it with a duller shade of the same color or a secondary color and make a note as to how the final QAP deviated from your recommendation. If a recommendation was not incorporated, denote that and then set it aside to potentially be incorporated into your comments for the next QAP cycle. A recommendation may not be adopted for a number of reasons, so following up with the HFA, either at their public hearing or with your staff contact, to find out why it wasn't incorporated is an important step toward making the appropriate adjustments before you resubmit it. Recommendations may also be ignored if the HFA does not believe they will be well-received by developers. In any case, being understanding and adaptable when it comes to this feedback is critical to moving forward effectively.

Tips and Tricks

As you may have gathered, getting your recommendations adopted into the QAP is not usually a quick or thoughtless process. Here are some tips to increase your chances of success:

Sign up for notification emails. Some states' HFA will allow you to sign up for email notifications that alert you to the release of a draft QAP or related document, the beginning of the commenting period, or other such occurrences. Using this notification system is an effective way to stay updated.

Submit pre-draft and second round comments. Depending on your relationship to the HFA staff member you connect with, organizations are sometimes allowed to submit comments in advance of the draft QAP release and official commenting period. While this is not always typical, taking the opportunity to submit comments early and potentially have your recommended changes incorporated into the first draft version of the QAP is one you should take advantage of if you can. Similarly, some states open a second commenting period after the first to welcome additional comments. You may also take this opportunity, but think critically and potentially seek feedback about what you might do differently if certain recommendations were not accepted the first time.

Work with developers. Building and rehabilitating low-income housing has natural constraints, and some sustainability measures exacerbate the strain on developers operating within those constraints more or less than others. Before or during 'Step 1: Gather partners', consider opening lines of dialog with developers to discuss which sustainability measures are more or less difficult to implement, which have nonobvious drawbacks, and which they would potentially support. An even more advantageous step would be to draft comments with them or invite them to sign onto your comments. As previously stated, a larger and more diverse coalition makes for a much stronger comment submission, especially when including developers.

Include state laws and policies that align with your recommendations. Some states are recognizing their role in mitigating climate change and taking action by developing climate plans, phasing out fossil fuels, phasing in energy efficiency and electrification methods, and other similar climate-friendly steps. So, referencing those measures at the beginning of your comments and framing your recommendations as aligned with those efforts can make them even more grounded and persuasive. Figure 4 on the next page is provided as an example.

Check the list of properties that have won tax credits. Once an HFA decides to award tax credits to a building, it must notify the chief executive officer of the local jurisdiction where the building is located, such as the mayor or county executive.¹⁰ The list of properties that have been approved through this process are often found on the HFA website, which stakeholders should check and then contact the executive's office and/or any relevant housing department at the locality if you have concerns about the proposed projects. Knowing what projects are accepted, how they benefit your community, and how they have complied with the standards of the QAP can be an effective way of determining whether your QAP has adequate and properly functioning sustainability provisions. Some communities go a step further by requiring public notice, comment, and hearings about proposed projects.

¹⁰ https://nlihc.org/sites/default/files/AG-2020/5-05_Low-Income-Housing-Tax-Credits.pdf

Figure 4: Example of QAP Comments Section Prefacing Recommendations

Below, we list seven recommendations to help Minnesota Housing build on past success for the latest QAP, and the following information provides context for them:

According to the University of Minnesota, “Nearly one in three counties in Greater Minnesota has an average energy burden of 5 percent or higher, according to data from the U.S. Department of Energy National Renewable Energy Laboratory, compared to the national average of 3.5 percent and Minnesota statewide average of 2 percent. Some Minnesotan households spend as much as 30 percent of their income on energy.”¹ Meanwhile, the state of Minnesota is not on track to meet its own greenhouse gas reduction goals. State law aims for reductions to “all sectors producing those [greenhouse gas] emissions to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050.”² The Minnesota Climate Action Plan sets a goal of a “45% reduction in greenhouse gas emissions by 2030 to achieve a carbon-free future by 2050.”³ The Minnesota 2021 biennial report⁴ demonstrates that the state’s emissions have declined just 8 percent since 2005- well short of the goal of 30 percent by 2025. Since buildings in Minnesota account for 41 percent of total energy consumed in the state,⁵ reducing emissions from affordable housing is necessary to help meet the state’s goals equitably. In other states with greenhouse gas-emission reduction goals, Housing Finance Agencies are supporting climate-friendly affordable housing. For example, the Colorado Housing Finance Authority recently adopted the following guiding principle in their QAP:

To contribute to Colorado meeting its 100 percent Renewable Energy goals by 2040 and Climate Action goals to reduce greenhouse gas emissions to 26 percent below 2005 levels by 2025, 50 percent by 2030, and 90 percent by 2050:

- *To support affordable housing that is constructed and certified to advanced energy performance standards, such as the Department of Energy’s Zero Energy Ready Home (ZERH) program, Passive House Institute US (PHIUS), or Passive House Institute (PHI); and/or*
- *To support affordable housing that is constructed to be Electrification-Ready for future conversion to all-electric*

The recent enactment of the Energy Conservation and Optimization (ECO) Act should result in additional resources to support energy efficiency and electrification in affordable housing that would complement QAP incentives that encourage reductions in greenhouse gas emissions. ECO increased the minimum spending requirement for utilities to fund dedicated programming for low-income customers and incentivizes electrification by allowing utilities to claim energy savings from fuel-switching toward their goals.⁶

Conclusion

Everyone deserves housing that is safe, healthy, and affordable. The QAP is one policy tool that can be used to improve the conditions of housing that falls below this standard all too often. The criteria that makes up the QAP is publicly accessible and evolving, as it should be – our tax dollars subsidize these projects, so it is our responsibility to ensure they are being allocated properly to create quality, resilient housing. To accomplish this, energy efficiency, healthy materials, and other sustainable practices can and should be incentivized, if not required. As the MWBDC’s website states, the energy transition is inevitable, but justice is not. Housing justice requires that we work to invest in lower-income homes, communities, and in a better future for the people and families that live there. Thank you for your work to create a more dignified, equitable, and decarbonized housing sector for those who need it most. Onward.

Glossary

AMI (Area Median Income) The midpoint of a region’s income distribution. Half of families in a region earn more than the median and half earn less than the median. For housing policy, income thresholds set relative to the area median income – such as 50% of the area median income – identify households eligible to live in income-restricted housing units and the affordability of housing units to low-income households.¹¹

DDA (Difficult Development Areas) Geographic areas in which construction, land, and utility costs are high relative to incomes.

HFA (Housing Finance Agencies/Authorities) State-chartered organizations established to help meet the affordable housing needs of the residents of their states. They vary widely in characteristics, such as their relationship to state government, but most are independent entities that operate under the direction of a board of directors appointed by each state’s governor, administering a wide range of affordable housing and community development programs.¹² [List of state HFAs.](#)

HUD (Department of Housing and Urban Development) The US federal government department responsible for administering programs that provide housing and community development assistance and enforce laws that ensure housing opportunities are fair and equal to everyone.¹³

IRS (Internal Revenue Service) The US government agency responsible for the collection of taxes and enforcement of tax laws, operating under the authority of the US Department of the Treasury.¹⁴

LIHTC (Low Income Housing Tax Credits) Federal tax credits awarded to developers to offset construction costs in exchange for agreeing to reserve a certain proportion of units to a certain level of affordability for lower-income residents. This program is the federal government’s primary policy tool for the development of affordable rental housing, and credits can be claimed over a 10-year period once the project is completed and available to be rented. There are two types of LIHTC available to developers: the 9% credit is generally reserved for new construction and is intended to deliver up to a 70% subsidy, and the 4% credit is typically used for rehabilitation projects utilizing at least 50% in federally tax-exempt bond financing and is designed to deliver up to a 30% subsidy.¹⁵

QAP (Qualified Allocation Plan) A document developed by each state (plus New York City, Chicago, and few local agencies in Minnesota) that determines how they will each distribute their federal Low Income Housing Tax Credits (LIHTC). Housing finance agencies (HFAs) must spell out the criteria and priority by which they will select projects to award these tax credits. In some states, the QAP also sets out threshold criteria for noncompetitive 4% tax credits and any state low-income housing tax credits.¹⁶ The criteria and all other methods of evaluation contained within the document is collectively known as the QAP. [List of state QAPs.](#)

QCT (Qualified Census Tract) Census tracts with a poverty rate of 25% or in which 50% of the households have incomes below 60% of the area median income (AMI).

¹¹ [https://metro council.org/Handbook/Files/Resources/Fact-Sheet/HOUSING/Area-Median-Income-and-Housing-Affordability.aspx#:~:text=The%20Area%20Median%20Income%20\(AMI,earn%20less%20than%20the%20median.](https://metro council.org/Handbook/Files/Resources/Fact-Sheet/HOUSING/Area-Median-Income-and-Housing-Affordability.aspx#:~:text=The%20Area%20Median%20Income%20(AMI,earn%20less%20than%20the%20median.)

¹² [https://www.ncsha.org/about-us/about-hfas/#:~:text=State%20Housing%20Finance%20Agencies%20\(HFAs,the%20residents%20of%20their%20states.](https://www.ncsha.org/about-us/about-hfas/#:~:text=State%20Housing%20Finance%20Agencies%20(HFAs,the%20residents%20of%20their%20states.)

¹³ <https://www.usa.gov/federal-agencies/u-s-department-of-housing-and-urban-development>

¹⁴ <https://www.investopedia.com/terms/i/irs.asp>

¹⁵ <https://sgp.fas.org/crs/misc/RS22389.pdf>

¹⁶ <https://nlihc.org/sites/default/files/2014AG-259.pdf>