



Advocate for NGBS Recognition in Qualified Allocation Plans

OVERVIEW: The federal Low-Income Housing Tax Credit (LIHTC) program provides funding for the development costs of low-income housing by allowing an investor to take a federal tax credit equal to a percentage of the cost incurred. State housing finance agencies (HFAs) administer the LIHTC program. On an annual or semi-annual basis, the administering HFAs release a Qualified Allocation Plan (QAP), which outlines the award process and design requirements for multifamily developers seeking the competitive credits. Tax credits are typically awarded over the course of several “allocation rounds,” with top-ranked projects receiving credits.

LIHTC COMPETITION: LIHTCs offer substantial funding support to multifamily developers. Current funding options vary by state; recently, allocation ranges have ranged from 4 to 9% of project costs.

GREEN CERTIFICATION: Increasingly, states mandate or incentivize green certification through optional QAP points. To improve their chances of receiving an award, the vast majority of applicants seek green certification when it is recognized by the QAP. LIHTC applicants commit upfront to pursue green certification, and proof of third-party certification is required upon the project’s completion.

CHOOSE NATIONAL GREEN BUILDING STANDARD (NGBS): Over 25 state QAPs recognize the NGBS alongside LEED, ENERGY STAR, and Enterprise Green Communities. See the full list at www.HomeInnovation.com/NGBSGreenIncentives.

When compared to the other programs, the NGBS offers a more balanced, rigorous, and cost-effective approach to green building certification. In particular, comparisons of cost and rigor (all available on www.HomeInnovation.com/Green) have found that NGBS costs associated with certification comprise a much smaller component of overall certification costs than LEED.

ADVOCACY OPPORTUNITIES:

- **Monitor.** Before finalizing a new QAP, the HFA will typically release a draft version for public comment. Reach out to the HFA within your company’s service area and learn when the next QAP documents will be released.
- **Educate.** Some HFA staff may not be familiar with the NGBS or may not realize it can be used for any residential building. Home Innovation has myriad resources that can help HFA staff understand the NGBS and its requirements.
- **Be Heard!** Advocate for NGBS recognition when a QAP incorporates green requirements by participating in the public comment process. Submit a letter that highlights why you and/or your client(s) have selected the NGBS and how its low cost is well-suited for affordable housing projects. Contact us (www.HomeInnovation.com/NGBSGreenContact) for a sample advocacy letter and model testimony for public hearings.
- **Show Up!** HFAs may host annual Developer Roundtables and/or Public Hearings to inform the QAP development process. If events like these are scheduled in your service areas, consider participating and encourage your colleagues to join as well.

*To access all of our NGBS Advocacy resources, visit
www.HomeInnovation.com/NGBSAdvocacy.*