

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
LOW INCOME HOUSING TAX CREDIT PROGRAM
DRAFT 2003 QUALIFIED ALLOCATION PLAN (QAP) SUMMARY
(REVISIONS TO THE 2002 QAP)**

APPLICATION PROCESS

1. Application Deadline Dates: In 2003 there will be two Tax Credit application rounds, to be held as follows:

1st Period	Monday, January 21, 2003
2nd Period	Monday, April 21, 2003

COMPETITIVE SCORING

1. Homeownership/Longer Extended Use: This scoring category will be reduced to one point.
2. Mixed Income: Percentage of market rate units required for points will be as follows:
 - 25% of total units in non-rural areas listed in Attachment 5
 - 10% of total units in rural areas not listed in Attachment 5
3. Participation in a Housing Choice Voucher Conversion Program: Rename "Economic Efficiencies and allow up to three points for project-based assistance, including SHP, Housing Choice Voucher Conversions, and USDA Rural Development project-based rental assistance. Commitments for Housing Choice Voucher conversions will be accepted up to two weeks after the first application deadline, or by February 4, 2002.

Provide 3 points for fully amortizing debt that equals at least 40% of the total project cost, and 2 points for 50% of same.

4. Project Location: Illinois Workforce Advantage Program (IWAP) areas are reduced to 3 points.
5. Zoning: Applicants may submit zoning certifications up to two weeks after each application deadline.
6. Developer Record: Points will be determined primarily from the record of the managing GP, but all GP records may affect points.
7. Targeting of Units
 - a. Mixed Populations/Special Needs Component – The threshold for points under this category has been raised to 25% from 20%.
 - b. Supportive Housing for Special Needs and Assisted/Supportive Living – Points for Supportive Living Facilities have been reduced

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to five from seven. The definition of 'Special Needs' no longer includes the Chronically Unemployed.

- c. Families with Children – Points were increased from 8 to 10 and 5 to 7, depending on the percentage of three-bedroom units.
8. Community Impact – Guidance has been added.
9. Minority Participation – General Partner ownership requirements are increased from 51% ownership of the general partner interest to 100%. A new form will be required for applicants to clearly note which members are minority or female (for non-profits).
10. Project Design Amenities – Energy efficient points must exceed IHDA standards on three major systems (currently one) or utilize an innovative approach to energy efficiency (i.e., thermal heating, solar power, etc.).
 - a. Community space should be relative to the size of the development/number of units.
 - b. Any fitness facility must be a 'dedicated' fitness facility with at least three pieces of equipment.
 - c. A list of suggested "other amenities" is included.
11. Surrounding Site Amenities – Amenities in non-rural areas (see QAP Attachment 5) must be within ½ mile of the proposed amenity. Senior developments may also receive the "school" point for senior citizens centers available for resident use, within the appropriate distance.

NEW POINTS

1. Application Presentation – Applications presented in the following manner will receive one point:
 - Application presented in folder with tabs
 - Tax Credit Checklist included, explaining where info can be located
 - Self-Scoring of application completed
2. Severe Housing Shortage - Two points will be awarded to projects in public housing authority jurisdictions in which the public housing authority is utilizing less than 95% of Housing Choice Vouchers at time of application, if the applicant submits a letter from the public housing authority executive director certifying that this "underutilization" is due to a lack of housing stock in the jurisdiction.

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MANDATORY ISSUES

1. Mandatory One-day Seminar – First-time sponsors that receive an allocation of tax credits in 2003 will be required to attend a half-day seminar on the carryover process, and the sponsors that received credits in 2002 will be required to attend a half-day seminar on the 8609 process.

CLARIFICATIONS

1. Site Control – definition should be clear that a letter from a govt. agency may not be sufficient. Assignment to Limited Partnership should be completed by time of application.
2. Market Rate Units – Market rate rents may not be lower than the highest Tax Credit rent.
3. TC Rate – Will be the same as last year (8.5% & 3.75%).
4. Equity Gap Method Raise Rate – The tax credit factor for the equity gap calculation will be set at .72 for rehabilitation, special needs, SLF, and developments with 12 units or less. All others will be set at .75.
5. Color Renderings – An 8 1/2 x 11 colored rendering is required 2 weeks prior to board via e-mail in .jpeg or .ppt format, or regular mail.
6. Utility Allowances – Utility allowances will be scrutinized to determine if they accurately reflect the market for the development, and must be from the same county as that in which the proposed development is located.
7. Operating Expenses – Information on operating expenses for viable Tax Credit developments in the IHDA portfolio will be made available upon request.