

Updated: March 15, 2011

2011 Low Income Housing Tax Credit QAP Workshops / Application Process Q & A

Workshops: February 22, 2011 (Chicago, IL) and February 23, 2011 (Springfield, IL)

The questions below have been raised in QAP workshops as well as during the application process. We will continue updating this document with additional questions and answers, as they are presented to the Illinois Housing Development Authority (“IHDA” or “the Authority”).

1. Will IHDA post a final list of approved Preliminary Site & Market Assessments after the appeal process is complete?

Answer: Yes. A final approved list will be posted shortly after the PSMA appeal process has been completed.

2. Is it possible to change a site for a project after PSMA approval has been issued? How much can a project’s units be increased or decreased for the application (after approval of the PSMA) without jeopardizing the approval?

Answer: The Authority expects the full application for a proposed project to be substantially similar to the project as approved via the PSMA. **Changes to Project Site, Construction Type, or Population served after PSMA approval are not permitted.** Other proposals involving changes listed in QAP section (VI)(3) will be reviewed on a case by case basis. An application may be denied if proposed changes are determined to be excessive and the project is no longer considered by the Authority to be substantially similar to the approved PSMA proposal.

3. Can sponsors resubmit documentation from an application they submitted under the 2010 LIHTC application round?

Answer: All documentation submitted to fulfill Application requirements can be no older than six (6) months prior to the Application deadline unless specifically stated otherwise in the QAP.

4. What can be provided if the zoning administrator in the municipality in which the project is located will not provide a PUD/PD letter as required under the Zoning mandatory of the QAP?

Answer: In cases where the project will be approved through a Planned Development (“PD”) or Planned Unit Development (“PUD”) process, the LIHTC application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the project, location of the project site, description of the project, a written explanation of the PUD approval process, evidence the PUD process has been initiated, evidence of which stage in the PUD approval process the Project has reached, evidence satisfactory to the Authority that the PUD will be reviewed in a timely manner. We will work with the City of Chicago to ensure they are aware of this new requirement.

5. If the Property Manager selected for the project has experience with affordable housing, but does not specifically have experience with LIHTC properties, can they partner with another organization to meet the Property Management experience threshold?

Answer: Review of overall property manager experience will determine acceptability of all entities in the partnership.

6. How should the Owner's Development Experience Certification form and Organizational Chart be completed if the Owner is a single-purpose entity?

Answer: Both the Development Experience Certification form and the Organizational Chart should include all entities that will have an ownership interest in the project, including the sponsor, members of the General Partner, non-profit partners, Board members of non-profit organization.

7. Do the Architect and Civil Engineering Fees include the additional costs of obtaining building certification under the green initiatives?

Answer: Both LEED and the NAHB certifications require 3rd party verification and may have additional fees associated with them.

8. Please explain how a consultant can receive the 4 points under MAFBE. Can a market analyst receive points?

Answer: In order to receive 4 points under this category, an entity contracted with and providing services to developer, which meets MAFBE requirements can be considered a consultant. If the entity is considered a consultant under this category, any fees to the consultant must be paid directly out of the developer fee, as stated in the Mandatory Section (VII.O.f). **Third party vendors from any and all IHDA-approved vendor lists will not be considered consultants.**

9. Is the City of Chicago's certification for Minorities, Women, and/or Persons with Disabilities acceptable for the Minority-, Female-, or Persons with Disabilities-Owned Business Participation scoring category?

Answer: This requirement remains unchanged from last year. The Authority requires certification to come through the Illinois Business Enterprise Program for Minorities, Females, and Persons with Disabilities or equivalent state program if based outside Illinois.

10. In the event that a MAFBE general contractor partners with a non-MAFBE general contractor, in a co-general contractor capacity, is it possible to receive any points under the MAFBE scoring section?

Answer: An entity being considered for any points under Section VIII. D.1. of the QAP must be responsible for full scope of services in the capacity of General Contractor, Sponsor, Owner, Property Manager, Architect, Consultant or Syndicator. In cases involving multiple general contractors, points under the MAFBE category may be considered if the MAFBE and non-MAFBE general contractor(s) have formed a joint venture/partnership and evidence of MAFBE certification for this entity is provided in the LIHTC application.

11. Under the MAFBE scoring category if a non-profit owner (being 25% of the Sponsor) has a board that is over 51% minority, would they count for the 6 points in this category or do they need to be a 51% member with a 51% or greater minority board?

Answer: An entity being considered for any points under Section VIII. D.1. of the QAP must be responsible for full scope of services in the capacity of General Contractor, Sponsor, Owner, Property Manager, Architect, Consultant or Syndicator. In this scenario, the Owner or Sponsor entity formed between the non-profit and for-profit would need to evidence MAFBE-certification.

12. Can a project score points for amenities that are going to be dedicated back to the municipality?

Answer: To be considered for points under Section VIII. A. of the QAP, an amenity must be on the project site and for the benefit and exclusive use of the residents of the LIHTC project.

13. If the Phase I for the project recommends a Phase II, does the Phase II need to be submitted in the application?

Answer: No, the Phase II will not need to be submitted until the architectural design review stage. However, the Authority would expect a line item for environmental remediation to be included in the project's development budget submitted in the application.

14. Can the paper size for architectural drawings be larger than 11" x 17"?

Answer: Yes. Please note that full size plans are not required at time of application.

15. Is TIF considered a leveraged resource under the Financial Leveraging scoring category?

Answer: Yes.

16. Does land donation count toward financial leveraging?

Answer: No.

17. Could you clarify the rental assistance points as it deals with employer assistance – basically, what the employer commitment letter would need to include?

Answer: The employer must be located within the vicinity of the Project and commit to provide at least \$100 in direct assistance per month for each subsidized unit, regardless of the tenant's income or contribution towards rent and utility expenses. The assistance must be evidenced by a commitment letter that includes all of the following: a) the maximum household income; b) the total number of units assisted; and c) the length of the rental assistance contract.

18. Does a project containing 3BR+ units in excess of 50% of the total units qualify for any points under QAP Section VIII(5) Large Units?

Answer: No.

19. Can projects proposing single-family detached housing exceed the fifty percent (50%) limit of units with three or more bedrooms and still receive the maximum points in the Large Units category?

Answer: No, all new construction projects must follow the percentages outlined in the QAP.

20. Are projects eligible for points in BOTH the Deeper Targeting for Supportive Housing Populations and Supportive Housing Projects categories?

Answer: Yes.

21. If a project is seeking points under both the Deeper Targeting for Supportive Housing Populations and Supportive Housing Projects categories, do they have to submit both the Referral and Support Agreement and the Supportive Housing Plan?

Answer: No, only the Supportive Housing Plan will need to be submitted.

22. I am having trouble with the check boxes on the new Common Application (2/1/11). The boxes will not check, and when double-clicked, a "Microsoft Visual Basic" screen comes up.

Answer: In older versions of Excel, you must enable macros in the Excel Workbook. Once macros are enabled, the check boxes should be activated. For additional assistance with the Common Application, please contact Bob Johnson at (312)836-5205 or via e-mail at bjohnson@ihda.org.

23. Is a Physical Needs Assessment ("PNA") required on adaptive re-use and/or gut rehab projects?

Answer: Yes. All Projects involving any rehabilitation of existing structures must include a Physical Needs Assessment ("PNA"). The PNA must be performed by a vendor approved by the Authority, and must be in the format prescribed in the "PNA Scope", found on the Authority's website (www.ihda.org).

24. Do all rents need to be at 95% of the rent limit?

Answer: The proposed gross residential unit rents for the project (including utility allowances) must not be in excess of 95% of any rent limits imposed by any financing source, program or other requirement. Unit rents for projects with rental assistance contracts paying a rent in excess of 95% of the limit are acceptable, however, the application must demonstrate how the project will remain financially feasible through the compliance period in the event the rental assistance is terminated.

25. In cases where an identity of interest exists between sponsor and general contractor, can an architect provide the cost certification?

Answer: This requirement remains unchanged from last year. In cases where there is an identity of interest between Sponsor and general contractor, the cost certification form must be completed by an IHDA-approved cost estimator firm. The cost certification form as well as list of approved cost estimator firms is available on IHDA's website (www.ihda.org).