

**LOW INCOME HOUSING  
TAX CREDIT  
QUALIFIED ALLOCATION PLAN  
DRAFT**

**CALENDAR YEAR 2010**

**December 18, 2009**

**STATE OF ILLINOIS**

Pat Quinn  
Governor

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Chairman

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Executive Director

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

*Draft subject to Governor Approval*

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## **I) Executive Summary**

The Authority is pleased to announce the release of the 2010 QAP. Below is a summary of some of the notable sections of the QAP.

### **A) Preliminary Application**

A new requirement for the 2010 QAP is the submission of a Preliminary Application prior to the submission of a complete Application. The goal of the Preliminary Application is to provide feedback regarding the Authority's assessment of the appropriateness of a Project's site and market. The Preliminary Application will include basic information regarding the Project location, the Project concept and design, and the tenant population. The evaluation of the Preliminary Application will involve the assessment of the Project's proposed location and an internal market assessment. The Preliminary Application must be reviewed and approved by the Authority before an applicant will be eligible to submit an Application.

### **B) Mandatory Requirements**

The Authority has broadened the mandatory Application requirements in the 2010 QAP. The areas with more stringent mandatory requirements include environmental information, financial underwriting standards, required Project amenities, and development team experience.

### **C) Set- Asides**

Applications will be evaluated within the following four geographic areas: the City of Chicago (separately from Chicago Housing Authority Projects), the six-county Chicago metro area, other State metropolitan areas, and the remainder of the State. In addition, the Authority will set aside Tax Credits to address certain designated statewide housing policy goals.

### **D) Scoring Criteria**

The competitive scoring categories have been revised and expanded to target Projects best serving the housing needs of Illinois residents.

## II) Definitions

The following capitalized terms used in this QAP shall have the following definitions:

“Allocation”	shall mean the award of Tax Credits to a Project pursuant to Section 42. An Allocation may be made pursuant to a Carryover Allocation Letter or the issuance of IRS Form(s) 8609.
“AMI”	shall mean the median income of the County in which the Project is located, or the metropolitan statistical area of Chicago, or the metropolitan statistical area of St. Louis, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by HUD for purposes of Section 8 of the United States Housing Act of 1937.
“Application”	shall mean an entire set of required and requested documents, in paper and electronic form, as prescribed in this QAP and submitted by an Owner to the Authority.
“Authority”	shall mean the Illinois Housing Development Authority.
“Board”	shall mean the Members of the Authority.
“Carryover Allocation”	shall mean the Allocation for a Project which is not expected to be Placed in Service in the year of the initial Allocation, made pursuant to the provisions of Section 42(h)(1)(E) of the Code.
“Carryover Allocation Letter”	shall mean the letter from the Authority to an Owner making a Carryover Allocation for that Owner's Project.
“Code”	shall mean the Internal Revenue Code of 1986, as amended, and the regulations, notices, revenue rulings and other official pronouncements promulgated under it, all as they may be amended from time to time.
“Compliance Period”	shall mean the period, as defined in Section 42(i)(1) of the Code, during which a Project must comply with the occupancy restrictions (both income and rent) of Section 42.
“Credit Ceiling”	shall mean the amount of Tax Credits available for Allocation by the Authority for any calendar year, as provided in Section 42.
“Credit Period”	shall mean with respect to any building in a Project, the period of ten taxable years beginning with the taxable year in which such building is Placed In Service or, at the election of the Owner, the following taxable year.
“Determination Letter”	shall mean the letter from the Authority to an Owner evidencing a determination by the Authority that a Project being financed with the proceeds of tax-exempt bonds satisfies the requirements of the QAP and Section 42(m)(1)D of the Code.
“Elderly Housing”	shall mean housing (i) intended for, and solely occupied by, persons age 62 or older; or (ii) intended and operated for

occupancy by at least one person age 55 years or older per unit, and at least 80% of units within the Project are so occupied, when such housing also provides "Elderly Services," as defined herein; or (iii) provided for under any state or federal program that HUD has determined is specifically designed and operated to assist elderly persons (as defined in the state or federal program).

"Elderly Services"

shall mean two or more of the following: social and recreational programs, continuing education, information and counseling, recreation, homemaker, outside maintenance and referral services, an accessible physical environment, emergency and preventive health care programs, congregate dining facilities, transportation to facilitate access to social services and facilities available to them.

"Extended Use Agreement"

shall mean the Tax Credit Extended Use Agreement by and between the Authority and the Owner, which is binding upon the Owner and all successors to the Owner, and which requires that the Project comply with the requirements of Section 42, the QAP, the Application and the Authority.

"Extended Use Period"

shall mean the period during which a Project must comply with the occupancy restrictions (both income and rent) of Section 42, given an Owner's election or indication on the Application, as set forth in the Extended Use Agreement and as defined in and subject to the requirements, terms and conditions set forth in Section 42(h)(6)(D).

"Extremely Low Income"

shall mean a household income that falls between 15% and 30% of the AMI for the area in which a Project is located.

"HUD"

shall mean the United States Department of Housing and Urban Development

"Identity of Interest"

shall mean the existence of any of the following conditions:

- When one or more of the officers, directors, stockholders, members, or partners of the Owner is also an officer, director, stockholder, member, or partner of any other Participant;
- When any officer, director, stockholder, member or partner of the Owner has any financial interest whatsoever in any other Participant;
- When any Participant advances any funds to the Owner;
- When any Participant provides and pays, on behalf of the Owner, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by any other

	<p>Participant in connection with its obligations under its contract with the Owner;</p> <ul style="list-style-type: none"><li>• When any Participant takes stock or any interest in the Owner entity as part of the consideration to be paid him/her;</li></ul>
"Illinois Disaster Tax Credits"	shall mean Tax Credits as authorized by the Emergency Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (public law number 110-343).
"IRS"	shall mean the Internal Revenue Service
"Low Income"	shall mean a household income that is less than or equal to 60% of the AMI for the area in which a Project is located.
"Material Participation"	shall mean the regular, continuous and substantial involvement in the operation of the development throughout the Compliance Period, as defined in Section 469(h) of the Code and the regulations promulgated under the Code, codified at 26 CFR § 1.469-5T.
"Owner"	shall mean the duly formed, validly existing single purpose entity that owns or will own the Project and that has applied for Tax Credits pursuant to this QAP. The Owner includes all individuals and entities of which the ownership entity is comprised. From time to time the Authority may refer to the term "Sponsor" in connection with the ownership of, or in connection with an Application for, a Project. The term "Sponsor" shall mean a duly formed, validly existing entity that has created or controls the Owner of the Project.
"Participants"	shall mean the members of the development team, including Owner, general contractor, architect, property manager, consultants, and syndicators proposed to be involved with the Project.
"Placed in Service"	shall have the following meaning, based on the Project type:  New construction Projects: A building is determined to be Placed in Service when the first unit is ready for occupancy.  Rehabilitation Projects: The Placed in Service date for a rehabilitation building is the date established by the Owner at the end of any 24-month period within which the Tax Credit rehabilitation expenditure threshold (the greater of \$3,000 per Low Income unit or 10 percent of acquisition cost) has been satisfied.  Acquisition Projects: An existing building is normally Placed in Service upon its acquisition. However, if the building is not in habitable condition, it will not be Placed in Service until restored. Note, however, that even though an occupied building is Placed in Service when it is acquired, its Credit Period cannot begin until

	the beginning of the Credit Period for the related rehabilitation expenditures.
“Preliminary Application”	shall mean an entire set of required and requested documents for an initial site and market assessment, in paper and electronic form, as prescribed in this QAP and submitted by an Owner to the Authority.
“Project”	shall mean an existing or proposed qualified Low Income housing project, as defined in Section 42, that satisfies, or will satisfy, all of the requirements of the QAP and the Authority.
“QAP”	shall mean the Qualified Allocation Plan, as required under Section 42.
“Reservation”	shall mean the specific amount of Tax Credits reserved for a Project, as evidenced by a Reservation Letter, which the Authority may allocate to the Project.
“Reservation Letter”	shall mean the letter from the Authority to an Owner conditionally binding the Authority to make an Allocation of Tax Credits in a specific amount for that Owner’s Project.
“Section 42”	shall mean Section 42 of the Code and the regulations and revenue rulings promulgated under it, all as they may be amended from time to time.
“SLF”	shall mean a Supportive Living Facility under the Supportive Living Program for the frail elderly, administered by the Illinois Department of Healthcare and Family Services.
“Tax Credits”	shall mean federal low income housing tax credits, as authorized by Section 42 and Illinois Disaster Tax Credits.
“Ten Percent (10%) Test”	shall mean ten percent (10%) of the reasonably expected basis as defined in Section 42.

### III) Introduction

The mission of the Authority is to finance the creation and the preservation of affordable housing throughout the State of Illinois in order to increase the supply of decent and safe places for people of low or moderate means to live.

The Tax Credit program was created by the United States Congress in 1986 to promote the development of affordable housing for low income individuals and families. The IRS regulations for the Tax Credit program are found under Section 42 of the Code of 1986, as amended.

The Authority is an allocating agency for the Tax Credit program in the State of Illinois. Pursuant to Section 42 of the Code, the Authority is required to publish a QAP describing the criteria that the Authority will consider in evaluating Projects applying for an Allocation of Tax Credits. The Authority will administer the Tax Credit program as set forth herein.

The fact that a Preliminary Application or an Application is accepted for processing or that a Project receives a Reservation or Allocation of Tax Credits shall not be construed to be a representation or warranty by the Authority as to the feasibility, viability, or lack thereof, of any Project.

The 2010 QAP is the result of an extensive public dialogue between the Authority, for- and non-profit affordable housing developers, consultants, Tax Credit syndication firms, affordable housing advocates, and a host of other professionals involved in the affordable housing industry. The Authority's goal is to utilize the allotment of Tax Credits to the maximum extent possible for the construction and rehabilitation of viable affordable housing developments.

Section 42(m) of the Code requires the Authority to include the following items in the annual QAP:

- Selection criteria for projects receiving Tax Credit Allocations
- Preference for projects serving the lowest income tenants
- Preference for projects serving qualified Low Income tenants for the longest period of time
- Preference for projects located in Qualified Census Tracts, the development of which will contribute to a concerted community revitalization plan

Additionally, Section 42(m) states that the selection criteria must take into consideration the following project, community, or development team attributes:

- Project location
- Housing need characteristics
- Project characteristics, including whether the project involves the use of existing housing as part of a community revitalization plan
- Sponsor characteristics
- Tenant populations with special housing needs
- Public housing waiting lists
- Projects intended for eventual tenant ownership
- Tenant populations of individuals with children

- The energy efficiency of the project
- The historic nature of the project

### **A) Authority Priorities**

Executive Order 2003-18, issued on September 16, 2003, established the first statewide comprehensive housing initiative and appointed the Housing Task Force to improve the planning and coordination of the State of Illinois' housing resources. Six underserved populations were identified in Executive Order 2003-18:

- Low-income households (with particular emphasis on households earning below 30% of area median income)
- Low-income seniors
- Low-income persons with disabilities
- Homeless persons and persons at-risk of homelessness
- Low- and moderate- income persons unable to afford housing near work or transportation
- Low-income persons residing in existing affordable housing that is in danger of being lost or becoming unaffordable

### **B) General Provisions**

#### **1) Public Comment Period**

The QAP is subject to a 30-day public comment period. Opportunities to review the QAP are announced via posting on the Authority website, mailing to interested parties upon request, stakeholder meetings, public hearings, and an announcement(s) published in the *Chicago Tribune*. The Authority accepts written comments either through letters, e-mail, or through testimony at the scheduled public hearings.

#### **2) Governor's Approval**

This QAP shall be effective when approved by the Governor of the State.

#### **3) Amendments and/or Waivers to the QAP**

The Authority reserves the right to amend, modify, or withdraw provisions contained in the QAP, and/or update the QAP, including attachments, at any time and may waive the application of any or all requirements when changes are necessary to administer the Tax Credit program, subject to public notice requirements.

#### **4) Code Changes Affecting the QAP**

If, as a result of changes in the Code or otherwise, the IRS finds that any part of this QAP is not in compliance with Section 42, only that non-compliant part shall be considered as being out of compliance with Section 42.

#### **5) Compliance with Federal and State Laws**

The Authority's review of an Application is solely for its own purposes and the Owner of a Project may not rely upon the Authority's review as evidence of such Project's

compliance with federal or State law. The Authority's Allocation of Tax Credits for a Project shall not constitute a representation or warranty that the Project complies with Section 42 or any other laws and regulations governing Tax Credits. The Owner is responsible to ensure that the Project complies with all such laws and regulations. If the IRS disallows the Tax Credits for a Project, those Tax Credits may revert to the Authority for Reservation and Allocation to other Projects.

#### **6) Outside Legal Counsel**

When the Authority deems it necessary to consult with outside legal counsel regarding Project-specific issues, such Project's Owner will be notified and will be responsible for payment for such legal services.

### **C) Application Disclosures**

Owners are advised of the following:

#### **1) Sharing of Information with Third Parties**

The Authority shall have the right at any time without any further consent from, or notice to, the Owner, or any other party, to discuss or communicate and disseminate any information concerning the Owner or the Project with any third party, including, without limitation, any general or limited partner, member, or shareholder of the Owner or any entity or individual comprising any part of Owner's ownership structure, or any party providing any funds to or on behalf of the Owner or Project.

#### **2) Sharing of Information with the IRS and Other Governmental Entities**

The Authority, the IRS and/or other governmental entities may exchange information submitted by Owners to the Authority, the IRS and/or other governmental entities, or generated by the Authority and/or the IRS and/or other governmental entities, in connection with their Projects.

#### **3) Rural Housing Service Projects**

The Authority and the Rural Housing Service, an agency of the United States Department of Agriculture ("RHS") (formerly, Farmers Home Administration ("FmHA")), may exchange information submitted by the Owners to the Authority and/or RHS, or generated by the Authority and/or RHS, in connection with their Projects.

#### **4) Disclosure of Information Pursuant to the Illinois Freedom of Information Act**

The Application is subject to the Illinois Freedom of Information Act (5 ILCS 140) and all or part of such submission may be open to public inspection or copying. Any claim that the information submitted is exempt from disclosure must (i) be made as part of the submission; (ii) identify the information alleged to be exempt; (iii) reference the specific statutory basis for the claimed exemption; and (iv) provide an explanation as to why the information meets the requirements of the exemption. The Authority will determine whether such exemption applies.

#### **5) Notification of Elected Officials**

The Authority will send notification letters of its receipt of an Application, along with copies of the relevant sections of the Application and a copy of this QAP, to the chief elected executive official (or an equivalent official) of the local jurisdiction in which the

Project is to be located. That official will have thirty (30) days from the date of notification to submit written comments on the Project. A copy of this notification letter will be sent to the Owner and will serve as the Authority's confirmation of receipt of the Application.

**D) Owner Knowledge of Section 42**

The Tax Credit program is a regulated and highly complex program. Final interpretations of certain rules and regulations governing various aspects of the program have not been issued by the U.S. Department of Treasury, especially as related to the provisions in the Housing and Economic Recovery Act of 2008 enacted on July 30, 2008, and the American Recovery and Reinvestment Act of 2009. As such, additional requirements or conditions applying to the Tax Credit program may be forthcoming. It is the responsibility of the Owner to be knowledgeable of Section 42 of the Code, regulations and administrative documents (rulings, notices, and procedures), and all relevant materials published by the IRS. It is strongly suggested that prospective Owners interested in the Tax Credit program contact their tax accountant and/or attorney prior to the development of Projects under the Tax Credit program. While the Authority will strive to assist those Owners applying for an Allocation of Tax Credits, the Authority will not provide tax or legal advice.

## **IV) Tax Credit Information**

### **A) Amount of Authority Credit Ceiling in 2010**

As of the date on which this QAP becomes final, the Authority anticipates approximately \$34,854,668 in 2010 Tax Credits available for Allocation in Illinois. In accordance with Section 42 and Treasury Regulation 1.42 - 14, these Credits consist of:

- \$22,732,500 in per capita Tax Credits allocated to the Authority; and
- \$12,122,168 in 2010 Illinois Disaster Tax Credits allocated to the Authority; and
- \$6,598,978 in per capita Tax Credits allocated directly to the City of Chicago.

The total amount of Tax Credits available for Allocation in 2010 is subject to change. Additional Tax Credits may become available if Projects that received Allocations in prior years return Tax Credits to the Authority or if the Authority receives an allocation of Tax Credits from the national pool.

### **B) Maximum Tax Credit Reservation**

The maximum Reservation for which any single Project may apply, including scattered-site Projects, will be 8% of the per capita Tax Credits allocated to the Authority, or approximately \$1,818,600, in calendar year 2010.

Projects that apply under the Illinois Disaster Tax Credit set-aside are exempt from this limit.

The Authority reserves the right to allocate Tax Credits to any Project in excess of the maximum Reservation amount. The Authority also reserves the right to limit the maximum Reservation for any one Owner with multiple Applications in a given year and to limit Tax Credit Reservations in areas where the Authority has previously allocated resources.

### **C) Tax Credit Calculation Method**

The applicable percentage is nine percent (9%) for any non-federally-subsidized building, as defined in Section 42, which is Placed in Service after July 30, 2008, and before December 31, 2013.

The applicable percentage for a federally-subsidized building, including those financed through the issuance of tax-exempt bonds, changes on a monthly basis as determined by the U.S. Treasury.

The Authority will determine the amount of Tax Credits that the Project is eligible to receive using both the qualified basis method (using 9% and 3.50% as the applicable percentage) and equity gap methods (using a market rate as the net cent raise).

The amount of Tax Credits that will be allocated will not exceed the amount necessary to make the project financially feasible, as determined by the Authority.

See Attachment 1 "Sample Calculation of Both Methods" for a sample calculation of both of these calculation methods.

## **D) Tax Credit Boost**

### **1) Qualified Census Tract**

Projects located in a Qualified Census Tract are eligible for a thirty percent (30%) boost (a “Boost”) to the eligible basis of the Project. See Attachment 2 “Qualified Census Tracts” for a listing of the eligible areas.

### **2) Non Qualified Census Tract**

The Housing and Economic Recovery Act of 2008 provides that the Authority may also provide up to a 30% Boost to the eligible basis of a Project located outside a Qualified Census Tract in order to make the Project financially feasible.

The amount of Tax Credits allocated under this section will not exceed the amount necessary to make the project financially feasible, as determined by the Authority. Therefore, a Tax Credit increase due to a Boost under this section may result in an amount less than the allowable thirty percent (30%) increase.

The Authority reserves the right to provide a Boost to a Project at any time in order to make the Project financially feasible.

Under this section, only Projects meeting one of the following three (3) criteria may apply for a Boost in their eligible basis of up to thirty percent (30%) at the time the Application is submitted.

#### **(a) Affordable Housing Planning and Appeal Act (“AHPAA”)**

Projects located in municipalities which are subject to or at risk of being subject to AHPAA. A list of municipalities meeting this criterion can be found in Attachment 3 “AHPAA Municipalities”.

#### **(b) Supportive Housing Projects**

Projects that meet the requirements to request points under the Supportive Housing Projects category in the Supportive Housing Projects section within the Housing Policy Goals and Objectives section within the Scoring Categories section.

#### **(c) 2010 Illinois Disaster Tax Credits**

Projects that apply under the Illinois Disaster Tax Credit Set-Aside.

## **V) Set-Asides**

### **A) Overview**

On an annual basis, goals will be established for allocating Tax Credits based on a Project's geographic region as reflected in the following set-aside table. In addition, the Authority will reserve a portion of Tax Credits to allocate to Projects that are not awarded Tax Credits through the geographic regions.

These allocation goals are not absolute minimum or maximum amounts, but rather the anticipated approximate amount of Tax Credits to be awarded. Upon evaluating all projects and determining the most effective use of available Tax Credits, the Authority may choose to modify any of these allocation goals.

### **B) Geographic Tax Credit Set-Asides**

All Projects and Applications will be ranked and evaluated within the appropriate geographic set-aside based on Project location. Projects in each set-aside will be assigned a score through the competitive process. Tax Credits will be awarded to the highest ranking Projects within each set-aside as guided by the annual allocation goals.

Notwithstanding anything to the contrary, the Authority may limit the number of Projects or amount of Tax Credits awarded to Projects in any set-aside, regardless of the Project's score and how its score relates to all other Projects.

In the event there are Tax Credits remaining in any of the geographic set-asides, those remaining Tax Credits will be allocated to the single next highest scoring project in the other geographic set-asides according to the following order of priority: Non-Metro, Other Metro, Chicago Metro (subject to or at risk of being subject to AHPAA), Chicago Metro (not subject to or at risk of being subject to AHPAA), City of Chicago, and Chicago Housing Authority, or to any Project that has been allocated Tax Credits.

For a list of municipalities subject to AHPAA see Attachment 3 "AHPAA Municipalities". For a list of Other Metro municipalities see Attachment 4 "Other Metro Municipalities".

### **C) Illinois Disaster Tax Credit Set-Aside**

On June 24, 2008, the President of the United States declared eighteen Illinois counties federal disaster areas due to severe flooding caused by Hurricane Ike. In response, the Emergency Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (public law number 110-343) provides for a per capital allocation of eight dollars (\$8.00) in Illinois Disaster Tax Credits for the years 2008, 2009, and 2010.

Projects eligible to apply for Illinois Disaster Tax Credits are those located in the counties of Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside, and Winnebago. Owners seeking an Allocation of Illinois Disaster Tax Credits are precluded from requesting any Authority debt financing, but may apply for a Boost in their eligible basis of up to thirty percent (30%).

An Owner must specify if they are submitting an Application for Illinois Disaster Tax Credits. A Project will not be considered for both an award of geographic Tax Credits and Illinois Disaster Tax Credits at the same time.

## **D) Statewide Tax Credit Set-Aside**

All Applications will be competitively evaluated within the applicable geographic set-aside. Owners cannot apply for or request an award of statewide Tax Credits (the "Statewide Set-Aside"). Rather, upon review of all Applications received, the Authority may choose to allocate Tax Credits under the Statewide Set-Aside to Projects that fulfill certain housing policy goals, as designated by the Authority, and which may change from year to year.

Projects receiving an award of Tax Credits under the Statewide Set-Aside may include Projects whose competitive score in the geographic set-aside is such that the Project would not otherwise be awarded Tax Credits.

In 2010, the Authority will reserve a portion of the Authority's Credit Ceiling to award separately from the geographic set-asides for Projects meeting one or more of the following housing policy goals:

- Regulated affordable housing developments that have been regulated for a minimum of ten (10) years prior to the current Tax Credit year that have physical deficiencies which cannot be remedied through a normal workout process and which pose a threat to the continued affordability of the Project
- Projects located in a geographic set-aside where the total amount of Tax Credits available is less than the total amount of Tax Credits requested.

In the event there are Tax Credits remaining in the Statewide Set-Aside, those remaining Tax Credits will be combined with any remaining Tax Credits from the geographic set-asides and allocated to the single next highest scoring project in the other geographic set-asides according to the following order of priority: Non-Metro, Other Metro, Chicago Metro (subject to or at risk of being subject to AHPAA), Chicago Metro (not subject to nor at risk of being subject to AHPAA), City of Chicago, and Chicago Housing Authority or to any Project that has been allocated Tax Credits.

**2010 Tax-Credit Set-Asides**

<u>Set-Aside</u>		<u>Approximate Annual Allocation</u>
City of Chicago (IHDA) <sup>1</sup>	8.8%	\$2,000,000
Chicago Housing Authority	11.0%	\$2,500,000
<b>Subtotal Chicago</b>	<b>19.8%</b>	<b>\$4,500,000</b>
Chicago Metro (at risk or subject to AHPPA)	18.2%	\$4,135,167
Chicago Metro (not at risk or subject to AHPPA)	11.7%	\$2,660,167
<b>Subtotal Chicago Metro<sup>2</sup></b>	<b>29.9%</b>	<b>\$6,795,334</b>
Other Metro <sup>3</sup>	15.6%	\$3,550,333
Non Metro <sup>4</sup>	28.2%	\$6,411,833
<b>Subtotal Other and Non-Metro</b>	<b>43.8%</b>	<b>\$9,962,166</b>
Statewide <sup>5</sup>	6.5%	\$1,475,000
<b>Subtotal Statewide</b>	<b>6.5%</b>	<b>\$1,475,000</b>
<b>Authority Allocated Per-Capita 9% Tax Credits</b>	<b>100.0%</b>	<b>\$22,732,500</b>
Illinois Disaster Tax Credits		\$12,122,168
<b>Subtotal Illinois Disaster Tax Credits</b>		<b>\$12,122,168</b>
<b>Total Authority Allocated Tax Credits</b>		<b>\$34,854,668</b>

<sup>1</sup> This total does not reflect the \$6,598,978 per-capita allocation that is awarded directly to the City of Chicago out of the State's total per capita Tax Credit allocation of approximately \$29,300,000 (excluding Illinois Disaster Tax Credits).

<sup>2</sup> Chicago Metro consists of: Lake, DuPage, Kane, McHenry, Will, and Cook County excluding the City of Chicago.

<sup>3</sup> See Other Metro municipalities chart

<sup>4</sup> Projects not included in Chicago, Chicago Metro, or the Other Metro set-aside

<sup>5</sup> Tax Credits targeted to Projects around the State meeting certain housing policy goals and objectives.

## **VI) Application Process**

### **A) Submission**

In order for an Application to be accepted for review, it must be submitted no later than 5:00 P.M. to the following address:

Illinois Housing Development Authority  
401 N. Michigan Ave., Suite 700  
Chicago, IL 60611

### **B) Timetable**

For the 2010 QAP, all Application deadlines are outlined in the "Application Schedule", available on the Authority's website ([www.ihda.org](http://www.ihda.org)). The Application round for 9% Tax Credits will be comprised of a Preliminary Application, followed by an Application. In order to effectively manage the Tax Credit program, the Authority may adjust the Application deadlines and reserves the right to hold additional Application rounds.

#### **1) Preliminary Application**

Owners must submit a Preliminary Application by the deadline outlined in the "Application Schedule", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

#### **2) 9% Tax Credit Application**

If the Preliminary Application is approved by the Authority, the Owner may submit an Application for 2010 9% Tax Credits. If the Preliminary Application is not approved by the Authority, the Owner will not be eligible to submit an Application for 2010 9% Tax Credits.

#### **3) 4% Tax Credit Application**

Applications for 4% Tax Credits will be accepted at any time during calendar year 2010. Applications for 4% Tax Credits are not required to submit a Preliminary Application.

### **C) Application Materials**

Owners must submit the Application on original Authority forms or photocopies of such forms, and may not submit them by facsimile without the prior consent of the Authority. All Application materials are available on the Authority's website ([www.ihda.org](http://www.ihda.org)) or directly from the Authority, upon request.

#### **1) Preliminary Application for 9% Tax Credits**

All Preliminary Application materials must be placed in an adequately sized accordion file folder or three-ring binder and tabbed to correspond with the enumeration outlined in the "Preliminary Application Checklist", available on the Authority's website ([www.ihda.org](http://www.ihda.org)). The "Preliminary Application Checklist" must also be submitted.

A complete Preliminary Application must include all items as outlined in the Preliminary Application section.

Owners must submit, as part of their Preliminary Application, a non-refundable Preliminary Application fee. The fee should be sent directly to the Authority's lockbox

along with the “Multifamily Fee Payment Form”, available on the Authority’s website ([www.ihda.org](http://www.ihda.org)). A copy of the check and the “Multifamily Fee Payment Form” should be submitted with the Preliminary Application.

## **2) Application for 9% Tax Credits**

All Application materials, including all applicable attachments and supporting materials, must be placed in an adequately sized accordion file folder or three-ring binder and tabbed to correspond with the enumeration outlined in the “Application Checklist”, available on the Authority’s website ([www.ihda.org](http://www.ihda.org)). The “Application Checklist” must also be submitted.

The Application must comply with the format and content requirements of this QAP and present to the Authority a clear, unambiguous, and complete Application by the deadline date. The Authority may reject any Application that does not conform to the requirements of this QAP.

Owners must submit, as part of their Application, a non-refundable Application fee. The fee should be sent directly to the Authority’s lockbox along with the “Multifamily Fee Payment Form”, available on the Authority’s website ([www.ihda.org](http://www.ihda.org)). A copy of the check and the “Multifamily Fee Payment Form” should be submitted with the Application.

## **3) Application for 4% Tax Credits**

A complete Application must include all items required on the Application checklist that pertain to the 4% Tax Credits and all applicable attachments and supporting materials. Please see the 4% Determination Letter Requests section for further information regarding 4% Tax Credit Projects.

Owners must submit, as part of their Application, a non-refundable Application fee. The fee should be sent directly to the Authority’s lockbox along with the “Multifamily Fee Payment Form”, available on the Authority’s website ([www.ihda.org](http://www.ihda.org)). A copy of the check and the “Multifamily Fee Payment Form” should be submitted with the Application.

## **D) Evaluation of Applications**

Applications for an Allocation of Tax Credits in calendar year 2010 will be evaluated in the following manner:

### **1) Preliminary Application**

Owners must submit a Preliminary Application by the submission deadline in order to be eligible for a 2010 Tax Credit Allocation. The Authority will evaluate the Preliminary Application based upon the requirements set forth in the Preliminary Application section.

### **2) Application**

If the Preliminary Application is approved by the Authority, the Owner may submit an Application. The Application must be received by the Application deadline and will be reviewed for completeness. This will include, but will not be limited to, the following: submission of all required Application forms and supporting documentation; submission of all applicable fees; and inclusion of appropriate signatures on all necessary documents. If the Authority finds that the Application is not complete, it reserves the right to reject the Application.

### **3) Mandatory Review**

If the Authority determines that the Application is complete, it will be reviewed to determine if the Project meets the mandatory requirements set forth in the Mandatory Requirements section. If the Authority determines that the Application fails to meet one or more of the mandatory requirements, the Owner will be notified in writing that the Application has failed the mandatory review and the Application will not be evaluated under the competitive scoring criteria.

### **4) Scoring Review**

If an Application has met all of the requirements described in the Mandatory Requirements section, the Application will be scored based on the categories set forth in Scoring Categories section. Applications that are scored will be ranked in descending order by total point score within each Set-Aside. Generally, Applications with the highest score in each Set-Aside will be allocated Tax Credits except as noted in the Set Asides section.

Applications for 4% Tax Credits will not be scored based on the categories set forth in the Scoring Categories section.

### **5) Clarifications**

For purposes of the mandatory and scoring reviews, the Authority will not accept the submission of additional documentation after the Application deadline. Projects will be reviewed solely on the basis of the materials contained in the Application submitted by the Application deadline.

The Authority may make an exception to this policy for clarification purposes. If the Authority, in its sole discretion, determines a need for clarification of information, the Authority may contact Owners after the application deadline to request clarification of certain materials contained in the Application. The clarification request will only be utilized for minor inconsistencies.

## **VII) Preliminary Application**

All Owners must submit a Preliminary Application in order to be eligible to apply for a 2010 9% Tax Credit Allocation. The Preliminary Application documentation contains basic information regarding the Project concept and design, Project location, and the proposed tenant population. The goal of the Preliminary Application is for the Authority to provide feedback regarding its assessment of the appropriateness of a Project's site and market.

The Preliminary Application must be reviewed and approved prior to the submission of an Application. If the Preliminary Application is approved by the Authority, the Owner may submit an Application for 2010 9% Tax Credits. If the Preliminary Application is not approved by the Authority, the Owner will not be eligible to submit an Application for 2010 9% Tax Credits.

Please note that the Authority's determination that current site or market characteristics are not appropriate should not be construed as a finding that the site is not buildable under any circumstances or that the market will never be appropriate for the proposed project. At the same time, a determination that a Project meets the Authority's Preliminary Application review standards does not constitute or guarantee it will receive a Tax Credit Reservation.

### **A) Timing**

The timeline for submission and review of the Preliminary Application is outlined in the "Application Schedule", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

Upon receiving the Preliminary Application results, Owners will have one week to provide a written response to the results, if desired. The Authority will then review the Owner's response, make any adjustments to the results deemed necessary and appropriate, and provide a final evaluation.

### **B) Submission Documentation**

The Owner must submit all of the following documentation:

- 1) A map clearly identifying the exact location of the Project site and the location of community amenities and services, including transportation, near the proposed site and appropriate to its tenant population, so that Authority staff may easily conduct a site visit;
- 2) Labeled color photographs (or color copies) of the Project site and all adjacent properties;
- 3) Documentation of preliminary site control. Documentation may include an executed purchase agreement, fee simple interest in the property, a letter of intent from a governmental entity to sell or lease property, or written dated correspondence with the current property owner in which the current owner is indicating a willingness to sell the Project site;
- 4) Site plans showing the Project site boundaries, building(s) foot print(s), and location (or proposed location) of roadways;
- 5) Preliminary development plans including the front, rear and side elevations of the buildings as well as floor plans and unit plans for each bedroom size. Acquisition with rehabilitation development must provide preliminary plans showing all proposed changes to existing buildings, site improvements, parking areas, etc.;
- 6) The "Environmental Checklist" located on the Authority's website ([www.ihda.org](http://www.ihda.org)); and

- 7) A narrative describing the Project, as outlined in the Project Narrative section within the Mandatory Requirements section.

## **C) Preliminary Application Evaluation**

### **1) Site Assessment**

In initially assessing the site, the Authority will analyze the following items:

- Project design and layout;
- Aesthetic compatibility to existing neighborhood;
- Availability of and access to appropriate public and community services and amenities;
- Potential development concerns located on, adjacent to, or near the site.

### **2) Market Assessment**

In assessing the Project's market, the Authority will analyze various sources of information it has or may obtain, including information regarding similar housing located in, or in close proximity to, the primary market area as determined by the Authority. Based on this analysis, the Authority will evaluate the following items:

- The market demand for the Project; and
- The Project's impact on existing affordable housing.

## **VIII) Mandatory Requirements**

If the Preliminary Application is approved by the Authority, the Project must meet the following mandatory requirements upon submission of the Application. A Project that fails to meet these requirements will be notified in writing that the Application has failed the mandatory review and will not be evaluated under the competitive scoring criteria.

An Application may fail the mandatory review if the correct forms or required information are not submitted, are not submitted at the correct tab, or if information available to the Authority negates information submitted in the Application.

All documentation submitted to fulfill mandatory Application requirements can be **no older than six (6) months prior to the Application deadline.**

### **A) Evidence of Preliminary Application Approval**

Applications must include a letter of approval from the Authority stating that the Preliminary Application was approved for calendar year 2010.

### **B) Project Narrative**

Applications must include a detailed Project narrative. Owners are encouraged to provide as much detail and background information about the Project as possible in order to assist the Authority in assessing the Project. The Project narrative should be approximately two pages long, and must include, but is not limited to, the following information:

- 1) Project location with a street address, or intersection if no address has been determined. If the Project has scattered sites, the street boundaries of the area are acceptable;
- 2) A description of all construction work to be undertaken as part of the Project including any demolition or site work. For Projects that include both rehabilitation and new construction, the description must clearly differentiate the rehabilitation work from the new construction work;
- 3) The total number of units, unit size, and unit mix;
- 4) Unit rents and income restrictions, including number of units to receive project based rental assistance and the type of assistance;
- 5) The targeted occupancy of the Project (family, Elderly Housing, Supportive Housing Project, etc.);
- 6) A description of Project building and site amenities, including innovative or unique features;
- 7) A description of any common or commercial space which describes how it will be used, leased and managed, and the sources of financing for its construction and operations;
- 8) A disclosure of any previous, current, or proposed uses located on, adjacent to, or near the Project site, that could reasonably be considered incompatible with a residential development. Incompatible uses include but are not limited to: health and safety concerns, railroad tracks, industrial plants, landfills, and water treatment facilities. The disclosure should include a detailed explanation as to whether such uses will have an adverse effect on the Project site or tenants;

- 9) If the Owner is requesting any substitutions of the required Project amenities outlined in the Required Project Amenities section within the Mandatory Requirements section and, an explanation describing why the required Project amenity cannot be included in the Project design, a detailed description of the substituted amenity and a justification of the appropriateness of the option for the targeted population.
- 10) If the Owner is proposing to share any amenities with a previously funded phase of the Project, an description of the shared amenities in the Project and an explanation regarding the adequacy of the amenity among multiple phases; and
- 11) If the Owner is requesting any waivers for any mandatory requirements, an explanation describing why the mandatory requirement cannot be met.
- 12) Projects that will convert to homeownership after the Compliance Period must include an acceptable homeownership plan. Please see the "Homeownership Plan" available on the Authority's website ([www.ihda.org](http://www.ihda.org));

### **C) Public Housing Waiting List Preference**

All Owners must give preferential treatment to Low Income tenants on a public housing or Housing Choice Voucher (formerly known as Section 8) waiting list maintained by the public housing authority ("PHA") in the area in which the project is located.

All Owners must submit a "PHA Preference Certification", available on the Authority's website ([www.ihda.org](http://www.ihda.org)), which provides a written certification that the Project will:

- Give preferential treatment to persons on PHA waiting list(s); and
- Make on-going efforts to request that the PHA make referrals to the Project, or request that the PHA include relevant information about the Project on any listing the PHA makes available to persons on its waiting list(s).

### **D) Certification of Consistency with Relevant Consolidated Plan**

The Project must address local housing needs and priorities as documented in the local or State Consolidated Plan. The Consolidated Plan shall mean a plan required by HUD and established by Illinois or a local municipality which sets forth the housing goals for Illinois or the local community, as applicable.

If the Project is located in an area covered by a local Consolidated Plan, the Application must include a certification of consistency with the Consolidated Plan provided by the governmental entity administering the Consolidated Plan. For a list of jurisdictions with a local Consolidated Plan see the Authority's website ([www.ihda.org](http://www.ihda.org)).

Owners of Projects not covered by a local Consolidated Plan must submit a written request for the Authority to review the Project for consistency with the State Consolidated Plan. The Authority will review these Projects at the time of Application. A certification of consistency with the State Consolidated Plan will be required by the Authority prior to consideration by the Board.

### **E) Local Support**

Applications must include a letter of support specifically endorsing the Project from the chief elected official(s) of the municipality(ies) in which the Project is located. For Projects located

in the City of Chicago, a letter of support from the alderman of the ward in which the Project is located will be acceptable.

If the Project is located in more than one municipality or Chicago ward, letters of support from each chief elected official or aldermen must be submitted.

Any Application that does not include the required letter(s) of support specifically endorsing the Project from the chief elected municipal official(s) or local Chicago alderman(en) must include a description of the efforts to obtain the letter(s) of support, and if applicable, respond to any concerns raised by the chief elected municipal official(s) or local Chicago alderman(en). The Authority will review the documentation, as well as any additional letters of support, and may waive the requirement for the letter of support from the chief elected official(s) or Chicago alderman(en).

Any additional letters of support beyond the chief elected official(s) or local Chicago alderman(en) must be included in the Application. Letters of support received after the Application deadline, except as solicited by the Authority, will not be accepted.

## **F) Site Control**

The Owner must have site control for the Project that extends for a minimum of six (6) months beyond the Application deadline. Site control can only be demonstrated through one of the following:

- A fee simple interest in the subject property in the name of the Owner; or
- A fully executed, binding agreement, signed by both the Owner and the seller for the purchase or long term lease of the subject property; or
- When the subject property is owned by a governmental entity, a letter of intent from the governmental entity to sell, donate, or enter into a long term lease of the subject property to the Owner may qualify as site control, as determined by the Authority.

The site control documentation must include the sale or lease price, legal description, and an expiration date. In the case of a lease agreement, the lease must have a minimum term of ninety-nine (99) years.

## **G) Zoning**

The Application must contain evidence that the Project site is currently zoned for its proposed use. For a scattered-site Project, the Application must include evidence that each parcel is currently zoned for its proposed use.

Evidence of appropriate zoning can only be demonstrated through one of the following:

- A building permit; or
- A letter of zoning certification from the local zoning administrator; if the locality has no zoning administrator, a letter from the chief elected official will be acceptable. The Project certified by the zoning administrator must be identical to the Project submitted to the Authority. The letter must contain **all** of the following:
  - 1) The location of the Project site (e.g. address or street crossings);
  - 2) The current zoning designation;

- 3) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
- 4) A statement that the current zoning is appropriate for the proposed Project and no zoning variation requests are pending that would alter this zoning.

In cases where a Planned Unit Development (“PUD”) permit is required, the Authority may consider an exception to the requirement that the current zoning be appropriate for the proposed Project on a case-by-case basis. In order to be considered for such an exception, the Application must include all of the following:

- 1) A written explanation of the PUD approval process;
- 2) Evidence of which stage in the PUD approval process the Project has reached; and
- 3) Evidence satisfactory to the Authority that the PUD will be reviewed in a timely manner.

Sufficient evidence of progress for PUD approval to satisfy the zoning requirement may include, but is not limited to, the local planning body’s recommendation of approval to the entity with authority to approve the PUD, such as the town council or board of trustees. The PUD must be approved before the Authority will present the Project for Board consideration.

## **H) Site Physical Information**

### **1) Floodplains / Floodways**

All Applications must include a Federal Emergency Management Agency (“FEMA”) floodplain map for the Project area. The boundaries of the Project site must be delineated on the FEMA map. FEMA floodplain maps can be found at <http://msc.fema.gov>. Generally, the Authority prefers development outside the 100-year floodplain / floodway.

### **2) Projects Located in 100 Year Floodplain / Floodway**

#### (a) Rehabilitation Projects

Applications that propose the rehabilitation of existing buildings located in the 100-year floodplain / floodway, will meet mandatory criteria, ONLY if the lowest existing floor elevation of each building in the floodplain is at least six inches (6”) above the FEMA designated floodplain / floodway elevation.

Documentation must be submitted to clearly demonstrate existing conditions and should include a land survey indicating all of the following:

- 1) The location of the existing buildings;
- 2) Elevation of lowest floor level in existing buildings;
- 3) FEMA determined elevation of the existing floodplain / floodway;

#### (b) Other Projects

For all other Projects, building in the 100-year floodplain will be permitted only if the Application includes all of the following:

- 1) A qualified environmental professional or engineer’s opinion as to whether or not the Project will impact any floodplain or floodway;

- 2) A qualified environmental professional or engineer's documented mitigation efforts regarding impacts to existing floodplains / floodways planned for development, including consideration of alternative locations for the Project;
- 3) A FEMA Conditional Letter of Map Amendment ("CLOMA") or Conditional Letter of Map Revision-Based on Fill ("CLOMR-F") for the Project site that shows the site is eligible for reclassification out of the floodplain / floodway area; and
- 4) Evidence that the property is eligible for flood insurance and that such insurance will be in place if awarded funding from the Authority until FEMA amends the flood plain map and the Authority determines the Project site is no longer in the floodplain / floodway.

### **3) Wetlands**

Generally, the Authority does not allow the disturbance of wetlands. All Applications must include the following documentation regarding wetlands:

- A U.S. Fish and Wildlife Service ("USFWS") National Wetlands Inventory map for the area in which the site is located. The boundaries of the Project site for development must be delineated on the USFWS map. The Authority encourages applicants to see <http://www.fws.gov/wetlands/Data/mapper.html> for additional information.
- If wetlands are suspected on the site through the examination of the USFWS map, the Application must include a wetlands delineation performed in accordance with all federal and state guidelines, including an official jurisdictional determination issued by the U.S. Army Corps of Engineers ("USACE") in the form of a USACE wetlands permit. The permit must be provided at the time of Application submission.

### **4) Mining**

Owners submitting an Application must include documentation from the Illinois State Geological Survey ("ISGS") regarding information on mining activity in the Project area. Please visit <http://www.isgs.illinois.edu/maps-data-pub/coal-maps/county-index.shtml> to determine if the Project is located in or near a County that has been affected by mining.

The Application must include documentation that clearly reflects whether or not the Project is located in or near a County that has been affected by mining.

If the Project is in or near a County the ISGS identifies as affected by mining, the following information must be submitted:

- If a quadrangle study has been completed by the ISGS for the area in which the Project is located, the quadrangle map must be submitted. The boundaries of the Project site must be delineated on the quadrangle map.
- If a quadrangle study has not been completed by the ISGS for the area in which the Project is located, the County mine map must be submitted. The boundaries of the Project site must be delineated on the County mine map.
- If mines are located near the Project site, a qualified geotechnical engineer must submit information indicating the depth of the mine, the type of mining that was performed, the year that mining ceased, and any other data that may impact the

Project. In addition, the qualified geotechnical engineer must submit a letter of opinion as to whether or not the Project will be impacted by the mining.

Based on documentation submitted, the Authority may require mine subsidence insurance for the Project.

### **I) Historic Preservation**

The Application must include **two (2) copies** of the documentation listed in the “Historic Preservation Checklist” found on the Authority’s website ([www.ihda.org](http://www.ihda.org)).

Projects must meet the requirements of the National Historic Preservation Act and the Illinois State Agency Historic Resources Protection Act. To ensure these requirements are met, the Authority will request the comments of the State Historic Preservation Officer of the Illinois Historic Preservation Agency (“IHPA”) regarding the effects the Project will have on cultural resources (both structural and archaeological). Owners should refer to [www.illinoishistory.gov](http://www.illinoishistory.gov) for further guidance.

Projects must receive clearance from the IHPA prior to Board consideration.

### **J) Site Environmental Information**

All Applications must include the following environmental information:

#### **1) Environmental Checklist**

The “Environmental Checklist”, completed by the Owner, for all properties in the Project and found on the Authority’s website ([www.ihda.org](http://www.ihda.org)); and

#### **2) Phase I Environmental Site Assessment**

A phase I environmental site assessment (“Phase I”) for all properties in the Project. The Phase I must meet the requirements of ASTM E1527-05 and be conducted by an Authority approved vendor within six (6) months prior to the Application submission. A reliance letter for the Authority must be included with the Phase I. The Authority-approved vendor list can be found on the Authority website ([www.ihda.org](http://www.ihda.org)).

The Authority reserves the right to require additional environmental testing, including but not limited to a phase II environmental site assessment, and / or testing for radon, mold or any other environmental hazards.

Environmental concerns will be considered in the context of the housing to be provided. The Authority will weigh the benefits of the housing to the public against the costs to mitigate any environmental hazards, the potential health risks, and other financial and public policy implications.

Projects must resolve all environmental matters to the satisfaction of the Authority prior to Board consideration.

### **K) Required Project Amenities**

All Projects must meet the design and amenity standards as described in the Authority’s “Guidelines for Architectural Planning and Construction,” as amended and found on the Authority’s website ([www.ihda.org](http://www.ihda.org)). In addition, all Projects applying for an Allocation of Tax Credits will be required to provide the amenities described below.

For rehabilitation and scattered-site Projects, the Authority may allow the exemption or substitution of required Project amenities. A request for exemption or substitution of any amenity must be submitted with the Preliminary Application and approved by the Authority prior to submission of the Application.

The request for amenity exemptions or substitutions must include an explanation describing why the required Project amenity cannot be included in the Project design and a description of the substitution amenity, if applicable.

Projects with a previously funded phase may be able to share some required project amenities. Owners must receive Authority approval for shared Project amenities when the Preliminary Application is approved. Cross easements may be required by the Authority.

Owners must submit a certification signed by a licensed architect that these amenities will be incorporated into the project. See the "Required Project Amenities Certification" on the Authority's website ([www.ihda.org](http://www.ihda.org)).

The items listed below are the required Project amenities:

- 1) Secured building features, such as security staff, cameras, alarm systems, secure common hallways and entrances, etc.
- 2) The capability for each unit to access high-speed internet through a hard-wired connection, such as coaxial or Cat-5 cable.
- 3) Window treatments for each unit, such as mini blinds or curtains.
- 4) On-site laundry facilities that will include at a minimum one of the following: (a) one washer for every six apartments with one dryer for every two washers; or (b) washers and dryers installed and maintained in every unit. The provision of washer/dryer hook-ups will not fulfill this requirement.
- 5) At a minimum, all three-bedroom units must contain one full bathroom and a three-quarters bathroom consisting of a toilet, sink, and shower. At a minimum, all four or more bedroom units must contain at least two full bathrooms.
- 6) All non-Elderly Housing Projects must include a fully equipped playground or tot lot appropriately sized for the Project.
- 7) All Elderly Housing, Supportive Housing, and SLF Projects must include a furnished multipurpose or activity room appropriately sized for the Project.

## **L) Green Design Requirements**

The Authority promotes the use of sustainable building practices in affordable housing design. Green building increases resource efficiency and reduces environmental impacts, while also yielding cost savings through long-term reduction in operating expenses.

The Authority is using the Enterprise Green Communities Criteria 2008 as its green design standards for the 2010 QAP. The Green Communities criteria can be found at:

<http://www.greencommunitiesonline.org/tools/criteria/index.asp>

All Projects must comply with the following criteria from the Enterprise Green Communities Criteria 2008:

REQUIREMENT	SECTION
Section 3: Site Improvements:	3.3 Landscaping
Section 4: Water Conservation:	4.1a (New Construction ONLY) 4.1b (Rehab ONLY)
Section 5: Energy Efficiency:	5.1 (New Construction ONLY) 5.2, 5.3a, 5.3b
Section 8: Operations and Maintenance Manual:	8.1 Operations & Maintenance

Owners must submit a certification signed by a licensed architect that these features will be incorporated into the Project. Please see the “Green Design Requirements Certification” found on the Authority’s website ([www.ihda.org](http://www.ihda.org)).

**M) Preliminary Architectural Plans and Specifications**

The Application must include preliminary architectural drawings on paper no smaller than 8 ½” x 11” and no larger than 36” x 24” that, at a minimum, include all of the following:

- 1) Typical unit plan(s) that includes the square footage of each unit using a minimum scale of ¼ inch per 1 foot.
- 2) Dimensioned floor plans for all unit types showing the location of units and common areas using a minimum scale of 1/8 inch per 1 foot.
- 3) Elevations for all building types (photographs are acceptable for rehabilitation Projects). For single-family homes, an elevation for each of the typical construction styles in the Project will be acceptable.
- 4) A site plan that shows how the development is to be built, including rehabilitation Projects. This plan must indicate the placement and orientation of buildings, parking areas, planned and existing public sidewalks, landscaping, easements, trash dumpsters, buffers, etc. The plan must also indicate the location of planned site amenities including playground(s), gazebos, walking trails, sports courts, etc.
- 5) A schematic site plan that shows the site boundaries and includes the location of any streams, ravines, gullies, drainage problems or other construction deterrents. All utility locations such as water, sewer, gas, electric, and phone lines must be indicated. If utility services are not presently located at the site, then the plan must reflect the distances from the services. Projects that involve the rehabilitation of an existing building or the new construction of scattered-site single-family homes are exempt from this requirement.
- 6) A current aerial photograph with the location of the site clearly marked and the surrounding uses and access points to the site clearly visible. For Projects consisting of scattered sites, submit a map indicating the location of each site with reasonable specificity.

All Projects receiving an Allocation of Tax Credits must meet the standards contained in the Authority's "Guidelines for Architectural Planning and Construction 2009", as amended and found on the Authority's website ([www.ihda.org](http://www.ihda.org)).

## **N) Accessibility Requirements**

All Projects must comply with all applicable Federal and State accessibility laws. Owners must submit a certification by the architect of record that the Project will be constructed in compliance with the design and construction requirements promulgated under the Accessibility Codes described below. Please see the form "Accessibility Certification" found on the Authority's website ([www.ihda.org](http://www.ihda.org)).

For new construction Projects the following Accessibility Codes apply:

- The Fair Housing Amendments Act of 1988
- The Illinois Accessibility Code
- The Americans with Disabilities Act of 1990, as amended (common areas only)
- Section 504 of the 1973 Rehabilitation Act (only Projects with federal financial assistance)

For rehabilitation Projects the following Accessibility Codes apply:

- The Illinois Accessibility Code
- The Americans with Disabilities Act of 1990, as amended (common areas only)
- Section 504 of the 1973 Rehabilitation Act (only Projects with federal financial assistance)
- If the Project's original building permits were issued after June 15, 1990, and first occupancy of the buildings was after March 13, 1991, the entire Project must comply with the requirements set forth in Section 100.205 of the regulations promulgated under the Fair Housing Act, codified at 24 CFR 100.205.

## **O) Cost Certification**

All Owners must include a construction cost certification prepared by a qualified contractor, architect, or construction cost consultant setting forth the scope of work and confirming the costs reflected in the Project budget in the Application. The cost certification must reflect any applicable wage standards and be submitted on the form "Cost Certification", found on the Authority's website ([www.ihda.org](http://www.ihda.org)).

In cases where there is an Identity of Interest between the Owner and the general contractor, the Application must include a construction cost estimate performed by a vendor approved by the Authority. For a listing of approved cost estimator firms, please see the Authority's website ([www.ihda.org](http://www.ihda.org)).

The Authority will review the type of construction and associated construction costs to ensure that each Project will result in high quality housing.

For rehabilitation Projects, this scope of work will be evaluated along with the Physical Needs Assessment to ensure that all necessary items are being addressed. If the scope of work is insufficient, the Application will fail the mandatory review.

## **P) Market Analysis**

### **1) Market Study**

Applications must contain two (2) copies of a market study conducted by an independent third party market analyst showing that there is adequate market demand for the Project. The market analyst must be chosen from a list of Authority-approved firms available on the Authority's web site ([www.ihda.org](http://www.ihda.org)). The market study must be prepared in accordance with the Authority's guidelines and must include, at a minimum, the criteria set forth in the documents "Market Study for Small or Rehab Occupied", "Market Study for SLF", or "Market Study Full", found on the Authority's website ([www.ihda.org](http://www.ihda.org)). Market studies must accurately reflect the rental structure and unit mix of the proposed Project. It is the Owner's responsibility to ensure that the market study is an accurate reflection of the Project and meets all of the Authority's requirements.

#### **(a) Evaluation of Market Study**

The Authority will take the results of the site and market study into consideration in evaluating the strength of the market for a Project. While the Authority will consider the conclusions of the analyst in evaluating a Project's marketability, the Authority will not be bound by the opinion or conclusions reached by the market analyst. Additionally, the Authority reserves the right to require additional information and / or an Authority-commissioned site and market study, which shall be conducted at the Owner's expense.

The Authority will review the market study and project data of similar housing located in the primary market area ("PMA") of the Project in determining whether the Project will be able to achieve the desired lease-up. The Authority will also carefully analyze existing Authority-financed developments located in the PMA of the Project to determine if selection of the Project will have an adverse financial impact on existing affordable housing inventory. If the Authority determines that the given market area cannot support the Project or if the Project will have a negative impact on existing Authority-financed developments, the Project will fail the mandatory review.

In evaluating the market, the Authority's analysis will include, but not be limited to, the following factors:

- **Development Attributes:** Items such as the level and appropriateness of the proposed unit and development amenities, the amount of proposed parking, the general acceptability and marketability of the site including surrounding land uses, and the site's overall public accessibility and proximity to area services and amenities.
- **PMA:** Items such as the appropriateness of the PMA and the demographic and economic trends for that area.
- **Existing Rental Market:** The competitiveness of the Project to existing comparable properties in various ways such as rents, unit size and amenities; also the occupancy of comparable properties in the PMA.

- Demand: Based upon such information as waiting lists at existing properties, penetration and capture rates, forecasted absorption potential for the Project and documented need for this type of housing in the PMA.
- Impact: The likelihood the Project will negatively impact similar existing Authority properties in the PMA, based on various issues including observations from Authority staff and the Authority’s overall presence in the PMA.

The Authority will generally not fund two Projects during a twelve (12) month period which serve the same population and whose PMA’s are significantly the same. In some cases, the Authority may select two Projects in the same PMA, provided there is a significant showing of demand.

In the event that multiple Applications serving the same population are submitted for a given PMA and meet all mandatory requirements, the Authority will decide whether any will be selected for funding based upon the Projects’ overall score. If multiple Applications are submitted for a given PMA proposing to serve different populations, the Authority will analyze the Applications to ensure that no Project will be redundant or have adverse impact on the other Applications or existing Projects.

(b) Market Study Format Requirements:

The following format for site and market studies will be required based on the Project type:

<b>Project Type</b>	<b>Site &amp; Market Formats available on <a href="http://www.ihda.org">www.ihda.org</a></b>
Rehabilitation Projects with significant (80% or more) low-income occupancy at the time of Application, small Projects with 12 units or less	“Market Study for Small or Rehab Occupied”
Supportive Living Facilities (regardless of the number of units)	“Market Study for SLF”
All other Projects	“Market Study Full”

**2) Affirmative Fair Housing Marketing Plan**

Owners must also include an “Affirmative Fair Housing Marketing Plan” that demonstrates to the satisfaction of the Authority how the Project will comply with affirmative fair housing marketing requirements in Section 42 of the Code. The Owner’s commitment to the Affirmative Fair Housing Marketing Plan shall be binding for the duration of the Extended Use Period and shall be incorporated into the Extended Use Agreement. The “Affirmative Fair Housing Marketing Plan” is available on the Authority’s website ([www.ihda.org](http://www.ihda.org)).

## **Q) Appropriate Development Team**

### **1) Items for Submission**

The following items must be submitted for the Authority to evaluate the experience and capacity of the development team:

- 1) Organizational documents for all entities of which the ownership entity is comprised and documentation demonstrating that these entities and the ownership entity are duly formed and validly existing. Please see the “Ownership Structure and Organizational Documents Checklist” on the Authority’s website ([www.ihda.org](http://www.ihda.org)) for a list of necessary documents.
- 2) A narrative describing the experience of the Owner with regard to the development of subsidized affordable housing, including the number of projects and units that have been completed and placed into service.
- 3) Completed “Development Experience Certifications” for each Participant except the syndicator, including all pending, under construction, or completed Projects in any state, including their present status and expected completion date. The “Development Experience Certification” forms are available on the Authority’s website ([www.ihda.org](http://www.ihda.org)).
- 4) A full organizational flow chart reflecting all entities within the Owner down to individuals including percentages of ownership. Please see “Organizational Chart” on the Authority’s website ([www.ihda.org](http://www.ihda.org))
- 5) Resumes of key development staff within the Owner, focusing on their affordable housing development experience.
- 6) Audited financial statements for the most recent two (2) fiscal years for the Owner and its principals, members, and/or sponsors with 10% or more ownership interest.
- 7) A copy of an executed IRS Form 8821, “Tax Information Authorization,” for the Owner and each Participant who has an ownership interest in the Project, authorizing the Authority as “Appointee” to receive from the IRS available information regarding any “Financial Beneficiary’s” conduct of its business with the IRS relating to the Tax Credit program. Owners must submit the completed IRS Form(s) 8821 directly to the IRS. “IRS Form 8821” is available on the IRS website ([www.irs.gov](http://www.irs.gov)).
- 8) At least three (3) references from entities with whom the Owner has conducted business in the last five (5) years and release forms allowing the Authority to contact these entities, other State housing finance agencies, private lenders, public agencies, and City and State governments without limitation. Please see the “Reference Form” and the “Release Form” on the Authority’s website ([www.ihda.org](http://www.ihda.org)).

### **2) Ownership Experience**

In order to meet the Authority’s mandatory development team standard for ownership experience, the following minimum requirement must be fulfilled:

The Owner(s) of the Project, general partner(s), and/or the managing member(s) of the Owner must demonstrate prior successful experience in at least one (1) Authority Tax Credit Project or one (1) other subsidized, low-income multifamily rental development that

contains at least the number of housing units in the proposed Project. To be considered, the experience must extend for at least two (2) years and must include both the development as well as the operating of the project(s). In addition, the experienced team member described above must:

- Be identified in the Application, and
- Remain responsible for overseeing the operation of the Project for the entire Compliance Period.

Partnerships between inexperienced housing developers and those with the experience necessary to fulfill this requirement are encouraged.

### **3) Management Experience**

In order to meet the Authority's mandatory development team standard for management experience, the following minimum requirement must be fulfilled:

- The proposed management agent must demonstrate prior experience in the management of at least one (1) Authority Tax Credit Project or one (1) other subsidized, low-income multifamily rental development with tenant income certifications and ongoing reporting requirements that contains at least the number of housing units in the proposed Project. If the management agent has no experience in the management of Tax Credit Projects, it must demonstrate that at least one (1) staff member assigned to the proposed Project has demonstrated prior experience meeting these requirements.
- To be considered, the management agent's experience with a Project must extend for at least two (2) years and include Project lease up experience and stabilization (90% occupancy within one (1) year of placed in service date).

### **4) Development Team Capacity**

The Authority will evaluate the proposed Participants' capacity to successfully complete the Project based upon the following criteria:

- Past experience **developing** affordable housing using income and rent-restricted programs. Properties presently in service and those under construction will be considered, and the quality and success of previous developments will be taken into account. The Authority will also consider location and experience in the geographic areas to be served, experience with the type of housing product proposed, and the past working relationships of the proposed Project and ownership partners.
- Past experience **operating** affordable housing using income and rent-restricted programs and maintaining these developments in compliance with all program restrictions and standards. The Authority will consider location and experience in the geographic areas to be served, experience with the type of housing product proposed, and the past working relationships with ownership entities and compliance staff.
- Development capacity to complete construction of all current developments on time and within program requirements and application commitments, as well as the number of outstanding incomplete developments when determining capacity.

- Financial capacity to ensure that construction will be completed on time and that work will be guaranteed for completion.

#### **5) Unacceptable Practices**

The Authority will conduct a comprehensive review of all Participants' experience based upon the information submitted in the "Development Team Experience Certifications" on the Authority's website ([www.ihda.org](http://www.ihda.org)). The review will not be limited to Participants' experience with Authority programs or resources. A Participant may not meet the Authority's mandatory requirement if any of the following apply to a Participant:

- A Participant is affiliated with existing developments which have been cited for material and/or continuing, but curable, noncompliance. Material noncompliance exists when a party exhibits a continual pattern of noncompliance, or when a party demonstrates an inability or an unwillingness to resolve noncompliance in a timely manner.
- A Participant, (including any affiliates) has experienced any events of foreclosure or failed to perform under the terms of a workout agreement over the past three (3) years.
- A Participant, (including any affiliates) has declared bankruptcy over the past three (3) years.
- Any Participant, (including any affiliates) has a mortgage default or arrearage of three months or more within the last three (3) years.
- A Participant, (including any affiliates) has been involved in any development awarded Tax Credits where there has been a change in general partners or managing members during the last three (3) years that was not approved by the Authority.
- A Participant, (including any affiliates) that has been involved in a development determined to have uncorrected noncompliance more than three months from the date of notification in the past three (3) years.
- A Participant that has failed to pay any fee or expense due to the Authority or any other state allocating agency, including outstanding compliance monitoring fees in the past three (3) years.
- A Participant (including any affiliates) has been involved in any development awarded Tax Credits by the Authority or any other state allocating agency in 2007 or earlier for which either the permanent financing or equity investment has not closed.
- A Participant (including any affiliates) has been involved in any development awarded Tax Credits in 2006 or earlier for which all requirements for Authority issuance of 8609s, or any other state allocating agency issuance of 8609s, have not been met.
- Any liens or other claims exist against property owned by Owner (including any affiliates) for which the Owner has failed to resolve a public filing such as a lien or a judgment.

- The Owner (including any affiliates) has been debarred or received a limited denial of participation in the past three (3) years by any federal or state agency from participating in any development program.
- A Participant that has materially misrepresented facts on any request for Authority resources

In the event any of these unacceptable practices apply to any Participant, the Owner may include in the Application an explanation of the circumstances surrounding the unacceptable practice and the roles of Participants.

When evaluating unacceptable practices, the Authority will consider the role of Participants relative to the unacceptable practice and the proposed role of the Participant in the Project and may conclude the Participant's role has no relevance to the unacceptable practice.

## **R) Financial Feasibility**

All Projects seeking an Allocation of Tax Credits must demonstrate financial feasibility. If the Project relies on unsound underwriting assumptions, including without limitation a failure to demonstrate compliance with the requirements of all Project sources, the Project will fail the mandatory review.

The following is a description of the areas, along with expected ranges and limits, which will be evaluated in order to determine financial feasibility.

### **1) Overall Limits**

#### **(a) General Contractor Fees:**

The general conditions, overhead, and profit in a general contractor's budget are limited to fourteen percent (14%) of the total hard construction costs.

#### **(b) Architect Fees:**

Fees for architectural services are subject to the limits contained in the Authority's architectural guidelines. In the event a Project's architectural fees exceed these limits, they must be paid for through the developer fee.

#### **(c) Developer Fees:**

The developer fee is limited to twelve percent (12%) of the Project's total development cost net of the following: construction contingency, consultant fees, project management fees, reserves, developer fee, syndication expenses, bridge loan expenses, and developer overhead.

The following development expenses must be paid through the developer fee: Consultant fees, construction management fees, architectural fees in excess of the Authority's architectural fee limits. Inclusion of these fees in the development budget will result in a dollar-for-dollar reduction in the developer fee.

All Applications must reflect a deferred developer fee as a financing source. At a minimum, the deferred fee must be the lesser of twenty-five percent (25%) of the sum of the developer and any consultant fees or seventy-five percent (75%) of cash flow after debt service in years 1 to 10.

(d) Identity of Interest between Buyer and Seller:

In cases where there is an Identity of Interest between the buyer and the seller of any property reflected in the acquisition costs, the developer fee will be limited to five percent (5%) of the property acquisition costs for which there is an Identity of Interest between the buyer and the seller.

(e) Identity of Interest between General Contractor and Owner:

In cases where there is an Identity of Interest between the general contractor and the Owner, the developer fee will be reduced by the greater of two percent (2%) of the total hard construction costs or the amount of the general contractor's overhead.

(f) Development Costs

The following are the per-unit total hard construction cost limits. These cost limits exclude land acquisition, soft costs, and reserves for all Projects in all locations.

<b>Unit Bedrooms</b>	<b>Average Per Unit Development Cost Limit Excluding Land Acquisition</b>
0	\$139,177
1	\$159,994
2	\$193,772
3	\$249,391
4+	\$275,728

The Application must demonstrate that the Project's hard development costs are less than the sum of these average per-unit costs for each unit bedroom type. For example, a project consisting of 25 two-bedroom units and 15 three-bedroom units will have a maximum hard construction cost of \$8,585,165 calculated as follows: 25 X \$193,772 + 15 X \$249,391 = \$8,585,165.

In the event a Project's hard construction costs exceeds these limits, the Authority will evaluate the costs for reasonableness taking into consideration the project type, location, and scope of work based on the Authority's past experience with similar projects and similar locations. Project's whose hard costs are excessive will fail the mandatory review.

(g) Total Credit Allocation

A Project may not apply for an Allocation of Tax Credits exceeding eight percent (8%) of the Authority's Credit Ceiling allocated to the Authority in the given calendar year. Projects requesting an Allocation exceeding this limit will be determined to be financially infeasible and will fail the mandatory review.

(h) Authority Loan Limits

The maximum limits for Authority funds are as follows:

- HOME: the lesser of \$2,000,000 or the maximum allowed per HUD's HOME per unit subsidy limits

- Trust Fund: a Project total of \$1,500,000 when in a 1<sup>st</sup> mortgage lien position
- Trust Fund: a Project total of \$1,250,000 when in a subordinate lien position

A Project cannot request Trust Fund monies in both a 1<sup>st</sup> mortgage and subordinate lien position. Projects requesting Authority funds in excess of these limits will be determined to be financially infeasible and will fail the mandatory review.

## **2) Project Income**

### **(a) Unit Rents**

The proposed gross residential unit rents for the Project, including any utility allowances, must be reasonable for the market area and must not be in excess of ninety-five percent (95%) of any rent limits imposed by any financing source, program, or other requirement that will affect the Project. Rent and income limits can be found on the Authority's website ([www.ihda.org](http://www.ihda.org)).

### **(b) Rental Assistance**

Any Project that includes residential income generated as a result of a rental assistance contract must clearly identify the portion of the rent paid by the tenant.

All assumptions regarding the funding and renewal of rental assistance contracts must be clearly identified. The Authority will review and determine the suitability of all assumptions regarding the funding and renewal of rental assistance contracts on a case-by-case basis.

In the event a rental assistance contract pays a rent in excess of the gross unit rent limit, the Application must demonstrate how the Project will remain financially feasible throughout the compliance period in the event the rental assistance contract is terminated.

### **(c) Additional Residential Income**

Additional sources of residential rental income are limited to parking, laundry, and vending income. Applications reflecting income from these sources must describe all assumptions regarding the calculation of this income. Additional residential income will not be considered without a detailed description of how the income is calculated, if it comes from any source other than parking, laundry, and vending. Projects that include the development of parking in Tax Credit eligible basis may be subject to restrictions regarding parking income under the Code.

### **(d) Commercial Income**

Applications that include any sources of commercial income must include a detailed description of any assumptions related to the commercial income and copies of any existing leases or letters of intent to occupy commercial space. The Authority will review and determine the suitability of all assumptions regarding commercial income on a case-by-case basis. Projects that include the development of commercial space in Tax Credit eligible basis may be subject to restrictions regarding commercial income under the Code.

Commercial income will be underwritten at a fifty percent (50%) vacancy rate.

### **3) Debt Service Coverage Ratio**

The Project must demonstrate it can maintain a minimum debt service coverage ratio (the ratio of a Project's net operating income to its debt service) of 1.15 to 1.00 on all debt, excluding cash flow notes, for a minimum of fifteen (15) years.

Projects whose cash flow reflects debt service coverage ratios of less than 1.15 to 1.00 must capitalize operating or debt service reserves and detail how payouts from these reserves will maintain the minimum debt service coverage ratios through a cash flow statement reflecting annual payouts from the reserve.

### **4) Cash Flow after Debt Service**

In addition to maintaining minimum appropriate debt service coverage ratios, all Projects must demonstrate annual cash flow after debt service in an amount not less than \$100 per unit for a minimum of fifteen (15) years.

### **5) Reserves**

#### **(a) Replacement Reserve**

The Project development budget must include adequate replacement reserves and the operating budget must have adequate cash flow to capitalize annual replacement reserves. In evaluating whether the Project has adequate replacement reserves, the Authority will consider the following as minimum, per unit, replacement reserves to be reflected in the development budget and, on an annual basis, in the operating budget:

- New Construction Elderly (including SLF's): \$300
- New Construction non-Elderly (all units  $\leq$  2 BR) : \$350
- New Construction non-Elderly (any units  $\geq$  3 BR) : \$400
- All rehabilitation and other Project types: \$400

Any Project with fewer than 30 units, regardless of the construction type or the population served, must reflect a replacement reserve in the amount of \$1,500 per unit in the development budget with annual, per unit replacement reserves as detailed above.

#### **(b) Real Estate Tax Reserves**

The Project development budget must include adequate real estate tax reserves to pay real estate taxes during the construction period plus an amount equal to fifty-five percent (55%) of the estimated annual real estate taxes in the first year of project operations. In addition, the operating budget must have adequate annual cash flow to capitalize an annual real estate tax reserve sufficient to pay the Project's real estate taxes in the following year.

The Application must include evidence of how construction period real estate taxes and operations period real estate taxes were determined.

Projects that receive real estate tax abatements for any period of time must detail any assumptions associated with the abatement including the calculation of real estate taxes before, during, and after the abatement, the anticipated date the abatement becomes effective, and the length of the abatement. The Project must demonstrate it has adequate cash flow upon the expiration of any real estate tax abatements to meet the mandatory financial feasibility requirements.

(c) Insurance Reserves

The Project development budget must include adequate insurance reserves to pay insurance during the construction period plus an amount equal to 105% of the estimated annual real estate taxes in the first year of project operations. In addition, the operating budget must have adequate annual cash flow to capitalize an insurance reserve sufficient to pay the Project's insurance in the following year.

(d) Initial Rent-Up Reserves

The Project development budget must include an initial rent-up reserve sufficient to cover all operational costs including administrative, management, payroll, maintenance, utilities, taxes, insurance, and debt service payment for the period between the initial certificate of occupancy and stabilized occupancy.

The sizing of the initial rent-up reserve must be based on the absorption information contained in the market study. In addition, the Application must detail anticipated Project income and expense assumptions for the period between the initial certificate of occupancy and stabilized occupancy.

The Authority will evaluate the sufficiency of the initial rent-up reserve taking into consideration the rental market, target population, expected occupancy rates, and all income and expense assumptions.

(e) Other Reserves

The Authority will review all other Project reserves including, but not limited to, debt service, operating, and furniture, fixtures and equipment, in order to evaluate their sufficiency and reasonableness. Projects including these reserves must also include a description with all of the following: (i) how the Project will benefit from the reserves, (ii) why the reserves are necessary, (iii) who (if anyone) is requiring them, (iv) who will hold them, (v) what is the process for releasing the reserves, (vi) is there a requirement the reserves be replenished, and (vii) if there is a requirement reserve be replenished, what is the source of funds for replenishment.

**6) Operating Expenses**

Annual per unit operating expenses must be adequate and reasonable for the Project type, location, and population served. Per unit annual operating expenses, excluding taxes, reserves, resident services, and debt service are expected to fall within the following ranges for each of the geographic set-asides:

(a) Projects in the City of Chicago

- Elderly: \$3,600 - \$6,000
- Non-Elderly: \$3,800 - \$6,500

- SLF: \$18,000 - \$20,000
  - Supportive Housing Projects (50% or more units): \$3,700 - \$6,200
- (b) Projects in the Chicago Metro Region (excluding the City of Chicago)
- Elderly: \$2,600 - \$4,400
  - Non-Elderly: \$3,300 - \$5,500
  - SLF: \$18,000 - \$20,000
  - Supportive Housing Projects (50% or more units): \$3,500 - \$6,000
- (c) Projects in Other Metro Areas
- Elderly: \$2,300 - \$3,800
  - Non-Elderly: \$2,600 - \$4,500
  - SLF: \$16,000 - \$18,000
  - Supportive Housing Projects (50% or more units): \$2,800 - \$4,800
- (d) Projects in Non Metro Areas
- Elderly: \$2,000 - \$3,500
  - Non-Elderly: \$2,200 - \$3,800
  - SLF: \$15,000 - \$17,000
  - Supportive Housing Projects (50% or more units): \$2,500 - \$4,500

In order to substantiate a deviation from the expected ranges supplemental documentation must be included. Information such as historic operating expenses and additional detail about specific expenses will be considered. The Authority will review and determine the suitability of operating expenses outside the expected ranges on a case-by-case basis.

### **7) Trending Factors**

The Project must demonstrate it remains financially feasible for a minimum of fifteen (15) years utilizing the following cash flow trending factors:

- Annual Increase in real estate taxes: 5%,
- Annual Increase in operating expenses: 3%,
- Annual Increase in income: 2%,

In order to substantiate a deviation from the listed trending factors, supplemental documentation such as evidence of real estate tax levies for the ten (10) years prior to application and audited operating expense and income information for the five (5) years prior to Application will be considered. The Authority will review and determine the suitability of trending factors outside the expected ranges on a case-by-case basis.

### **8) Vacancy Rates**

The Project must demonstrate it remains financially feasible for a minimum of fifteen (15) years utilizing the following annual economic vacancy rates:

- Elderly: 6%
- Non-Elderly: 8%
- SLF: 10%
- Supportive Housing Projects (50% or more units) including SRO's: 10%

In order to substantiate a deviation from the listed vacancy rates, supplemental documentation such as audited operating expense and income information for the five (5) years prior to Application will be considered. The Authority will review and determine the suitability of any other vacancy rates on a case-by-case basis.

### **9) Utility Allowances**

All Projects that include tenant paid utilities must submit current documentation fully detailing the expected per unit utility expenses incurred by utility type on a monthly basis. The utility allowance must be appropriate for the unit size, utilities covered, and Project location.

Projects that include gas or electric heat must differentiate heating expenses from other gas and electric expenses.

Current utility allowance information must be provided by the governing public housing authority for the county where the Project is located or through the submission of a utility survey covering one (1) full year that is representative of each unit type within the Project.

In any case where the Project's expected utility allowances are less than reflected in the public housing authority utility allowance schedule or utility survey, a detailed description for the difference must be included and will be evaluated on a case by case basis.

Non-essential utilities including telephone, cable television, internet access, etc., are excluded from the utility allowance.

### **10) Evidence of Project Financing**

The development budget must reflect adequate sources of construction and permanent financing in order to complete the Project. Any Application that does not reflect adequate sources will fail the mandatory review.

Applications must evidence all Project financing sources including debt, grants, and Tax Credit equity through executed acknowledgment letter(s) from all lender(s) and/or grantor(s) and/or syndicator(s). Each acknowledgment letter must contain evidence that, as of the Application deadline date, the Application is either still under consideration or has been approved.

If, during the Authority's review of the Application, the Applicant is notified that a Project financing source has been denied, the Applicant will be allowed seven (7) business days from the date of the denial notice to provide a revised financing plan. If not provided, the Application will be determined to be financially infeasible and will fail the mandatory review.

The Application must demonstrate that Project underwriting is in compliance with the requirements associated with all Project financing sources including but not limited to income limits associated with Authority sources. For additional information regarding Authority resources please see "IHDA Multifamily Underwriting Guidelines", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

(a) Debt Sources

For any debt source (excluding Authority debt), including any assumptions of debt, the executed acknowledgment letter(s) must contain the following terms:

- The amount of the loan,
- The length of the loan term, which must be at least fifteen (15) years (if there is more than one component to the loan, and these components have different terms, the terms of the longest component must be fifteen (15) years),
- The amortization period of the loan,
- The interest rate (and any terms and conditions regarding adjustments),
- The expected monthly or annual debt service payment, and
- Any financing fees associated with the debt source.

If debt financing is to be obtained through a mortgage broker or banker, the executed acknowledgment letter must be from the actual lender.

In the case of HUD-insured Projects, such as HUD's Section 221(d)(3), Section 221(d)(4), and Multifamily Accelerated Processing programs, the Owner must submit an acknowledgment letter from HUD, in addition to the letter from the lender, setting forth the terms of the proposed financing.

Financing fees for any debt source may not exceed 300 basis points, plus the customary costs associated with Federal Housing Administration (FHA) financing, if applicable.

(b) Authority Debt Sources

Applications for Authority debt financing must be evidenced in the Application. In addition, the Application must include a written request for the Authority debt financing with all of the following:

- The amount of the loan,
- The length of the loan term, which must be at least fifteen (15) years (if there is more than one component to the loan, and these components have different terms, the terms of the longest component must be fifteen (15) years),
- The amortization period of the loan,
- The interest rate (and any terms and conditions regarding adjustments), and
- The expected monthly or annual debt service payment.

Applications requesting Illinois Disaster Tax Credits are precluded from requesting any Authority debt financing.

(c) Grant Sources

For any grant source, the executed acknowledgment letter(s) must contain the following terms:

- The amount of the grant,
- When the grant will be available as a source to the Project, and
- Any outstanding requirements to be met prior to grant availability.

(d) Tax Credit Equity Sources

For any Tax Credit equity source, the executed acknowledgment letter(s) must contain the following terms:

- The amount of Tax Credit equity available to the Project,
- The proposed net cent rate per Tax Credit dollar, and
- The proposed equity pay-in schedule

**11) Construction Contingency**

Development budgets must include hard cost construction contingencies to cover unforeseen construction cost increases. The contingency must be sized as a percentage of total hard construction costs according to the following:

- New-Construction: 5%
- Rehabilitation: 10%

Seventy-Five percent (75%) of construction contingency may be included in a Project's calculation of Tax Credit eligible basis.

**S) Readiness to Proceed**

Projects seeking an Allocation of Tax Credits must demonstrate that the Project is ready to proceed.

The Owner must demonstrate their ability to meet all conditions for a Tax Credit Reservation in a timely fashion. Consideration by the Board must take place six (6) months after conditional approval of the Application. Conditional approval shall mean that the Project is approved by Authority staff, but not by the Board. The conditions for a Reservation of Tax Credits are outlined in the Reservation Procedures section. If conditions for a Reservation of Tax Credits are not met within this timeframe, the Authority may rescind conditional approval of the Tax Credits.

In order to demonstrate the Project's readiness to proceed, the Owner must address in narrative form the anticipated timeframe and specific steps for achieving each of the following:

- 1) Finalizing environmental reviews and any necessary environmental remediation;

- 2) Meeting the requirements of the National Historic Preservation Act and the Illinois State Agency Historic Resources Protection Act;
- 3) Completion and approval of final architectural plans and specifications;
- 4) Commitment of all Project funding sources (if not committed at time of Application), including Tax Credit equity, debt, and grants;
- 5) Approval of a building permit;
- 6) Meeting the Code's Ten Percent (10%) Test; and receiving a Carryover Allocation (if necessary) in a timely fashion as outlined in the Carryover section; and
- 7) Achieving initial closing on all sources of Project financing.

## **T) Projects Involving Rehabilitation**

Projects involving any rehabilitation of existing structures must comply with the following requirements.

### **1) Physical Needs Assessment**

The Application must contain two (2) copies of a Physical Needs Assessment ("PNA"). This 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](http://www.ihda.org)).

For a listing of PNA vendors approved by the Authority, please see the Authority's website ([www.ihda.org](http://www.ihda.org)).

The vendor that completes the PNA cannot be the Project's architect of record.

### **2) Minimum Rehabilitation Standards**

At minimum, the proposed rehabilitation work must address all items identified as "Critical" or "Immediate" in the PNA.

The Owner may also choose to complete items identified in the PNA as five (5) to seven (7) year needs in current rehabilitation work, or may budget adequate reserves to ensure these items will be completed within timeframes identified in the PNA.

Applications proposing the rehabilitation of a substandard property will fail the mandatory review if the rehabilitation will not result in safe, sanitary and decent long-term housing; the proposed rehabilitation does not meet Authority standards; or if new construction would be more appropriate.

## **U) Relocation**

If any building acquired as part of a Project, whether for rehabilitation or for demolition, is occupied as of the date of Application, the Owner must minimize temporary and permanent involuntary displacement of Low Income tenants currently living in the building. When deciding whether tenant relocation is necessary, the Owner must take into consideration the scope and nature of the proposed Project and its affect on existing tenants.

All Projects involving the acquisition of an occupied building must submit the following:

- The current tenant profile including household size and income;

- The current rent and unit schedule; and
- In any cases where the Project's proposed rents exceed the current rents, a detailed explanation of how existing tenants will be able to afford the proposed higher rents.
- In addition, any Project requiring tenant relocation, whether temporarily or permanently must also include a detailed description of the relocation process through documentation of the following:
  - 1) Where tenants will be relocated,
  - 2) How long tenants will be relocated,
  - 3) What benefits and services will be available to relocated tenants,
  - 4) How relocated tenants will be returned to the Project,
  - 5) In cases where any tenants will be permanently displaced, the Owner must include an explanation of why tenants are being permanently displaced, as well as any relocation benefits entitled to the tenants, and
  - 6) A relocation budget detailing all expected relocation costs.

## **IX) Scoring Categories**

The Authority will evaluate Projects based upon the criteria described in this section. Points will be awarded based solely on the information submitted in the Application. The Authority will verify information submitted in the Application.

All Owners must submit the applicable documentation for each scoring section tabbed to correspond with the enumeration in a completed self-scoring form. See Attachment 5 "Self Scoring Checklist".

An Application must include a factual basis and documentation for all points claimed. The Authority may deny a claim for points if the correct forms or required information for each scoring category are not submitted, are not submitted at the correct tab, or if information available to the Authority negates a claim for points. No scoring category will be scored higher than on the Owner's Self Scoring Checklist.

The Owner's commitment to various scoring criteria shall be binding for the duration of the Extended Use Period and shall be incorporated into the Extended Use Agreement.

### **A) Architectural Design and Project Amenities**

#### **1) Development Amenities**

All Projects must incorporate a variety of architectural features and development amenities into the overall Project design.

In order to qualify for points in this category, Owners MUST choose at least two (2) items from each amenity list below as their minimum threshold amenities.

Projects will be awarded three (3) points for each item they choose from the amenity list in addition to the minimum threshold amenities. Up to twelve (12) points will be awarded in this category.

A phased Project with a previously funded phase may be able to share some Project amenities. Owners must receive Authority approval for shared Project amenities when the Preliminary Application is approved. Cross easements may be required by the Authority.

Owners seeking points in this category must submit a certification signed by a licensed architect that the amenities will be incorporated into the Project. See the "Scoring - Project Amenities Certification" on the Authority's website ([www.ihda.org](http://www.ihda.org)).

Owners may substitute up to two (2) Project amenities that are not on the following amenity list provided they receive Authority approval to substitute the amenity when the Preliminary Application is approved.

Amenity List:

EXTERIOR	INTERIOR
Secured bicycle parking (minimum of 8 slots per 25 units)	Exercise / Fitness Center with at least 3 pieces of equipment per 50 units
Full size brick, masonry, pre-cast insulated decorative wall panels, cement board, or a combination thereof, on a minimum of 50% of the exterior	Energy Star-rated ceiling fan with switched light fixture in every living room and bedroom
Upgraded, architectural style roof shingles with a minimum warranty of 30 years	Energy Star-rated microwave oven in every unit
Full perimeter fencing for multifamily developments or backyard fencing for single family homes	Computer room equipped with one computer for every 10 units
Screen doors for every unit	Day care center
Two picnic tables and one grill for every 25 units	Hair salon
Covered pavilion / gazebo	Health center
Shuffleboard court for every 50 units	Library / Reading room
Swimming pool	On-site management office
Walking trails with sitting areas	Trash disposal chutes
An equipped sports court (volleyball, tennis, basketball, etc.) for every 100 units	Residential units are 15% larger than the minimum requirement
Garden plots / designated community garden area with a minimum of 15 square feet per unit	Porch / patio / balcony for each unit
Upgraded landscaping, including one tree planted on site for every ten units	Storage space is 25% greater than the minimum requirement
100% native landscaping	Energy Star-rated dishwasher in every unit
Covered driveway at main building entrance	On-site convenience store

## 2) Green Initiatives

Points will be awarded to Projects that fulfill either of the following green initiatives. Points are not cumulative in this category.

- a. **4 Points:** Comply with all MANDATORY criteria described in Section 7: Healthy Living Environment of the Enterprise Green Communities Criteria 2008, with the exception of Item 7.3.

OR

- b. **8 Points:** Commit to obtaining a sustainable building certification from one of the following entities:
- Enterprise Green Communities certification
  - U.S. Green Building Council's LEED certification
  - ICC 700-2008 National Green Building Standard certification
  - NAHB Model Green Home Building Guidelines certification

Owners must submit the "Scoring - Green Initiatives Certification" signed by a licensed architect indicating how the Project will comply with the above criteria.

Failure to receive the certification may result in an Owner being penalized in future Applications in the "Unacceptable Practices" scoring category and may lead to failure to meet the Authority's mandatory appropriate development team requirements.

## 3) Enhanced Accessibility

Projects will be awarded eight (8) points for complying with BOTH of the following requirements:

- a. At least ten percent (10%) of the total units in the Project are designed for persons with mobility impairments, as defined in ICC/ANSI 117.1-2003

AND

- b. At least two percent (2%) of the total units in the Project are designed for persons with sensory impairments (not less than one unit), as defined in ICC/ANSI 117.1-2003

The units designed for persons with sensory impairments must be exclusive of the units designed for persons with mobility impairments.

In calculating the number of accessible units that must be made available, Owners must ALWAYS round up to the next unit (i.e.  $51 \times 10\% = 5.1$ , round up to 6 accessible units).

Owners seeking points in this category must submit a certification signed by a licensed architect that the project will comply with the requirements listed above. Please see the "Scoring – Enhanced Accessibility Certification" on the Authority's website ([www.ihda.org](http://www.ihda.org)).

**4) Unit Mix**

The Authority values developments that incorporate a unit mix that will accommodate the changing needs of diverse household and family types throughout the life of the Project. Points will be awarded to Projects in the following manner:

- a. **4 Points:** Project contains two unit types, with each unit type making up at least twenty percent (20%) of total units
- OR**
- b. **6 Points:** Project contains three or more unit types, with each unit type making up at least ten percent (10%) of total units

**5) Large Units**

Up to six (6) points will be awarded if the Project contains income-restricted units with three or more bedrooms:

POINTS	% of Total Units with 3 or More BR
4	31% - 50%
6	20% - 30%
4	10% - 19%

Projects proposing single family detached housing may exceed the thirty percent (30%) limit of units with three or more bedrooms and still receive the full six (6) points.

Projects proposing rehabilitation in which more than 30% of the units contain three bedrooms may qualify for the full six (6) points if the site and market study confirms the need for this type of unit.

In a mixed income Project, market rate three or more bedroom units shall not count toward the minimum percentages set forth above.

**B) Site Suitability and Marketability**

**1) Market Study Evaluation**

The Authority will award up to twelve (12) points under this section. In determining how many points to award a Project, the Authority will review the submitted site and market study, as required under the mandatory requirements.

While the Authority will consider the conclusions of the market analyst in determining the marketability of the Project, the Authority is not bound by the opinion, recommendations, or conclusions reached by the market analyst. The Authority reserves the right to independently evaluate the demand for additional affordable rental housing in the geographic/market area.

An Application that includes a market study that does not confirm the viability of the Project or the need for additional affordable rental units in the designated market area will, in all likelihood, not score favorably in this section.

Owners of SLFs, Supportive Housing Projects, or Projects with existing tenants should ensure that the market study clearly addresses the unique aspects of their Project. The market study for SLFs or Supportive Housing Projects must address the anticipated demand for the Project and the reasons why the Project will be attractive to the particular target population(s).

Market studies for Projects which are occupied at the time of Application, must i) explain the reasons for any vacancies, i.e., (if the vacancies are market driven), and ii) provide an evaluation of the current tenants indicating the extent to which any or all may be displaced due to the planned Project.

In determining how many points to award a Project under this section, the Authority may take into account such factors, including but not limited to, the following:

(a) Development Attributes

Items such as the level and appropriateness of the proposed unit and development amenities; the amount of proposed parking; the general acceptability and marketability of the Project site including surrounding land uses; and the site's overall public accessibility and proximity to area services and amenities.

(b) Primary Market Area

Items such as the appropriateness of the Primary Market Area ("PMA") and the demographic and economic trends for that area.

(c) Existing Rental Market

The competitiveness of the proposed Project to existing comparable properties in various ways such as rents, unit size and amenities, and the occupancy of comparable properties in the PMA.

(d) Demand

Items such as the waiting lists at existing properties, penetration and capture rates, forecasted absorption potential for the proposed Project, and documented need for this type of housing in the PMA.

**2) Neighborhood Characteristics and Amenities**

A maximum of ten (10) points will be awarded in this section based on the proximity of desirable and undesirable activities and characteristics.

One (1) point will be awarded for each desirable activity/characteristic in the vicinity of the Project, and one (1) point will be deducted from the total desirable activities score for each undesirable activity/characteristic in the vicinity of the Project.

The total points awarded will be determined by calculating the sum of the total desirable activity points less the total undesirable activity points. A negative total in this category will be awarded zero (0) points.

Owners must submit a map indicating the specific location of all desirable and undesirable activities or characteristics in the vicinity of the Project. At a minimum, the map must include the following:

- Project site location including area roadways; and
- Indication of distances in 1/4 mile increments;

In addition, the Application must include a table referencing each desirable and undesirable activity identified on the map and stating the type of activity or characteristic identified and the address.

Please include color photographs of the desirable and undesirable activities/characteristics.

For scattered site Projects, the perimeter of the noncontiguous parcels shall serve as the boundary of the proposed Project site from which the distance for determining the location of the desirable and undesirable activities and characteristics shall be measured.

(a) Desirable Activities

In order for a Project to receive desirable activity/characteristic points, the following criteria must be met:

- 1) Only activities and/or characteristics which are located within one (1) mile of the proposed site will be considered.
- 2) Owners must score one (1) point in five (5) different categories before they can receive multiple points in any category.
- 3) Each activity/characteristic will be assigned to only one category.
- 4) For desirable characteristics that are under construction, consideration will be given and points may be awarded to active construction sites where the new structures are above ground at the time of Application.

Desirable activities/characteristics may include, but are not limited to, the following categories:

- Retail stores (includes clothing stores, department stores, etc.)
- Federally insured banking institutions (ATMs are not eligible for points)
- Recreational facilities / public parks / civic centers
- Grocery stores (only full service grocery stores are eligible for points)
- Day care services (must be licensed, non-elderly developments only)
- School(s) (non-elderly developments only)
- Libraries (no school libraries accepted)
- Restaurants
- Hospital / Health clinic

- Doctor's office (general practitioners or specialists appropriate for population served)
- Pharmacy
- Religious institutions
- Governmental service office, including fire, police, city hall or post office

(b) Undesirable Activities

Points will be deducted for undesirable activities/characteristics according to the following:

- 1) Undesirable activities and/or characteristics are located within one quarter (1/4) mile of the proposed Project
- 2) Each activity/characteristic will be assigned to only one category.
- 3) For undesirable characteristics that are under construction, consideration will be given and points may be deducted for active construction sites where the new structures are above ground at the time of Application.

Undesirable activities/characteristics may include but are not limited to the following:

- Sites where existing wetlands, natural or man-made attributes could have a substantially negative effect on the development (e.g. 100 year flood plain, streams, ravines, drainage, waterways, etc.). New wetlands constructed as part of storm water mitigation or other site restoration efforts are exempt;
- Sites where the Authority determines the slope/terrain is not acceptable for development;
- Junkyard, salvage yard, active recycling facility, trash heap, or dump pile;
- Hazardous, chemical or heavy manufacturing activities, industrial development;
- Runway or runway clear zone, or accident clear zone of a military airfield;
- Treatment, storage, or disposal facility for hazardous wastes, a sewage treatment plant, an active or inactive solid waste disposal facility and/or solid waste transfer facility;
- Areas where noise (regardless of mitigation) is seventy (70) decibels or more at the time of Application; Projects that receive points under the Transit-Oriented Development category will be exempt from this criterion if the source of noise is public transportation;
- New construction sites where any portion contains or permits any easements for overhead electric power lines, regardless of voltage, and/or such electric power lines encumber the proposed site with the exception of the outside perimeter of the site for the distribution of electric service for other unrelated properties. A development proposing to bury all power lines will be exempt if documentation is provided from the utility provider stating that all power lines will be underground;
- Any prison or correctional facility;

- Sources of noxious odor; and
- Sources of excessive glare from lighting on adjacent properties.

Mitigating circumstances will be taken into consideration by Authority staff. Owner must include a detailed explanation in the Application regarding the specified characteristic/activity and why it should not be considered undesirable by the Authority.

### 3) Community Impact

The following categories will be awarded points under this section. A Project cannot receive points under both (a) and (b).

#### (a) Local Revitalization or Redevelopment Plan

Four (4) points will be awarded to Projects whose Application demonstrates that the Project is located within the boundaries of the area targeted by a local revitalization or redevelopment plan that includes housing policy goals such as the use of existing housing.

Acceptable revitalization or redevelopment plans include empowerment zones, tax increment financing districts, enterprise communities, or other locally designated and approved plans.

Projects located in areas covered exclusively by consolidated plans and planned unit development designations will not receive any points in this scoring category.

The Application must include all of the following to receive points in this section:

- A currently effective binding resolution evidencing formal adoption of the revitalization or redevelopment plan prior to September 1, 2009;
- A copy of the Project area's revitalization or redevelopment plan;
- A map clearly delineating the Project site within the boundaries of the revitalization or redevelopment plan;
- A letter from the chief elected municipal official or local Chicago alderman affirming that the Project will contribute to the goals outlined in the revitalization or redevelopment plan;
- A detailed description of how the Project supports at least one goal of the revitalization or redevelopment plan; and
- If available, any development agreement regarding the Project and the revitalization or redevelopment plan.

#### (b) Local Revitalization or Redevelopment Plan and QCT

Six (6) points will be awarded to Projects that demonstrate all of the requirements under (a) Local Revitalization or Redevelopment Plan above **AND** are located in a Qualified Census Tract as listed in Attachment 2 "Qualified Census Tracts".

(c) Areas targeted by the Governor's Team Illinois Program

Projects located in the following Governor's Team Illinois Program targeted areas will receive six (6) points:

- Alexander County
- Eastern portion of City of Aurora (as served by TEAM Illinois)
- Englewood (as defined by the City of Chicago Englewood community area map)
- Pembroke Township (in Kankakee County)
- Savanna (in Carroll County)
- Venice (in Madison County)

**C) Income Targeting**

**1) Deeper Targeting for Supportive Housing Populations**

The Authority will award fifteen (15) points to Projects whose Owners commit to set aside ten percent (10%) or more of the units for Extremely Low Income (at or below 30% of Area Median Income) Supportive Housing Populations, defined herein as households headed by persons with disabilities and households that are homeless or at-risk of homelessness, who require access to supportive services in order to maintain housing. Preference for these "Targeted Units" will be given to referrals made via an assigned Lead Referral Agency (as defined below).

The Lead Referral Agency shall be an agency that coordinates a range of local disability and homeless services agencies to develop a collective process for referring and making their services available to qualified tenants. A Lead Referral Agency acts as the point of contact with property management over the life of a Project, and represents the local services system in dealings with management of the property. A Lead Referral Agency coordinates with a household's original referral source to ensure that the original referral source 1) assists the household(s) during the application for tenancy process, including requesting and negotiating reasonable accommodations, if necessary, and 2) makes supportive services available to the household(s) and/or acts as referral agent for other community services needed.

The Lead Referral Agency will submit a standard letter of referral to property management, which will then process the referred household's application for tenancy using the same screening criteria that is applied to all other tenants in the Project. The Project property management will use the Lead Referral Agency as their main point of contact to ensure that community supports are made available to tenants in the Targeted Units; however, tenancy will not be contingent upon participation in services.

In calculating the number of Targeted Units that must be made available, Owners must ALWAYS round up to the next unit (i.e.  $51 \times 10\% = 5.1$ , round up to 6 Targeted Units). Projects that receive a conditional approval of the award of Tax Credits must submit and receive Authority approval of a "Referral and Support Agreement" within six (6) months of the date conditional approval. The "Referral and Support Agreement" outlines the required responsibilities of the Owner, property manager and Lead Referral Agency in

regard to the Targeted Units. Owners seeking points in this category must submit a draft "Referral and Support Agreement" available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

Owners are encouraged to contact Sam Mordka ([smordka@ihda.org](mailto:smordka@ihda.org)) in the Authority's Office of Housing Coordination Services prior to the development of the required "Referral and Support Agreement", in order to be connected with the Project's assigned Lead Referral Agency.

Points will be awarded in the following manner:

<b>POINTS</b>	<b>% of Total Units at 30% AMI for Supportive Housing Populations</b>
15	10% or Greater

### **2) Deeper Targeting for Supportive Living Facilities**

Due to the requirements of the Supportive Living Facility program, SLF Projects cannot serve Supportive Housing Populations as defined by the Authority. SLF Projects will receive ten (10) points in this category if Owners commit to set aside ten percent (10%) or more of the units for Extremely Low Income (at or below 30% of Area Median Income) households.

Owners seeking points in this category must submit a letter of SLF approval from the Illinois Department of Healthcare and Family Services.

<b>POINTS</b>	<b>% of Total Units at 30% AMI</b>
10	10% or Greater

### **3) Unrestricted Units**

The Authority will award points to Applications which include units which are neither income nor rent restricted by any funding source. Points will be awarded in this category only if the site and market study presented by the Owner supports the proposed mix of restricted and unrestricted units. A Project is eligible for points as follows, based on the percentage of the unrestricted units:

<b>POINTS</b>	<b>% of Total Units Unrestricted</b>
6	10% or Greater

## D) Development Team Characteristics

### 1) Minority-, Female-, or Persons with Disabilities-Owned Business Participation in Project

Projects will be awarded points if a Participant is a qualified minority-, female-, or persons with disabilities-owned business. In order to qualify, the Participant must comply with the following requirements:

For-profit Business: The Participant must be currently certified under Illinois Business Enterprise Program for Minorities, Females, and Persons with Disabilities (“MAFBE”) or equivalent state program if based outside of Illinois.

Non-profit Corporation: The Participant qualifies as minority-, female-, or persons with disabilities-owned if a minimum of fifty-one percent (51%) of the members of the Board of Directors of the Participant are minorities, females, or persons with disabilities.

Participants must provide the full scope of services to the project. Points will be awarded to projects in the following manner:

- a. **6 Points:** If a qualified minority-, female-, or persons with disabilities-owned business acts as the GENERAL CONTRACTOR, OWNER, OR PROPERTY MANAGER

**OR**

- b. **4 Points:** If a qualified minority-, female-, or persons with disabilities-owned business acts as the ARCHITECT, CONSULTANT, OR SYNDICATOR

Owners seeking points in this category must submit the MAFBE certification for the relevant Participant or evidence demonstrating that fifty-one percent (51%) of the members of the Board of Directors of the relevant Participant are minorities, females, or persons with disabilities. See the “Scoring - Minority-, Female-, or Persons with Disabilities-Owned Business Participation Certification” on the Authority’s website ([www.ihda.org](http://www.ihda.org)).

### 2) Non-profit Corporation Participation

Points will be awarded in the following manner:

- a. **15 Points:** To qualify for points in this category, a qualified non-profit corporation must have an ownership interest of twenty-six percent (26%) or greater in the general partner or member of the Owner that includes a commensurate distribution of financial benefits as evidenced in the operating agreement. The non-profit corporation must remain in the Project throughout the Extended Use Period. A qualified non-profit corporation, as defined in Section 42, is a corporation which is not affiliated with or controlled by a for-profit corporation, has an ownership interest in the Project either directly or through a wholly-owned subsidiary, and has as one of its exempt purposes the fostering of low-income housing within the meaning of Section 42(h)(5)(C).

**OR**

- b. 5 Points** To qualify for points in this category, a qualified non-profit corporation must have an ownership interest of fifteen to twenty-five percent (15% - 25%) in the general partner or member of the Owner that includes a commensurate distribution of financial benefits as evidenced in the operating agreement. The non-profit corporation must remain in the Project throughout the Extended Use Period. A qualified non-profit corporation, as defined in Section 42, is a corporation which is not affiliated with or controlled by a for-profit corporation, has an ownership interest in the Project either directly or through a wholly-owned subsidiary, and has as one of its exempt purposes the fostering of low-income housing within the meaning of Section 42(h)(5)(C).

**OR**

- c. 2 Points** Points will be awarded to Projects where a qualified non-profit corporation, as defined in Section 42, has a Material Participation in the development and operating of the Project throughout the Extended Use Period. The Application must include a written narrative detailing Material Participation including the number of hours and corresponding activities the qualified non-profit corporation will undertake on a quarterly basis.

Owners seeking points in this category must provide evidence the participating non-profit is a qualified non-profit corporation as defined in Section 42 of the Code. This must include the non-profit corporation's IRS 501(c)3 determination letter and Articles of Incorporation.

Additionally, if the ownership entity is comprised of a joint venture, the Owner must submit the operating agreement evidencing the relationship between the entities and the distribution of financial benefits.

### **3) Illinois-Based Organizations**

Projects will be awarded points if a Participant is a qualified Illinois-based organization. In order to qualify, the Participant must be an Illinois-based organization whose place of business has been located in the State of Illinois for a minimum of two (2) years. Participants must provide the full scope of services to the project.

Points will be awarded to projects in the following manner:

- a. 6 Points:** If a qualified Illinois-based organization acts as the GENERAL CONTRACTOR, OWNER, OR PROPERTY MANAGER
- OR**
- b. 4 Points:** If a qualified Illinois-based organization acts as the ARCHITECT, CONSULTANT, OR SYNDICATOR

Owners seeking points in this category must submit a copy of the Secretary of State's Certificate of Valid Existence for the relevant Participant.

#### **4) Unacceptable Practices**

All Projects begin with twelve (12) points in this scoring category. The Authority may deduct points if any Participant has failed to demonstrate proficiency with the Tax Credit program or other government-sponsored housing programs collectively, ("Program") over the past THREE (3) years as evidenced by the following:

- Record of unsatisfactory prior performance in any Program
- Negative results on any physical inspection performed by a Program administrator
- Failure to provide and maintain amenities as represented in a Program application
- Failure to provide and maintain services as represented in a Program application
- Failure to construct or rehabilitate a development according to the governing architectural and construction guidelines
- Failure to comply with any representations made in any application to participate in a Program
- Failure to make satisfactory progress on a development in a Program
- Involuntarily termination of a Tax Credit reservation
- Participation in a development that has been monitored and determined to have uncorrected noncompliance
- Participation in a development where an 8823 has been filed
- Failure to pay any fee or expense

In the event any of these unacceptable practices apply to any Participant, the Owner may include in the Application an explanation of the circumstances surrounding the unacceptable practice and the roles of Participants.

When evaluating unacceptable practices, the Authority will consider the role of Participants relative to the unacceptable practice and the proposed role of the Participant in the Project and may conclude the Participant's role has no relevance to the unacceptable practice.

### **E) Financial Characteristics**

#### **1) Rental Assistance**

Projects that provide project-based rental assistance will be awarded points based on the number of units assisted and the length of committed assistance. Rental assistance will be considered project-based if it is tied to the units rather than to the tenants.

Points will only be awarded if the rental assistance ensures tenants pay no more than thirty (30%) of their income towards rent and utility expenses combined.

Owners seeking points in this category must submit documentation evidencing a current rental assistance contract or a commitment to provide rental assistance.

Projects with a current rental assistance contract must submit a copy of the fully executed contract in the Application.

Projects with a rental assistance commitment must provide a commitment letter in the Application 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.

When HUD is providing the rental assistance, the commitment letter must be from HUD. USDA rental assistance commitment letters must be from the USDA housing director, and Project Based Housing Choice Voucher Conversion and Public Housing Authority Annual Contribution Contracts must be from the executive director of the relevant public housing authority.

The Authority will evaluate any rental assistance contracts or commitments from sources other than HUD, USDA, or a public housing authority, taking into consideration the viability and stability of the source and will determine whether the project will receive points for rental assistance based on the likelihood the rental assistance will be available over the committed term.

For Projects where the term of the Rental Assistance contract is LESS than five (5) years, points will be awarded as follows:

<b>POINTS</b>	<b>% of Units Assisted</b>
4	10% - 25%
6	25.1% - 50%
8	Greater than 50%

For Projects where the term of the Rental Assistance contract is five (5) years or GREATER, points will be awarded as follows:

<b>POINTS</b>	<b>% of Units Assisted</b>
6	10% - 25%
8	25.1% - 50%
10	Greater than 50%

## **2) Real Estate Tax Abatements**

Projects that demonstrate a reduction in a Project's real estate taxes will be awarded points based on the percentage reduction and the term of the reduction.

Owners seeking points in this category must submit documentation evidencing a current real estate tax abatement or a commitment to a real estate tax abatement.

The Application must detail all assumptions associated with the abatement including the calculation of real estate taxes before, during, and after the abatement; the anticipated date the abatement becomes effective; and the length of the abatement.

It is the Owner's responsibility to substantiate the percentage reduction in real estate taxes as a result of the abatement.

For Projects where the term of the tax abatement is LESS than five (5) years, points will be awarded as follows:

<b>POINTS</b>	<b>% Reduction of Real Estate Taxes</b>
4	10% - 15%
6	15.1% - 20%
8	Greater than 20%

For Projects where the term of the tax abatement is five (5) years or GREATER, points will be awarded as follows:

<b>POINTS</b>	<b>% Reduction of Real Estate Taxes</b>
6	10% - 15%
8	15.1% - 20%
10	Greater than 20%

### **3) Financial Leveraging**

Projects that leverage scarce Authority resources will be awarded points based on the percentage of resources in the development budget that come from other sources.

Scarce Authority resources include but are not limited to Authority administered HOME funds, Affordable Housing Trust Funds, the equity generated from the sale of Authority-allocated Tax Credits pursuant to this QAP, the equity generated from the sale of Authority allocated Illinois Affordable Housing Tax Credits (also known as state donation tax credits), and any other scarce resource, as determined by the Authority, that the Authority may administer from time to time.

A mortgage loan with a market rate of interest provided by the Authority from a non-scarce source will be considered financial leveraging under this category. A non-scarce Authority administered source includes, but is not limited to, a loan under the Authority's Risk Sharing program or another market rate financing product the Authority may administer from time to time.

In Projects where the acquisition is financed in whole or in part through a seller's note, the amount of the seller's financing will not be considered a resource for financial leveraging.

Financial leveraging sources must be reflected in the Project budget. Only sources allocated to uses that fall within the Projects' boundaries will be considered for financial leveraging.

Projects will be awarded points based on the following criteria:

<b>POINTS</b>	<b>Non Authority Sources as % of Total Project Sources</b>
4	5% - 10%
6	10.1% - 20%
8	Greater than 20%

**4) Low Soft Costs**

Projects will be awarded points based on minimizing soft costs as a percentage of the total development budget.

For purposes of this calculation soft costs will be determined as follows: The total development budget less acquisition costs, construction costs, construction contingency, reserves, construction period interest, consultant fee, and developer fee.

<b>POINTS</b>	<b>Soft Costs as % of Total Development Budget</b>
4	14.1% - 18%
6	10.1% - 14%
8	10% or Less

**F) Housing Policy Goals and Objectives**

**1) Supportive Housing Projects**

Projects that target fifty percent (50%) or more of the total units for Supportive Housing Projects, excluding SLFs, will receive fifteen (15) points.

The Application must include a “Supportive Housing Plan”, see the “Supportive Housing Plan Template” ([www.ihda.org](http://www.ihda.org)), which includes provision by a local human services agency of at least one (1) on-site support coordinator whose hours must be proportional to the number of units in the Project that will serve Supportive Housing Populations to assist residents in (i) the application process; (ii) in implementing the tenants’ plan for success in permanent housing; (iii) and in continuing linkage to supportive services as needed.

In calculating the minimum number of Supportive Housing Units that must be made available to receive points in this category, Owners must ALWAYS round up to the next unit. For example, fifty-one (51) total units x 50% = 25.5, round up to a minimum of twenty-six (26) Supportive Housing units.

**2) Veterans’ Housing**

Projects that will be marketed to veterans will receive five (5) points.

In order to receive points in the category, Owners must obtain a letter of support for the Project from a local veterans’ services agency. Owners must also commit to make on-going efforts to market the Project to veterans and describe their methods to do so.

A Project that receives points in this category and is awarded Tax Credits may be required to provide additional documentation regarding marketing to veterans.

### **3) Rehabilitation or Adaptive Re-Use**

Projects that involve the rehabilitation or adaptive re-use of a building not currently occupied by residential tenants will receive four (4) points.

In order to receive points in this category, Owners must document that at least fifty percent (50%) of the total Project construction costs will be attributable to the rehabilitation or adaptive re-use of an existing building or buildings.

### **4) Preservation**

Projects that involve the rehabilitation of currently occupied low income housing developments whose conversion to market rate housing is likely to occur within THREE (3) years will be awarded up to fifteen (15) points in this category.

The Application must include evidence of the financing program that is currently in place and a detailed description of the likely conversion to market rate housing in the event the Project does not receive an Allocation of Tax Credits.

In determining whether a Project qualifies as preservation, the Authority will evaluate the source and terms of the existing financing, rental assistance program, current unit rents, and the extent to which the rent levels will remain affordable.

Points will be awarded in the following manner:

**a. 15 Points:** Points will be awarded if the proposed Project was financed under or assisted by the following:

- Section 8 of the United States Housing Act of 1937, as amended, that will be renewed as part of the redevelopment process;
- Section 202 or 811 of the National Housing Act;
- Public housing projects that provide for a one to one (1:1) replacement of public housing units and receive assistance through an annual contribution contract.

**OR**

**b. 10 Points:** Points will be awarded if the proposed Project was financed under or assisted by the following:

- Programs under Section 514 or 515 of the Housing Act of 1949

**OR**

**c. 5 Points:** Points will be awarded if the proposed Project was financed under or assisted by the following:

- Section 236 of the National Housing Act;
- Section 42 of the Internal Revenue Code;
- The Authority will also consider as preservation a Project that is currently occupied, has no rent or income restrictions, and

whose unit rents do not exceed 60% of the Area Median Income as determined by HUD for the Project's location.

### 5) Historic Preservation

Projects involving buildings of a historic nature will be awarded points based on the following criteria. Points are not cumulative in this category.

a. **6 Points:** Points will be awarded if building(s) on the Project site are listed individually in the National Register of Historic Places and will be preserved in accordance with Illinois Historic Preservation Agency (IHPA) requirements.

**OR**

b. **4 Points:** Points will be awarded if building(s) on the Project site have an IHPA nomination/approval letter stating they are considered historically significant and will be preserved in accordance with IHPA requirements.

The Application must contain evidence of the building's historic nature as evidenced through documentation provided by the National Register of Historic Places and the IHPA.

### 6) Affordable Housing Planning and Appeals Act ("AHPAA") Projects

Projects in AHPAA Municipalities will be awarded points based on the following criteria. Points are not cumulative in this category.

a. **4 Points:** Points will be awarded if the proposed Project is **not** eligible for the Chicago Metro AHPAA set-aside, but is located in an AHPAA community or a community at risk of being subject to AHPAA, and will be serving elderly populations.

**OR**

b. **6 Points:** Points will be awarded if the proposed Project is located in an AHPAA community or a community at-risk of being subject to AHPAA (including Projects in the Chicago Metro AHPAA set-aside) and will be serving non-elderly populations.

See Attachment 3 "AHPAA Municipalities" for a listing of communities.

### 7) Employer Direct Assistance

Projects that receive financial assistance from area employers that are otherwise not participating in the development of the Project will be awarded points. The assistance must be in the form of a financial contribution that will be available during the Project's construction period to pay for expenses reflected in the development budget.

The assistance may be in the form of an unsecured loan giving no foreclosure rights to the employer or a grant giving no recapture rights to the employer.

The Application must include a commitment letter, consistent with the requirements for evidencing other Project financing sources, for each employer providing assistance to the Project.

Points will be awarded based on the aggregate total of all employer assistance as a percentage of the total development budget as follows:

<b>POINTS</b>	<b>Assistance as % of Total Development Budget</b>
4	.25% - .49%
6	.50% - .99%
8	1% or Greater

### **8) Live Near Work**

Projects will be awarded points for live near work if the following criteria are met:

- a. 6 Points:** Points will be awarded if employment data for the County where the Project is located shows a sufficient number of jobs within various low-wage occupations. In order to receive points, these low-wage jobs will be evaluated, compared, and scored based upon a comparison to the overall jobs in the County, as well as to the number of units in the proposed Project. For Elderly Projects, points will be awarded if activities and services for seniors are located in the Project's primary market area. Points will not be awarded for services provided on-site by the Owner. Information regarding employment and services must be included in the market study submitted with the Application.

### **9) Transit-Oriented Development**

Projects will be awarded points for transit oriented development if the following criteria are met:

- a. 6 Points:** Points will be awarded if the proposed Project is located in close proximity to fixed-route public transportation, excluding inter-city transportation. "Close proximity" for this category will vary by set-aside and will be defined in the following manner: Chicago (6 blocks); Chicago Metro (1 mile); Other Metro (1.5 miles); Non-Metro (2 miles). Transportation routes and distance to Project site must be identified in the market study submitted with the Application.

### **10) Sustainable Communities**

The Authority will award up to eight (8) points to Projects that promote sustainable communities as evidenced through the sum of their scores in the following categories: Development Amenities; Green Initiatives; Neighborhood Characteristics and Amenities; Community Impact; Rehabilitation or Adaptive Re-Use; Employer Direct Assistance; Live Near Work; and Transit-Oriented Development.

Points will be awarded in the following manner:

<b>POINTS</b>	<b>Total Points in Sustainable Communities Categories</b>
4	46 – 56
8	57 – 66

**11) Extended Term of Affordability**

The Authority will award up to eight (8) points to Projects that commit to an Extended Use Period in excess of the minimum mandatory 30 years.

Two (2) points will be awarded for each five (5) year extension to the Extended Use Period.

In order to receive points in this category, the application must include a commitment stating the total number of years the Project will be subject to the Extended Use Period. The longer Extended Use Period will be recorded in the Extended Use Agreement.

**G) Tiebreaker Criteria**

In the event that two or more Projects have an equal number of points, the following will be used to determine selection:

**1) First Tiebreaker: Fewest Credits per Unit**

The Project requesting the least amount of Tax Credits per Tax Credit eligible unit. If a tie still remains;

**2) Second Tiebreaker: Tenants with Children**

Projects that serve tenant populations with children. Projects will qualify for this designation if they are non-Elderly and at least twenty-five percent (25%) of the units are three or four bedrooms. This tiebreaker will only apply where the market study shows a clear demand for this population (as determined by the Authority). If a tie still remains;

**3) Third Tiebreaker: Tenant Ownership**

Projects that are intended for eventual tenant ownership, utilize an appropriate site plan and building design, and have a tenant homeownership plan describing how the Project will convert to tenant ownership at the end of the Compliance Period. Please see the "Homeownership Plan" available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

## **X) Reservations of Authority Credit Ceiling**

### **A) Limit on Reservations**

It is anticipated that all of the Authority's Credit Ceiling will be used in its entirety for Reservations during the Application round.

The Credit Ceiling may be increased if Projects that received Allocations in prior years return Tax Credits to the Authority or if the Authority receives an allocation of Tax Credits from the national pool. In the event the Authority's Credit Ceiling is increased, the additional Tax Credits will be used for (i) Tax Credit increases prior to Reservations; (ii) a Forward Reservation of Tax Credits; or (iii) the Authority may carry the additional Credit Ceiling forward to the next calendar year.

### **B) Priority Reservation**

In keeping with the State's Comprehensive Housing Planning Act (P.A. 94-965), the Authority may issue a Reservation to a Project(s) selected by the Authority in response to a Notice of Funding Availability (NOFA) issued by the Interagency Subcommittee of the Illinois Housing Task Force. The amount reserved will not exceed 10% of the total Authority Credit Ceiling. Any Project recommended by the Interagency Subcommittee must meet the requirements of this QAP, excluding the Scoring Categories section.

### **C) Forward Reservations**

The Authority may make Reservations from the 2011/2012 Authority Credit Ceiling ("Forward Reservations") in an amount not to exceed 15% of the per capita portion of the 2010/2011 Authority Credit Ceiling.

This limit may be exceeded if the lowest scoring project to be approved for a Reservation is eligible for a Reservation amount that would make the aggregate amount of Forward Reservations exceed the 15% limit.

Projects approved for a Forward Reservation of 2011/2012 Tax Credits must meet all Carryover Allocation requirements for calendar year 2010/2011.

### **D) Partial Reservations**

If a Project is recommended for a Reservation by the Board and there is an insufficient amount of Authority Credit Ceiling for the full amount of the recommended Reservation, the Authority may make a Reservation for that Project partially from the 2010 and 2011 Authority Credit Ceiling.

### **E) Projects Not Receiving Credits**

Projects that do not receive a Reservation of Tax Credits may be considered for a Reservation at a later date if either (i) a Reservation is returned to the Authority, or (ii) the Authority Credit Ceiling is increased from the national pool of unused Tax Credit Allocation authority.

## **XI) Project Modification Policies**

### **A) Project Modifications**

The Allocation of Tax Credits is based upon information provided in the Application. All Project changes, from conditional approval of the Application through the term of the Extended Use Agreement, will require written request to and written approval by the Authority. The written request must include a detailed explanation of the reason for the modification. Owners must submit a non-refundable modification fee. The fee should be sent directly to the Authority's lockbox along with Attachment 6 "Multifamily Fee Payment Form". All requests will be reviewed by the Authority and must conform to the requirements of Section 42 and the QAP.

Any request for a change in a Project will result in the reevaluation of the original Application. The results of the reevaluation may include the following: (i) a change in the Project's score or ranking; (ii) a new Application fee and public notification letters; (iii) and/or a reduction or revocation of the Tax Credit Reservation or Allocation. In addition, a Board approval of the revised Project may be required.

Project changes at any time, made without submitting a written request to the Authority and receiving a written approval from the Authority, may cause the Application to be rejected or trigger a revocation of a proportional amount of Tax Credits up to the full amount of the Reservation.

Project changes include, but are not limited to, a change in any of the following:

- The individuals or entities in the ownership structure of the Project;
- The unit mix or unit sizes;
- The Project design;
- The Project site;
- The Construction scope;
- The financing terms, including but not limited to a loss of financing; or
- Any criteria on which scoring decisions were made.

### **B) Transfer of Ownership**

The Authority strongly discourages the transfer of ownership in Projects. Evaluation of the Owner is an integral part of the Application review. The long term viability of the Project is dependent on the Owner who makes decisions in developing and operating the Project for the long term.

No change of ownership will be permitted at any time after conditional approval of a Project's Tax Credits and before the issuance of IRS Form(s) 8609 to the Project. Changes of ownership include but are not limited to the addition or removal of any entities or individuals in the ownership, regardless of their percent of ownership.

Owners wishing to change or transfer ownership after the issuance of IRS Form(s) 8609 must submit the following:

- A completed and executed “Notice of Intent to Transfer Ownership” available on the Authority’s website ([www.ihda.org](http://www.ihda.org));
- A letter from the Owner’s legal counsel that explains the need for change;
- A non-refundable transfer of ownership fee. See the “Multifamily Fee Payment Form” available on the Authority’s website ([www.ihda.org](http://www.ihda.org)); and
- All applicable organizational documents.

Any requested change of ownership will be reviewed on a case-by-case basis and must be presented to and approved by the Board. The Authority reserves the right to request additional documentation as needed.

### **C) Unapproved Changes**

Any unapproved Project change, from submission of the Application through the term of the Extended Use Agreement, will affect all Project Participants. Affected Participants may be penalized in the “Unacceptable Practices” scoring category in future Applications and may fail to meet the Authority’s mandatory appropriate development team requirements.

In addition, if the Authority becomes aware of a transfer of ownership without proper notification and approval by the Authority, the Authority reserves the right to determine that all parties involved in the transfer will not be eligible for participation in the Authority’s Tax Credit program.

## **XII) Reservation Procedures**

### **A) Board Approval**

If an Application is selected by Authority staff to receive an award of Tax Credits, it will be considered a conditional approval. The Authority may rescind a conditional approval of Tax Credits if the following requirements are not met within six (6) months after conditional approval is received.

Once an Application fulfills all of these requirements, as well as any additional requirements as determined by the Authority, the Project may be recommended to the Board for approval of a Reservation of Tax Credits.

#### **1) Approval of Final Plans and Specifications**

The Authority's Architectural Services Department must approve the complete architectural plans and specifications for the Project. The complete plans and specifications must incorporate all mandatory requirements, as well as any scoring criteria for which the Project received points.

#### **2) Tenant Selection Plan**

All Owners must submit and receive approval of the "Tenant Selection Plan", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

#### **3) Certification of Consistency with the Consolidated Plan**

All Projects located in sites covered by the Authority's Consolidated Plan must receive a certification of consistency with the Consolidated Plan from the Authority's Office of Housing Coordination Services.

#### **4) Referral and Support Agreement**

All Projects, except SLFs and Supportive Housing Projects, must submit and receive approval of their "Referral and Support Agreement", a template of which is available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

#### **5) Illinois Historic Preservation Agency**

All Projects must receive an approval for the Project from the Illinois Historic Preservation Agency ("IHPA"). The Authority will submit all information necessary for IHPA comments for each Project.

#### **6) Acquisition Tax Credits**

An Owner that is applying for acquisition Tax Credits must submit a written opinion from legal counsel that the Project qualifies for acquisition Tax Credits in the amount requested.

#### **7) Phase II Environmental Review**

If applicable to the Project, an Owner must submit a Phase II Environmental Site Assessment and any additional environmental studies required by the findings of the Phase I Environmental Site Assessment.

## **B) Reservation Letter**

Upon Board approval of a Reservation of Tax Credits for a Project, the Authority will issue a Reservation Letter to the Owner stating the following:

- The amount of the Reservation;
- The amount of the Reservation fee;
- The date by which the executed Reservation Letter and Reservation fee must be submitted to the Authority;
- Any conditions that must be satisfied in connection with the Reservation; and
- The date, within six (6) months after Board approval, by which the conditions must be met.

Failure to return the Reservation fee and the executed Reservation Letter by the stated date may result in a revocation of the Reservation of Tax Credits for the Project.

## **C) Reservation Fee**

The Authority will charge a non-refundable Reservation fee in an amount equal to 1% of the 10 year credit amount for the Project. The fee should be sent directly to the Authority's lockbox along with the "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

## **D) Extensions**

The Authority may extend the time for meeting the conditions set forth in the Reservation Letter. The Owner must submit a written request for an extension of time explaining the necessity of such extension to the Authority. The Authority will require a processing fee in connection with the extension review, as described in the "Multifamily Fee Payment Form" ([www.ihda.org](http://www.ihda.org)).

## **E) Subsidy Layering Review**

If applicable to the Project, the Authority will conduct a subsidy layering review under HUD guidelines for those Projects for which the Authority approves a Reservation or provides a Determination Letter under Section 42(m). This review must be performed prior to issuance of the Extended Use Agreement and a Subsidy Layering Review Fee will be charged to conduct this review. Please see the "Multifamily Fee Payment Form" ([www.ihda.org](http://www.ihda.org)).

## **F) Revocation of Reservation**

Prior to issuing IRS Form(s) 8609, the Authority may revoke a Reservation of Tax Credits for a Project under the conditions set forth below or under such other conditions as may be set forth in the Reservation Letter, the Carryover Allocation Letter, or other appropriate documents. If a Reservation is revoked, the Authority will retain all fees paid to the Authority in conjunction with the Application, the Reservation, the Carryover Allocation or modification of the Project. The following activities may cause a revocation:

- The Owner modifies the Project in any way without prior written approval from the Authority. Such changes include, but are not limited to, changes in the ownership

structure of the Project, changes in project characteristics, changes in or loss of financing, or changes in the criteria on which scoring decisions were made.

- The Authority determines that the Owner will fail to meet the Authority's requirements for a Carryover Allocation, including any conditions set forth in the Reservation or the Carryover Allocation Letter.
- The Authority determines that the project will fail to be Placed in Service by the time set forth in the Carryover Allocation Letter.
- The Owner fails to provide the Authority with all items required for issuance of 8609s in as described within the Issuance of 8609s section within six (6) months of Placed in Service.
- The Owner or a Related Party of such Owner is not in compliance with Section 42 in connection with any Project
- The Owner or a Related Party of such Owner has outstanding compliance violations in connection with any Project that have not been resolved to the Authority's satisfaction.
- The Owner or a Related Party of such Owner is delinquent under any loan or grant made by the Authority, is not in good standing under a workout agreement with the Authority, or has not satisfied any other requirements of the Authority in connection with a delinquency or workout agreement.
- The Owner or a Related Party of such Owner has an outstanding expense owed to the Authority in connection with any Authority program.
- The Authority has reason to believe that the Owner has materially misrepresented facts or has provided false information to the Authority in connection with the Project or in connection with any other Authority Program.
- The Owner is bankrupt or in a financial situation that jeopardizes the Project's completion and/or continued operation.
- If the Project received points under the "Non-Profit Organization Participation" scoring category and subsequent to the issuance of IRS Form 8609 the non-profit participant withdraws or is removed and is not replaced by another qualified non-profit entity.
- The Authority determines that the Project is unable to proceed.
- Any other action determined by the Authority, at the Authority's sole discretion, that violates any other conditions as may be set forth in the Reservation Letter, the Carryover Allocation Letter or other documents in connection with the Reservation or Allocation of Tax Credits

### **G) Penalty**

As stated above, if a Reservation of Tax Credits is revoked, the Authority will retain all fees paid to the Authority.

### **XIII) Carryover**

A Carryover Allocation is required for Projects that will not be Placed in Service during the year in which a Reservation Letter is issued. The Authority will grant a Carryover Allocation if the Project satisfies the following criteria and is consistent with other requirements of Section 42 of the Code. Projects are expected to be Placed in Service no later than the end of the second year following the year in which the Reservation Letter is issued.

#### **A) Carryover Letter**

The Authority will prepare a Carryover Allocation Letter evidencing the carry over of the Reservation amount; which will contain all conditions necessary to make the Carryover Allocation. The Carryover Allocation Letter will be forwarded to each Owner after receiving Board approval of a Tax Credit Reservation, but not later than November 15, 2010. The Carryover Allocation Letter must be executed and returned to the Authority no later than December 1, 2010. In the event a Project is approved at the December Board meeting the Carryover Allocation Letter will be prepared on the day of the Board meeting and the Owner will be required to execute the Reservation Letter that day.

#### **B) 10% Test**

Each Owner approved for a Reservation must evidence to the satisfaction of the Authority by November 1, 2011 that the Project will meet the 10% Test by December 31, 2011. The costs incurred in meeting the 10% Test must be certified by an independent, third-party, certified public accountant or attorney, in a format specified by the Authority, and must meet all applicable Section 42 conditions and requirements.

In addition, Owners approved for a Reservation must provide a status report by June 1, 2011, of their expected Tax Credit basis and percentage to be expended by July 1, 2011. The status report shall be in a format prescribed by the Authority, include updated site control, and meet all applicable Section 42 conditions and requirements.

#### **C) Request for Extension**

If an Owner is unable to meet the deadlines set forth above, a request for an extension of the deadline for the Carryover Allocation must be submitted to the Authority in writing and must indicate the reason for the extension. The Authority will review extension requests and reserves the right to approve or deny a request for extension.

#### **D) Outstanding Fees**

The Authority will not issue a Carryover Allocation Letter until all outstanding fees or other payments owed to the Authority in connection with the Application or any other Authority program have been paid. These fees include, but are not limited to, the Reservation fee for the Project and any other fees owed to the Authority in connection with any Authority program, including any outstanding debt service payments owed to the Authority.

#### **E) Carryover Allocation Late Fee**

Owners that do not submit Carryover Allocation documentation by December 1, 2010, must pay a late fee. In addition, Owners must pay a supplementary fee for each business day from December 1, 2010, through the date on which the Authority receives all required Carryover Allocation documentation. The fee should be sent directly to the Authority's

lockbox along with the “Multifamily Fee Payment Form”, available on the Authority’s website ([www.ihda.org](http://www.ihda.org)).

## **XIV) Extended Use Agreement**

### **A) Overview**

An Owner must enter into an Extended Use Agreement (“EUA”) with the Authority at initial financial closing for the Project. The EUA shall be binding upon the Owner and all successors to the Owner. The EUA shall set forth, among other things, a Project’s income and occupancy restrictions and any special conditions under scoring categories and set-asides, as set forth in the Application.

The EUA must be recorded by the Owner **prior to all other documents** evidencing or securing the financing provided in connection with the Project. Recording of the EUA must occur in the office of the Recorder of Deeds in the County where the Project is located as a restrictive covenant on the real estate on which the Project is located.

### **B) EUA Checklist**

The following is the list of all documents which must be submitted and approved by the Authority prior to the issuance of the EUA. The Authority reserves the right to require other documents as may be required by the Code, the Illinois Housing Development Act, the Authority’s administrative rules, and any other documents the Authority or its counsel may require in their sole discretion.

- 1) Ownership Structure Certificate
- 2) Building Permit
- 3) Certification of No Changes to Plans and Specifications (Authority form)
- 4) Relocation Plan (if applicable)
- 5) Appraisal (if applicable)
- 6) Form Tenant Lease
- 7) Property Management Agreement
- 8) Certification of Consistency with Consolidated Plan (if Authority issued)
- 9) Owner’s Sworn Statement
- 10) Contractor’s Sworn Statement
- 11) Owner/Contractor, and Subcontractor Agreements, including wage standard used
- 12) Architect’s Certificate (Authority form)
- 13) Fair Housing Certificate (Authority form)
- 14) Compliance Monitoring Agreement
- 15) Final Financing Form (Authority form)
- 16) Executed Copies of Other Lender Financing Documents
- 17) Copy of Owner’s Title Insurance Commitment and Final Policy
- 18) Copy of Recorded Title Exceptions

- 19) Copy of Recorded Deed
- 20) Carryover Allocation Letter (if applicable)
- 21) Owner's Attorney Opinion of Eligibility for Acquisition Tax Credits (if applicable)
- 22) Subsidy Layering Review – (if not done by the Authority)
- 23) IRS Form 990 (if applicable)
- 24) Tenant Ownership Plan (if applicable)

In addition, the following documents must be submitted for all appropriate organizations:

- 25) Organizational Documents for Limited Partnerships
  - Certified Copy of Certificate of Limited Partnership (Secretary of State)
  - Certified Copy of Limited Partnership Agreement
  - Original Certificate of Valid Existence / Good Standing (Secretary of State)
- 26) Organizational Documents for Limited Liability Companies ("LLC")
  - Articles of Organization for LLC
  - Certified Copy of Operating Agreement
  - Original Certificate of Valid Existence / Good Standing
  - Certified Copy of Resolution (Certified by Member of the LLC)
  - Certified Copy of Certificate of Incumbency with Specimen Signatures (Certified by Member of the LLC)
  - Member's Certificate
- 27) Organizational Documents for Corporations
  - Certified Copy of Articles of Incorporation
  - Certified Copy of By-Laws
  - Original Certificate of Good Standing
  - Certified Copy of Resolution (Certified by Officer of Corporation)
  - Certified Copy of Certificate of Incumbency with Speciman Signatures
  - Officer's Certificate (Certified by Officer of Corporation)
  - IRS Documentation Evidencing Tax Exempt Status (if applicable)
  - Evidence of Not-For- Profit's Status as a CHDO (if applicable)
- 28) Organizational Documents for Trusts
  - Certified copy of Letter of Direction to Trustee
  - Pay Proceeds Letter
  - Certified Copy of Trust Agreement

## **XV) Issuance of 8609s**

### **A) Requirements**

The Authority will issue IRS Form(s) 8609 to all Projects which are Placed in Service within the time period required under the Code, contingent upon receipt and approval of the following documents in an unbound package with original signatures in blue ink:

- 1) Owner notification to the Authority when a Project has been Placed in Service;
- 2) Owner's Certification, in a format specified by the Authority;
- 3) An independent third-party certified public accountant's opinion, in a format specified by the Authority, based on such accountant's audit of the Project that certifies to the total Project costs, total eligible basis, and all sources of financing used for the Project;
- 4) A certificate(s) of occupancy from the municipality in which the Project is located. If the Project was previously occupied, other information in form and substance acceptable to the Authority that demonstrates that the Project has been placed in service;
- 5) Certification of 50% Test (for tax exempt bond transactions);
- 6) Color photographs of each building(s) in the completed Project;
- 7) Any other documents that the Authority may require to determine the amount of Tax Credits to be allocated to the Project and the Project's conformance with the requirements of Section 42 and the QAP, including any scoring sections where points were received; and
- 8) An 8609 Issuance Fee as outlined in the "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

The Authority will review all submitted documentation and conduct a final financial analysis based on such documentation. When the review and analysis are complete, the Authority will send form(s) 8609 to the Owner, per IRS guidelines.

The Authority will not issue form(s) 8609 for Projects with multiple buildings until all of the buildings in the Project have been placed in service. The Authority may suspend this policy under extenuating circumstances.

The Authority will notify the IRS once a year of 8609s issued by both the Authority and the City of Chicago by filing a form 8610. This notification must be postmarked by February 28.

### **B) Deadlines**

Owners receiving a Reservation of Tax Credits during 2010 that will be placed in service during the 2010 calendar year must provide all required documentation to the Authority no later than November 1, 2010.

Owners receiving a Reservation during 2010 that will be Placed in Service during the 2011 calendar year and that have been issued a Carryover Allocation Letter by the Authority must submit all required documentation to the Authority no later than June 30 of the year following the deadline to Place in Service.

## **C) Penalties**

### **1) Late Fee**

Owners that do not meet the deadlines set forth above for Issuance of IRS Form(s) 8609 must pay a late fee. In addition, Owners must pay a supplementary fee for each month from the deadline date through the date on which the Authority receives all required documentation. The fee should be sent directly to the Authority's lockbox along with the "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

All fees due to the Authority must be paid prior to Authority issuance of 8609s.

### **2) Filing of Non-Agency Approved 8609 with the IRS**

If the Authority becomes aware that an Owner has filed an 8609 with the IRS in advance of the Owner's receipt of the Authority signed version of the approved 8609, or if the Owner electronically files an 8609 with the IRS which does not accurately reflect the information contained on the Authority-signed version of the approved 8609, the Authority will file an 8823 Notice of Non-Compliance with the IRS. This applies to Tax Credits issued by the Authority, suballocators, and in conjunction with tax-exempt bonds. In addition, Owners may also be penalized in future Application rounds in the "Unacceptable Practices" scoring category and may fail to meet the Authority's mandatory appropriate development team requirements.

## **D) Cannot Meet Placed in Service Deadline**

Prior to issuance of any form 8609(s), all Projects must be Placed in Service within the time period required under the Code.

If an Owner believes that a Project may not meet this requirement, the Owner must submit written documentation to the Authority demonstrating all of the following:

- Clear and convincing evidence of all efforts to meet the Placed in Service deadline;
- The specific circumstances causing the delay; and
- All attempted remedial measures taken by the Owner in order to mitigate the delay.

The Authority may, based upon documentation submitted by the Owner, make a determination that the failure to place such Project in service is due to circumstances beyond the Owner's control.

If the Authority makes such a determination, the Authority may revoke the Reservation without penalty to the Owner. In turn, the Project may also be given first priority for either a Reservation in the current year or a Forward Reservation for an Allocation in the following calendar year. Any such priority will be conditioned on a determination by the Authority that the Project continues to be desirable in terms of meeting the affordable housing needs of Illinois, and such other terms and conditions as the Authority determines appropriate under the circumstances. Any Reservation or Forward Reservation will be subject to all conditions described in the Reservations of Authority Credit Ceiling section, including reservation fee.

The Authority expects that Reservations and Forward Reservations under this subsection will be rare.

**E) Election of Applicable Percentage**

The applicable percentage shall be nine percent (9%) for any non-federally-subsidized building, as defined in Section 42, which is placed in service after July 30, 2008 and before December 31, 2013.

The applicable percentage for a federally-subsidized building, including those financed through the issuance of tax-exempt bonds, changes on a monthly basis as determined by the U.S. Treasury.

## **XVI) Increase Requests**

### **A) Overview**

The Authority will review requests for an increase of a Project's Tax Credit Allocation on a case-by-case basis. The Authority will grant an increase only when such an increase is necessary to make a Project financially feasible, and then only in extenuating circumstances, which must be documented to the satisfaction of the Authority.

Generally, the Authority will provide an increase only for unforeseeable increases in the costs of the Project. If a request for an increase calls into question the accuracy of the Owner's original Application and documentation, or any related documentation subsequently submitted, the Authority reserves the right to modify or revoke the Project's Reservation or Allocation.

In determining a Project's qualification for an increase of Tax Credits, the Authority will closely examine the revised Project budget to ensure that additional Tax Credits are not used to cover increases in the developer fee. An Owner must defer a substantial portion of the Project's developer fee prior to requesting an increase. Except for unusual circumstances, the portion of the developer fee deferred at the time of the Board's initial approval of a Reservation will not be reduced, but may be increased.

If the Reservation Letter for the Project contains conditions, the Authority will not grant an increase until those conditions have been met to the Authority's satisfaction.

The Authority will approve only one (1) Tax Credit increase per Project.

### **B) Timing**

The Authority will accept a request for an increase in Tax Credits at any time after the Authority has issued a Reservation Letter for the Project, but no later than the end of the calendar year during which the Project is or will be Placed in Service. Tax Credits cannot be allocated for any building in a Project that has been Placed in Service during a previous calendar year.

### **C) Required Submissions**

For increase requests, the Owner must submit all of the following:

- 1) An updated Application;
- 2) A narrative detailing the reasons for the request and specifically identifying any unforeseeable increases in Project costs;
- 3) A letter from an independent, third-party certified public accountant stating that he/she has reviewed the revised Project budget, which provides the amounts of the revised total eligible basis and total Project cost;
- 4) The initial and most recent owner's and general contractor's sworn statements; and
- 5) An increase request fee as outlined in the "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

## **XVII) 4% Determination Letter Requests**

Pursuant to Section 42 (h)(4), Projects to be financed with the proceeds of tax-exempt bonds are not required to receive a Reservation from the Authority Credit Ceiling. Rather, Owners of such Projects may apply to the Authority for a Determination Letter. The Application for a Determination Letter is exclusive of a request for an allocation of the Authority's volume cap.

### **A) Application Process and Fee**

The Authority will accept Applications for a Determination Letter for Projects to be financed with the proceeds of tax-exempt bonds, whether or not the Authority is the issuer of such bonds, at any time during calendar year 2010.

Owners requesting a Determination Letter from the Authority must submit to the Authority an applicable Application fee. The fee should be sent directly to the Authority's lockbox along with the "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

### **B) Application Documentation**

Any Determination Letter request must be in compliance with Section 42 and all sections of this QAP with the exception of the following: Preliminary Application, Scoring Categories, Reservation Procedures, and Carryover.

Owners requesting a Determination Letter from the Authority must submit to the Authority a complete Application. The Authority will not begin processing any requests for a Determination Letter prior to the submission of a complete Application.

### **C) Determination Letter and Fee**

If the Authority determines the Project conforms to all the applicable sections of the QAP, the Authority will notify the Owner in a draft Determination Letter. The draft Determination Letter will outline the conditions that must be satisfied prior to execution of the Determination Letter including payment of the non-refundable determination fee of 1% of the estimated ten year Tax Credit amount. The non-refundable determination fee will be due within six (6) months of the draft Determination Letter and must be paid in full prior to the Authority's execution of a Determination Letter.

The fee should be sent directly to the Authority's lockbox along with the "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)).

An executed Determination Letter will expire one (1) year from the date of issuance.

If based on the final cost certification, a Project qualifies for additional Tax Credits above the amount in the Determination Letter, the Owner must pay to the Authority an increase request fee and additional Determination Letter Fees, as applicable.

### **D) Issuance of 8609**

The Authority will issue form(s) 8609 for Projects that qualify under Section 42(h)(4) of the Code once all of the conditions set forth in the Determination Letter and the Issuance of 8609s section have been met to the satisfaction of the Authority.

## **XVIII) Compliance Monitoring Procedures**

### **A) Overview**

The monitoring and reporting requirements referenced in this section apply to all Projects, regardless of the date of Allocation of Tax Credits. The Authority's specific monitoring and reporting requirements are subject to change. Therefore, Owners are encouraged to contact the Authority regarding monitoring and reporting requirements when an Allocation is made.

Section 42(m)(1)(B) requires that the Authority establish procedures for monitoring Projects for noncompliance with the provisions of Section 42 and report to the IRS any noncompliance found by the Authority. The Authority's obligation to monitor Projects for compliance within the requirements of Section 42 does not make the Authority liable for an Owner's noncompliance nor does the Authority's failure to discover any noncompliance excuse such noncompliance. Furthermore, the Authority makes no representations or warranties in connection with any written or oral advice given by its staff to an Owner regarding compliance with Section 42 and the applicable Treasury regulations, rulings and issuances. The IRS is responsible for the proper interpretation and application of such rules. The Authority's monitoring activities include, but are not limited to, the following:

- Review of the Owner's annual certification regarding compliance with Section 42 requirements;
- Review of the Owner's tenant certification/recertification forms, accompanied by supporting documentation; and
- Periodic review of the physical condition of the Project

### **B) Compliance Reference Guide**

The Authority's monitoring procedures and reporting requirements are set forth in greater detail in the "Low Income Housing Tax Credit Compliance Reference Guide," a copy of which is available on the Authority web site ([www.ihda.org](http://www.ihda.org)), and upon request. Please direct requests to: Technical Services Department, Illinois Housing Development Authority, 401 North Michigan Ave., Suite 700, Chicago, Illinois 60611, Phone 312.836.5239.

### **C) Compliance with the Fair Housing Act**

Owners are advised that compliance with the Section 42 general public use requirement for Projects requires compliance with the Fair Housing Act. An Owner's failure to comply with the Fair Housing Act will constitute noncompliance with the Section 42 general public use requirement and the Authority will report such noncompliance to the IRS.

### **D) Compliance Monitoring Fee**

The Authority charges an ongoing annual compliance monitoring fee associated with the compliance monitoring. The current monitoring fees are listed in "Multifamily Fee Payment Form", available on the Authority's website ([www.ihda.org](http://www.ihda.org)) and are subject to change.

## **XIX) Attachments**

- 1) Sample Calculation of Both Methods
- 2) Qualified Census Tracts
- 3) AHPAA Municipalities
- 4) Other Metro Municipalities
- 5) Self Scoring Checklist

ATTACHMENT 1

**SAMPLE TAX CREDIT CALCULATION METHODS**

**Qualified Basis Method**

	<u>4% Credit Eligible</u>	<u>9% Credit Eligible</u>
Eligible Basis	\$7,200,000	\$6,800,000
Eligible Basis (If 1.3 Boost)	\$7,200,000	\$8,840,000
x Applicable Fraction	100.0%	100.0%
= Qualified Basis	\$7,200,000	\$8,840,000
x Applicable Percentage	3.50%	9.00%
=Tax Credit Amount	\$252,000	\$795,600
<b>=Tax Credit Amount</b>	<b>\$1,047,600</b>	

**Equity Gap Method**

Total Project Cost	\$16,000,000
- Debt Financing	-\$6,800,000
- Equity Financing (Including Grants)	-\$1,750,000
- Deferred Developer Fee	-\$350,000
= Tax Credit Equity Needed	\$7,100,000
/ Net Cent Raise	\$0.79
= Tax Credits Needed	\$8,987,342
/10 Years	\$898,734
<b>=Tax Credit Amount</b>	<b>\$898,734</b>

<b>Recommended Annual Tax Credit Amount:</b>	<b>\$898,734</b>
(Lesser of Qualified Basis or Equity Gap Method)	

ATTACHMENT 2

**2010 IRS SECTION 42(d)(5)(B) QUALIFIED CENSUS TRACTS BY ILLINOIS COUNTY**  
 (2000 Census Data; OMB Metropolitan Area Definitions, November 20, 2007)

**Adams**

4 7 8

**Alexander**

9578 9579

**Champaign**

1 2 3 4 51 52 53 58 59 60

**Coles**

7 8

**Cook**

101	105	108	306	312	313	315	316	514	607	707	804
805	808	819	1401	1402	1407	2005	2006	2102	2105	2106	2207
2209	2210	2211	2213	2214	2215	2223	2224	2226	2227	2228	2229
2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312
2313	2315	2316	2317	2318	2401	2406	2407	2408	2409	2410	2411
2420	2425	2426	2427	2501	2510	2511	2513	2514	2515	2516	2517
2518	2519	2520	2521	2522	2523	2601	2602	2603	2604	2605	2606
2607	2608	2609	2610	2701	2702	2703	2704	2705	2706	2707	2708
2709	2710	2711	2712	2713	2714	2716	2717	2718	2719	2804	2805
2806	2807	2808	2809	2810	2811	2813	2814	2815	2816	2817	2818
2822	2824	2826	2827	2830	2831	2832	2835	2836	2838	2839	2840
2841	2842	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911
2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923
2924	2925	2926	3001	3002	3003	3004	3006	3007	3008	3009	3010
3011	3012	3013	3014	3015	3016	3017	3104	3105	3106	3107	3108
3109	3110	3111	3112	3113	3114	3206	3302	3303	3304	3401	3402
3404	3405	3406	3502	3504	3506	3507	3511	3512	3514	3515	3601
3602	3603	3604	3605	3701	3702	3703	3704	3801	3802	3803	3804
3805	3806	3807	3808	3809	3810	3812	3813	3814	3815	3816	3817
3818	3819	3820	3902	3903	3904	4001	4002	4003	4004	4005	4006
4007	4008	4106	4113	4201	4202	4203	4204	4205	4206	4207	4208
4209	4210	4211	4212	4302	4303	4304	4305	4307	4309	4313	4314
4401	4408	4409	4601	4602	4603	4605	4606	4607	4608	4609	4610
4701	4902	4910	4912	4913	4914	5002	5105	5202	5301	5302	5306
5401	5602	5802	5803	5807	5907	6001	6002	6003	6009	6014	6102
6103	6104	6105	6109	6110	6111	6112	6113	6114	6115	6116	6117
6118	6119	6120	6121	6122	6301	6305	6308	6601	6606	6607	6608
6609	6701	6702	6703	6704	6705	6706	6707	6708	6709	6710	6711
6712	6713	6714	6715	6716	6717	6718	6719	6720	6801	6802	6803
6804	6805	6806	6807	6808	6809	6810	6811	6812	6813	6814	6901
6902	6903	6904	6905	6906	6907	6908	6909	6911	6912	6915	7101
7102	7103	7106	7107	7109	7609	8087.02	8093	8133	8141	8142	8175
8215	8236.03	8243	8260	8268	8269.01	8269.02	8273	8274	8290	8291	8294.01
8297											

**DeKalb**

10 11 12

**Jackson**

ATTACHMENT 2

107 108 109 111 112 113 114 115

**Jefferson**

509 510

**Kane**

8509 8515 8536 8537

**Kankakee**

110 114 115 116 123

**Knox**

8 9 0 0 0

**Lake**

8623 8624.01 8624.02 8626.05 8627 8628 8629.02

**McDonough**

104 105 106 0 0 0 0

**McLean**

1.04 2 4 5.01 15 16 0

**Mason**

1 3 5 6 7 8 9

**Madison**

4003 4005 4006 4007 4009.01 4013 4021 4024

**Peoria**

1 2 3 5 6 7 8 9 12 13 16 18  
19

**Pulaski**

9711

**Richland**

9780

**Rock Island**

206 223 226 227 235 236 244

**St. Clair**

5004 5005 5006 5009 5011 5013 5014 5021 5022 5024.01 5025 5026.03  
5027 5028 5029 5042.01 5045

**Saline**

9555

**Sangamon**

8 9 13 14 15 16 17 23 24

**Vermilion**

1 4 6 11

**Will**

8813 8819 8820 8821 8824 8825

**Winnebago**

10 11 12 20 24 25 26 27 28 29 31 32

ATTACHMENT 3

**Municipalities Subject to or at Risk of being Subject to AHPPA**

*Municipalities with less than 10% housing affordable are subject to the Affordable Housing Planning and Appeals Act (AHPPA). Municipalities will less than 20% housing affordable are at risk of being subject to the AHPPA.*

<b>Boone</b>		<b>Franklin</b>		<b>McHenry</b>	
Timberlane	2.7%	Hanaford	0.0%	Algonquin	9.8%
<b>Cook</b>		<b>Kane</b>		Bull Valley	0.7%
Arlington Heights	15.9%	Balance of Kane	18.8%	Cary	15.5%
Barrington	11.1%	Batavia	19.6%	Crystal Lake	19.4%
Barrington Hills	2.4%	East Dundee	16.1%	Fox River Grove	16.2%
Elk Grove	18.9%	Geneva	11.2%	Fox River Valley Gardens	13.8%
Flossmoor	11.2%	Gilberts	7.9%	Huntley	15.3%
Glencoe	3.4%	Lily Lake	15.1%	Johnsburg	13.8%
Glensview	12.4%	Sleepy Hollow	6.1%	Lake in the Hills	18.5%
Golf	3.2%	St. Charles	16.3%	Lakewood	2.4%
Indian Head Park	13.5%	Sugar Grove	9.4%	Oakwood Hills	15.7%
Inverness	2.5%	<b>Kendall</b>		Prairie Grove	9.3%
Kenilworth	0.4%	Oswego	16.2%	Ringwood	19.3%
La Grange Park	18.8%	<b>Lake</b>		Spring Grove	7.1%
Lemont	18.6%	Bannockburn	17.3%	Trout Valley	0.5%
Lincolnwood	3.6%	Buffalo Grove	12.7%	<b>Sangamon</b>	
Morton Grove	9.5%	Deer Park	2.0%	Leland Grove	17.2%
Norridge	17.2%	Deerfield	3.5%	<b>Will</b>	
Northbrook	5.3%	Grayslake	16.9%	Frankfort	7.1%
Northfield	4.5%	Green Oaks	0.4%	Mokena	17.3%
Olympia Fields	5.8%	Hainesville	6.5%	New Lenox	20.0%
Orland Park	15.9%	Hawthorn Woods	0.8%	Plainfield	14.3%
Palos Heights	5.3%	Highland Park	7.6%		
Palos Park	2.2%	Indian Creek	0.0%		
Park Ridge	7.9%	Kildeer	0.6%		
River Forest	19.3%	Lake Barrington	1.2%		
Riverside	19.7%	Lake Bluff	4.7%		
Skokie	17.3%	Lake Forest	5.1%		
South Barrington	1.0%	Lake Villa	15.7%		
Westchester	11.2%	Lake Zurich	7.7%		
Western Springs	3.2%	Libertyville	12.9%		
Wilmette	5.5%	Lincolnshire	1.8%		
Winnetka	4.1%	Lindenhurst	9.3%		
<b>DuPage</b>		Long Grove	2.8%		
Balance of DuPage	17.2%	Mettawa	3.3%		
Bartlett	14.2%	North Barrington	2.2%		
Bloomington	16.6%	Old Mill Creek	14.7%		
Burr Ridge	2.9%	Riverwoods	1.9%		
Clarendon Hills	13.3%	Third Lake	6.3%		
Darien	14.1%	Tower Lakes	1.1%		
Elmhurst	13.8%	Wadsworth	8.4%		
Hinsdale	8.4%				
Itasca	14.9%				
Lisle	19.8%				
Naperville	9.4%				
Oak Brook	1.6%				
Oakbrook Terrace	8.8%				
Roselle	15.0%				
Wayne	2.0%				
Wheaton	16.8%				
Winfield	9.6%				
Wood Dale	18.7%				

ATTACHMENT 4

**OTHER METRO MUNICIPALITIES**

**BLOOMINGTON NORMAL**

Bloomington	64,808
Normal	45,386

**CHAMPAIGN URBANA**

Bondville	455
Champaign	67,518
Savoy	4,476
Urbana	36,395

**DANVILLE**

Danville	33,904
Tilton	2,976

**DECATUR**

Decatur	81,860
Forsyth	2,434
Harristown	1,338
Long Creek	1,364
Mount Zion	4,845
Oreana	892

**DEKALB**

Cortland	2,066
Dekalb	39,018
Sycamore	12,020

**FREEPORT**

Freeport	26,443
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**GALESBURG**

East Galesbu	839
Galesburg	33,706
Henderson	319
Knoxville	3,183

**KANKAKEE**

Aroma Park	821
Bourbonnais	15,256
Bradley	12,784
Kankakee	27,491

**PEORIA**

Bartonville	6,310
Bellevue	1,887
Creve Coeur	5,448
East Peoria	22,638
Marquette Heights	2,794
North Pekin	1,574
Pekin	33,837
Peoria	112,936
Peoria Heights	6,635
South Pekin	1,152
Spring Bay	436
West Peoria	4,762

**QUAD CITIES**

Carbon Cliff	1,689
Coal Valley	3,606
Coyne Center	906
East Moline	20,333
Milan	5,348
Moline	43,768
Oak Grove	1,318
Rock Island	39,684
Rock Island Arsenal	145
Silvis	7,269

**QUINCY**

Quincy	40,366
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**ROCKFORD**

Belvidere	20,820
Cherry Valley	2,191
Davis Junction	491
Loves Park	20,044
Machesney Park	20,759
New Millford	541
Rockford	150,115

**SPRINGFIELD**

Chatham	8,583
Clear Lake	267
Grandview	1,537
Jerome	1,414
Leland Grove	1,592
Riverton	3,048
Rochester	2,893
Sherman	2,871
Southern View	1,695
Spaulding	559
Springfield	111,454

**ST. LOUIS**

Alorton	2,749
Alton	30,496
Belleville	41,410
Bethalto	9,454
Brooklyn	676
Cahokia	16,391
Caseyville	4,310
Centreville	5,951
Collinsville	24,707
East Alton	6,830
East St. Louis	31,542
Edwardsville	21,491
Fairmont City	2,436
Fairview Heights	15,034
Freeburg	3,872
Godfrey	16,286
Granite City	31,301
Hartford	1,545
Madison	4,545
Pontoon Beach	5,620
Rosewood Heights	4,262
Sauget	249
Shiloh	7,643
Smithton	2,248
South Roxana	1,888
Swansea	10,579
Venice	2,528
Washington Park	5,345
Wood River	11,296

Note: Other Metro consists of Illinois municipalities with populations of 25,000 or more plus all municipalities within a 2-mile radius as determined by IHDA and listed above. Projects located in unincorporated areas within a 2-mile radius of a municipality of 25,000 or more will be evaluated on a case by case basis.



**Illinois Housing Development Authority  
Summary of Self Scoring Form**

**Project Name:** \_\_\_\_\_

**Owner:** \_\_\_\_\_

Scoring Category	Possible Points	Self Score	Points Awarded	Comments
<b>A. ARCHITECTURAL DESIGN AND PROJECT AMENITIES</b>				
1. Development Amenities	12			
2. Green Initiatives				
a. Meet Section 7 Criteria	4			
b. Obtain Sustainable Certification	8			
3. Enhanced Accessibility	8			
4. Unit Mix				
a. Project contains at least 2 unit types	4			
b. Project contains at least 3 unit types	6			
5. Large Units				
a. 30.1% - 50%	4			
b. 20.1% - 30%	6			
c. 10% - 20%	4			
SUBTOTAL	40	0	0	
<b>B. SITE SUITABILITY AND MARKETABILITY</b>				
1. Market Study Evaluation	12			
2. Neighborhood Characteristics				
a. Desirable Activities	10			
b. Undesirable Activities	-10			
3. Community Impact				
a. Local Revitalization or Redevelopment Plan	4			
b. Local Revitalization or Redevelopment Plan and QCT	6			
c. Team Illinois Program Areas	6			
SUBTOTAL	34	0	0	
<b>C. INCOME TARGETING</b>				
1. Deeper Targeting of 30% AMI Units for Supportive Housing Populations	15			
2. Deeper Targeting of 30% AMI Units for SLFs	10			
3. Unrestricted Units				
a. Greater than 10%	6			
SUBTOTAL	21	0	0	
<b>D. DEVELOPMENT TEAM CHARACTERISTICS</b>				
1. MBE/WBE/DBE Participation				
a. General Contractor, Owner, Property Manager	6			
b. Architect, Consultant, or Syndicator	4			
2. Non-Profit Organization Participation				
a. 26% or Greater Non-Profit	15			
b. 15% - 25% Non-Profit	5			
c. Material Participation	2			
3. State-based Enterprise Participation				
a. General Contractor, Owner, Property Manager	6			
b. Architect, Consultant, or Syndicator	4			
4. Unacceptable Practices	12			
SUBTOTAL	39	0	0	
<b>E. FINANCIAL CHARACTERISTICS</b>				
1. Project-based Rental Assistance				
a. Percent of Units Assisted for LESS than 5 Years				
10.1% - 25%	4			
25.1% - 50%	6			
Greater than 50%	8			
b. Percent of Units Assisted for 5 Years or MORE				
10.1% - 25%	6			
25.1% - 50%	8			
Greater than 50%	10			

2. Real Estate Tax Abatement				
a. Tax Abatement Commitment for LESS than 5 Years				
10% - 15%	4			
15.1% - 20%	6			
Greater than 20%	8			
b. Tax Abatement Commitment for 5 Years of MORE				
10% - 15%	6			
15.1% - 20%	8			
Greater than 20%	10			
3. Financial Leveraging				
5% - 10%	4			
10.1% - 20%	6			
Greater than 20%	8			
4. Soft Costs as a Percentage of the Development Budget				
14.1% - 18%	4			
10.1% - 14%	6			
10% or Less	8			
	SUBTOTAL	36	0	0
<b>F. HOUSING POLICY GOALS AND OBJECTIVES</b>				
1. Supportive Housing Populations	15			
2. Veterans' Housing	5			
3. Rehabilitation / Adaptive Re-use	4			
4. Preservation				
a. Projects with Existing Section 8 Contracts; Section 202 or 811; Public housing 1:1	15			
b. Section 514 or 515	10			
c. Section 236; Section 42; Rents at 60% AMI, no rent restrictions	5			
5. Historic Preservation				
a. Projects on National Register	6			
b. Projects Nominated by SHPO	4			
6. AHPAA Projects				
a. Elderly Projects outside of AHPAA Set-Aside	4			
b. Non-Elderly AHPAA Projects	6			
7. Employer Direct Assistance				
.25% - .499%	4			
.5% - .99%	6			
1% or greater	8			
8. Live Near Work / Transit-Oriented Development	6			
9. Transit-Oriented Development	6			
10. Sustainable Communities				
a. 46 - 56 Points	4			
b. 57 - 66 Points	8			
11. Longer Extended Use Period	8			
	SUBTOTAL	87	0	0
	<b>TOTAL</b>	<b>257</b>	<b>0</b>	<b>0</b>



**Illinois Housing Development Authority  
Self Scoring Form**

**Project Name:** \_\_\_\_\_

**Owner:** \_\_\_\_\_

SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded			
<b>A. ARCHITECTURAL DESIGN AND PROJECT AMENITIES</b>							
<p><b>1. Development Amenities</b></p> <p>In order to qualify for points in this category, Owners MUST choose at least two (2) items from each amenity list in Section IX(A) as their minimum threshold amenities. Projects will be awarded three (3) points for each item they choose from the lists in addition to the minimum threshold amenities. Up to twelve (12) points will be awarded in this category.</p> <p>Please list selected amenities below.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Required Exterior Amenities</p> <p>1. _____</p> <p>2. _____</p> </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Required Interior Amenities</p> <p>1. _____</p> <p>2. _____</p> </td> </tr> <tr> <td colspan="2" style="text-align: center; vertical-align: top;"> <p style="text-align: center;">Optional Amenities for Points</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>4. _____</p> </td> </tr> </table> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit the "Scoring -- Project Amenities Certification" signed by a licensed architect that the amenities listed above will be incorporated into the Project.</p> <p>Owners that have chosen to substitute any amenities in this category must provide evidence of the Authority's approval to substitute the amenity when the Preliminary Application was approved.</p>	<p style="text-align: center;">Required Exterior Amenities</p> <p>1. _____</p> <p>2. _____</p>	<p style="text-align: center;">Required Interior Amenities</p> <p>1. _____</p> <p>2. _____</p>	<p style="text-align: center;">Optional Amenities for Points</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>4. _____</p>		<p>3</p> <p>3</p> <p>3</p> <p>3</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p style="text-align: center;">Required Exterior Amenities</p> <p>1. _____</p> <p>2. _____</p>	<p style="text-align: center;">Required Interior Amenities</p> <p>1. _____</p> <p>2. _____</p>						
<p style="text-align: center;">Optional Amenities for Points</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>4. _____</p>							
<p><b>2. Green Initiatives</b></p> <p>Points are not cumulative in this category.</p> <p>a. Comply with all MANDATORY criteria described in Section 7: Healthy Living Environment of the Enterprise Green Communities Criteria 2008, with the exception of Item 7.3.</p> <p>b. Commit to obtaining a sustainable building certification from one of the following entities:</p> <p>_____ Enterprise Green Communities certification</p> <p>_____ U.S. Green Building Council's LEED for Homes certification</p> <p>_____ ICC 700-2008 National Green Building Standard certification</p> <p>_____ NAHB Model Green Home Building Guidelines certification</p> <p><b>Documentation:</b></p> <p>Owners must submit the "Scoring -- Green Initiatives Certification" signed by a licensed architect indicating how the Project will comply with the above criteria.</p>	<p>4</p> <p>8</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>				

SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded																			
<p><b>3. Enhanced Accessibility</b>                      Projects must comply with both of the following requirements:</p> <p>a. At least 10% of the total units in the Project are designed for persons with mobility impairments, as defined in ICC/ANSI 117.1-2003.</p> <p><b>AND</b></p> <p>b. At least 2% of the total units in the Project are designed for persons with sensory impairments (not less than one unit), as defined in ICC/ANSI 117.1-2003.</p> <p>The units designed for persons with sensory impairments must be exclusive of the units designed for persons with mobility impairments. In calculating the number of accessible units that must be made available, Owners must ALWAYS round up to the next unit (i.e. 51 x 10% = 5.1, round up to 6 accessible units).</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">_____ Units for Persons with Mobility Impairments</td> <td style="width: 50%;">_____ Units for Persons with Sensory Impairments</td> </tr> <tr> <td>_____ Total Units</td> <td>_____ Total Units</td> </tr> <tr> <td>_____ % of Total Units</td> <td>_____ % of Total Units</td> </tr> </table> <p><b>Documentation:</b>                      Owners seeking points in this category must submit the "Scoring -- Enhanced Accessibility Certification" signed by a licensed architect that the project will comply with the requirements listed above.</p>	_____ Units for Persons with Mobility Impairments	_____ Units for Persons with Sensory Impairments	_____ Total Units	_____ Total Units	_____ % of Total Units	_____ % of Total Units	8	_____	_____														
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_____ Total Units	_____ Total Units																						
_____ % of Total Units	_____ % of Total Units																						
<p><b>4. Unit Mix</b>                      Points are not cumulative in this category.</p> <p>a. Project contains two unit types, with each unit type making up at least 20% of total units.</p> <p>b. Project contains three or more unit types, with each unit type making up at least 10% of total units.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">_____ 1BR Units =</td> <td style="width: 50%;">_____ % of Total Units</td> </tr> <tr> <td>_____ 2BR Units =</td> <td>_____ % of Total Units</td> </tr> <tr> <td>_____ 3BR Units =</td> <td>_____ % of Total Units</td> </tr> <tr> <td>_____ 4BR Units =</td> <td>_____ % of Total Units</td> </tr> </table>	_____ 1BR Units =	_____ % of Total Units	_____ 2BR Units =	_____ % of Total Units	_____ 3BR Units =	_____ % of Total Units	_____ 4BR Units =	_____ % of Total Units	<p>4</p> <p>6</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>												
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_____ 2BR Units =	_____ % of Total Units																						
_____ 3BR Units =	_____ % of Total Units																						
_____ 4BR Units =	_____ % of Total Units																						
<p><b>5. Large Units</b>                      Points will be awarded if the Project contains units with three or more bedrooms.</p> <table border="0" style="width: 100%;"> <tr> <td colspan="2"></td> <td style="text-align: center;"><b>% of Units with 3+ BRs</b></td> <td></td> <td></td> </tr> <tr> <td style="width: 40%;">_____ 3BR or Greater Units</td> <td style="width: 10%;">a.</td> <td style="width: 20%;">31% - 50%</td> <td style="width: 10%; text-align: center;">4</td> <td style="width: 10%; text-align: center;">_____</td> </tr> <tr> <td>_____ Total Units</td> <td>b.</td> <td>20% - 30%</td> <td style="text-align: center;">6</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>_____ % of Total Units</td> <td>c.</td> <td>10 - 19%</td> <td style="text-align: center;">4</td> <td style="text-align: center;">_____</td> </tr> </table>			<b>% of Units with 3+ BRs</b>			_____ 3BR or Greater Units	a.	31% - 50%	4	_____	_____ Total Units	b.	20% - 30%	6	_____	_____ % of Total Units	c.	10 - 19%	4	_____	<p>4</p> <p>6</p> <p>4</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>
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_____ % of Total Units	c.	10 - 19%	4	_____																			

SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded																						
<b>B. SITE SUITABILITY AND MARKETABILITY</b>																										
<p><b>1. Market Study Evaluation</b></p> <p>The Authority will review the submitted site and market study in order to award points in this category. In determining how many points to award a Project, the Authority may take into account such factors including, but not limited to, the following: development attributes; primary market area; existing rental market; market demand.</p>	12	_____	_____																							
<p><b>2. Neighborhood Characteristics and Amenities</b></p> <p>One (1) point will be awarded for each desirable activity/characteristic category that is near a proposed Project up to a maximum of ten (10) points. One (1) point will be deducted from the total desirable activities score for each undesirable activity/characteristic category that is near a proposed Project. The total points awarded will be determined by calculating the sum of the total desirable activity points less the total undesirable activity points. A negative total in this category will be awarded zero (0) points.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;">Desirable Activities</td> <td style="width: 50%; text-align: center;">Undesirable Activities</td> </tr> <tr> <td>1. _____</td> <td>1. _____</td> </tr> <tr> <td>2. _____</td> <td>2. _____</td> </tr> <tr> <td>3. _____</td> <td>3. _____</td> </tr> <tr> <td>4. _____</td> <td>4. _____</td> </tr> <tr> <td>5. _____</td> <td>5. _____</td> </tr> <tr> <td>6. _____</td> <td>6. _____</td> </tr> <tr> <td>7. _____</td> <td>7. _____</td> </tr> <tr> <td>8. _____</td> <td>8. _____</td> </tr> <tr> <td>9. _____</td> <td>9. _____</td> </tr> <tr> <td>10. _____</td> <td>10. _____</td> </tr> </table> <p><b>Documentation:</b></p> <p>Owners must submit a site map and color photos of the desirable/undesirable activities as described in Section I(B)(2).</p> <p>If an Owner would like the Authority to consider mitigating circumstances for any undesirable activity located near the proposed Project, a detailed explanation must be provided.</p>	Desirable Activities	Undesirable Activities	1. _____	1. _____	2. _____	2. _____	3. _____	3. _____	4. _____	4. _____	5. _____	5. _____	6. _____	6. _____	7. _____	7. _____	8. _____	8. _____	9. _____	9. _____	10. _____	10. _____	10	_____	_____	
Desirable Activities	Undesirable Activities																									
1. _____	1. _____																									
2. _____	2. _____																									
3. _____	3. _____																									
4. _____	4. _____																									
5. _____	5. _____																									
6. _____	6. _____																									
7. _____	7. _____																									
8. _____	8. _____																									
9. _____	9. _____																									
10. _____	10. _____																									
<p><b>3. Community Impact</b></p> <p>Projects cannot receive points under both (a) and (b).</p> <p>a. <u>Local Revitalization or Redevelopment Plan</u></p> <p>Four (4) points will be awarded to Projects whose Application demonstrates that the Project is located within the boundaries of the area targeted by a local revitalization or redevelopment plan that includes housing policy goals. Projects covered exclusively by Consolidated Plans and Planned Unit Developments will not receive any points in this scoring category.</p>	4	_____	_____																							

SCORING CATEGORY	Points Possible	Self Score	IHDA Awarded
<p>b. <u>Local Revitalization or Redevelopment Plan and QCT</u></p> <p>Six (6) points will be awarded to Projects that demonstrate that the Project is part of a local revitalization or redevelopment plan as described above AND is located in a Qualified Census Tract as listed in Attachment 2 "Qualified Census Tracts".</p> <p style="text-align: center;">_____ Census Tract Number</p> <p><b>Documentation:</b></p> <p>A copy of the Project area's revitalization or redevelopment plan.</p> <p>A map clearly delineating the Project site within the boundaries of the revitalization or redevelopment plan.</p> <p>A currently effective binding resolution evidencing formal adoption by a local government of the revitalization or redevelopment plan prior to September 1, 2009.</p> <p>A detailed description of how the Project supports at least one goal of the revitalization or redevelopment plan.</p> <p>A letter from the chief elected municipal official or local Chicago alderman affirming that the Project will contribute to the goals outlined in the revitalization or redevelopment plan.</p> <p>If available, any development agreement regarding the Project and the revitalization or redevelopment plan.</p> <p>c. <u>Areas targeted by the Governor's Team Illinois Program</u></p> <p>Projects proposed in the following Governor's Team Illinois Program targeted areas will receive six (6) points:</p> <p style="text-align: center;">                 _____ Alexander County                  _____ Eastern portion of City of Aurora (as served by TEAM Illinois)                  _____ Englewood (as defined by the City of Chicago community area map)                  _____ Pembroke Township (in Kankakee County)                  _____ Savanna (in Carroll County)                  _____ Venice (in Madison County)             </p>	6	_____	_____
<b>C. INCOME TARGETING</b>			
<p>1. <b>Deeper Targeting for Supportive Housing Populations</b></p> <p>The Authority will award up to fifteen (15) points to Projects whose Owners commit to set aside ten percent (10%) or more of the units for Extremely Low Income (at or below 30% of Area Median Income) Supportive Housing Populations.</p> <p style="text-align: center;">                 _____ Supportive Housing Population Units                  _____ Total Units                  _____ % of Total Units             </p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit a draft "Referral and Support Agreement" available on the Authority's website (<a href="http://www.ihda.org">www.ihda.org</a>).</p>	15	_____	_____

SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded
2.	<p><b>Deeper Targeting for Supportive Living Facilities</b></p> <p>SLF Projects will receive ten (10) points in this category if Owners commit to set aside ten percent (10%) or more of the units for Extremely Low Income (at or below 30% of Area Median Income) households.</p> <p style="text-align: center;">           _____ Units at 30% AMI or below            _____ Total Units            _____ % of Total Units         </p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit a letter of SLF approval from the Illinois Department of Healthcare and Family Services.</p>	10	_____	_____
3.	<p><b>Unrestricted Units</b></p> <p>Points will be awarded to Projects that include units which are neither income nor rent restricted by any funding source. Points will be awarded in this category only if the site and market study presented by the Owner supports the proposed mix of unrestricted and Tax Credit eligible units.</p> <p style="text-align: center;"><b>% of Unrestricted Units</b></p> <p style="text-align: center;">a. 10% or Greater</p> <p>_____ Unrestricted Units            _____ Total Units            _____ % of Total Units</p>	6	_____	_____
D. DEVELOPMENT TEAM CHARACTERISTICS				
1.	<p><b>Minority-, Female-, or Persons with Disabilities-Owned Business Participation in Project</b></p> <p>Projects will be awarded points if a Participant is a qualified minority-, female-, or persons with disabilities-owned business. In order to qualify, the team member must comply with the following requirements:</p> <p><u>For-profit Business:</u> The Participant must be currently certified under Illinois Business Enterprise Program for Minorities, Females, and Persons with Disabilities (“MAFBE”) or equivalent state program if based outside of Illinois.</p> <p><u>Non-profit Organization:</u> The Participant qualifies as minority-, female-, or persons with disabilities-owned if a minimum of 51% of the members of the Board of Directors of the non-profit are minorities, females, or persons with disabilities.</p> <p>Points are not cumulative in this category.</p> <p>a. If a qualified minority-, female-, or persons with disabilities-owned business acts as the GENERAL CONTRACTOR, OWNER, OR PROPERTY MANAGER.</p> <p>b. If a qualified minority-, female-, or persons with disabilities-owned business acts as the ARCHITECT, CONSULTANT, OR SYNDICATOR.</p> <p style="text-align: center;">Name of Organization: _____            Role in Development Team: _____</p>	6	_____	_____
		4	_____	_____

SCORING CATEGORY	Points Possible	Self Score	IHDA Awarded
<p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit the MAFBE certification for the relevant Participant or the "Scoring -- Minority-, Female-, or Persons with Disabilities- Owned Business Participation Certification" evidencing that fifty-one percent (51%) of the members of the Board of Directors of the relevant Participant are minorities, females, or persons with disabilities.</p>			
<p><b>2. Non-Profit Organization Participation</b> Points are not cumulative in this category.</p> <p>a. To qualify for points in this category, a qualified non-profit corporation must have an ownership interest of twenty-six percent (26%) or greater in the general partner or member of the Owner that includes a commensurate distribution of financial benefits as evidenced in the operating agreement. The non-profit corporation must remain in the Project throughout the Extended Use Period. A qualified non-profit corporation, as defined in Section 42, is a corporation which is not affiliated with or controlled by a for-profit corporation, has an ownership interest in the Project either directly or through a wholly-owned subsidiary, and has as one of its exempt purposes the fostering of low-income housing within the meaning of Section 42(h)(5)(C).</p> <p>b. To qualify for points in this category, a qualified non-profit corporation must have an ownership interest of fifteen to twenty-five percent (15% - 25%) in the general partner or member of the Owner that includes a commensurate distribution of financial benefits as evidenced in the operating agreement. The non-profit corporation must remain in the Project throughout the Extended Use Period. A qualified non-profit corporation, as defined in Section 42, is a corporation which is not affiliated with or controlled by a for-profit corporation, has an ownership interest in the Project either directly or through a wholly-owned subsidiary, and has as one of its exempt purposes the fostering of low-income housing within the meaning of Section 42(h)(5)(C).</p> <p>c. Points will be awarded to Projects where a qualified non-profit organization, as defined in Section 42, has a Material Participation in the development and operating of the Project throughout the Extended Use Period. Applicants must submit a written narrative detailing Material Participation including the number of hours and corresponding activities the qualified non-profit organization will undertake on a quarterly basis.</p> <p style="text-align: center;">Non-Profit Organization: _____ Role in Ownership Entity: _____</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit the participating non-profit corporation's IRS 501(c)3 determination letter and Articles of Incorporation.</p> <p>If the ownership entity is comprised of a joint venture, the Owner must submit an executed operating agreement evidencing the relationship between the entities and the distribution of financial benefits.</p>	<p style="text-align: center;">15</p> <p style="text-align: center;">5</p> <p style="text-align: center;">2</p>	<p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>	<p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>

SCORING CATEGORY	Points Possible	Self Score	IHDA Awarded
<p><b>3. Illinois-Based Organization Participation</b></p> <p>Projects will be awarded points if a Participant is a qualified Illinois-based organization. In order to qualify, the Participant must be an Illinois-based organization whose place of business has been located in the State of Illinois for a minimum of two (2) years.</p> <p>Points are not cumulative in this category.</p> <p>a. If a qualified Illinois-based organization acts as the GENERAL CONTRACTOR, OWNER, OR PROPERTY MANAGER</p> <p>b. If a qualified Illinois-based organization acts as the ARCHITECT, CONSULTANT, OR SYNDICATOR</p> <p style="padding-left: 40px;">Name of Organization: _____</p> <p style="padding-left: 40px;">Role in Development Team: _____</p> <p style="padding-left: 40px;">Number of years in Illinois: _____</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit a copy of the Secretary of State's Certificate of Valid Existence for the relevant Participant.</p>	<p>6</p> <p>4</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>
<p><b>4. Unacceptable Practices</b></p> <p>The Authority may deduct points based on any Participants who have failed to demonstrate proficiency with the Tax Credit program or other government-sponsored housing programs ("Program"). Applications will be awarded up to twelve (12) points and points may be deducted based on the criteria described below. A negative total in this category will be awarded zero (0) points.</p> <ul style="list-style-type: none"> <li>• Record of unsatisfactory prior performance in any Program</li> <li>• Negative results on any physical inspection performed by a Program administrator</li> <li>• Failure to provide and maintain amenities as represented in a Program application</li> <li>• Failure to provide and maintain services as represented in a Program application</li> <li>• Failure to build a development according to the governing architectural and construction guidelines</li> <li>• Failure to comply with any representations made in any application to participate in a Program</li> <li>• Failure to make satisfactory progress on an earlier development in a Program</li> <li>• Involuntarily termination of a Tax Credit reservation</li> <li>• Participation in a development that has been monitored and determined to have uncorrected noncompliance</li> <li>• Participation in a development where an 8823 has been filed</li> <li>• Failure to pay any fee or expense</li> </ul> <p><b>Documentation:</b></p> <p>In the event any of these unacceptable practices apply to any Participant, the Owner may include in the Application an explanation of the circumstances surrounding the unacceptable practice and the roles of Participants.</p>	<p>12</p>	<p>_____</p>	<p>_____</p>



SCORING CATEGORY	Points Possible	Self Score	IHDA Awarded
<p>b. For Projects where the term of the tax abatement is 5 years or GREATER:</p> <p style="text-align: center;"><b>% Reduction of Real Estate Taxes</b></p> <p>Type of Assistance: _____ a. 10% - 15%</p> <p>Term of Assistance: _____ b. 15.1% - 20%</p> <p style="margin-left: 100px;">c. Greater than 20%</p> <p style="text-align: center;">Estimated Taxes without Abatement: _____</p> <p style="text-align: center;">Estimated Taxes with Abatement: _____</p> <p style="text-align: center;">Percent Reduction in Taxes: _____</p> <p><b>Documentation:</b> Owners seeking points in this category must submit documentation evidencing a real estate tax abatement for the proposed Project as described in Section I(E)(2).</p>	<p>6</p> <p>8</p> <p>10</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p><b>3. Financial Leveraging</b></p> <p>Projects that leverage scarce Authority resources will be awarded points based on the percentage of resources in the development budget that come from sources other than the Authority's HOME funds, Affordable Housing Trust Fund, and the equity generated from the sale of Authority allocated low-income housing, and state donation Tax Credits. In Projects where the acquisition is financed in whole or in part through a seller's note, the amount of the seller's financing will not be considered for financial leveraging.</p> <p style="text-align: center;"><b>Leveraged Sources as % of Project Sources</b></p> <p>Leveraged Sources (type, amt)</p> <p>1. _____ a. 5% - 10%</p> <p>2. _____ b. 10.1% - 20%</p> <p>3. _____ c. Greater than 20%</p> <p>4. _____</p> <p>5. _____</p> <p>6. _____</p> <p>7. _____</p> <p style="text-align: center;">Total Leveraged Sources: _____</p> <p style="text-align: center;">Total Project Sources: _____</p> <p style="text-align: center;">Leveraged Sources as % of Total Sources: _____</p> <p><b>Documentation:</b> Owners seeking points in this category must provide a description of how the proposed sources will leverage Authority resources. Authority staff will also reference financing commitments submitted under the financial feasibility mandatory.</p>	<p>4</p> <p>6</p> <p>8</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>

SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded
<p><b>4. Low Soft Costs</b></p> <p>Projects will be awarded points based on minimizing soft costs as a percentage of the total development budget. For purposes of this calculation soft costs will be determined as follows: The total development budget less acquisition costs, construction costs, construction contingency, reserves, construction period interest, consultant fee, and developer fee.</p> <p style="text-align: center;"><b>Soft Costs as % of Total Development Budget</b></p> <p style="text-align: center;">a. 14.1% - 18%</p> <p style="text-align: center;">b. 10.1% - 14%</p> <p style="text-align: center;">c. 10% or Less</p> <p style="text-align: center;">Total Soft Costs: _____</p> <p style="text-align: center;">Total Development Budget: _____</p> <p style="text-align: center;">Soft Costs as % of Total Budget: _____</p>	<p>4</p> <p>6</p> <p>8</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p>	
F. HOUSING POLICY GOALS AND OBJECTIVES				
<p><b>1. Supportive Housing Projects</b></p> <p>Projects that target fifty percent (50%) or more of the total units for Supportive Housing Projects, excluding SLFs, will be awarded points in this category.</p> <p style="text-align: center;">_____ Supportive Housing Project units</p> <p style="text-align: center;">_____ Total Units</p> <p style="text-align: center;">_____ % of Total Units</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit a "Supportive Housing Plan" which includes provision of at least one (1) on-site support coordinator for the proposed Project.</p>	15	_____	_____	
<p><b>2. Veterans' Housing</b></p> <p>Projects that will be marketed to veterans will receive five (5) points.</p> <p><b>Documentation:</b></p> <p>In order to receive points in the category, Owners must obtain a letter of support for the Project from a local veterans' services agency. Owners must also commit to make ongoing efforts to market the Project to veterans and describe their methods to do so.</p> <p>A Project that receives points in this category and is awarded Tax Credits may be required to provide additional documentation regarding marketing to veterans.</p>	5	_____	_____	

SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded
<p><b>3. Rehabilitation or Adaptive Re-Use</b></p> <p>Projects that involve the rehabilitation or adaptive re-use of a building not currently occupied by residential tenants will receive points in this category. In order to receive points, at least 50% of the total project construction costs must be attributable to the rehabilitation or adaptive re-use of an existing building or buildings.</p> <p style="text-align: center;">Total Rehabilitation Costs: _____                      Total Development Budget: _____                      Rehabilitation Costs as % of Total Budget: _____</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must submit a detailed construction cost estimate indicating which costs are attributable to the rehabilitation or adaptive re-use of the building.</p>	4	_____	_____	
<p><b>4. Preservation</b></p> <p>Projects that involve the rehabilitation of currently occupied low-income housing developments whose conversion to market rate housing is likely to occur within THREE (3) years will be awarded points in this category. In determining whether a Project qualifies as preservation, the Authority will evaluate the source and terms of the existing financing, rental assistance program, current unit rents, and the extent to which the rent levels will remain affordable.</p> <p>_____ Section 8 of the United States Housing Act of 1937, as amended, that will be renewed as part of the redevelopment process 15 _____</p> <p>_____ Section 202 or 811 of the National Housing Act 15 _____</p> <p>_____ Public housing projects that provide for a one to one (1:1) replacement of public housing units and receive assistance through an annual contribution contract 15 _____</p> <p>_____ Programs under Section 514 or 515 of the Housing Act of 1949 10 _____</p> <p>_____ Section 236 of the National Housing Act 5 _____</p> <p>_____ Section 42 of the Internal Revenue Code 5 _____</p> <p>_____ The Authority will also consider as preservation a Project that is currently occupied, has no rent or income restrictions, and whose unit rents do not exceed 60% of the Area Median Income as determined by HUD for the Project's location 5 _____</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must provide evidence of the current financing program that is in place.</p> <p>Owners must also include a detailed description of the likely conversion to market rate housing in three (3) years in the event the Project does not receive an Allocation of Tax Credits.</p>	15 15 15 10 5 5 5	_____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____	
<p><b>5. Historic Preservation</b></p> <p>Points are not cumulative in this category.</p> <p>a. Points will be awarded if building(s) on the Project site are listed individually in the National Register of Historic Places and will be preserved in accordance with SHPO requirements.</p>	6	_____	_____	

<b>SCORING CATEGORY</b>		<b>Points Possible</b>	<b>Self Score</b>	<b>IHDA Awarded</b>																														
<p>b. Points will be awarded if building(s) on the Project site are potentially eligible to be listed because they are located in a "registered historic district" or buildings are located in a potentially eligible district that contributes to the significance of the district and will be preserved. Project must have a State SHPO nomination/approval letter.</p> <p><b>Documentation:</b> Owners seeking points in this category must submit evidence that the proposed Project is listed in the National Register of Historic Places or has a current IHPA nomination/approval letter that the proposed Project is historically significant.</p>		4	_____	_____																														
<p><b>6. AHPAA Projects</b> Points are not cumulative in this category.</p> <p>a. Points will be awarded if the proposed Project is not eligible for the Chicago Metro AHPAA Set-Aside, but is located in an AHPAA community or a community at-risk of being subject to AHPAA, and will be serving Elderly populations.</p> <p>b. Points will be awarded if the proposed Project is located in an AHPAA community or a community at-risk of being subject to AHPAA (including projects in the Chicago Metro AHPAA Set-Aside), and will be serving non-elderly populations.</p>		4  6	_____  _____	_____  _____																														
<p><b>7. Employer Direct Assistance</b></p> <p>Projects that receive financial assistance from area employers that are otherwise not participating in the development of the Project will be awarded points. The assistance must be in the form of a financial contribution that will be available during the Project's construction period to pay for expenses reflected in the development budget.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Employer Assistance (name, amt)</th> <th style="text-align: left;"><b>Assistance as % of Total Development Budget</b></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1. _____</td> <td>a. .25% - .49%</td> <td>4</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>2. _____</td> <td>b. .50% - .99%</td> <td>6</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>3. _____</td> <td>c. 1% or Greater</td> <td>8</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>4. _____</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5. _____</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: right;">Total Employer Assistance: _____</p> <p style="text-align: right;">Total Development Budget: _____</p> <p style="text-align: right;">Employer Assistance as % of Total Budget: _____</p> <p><b>Documentation:</b> Owners seeking points in this category must submit a commitment letter, consistent with the requirements for evidencing other Project financing sources, for each employer providing assistance to the proposed Project.</p>		Employer Assistance (name, amt)	<b>Assistance as % of Total Development Budget</b>				1. _____	a. .25% - .49%	4	_____	_____	2. _____	b. .50% - .99%	6	_____	_____	3. _____	c. 1% or Greater	8	_____	_____	4. _____					5. _____							
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SCORING CATEGORY		Points Possible	Self Score	IHDA Awarded
8.	<p><b>Live Near Work</b></p> <p>Points will be awarded if employment data for the defined primary market area for the Project shows a sufficient percentage of private sector employment to be within various low wage industries. These low wage industries must account for 20% or more of the total private sector employment to receive points. For elderly Projects, points will be awarded if activities and services for seniors are located in the Project's primary market area. Points will not be awarded for services provided on-site by the Owner.</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must provide the section from the Project's market study that includes the required information regarding employment and services.</p>	6	_____	_____
9.	<p><b>Transit-Oriented Development</b></p> <p>Points will be awarded if the proposed Project is located in close proximity to fixed-route public transportation, excluding inter-city transportation. "Close proximity" for this category will vary by Set-Aside and will be defined in the following manner: Chicago (6 blocks); Chicago Metro (1 mile); Other Metro (1.5 miles); Non-Metro (2 miles).</p> <p><b>Documentation:</b></p> <p>Owners seeking points in this category must provide the section from the Project's market study that includes the required information regarding transportation routes and distance to the Project site.</p>	6	_____	_____
10.	<p><b>Sustainable Communities</b></p> <p>Up to eight (8) points will be awarded to Projects that score points in the competitive scoring criteria that promote sustainable communities. These scoring categories include: Development Amenities; Green Initiatives; Neighborhood Characteristics and Amenities; Community Impact; Rehabilitation or Adaptive Re-Use; Employer Direct Assistance; Live Near Work; and Transit-Oriented Development.</p> <p style="text-align: center;"><b>Total Points in Sustainable Communities Categories</b></p> <p>_____ Total Points in Sustainable Categories</p> <p style="margin-left: 100px;">a. 46 - 56</p> <p style="margin-left: 100px;">b. 57 - 66</p>	4 8	_____ _____	_____ _____

