

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

2004

LOW INCOME HOUSING TAX CREDIT

APPLICATION INSTRUCTIONS AND CHECKLIST

NOTE: THIS CHECKLIST **MUST** BE COMPLETED, AND ALL REQUIRED SUPPORTING DOCUMENTATION INCLUDED WITH THE APPLICATION FOR ALL APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS. IF APPLYING FOR FUNDING (LOAN OR GRANT) THROUGH THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY, THE CHECKLIST ON THE COVER OF THE COMMON APPLICATION MUST **ALSO** BE COMPLETED FOR USE WITH THE FUNDING PROGRAM APPLICATION. IF FUNDING IS **NOT** SOUGHT FROM THE AUTHORITY, THIS CHECKLIST, TOGETHER WITH THE QUALIFIED ALLOCATION PLAN, INCLUDES ALL DOCUMENTATION REQUIREMENTS FOR THE APPLICATION.

Illinois Housing Development Authority
401 N. Michigan Ave.
Suite 900
Chicago, Illinois 60611

Phone: (312) 836-8578
Fax: (312) 832-2175
TDD: (312) 836-5222

CY 2004 TAX CREDIT APPLICATION CHECKLIST

This checklist serves as a guide to requirements contained in the Qualified Allocation Plan (QAP). Applicants should still refer to the QAP for complete descriptions and requirements of each category.

In order to be considered part of the submission, all applicable items on this checklist must be submitted with a completed, signed Tax Credit Application, by close of business on the application deadline date. All required Set-aside items must be submitted with the Application in order for the Project to be considered under the appropriate Set-aside. Scoring documentation must be submitted with the Application to be considered for points. If this checklist is not included with the application, the applicant will lose one point under the Application Presentation scoring category.

Please include checklist, indicating tab locations, and include it with the Application submission.

MANDATORY APPLICATION ITEMS *(Mandatory for ALL applicants)*

Indicate Tab Location or N/A on Line

1. _____ Copy of check for application fee. Check must be sent to the Authority's lockbox, per Application Payment Instruction form.
2. _____ Two copies of the site and market study for the Project. See the QAP for site and market study requirements.
3. _____ Certificate of Limited Partnership, valid existence or other organizational documentation verifying that the Project Owner has been formed and is legally valid and existing. This documentation must be submitted for all ownership entities.
4. _____ Location map and directions to the Project site from downtown Chicago.
5. _____ Evidence of Site Control in the name of the Project Owner. Site Control must extend through June 30, 2004, and must be assigned to Owner.
NOTE: The seller identified in the site control document must hold title to the Project site.
_____ Deed _____ Option _____ Purchase Contract _____ Other
_____ A legal description for each property in the Project must be contained within or attached to the Site Control documents. In addition, provide a legal description for each property in the Project on a disk in format compatible with Microsoft Word.
6. _____ Evidence of Application(s) for Financing. Provide written evidence of application for grants, equity, and permanent financing, including assumptions of debt. Refer to the QAP for a detailed description of the items that must be contained in these financing commitment letters.
_____ Tax-Exempt Bond Projects. In addition, such Owners must also submit evidence of bond volume cap having been obtained and acknowledgment letter(s) from the Project's
_____ bond issuer
_____ credit enhancer and/or
_____ party at risk on the debt financing.

7. _____ Current Certification of Consistency with a Consolidated Plan (if applicable) Contact www.ihda.org or the municipality to determine whether the locality has a local Consolidated Plan.
 _____ If there is no local Consolidated Plan, check here. The Authority will perform the review after the application is received.
 _____ Consolidated Plan Certification of Consistency (CP) waiver requested. See QAP.
8. _____ Public Housing Waiting List Preference Statement. Submit a written statement that the Owner will give preferential treatment to persons whose names are on an appropriate public housing or Housing Choice Voucher (formerly known as Section 8) waiting list(s) maintained by the local Public Housing Authority (the "PHA"). *(See the QAP for detailed requirements)*.
9. _____ Zoning. Letter from local zoning administrator or appropriate party that contains all items specified in the QAP.
 _____ Copy of annexation agreement if annexation of the Project site is contemplated.
10. _____ Plans and Drawings. The plans submitted must evidence that the project will fully comply with fair housing requirements, as defined in the Fair Housing Amendments Act of 1988.
 Include all of the following:
 _____ Exterior architectural drawings (elevations)
 _____ Schematic floor plan
 _____ Site plan
 _____ Photographs of site
(An 8 ½ x 11 color rendering of the building(s) elevation will be required for all Projects presented to the Board for approval, no less than 2 weeks prior to the scheduled board meeting, in .jpeg or .ppt format, or by regular mail.)
11. _____ New Construction Projects. Include a certification from an Illinois licensed third party architect indicating that the project will comply with Authority Energy Efficiency Standards.
12. _____ Utility Allowances. Utility Allowance information may be provided by HUD, the governing public housing authority, or the appropriate utility company. If a public housing authority is providing the information, it must have jurisdiction over the area in which the Project is to be located.
13. _____ Relocation Plan for displaced tenants *(if applicable)*.
14. _____ Projects Involving Rehabilitation.
 _____ Two copies of a Physical Needs Assessment (PNA) See QAP attachment 4 for format requirements.
 _____ Current tenant income profile of the Project
 _____ Current rent schedule for the Project
 _____ Written explanation for cases where proposed rents exceed the current rent levels
 _____ Information regarding any waiting lists maintained for the project.
15. _____ Acquisition Credits. Owners requesting acquisition Tax Credits must submit a written attorney's opinion that the Project qualifies for acquisition Tax Credits (one week prior to Board consideration).
16. _____ Supportive Housing/Assisted Living Facilities. Attorney's opinion regarding the Project's qualification for Tax Credits may be required *(prior to Board consideration)*.

17. _____ **Increase Requests.**
 _____ Fully completed revised Application.
 _____ Narrative detailing reasons for increase request, identifying specific additional cost items.
 _____ Letter from a third-party CPA indicating his/her review of the revised development budget giving the revised eligible basis and total project cost.
 _____ Initial and most recent owner's and general contractor's sworn statements
 _____ Copies of all certificates of occupancy issued as of the date of the Increase request. (*Buildings placed in service in a prior calendar year are ineligible to receive an increase*).

NONPROFIT SET-ASIDE ITEMS (*Mandatory if applying under this set-aside*)

1. _____ Indicate that this is an application under the Nonprofit Set-Aside on page 1 of the Application.
2. _____ RS documentation evidencing the participating nonprofit's tax-exempt status.
3. _____ Articles of Incorporation certified by the Illinois Secretary of State indicating that the exempt purposes of the participating nonprofit includes the fostering of low income housing. (*The nonprofit entity must be domiciled in Illinois*).
4. _____ Executed Nonprofit Certification Form (*Enclosed*).
5. _____ Letter signed by the participating nonprofit entity and the co-general partner (if applicable) indicating the following:
 _____ The nonprofit will have a 100% ownership interest in the Project either directly or through a wholly-owned subsidiary.
 _____ The nonprofit will materially participate in the development and operation of the Project throughout the Compliance Period.
 _____ The nonprofit is not affiliated with or controlled by any for-profit organization.
 _____ Certificate of good standing.

PRESERVATION SET-ASIDE ITEMS (*Mandatory if applying under this set-aside*)

1. _____ Indicate that this is an application under the Preservation Set-Aside on page 1 of the Application.
2. _____ Documentation from the appropriate governmental entity indicating the sources and terms of the existing financing on the Project.
3. _____ Narrative explaining the danger of the Project being lost as affordable housing and how the Low Income units will be preserved.
4. _____ All of the following items:
 _____ Current tenant income profile of the Project
 _____ Current rent schedule for the Project
 _____ Written explanation in any cases where the Project's proposed rents exceed current rent levels
5. _____ All Items required in the Underwriting section for rehabilitation projects.
6. _____ Physical Needs Assessment must be performed by an architect approved by the Authority and submitted with the application.

SMALL PROJECT SET-ASIDE ITEMS (Mandatory if applying under this set-aside)

1. _____ Indicate that this is an application under the Small Project Set-Aside on page 1 of the Application. (The Project must equal a total of no more than fifty (50) units).

LARGE PUBLIC HOUSING AUTHORITY SET-ASIDE ITEMS
(Mandatory if applying under this set-aside)

1. _____ Indicate that this is an application under the Large Public Housing Authority Set-Aside on page 1 of the Application
2. _____ Certification from the Public Housing Authority Executive Director that the project is eligible for this set-aside.

SPECIAL NEEDS SET-ASIDE ITEMS (Mandatory if applying under this set-aside)

1. _____ Indicate that this is an application under the Special Needs Set-Aside on page 1 of the Application.
2. _____ Provide detailed plan for services to tenants with corresponding budget for those services.
3. _____ Evidence of financing commitment(s) for services to be provided to tenants. (See QAP of acceptable types of commitment).

ELDERLY SET-ASIDE ITEMS (Mandatory if applying under this set-aside)

1. _____ Indicate that this is an application under the Elderly Set-Aside on page 1 of the Application.
_____ 100% of the units will be reserved for households with one resident of at least 55 years of age at the time of application.

SCORING ITEMS (Include ALL that are applicable)

(Refer to the QAP for complete descriptions and requirements of each scoring category.)

1. _____ Project Market Evaluation: The Authority will review the site and market study submitted with the Application to determine the number of points to award in this category.
2. _____ Homeownership/Longer Extended Use Period.
_____ Longer Extended Use Period. Indicated the length of the Extended Use Period on the relevant portion of the application.
_____ Eventual Tenant Homeownership. Provide a feasible plan for eventual tenant homeownership at the expiration of the compliance period.
3. _____ Lowest Income Tenants/Lowest Rents: Indicate the Lowest Income Tenant Election on the relevant portion of the Application, if applicable. (This is a separate election from the minimum set-aside election on the relevant portion of the Application).
4. _____ Mixed Income: Indicate the number of market rate units on the relevant portion of the application. Include a written narrative of how the market rate units will be dispersed both among and within the buildings.

5. _____ Project-Based Assistance:

_____ Existing Project based Housing Choice Vouchers. Provide rental assistance contract indicating that at least 80% of the units will receive assistance with a minimum of a ten (10)-year term remaining.

_____ Section 202 and 811. Letter of commitment from HUD indicating that at least 80% of the units will receive assistance.

_____ USDA Rural Development Rental Assistance. Provide letter of commitment from USDA Rural Housing Director indicating at least 50% of the units will receive assistance and the length of assistance (minimum of 5 years).

_____ HUD McKinney Act Programs. Letter of commitment or executed grant agreement from HUD indicating that at least 50% of the units will receive rental assistance.

_____ Medicaid Payments for Supportive Living Facilities: Provide letter of commitment from Illinois Department of Public Aid indicating that at least 50% of the units will receive assistance for a minimum of 1 year.

_____ Participation in a Housing Choice Voucher Conversion: Provide evidence from the appropriate housing authority of their intent to convert Housing Choice tenant-based vouchers to project-based vouchers indicating
_____ their intention to provide project-based assistance to the development,
_____ that at least 20% of the units will receive assistance,
_____ the length of time the assistance will be provided, and
_____ an approximation as to when the assistance will be made available.

_____ Annual Contributions Contract to Public Housing Authority. Provide letter of commitment from Public Housing Authority Executive Director indicating that at least 25% of the units will receive assistance for a minimum of one year.

6. _____ Low Income Housing Tax Credit (LIHTC) Equity Leveraging. Provide a letter of commitment for funds/assets from the local municipality, county or Public Housing Authority identifying the Project, amount of assistance, term, amortization and rate as applicable. (*See QAP for qualifying programs*).

7. _____ Project Location. Verify that the Project is actually located within the municipality identified on the relevant portion of the Application, and indicate which sub-category is applicable to the Project.
_____ Rural Projects. The completed application will serve as documentation for this subcategory.
_____ Live Near Work Initiatives. Provide a certification from _____ the chief local elected official that specifies all items specified in the QAP, and a _____ certification from the employer that specifies all items in the QAP.
_____ Financial Assistance. Provide evidence of a binding commitment between the employer and Owner containing all items specified in the QAP.
_____ Team Illinois Initiatives. The completed application will serve as documentation for this subcategory.

8. _____ Developer Record. Complete the Developer Previous Participation Form contained in the Application for all general partners, members, the general contractor, property manager, and consultant(s), if applicable.
9. _____ Families with Children. Indicate the population to be served (family) and number of units to be reserved families with children on the relevant portions of the Application. Only low income units with three or more bedrooms will be counted in the percentage calculation.
10. _____ Community Support. Provide a letter of support from the local chief elected official.
11. _____ Community Impact. Provide evidence with the application that the project is part of a larger, bona fide revitalization or redevelopment effort.
 _____ a copy of the Project area's formal revitalization plan adopted by the community's local government within 5 years of the application deadline;
 _____ the Plan includes residential as well as commercial space;
 _____ a currently effective, binding resolution evidencing formal adoption by said local government, and
 _____ evidence of at least one of the following designations: Enterprise Community, Empowerment Zone, Tax Abatement, TIF designation, or other leverage, as outlined in LIHTC Equity Leveraging Scoring Category.
12. _____ Minority Participation:
 _____ Certification by the Illinois Business Enterprise Council for Minorities, Females and Persons with Disabilities. (*for-profit applicants only*).
 _____ Completed Minority Participation form provided with the application packet. (*Nonprofit applicants only*).
13. _____ Project Design/Amenities: Written summary of the design elements and/or amenities delineated in the QAP. Provide the page numbers in the site and market study submitted with the Application that reference these design elements and/or amenities.
14. _____ Surrounding Site Amenities: Written summary of the surrounding site amenities delineated in the QAP with a map detailing proximity to location of the project. Provide the page numbers in the site and market study submitted with the Application that reference these surrounding site amenities.
15. _____ Local Nonprofit Organization Participation: Articles of incorporation certified by the Illinois Secretary of State indicating that the exempt purposes of the participating nonprofit includes the fostering of low income housing.
 _____ Executed Nonprofit Certification Form.
16. _____ Application Presentation: Applications meeting all of the following requirements at the time of application will receive one point:
 _____ Application presented in three-ring binder or expandable file folder with clearly labeled tabs.
 _____ Completed Tax Credit Application Checklist included with application, clearly identifying the tab location of all required and discretionary documentation included with the application, and showing "N/A" for information not required and/or provided.
 _____ Self-Scoring of the application completed (in any format chosen by the applicant).

PROJECT STANDARDS ITEMS (Mandatory for ALL applicants)

1. _____ General contractor or architect's certification confirming the costs reflected in the development budget portion of the Application.
2. _____ Thirty (30) year pro-forma which also identifies assumptions. (Use enclosed format. This pro-forma format is also part of the disk version of the Application.).
3. _____ Operating Expenses. Provide a written explanation for any Project with operating expenses that fall outside the range identified in the QAP. Include supporting documentation, such as operating expenses for comparable developments.
4. _____ Written explanation if the vacancy rate differs from that identified in the QAP.
5. _____ Written explanation of the property tax estimate used in the cash flow analysis.
6. _____ Rehabilitation Projects:
_____ Itemized list of rehabilitation work to be completed (scope of work), which must address all items identified in the physical needs assessment as critical or immediate.
_____ Physical needs assessment performed by an architect/engineer approved by the Authority
_____ All items listed under the Market Evaluation section of this checklist for occupied rehabilitation projects.
7. _____ Projects with Rental Assistance Contracts. For Projects utilizing rental assistance contracts, the following documentation must be provided:
_____ Approval of rental assistance contract which identifies the actual years covered by the contract
_____ Narrative explanation of how the rental assistance contract amounts will be replaced once terminated
8. _____ Grants and Federal Subsidies. Third-party certified public accountant or attorney's opinion for any type of grant funds or federal subsidies. (Prior to Board consideration).
9. _____ Per unit cost waiver request. Include written explanation if per unit cost limitations are exceeded.
10. _____ Per unit cost waiver request for rehabilitation projects. Include written explanation, if per unit rehabilitation threshold of \$8,000 per unit in capital improvements is not met.
11. _____ Written explanation of capacity to undertake the proposed Project if the Project Owner, general partner, members or principals (i) has/have been previously approved for a Tax Credit project that has not been placed in service as of the applicable Application Period deadline date, or (ii) is submitting multiple Applications during a given Application Period.
12. _____ Fair Housing Act Design Requirements Certification. Submit an architect's certification which certifies that the proposed Project will be constructed in compliance with the design and construction requirements set forth in Section 100.205 of the Fair Housing Amendments Act of 1988 regulations (24 CFR 100.205).