

## Introduction to the Target Population Leasing Preference

Congratulations on your property's approved application for funding under the VHDA **Qualified Allocation Plan (QAP)** or **Special Initiatives Program (SIP)**. Your property has been identified under the requirement to give a leasing preference to individuals in a **Target Population** in its application for Tax Credits. A Target Population can include individuals with **Developmental Disabilities (DD)** referred by the **Virginia Department of Behavioral Health and Developmental Services (DBHDS or Referring Agent)**, or individuals identified in a **Memorandum of Understanding (MOU)** between **VHDA (the Authority)** and one or more participating agencies of the Commonwealth.

## Unit Commitment & Leasing Preference

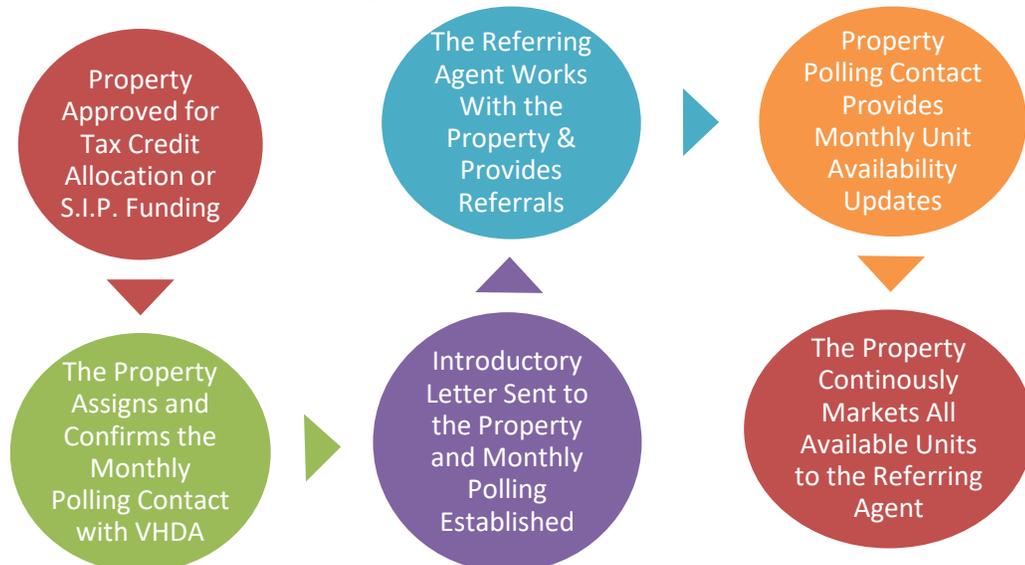
Providing a Leasing Preference means that all unit vacancies or anticipated unit vacancies must be continuously offered to the Referring Agent until the required number of units have been occupied with eligible referrals in the Target Population.

**Please Note:** At this time, properties receiving financing or rent subsidies from federal programs such as Rural Development (RD) may not be permitted to provide a leasing preference to the Target Population(s) identified in the VHDA Qualified Allocation Plan (QAP) for all units within the property. Once the property waitlist is exhausted, any available units must be offered to the Referring Agent. Contact VHDA if your property has a conflict with the Leasing Preference.

1. **2015-2018 Property Allocations** – These properties committed to provide the greater of 5 units or 10% of the total number of units to persons with a Developmental Disability (DD) referred by the Department of Behavioral Health and Developmental Services (DBHDS), the Referring Agent, throughout the property's Extended Use Period.
2. **2019 Property Allocations** – These properties committed to provide 10% of the total number of units to a Target Population identified in a Memorandum of Understanding (MOU) between VHDA and one or more participating agencies throughout the property's Extended Use Period (EU), and referred by a Referring Agent approved by the Authority (includes DBHDS). The Authority may set additional requirements through further guidance, as needed.

**Special Initiatives Program (SIP) Allocations** – These properties committed to provide the number of units specified in the VHDA Loan and Regulatory Agreement.

## Leasing Preference Overview



**Tenant Selection Plan (Plan)** - Properties must include a leasing preference in their Tenant Selection Plan for persons who meet the definition of the Target Population and have an official Target Population verification letter from DBHDS or a Referring Agent approved by the Authority, as permitted. The Tenant Selection Plan must be submitted to VHDA for review within **5 business days** of receiving this Target Population Introductory Letter or of revising the Plan on an on-going basis. The Tenant Selection Plan will also be included in the audit scope for property monitoring visits.

**Unit Referral Process** - All properties **must** actively seek referrals from the Referring Agent assigned to the property and identified in the introductory letter email correspondence.

**2015-2018 Properties** - All eligible applicants must be referred only by a Housing Coordinator from DBHDS, the assigned Referring Agent. All referrals are individuals with a Developmental Disability under guidelines included in the DOJ Settlement Agreement. Each referred applicant must present an official Target Population verification letter prior to initiating the application process and the letter must be maintained in their tenant file.

**2019 Properties** - All eligible applicants are referred by one or more participating agencies, also known as the Referral Agent, including DBHDS. Each referred applicant must present an official Target Population verification letter prior to initiating the application process and the letter must be maintained in their tenant file.

### **On-Going Marketing Requirements**

On-going marketing requires the property to continuously seek applicants from the Referring Agent anytime there is a unit vacancy or anticipated unit vacancy.

**Required 60-Day Hold for Vacancy** - If there is **no evidence** of on-going active marketing conducted on a continual basis, a unit **must** be held for up to **60-days** while actively working with the Referring Agent and prospective residents. Evidence of on-going active marketing includes, but is not limited to email correspondence, detailed notes of referral activities, unit tracking reports, etc.

**Marketing Materials** – Before the lease-up process begins, the property must provide marketing materials to the assigned Referring Agent. Marketing materials include, but are not limited to, written details on the property including floor plans, architectural renderings, photos, pamphlets, flyers, company website, transportation options, attractions in the area, etc. The Referring Agent shares this information with the eligible applicants to market your property.

**On-Going Communication** - Throughout the Extended Use Period, the property must regularly communicate with the Housing Coordinator to provide the list of available units and details, such as bedroom size, location in the building, and accessible features. This assists the Referring Agent in the placement of eligible applicants in the Target Population.

1. **Monthly Polling** – The property must provide monthly updates on unit availability via a questionnaire, in addition to on-going communication with the Referring Agent. VHDA will reach out to the property to obtain the primary contact information and provide instructions via this Introductory Letter and follow-up as needed. Contact VHDA immediately, or within **3 business days** when there is a change in the contact for the monthly polling.

2. **VA Housing Search** - The property must list and maintain an up-to-date property listing on [virginiahousingsearch.com](http://virginiahousingsearch.com). The Referring Agent uses this website for additional information to share with eligible applicants. The property details and unit availability must be regularly maintained and updated on this website.

**Waitlist Management (no Project Based Subsidy)** - All available units must be marketed to the assigned Referring Agent. If the property has a waitlist for the Tax Credit units **without a rental subsidy**, Target Population referrals are to be added to the top of the list as permitted. The property must communicate with their assigned Referring Agent as units become vacant or a vacancy is anticipated to move Target Population applicants off the list and into units.

**Waitlist Management for Units with a Rental Subsidy** – All available units must be marketed to the assigned Referring Agent as units become vacant or a vacancy is anticipated. If the property has a waitlist for units **with a rental subsidy** under an agreement with HUD, RD, a local Housing Authority, or other Entity with different leasing requirements, Target Population referrals are to be added to the list as permitted. The property must immediately notify the Referring Agent of the anticipated dates the waitlist will be open and available to accept new applicants.

### **Referring Agent Unit Release**

Anytime a unit becomes vacant or a vacancy is anticipated, the property must contact the Referring Agent immediately, **within 1 business day**, to request a referral for specific units. The Referring Agent must immediately acknowledge the request in writing and has **up to 5 business days to respond** and confirm whether there is a referral for the available unit(s). The property must provide details on the unit(s) available to include the number available, bedroom size(s), location(s) within the property, accessible features, whether a rental subsidy is applied to the unit, and if the rental subsidy is available to the applicant referral. **(Reference the Waitlist Management section)**

Once the Referring Agent **confirms in writing** that there are no current or pending eligible applicants for the available unit(s), the property may lease the unit(s) specified in writing by the Referring Agent to a non-target population applicant and must maintain all written correspondence in the tenant file. The supporting documentation must be made available to VHDA upon request at any time and will be included in the property audit scope.

#### **Example Written Response from the Referring Agent to Release Units:**

##### *Releasing Units from LIHTC Target Population Preference at [Property Name]*

*DBHDS received a notice of unit availability from your staff on [DATE] and confirms that the Regional Housing Coordinator and the property management staff coordinated marketing and outreach efforts to identify eligible individuals. However, DBHDS does not have referrals in the Target Population for this property at this time for [UNIT(s) DESCRIPTION or BEDROOM SIZE(S)] and/or does not anticipate referrals within the next [# of] days.*

*Therefore, DBHDS approves the property's request to release the following unit(s) identified in the email below from the Target Population preference so they can be rented to the general LIHTC population: [describe building address and number of units here by unit size and/or apartment number], Sincerely, Region X Housing Coordinator*

**Vacancy Loss Reimbursement** - VHDA set aside funding for vacancy loss reimbursement, unit modification, or other requests related to housing an eligible applicant referred by the Referring Agent. If a unit is held vacant by request of the Referring Agent or the Authority, the unit may be eligible for vacancy loss reimbursement upon submission of supporting documentation and a [Claim for Vacancy Loss Payment](#) to [vhdacompliance@vhda.com](mailto:vhdacompliance@vhda.com)

## Glossary of Terms Used in this Document

**DBHDS** - Department of Behavioral Health and Developmental Services is the Referring Partner for DD eligible applicants and other Target Populations identified in the QAP

**VHDA** - Virginia Housing Development Authority is the Authority

**QAP, Qualified Allocation Plan** - By statute, VHDA is required to provide the QAP to provide instructions and details on the requirements for the funding Federal Tax Credits to develop or rehabilitate multi-family housing

**Target Population** - Defined in the Qualified Allocation Plan (QAP) for Tax Credit Allocation or Regulatory document for VHDA Conventional funding, SIP Program, and identified in an MOU. Target Population includes DD eligible applicants

**Target Population Verification Letter** – This is the official letter issued by the Referring Agent to eligible individuals in the Target Population. This official letter must be presented to the property along with the application for a rental unit. The letter will be on an official letterhead and will reference “Target Population”.

**Leasing Preference** means that all unit vacancies or anticipated unit vacancies must be continuously offered to the Referring Agent(s) until the required number of units have been occupied with eligible referrals. The units are required to float throughout the community to meet the needs of the referred applicant

**DD, Developmental Disabilities** is a Target Population identified in the QAP for 2015-2018 Tax Credit Allocations

**Referring Agent** - Defined in the QAP and identified as a participating agency of the Commonwealth that has a Memorandum of Understanding (MOU) with VHDA. Referring Agent includes DBHDS. Also known as a **Housing Coordinator**.

**Tenant Selection Plan** - Plan developed by the property to identify leasing criteria

**MOU, Memorandum of Understanding** - A nonbinding agreement between two or more parties outlining the terms and details of an understanding, including each parties' requirements and responsibilities

**SIP, Special Initiatives Program** - VHDA Conventional financing with a requirement to provide a first leasing preference for Target Population(s) identified in the Regulatory document