

Development Name: _____

TC# _____

Date: _____

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

2003

LOW INCOME HOUSING TAX CREDIT

**APPLICATION
INSTRUCTIONS
AND CHECKLIST**

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Development Name: _____

TC# _____

Date: _____

CY 2003 TAX CREDIT APPLICATION CHECKLIST

[Submit only one original of this Application. No additional copies are required.]

NOTE: The Authority's CY 2003 Qualified Allocation Plan ("QAP") and Information Packet are an integral part of the CY 2003 Tax Credit Application ("Application"). These documents explain the Authority's application and review process (including the scoring system and market and underwriting requirements), reservation and allocation of credits, and compliance monitoring. Please carefully read the QAP and Information Packet prior to submitting your Application for Tax Credits to the Authority.

The following items must be submitted with a completed, signed Tax Credit Application. Mandatory Application Items, including the mandatory site and market study, and physical needs assessment for rehabilitation projects, must be submitted with the Application in order for the Application to be considered by the Authority. Set-Aside Items must be submitted with the Application in order for the Project to be considered under the appropriate Set-Aside. Scoring Items must be submitted with the Application to be considered for points. Please complete this checklist, indicating tab locations and include with application.

MANDATORY APPLICATION ITEMS (*Mandatory for ALL applicants*)

Indicate Tab Location on Line

1. _____ Copy of check for application fee (*Send actual fee to the Authority's lockbox - see enclosed payment instruction sheet.*)
 2. _____ Two copies of the site and market study for the Project (*See the QAP for the site and market study requirements.*)
 3. _____ Certificate of limited partnership or valid existence or other organizational documentation verifying that the Project Owner has been formed and is legally valid and existing.
 4. _____ Location map and directions to the Project site from Chicago.
 5. _____ Evidence of Site Control in the name of the Project Owner. (*Site Control must extend through August 31, 2003*) *Assignment to Owner/Limited Partnership if applicable.
_____ 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 a computer format which is compatible with Microsoft Word.*
- NOTE: The seller identified in the site control document must hold title to the Project site.*
6. _____ Evidence of application(s) for all sources of debt financing, including any assumptions of debt, and grants for the Project. Attach current executed acknowledgment 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*) (*See enclosed memorandum for explanation of how to obtain a Certification of Consistency with a Consolidated Plan.*)
_____ Consolidated Plan Certification of Consistency (CP) waiver requested. (*See QAP*)

MANDATORY APPLICATION ITEMS (*continued*)

Development Name: _____

TC# _____

Date: _____

8. _____ Public Housing Waiting List Preference Statement: Submit a written statement providing 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. _____ 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 be located in the same county as the project.
10. _____ Relocation Plan for displaced tenants. (*if applicable*)
11. _____ *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.*)
12. _____ *Supportive Housing/Assisted Living Facilities*: Attorney's opinion regarding such Project's qualification for Tax Credits may be required *prior to Board consideration.*
13. _____ *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; and _____ 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. _____ IRS 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.*)
_____ Executed Nonprofit Certification Form. (*Enclosed*)
4. _____ A letter signed by the participating nonprofit entity and the co-general partner (if applicable) indicating the following:
 - _____ The nonprofit will have a 51% 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.

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

Development Name: _____

TC# _____

Date: _____

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 forty-two (42) units.)*

SCORING ITEMS *(Include ALL that are applicable) (Refer to the QAP for complete descriptions and requirements of each scoring category.)*

1. _____ Self Scoring Sheet: Please prepare a self scoring sheet of the points you believe the application should receive.
2. _____ 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.
3. _____ Homeownership/Longer Extended Use Period: Indicate the Extended Use Period on the relevant portion of the Application and include, in narrative form, a feasible plan to provide affordable homeownership opportunities to qualifying tenants at the expiration of the Compliance Period.
4. _____ 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.*
5. _____ Mixed Income: For Mixed Income Projects, include a written narrative of how the market rate units will be dispersed both among and within the buildings.
6. _____ Economic Efficiencies: (a.) Provide a letter from the appropriate public housing authority's Executive Director indicating a firm, written commitment for project- based assistance.
_____ HUD Homeless Assistance programs: Provide commitment from HUD indicating that at least 50% of the units will receive project-based rental assistance for a minimum of 10 years.
_____ Participation in a Housing Choice Voucher Conversion: Provide documentation evidencing the appropriate housing authority(ies) intent to convert Housing Choice tenant-based vouchers to project-based vouchers with the Application. The letter from the appropriate public housing authority(ies) should indicate (1) their intention to provide project-based assistance to the development, (2) the number of units which will receive such assistance (a minimum of 10% of the total units to receive points), (3) the length of time the assistance will be provided, and (4) an approximation as to when the assistance will be made available.

SCORING ITEMS *(continued)*

Development Name: _____

TC# _____

Date: _____

_____ Other Project-based Rental Assistance programs: Provide commitment which will be reviewed and approved by the Authority.

(b.) Equity Leveraging – Based on the percentage of total project cost fully amortized by debt .

_____ 40%

_____ 50%

7. _____ Evidence of Fixed Rate/Long Term Financing: Provide written evidence of commitments for grants and permanent financing, including approvals of assumptions of debt, that meet the requirements for points in this category. *Refer to the QAP for a detailed description of the items that must be contained in these financing commitment letters.*

8. _____ 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. (Indicate neighborhood for IWOP).

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 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 1/2 x 11 colored 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, .ppt format or by regular mail.)

11. _____ Developer Record: Complete the Developer Previous Participation Form, contained in the Application for the General Partner. The development experience of each principal of the general partner/managing member will be considered when awarding points.

12. _____ Targeting of Units:

_____ Indicate the specific Low Income target population on the relevant portion of the Application.

_____ Brief marketing plan which references any intended services to be provided along with their sources of funding, if applicable.

_____ For rehabilitation projects, targeting persons with physical disabilities requires an architect's letter confirming the number of accessible and adaptable units (specify number of each) as such terms are defined in the Illinois Accessibility Code, and indicating that the requirements of the Environmental Barriers Act, the Americans with Disabilities Act, if applicable, and the design requirements contained in the Fair Housing Amendments Act of 1988 have been met.

_____ Comprehensive service plan (*for supportive housing and assisted/supportive living facilities*). Include the following:

_____ identify the contracted health care operator or services provider and their experience

_____ services to be provided

_____ sources of funding for such services

_____ indicate the physical space used to provide such services

SCORING ITEMS (continued)

Development Name: _____

TC# _____

Date: _____

_____ For projects targeting families with children, indicate the number of families with children that will be served (# of 3+ bedrooms) on the relevant portion of the Application.

13. _____ Community Support: Letter of support from appropriate chief elected official.
14. _____ Community Impact: A written statement detailing either the Project's adherence to at least three of the five smart growth principles referenced in the QAP, or the use of existing housing as part of a community revitalization plan.
15. _____ Minority Participation: Certification by the Illinois Business Enterprise Council for Minorities, Females and Persons with Disabilities. *(Be sure to supply ownership percentages as outlined in the Minority Participation scoring category; nonprofit organizations must provide a list of their board members clearly indicating those members who are minority and/or female in place of this Certification.)*
16. _____ 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.
17. _____ Surrounding Site Amenities: Written summary of the surrounding site 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.
18. _____ 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. *(Enclosed in application packet.)*

PROJECT STANDARDS ITEMS *(Mandatory for ALL applicants)*

1. _____ General contractor's or architect's certification confirming the costs reflected in the Project's development budget portion of the Application.
2. _____ Thirty (30) year proforma which also identifies assumptions. *(Use enclosed format. This proforma format will also be part of the disk version of the Application.)*
3. _____ Written explanation and supporting documentation, including operating expenses for comparable developments, for any Project with operating expenses that fall outside the range identified in the QAP.
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 (must address major systems)
_____ 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:

Development Name: _____

TC# _____

Date: _____

PROJECT STANDARDS ITEMS (*Mandatory for ALL applicants*) (*continued*)

- _____ 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's or attorney's opinion for any type of grant funds or federal subsidies. (*Prior to Board consideration*)

- 9. _____ *Per unit cost waiver request*, including written explanation, if per unit cost limitations are exceeded.

- 10. _____ *Rehabilitation per unit cost waiver request*, including written explanation, if per unit rehabilitation threshold is not met. (*Preservation-eligible Projects only*)

- 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).

Development Name: _____

TC# _____

Date: _____

Agreement and Certification

The undersigned is responsible for ensuring that the project consists or will consist of a qualified low-income building(s) as defined in Section 42 of the Internal Revenue Code of 1986 as amended, and will satisfy all applicable requirements of federal and state law in the acquisition, rehabilitation, construction and operation of the project to receive the low-income housing tax credit, including, but not limited to, the Fair Housing Act, 42 U.S.C. ' 3601 et seq. If a new construction project is being proposed, the undersigned 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).

The undersigned is responsible for all calculations and figures relating to the determination of the eligible basis for the building and understands and agrees that the amount of the tax credit is calculated by reference to the figure(s) submitted with this application, as to the eligible basis and qualified basis of the project and individual buildings.

The undersigned hereby makes application to the Illinois Housing Development Authority for reservation, carryover allocation or allocation of housing tax credit dollar amounts as listed in the application. The undersigned agrees that the Illinois Housing Development Authority will at all times be indemnified and held harmless against all losses, costs, damages, expenses and liabilities whatsoever their nature or kind (including, but not limited to attorney's fees, liquidation and court costs, amounts paid in settlement, and amounts paid to discharge judgment, any loss from judgment from Internal Revenue Service) directly or indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of such allocation request.

Any project under any program of the Authority shall be affirmatively marketed, and available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age, handicap, marital or family status.

The implementation of any project under any program of the Authority shall minimize the involuntary displacement of low-income households. Your signature on this application indicates your receipt of this statement and your agreement to comply with the Authority's non-displacement in housing policy. You further agree to conform to the policy in every phase of the planning, implementation, and operation.

Your signature will also indicate your understanding that the Authority's willingness to issue a reservation letter to you for low-income housing tax credit dollars is conditioned upon your agreement to comply with these policies.

The undersigned, as an essential part of the application for allocation of low-income housing tax credits hereby certifies that the information contained herein is true to the best of the undersigned's knowledge and belief. Falsification of information supplied in this application may disqualify the building for tax credits which could result in the recapture of these tax credits as defined under Section 42 of the Internal Revenue Code. The information given by applicant may be subject to verification by the Illinois Housing Development Authority.

The undersigned understands that this application and all of the supporting documentation submitted with the application is subject to the Illinois Freedom of Information Act (5 ILCS 140) (the "FOIA") and all or part of such submission may be open to public inspection. Any claim that the information submitted is exempt from disclosure must (i) be made as part of the submission, (ii) identify each paragraph or document containing the information alleged to be exempt, (iii) reference the specific statutory basis for the claimed exemption (see Section 7 of the FOIA) and (iv) provide an explanation as to why the information meets the requirements for the exemption. IHDA will ultimately determine whether in fact such exemption does apply.

IN WITNESS WHEREOF, the owner has caused this document to be duly executed in its name on this _____ day of _____, 2003.

Owner

By: _____
Its General Partner(s)

By: _____
Signature

Printed Name

Title

Development Name: _____

TC# _____

Date: _____