



DATE: September 8, 2022

TO: Approved Grant Recipients for the Capital Bill Preservation Program: Limited Rehabilitation Webinar

CC: IHDA Preservation Program Team

FROM: IHDA Asset Management Department

RE: Preservation Compliance Memo for Existing IHDA Developments

The Capital Bill Preservation Program: Limited Rehabilitation (Preservation) was created to provide supplemental subordinate financing to developments with existing income and occupancy restrictions with outstanding capital improvement needs that cannot be met using existing reserves. Direct benefits of this program result in the enhancement and the long-term stability of affordable rental housing for the benefit of very low and low-income households throughout Illinois. This memorandum, for developments with existing IHDA funding, will highlight ongoing compliance requirements, including expectations for preservation program grant recipients.

There are several key aspects of the ongoing compliance requirements for the Preservation Program: annual Consolidated Certificate of Compliance, Management Plan, Tenant Selection Plan (TSP), Affirmative Fair Housing Marketing Plan (AFHMP), annual financial reporting and physical inspection requirements. Each management document is required by IHDA as a condition of closing.

The Management Plan includes a brief description of the managing agent, their experience, and the policies and procedures that the agent has established to address key areas of managing the development. The Management Plan is a one-time submission and will only need to be updated if there is a change in ownership, management agent, or if the content of the plan has changed.

The Tenant Selection Plan (TSP) includes development information, preferences, the pre-application process, waitlist procedures, the application and/or tenant screening process, eligibility requirements, occupancy standards, rejection criteria and procedures, and security deposits. The TSP is also a one-time submission and will only need to be updated or changed if there is a change in ownership or if the content of the plan has changed.

The Affirmative Fair Housing Marketing Plan (AFHMP) identifies how the development will ensure that applicants who are least likely to apply are aware of the development and application process. The AFHMP includes annual outreach requirements, copies of printed/electronic advertising, methods of expanding the applicant pool, use of the Equal Housing Opportunity (EHO) logo, and how the plan is made available to staff and tenants. The AFHMP must be updated every five years.



The annual Consolidated Certificate of Compliance is due by March 31st every year. There are four sections to the Consolidated Certificate of Compliance form:

- Section A: AMI Allocation Table
- Section B: Decent, Safe, and Sanitary
- Section C: IHDA HOME-funded programs only
- Section D: Lead-Based Paint

All IHDA developments will receive email communications when the [Compliance Connection](#) portion of the IHDA website is open for review. Developments are encouraged to utilize this searchable tool when working to identify various deadline and document submission dates.

Annual Financial Statements are due annually within 90 days after the end of the development's fiscal year to FPATeam@IHDA.org. Financial statements need not be audited unless stipulated by another program's agreements. These financial statements should include:

- Balance Sheet
- Income Statement
- Cash Flow Statement
- Payables Aging Report

Developments should provide IHDA with copies of current certificates of insurance to ensure insurance policies are active and sufficient. Certificates of Insurance can be sent to Insurance@IHDA.org.

Finally, once developments have satisfied the initial physical inspection requirement, an ongoing physical inspection notification will be issued during the 1st, 5th, and final year of the extended compliance period. The physical inspection will cover all inspectable items, including non-grant-related deficiencies. The assigned Asset Manager will be notified of all findings and deficiencies which must be resolved by the grantee within 30-days of the inspection date.

IHDA remains committed to the creation and preservation of affordable housing in Illinois. To that end, we cordially invite you and members of your team to participate in a [live webinar](#) scheduled on **Wednesday, September 14, 2022, from 10:30 a.m. to 12 noon**. Attendees will hear from IHDA representatives who will cover topics on the **closing and funding process, physical inspection requirements** and **long-term compliance monitoring**. This is a great opportunity to learn about the full process directly from our presentation team. We hope that you will join us and strongly encourage you to attend.

In closing, thank you for your shared commitment as a provider of affordable housing and again, congratulations on being awarded preservation funds for your development. You may contact our office directly with any questions at PreservationProgramLimitedRehab@ihda.org.