

2022-2023

Low Income Housing Tax Credit

QUALIFIED ALLOCATION PLAN

State Of Illinois
J.B. Pritzker, Governor



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I) Introduction

A. Purpose of the QAP

The Low-Income Housing Tax Credit (LIHTC) program was created by the United States Congress in 1986 to promote the development of affordable housing for low income individuals and families. The Internal Revenue Service (IRS) regulations for the Tax Credit program are found under Section 42 of the Code of 1986, as amended.

As an allocating agency for the Tax Credit program in Illinois, the Illinois Housing Development Authority (Authority) is required to publish a Qualified Allocation Plan (QAP) that details how it intends to award the tax credits. Pursuant to Section 42 of the Code, the QAP describes criteria the Authority considers in evaluating Projects and development teams applying for an Allocation of Tax Credits.

The QAP addresses the process for obtaining Tax Credits either through the issuance of a 42(m) Letter for Projects financed through the issuance of tax-exempt bonds (4% Tax Credits) or through the competitive selection process (9% Tax Credits).

All Projects planning to apply to the Authority for an allocation of 4% or 9% Tax Credits must first submit a Preliminary Project Assessment to the Authority prior to submitting a Project Application. Please visit the [Developer Resource Center](#) on IHDA's website for further information on applying for Authority tax credit resources.

B. Authority Mission Statement

The mission of the Authority is to finance the creation and preservation of affordable housing throughout the State of Illinois. We partner with lenders, developers, local government, nonprofits, community groups, and others to deliver low-cost financing programs. We provide financial assistance to low- and moderate-income homebuyers and homeowners, offer resources to developers who build or preserve affordable and mixed-income rental housing, and provide oversight for hundreds of affordable rental communities across the state.

C. Authority Policy Priorities & Objectives

The QAP provides a framework for the development and rehabilitation of affordable rental units that support the achievement of broader policy objectives.

The Authority employs various planning and research methods to better understand the diverse housing needs of Illinois residents, identify policy priorities and goals, and develop policy objectives in support of those goals. These research methods are dynamically designed to identify opportunities for the Authority to target its investments effectively and efficiently, nimbly responding to an ever-changing social and economic climate. This research utilizes both quantitative and qualitative methods including, but not limited to, development of the Annual Comprehensive Housing Plan and the Illinois Housing Blueprint, public meetings such as the QAP Summits, and formation of an internal QAP Task Force.

The Authority's current policy priorities, goals, and objectives for the 2022-2023 QAP are discussed below. These priorities have been identified in response to broader economic and socio-demographic conditions, as well as key housing needs at the state level. Each of the four (4) focus areas are supported by specific strategies.

1. **Racial Equity.** Discrimination in the US housing market has contributed to both social and economic inequity manifest in the widening of the racial wealth gap and historic disinvestment in communities

of color. The Authority's approach to address racial equity is rooted in increasing opportunities for wealth-building, while also prioritizing projects that improve resident outcomes.

QAP-related strategies supporting this focus area include:

- Improving participation by MBE/WBEs on LIHTC projects, especially BIPOC-led firms; and
- Prioritizing project concepts that improve 'quality of life' and housing quality.

2. **Access to Funding.** Challenges to accessing affordable housing development financing, especially for small- to mid-sized firms, has an adverse impact on innovation, dampening creativity and flexibility in the provision of affordable housing that serves Illinoisans. IHDA is striving to make their application processes more user-friendly and intuitive in a way that will further diversify the types of developers we work with, the geographic areas that these developers work in, and the types of projects that we are able to fund.

QAP-related strategies supporting this focus area include:

- More specificity to the preliminary application (PPA) process and to the application clarification period;
- Less reliance on letters of support and more reliance on specific local involvement; and
- Availability of more free site selection tools.

3. **Special Populations.** IHDA continues its mission to finance housing development for populations with special needs. This includes, but is not limited to, persons with disabilities, homeless or populations at risk of homelessness, and recently incarcerated populations, among others.

QAP-related strategies supporting this focus area include:

- Prioritizing units for extremely low-income (ELI) households by incentivizing rental assistance and deeper income targeting.
- Continuing to integrate Statewide Referral Network units to increase the supply of community-integrated Permanent Supportive Housing in Illinois.

4. **Sustainability.** Improving housing quality through highly efficient building materials, housing sites that are integrated within community fabric, and reducing utility costs are tenant-focused initiatives that can, over the long-term, contribute to resident wellbeing.

QAP-related strategies supporting this focus area include:

- Incentivizing high-quality, sustainable housing that integrate clean/non-toxic building materials; and
- Prioritizing developments that go above the minimum requirements when it comes to energy efficiency and overall building quality.

D. Code Required Selection Criteria and Preferences

Section 42(m) of the Code requires the Authority to include the following Project selection criteria in the QAP:

- Project location
- Housing need characteristics
- Project characteristics, including whether the Project involves the use of existing housing as part of a concerted Revitalization Plan
- Sponsor characteristics
- Tenant populations with special housing needs
- Public housing waiting lists

- Tenant populations of individuals with children
- Projects intended for eventual tenant ownership
- Energy efficiency of the Project
- Historic nature of the Project

Section 42(m) of the Code requires the Authority to give preference in allocating Tax Credits to:

- Projects serving the lowest income tenants
- Projects obligated to serve qualified tenants for the longest periods
- Projects which are located in Qualified Census Tracts (QCTs) and the development of which contribute to a Revitalization Plan

E. State Comprehensive Housing Planning Act

The State's Comprehensive Housing Planning Act (as amended P.A. 99-0564), established the first statewide comprehensive housing initiative and appointed the Housing Task Force to improve the planning and coordination of the State's housing resources. The following eight (8) underserved populations were identified:

- Low-income households (with particular emphasis on households earning below 30% of Area Median Income)
- Low-income seniors
- Low-income persons with disabilities
- Homeless persons and persons at-risk of homelessness
- Low- and moderate- income persons unable to afford housing near work or transportation (Live Near Work)
- Low-income persons residing in existing affordable housing that is in danger of being lost or becoming unaffordable (Preservation)
- Low-income people residing in communities with ongoing community revitalization efforts
- Other special needs populations, including people with criminal records and veterans experiencing or at risk of homelessness

II) General Provisions

A. Changes to the QAP

The Authority reserves the right to amend, modify, withdraw or update provisions of the QAP, including attachments, at any time to administer the Tax Credit program.

If any part of this QAP is determined not to be in compliance with Section 42 or any other applicable codes or statutes, only that non-compliant part shall be considered as being out of compliance with Section 42 and the remainder of the QAP shall remain in effect.

B. Authority Rights

The Authority reserves the right to limit the number of 9% Tax Credit Reservations for Rental Assistance Demonstration Projects to one (1) per Set-Aside per year.

The Authority reserves the right to make Tax Credit Reservations in an amount above 1,500,000 per Project.

The Authority reserves the right to limit the number of Projects recommended for Tax Credits in any Set-Aside, as defined in Section III.B Credit Ceiling.

The Authority reserves the right to limit the number of Projects recommended for Tax Credits for any given Sponsor.

The Authority reserves the right to limit the number of Projects recommended for Tax Credits in any area where the Authority has previously allocated resources.

The Authority reserves the right to make Tax Credit Reservations from the upcoming calendar year Credit Ceiling (a "Forward Reservation") under this QAP.

The Authority reserves the right to verify any information submitted in a Project Application.

The Authority may review local and/or state analysis of impediments to fair housing prepared in connection with federal funding programs and reserves the right to prioritize Project Applications which demonstrate opportunities to affirmatively further fair housing.

In keeping with the State's Comprehensive Housing Planning Act (as amended P.A. 99-0564), the Authority may issue a Reservation to a Project(s) selected by the Authority in response to a Notice of Funding Availability ("NOFA") issued by the Interagency Committee of the Illinois Housing Task Force. The amount reserved will not exceed ten percent (10%) of the total Authority Credit Ceiling. Any Project recommended by the Interagency Committee must meet the requirements of this QAP, excluding the Scoring Categories section.

C. Authority Limitations

The Tax Credit program is a regulated and highly complex program. Final interpretations of certain rules and regulations governing various aspects of the program have not been issued. As such, additional requirements or conditions applying to the Tax Credit program may be forthcoming.

It is the responsibility of the Owner to be knowledgeable of Section 42 of the Code, regulations and administrative documents (rulings, notices, and procedures), and all relevant materials published by the IRS.

It is strongly suggested that prospective Owners interested in the Tax Credit program contact their tax accountant and/or attorney prior to submitting an Application and prior to the development of Projects under the Tax Credit program. While the Authority will assist those applying for an Allocation of Tax Credits, the Authority will not provide tax or legal advice.

The Authority's review of a Project Application is solely for its own purposes, and the Owner of a Project may not rely upon the Authority's review as evidence of such Project's compliance with federal or State law. The Authority's Allocation of Tax Credits for a Project shall not constitute a representation or warranty that the Project complies with Section 42 or any other laws and regulations governing Tax Credits. The Owner is responsible to ensure that the Project complies with all such laws and regulations.

D. Project Application Disclosures

i. Limitation of Acceptance of Submission

Acceptance of a Preliminary Project Assessment or Project Application shall not be construed to be a representation or warranty by the Authority as to the feasibility, viability, or lack thereof, of any Project.

ii. Sharing of Information with Third Parties and Governmental Entities

The Authority shall have the right at any time without any further consent from, or notice to, the Owner, or any other party, to discuss or communicate and disseminate any information concerning the Owner or the

Project with any third party, including, without limitation, any general or limited partner, member, or shareholder of the Owner or any entity or individual comprising any part of Owner's ownership structure, any party providing any funds to or on behalf of the Owner or Project, the IRS, or any other governmental entity.

iii. Disclosure of Information Pursuant to the Illinois Freedom of Information Act

The Project Application is subject to the Illinois Freedom of Information Act (5 ILCS 140) and all or part of such submission may be open to public inspection or copying. Any claim that the information submitted is exempt from disclosure must (i) be made as part of the submission; (ii) identify the information alleged to be exempt; (iii) reference the specific statutory basis for the claimed exemption; and (iv) provide an explanation as to why the information meets the requirements of the exemption. The Authority will determine whether such exemption applies.

iv. Notification of Elected Officials

Upon receipt of a Project Application, the Authority will send notification letters to publicly elected officials and agencies. In the event the notification letters generate questions or comments, the Project Owner may be required to respond.

E. The Fair Housing Act

The Authority requires that all Projects meet the requirements of the Fair Housing Act, 42 U.S.C. 3601 - 3619. The Fair Housing Act is enforced by HUD and prohibits discrimination in the sale, rental, or financing of dwellings and in other housing-related activities on the basis of race, color, religion, sex, disability, familial status, or national origin. Further information regarding the Fair Housing Act can be found on the HUD website at https://portal.hud.gov/program_offices/fair_housing_equal_opp.

F. Affirmatively Furthering Fair Housing

It is the policy of the Authority to administer the Tax Credit program affirmatively, establishing conditions in which individuals of similar income levels in the same housing market area have access to a comparable range of housing choices regardless of their race, color, religion, sex, disability, familial status or national origin. Each Sponsor shall pursue affirmative fair housing marketing policies when soliciting tenants and reaching out to underserved populations and those least likely to apply to reside in completed Tax Credit units. Sponsors are also expected to align with local AFFH plans.

As part of HUD's fair housing efforts, the Authority strongly encourages all Sponsors to reach out to the Project's nearest designated housing locator for Olmstead class members, their local Continuum of Care, and Centers for Independent Living in order to guarantee people with disabilities have the opportunity to apply for units in Tax Credit buildings for which they qualify. A list of Illinois Centers for Independent Living can be found online at <https://www2.illinois.gov/sites/dd/pages/cil.aspx>.

III) Tax Credit Information

A. Tax Credit Calculation

Section 42(m) of the Code requires the Authority to ensure the amount of Tax Credits allocated to a Project does not exceed the amount necessary to assure Project feasibility.

The Authority will review the amount of Tax Credits a Project is eligible to receive using both the Qualified Basis method and Equity Gap method.

The Authority review of the amount of Tax Credits will be ongoing from Project Application through the issuance of IRS Form 8609 and may result in a reduction to the amount of Tax Credits the Project receives.

B. 4% Tax Credit Projects

All Mandatory requirements in this QAP apply to 4% Tax Credit Projects unless a waiver is requested or a requirement is otherwise amended or waived by the Authority. Waivers will not be considered for application deadlines. All Projects receiving a Conditional Allocation of Tax Credits associated with the issuance of tax-exempt bonds (4% Tax Credits) are subject to the following, regardless of the entity issuing the bonds.

i. Credit Ceiling

The amount of 4% Tax Credits available through the issuance of a 42(m) Letter for Projects financed through the issuance of tax-exempt bonds is determined by a combination of the Project's eligible basis and the amount of tax-exempt private activity bonds that are issued for Projects.

ii. 4% Tax Credit Allocation

42(m) Letter

Projects that fulfill the requirements of the QAP and Section 42(m)(1)(D) of the Code will be issued a 42(m) Letter which will set forth the amount of the estimated annual Tax Credit amount and specify other terms, conditions, documentation, and timelines that must be satisfied prior to the issuance of IRS Form 8609, including payment of a non-refundable fee.

Required documentation includes but is not limited to the following: Compliance Monitoring Fee Agreement, Election of Low Income Housing Tax Credit, BIN Assignment Form, Gross Rent Floor Election Form, Tenant Selection Plan and Affirmative Fair Housing Marketing Plan outlining how the Project will market units to underserved tenants, including tenants with special needs.

When an issuer in the state, other than the Authority, receives an allocation of the state's volume cap for a Project, pursuant to Section 42 of the Internal Revenue Code, the sponsor of that project must separately request an award of 4% Tax Credits from the Authority to obtain a preliminary determination of eligibility for those credits, known as a 42(m) letter.

- All requirements of the QAP and application process must be met when requesting a 42(m) letter along with the current fee required to issue the determination.
- The initial Project Application submission must also include a preliminary determination letter, or 42(m)(2)(d) Letter, from the issuer of the tax-exempt bonds that addresses the tax credit dollar amount and the reasonableness of project costs.

Request for Extension

The Authority may extend the time for meeting the conditions set forth in the 42(m) Letter. The Owner must submit a written request and explanation for an extension.

Failure to meet the conditions set forth in the 42(m) Letter or to obtain Authority approval for an extension to meet the conditions set forth in the 42(m) Letter may result in a revocation of the Conditional Allocation.

Projects approved for an extension to meet the conditions set forth in the 42(m) Letter may be subject to late fees.

Please note that if the Authority is not issuing the tax exempt bonds, the Project must still comply with the Mandatory sections of the QAP. Further, the governmental unit that is issuing the bonds is responsible for determining that the credit allocated to the building does not exceed the amount necessary to assure project feasibility, as required under Section 42(m)(2)(D).

iii. Volume Cap Limits

The Authority reserves the right to:

- Limit volume cap used to the amount needed to meet the 50% test, or as required for the Authority's underwriting (currently 54%).
- Restrict or eliminate the use of bond volume cap for conduit bond transactions.
- Score applications for tax-exempt bonds and 4% Tax Credits.

iv. Basis Calculation

The Authority reserves the right to limit basis calculations on 4% tax-exempt bond Projects with Tax Credits.

Specifically, acquisition costs used in the calculation of eligible basis may be limited to recent sales related to the acquisition of the property, current rents, HUD published fair market rents, Low Income Housing Tax Credit (LIHTC) rent limits, or other reasonable requirements as determined by the Authority, when determining a property's value.

The Authority will not underwrite the Project based on anticipated increased rents (e.g., HUD rental assistance contract renewals and future rents). The Authority may make exceptions to this guideline at its sole discretion.

A waiver to this requirement may be requested on a case-by-case basis when additional equity generated is used for actual hard construction costs for the Project.

v. Basis Boost

Projects that meet one of the following criteria below are eligible for a Boost under the Code. In no cases can a Project Application request an Allocation of Tax Credits based on a Boost or in excess of the limits contained below.

Code Required Basis Boost

Projects located in a Qualified Census Tract (QCT) or a Difficult to Develop Area (DDA) (as defined under Section 42 of the Code) are eligible for a Boost.

- See HUD [List](#) or [Map](#) of DDAs and QCTs for eligible areas.
- Projects may not apply with a Basis Boost. Requests for basis boost will be counted as an Authority resource request.

Discretionary Basis Boost

- The Authority may not provide a discretionary Boost to 4% Tax Credit Projects.

vi. Maximum Tax Credit Request

The maximum amount of 4% Tax Credits for which a Project may apply is the lesser of the following:

- the Tax Credit amount supported by the Project's Eligible Basis; or
- the Tax Credit amount supported through the Equity Gap Method.

C. 9% Tax Credit Projects

i. Credit Ceiling

The Authority anticipates approximately 27.8 million in 9% Tax Credits available for Allocation to the Authority, in accordance with Section 42 and Treasury Regulation 1.42 - 14.

The total amount of Tax Credits available for Allocation is subject to change as additional Tax Credits may become available if Projects that received Allocations in prior years return Tax Credits to the Authority or if the Authority receives Tax Credits from the national pool.

ii. Basis Boost

Projects that meet one of the following criteria below are eligible for a Boost under the Code. In no cases can a Project Application request an Allocation of Tax Credits based on a Boost or in excess of the limits contained below.

Code Provided Basis Boost

- Projects located in a QCT or a DDA (as defined under Section 42 of the Code) are eligible for a Boost.
- See HUD [List or Map](#) of DDAs and QCTs for eligible areas.
- Projects may not apply with a Basis Boost. Requests for basis boost will be counted as an Authority resource request.

Discretionary Basis Boost

The Authority may provide a discretionary Boost and 9% Tax Credit Allocation to:

- Projects located in Opportunity Areas (as defined in Scoring Section IX.C; or
- Projects that further the Authority's Policy Priorities & Objectives (see Section I.C.); or
- In order to effectively manage its resources or make a Project financially feasible.

iii. Maximum Tax Credit Request

The maximum amount of Tax Credits for which a Project may apply is the lesser of the following:

- a total Allocation of 1,500,000; or
- the Tax Credit amount supported by the Project's Eligible Basis net of a Boost; or
- the Tax Credit amount supported through the Equity Gap method

IV) Geographic Set-Asides

A. Percentages for All Set-Asides

Anticipated approximate 9% Tax Credit Allocation goals for each set-aside are as follows:

Set-Aside	Allocation Goal
City of Chicago	12%
Chicago Metro	35%
Other Metro	18%
Non-Metro	20%
Statewide	15%
Authority Allocated Per-Capita 9% Tax Credits	100%

Upon evaluating all Projects and determining the most effective use of available Tax Credits, the Authority may choose to modify any of these allocation goals including, but not limited to, only allowing a certain

number of Projects or amount of Tax Credits allocated in any Set-Aside, regardless of the Project's score and how its score relates to all other Projects.

The Authority reserves the right to limit the number of 9% Tax Credit Reservations for Rental Assistance Demonstration Projects to one (1) per Set-Aside per year.

B. Set-Aside Descriptions

- i. The City of Chicago Set-aside consists of the City of Chicago.
- ii. The Chicago Metro Set-Aside consists of the areas within the counties of Lake, DuPage, Kane, McHenry, Will, and Cook excluding the City of Chicago.
- iii. The Other Metro Set-Aside consists of areas identified as Other Metro. For a list of the areas identified as Other Metro, see ["Other Metro Set Aside Places" on the Website.](#)
- iv. The Non-Metro Set-Aside consists of all other areas of the state not included in the City of Chicago, Chicago Metro, or Other Metro set-asides.

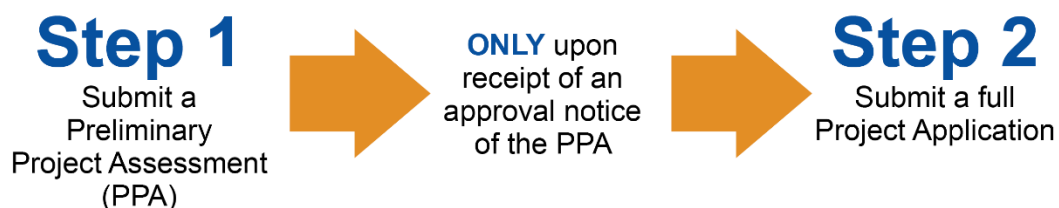
C. Statewide Set-Aside

Project Applications will be competitively evaluated within the applicable geographic Set-Aside. Sponsors cannot apply for or request an award of Tax Credits under the Statewide Set-Aside.

The Authority may choose to allocate Tax Credits under the Statewide set-aside to (1) Projects that fulfill certain housing policy goals, with special attention given towards developments that further the Authority's stated policy priorities in Section I.C, (2) Projects whose competitive score in a geographic set-aside is such that the Project would not otherwise be awarded Tax Credits, or (3) Projects located in a geographic set-aside where the total amount of Tax Credits available is less than the total amount of Tax Credits requested.

V) Project Application Process

All applications for tax credit financing (4% and 9%) must adhere to the Authority's two-step application process. Sponsors must first submit a Preliminary Project Assessment, often referred to as a PPA. Upon receipt of an approval notice of the PPA, the Sponsor can then submit a full Project Application. Required materials to be included in the submission and evaluation criteria for both the PPA and the full Project Application are discussed in detail Sections VI and VII, respectively. A summary chart of the application process is provided below.



VI) Preliminary Project Assessment

A. About the PPA

The Preliminary Project Assessment is the first step when applying for the Authority resource requests. All potential LIHTC applicants (4% and 9%) must complete the Preliminary Project Assessment (“PPA”) process prior to the submission of a Project Application. Required PPA documentation includes Project concept, location, financing assumptions, information about the development team, etc. Project Applications will be evaluated on basis of 1) site, 2) market, 3) financial feasibility, and 4) development team. For information on the PPA process including required forms, etc., click [here](#).

B. Timing

PPAs submitted for 9% Tax Credits are accepted on a rolling basis throughout the applicable life of the QAP (for 9% LIHTC, this applicable life begins upon publication of the QAP in year one of the two-year QAP, and ends when PPAs are closed in advance of the application submittal deadline for the last round of 9% LIHTC applications allowed under the QAP). Please see the [LIHTC Program Timeline](#) for details and applicable dates.

PPAs submitted for 4% Tax Credits are accepted on a rolling basis and as advised by the Authority.

C. PPA Submission

PPA applications are submitted electronically using the [Multifamily Preliminary Project Assessment Workbook](#). Using this workbook, Sponsors must submit information regarding Project concept and design, location, proposed tenant population, preliminary Participants, and financing assumptions. Project Applications are submitted through the online Multifamily Portal. In order to submit your Project Application, you must first request an account for the Multifamily Portal. Please allow three business days to receive your login information. If you have not received your account information within three business days, please reach out to mfportalhelp@ihda.org for assistance.

The Authority will issue a username and password for access to the on-line portal upon receipt of an approved PPA. Project Applications will not be accepted in paper form.

D. Fees

Fees are due at the time of PPA submittal using the [Multifamily Fee Payment Form](#). Refer to this document for information regarding payment amount and instructions. If for any reason a Project does not move forward, the Authority will retain all fees paid to the Authority in conjunction with the Project.

E. PPA Evaluation

i. Site Criteria

Each PPA submitted will be reviewed and evaluated based on the location of the project site and its fit within the market area. For each PPA a Primary Market Area (PMA) will be determined by the Authority for purposes of PPA review only, and does not need to be the same PMA used in the Site and Market Study. A PMA is determined using in-house mapping programs to:

1. Identify Census Tract(s) (for data aggregation purposes) by a logical assemblage of adjacent census tracts and/or by further specifying via a visual assessment;
2. Identify “natural” market area boundaries (highways, roads, train tracks, waterways, etc.); and
3. As necessary to coordinate according to housing and demographic market characteristics. For scattered site Projects, or Projects with more than one location, the PMA definition process will be expanded appropriately to either encompass the full range of the scattered site Projects within a

singular, but expanded, market area, or to include more than one market area to account for multiple sites serving multiple markets.

Each review criteria for PPAs (discussed in detail below) is classified as a “site”-related, “market”-related, or other.

- Site-related reviews are conducted on a parcel level. The parcel(s) that the project will occupy / occupies are always included. As needed, access ways direct to parcel(s) and uses on immediate surrounding parcels are reviewed.
- Market-related reviews are conducted on a Primary Market Area basis.
- Other reviews are conducted on additional information related to, but transcending, the site and market reviews. Included in this category are financial, construction type, and development team reviews.

1% Floodplain or Floodway/Flood Risk

Proposals for projects that are located in a Floodplain or Floodway must identify that fact at the PPA stage, provide information sufficient to enable the Authority to determine what additional costs, if any, are associated with these site characteristics, and provide the projected timeline for obtaining a Conditional Letter of Map Amendment or Revision from Federal Emergency Management Agency (FEMA). The PPA must include a FEMA floodplain map covering the Project area with the boundary of all Sites clearly delineated. FEMA floodplain maps can be obtained from the FEMA website at <https://msc.fema.gov/portal/home>.

Proposals must also indicate long-term risk of flooding of the proposed site(s) using the online resource for flood risk, Flood Factor. For each project site(s) please indicate long-term risk as indicated by [Flood Factor's](#) rating for the address: Minimal; Minor; Moderate; Major; Severe; or Extreme. PPAs with project site(s) falling into Severe or Extreme risk will be a conditional approval only. To proceed, Project Teams must provide a narrative discussing planned site- or building-level mitigation measures.

ii. Market Criteria

Economic and Market Indicators

PPAs are reviewed and evaluated according to established market factors as outlined in the [PPA Data and Metrics Chart](#). The Authority uses only publicly available data in its PPA reviews. In some cases, data has been combined into “indicators” designed to measure trending and changes (see: ARUS; ARI; Opportunity Areas; RIAs). All indicators are drawn from publicly available data, and any indicator that has been changed in any way is published as a widget on the Authority’s website (see: ARUS; ARI; Opportunity Areas; RIAs).

Data and indicators are drawn and reviewed for every project based on Census Tracts that fit in the PMA. Refer to [Preliminary Project Assessment Review Parameters](#) to the Authority’s review metrics and evaluation methodology.

Food Access

As part of the PPA review, PPAs for project sites in **Chicago, Metro Chicago or Other Metros** must demonstrate that they are **within at least one mile** of a full-service grocery store (NAICS 445110) or fruit & vegetable market/produce market (NAICS 445230). For **Non-Metro projects**, applicants must demonstrate that the project is **within 5 miles** of a Supermarket/Grocery (NAICS 445110) or fruit & vegetable market/produce market (NAICS 445230). Note that convenience stores do not fulfill this requirement. Refer to the [NAICS Association](#) for NAICS code definitions. To document, please provide a map and the name(s) and address(es) of the business(es) that fulfill this requirement. An [online tool is available here](#) to help

gauge food access availability near a site. The Authority will use ESRI Business Analyst to confirm identified businesses meet the outlined criteria.

PPAs that cannot meet the Food Access thresholds **will be conditional approvals as these projects will subsequently be required to provide additional documentation** that there are community plans to develop a supermarket, supercenter, grocery store, produce market or farmers' market in the defined radii, OR that a Community Revitalization plan exists that outlines strategies for improving area food access.

iii. Financial feasibility criteria

Construction Overage Analysis

Proposals for Projects that exceed hard cost construction limits must provide a detailed explanation of specific expenses that result in costs in excess of the limits, as described in the **Underwriting Standards Guide**.

Waiver of 4% Feasibility

Projects that have or will have a federal project-based rental assistance contract on 50% or more of the units and/or include the rehabilitation of existing residential units are NOT eligible to apply for 9% Tax Credits unless a Waiver of 4% Feasibility is obtained. PPAs that fall under this requirement are required to submit a completed Common Application workbook that evidences the need for 9% LIHTC instead of 4% LIHTC.

Average Income Test

Proposals for Projects that will elect to use the Average Income Test must indicate this intent at the PPA stage. The Authority will determine if the Project meets the Authority's criteria at its sole discretion.

iv. Development team criteria

Proposed Project participants will undergo an initial screening for congruence with Authority requirements for development team experience, as detailed in Section VIII.N. Sponsors will be required to complete a Development Experience Certification for each anticipated Project Sponsor (as identified on the organizational chart), the general contractor, property manager, and Architect of Record.

The Authority shall at its discretion accept alternative evidence of development team appropriateness in cases where a Project Sponsor does not meet stated ownership experience criteria, as described in Section VIII.N.

F. PPA Review/Outcome Strategy

There are four possible review outcomes for submitted PPAs:

- 1) Approved – The PPA is approved and a full Project Application will be accepted by the Authority;
- 2) Conditional Approval – The PPA is approved subject to concerns with any of the above-listed review criteria;
- 3) Denied – The PPA is denied and a Project Application will not be accepted by the Authority;

Approved, Conditionally Approved, and Denied PPAs will receive electronic letters issued by the Authority describing their outcomes in all the review categories as well as specific notes regarding the conditional approval and any resulting penalty associated with non-compliance.

Optional Supporting Planning Documentation:

Project sponsors have the option of submitting documentation that provides context outside of demographic based market review to help demonstrate compatibility with the Authority goals and/or project viability or convey the Project's vision. This documentation is not required, but could be necessary to obtain a PPA approval. Additional information is provided in the **2022-2023 Preliminary Project Assessment Review Parameters** document, available on the Website.

G. PPA Notification Letters

The Authority will issue a letter directly to the Sponsor with the review outcome for each PPA submitted. PPA outcomes for Projects seeking 4% Tax Credit Determinations are valid for twelve (12) months after they are issued. PPA outcomes for Projects seeking a reservation of 9% Tax Credits are valid for the 2022-2023 QAP.

The Authority may rescind a PPA approval before the Project's Application is submitted based on Authority allocation of resources in the market area which impact the Project's market conditions. Sponsors will be notified in writing if a PPA approval has been rescinded.

All PPA outcome letters will include the following:

- 1) A statement of outcome of review (containing one of the four (4) outcomes listed above);
- 2) Review status of site conditions, including Flood Factor risk mitigation requirements.
- 3) Summary of market review, including notification of the key market indicators; Affordable Market Share for the primary market area as well as the census tracts used in the market analysis; and, notification and/or suggested next steps regarding Food Access for the planned site(s);
- 4) Comments on the financial feasibility
- 5) Comments on the development team

H. Conditional Approval/Unmet Conditions

It is the Sponsor's responsibility to understand and address all Conditional Approval conditions in the Project Application. Potential applicants with Conditional Approvals are encouraged to meet with Authority representatives to discuss the noted concerns before submitting a Project Application. **Project Applications that do not adequately address the noted concerns will enter the scoring portion of the Project Application review at a deficit of three (3) points.** Specific information regarding the nature of the condition and the methodology for resolving it will be provided in the notification letters. Failure to address the noted concerns by the time of Project Application submittal may also result in an additional condition to the closing process should the Project Application in question receive an award of credits.

Projects located in Qualified Census Tracts (QCTs) or Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) that receive a Conditional Approval based on market characteristics but do not meet the stated conditions in their full Project Application will enter the scoring competition at a deficit of three (3) points and, if awarded a Conditional Allocation of Tax Credits, will be required by the Authority to submit a Community Revitalization Strategy and supporting documentation that meets all requirements under the current Community Revitalization thresholds as a condition of closing (see Mandatory Section XIII.S), Project Application Certification).

I. Changes between PPA and Project Application

The Authority expects the Project Application with an approved PPA to be substantially similar to the Project as approved under the PPA. In no case will the Authority approve a Project Application for a Project which has changes to Site(s), population served, or construction type.

The Authority recognizes some Project changes may occur after PPA approval and prior to Project Application. Any changes in Project structure must be made via formal written request to the Authority prior to submission of the Project Application. Any deviations from the PPA that are included in the Project Application that have not been formally approved by the Authority may result in disqualification of the Project from consideration for Authority resources or a deduction of points from the project's overall score, if applicable. At its sole discretion, the Authority may consider the following changes permissible:

- A decrease to the total number of units as long as the proportion between Area Median Income levels remains the same;
- A maximum ten percent (10%) increase to the total number of units;
- A maximum ten percent (10%) increase or decrease to the number of affordable units;
- A maximum ten percent (10%) increase or decrease to number of units of any bedroom size;
- Modification of income restrictions to increase the number of units for extremely low- income households;
- Increase the amount of rental assistance;
- Increase to the number of Statewide Referral Network Units (no more than twenty-five percent (25%) of all units);
- Changes required to address concerns noted by the Authority;
- Changes specifically requested by the Authority

If changes are above the maximums or outside the parameters listed above, a formal request for approval should be made in writing to the Authority.

VII) Project Application Overview

Following PPA approval, a Project Application can be submitted for Projects seeking Tax Credits, either through the issuance of a 42(m) Letter for projects financed through the issuance of tax-exempt bonds (4% Tax Credits) or through the competitive selection process (9% Tax Credits).

A. Submission & Timing

9% Project Applications will be accepted one time per year according to the schedule posted on the Authority's website. Please refer to the [LIHTC Program Timeline](#) for details and applicable dates.

4% Project Applications will be accepted on a quarterly basis, in accordance with dates listed on the Authority Website. The Authority will only accept complete Project Applications. At the Authority's discretion, the Authority may request that sponsors who have submitted incomplete, financially infeasible, or otherwise deficient Project Applications resubmit their Project Applications the following quarter.

In order to effectively manage the Tax Credit program, the Authority reserves the right to adjust the deadlines and hold additional Project Application rounds.

Project Applications are accepted on-line through the Multifamily portal at <https://mfportal.ihda.org>.

B. Fees

The [Multifamily Fee Payment Form](#) contains all current fee information. Fees for Authority resources with below market interest rates (such as HOME, Trust Funds, or IAHTC) are not due at the time of a Tax Credit Project Application. Project Application fees, if required, for these resources will be collected after approval of an Allocation of Tax Credits and prior to consideration for those resources. If, for any reason, a Project

does not move forward, the Authority will retain all fees paid to the Authority in conjunction with the Project. Asset Management fees, such as compliance and asset management servicing fees, are not included in this reference.

C. Project Application Materials

The full Project Application must include a fully completed Common Application and all documentation as required in the QAP sections indicated below:

Tax Credit Type	Project Type	QAP Section
9%	All 9% Tax Credit requests	Mandatory and Scoring
4%	The Authority is the bond issuer, lender and/or is only issuing a 42(m) Letter	Mandatory

Project Applications must be clear, unambiguous, complete, and include all supporting documentation. Project Applications must be submitted using current Project Application forms and documents, which can be downloaded from the [Developer Resources](#) section of the Website. These documents include the Common Application; all tabs of this Workbook must be complete at the time of submission.

Unless otherwise indicated, all documentation submitted must be signed and dated within nine (9) months of the application deadline.

D. Evaluation

Project Applications will be evaluated as follows:

Completeness Review

Projects will be reviewed solely on the basis of the materials contained in the Project Application. Project Application materials submitted after the due date will not be accepted, except as provided under the clarification process as outlined below. Note the following parameters below regarding fees, mandatory components, etc.:

- If the Project Application does not include all applicable fees and the required signatures on all documents, it may be rejected.
- If the Project Application does not include a Common Application and required documentation outlined in the Mandatory and Scoring sections of the QAP (Sections VIII and IX, respectively), it will be considered incomplete.
- Project Applications must meet all criteria as outlined in the Mandatory Components (Section VIII) in order to proceed to competitive scoring as set forth in Scoring Components (Section IX).
- Project Applications for 4% credits that are incomplete at the time of submission will be rejected. Complete applications may be re-submitted for consideration in a later quarterly application round.

Project Application Clarification

For 9% Project Applications, The Authority may issue a written request (sent via email) for clarification of any Project Application submissions ("Clarification Letter") after review of all Project Applications under this QAP. The Authority will allow a three (3) business day clarification period. Any response to a Clarification Letter must be in writing and will be allowed only during a three (3) business day period commencing after the date of the Clarification Letter. Note that any Sponsor response may not include any new information or any additional submissions outside of the items noted in the Clarification Letter.

Should a Sponsor fail to respond to the Clarification Letter in writing to the satisfaction of the Authority during the three (3) business day clarification period, the Authority will review the Project Application using only the information previously submitted.

Mandatory Review

Project Applications will be reviewed to determine if they meet the mandatory requirements set forth in the Mandatory Section (Section VIII) of this QAP. Project Applications that fail to meet one or more of the mandatory requirements after any clarification period will not be formally scored.

Scoring Review

Project Applications for 9% Tax Credits will be ranked and reviewed according to the scoring criteria set forth in the Scoring Section (Section IX) of this QAP within each geographic set-aside based on Project location.

E. Conditional Allocation of Tax Credits

Prior to the issuance of IRS Form 8609, Projects selected for Tax Credits, either through the issuance of a 42(m) Letter for Projects financed through the issuance of tax-exempt bonds (4% Tax Credits), or through the competitive selection process (9% Tax Credits), will be considered to have a Conditional Allocation of Tax Credits.

All Projects receiving a Conditional Allocation of Tax Credits remain subject to the requirements in the QAP.

VIII) Project Application - Mandatory Components

Sponsors must submit the documentation required as outlined in the [Mandatory Application Checklist](#). Note that the Authority reserves the right to amend, modify or waive specific nonmaterial submission requirements or requisite documentation in order to affirmatively further fair housing.

The following components in this section are all required by every 4% and 9% Tax Credit Project Application.

A. Project Narrative

The Project Application must include a completed Project Narrative form, which is part of the [Common Application](#), found on the Website.

The purpose of the Project Narrative is to provide a complete overview of Project scope, building and unit features, and population served. Sponsors are encouraged to provide an overview of project financing, including terms for non-Authority sources, in the Project Description and to limit their narrative for remaining sections (project / unit amenities, project population, etc.) to details related to each topic.

B. Public Outreach

Local support is not a requirement for project funding. However, Sponsors should be aware that the federal code (see [42(m)(1)(A)(ii)]) requires the Authority to notify local government executives of projects funded within their district, and to give them a reasonable opportunity to comment on the project. Sponsors may benefit by communicating project plans to local officials early in the process and addressing their feedback. Where possible, Sponsors should make an effort to be consistent with local plans.

Projects located in jurisdictions that have a Consolidated Plan must also submit a certification of consistency with the Consolidated Plan. For a list of counties and municipalities covered by a Consolidated Plan see [the Website](#).

C. Community Engagement

Per 2020 Enterprise Green Community requirements, elaborated on in Section VIII.P, Projects not pursuing a green building certification must adhere to requirement [1.2 Charettes and Coordination Meetings](#). This criterion requires community-based input on the proposed Project, asking Sponsors to appropriately collaborate on a vision in agreement with key stakeholders. Please see the Authority's Enterprise Green Communities [checklist](#) for more information.

D. Site Control

All Project Sites must be identified in the Project Application. Projects consisting of multiple Sites must satisfy site control requirements for all Sites.

The Project Application must include all of the following:

- A map showing the location(s) of the Site(s). If site control is for property larger than the Site(s), the Site(s) must be delineated on the map.
- Aerial photograph(s) of the Site(s) with the boundaries of the Site(s) clearly delineated and surrounding uses clearly visible; and
- Evidence of site control, which can only be demonstrated with site control documentation for each Site that prohibits preemptive termination language and consists of one of the following:
 - A fee simple interest in the Site in the name of the Sponsor or Owner; or
 - A fully executed, binding agreement with a term ending no sooner than six (6) months after the Project Application deadline, signed by both the Sponsor or Owner and
 - (a) the seller for the purchase of the Site; or
 - (b) the seller for the long term lease of the Site with a lease term of at least ninety-nine (99) years; or
 - (c) the seller of the Site evidencing land and/or building donation; or
 - When the Site is owned by a governmental entity, a letter of intent to the Sponsor or Owner from the governmental entity to sell, donate, or enter into a long term lease of the Site with a term ending no sooner than six (6) months after the Project Application deadline.

Site control documentation must include all of the following clearly marked/highlighted:

- Expiration date for purchase option(s), purchase agreement(s), or letter(s) of intent;
- Legal description pursuant to the site control document. If the site control documentation is for property larger than the Site, a legal description of the Site will be required prior to Allocation;
- The sale or lease price of the Site(s); The Project budget in the Common Application for the Project may only include the acquisition costs attributable to the Site. If site control documentation is for property larger than the Site, a detailed narrative and calculation of the Site sale or lease price on a per square footage basis must be submitted.
- Language that complies with the environmental review and voluntary acquisition guideline language outlined in the Site Control Compliance Language example on the Website. If language is not included in the site control documentation, evidence of compliance with this section can only be demonstrated by submitting a copy of language notification receipt by seller (e.g., certified mail, return receipt requested) and the date of delivery with countersignature by seller. Without language

regarding compliance with environmental review and voluntary acquisition, Sponsors may be precluded from applying to the Authority for federal resources.

For Projects in which a Project Sponsor or related third-party entity will purchase the Site(s), followed by subsequent conveyance the site(s) to the Project Owner, evidence of site control must be provided for both events.

Language detailing a Seller option to terminate any agreement prior to the mandatory six (6) months cannot be included.

E. Zoning

The Project Application must include evidence that all Sites are either currently zoned for the proposed use or will be addressed through a Planned Development or Planned Unit Development (“PUD”) process in a timeframe compatible with the project’s two-year Placed In Service date.

i. Zoned Project Sites

Evidence that Sites are currently zoned for the proposed use can only be demonstrated through:

- A valid building permit; or
- A letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:
 - 1) The location of the Site(s) (e.g. address or street crossings); and
 - 2) The current zoning and any special use designations; and
 - 3) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
 - 4) A statement that the current zoning will permit the proposed Project

ii. PUD Project Sites

In cases where zoning will be addressed through a PUD process, sponsors must indicate whether the PUD already exists, or whether it is yet to be established.

If the PUD already exists, the Project Application should indicate what, if any, amendments or additional planning processes are required.

If the PUD is yet to be established, the Project Application should indicate where the PUD stands in the approval process, the additional steps required to complete the approval process, and an estimated timeline for completion.

As evidence of the PUD status, the Project Application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:

- 1) The location of the Site(s) (e.g., address or street crossings);
- 2) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both);
- 3) A written explanation of the PUD approval process;
- 4) Evidence the PUD process has been initiated;
- 5) Evidence of which stage in the PUD approval process the Project has reached; and,
- 6) Evidence that the PUD will be reviewed in a timely manner, including any available dates.

F. Site Physical Information

Per Enterprise Green Communities requirements, elaborated in Section VIII.P, Projects not pursuing green building certification must adhere to requirement 2.1 Sensitive Site Prevention, which incorporates a more thorough evaluation of site selection and some site physical information than the mandatory criteria listed below. Please see the Authority's Enterprise Green Communities checklist for more information.

i. Floodplain or Floodway

The Project Application must include a Federal Emergency Management Agency (FEMA) floodplain map covering the Project area with the boundary of all Sites clearly delineated. FEMA floodplain maps can be obtained from the FEMA website.

If any portion of a Site is located within the 1% floodplain or floodway, the Project Application must include one or both of the following as applicable:

Rehabilitation

Projects proposing the rehabilitation of existing buildings on Sites within the one percent (1%) floodplain or floodway must submit a site plan that clearly indicates all of the following:

- The historic frequency of flooding and flood related repairs;
- The FEMA-determined elevation of the floodplain or floodway;
- The elevation of the lowest floor level in the existing buildings;
- The location of the existing buildings; and
- Evidence that the Site is enrolled or is eligible to enroll in the National Flood Insurance Program.

Note: Projects involving the rehabilitation of existing buildings on Sites located in the one percent (1%) floodplain or floodway will ONLY be permitted if the lowest existing floor elevation of each building in the floodplain is at least six (6) inches above the FEMA designated floodplain elevation.

New Construction

Projects proposing new construction on Sites within the one percent (1%) floodplain or floodway must submit a site plan that clearly indicates all of the following:

- The FEMA-determined elevation of the floodplain or floodway; and
- The elevation of the lowest floor level in the proposed buildings; and
- The location of the proposed buildings.

Buildings must be situated outside the floodplain and any Project contemplating additional federal resources will be required to subdivide the Project Site from the affected land or obtain a Conditional Letter of Map Amendment or Revision from FEMA demonstrating the Site is eligible for reclassification out of the floodplain.

ii. Wetlands

The Project Application must include a U.S. Fish and Wildlife Service ("USFWS") National Wetlands Inventory map for the Project area with the boundary of all Sites clearly delineated. USFWS wetland inventory maps can be obtained from the [USFWS website](#).

If any portion of a Site contains wetlands, or if the Project may impact wetlands, the Project Application must include one of the following:

- A Letter of No Objection from the U.S. Army Corps of Engineers; or
- A wetlands permit from the U.S. Army Corps of Engineers

i. Mining

The Project Application must include an Illinois State Geological Survey (“ISGS”) mining map for the Project area with the boundaries of all Sites clearly delineated. ISGS mining maps can be obtained from the [ISGS website](#).

If any Site is in or near an area the ISGS identifies as affected by mining, the Project Application must include the following:

- The quadrangle study (if available) or the county mine map completed by the ISGS for the area in which the Site is located with the boundary of the Site clearly delineated; and
- Information indicating the depth of the mine, the type of mining that was performed, and the year that mining ceased; and
- An opinion from a qualified geotechnical engineer as to whether or not the Site will be impacted by the mining; and
- If the Site will be impacted by mining, evidence of the Project’s ability to obtain mine subsidence insurance and a budget detailing the estimated cost of mitigating the mine.

ii. Seismic

The Project Application must include a seismic zone map for the Project area with the boundaries of all Sites clearly delineated. Seismic zone maps may be obtained from the U.S. Geological Survey (“USGS”) website at <https://earthquake.usgs.gov/earthquakes/map>

The map must identify any natural hazards located on, adjacent to, or nearby the site such as steep slopes, geological faults, or hazardous terrain features.

G. Historic Preservation

All Projects must meet the requirements of the National Historic Preservation Act and the Illinois State Historic Resources Protection Act, as determined by the State Historic Preservation Office at the Illinois Department of Natural Resources (IDNR). Note that this requirement is required by State Statute and applies to ALL Projects regardless of their Project type, location, or historic nature.

- The Project Application must include all documentation listed in the Historic Preservation Checklist found on the Website. Upon receipt of the checklist, the Authority must submit a review request to IDNR if the project involves federal funds. Please note, there is a mandatory thirty (30) day review period required for obtaining an approval letter from IDNR.

Projects that are seeking state or federal historic tax credits must also submit:

- A projected timeline for securing all necessary approvals
- Part I and/or Part II of Historic Preservation Certification application if available.

H. Phase I Environmental

The Project Application must include a Phase I environmental site assessment covering all Sites completed within one (1) year prior to the Project Application deadline according to the Authority’s Standards for Environmental Reviews and Professionals available on the Website, including all appendices.

If a Phase II is available, it should be submitted along with the Phase I. In addition, a narrative explanation of any identified Recognized Environmental Condition (REC) should be submitted. The explanation must include how these conditions will be addressed and a breakdown of any associated costs. Any associated costs must be included in development budget.

The Authority reserves the right to require an environmental contingency as well as modify the construction scope based on a review of the explanation.

I. Architectural Requirements

All Projects must meet the requirements contained in the Authority's Standards for Architectural Planning and Construction. The Standards for Architectural Planning and Construction are available on the [Website](#).

i. Architectural Standards, Universal Design and Amenities Certification

The Project Application must include the Architectural Standards, Universal Design and Amenities Certification signed by a licensed architect acting as the Project's Architect of Record. The Certification provides written confirmation of accessibility codes and Fair Housing Act requirements (if any) applicable to the Project. The Certification also provides written confirmation and identification of specific Project features which meet minimum code requirements.

Architectural Standards

All Projects must comply with the Authority's Standards for Architectural Planning and Construction including:

- All minimum green design requirements;
- All applicable Federal and State accessibility laws and / or as specified in the [Standards for Architectural Planning and Construction](#) Section 8.00 – Accessibility Standards, including:
- At least ten percent (10.0%) of the total units in the Project are designed for persons with mobility impairments, as defined in ICC/ANSI 117.1-2009, Section 1003 Type 'A' Units; and
- At least two percent (2.0%) of the total units in the Project are designed for persons with sensory impairments (not less than one unit), as defined in ICC/ANSI 117.1-2009, Section 1005 Sensory Impaired Units
- All units will be provided with broadband internet infrastructure.

It is expected all new construction Projects shall meet the requirements listed above. The Authority understands the challenges represented by rehabilitation when providing for accessibility, and expects each Project to meet the minimum requirements for accessibility.

If, for any reason, a rehabilitation Project anticipates challenges meeting the applicable accessibility code requirements due to acceptable definitions within the code, such as elements being Technically Infeasible, Structurally Impracticable, etc., a written request defining the Project related challenges must be provided in the Project Application for evaluation. This request must specify the following items:

- Identification of the applicable accessibility code(s) of the Project;
- The specific exemption being sought, and the applicable code section allowing exemption;
- A description as to why the exemption applies; and
- Narrative and cost analysis of any alternatives explored to provide code required elements.

The Authority will review the request and either approve it as written, provide a conditional approval, or reject the request and require full code compliance with all expenses incurred by the Owner.

Any request submitted for a rehabilitation Project under this provision are also subject the following conditions:

- A minimum of ten percent (10%) of the units must be provided with accessible elements, "to the greatest extent possible" with the measures taken to meet this standard defined in the request;

- The minimum level of adaptable units as defined by the Illinois Accessibility Code must be provided; and
- Units approved under any exemption may not be identified as “Accessible Units” under the details tab of the Common Application.

Universal Design

Universal Design, as defined by the Center of Universal Design, is “the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialization.” The Authority recognizes the need to create housing including Universal Design features while maintaining aesthetics and affordability.

Universal Design is not a safe harbor from other required accessibility codes, but it should be utilized as a supplement to any code requirements. To truly award Projects willing to provide Universal Design elements above the code, the Authority requires each Project Application to first identify all code required elements, and provide ten (10) additional items not required by code in one hundred percent (100%) of the units. As such, the Project Application must identify any and all Universal Design principles to be integrated into the unit design. Any Project Applications seeking an exception to this requirement must provide a detailed narrative discussing why Universal Design features cannot be provided. The Authority will review the submitted narrative and approve or deny it at its sole discretion.

Amenities

The Project Application must include Project amenities as specified in the [Standards for Architectural Planning and Construction](#) Section 7.00 – Design and Planning. In addition, a minimum of five (5) additional amenities must be incorporated in the Project and identified in the [Architectural Standards, Universal Design and Amenities Certification](#).

ii. Preliminary Architectural Plans and Specifications

The Project Application must include preliminary architectural plans and specifications that include all of the following:

- Cover sheet with development title, development team, drawing index, building areas and code information
- Dimensioned floor plans, including square footage, for all unit and building types, with room designations and proposed finishes
- Typical wall sections
- Exterior elevations for all building types with material notations matching those defined within the scoping document discussed below.
- A Site plan showing the placement and orientation of buildings, parking areas, sidewalks, easements, setbacks, trash dumpsters, buffers, storm water detention, required site amenities, and significant natural features.
- Preliminary landscape plan
- Certification of Project Scope, signed by the Architect and Sponsor. The Certification of Project Scope must include a written description of the full Project scope. Items to be included, but not limited to, in this document are:
 - Outline specifications indicating all materials selected and/or defined performance criteria (i.e. windows, doors, hardware, drywall, exterior materials, floor and wall finishes, etc.);
 - Definition of structural systems to be modified/installed as part of the Project;
 - Programmatic description of the proposed furniture, fixtures, and equipment items;

- Definition of the Project's sustainability strategy in the form of a certification checklist, energy model or detailed description of elements provided and their expected impact consistent with the level of points requested in the Project Application;
- Written description of HVAC system to be installed; and
- Definition of any/all other unique items included in the Project.

J. Construction Cost Breakdown

The Project Application must include:

- The Construction Cost Breakdown forms in the Common Application completed by a qualified contractor, Architect of Record, or construction cost consultant.
- A detailed explanation of all construction cost variances existing between the Construction Cost Breakdown and Physical Needs Assessment (PNA), if applicable.
- Where the Authority is providing construction financing, the Sponsor must also provide the upfront construction analysis at the time of initial closing. The Authority will accept the report engaged by the syndicator or construction lender, provided that the Authority must be named on the report.

In cases where there is an Identity of Interest between a Sponsor and Project general contractor; between a Sponsor and the Project architect; or between the Project architect and Project general contractor; the Construction Cost Breakdown must be completed by an independent third-party construction cost estimation firm according to the Authority's [Standards for Construction Cost Estimating](#).

For rehabilitation Projects, Construction Cost Breakdown will be evaluated along with the PNA to ensure that all necessary items are addressed. If the scope of work is deemed insufficient by the Authority, the Project Application may fail the mandatory review.

K. Projects Involving Rehabilitation & Adaptive Reuse

All Projects involving any rehabilitation of existing structures must comply with the following requirements.

i. Physical Needs Assessment

The Project Application must include a third party Physical Needs Assessment (PNA) completed according to the Authority's Standards for PNA and based on the existing conditions of the property.

ii. Minimum Rehabilitation Standards

The proposed rehabilitation work must address all items identified as "Critical" or "Immediate" in the PNA (under 5 years).

Items identified in the PNA capital needs replacement schedule as five (5) to seven (7) year needs must be addressed either:

- as part of the current construction scope of work, or
- adequate reserves may be budgeted to ensure these items will be completed within timeframes identified in the PNA.

In addition, all Projects requesting Tax Credits must include the following minimum budget of \$40,000 per unit, and include the following minimum project scope:

- Replacement of all unit and common area kitchen and bathroom cabinets and counter tops.
- Replacement of all plumbing fixtures within the entire project with fixtures meeting with the fixture criteria identified in the Standards for Architectural Planning and Construction document available on the Website. Replacement of all electrical fixtures with Energy Star fixtures.

- Replacement of all flooring throughout the project.
- Repair/Replacement of one additional major system (furnaces, water heaters, central boilers, air conditioning equipment, elevator, windows, roofing, tuckpointing of exterior masonry, etc.) throughout the entire building.
- The Authority may waive any of the above items based on the Property Needs Assessment.

In addition, a Project requesting 4% Tax Credits must include the following minimum budget:

- Rehabilitation expenditures must be equal to or exceed 15 percent of the portion of the costs of acquiring the building financed by tax-exempt bonds:

Rehab Costs / (Building Acquisition – Land Cost) financed by Bonds

Project Applications for 9% or 4% Tax Credits must include a detailed explanation of any and all construction cost variances existing between the development budget and PNA. In addition, any deviation from rehabilitation scope noted above will require a detailed explanation.

The Authority reserves the right to modify the construction scope based on a review of the explanation.

L. Relocation

If the Project involves the acquisition or rehabilitation of any property that is occupied by residential or commercial tenants as of Project Application date, the Project Application must demonstrate that the project will not cause permanent Displacement and must include a relocation plan. The relocation plan must include all items listed on the Relocation Checklist available on the Authority's Website, together with any other documentation required by law, such as Tenant Notice Letters as required under the Uniform Relocation Act. The designated "Relocation" budget line in the Common Application must reflect all required relocation costs. The Authority highly recommends that Projects that contemplate relocation costs consult with their tax accountant and/or attorney before including relocation expenses in basis.

M. Market Study

The Project Application must include a Site and Market Study completed according to the Authority's Standards for Market Study Reviews and Professionals, available on the [Website](#).

The original Site and Market Study should be no more than nine (9) months old at the time it is submitted to the Authority, and must reflect the most current parameters for the Project being proposed.

After the nine (9) month timeframe has expired, a Site and Market Study update can be performed and may be submitted up to twelve (12) months beyond the date of expiration for the original Site and Market Study. The update must be attached to, and submitted with, the original Site and Market Study.

All Site and Market Study submissions must include or be accompanied by the following:

i. Site and Market Study Summary Form

Project Applications must include a completed Site and Market Study Summary Form available on the Website. The form must be completed in full and must be substantiated by the Site and Market Study.

ii. Insurance Requirements

Each Site and Market Study should include general liability, auto, and workers' compensation insurance certificates attached. Photocopies of the insurance certificates are acceptable;

iii. NCHMA Membership

Documentation must be provided that demonstrates that the Site and Market Study firm is a member of the National Council of Housing Market Analysts (NCHMA) as discussed in the Authority's Standards for Market Study Reviews and Professionals, available on the Website;

iv. Authority Standard Calculations

Calculations of penetration rate and capture rate used in the Site and Market Study must conform to the Authority standard of these calculations (alternative methodology is allowed, but the Authority standard methodology must also be included) as discussed in the Authority's Standards for Market Study Reviews and Professionals, available on the Website.

The Authority will review the Project's market. The outcome of the market review at the Project Application stage may, in some cases, contradict the previous Preliminary Project Assessment approval. A reversal of the market approval may be rooted in a number of factors, including but not limited to:

- Increased Authority investment in the primary market area since PPA approval
- Project or market details not disclosed in the PPA
- A change in the Project unit mix or rent schedule that has a negative market implication
- Changing market conditions and demographic outlook
- Changing or declining occupancy levels at existing affordable properties that indicate the market is unable to support additional units

N. Development Team

The Authority will evaluate the Participants in the development team and their capacity to successfully complete the Project and future compliance requirements.

i. Required Documentation

The Project Application must include the following documentation related to the appropriateness of the development team:

- An Application Certification which includes a completed organizational chart, reflecting the ownership structure of the Project, and identity of interest certification; and
- A completed Development Experience Certification for each Project Sponsor (as identified on the organizational chart), the general contractor*, property manager, and Architect of Record; and
- Documentation of general contractor experience, verifying that the general contractor meets the general contractor experience requirements.

Projects that receive Tax Credit Allocations will be required to submit certificates and licenses of property managers prior to initial closing.

*Projects subject to a public competitive bidding process to select a general contractor are not required to submit the General Contractor Certification with the Project Application. The General Contractor Certification must be submitted prior to execution of Extended Use Agreement and is subject to Authority approval.

ii. Required Experience

The Authority's minimum mandatory Participant experience standards are listed below. Any Participant with an existing Authority project must demonstrate capacity on the experience certification. The Authority will exercise its discretion when accepting alternative verification of acceptable experience.

Ownership Experience

A Project Sponsor must have at least two (2) years of experience including the development and operation of a project meeting one of the following:

- A Tax Credit development that contains at least seventy-five percent (75%) of the number of housing units in the proposed Project; or
- A subsidized, low-income multifamily rental development that contains at least at least seventy-five percent (75%) of the number of housing units in the proposed Project; or
- A comparable affordable housing development as determined by the Authority.

General Contractor Experience

The Participant identified as the general contractor must have:

- A history of similar work and type as required for the Project; and
- A proposed project manager, that is an employee of the General Contractor, that has at least five (5) years of experience with multifamily residential construction and/or rehabilitation.

Architect of Record Experience

The Participant identified as the architect must have:

- Registration to perform architectural services in the State of Illinois as either a professional organization or a Sole Proprietor; and
- A history of similar work and type as required for the Project; and
- At least five (5) years of experience with multifamily residential construction and/or rehabilitation.

Property Management Experience

Documentation of Property Management Experience is not required at Project Application. Owners will be required to document the Property Management Experience prior to initial closing.

The Participant identified as the property manager must be an organization whose principal business purpose is to provide residential property management services, including at a minimum the following:

- Preparation of annual operating and capital budgets
- Employment and supervision of all site staff
- Maintenance of financial and accounting records
- Ensuring compliance with all federal, state, and governmental agencies
- Ensuring compliance with fair housing laws, including protected classes, affirmative fair housing marketing, accessibility, and reasonable accommodations
- Supervising and performing maintenance and building services, including securing bids and contracting for vendor services
- Marketing and leasing apartments
- Marketing and leasing commercial space (only applicable to Projects proposing commercial space)
- Collecting rent

Property managers must employ staff who, at a minimum, possesses the following certifications, licenses, and training.

For all Projects:

- Licensed Real Estate Broker or Leasing Agent (This is not required for Public Housing Authorities, unless they are acting as third-party management agent)
- Low Income Housing Tax Credit Compliance Specialist

- Fair Housing and Affirmative Marketing certifications (such as NAHRO, IREM)

For Projects contemplating federal funds, property managers must also employ at least one (1) staff member who is certified per the following criterion:

- Certified Occupancy Specialist

For Projects contemplating rental subsidy, property managers must also employ at least one (1) staff member who is certified per the following criterion:

- Blended Occupancy Specialist

A property manager must have at least two (2) years of experience including the lease up and stabilization (ninety percent (90%) occupancy within one (1) year of Placed in Service date) of a project with tenant income certifications and ongoing reporting requirements meeting one of the following:

- A Tax Credit development that contains at least at least seventy-five percent (75.0%) of the number of housing units in the proposed Project; or
- A subsidized, low-income multifamily rental development that contains at least seventy- five percent (75.0%) of the number of housing units in the proposed Project; or
- A comparable housing development as determined by the Authority.

Unacceptable Practices

A Participant may not be an appropriate development team member if any of the following unacceptable practices apply to the Participant:

- A Participant maintaining an ownership interest in a Project, awarded Tax Credits by the Authority, that experienced an event of foreclosure (including a deed-in-lieu of foreclosure) or in which the Owner failed to perform under a workout agreement with the Authority.
- A Participant maintaining an ownership interest in a Project has declared bankruptcy.
- A Participant has been involved in any Project awarded Tax Credits by the Authority that failed to close or be Placed in Service
- A Participant has misrepresented or omitted to disclose material facts in connection with any application for Tax Credits or any other Authority resource.
- A Participant is found to be in non-compliance during Construction Monitoring
- A Participant maintaining an ownership interest in a Project has an uncured default on any loan or grant made by the Authority under any program or for any Project
- A Participant maintaining an ownership interest in a Project has a history of delinquent payments on any loan made by the Authority under any program or for any Project.
- A Participant is found to have a history of uncorrected IRS Form 8823 Report of Noncompliance with the IRS within the fifteen (15) year compliance period or a history of non-compliance during the extended use period beyond the initial fifteen (15) year compliance period.
- A Participant has been found to be in violation of fair housing, housing accessibility or nondiscrimination laws or has been found to discriminate against Section 8 voucher and certificate holders or recipients of any state or local tenant or project based rental assistance, and such violation or discriminatory actions have not been remedied to the satisfaction of the governmental agency or entity with jurisdiction.
- A Participant has failed inspections or open compliance findings or unpaid compliance fees for a development in which they are developer, owner, or property manager.

In the event any unacceptable practices apply to any Participant, the Project Application must include an explanation of the circumstances surrounding the unacceptable practice for consideration by the Authority.

O. Financial Feasibility

The Authority will evaluate the Project's financial feasibility and underwriting assumptions. In order to demonstrate financial feasibility, Projects must be consistent with requirements detailed in the Authority's **Underwriting Standards Guide** document, which can be found on the Website. Compliance with the Authority's financial feasibility standards will be substantiated by submission of the Common Application form and due diligence items specified in the Underwriting Standards Guide.

P. Enterprise Green Communities

All projects must adhere to the [2020 Enterprise Green Communities](#) required project items in the eight major criteria, which are outlined below. Please refer to Enterprise's certification manual for complete detail on each of these items' requirements. These criteria include:

1. Integrative Design: measures to ensure an integrated design process with sustainable building elements (four (4) required criteria)
2. Location and Neighborhood Fabric: thoughtful site location to connect to existing neighborhood fabric (six (6) required criteria)
3. Site Improvement: efforts during construction and outside to improve the site (five (5) required criteria)
4. Water: water conservation measures (one (1) required criterion)
5. Operating Energy: improving operating energy performance with updated Architectural Standards, appropriately sized HVAC, and energy efficient appliances and lighting (five (5) required criteria)
6. Materials: healthier material selection and effective moisture control (five (5) required criteria)
7. Healthy Living Environment: measures to ensure healthy living for residents (eight (8) required criteria)
8. Operations, Maintenance, and Resident Engagement: guidance for property managers, building operators, and residents on how to maximize benefits during operation (five (5) required criteria)

Sponsors must submit the Authority's **Enterprise Green Communities Form** for review to prove the project will meet these mandatory criteria. The Authority may consider waiving small, singular elements of these criteria if the Sponsor submits an **Enterprise Criteria Waiver Request** and the Authority finds the request acceptable.

Sponsors that pursue the green building certification standards as outlined in Section IX.B.i will receive an automatic waiver for this Mandatory requirement.

Q. Special Population Considerations

i. Statewide Referral Network

All Projects pursuing 9% Tax Credits in the Chicago, Chicago Metro, or Other Metro geographic set-asides must dedicate ten percent (10%) of total units to the Statewide Referral Network (SRN) at thirty percent (30%) area median income level. This is not a formal, waivable requirement.

All Projects pursuing 9% Tax Credits in Non-Metro geographic set-aside must dedicate five percent (5%) of total units to the Statewide Referral Network at thirty percent (30%) AMI. This is not a formal, waivable requirement.

All Projects pursuing 4% Tax Credits in any geographic set-aside must dedicate five percent (5%) of total affordable units to the Statewide Referral Network at thirty percent (30%) AMI. This is not a formal, waivable requirement.

To evidence the dedication of units to the SRN, Sponsors must submit a draft of the **Statewide Referral Network Agreement** available on the Website.

ii. Veterans Housing Preference

Projects must exercise a waitlist preference for veterans on all 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. The waitlist preference shall be documented in Application Certification as well as the Project's Tenant Selection Plan and will not prohibit other preferences from being instated.

R. Permissible Waiver Requests

i. Waiver of 4% Feasibility

All Projects that have an existing federal project-based rental assistance contract on fifty percent (50%) or more of the units are NOT eligible to apply for 9% Tax Credits unless a Waiver of 4% Feasibility is obtained through the process outlined in Section VI) Preliminary Project Assessment.

ii. Qualified Contract Waiver

To ensure project affordability throughout the Extended Use Period, all Sponsors will be required to waive their right to seek a Qualified Contract. This requirement applies to Sponsors for both 9% credits and 4% credits financed with tax-exempt multifamily bonds. This waiver will be included in the project Extended Use Agreement.

S. Application Certification, Organizational Chart, and Identity of Interest Certification

Sponsors must submit a completed [Application Certification, Organizational Chart, and Identity of Interest Certification](#). All documents can be found on the Authority Website.

The Application Certification provides a written certification that the Project will adhere to certain affirmative fair housing policies, tenant selection policies, subsidy acceptance policies, and be willing to submit additional documentation under certain circumstances. Among these requirements are adherence to Authority smoke-free housing requirements and a preference for Veterans Housing on all affordable Project units, which will be documented in the Project's Tenant Selection Plan executed prior to closing.

The Application Certification provides a written certification that the Project will adhere to certain affirmative fair housing policies, tenant selection policies, subsidy acceptance policies, and be willing to submit additional documentation under certain circumstances.

The completed organization chart must include ALL entities within the proposed single purpose entity Owner. All entities appearing on the organizational chart must also submit **Sponsor Development Experience Certification** forms. The Identity of Interest Certification provides written certification as to whether or not an Identity of Interest exists in the Project.

IX) Project Application - Scoring Components

Scoring Overview

2022-2023 Qualified Allocation Plan Scoring Matrix

QAP Category	Points	Category Weight (%)
BUILDING CHARACTERISTICS	15	15%
Universal Design	7	
Unit Mix	2	
Increased Accessible Units	3	
Cost Containment	3	
SUSTAINABILITY	13	13%
Green Initiatives Standards	10	
Net Zero	3	
COMMUNITY CHARACTERISTICS	25	25%
Market Characteristics/Market Study	3	
Community Targeting (Quality of Life <i>or</i> Community Revitalization <i>or</i> Opportunity Areas)	10	
Affordability Risk Index (ARI)	5	
Transportation	2	
Neighborhood Assets	5	
DEVELOPMENT TEAM	15	15%
Illinois Based Participants	2	
MBE/WBE/DBE, BIPOC	10	
Non-Profit Participation	3	
FINANCING	18	18%
Rental Assistance <i>or</i> Deeper Income Targeting	8	
LIHTC only; No Other Authority Resources	2	
Leveraging	8	
POLICY INITIATIVES	14	14%
Statewide Referral Network (SRN)	10	
Affordable Housing Planning and Appeal Act (AHPAA)	2	
Section 811	2	
<i>Tiebreakers</i>	-	
TOTAL POINTS	100	100%

The maximum project score possible under the competitive scoring criteria is a total of 100 points.

All Project Applications for Projects seeking Tax Credits through the competitive selection process (9% Tax Credits) must submit the documentation required per the Scoring Checklist and detailed below.

The scoring certifications are located in the QAP Scoring Certifications workbook found on the Website.

Unless otherwise indicated in this QAP, all documentation submitted must be dated within nine (9) months of the Project Application deadline.

Projects receiving an Allocation of 9% Tax Credits will be subject to selected scoring criteria for the duration of the Extended Use Period through incorporation within the Extended Use Agreement.

A. Project Design and Construction

i. Universal Design

A Project can earn up to seven (7) points for providing an additional ten (10) elements above mandatory Universal Design requirements, and not required by code, in one hundred percent (100%) of units. For Universal Design mandatory requirements, please refer to [Architectural Standards and Universal Design](#).

ii. Additional Accessible Units

A Project can earn an additional three (3) points if it includes another five percent (5%) Type A accessible units.

iii. Unit Mix

Projects can earn up to two (2) points based on the following unit mix:

Elderly Restricted Units		Non-Elderly Units
Points	Two-bedroom units as a % of Elderly restricted units	Three-bedroom and larger units as a % of total units
1	1 – 9.9%	25.0% - 49.9%
2	10.0 – 25.0%	50.0% or more

For Projects serving both Elderly and non-Elderly populations, points are not cumulative and are limited to the lowest score by population.

iv. Cost Containment

A Project can earn up to three (3) points for containment of costs. Points will be awarded to Projects with costs below the grand total hard cost limits as set forth in [Hard Cost Limits](#). The following projects are eligible for consideration for cost containment points:

New Construction and Adaptive Reuse: Three (3) points for Projects where hard costs are no more than ninety percent (90%) of limits and equals seventy percent (70%) or more of total development cost.

Rehab / New: Three (3) points for Projects where hard cost is no more than ninety percent (90%) of limits, and equals sixty-five percent (65%) or more of total development cost.

In the event that the costs increase any time between Reservation and IRS Form 8609, such that the Project would not have been eligible for cost containment points in the same amount as proposed in the Project Application, such change will be considered in the review of future Project Applications and could negatively impact future Project Applications to the Authority.

B. Energy Efficiency and Sustainability

i. Green Building Standards

Projects whose architectural design and construction meet or exceed energy efficiency and green criteria can achieve a total of ten (10) points in the Project Application by certifying to one of the following certification standards:

Certification	Points
2020 Enterprise Green Communities	7
AND Select item 5.2b Moving to Zero Carbon: All Electric in scoring criteria	3
LEED 4.1 BD+C - Gold or Platinum Level or	10
NGBS – Emerald Level or	10
Living Building Challenge 4.0 or	10
PHIUS	10

Criteria and certification process for each of these third-party green building standards can be accessed via the respective third-party websites for each standard. Sponsors will need to provide proof of project registration and certification during the development process.

ii. Net Zero Certification

Projects can receive an additional three (3) points if they pursue one of the following net zero energy paths:

- Enterprise Plus
- PHIUS+
- LEED Zero
- Living Future Institute's Zero Energy Petal OR Zero Carbon Petal

Criteria and certification process for each of these third-party Net Zero Certifications can be accessed via the respective third-party websites for each standard. Sponsors will need to provide proof of project registration and certification during the development process.

C. Community Characteristics

i. Market Characteristics

Projects can earn up to three (3) points for market characteristics as follows:

Points	Market Characteristics
-3	Inferior
-2	Scoring of market factors (discussed below and in detail in the Standards for Market Study Reviews and Professionals, available on the Website) reflect market conditions that are not conducive to the proposed Project.
-1	
0	Appropriate – Market is considered to be appropriate for the proposed Project and should not pose any obstacle towards renting up and sustaining occupancy
1	Scoring of market factors (discussed below and in detail in the Standards for Market Study Reviews and Professionals, available on the Website) reflect market conditions that benefit the proposed Project.
2	
3	Superior

Evidenced through submission of the following:

1. The site and market study, and complete **Site and Market Study Summary Form**.
2. The original site and market study should be no more than nine (9) months old at the time it is submitted to the Authority, and must reflect the most current parameters for the Project being proposed. After the nine (9) month timeframe, a study update can be performed and may be submitted up to twelve (12) months beyond the date of the original study. The update must be attached to, and submitted with, the original study.
3. Updates should include any relevant changes in demographic data and updated comparable property information including rents, occupancy levels and waiting list. Any changes to planned activities in the area should also be included in an update to the site and market study.
4. Any substantive Project changes (to unit count, mix, income restrictions, targeting, etc.) may nullify the permission to update a pre-existing site and market study.

The Market Characteristics review will yield a score range of -3 to +3 points at time of review by the Authority. The market score is contingent only on the quality of the market and not the quality of market study document. The Authority expects the typical score to be zero (0), indicating an appropriate market.

Project Applications will only be permitted to self-score a zero (0). The score may increase or decrease based on the following:

- Tenant type and income targeting of the proposed as a percentage of affordable housing in the PMA;
- Unit mix, unit size and proposed rent as compared to the existing market and to comparable properties are appropriate for targeted populations (s) and competitive within the market;
- Level of amenities (development and in-unit) as compared to the existing comparable properties;
- Marketability / visibility of the project and/or planned marketing techniques;
- Increase, decrease or stability of households, population, and employment (when appropriate) in the primary market area; and
- Penetration rate, capture rate and demand

A full description of the evaluation characteristics and criteria is included in the Site and Market Review and Scoring Explanation, contained in the **Authority's Standards for Market Study Review and Professionals**.

ii. Community Targeting

Projects can earn up to ten (10) points for Priority Community Targeting in: a) Opportunity Areas; **or** b) Quality of Life Index; **or** c) Community Revitalization Strategies categories below.

Opportunity Areas

Projects that are located in an Opportunity Area can earn up to ten (10) points. Projects proposed as scattered site developments that include at least one Site located in a qualified Authority Opportunity Area will be scored pro-rata, based on the proportion of total units that will be located in an Opportunity Area. Opportunity Areas and the methodology used in their determination are revisited on an annual basis. Determination methodology and the current **Opportunity Area listings** are discussed in full on the Website.

Proximate Opportunity Areas - The Authority will consider on a case-by-case basis the eligibility for Opportunity Area points for Projects located within close proximity to the designated Opportunity Areas.

To be considered as a proximate Opportunity Area, a formal letter (as well as supporting evidence) requesting consideration must be submitted with the Preliminary Project Assessment (PPA) submittal and

reflected on the PPA Form. Submitted documentation will be reviewed and approved PPAs will be notified of their Proximate Opportunity Area status with the approval of the PPA.

Strict geographic parameters determine eligibility for the Proximate Opportunity Area review. These parameters as well as suggested methodologies for demonstrating eligibility are discussed on the Website.

Project determined to be in Opportunity Areas or a Proximate Opportunity Areas cannot also receive points as outlined in the Community Revitalization section below. Eligible Projects will be awarded the higher of either score for the Quality of Life Index category or Opportunity Area category.

Quality of Life Index

The Authority has developed a new **Quality of Life Index** that calculates a score for every census tract in Illinois. The Quality of Life Index score is a dynamic measurement of cumulative positive outcome measurements in five different Quality of Life Categories. These categories are: education, prosperity, health, housing, and connectivity. Each category is worth two (2) points and consists of carefully vetted data. Census tracts can achieve overall scores ranging from one (1) to ten (10) points. A full discussion of methodology used in the Quality of Life Index is shown on the website.

When Projects with a Quality of Life Index score fall within census tracts that are also eligible for scoring for Opportunity Areas, Proximate Opportunity Areas or Community Revitalization Strategies, the Projects will be awarded the highest score between the scored categories.

Community Revitalization Strategies

Preserving the balance of affordable housing in Opportunity Areas as well as in areas in need of community revitalization or undertaking proactive planning activities is an important goal of this QAP as it allows the greatest amount of choice for low-income households to access quality housing.

Community Revitalization Strategies that demonstrate planning and/or efforts that lead to measurable increases in the following areas are eligible for up to ten (10) points:

- Addressing a pre-existing community need
- Capacity-building and partnerships
- Promoting racial equity
- Improvements in amenities and services
- Plan implementation
- Plan funding

To be eligible for up to ten (10) points in this category, Projects cannot receive points in the Opportunity Area Section above and must first meet all the **Community Revitalization Strategy thresholds**. Eligible Projects will be awarded the higher of either score for the Quality of Life Index category or Community Revitalization Strategies category.

- If one (1) or more unit(s) within a scattered site project falls within a census tract or geographic area that requires a Community Revitalization Strategy meeting thresholds (see Mandatory Section XIII.S Application Certification), the following conditions apply:
 - A Community Revitalization Strategy and supporting documentation that at a minimum meets the required Thresholds must be provided at the time of application. Sponsors will be notified of this condition at the time of PPA response. This Strategy must target a Community Revitalization Strategy Area(s) (CRSAs) that pertains to the subject unit(s) for which this requirement applies. Projects that fail to provide a Community Revitalization

Strategy that meets the minimum thresholds will enter the scoring competition at a deficit of three (3) points;

- If the project is attempting to score up to the available ten (10) points under Community Revitalization, points will be prorated based on the number of units for which a Community Revitalization Strategy was submitted. For example, a Community Revitalization Strategy that pertains to a CRSA that encompasses only half of a project's units can be awarded up to five (5) points. Multiple Strategies may be submitted for various CRSAs.
- If a project site is located within both an Opportunity Area and a census tract or geographic area that requires a Community Revitalization Strategy meeting thresholds (see Mandatory Section XIII.S Application Certification), the following conditions apply:
 - A Community Revitalization Strategy and supporting documentation that at a minimum meets the required thresholds must be provided at the time of application. Sponsors will be notified of this condition at the time of PPA response. Projects that fail to provide a Community Revitalization Strategy that meets the minimum thresholds will enter the scoring competition at a deficit of three (3) points, and, if awarded tax credits, will be required by the Authority to submit a Community Revitalization Strategy and supporting documentation that meets all requirements under the current Community Revitalization Thresholds as a condition of closing (see Mandatory Section XIII.S Application Certification).

iii. Affordability Risk Index (ARI)

Projects that are located in a census tract(s) meeting the criteria listed below for Affordability Risk Index Certification can earn up to five (5) points.

A list of the census tracts, their relative rates of change and their Affordability Risk Index score and supporting data can be found in the [Affordability Risk Index Data](#).

Projects that are scattered site with at least one (1) site in a scoring census tract will receive a prorated score based on the proportion of total units located in a scoring census tract. Fractional scores will be rounded up to the next whole number.

The Affordability Risk Index provides for scores for each census tract based on specific factors, all included in U.S. Census Bureau documents, and their relative rates of change between the data provided in the five (5) year American Community Survey. A full discussion of current [Affordability Risk Index methodology](#) and the list of the [current scores by census tract](#) are included on the Website.

iv. Transportation

Projects with access to public transportation and/or alternative forms of transportation can receive up to two (2) cumulative points as follows:

Points	Transportation Type
1	Transit Oriented Development
	All Sites are located within a completed, in-process, or programmed RTA – Transit Oriented Development planning area (“TOD”).
	-or-
	For Sites that are located outside of the RTA – Transit Oriented Development Program of Northeastern Illinois, a local Transit Oriented Development plan may be submitted if the plan clearly includes additional housing as an initiative of the plan and the Site is located within

one-half (0.5) mile of a major transportation hub.

OR

Mass Transit or Demand Responsive Transit (DRT)

All Sites are located within one-quarter (0.25) mile of a fixed route transit stop, defined as: a bus and train stop serving local destinations, with scheduled operations beginning no later than 8:00 a.m. and ending no earlier than 6:00 p.m., Monday through Friday;

or

All Sites are served by a DRT service Monday through Friday. DRT must be available to the public at large; that is, it may not be restricted to service for the elderly or disabled.

Proximity to Jobs

Scoring eligible Sites are located within a proximate distance from a local job center determined by the locations' geographic set-aside. Documentation of job access will be produced from the US Census Bureau "On the Map" tool and submitted with Project Application materials. Please visit the "On the Map" website at

<https://onthemap.ces.census.gov>.

1 Thresholds

- Non-Metro: One hundred twenty-five (125) jobs located within five (5) miles of site
- Other Metro: Three hundred (300) jobs located within one (1) mile of site
- Chicago Metro: Five hundred twenty-five (525) jobs located within one (1) mile of site
- City of Chicago: Twenty thousand (20,000) jobs located within one (1) mile of site

Step-by-step instructions for scoring submission documentation and guidance on using the On the Map tool can be found on the Authority's website here (Link to be added).

Evidence for points for public transportation and/or alternative forms of transportation will be through submission of the following:

1. Map(s) clearly delineating all Sites and distance to the nearest fixed route transit stop and/or car share vehicle location.
2. Documentation from the RTA TOD website which shows the location of the Site within the TOD study area, the specific name of the TOD, and an electronic copy of the TOD Plan. If Site is located outside the RTA area, a TOD Plan with site location clearly delineated within the boundaries of the plan and reference to additional housing as an initiative of the plan clearly highlighted or marked. **RTA Transit Oriented Development Viewer.**
3. Documentation of transit fixed route stop, such as route map.
4. Documentation verifying DRT service meets all of the above requirements. Acceptable forms of documentation include a screen capture/printed copy of the DRT service website or letter from the DRT service affirming the hours of operation, service area and population served.

Scattered Site Projects must submit documentation for all Sites.

v. Neighborhood Assets

All Projects eligible for points in this category must first meet Enterprise Green Communities mandatory criteria for neighborhood assets. The Authority also requires that Projects require adequate Food Access at the PPA stage. For additional details on mandatory requirements, please refer to section VIII.

Once mandatory criteria are met, sites that have additional desirable neighborhood characteristics and amenities as designated by the Authority can score up to five (5) points, depending on the proximity of neighborhood assets to the project, as defined below:

Scoring Amenity Distance in Miles by Set-Aside	
Set Aside	Proximity/Distance
Chicago	0.5
Chicago Metro	0.5
Other Metro	0.5
Non-Metro	5

A Project Application may score a maximum of one (1) point per category in the following areas: Food Access, Health & Wellness, Education & Culture, Mobility, Civic & Culture Facilities, Retail, and Services. Eligible assets must be **in addition** to amenities demonstrated by the Project under Food Access PPA and mandatory criteria. All amenities are subject to approval by the Authority.

Assets must be evidenced through submission of all of the following:

- Map(s) clearly delineating all Sites and distance to the Neighborhood Asset

Neighborhood asset maps under this category may also be submitted in lieu of asset map documentation for Projects eligible for Community Revitalization scoring. A neighborhood asset map template can be found on the **Authority's website** as part of the Community Revitalization Strategies supplemental scoring documents.

Upon review, the Authority will at its sole and final discretion determine whether an indicated asset meets the distinction of a particular category. The table below lists a set of categories and amenities that can be considered for points, but it is not exhaustive.

Eligible Neighborhood Scoring Assets: Maximum of 1 point per category	
Food Access	Farmers market Community garden that produces fresh food Full-service grocery store Other food store with produce Restaurant, café, diner
Health & Wellness	Pharmacy Hospital, medical clinic or office that treats patients Community health center Gym, health club and exercise studio open to the public Public pool Skating rink Sport court/field Public park Access to public trail network/system – bike and/or pedestrian

Education & Culture	Public library Place of worship Educational facility (including K–12 school, university, adult education center, vocational school, community college) Pre-K and Daycare for family Projects only Cultural arts facility (e.g., museum, performing arts space, concert venue)
Mobility	Bike share/scooter docking station, accessible transit station or bus line, proximity to publicly available electric charging station
Civic & Community Facilities	Community or recreation center, potentially including performance space Police or fire station Post office Senior center Emergency shelter
Retail	Clothing store or department store selling clothes Hardware store
Services	Bank (with teller hours) Hair care Laundry, dry cleaner Licensed adult or senior care Licensed childcare Social services center

D. Development Team Characteristics

i. Illinois Based Participants

Projects whose Participants' place of business has been located in the State for a minimum of two (2) years, can earn up to two (2) points as follows:

Points	Participant
1	Illinois based general contractor OR Illinois based property manager OR Illinois based architect OR Illinois Based Sponsor
2	Illinois based general contractor AND Illinois based property manager AND Illinois Based Architect AND Illinois Based Sponsor

Evidenced through submission of The Secretary of State's Certificate of Good Standing for each Participant.

ii. Minority- & Women-Owned Business Enterprises

Projects whose Participants include businesses led by Black, Indigenous, or People of Color (BIPOC) are eligible to earn a maximum of ten (10) points in this category. BIPOC-led firms will be defined as those

entities with a minimum fifty-one percent (51%) majority ownership by Black, Indigenous, or Persons of Color.

Sponsors can also earn up to ten (10) points with teams that include a combination of partnership with BIPOC-led firms or Non-Profits that are BIPOC-led and/or governed by a BIPOC majority Board, a Minority-Owned Business Enterprise (MBE), a Women-Owned Business Enterprise (WBE), or a Persons with Disabilities-led Business Enterprise (DBE). Point scenarios are provided below.

BIPOC, MBE, WBE, or DBE certification can be obtained through one of the options listed below.

Maximum Points	Participant
10	BIPOC-led For-Profit Sponsor or Non-Profit Organization Sponsor that is BIPOC-led and/or governed by a BIPOC majority board, that have at least a 51% stake in all aspects of the development including but not limited to ownership, cash-flow, and voting rights
<u>OR</u>	
6	BIPOC-led Co-Sponsor or Non-Profit Organization Co-Sponsor that is BIPOC-led and/or governed by a BIPOC majority board, that have at least a 49% stake in all aspects of the development including but not limited to ownership, cash-flow, and voting rights <u>AND/OR</u>
4	BIPOC-led Co-Sponsor or Non-Profit Organization Co-Sponsor that is BIPOC-led and/or governed by a BIPOC majority board that have at least a 25% stake in all aspects of the development including but not limited to ownership, cash-flow, and voting rights <u>AND/OR</u>
2	MBE/WBE/DBE General Contractor or MBE/WBE/DBE Architect or MBE/WBE/DBE Property Manager (Limit 2 for 4 possible points)

Examples of point scenarios are provided below:

- Project Sponsor is a BIPOC-led For-Profit firm or a Non-Profit Organization that is BIPOC-led and/or governed by a BIPOC majority board (10 points) = **10 points**
- Project Sponsor is a BIPOC-led Co-Sponsor or Non-Profit Organization Co-Sponsor that is BIPOC-led and/or governed by a BIPOC majority board that have at least a 49% stake (6 points) + MBE/WBE/DBE General Contractor (2 points) + MBE/WBE/DBE Architect (2 points) = **10 points**
- Project Sponsor is a BIPOC-led Co-Sponsor or Non-Profit Organization Co-Sponsor that is BIPOC-led and/or governed by a BIPOC majority board that have at least a 25% stake (4 points) + MBE/WBE/DBE General Contractor (2 points) + MBE/WBE/DBE Architect (2 points) = **8 points**
- Project includes MBE/WBE/DBE Architect (2 points) + MBE/WBE/DBE Property Manager (2 points) = **4 points**

Points in this category will be evidenced through submission of:

1. Current certification through the Illinois Department of Central Management Services- Business Enterprise Program for Minorities, Females and Persons with Disabilities; OR
2. Proof of current MBE/WBE certification with one of the following entities: City of Chicago, City of St. Louis, Cook County, Chicago Transit Authority, Illinois Department of Transportation, METRA, PACE, Chicago Minority Supplier Development Council, Mid-States Minority Supplier Development Council or Women's Business Development Center.

iii. Non-Profit Organization Participation

Projects that involve the participation of a Qualified Non-Profit Organization can earn three (3) points if the Qualified Non-Profit holds a majority ownership interest in the general partner or managing member of the project Owner and materially participates throughout the Compliance Period. The Qualified Non-Profit Organization must have the right of first refusal at the end of the Compliance Period.

All Projects seeking to score points in this category will be required to check the Non-profit set aside box on IRS Form 8609 and will be required to submit a Material Participation certification form.

Qualification must be evidenced through submission of all the following:

- The Qualified Non-Profit Corporation's IRS determination letter; and
- The section of the Corporation's Articles or By-Laws which evidence the fostering of low-income housing as an exempt purpose, with that purpose clearly marked and highlighted.

E. Financial Characteristics

i. Rental Assistance or Deeper Income Targeting

Projects with unit-based (rather than tenant-based) federal rental assistance that ensure tenants pay no more than thirty (30%) of their income towards combined rent and utility expenses may be eligible for points in this category.

Projects that are unable to obtain federal rental assistance contracts also may score points for deeper income and rent targeting achieved by other sources, so long as the Authority is satisfied that the Sponsor has demonstrated the project's ability to sustain these commitments over a minimum period of ten (10) years.

Rental Assistance

Projects with existing unit-based (rather than tenant-based) federal rental assistance, as evidenced through submission of an executed rental assistance contract for the existing property, can cumulatively earn up to eight (8) points.

To be eligible for points, the term of the rental assistance contract must have at least ten (10) years remaining. Points will be earned as follows:

Points	Federal Rental Assistance Units as Percentage of Total Project Units
4	10.00% - 24.99%
8	25.00% or more

Projects must submit a copy of the fully executed rental assistance contract from the entity providing the rental assistance that includes:

- maximum income limits as a percent of AMI; and
- total number of units assisted by unit type; and
- length of the rental assistance contract; and
- contract rent by unit type paid through the rental assistance. The contract rent is the maximum amount of rent paid to the Project by the rental assistance.

If the Project Applications includes an executed rental assistance commitment letter from a Public Housing Authority (PHA) using Project Based Vouchers (PBV), that letter must also provide documentation that:

3. The PHA Administrative Plan allows for the PHA to administer a PBV Program and;
4. The PHA has selected the property to receive PBVs is in accordance with the PHA Administrative Plan and 24 C.F.R. § 983.51.

All underwriting assumptions regarding the funding and renewal of rental assistance contracts must be clearly identified. State and federal rental assistance commitments cannot be conditioned on an Allocation of Tax Credits.

To prevent the dedication of all or most of the Authority's tax credit allocation to large public housing redevelopment projects at the expense of other priorities, the Authority reserves the right to limit the scoring of points for the Rental Assistance Category to one (1) Rental Assistance Demonstration (RAD) project per allocation cycle.

Deeper Income Targeting

Projects that are unable to obtain federal project-based rental assistance contracts may score up to eight (8) points for providing units with rents restricted to the thirty percent (30%) AMI limit and occupancy restricted to households with incomes at or below thirty (30%) of AMI, evidenced through submission of the **Scoring 30 Percent AMI Housing Certification**.

Units used to score points for deeper income targeting must be in addition to the mandatory five percent (5%) or ten (10%) of Project units, respective to the Project's geographic set aside, dedicated to the Statewide Referral Network. This is a non-waivable commitment.

Points will be earned as follows:

Points	30% AMI units as a % of total Project Units
4	5.00% - 9.99%
6	10.00% - 19.99%
8	20.00% or more

ii. Leveraging

Projects with no Authority resource request, other than Federal Tax Credits, can earn two (2) points. Projects with no Authority resource request except for Illinois Affordable Housing Tax Credits (IAHTC) can score one (1) point provided that the IAHTC award does not exceed 1.5 million IAHTC. Any changes to this commitment after Project award will be considered in the review of future Project Applications and could negatively impact future Project Applications to the Authority.

Points	Leveraging Resource Request
1	No Authority request except for Illinois Affordable Housing Tax Credits – request must not exceed 1.5 million IAHTC
2	No Authority request except for LIHTC

Additionally, Projects whose budgets leverage non-Authority sources that are available during the construction period to pay for expenses reflected in the development budget and either remain in the Project after construction or are swapped out with another non-Authority Source as permanent financing, can earn up to eight (8) points. A list of leveraging and non-leveraging resources are indicated in the table below:

Points will be scored as follows:

Points	Leveraging Resources as a % of the total Project budget
1	5.00% - 9.99%
2	10.0% - 19.99%
4	20.0% - 29.99%
6	30.0% - 39.99%
8	40.0% - 100%

Leveraging Resources	Non-Leveraging Resources
Funds provided by a non-Authority source (e.g. private permanent first mortgage loans)	Funds generated by Authority-allocated resources (i.e. tax-credit equity from Federal Tax Credits)
Capital contributions from a project Participant [including equity generated by non- Authority resources, such as Historic Tax Credits]	Deferred fees
Authority funds with a market rate of interest	Authority funds with a non-market rate of interest
Grants from utilities, Federal Home Loan Bank grants or other foundations	Loans that are repaid from Authority allocated resources (i.e. bridge loans)
Municipal financing (e.g. county HOME or CBDG funds) or USDA financing	A seller's financing note

Projects able to submit financing documentation that meets Project Financing Mandatory Section requirements for all leveraging resources are eligible for points in this category.

F. Housing Policy and Objectives

i. Statewide Referral Network Units

Projects may include additional Statewide Referral Network Units for up to ten (10) points if, at the time of PPA, there are at least three (3) persons per one (1) unit on the SRN waitlist, beyond the persons required to meet that ratio for the five percent (5%) or ten percent (10%) mandatory units, respective to the Project's geographic set aside (e.g., for a 100-unit building, the waitlist must have 15 or more people on the waitlist to pursue points).

Points	SRN Units as a % of the total Project units OR	SRN Units Covered by 100% Rental Assistance
5	12.00% - 14.99%	Mandatory 5-10% SRN Units
8	15.00% - 20.00%	All 12.00%-14.99% SRN Units
10	15.00% - 20.00% with federal or state-funded rental assistance on 100% of SRN units	

Projects must complete a draft Statewide Referral Network Agreement, available on the Website, with the Project Application. Projects seeking points in this category should carefully review the definition of State Referral Network Units and understand the requirements and implications. Projects are strongly encouraged to develop relationships with social service providers to understand the housing barriers that Supportive Housing Populations face and ways a Project can mitigate those housing barriers.

Projects which set aside between twelve percent (12%) and twenty percent (20%) of their units for the Statewide Referral Network may also be eligible for higher soft funding requests, as described in the [Underwriting Standards Guide](#) available on the Website.

ii. Section 811 Project-Based Rental Assistance

Sponsors that are interested, capable, and willing to seriously commit to participation in the Section 811 program may receive up to two (2) points. Projects are only eligible if, at the time of Project Application, there are at least three (3) persons per one (1) unit on the Section 811 PAIR waitlist. The Authority will provide current demand on the Section 811 PAIR waitlist upon request by the Sponsor. Projects must fill out the [Section 811 Interest Form](#) and submit it with the Project Application.

iii. AHPAA Projects

A municipality or county which individually has less than ten percent (10%) of its total housing stock deemed as affordable, as is determined by a statutory formula administered by the Authority, is subject to AHPAA. Such localities are considered "non-exempt local governments" ("NELGs") and are posted on the Website. In order to encourage development of affordable housing in these communities, a Project located within a NELG's jurisdiction will be awarded two (2) points.

iv. Tiebreaker Criteria

In the event that two (2) or more Projects have an equal number of points, the following will be used to determine selection:

1. First Tiebreaker - Projects that serve the lowest income households. If a tie still remains:
2. Second Tiebreaker - Projects that are intended for eventual tenant ownership. If a tie still remains:
3. Third Tiebreaker - Projects with the longest affordability period. If a tie still remains:

4. Fourth Tiebreaker - Projects with historic significance. If a tie still remains:
5. Fifth Tiebreaker - Projects with the lowest per-unit construction costs.

X) Project Modifications and Revocations

All Projects receiving a Conditional Allocation are subject to the following:

A. Project Modifications

A Conditional Allocation is based on the information provided in the Project Application. Project modifications require re-evaluation of the Project Application and may trigger a change in the Project's score or ranking, Loan Committee and Board approval, or the revocation of the Conditional Allocation.

Project modifications include, but are not limited to:

- A change of ten percent (10%) or more in the total Project cost or budget line item
- Any changes in the Project Owner, Sponsor(s), or Participants
- Any changes in Project characteristics that were considered in order to meet the requirements of the Mandatory or Scoring sections of this QAP including, but not limited to:
 - Any change in the Project's unit mix or unit sizes
 - Any change in the Project's rent structure
 - Any change to the Project Site(s)
 - Any change to the Project's construction scope
 - Any changes in the Project's financing, including, but not limited to:
 - Adding, removing, or substituting sources of Project financing
 - A change to the entity providing financing
 - A change in financing terms
 - A change in Tax-Credit equity pricing

No changes in the Owner and Sponsor(s) of the Project will be permitted between Board approval and the issuance of IRS Form(s) 8609.

B. Request for Modifications

The Authority will evaluate and may approve Project modifications. The Owner must submit a written request and explanation for all Project modifications. **Note that Requests for Modifications may require a processing fee.**

C. Revocation of a Conditional Allocation

The Authority may revoke a Conditional Allocation or reduce the resources allocated for reasons including, but not limited to the following:

- Unapproved Project modifications
- Failure to meet the conditions set forth in the Reservation Letter, Carryover Allocation Letter, Ten Percent Test Letter, or 42(m) Letter
- Failure to meet the conditions set forth in the Extended Use Agreement, Placement in Service, and 8609 (see Section XII.B)
- Material misrepresentation or providing false information
- Non-compliance in any Project
- Delinquency under any Authority Program
- Outstanding fees due and owed to the Authority

- Bankruptcy or any other financial situation that jeopardizes a Project's completion or continued operation
- A Project's inability to proceed
- Sponsor or Participant capacity, financial or otherwise, at the Authority's sole discretion.

XI) 9% Tax Credit Reservations, Carryover, and 10% Test

All Projects receiving a Conditional Allocation of Tax Credits through the competitive selection process (9% Tax Credits), are subject to the following:

A. 9% Tax Credit Allocation

i. Reservation Letter

Following Board approval, the Authority will issue a Reservation Letter which will set forth the amount of the Reservation and specify other terms, conditions, documentation, and timelines that must be satisfied prior to the issuance of a Carryover Allocation Letter (if applicable) and IRS Form 8609, including payment of a non-refundable Reservation fee. The Reservation Letter will require that the initial financial closing for the Project must occur within ten (10) months of execution of Reservation Letter and payment of the Reservation fee.

ii. Request for Extension

The Authority may extend the time required to meet the conditions set forth in the Reservation Letter. The Owner must submit a written request and explanation for the extension request.

Failure to meet the conditions set forth in the Reservation Letter or obtain Authority approval for an extension to meet the conditions set forth in the Reservation Letter may result in a revocation of the Conditional Allocation.

Projects approved for an extension to meet the conditions set forth in the Reservation Letter may be subject to late fees.

B. 9% Tax Credit Carryover Allocations

A Carryover Allocation is required for all Projects that will not be Placed in Service during the year in which a Reservation Letter is issued.

i. Carryover Allocation Letter

The Authority will issue a Carryover Allocation Letter near the end of the year in which the Project received a Reservation that will specify the conditions, documentation, and timeline to make the Carryover Allocation.

Required documentation includes but is not limited to: current site control for the Project; carryover allocation checklist; election of low income housing tax credit; BIN assignment form; gross rent floor election form; and reasonably expected basis form.

ii. Request for Extension

The Authority may extend the time for meeting the conditions set forth in the Carryover Allocation Letter. The Owner must submit a written request and explanation for an extension.

Failure to meet the conditions set forth in the Carryover Allocation Letter or to obtain Authority approval for an extension to meet the conditions set forth in the Carryover Allocation Letter may result in a revocation of the Conditional Allocation.

Projects approved for an extension to meet the conditions set forth in the Carryover Allocation Letter may be subject to late fees.

C. 9% Tax Credit Ten Percent (10%) Test

Projects issued a Carryover Allocation must expend more than ten percent (10%) of the Project's reasonably expected basis no later than December 1 of the year following the Carryover Allocation.

i. Ten Percent Test Documentation

The Authority will issue a Ten Percent Test letter during the year following the Carryover Allocation that will specify the conditions, documentation, and timeline to meet the Ten Percent Test.

Required documentation includes but is not limited to the following: ten percent test checklist; ten percent test; BIN form; ten percent test reasonably expected basis form; certification of costs incurred for ten percent test.

ii. Request for Extension

The Authority may extend the time for meeting the conditions set forth in the Ten Percent Test letter. The Owner must submit a written request and explanation for the extension request.

Failure to meet the conditions set forth in the Ten Percent Test Letter or to obtain Authority approval for an extension to meet the conditions set forth in the Ten Percent Test letter may result in a revocation of the Conditional Allocation.

Projects approved for an extension to meet the conditions set forth in the Ten Percent Test letter may be subject to late fees.

XII) Operations and Monitoring

A. Issuance of 8609

The Authority will issue an IRS Form 8609 to Projects with a Conditional Allocation that fulfill all Authority requirements. Projects must submit all IRS Form 8609 documentation to the Authority no later than six (6) months after the end of the year following the Placed in Service deadline.

i. 8609 Review

The Authority will review all submitted documentation and conduct a final financial analysis. As required per section 42(m)(2) of the Code, in no cases will the Tax Credit Allocation exceed the amount the Authority determines is necessary for the financial feasibility of the Project and may be less than the Conditional Allocation.

ii. Extension Requests

The Authority may extend the time for submitting the IRS Form 8609 documentation upon receipt of written request and explanation from Owner. Failure to submit all IRS Form 8609 documentation by the due date or to obtain Authority approval for an extension to submit all IRS Form 8609 documentation may result in a

revocation of the Conditional Allocation. **Projects approved for an extension to submit all IRS Form 8609 documentation may be subject to late fees.**

B. Placement in Service

Projects with a Conditional Allocation must be Placed in Service no later than the date indicated in the Carryover Allocation Letter or the 42(m) Letter.

i. Request for Extension

The Authority may extend the time for the Project to be Placed in Service by revoking the existing Conditional Allocation and issuing a new Conditional Allocation of Tax Credits. The Owner must submit a written request and explanation for requesting a revocation of the existing Conditional Allocation and a new Conditional Allocation of Tax Credits.

ii. Extension Review & Allocation Fees

Projects determined to meet the affordable housing policy goals of the State will be considered for a new Conditional Allocation. If the Authority revokes the existing Conditional Allocation and issues a new Conditional Allocation, the Project may be required to pay another non-refundable fee.

iii. New Conditional Allocation Requirements

Projects receiving a new Conditional Allocation remain subject to the requirements in the QAP as well as the requirement of the prior Allocation as determined by the Authority in our sole discretion.

C. Extended Use Agreement

Projects receiving a Conditional Allocation, either through a Reservation Letter or 42(m) Letter, will be subject to an Extended Use Agreement (EUA) setting forth income and occupancy restrictions for a total of thirty (30) years, including the initial Compliance Period and the Extended Use Period. The EUA must be recorded at the initial financial closing for the Project on the Site in the office of the Recorder of Deeds in the county where the Project is located prior to all other Project documents evidencing or securing Project financing. The initial financial closing and recordation of the EUA must occur within ten (10) months of the execution of the Reservation Letter including payment of the Reservation fee.

D. Required Monitoring

All Projects receiving an Allocation are subject to the following:

i. Construction Monitoring

In addition to visiting proposed Project sites during the Project Application review period, Projects receiving an Allocation of 9% Tax Credits will be subject to field inspections by Authority staff during the construction period to monitor construction progress, verify Project Application commitments, evaluate compliance with fair housing and accessibility rules, and identify construction delays.

Pursuant to Section VIII.N.iii Unacceptable Practices, future Project Applications may be impacted if a Participant is found to be in non-compliance during Construction Monitoring.

ii. Compliance Monitoring

Projects receiving an Allocation will be subject to ongoing compliance monitoring and reporting requirements. As a state housing credit agency, the Authority is responsible for monitoring Tax Credit project compliance – including initial year, and annual compliance for the length of the Extended Use Period. What follows is a high-level summary of the Authority's procedures for monitoring and reporting noncompliance to the Internal Revenue Service (IRS). More detailed information is available in the

Authority's Manual for Owners and Agents of Properties with Federal Low Income Housing Tax Credits (the Authority's LIHTC Manual) available on the Authority's Website.

The Authority's [LIHTC Manual for Owners and Agents](#) has the most updated information that takes precedence. This high-level summary applies to developments that use LIHTC exclusively. Developments that have additional sources of financing will be subject to all applicable compliance regulations associated with those sources.

Initial Inspection & Tenant File Review

Initial year compliance has special weight because it determines baseline qualification for the Tax Credit program. Projects failing to qualify enough units to meet the minimum set aside by the end of the first year of the credit period do not qualify for the Tax Credit program and are not eligible to take tax credits in any amount. New projects have until end of the year the project was placed in service, or to the end of the next taxable year, to achieve the minimum set aside, thus becoming eligible to claim tax credits.

For new Tax Credit projects, the Authority will conduct an on-site physical inspection and tenant file review no later than the end of the second calendar year following the year when the last building is Placed in Service.

Units will be selected randomly. Tenant file reviews and physical inspections may be conducted at different times and may cover different units.

Property Managers should reference the Authority's [LIHTC Manual](#), available on the Property Manager's page of the Authority Website, for a summary of documents that should appear in each tenant file.

On-Going Monitoring

The Authority continues to monitor project performance throughout the Extended Use Period, through a combination of owner reports and Authority inspections and reviews. Additional instructions for annual reporting are available in the [Authority's LIHTC Manual for Owners and Agents](#), and the [Online User Manual](#) available on the Authority's Website.

Owner's Annual Certification of Compliance: Federal regulations require that Owners certify their compliance with the Tax Credit program on an annual basis throughout the compliance period.

Annual Tenant Event Reporting: Each year, Owners must report income, rent, and student status for all households of the Tax Credit project, using the Authority's online data portal.

Tenant File Reviews: The Authority will conduct on-site management reviews for all Tax Credit projects at least once every third year during the compliance period and every five (5) years during the extended use period. During the management review, the Authority will review a sample of tenant files. The Authority may expand the sample, and/or conduct more frequent reviews if it determines that conditions warrant additional review.

Physical Inspections: The Authority is required to conduct physical inspections of Tax Credit properties at least once every three years after the Initial Inspection during the compliance period and every five (5) years during the extended use period to ensure habitability of the project. In general, Tax Credit annual inspections will conform to local health, safety & building codes and HUD Uniform Physical Condition Standard (UPCS). The inspection will review a random sample based on project size, including no fewer than the minimum number of units set forth in 26 CFR 1.42-5(c)(2)(iii). The Authority may extend the sample or conduct more frequent inspections if it determines conditions warrant additional review.

iii. Noncompliance

Where the Authority finds noncompliance, the Authority will notify the Owner of the finding and extend a correction period in which to cure the deficiencies. Deficiencies may be related to requirements of the federal Tax Credit program, commitments the Owner has made to the Authority in its Extended Use Agreement, or other management criteria that reflect best practices upheld by the Authority. Uncorrected deficiencies of any category may result in penalties imposed by the Authority.

If the issues raised in a compliance review impact eligibility under the federal Tax Credit program, and the project is within the fifteen (15) year Compliance Period, the Authority must file IRS Form 8823 Report of Noncompliance with the IRS. The Authority will make the filing after the correction period, and the report will indicate if the deficiency has been corrected or not. If it remains uncorrected, the IRS will notify the Owner that it must consult with the Authority, as state monitor, to correct the noncompliance.

If the noncompliance is such that a unit or units are not qualified for tax credits, noncompliance may result in an IRS audit, a reduction in tax credits, or recapture of tax credits already taken.

Notice to Owner: In cases where reportable noncompliance is identified, the Authority must provide the Owner with written notice that identifies the specific deficiency and give the Owner a correction period to address the noncompliance.

Correction Period: In general, the Authority provides a thirty (30) day correction period from the date of the Authority's written notice. Owners may request an extension if they are unable to make corrections within that timeframe, subject to the Authority's approval, and within limits posed by the IRS.

Authority Review: At the end of the correction period, including any the Authority approved extension, the Authority will make a determination on whether the unit or property was, in fact, out of compliance, and if that noncompliance has been corrected.

Authority's Report to the IRS: the Authority will file IRS Form 8823 Report of Noncompliance after the correction period, including any approved extension, and will indicate on Form 8823 if the noncompliance has been corrected. If noncompliance is corrected after Form 8823 has been filed, but within 3 years, the Authority will file a new Form 8823 to indicate that the property is back in compliance.

IRS Notice to Owner: On receipt of Form 8823, the IRS will send a notice to the Owner, indicating the type of noncompliance reported, and instructing the Owner to contact the Authority to resolve the issue. The IRS notice instructs the Owner not to include any non-qualified low income housing units in its tax credit filing, and notifies the Owner that noncompliance may result in recapture of previously claimed credits.

Owners Tax Filing: Owners are responsible to report any reduction in Qualified Basis, and any recapture of tax credits, with their annual tax filing.

Appendix A: Definitions

The following capitalized terms used in this QAP shall have the following definitions:

“Waiver of 4% Feasibility” shall mean the document provided by the Authority for developments which have met the requirements set forth in Section VI.E.b of the QAP. All Projects that have or will have federal project-based rental assistance contract on 50% or more of the units are NOT eligible to apply for 9% Tax Credits unless a Waiver of 4% Feasibility is obtained. All projects will be evaluated for 4% feasibility at the time of Preliminary Project Assessment.

“42(m) Letter” shall mean the letter from the Authority to an Owner evidencing that a Project being financed with the proceeds of tax-exempt bonds satisfies the requirements of the QAP and Section 42(m)(1)D of the Code.

“42(m)(2)(D) Letter” shall mean the letter from the issuer of tax exempt bonds that addressees the tax credit dollar amount and the reasonableness of project costs under section 41(m)(2)(d) of the Code.

“Affirmatively Furthering Fair Housing” 24 CFR 5.150 shall have the meaning set forth in Section II.F.

“Affordability Risk Index” shall have the meaning set forth in Section IX.C.v

“Allocation” shall mean the award of Tax Credits to a Project pursuant to Section 42. An Allocation may be made pursuant to a Carryover Allocation Letter or the issuance of IRS Form(s) 8609.

“Architect of Record” shall mean the architect licensed by the State who has the contract responsibility for the Project, who designs and prepares the construction documents from which the building is constructed, and who signs the required documents.

“Area Median Income” (“AMI”) shall mean the median income of the county in which the Project is located, or the metropolitan statistical area of Chicago, or the metropolitan statistical area of St. Louis, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by HUD for purposes of Section 8 of the United States Housing Act of 1937.

“Applicable Federal Rate” (“AFR”) shall mean the group of interest rates published monthly in the United States by the Internal Revenue Service (“IRS”) for federal income tax purposes. The IRS publishes these rates in accordance with Section 1274(d) of the Internal Revenue Code on a monthly basis. The publication takes the form of a revenue ruling and is available to the public on the IRS website and can be found at <https://apps.irs.gov/app/picklist/list/federalRates.html>.

“Project Application” shall mean an entire set of required and requested documents as prescribed in this QAP and submitted by a Sponsor to the Authority.

“Authority” shall mean the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois.

“Average Income Test” shall refer to the Average Income minimum set-aside election provided on line 10c of IRS Form 8609. Under the Average Income Test, at least 40% of units are rent restricted, with an average income restriction of 60% AMI, and with maximum income restriction no higher than 80% AMI.

“Basis Boost” shall mean up to a thirty percent (30%) boost to the Eligible Basis of the Project.

“BIPOC-led firms” shall have the meaning set forth in Section IX.D of the QAP.

“Board” shall mean the Members of the Authority.

“Carryover Allocation” shall mean the Allocation for a Project which is not expected to be Placed in Service in the year of the initial Allocation, made pursuant to the provisions of Section 42(h)(1)(E) of the Code.

“Carryover Allocation Letter” shall mean the written documentation from the Authority to an Owner making a Carryover Allocation for that Owner's Project.

“Cash Flow after Debt Service” shall mean the Project's net operating income less total debt service exclusive of cash flow notes.

“Centers for Independent Living” shall mean locations identified on State of Illinois Developmental Disabilities website at <https://www.illinois.gov/dd/Pages/CIL.aspx>.

“Clarification Letter” shall have the meaning set forth in Section VII.D.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations, notices, revenue rulings and other official pronouncements promulgated under it, all as they may be amended from time to time.

“Common Application” shall mean the electronic document of the same name published by the Authority and used in the collection and analysis of information regarding the Project.

“Community Revitalization Strategy” definitions. The following lettered definitions are associated ONLY with Community Revitalization Strategy in Section IX.C.iv of the QAP:

- a. **“Community Revitalization Strategy” (“CRS”)** shall mean a deliberate, concerted, and locally approved plan or documented interconnected series of local efforts with local stakeholder support intended to improve and enhance specific aspects of a Community Revitalization Strategy Area (defined below). Please note: A locally approved plan is but one method of documentation, but and because formalized plans are beyond the capabilities of all municipalities in the state, well-documented efforts taking place outside of formalized plans are equally acceptable for this purpose.
- b. **“Community Revitalization Strategy Area” (“CRSA”)** shall mean the Project area for a Community Revitalization Strategy. The CRSA must be contained to an area that is the smaller of the following two options: (1) An area that is no larger than a three-mile radius from the subject property(ies), OR (2) An area (census tract(s), municipality, neighborhood/community area, etc.) with a population no greater than 30,000. The Authority's Community Revitalization staff may approve a larger CRSA on an individual basis if sponsor provides documentation evidencing the need to define a larger area.
- c. **“Affordable Housing”** – For the purposes of Community Revitalization Strategy IX.C.IV only, the term “Affordable Housing” is defined by one of the following criteria:
 - o Rent restricted rental units (legally restricted via use of programs such as Low-Income Housing Tax Credits, HOME, Illinois Affordable Housing Trust Funds, etc.) where rent is restricted to levels affordable to households earning under 30%, 50%, 60%, or 80% of the Area Median Income;

- Rent subsidized rental units (examples of rental subsidies are Project Based Rental Assistance, Project Based Vouchers, Housing Choice Vouchers, Section 811, and Rental Housing Support Program);
- Affordable homeownership programs, including the use of subsidized mortgage credit certificates, mortgage revenue bonds, or down payment assistance that are limited to households earning less than 120% of Area Median Income.

“Compliance Period” (notwithstanding Section 42(i)(1) of the Code) shall mean the period of 15 consecutive taxable years beginning with the first taxable year of the Credit Period.

“Conditional Allocation” shall mean an Allocation of Tax Credits to a Project that remains subject to conditions prior to the issuance of IRS Form(s) 8609.

“Consolidated Plan” shall mean a HUD approved 3- to 5-year plan, or Annual Action Plan, describing the jurisdiction’s community development priorities and multi-year goals based on an assessment of housing and community development needs and an analysis of housing and economic market conditions and available resources.

“Construction Monitoring” shall have the meaning set forth in Section XII.E.

“Control” shall mean majority ownership interest in the Owner or majority decision making authority as defined in development agreement between Owner and guarantor.

- For purposes of the definition of “Sponsor”: control must mean a majority ownership interest.
- For purposes of determining that a Qualified Non-Profit is not controlled by a For Profit: control shall mean either a majority ownership interest or decision-making authority as defined in the entity’s legal documents.

“Credit Ceiling” shall mean the amount of Tax Credits available for Allocation by the Authority for any calendar year, as provided in Section 42.

“Credit Period” shall mean with respect to any building in a Project, the period of ten taxable years beginning with the taxable year in which such building is Placed In Service or, at the election of the Owner, the following taxable year.

“Debt Service Coverage Ratio” shall mean the quotient of the Project’s net operating income and total debt service exclusive of cash flow notes.

“Demand Responsive Transit” (“DRT”) shall mean shared use transit service operating in response to calls from passengers or their agents to the transit operator, who schedules a vehicle to pick up the passengers to transport them to their destinations. The vehicles do not operate over a fixed route or on a fixed schedule. Sometimes known as Dial-a-Ride.

“Difficult to Develop Area” (“DDA”) shall have the meaning defined in IRC Section 42, which defines a DDA as an area designated by the Secretary of HUD that has high construction, land, and utility costs relative to the Area Median Gross Income (AMGI). DDAs are designated annually as updated income and FMR data are made public. See HUD map for reference: www.huduser.gov/portal/sadda/sadda_qct.html

“Displacement” shall be defined as occurring when a person moves from a property as a direct result of the acquisition, rehabilitation, or demolition of a project, except under certain circumstances, as defined under federal regulations [49 CFR 24.2(a)(9)]. Exceptions include situations in which a person:

- is not required to relocate permanently as a direct result of the project,

- has been permanently relocated to a comparable unit, including a comparable unit at another site
- is an unlawful occupant, or has been evicted for cause, or
- qualifies for other exceptions as identified under 49 CFR 24.2(a)(9)

“Elderly” shall mean housing (i) intended for, and solely occupied by, persons age 62 or older; or (ii) intended and operated for occupancy by at least one person age 55 years or older per unit, and at least 80% of units within the Project are so occupied,; or (iii) provided for under any state or federal program that HUD has determined is specifically designed and operated to assist elderly persons (as defined in the state or federal program).

“Eligible Basis” Building or development costs that are eligible for tax credits. In general, it includes the adjusted basis of a residential building, including amenities and common areas, but not including land or nonresidential space. Eligible basis does include community service facilities to the extent permitted under Section 42(d)(4)(C).

“Equity Gap Method” is a method for calculating the tax credits needed to make a project feasible, in keeping with federal requirement that the Tax Credit allocation to any project must not exceed the amount necessary to assure project feasibility [26 USC 42(m)(2)(D)]. The calculation starts with total project costs, subtracts debt and other financing to arrive at the amount of equity needed from tax credits. The Tax Credit amount is derived from the tax credit equity calculation, based on the expected price, or net cent raise, of the credits.

“Extended Use Agreement” shall mean the agreement executed by and between the Authority and the Owner, which is binding upon the Owner and all successors to the Owner, and which requires that the Project comply with the requirements of Section 42, the QAP, the Project Application and the Authority.

“Extended Use Period” means the period beginning with the first day of the Compliance Period and ending on the date which is 15 years after the end of the Compliance Period unless otherwise indicated in the Extended Use Agreement or unless terminated in accordance with the Extended Use Agreement.

“Extremely Low Income” shall mean a household income that falls at or below thirty percent (30%) of the AMI for the area in which a Project is located.

“Food Access” shall be defined by geographic proximities to businesses as classified by the NAICS Association under 6-digit NAICS codes 445110 or 445230 which includes such establishments as grocery stores, vegetable markets/produce markets, farmers’ markets, etc. ESRI Business Analyst will be used to verify identified businesses fall under these classifications.

“Forward Reservation” shall have the meaning set forth in Section II.B.

“HUD” shall mean the United States Department of Housing and Urban Development.

“IAHTC” shall mean Illinois Affordable Housing Tax Credits, also known as state donation tax credits.

“Identity of Interest” shall mean the existence of any of the following conditions:

- When one or more of the officers, directors, stockholders, members, or partners of the Owner is also an officer, director, stockholder, member, or partner of any other Participant;
- When any officer, director, stockholder, member or partner of the Owner has any financial interest whatsoever in any other Participant;
- When any Participant advances any funds or sells or donates property to the Owner;

- When any Participant provides and pays, on behalf of the Owner, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by any other Participant in connection with its obligations under its contract with the Owner;
- When any Participant takes stock or any interest in the Owner entity, as part of the consideration to be paid.

“IRS” shall mean the Internal Revenue Service.

“Low Income” shall mean a household income at or below the income limit(s) determined by the owner’s minimum set-aside election. For LIHTC projects, owners may elect to make units affordable to households at or below 60% AMI, 50% AMI, or at intervals between 20% and 80% AMI, under the Average Income Test.

“LTOS” shall mean the Long Term Operating Support program, a state rental assistance program administered by the Authority.

“Material Participation” shall mean the regular, continuous, and substantial involvement in the operation of the development throughout the Compliance Period, as defined in Section 469(h) of the Code and the regulations promulgated under the Code, as codified at 26 CFR § 1.469-5T. Participants will be required to complete a certification form demonstrating their material participation in the Project.

“Multifamily Portal” shall mean a portal created to allow the electronic submission of all required documentation for applications for any IHDA multifamily funding resource.

“Opportunity Area” shall have the meaning set forth in Section IX.C.iv of the QAP.

“Owner” or “Project Owner” shall mean the single asset entity, organized under the laws of the State of Illinois, or any other state, that is awarded Tax Credits for a Project pursuant to this QAP and which owns or will own the Project for the term of the Compliance Period, and which shall be signatory to the Extended Use Agreement. The Owner shall be Controlled by the Sponsors.

“Participant” shall mean a member of the Project’s development team, including Sponsor, general contractor, architect, and property manager.

“Permanent Supportive Housing” shall mean a Project with a preference or restriction for people who need supportive services to access and maintain affordable housing, are experiencing or at risk of homelessness, are living with disabilities, and/or are experiencing or at risk of institutionalization. The housing should be permanent (not time-limited, not transitional), affordable (typically rent-subsidized or otherwise targeted to the extremely-low-income who make 30% of the area’s median income or below), and independent (tenant holds the lease with normal rights and responsibilities). Services should be flexible (responsive to tenants’ needs and desires), voluntary (participation is not a condition of tenancy), and sustainable (focus of services is on maintaining housing stability and good health).

“Placed in Service” shall have the following meaning, based on the Project type:

- New construction Projects: A building is determined to be Placed in Service when the first unit is ready for occupancy.
- Rehabilitation Projects: The Placed in Service date for a rehabilitation building is the date established by the Owner at the end of any 24-month period within which the Tax Credit

rehabilitation expenditure threshold (the greater of \$3,000 per Low Income unit or ten percent of acquisition cost) has been satisfied.

- Acquisition Projects: An existing building is normally Placed in Service upon acquisition. However, if the building is not in habitable condition, it will not be Placed in Service until restored. Note, however, that even though an occupied building is Placed in Service when it is acquired, its Credit Period cannot begin until the beginning of the Credit Period for the related rehabilitation expenditures.

“Preliminary Project Assessment” (“PPA”) shall mean an entire set of required and requested documents for a Site, market, financial feasibility, and Participant review as more fully described in Section VI and on the Website.

“PHA” shall mean the Public Housing Authority whose jurisdiction includes the Project.

“Primary Market Area” shall mean a geographic area from which the property is expected to draw the majority of its residents.

“Project” shall mean an existing or proposed qualified Low Income housing project, as defined in Section 42, that satisfies, or will satisfy, all of the requirements of the QAP and the Authority.

“Proximate Opportunity Area” shall have the meaning set forth in Section IX.C.iv of the QAP.

“QAP” shall mean this Low Income Housing Tax Credit Qualified Allocation Plan, as required under Section 42.

“Qualified Census Tract” (“QCT”) shall mean an area designated by the Secretary of HUD where, for the most recent year for which census data are available on household income in such tract, either 50 percent or more of the households in the tract have an income which is less than 60 percent of the area median gross income or the tract’s poverty rate is at least 25 percent. QCTs are designated annually as new income and poverty rate data are released. See HUD map for reference: www.huduser.gov/portal/sadda/sadda_qct.html

“Qualified Contract” shall mean a bona fide contract to acquire the Project as defined in Section 42(h)(6)(F) of the Code, and subject to the provisions of the Code.

“Qualified Non-Profit Organization” shall mean an organization which

- is tax exempt under section 501 of the federal tax code and has as one of its exempt purposes the fostering of Low Income housing within the meaning of Section 42(h)(5)(C), as evidenced by IRS Form 990.
- has an ownership interest in the project, either directly or through a wholly owned subsidiary
- materially participates in the operations of the project on a regular, continuous, and substantial basis, throughout the Compliance Period.
- is determined by the Authority not to be affiliated with, or controlled by, a for profit corporation.

For purposes of scoring points for Qualified Non-Profit Participation: the qualified non-profit must have a majority ownership interest in the general partner or managing member of the Owner throughout the Compliance Period.

Projects that elect to score points for Qualified Non-Profit Corporation participation will be identified as part of the Authority’s not-for-profit set-aside on IRS Form 8610.

“Quality of Life Index” (“QOLI”) shall have the meaning set forth in Section IX.C.iv.

“Racially or Ethnically Concentrated Areas of Poverty” (“R/ECAP”) shall mean, according to U.S. Department of HUD, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

HUD designates census tracts with this extreme poverty that satisfy the racial/ethnic concentration threshold as R/ECAPs. HUD used component data from the decennial census (2010) and the American Community Survey (2009-2013) to determine which geographies met R/ECAP criteria in 2010. See HUD for R/ECAP dataset:

https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0

“Relocation” The Authority’s Relocation requirements in accordance with 24 CFR 236 are addressed in Section VIII.K of the QAP and in the Authority’s Relocation Checklist.

“Reservation” shall mean the specific amount of Tax Credits reserved for a Project, as evidenced by a Reservation Letter, which the Authority may allocate to the Project.

“Reservation Letter” shall mean the letter from the Authority to an Owner conditionally binding the Authority to make an Allocation of Tax Credits in a specific amount for that Owner’s Project.

“Revitalization Plan” shall mean a concerted plan for comprehensive community redevelopment that includes housing policy goals, and may also include education, public infrastructure, and employment and job training.

“Scattered Site” shall mean buildings which would (but for their lack of proximity) be treated as a single Project. The Authority will not provide a single allocation of Tax Credits to Scattered Site Projects in which Units are not rent-restricted, as addressed in Section 42(g)(7) of the Code.

“Section 42” shall mean Section 42 of the Code and the regulations and revenue rulings promulgated under it, all as they may be amended from time to time.

“Set-Aside” shall mean the percentage of Tax Credits allocated as set forth in Section IV of the QAP.

“Site” shall mean a parcel of land on which the Project will be developed, described by a unique legal description which will be encumbered by the Extended Use Agreement. A Project may consist of multiple Sites.

“Sponsor” shall mean an entity that is applying for Tax Credits for a Project pursuant to this QAP. The Sponsor shall Control the Owner of the Project for the term of the Compliance Period. The sponsor shall not be a single asset entity. Project consultants and other like professionals shall not be considered as Sponsors.

“State” shall mean the State of Illinois.

“Statewide Referral Network” (“SRN”) shall mean a statewide referral process that links Supportive Housing Populations with available Statewide Referral Network Units. The Statewide Referral Network is a collaboration between the Authority, the Illinois Department of Human Services, the Illinois Department on Aging, the Illinois Department of Healthcare and Family Services, and local social service providers.

Households referred through the Statewide Referral Network process may or may not be in need of long-term supportive services. It is expected that referrals in need of ongoing supportive services will have them arranged by the referring service provider.

“Statewide Referral Network Units” shall mean units for households earning at or below 30% of Area Median Income (AMI), where the unit has a 30% AMI designation, and which are referred through the Statewide Referral Network or its successors and which may include Supportive Housing Populations. Projects that are currently occupied or subject to a waitlist must submit a plan on how the Sponsor will ensure delivery of the Statewide Referral Network Units to the eligible referrals in a timely manner, and the plan must be approved by the Authority at its sole discretion.

“Supportive Housing Populations” shall mean people who need and are eligible for permanent supportive housing, as defined above.

“Supportive Living Facility” (“SLF”) shall mean a residential setting that meets the requirements of Subpart B of 89 Illinois Administrative Code 146.

“Tax Credits” shall mean federal low-income housing tax credits, as authorized by Section 42.

“Ten Percent Test” shall mean ten percent (10%) of the reasonably expected basis, as defined in Section 42.

“Tenant Selection Plan” shall mean the plan that specifies the procedures that will be followed to select tenants for the Project, including qualifying criteria, income limits, and preferences. Preferences may include special populations such as elderly, special needs, or family housing.

“Type A” shall mean a unit that is an adaptable dwelling unit designed to meet the provisions of code ANSI 2009, Section 1003.

“Unit” means any accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation (e.g., a residential dwelling consisting of one apartment, one single family home, one half of a duplex, etc.). Such accommodations may be served by centrally located equipment such as air conditioning or heating.

“USDA-RD” shall mean the U.S. Department of Agriculture – Rural Development.

“Website” shall mean <http://www.ihda.org/>.