

“VHDA has had a major impact on promoting the use of green building principles and practices in Virginia. Four years ago, VHDA put incentive points in the Tax Credit Program, resulting in more than 60 multifamily developments being certified under the EarthCraft residential green building program. In the 2008 tax credit round, 32 out of 34 projects receiving credits have committed to becoming EarthCraft certified. Without VHDA’s incentives and support, it would have taken years for such a growth to have taken place, if ever. VHDA’s leadership in introducing green building standards into its programs is a national example. I am unaware of any other state HFA who has done as much, or as creatively, as VHDA does to advance green, high performance building standards in the design and construction of the housing it finances.

- Karl E. Bren, Director of External Affairs and Development of EarthCraft

1. Brief Description of Green Building Initiative

Since 2003, VHDA has helped create sustainable and environmentally friendly single and multifamily housing. Sustainability, as well as affordability, is why VHDA supports EarthCraft House™ green building certification. This certification plays a significant role in VHDA’s Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP) and the authority’s SPARC (Sponsoring Partnerships and Revitalizing Communities) allocations.

Administered in Virginia by VHDA, the federal QAP provides an opportunity for applicants who have received EarthCraft House certification to be awarded 30 points. This year, more than 92% of the 9% competitive tax credit projects chose to certify under EarthCraft.

VHDA chose EarthCraft as one of its QAP green building options because of the comprehensive guidance this program has available for those developing new construction and rehabilitation of both single and multifamily affordable housing. The certification process follows a checklist designed to verify that each EarthCraft home addresses site planning, energy efficient techniques and equipment, waste management and indoor air quality. Any size or style of home at any price point can achieve EarthCraft certification by meeting the flexible guidelines.



An EarthCraft Certified Home funded by VHDA’s SPARC program

VHDA also chose LEED® as a QAP certified green building option. Also a voluntary program, the Leadership in Energy and Environmental Design (LEED) Green Building Rating is a national system for developing sustainable, high-performance buildings and neighborhoods. LEED addresses all building types and emphasizes sustainable site development, material and resources, water savings, energy efficiency and indoor environmental quality.

In addition, VHDA has encouraged the use of green building techniques in its Sponsoring Partnerships and Revitalizing Communities (SPARC) program since 2005. The competitive SPARC program enables local governments, housing authorities, for-profit and non-profit developers to apply for set-asides of resources to assist their efforts in addressing the critical housing challenges facing their communities. To qualify for bonus points, builders must verify that homes will meet EarthCraft, Energy Star or Enterprise Foundation Green Communities green builder certification. This year, VHDA increased the bonus points awarded to organizations incorporating green building techniques into their newly constructed or rehabilitated properties from 10 to 25 points. The number of organizations choosing to incorporate green building as part of their SPARC proposals has increased from five in 2005 to 13 organizations in 2007.

2. Why/When it was undertaken

These types of efforts, begun in 2003, assist VHDA's single family and multifamily development stakeholders in overcoming the challenges they face in balancing sustainable green building with their respective revitalization goals and economic interests. In addition, sustainability makes homes more affordable because green homes keep utility bills down for homeowners. Sustainability, as well the shared responsibility to care for the earth on which we all live, is why VHDA strongly supports green building.

3. What VHDA has accomplished with its Green Building Initiative

In VHDA's QAP, developers choosing to build green receive additional points. From 2003 to 2007, green building was based on a 15-point system. This encouraged approximately 33% of developers to go green each year. In 2007, the number of developers who went green grew to 40%. And in 2008, to further encourage developers, VHDA's green building category increased to a 30-point system, resulting in 92% of developers deciding to build green.

One great example of what VHDA has been able to accomplish with its Green Building Initiative is The Station at Potomac Yard, located in Alexandria. In addition to benefiting from EarthCraft certification for this mixed-used/mixed-income project's residential units, the developers also earned points for LEED certification for the building's commercial area—a new state-of-the-art fire station.



4. Why VHDA's Green Building Initiative is meritorious and meets NCSHA Judging Criteria

Innovative

By proactively encouraging the building of environmentally friendly housing

through its QAP and SPARC allocations, VHDA is helping developers provide sustainable homes that have lower utility bills and maintenance costs for owners and residents, as well as a lesser impact on the environment. The Authority is also setting an environmentally responsible example for other housing stakeholders across the Commonwealth.

The Station at Potomac Yard received extra tax credit points for being EarthCraft and LEED certified

Replicable

VHDA's Green Building incentives – the QAP points and SPARC allocations – can be easily replicated by other HFA's wishing to aggressively follow a more environmentally friendly path.

Respond to an Important State Housing Need

Through tax credits and SPARC financing, VHDA is providing a better living environment that in the long run will be more sustainable and, therefore, more affordable.

Demonstrate Measurable Benefits to HFA Targeted Customers

Since the point category for EarthCraft certification was added in 2006 to the tax credit QAP, 3,661 green housing units have been added to Virginia's stock of affordable housing for low- and moderate income citizens. In 2006, 767 units were added; in 2007, 784 units were added; and in 2008, 2,110 units were added as a result of the doubling of the QAP point category.

Demonstrate Effective Use of Resources

Adding green building points to the tax credit and SPARC programs allows the limited financial resources available for affordable housing to work harder for localities and future residents. And because the Green Building Incentive Program is part of VHDA's tax credit and SPARC programs, which were already in place, the additional costs to incorporate Green Building incentives into these programs were negligible.

Achieve measurable results

As mentioned earlier, green building was based on a 15-point system from 2003 to 2007. This encouraged approximately 33% of developers to go green each year. In 2007, the number of developers who went green grew to 40%. And in 2008, to further encourage developers, VHDA's green building category increased to a 30-point system, resulting in 92% of developers deciding to build green.

Achieve Strategic Objectives

VHDA's goal for 2010 was to have 50% of its tax credit developers building green. In 2008, the authority has already surpassed that goal with 92% of developers including green building practices in their development plans.

Conclusion

It is critical that we all do our part to make the world a greener place to call home. At VHDA, we've been committed to sustainable building practices for more than 23 years. Since 1985, many of our loan programs have required replacement of inefficient windows and furnaces, as well as bringing insulation R-values up to current standards as part of a building upgrade. VHDA also has encouraged water conservation through the use of separately metered utilities and the replacement of outdated plumbing. In 2008, VHDA continues to recognize the importance of environmentally friendly, sustainable housing as a component of affordability. The introduction of VHDA's Green Building Incentive Program, which provides strong incentives for developers through tax credits and the SPARC low-interest loan program, is proving to be a very effective way to encourage the production of single and multifamily homes that will make Virginia greener today, as well as for generations to come.

VHDA's Green Building Incentive Program has resulted in a number of achievements. In 2008, VHDA's green building QAP point category doubled to a 30-point system, resulting in 92% of developers deciding to build green, surpassing VHDA's strategic goal of having 50% of its tax credit developers building green by 2010. And since the point category for EarthCraft certification was added to the tax credit QAP, 3,661 green housing units have been added to Virginia's stock of affordable housing for low- and moderate income citizens.