Summary of IHDA’s 2020-2021 Draft QAP Changes

July, 2019

Allison Clements
Executive Director
Comments on the 2020-2021 Draft QAP are due to the Illinois Housing Development Authority by 5:00pm on Tuesday, July 30, 2019.

All written comments should be directed to multifamilyfin@ihda.org, or to the address below:

Attn: Multifamily Finance Department
Illinois Housing Development Authority
111 E. Wacker Drive, Suite 1000
Chicago, IL 60601

A Public Hearing for comments on the Plan will be held at the address above on Friday, July 19th.

Contact Kathy Terry at kterry@ihda.org to RSVP. You must RSVP and bring a photo id to be admitted to the building.
The Illinois Housing Council (IHC) will be collecting feedback from IHC members at both the July 11th and July 18th Networking Events.

- IHC Members can also submit feedback directly to Allison Clements at aclements@ilhousing.org by July 19th at 5:00pm to be considered as a part of IHC’s response.

- IHC will compose a response letter to submit to IHDA.

- IHC members are encouraged to provide feedback for the IHC response AND to submit their own individual response to IHDA.
The following summary of IHDA’s 2020-2021 Draft QAP Changes are based on a review for the 2020-2021 Draft as compared to the 2018-2019 QAP.

Please use this summary as a guide for your own review of the 2020-2021 Draft QAP. Make sure to verify the changes with the draft document itself.
Definitions

• Added:
  ▫ 42(m)(2)(D) Letter (Page 4)
  ▫ Average Income Test (Page 4)
  ▫ Difficult to Develop Area (DDA) (Page 6)
  ▫ Displacement (Page 6)
  ▫ Eligible Basis (Page 7)
  ▫ Equity Gap Method (Page 7)
  ▫ Food Access (Page 7)
  ▫ Qualified Census Tract (QCT) (Page 9)
  ▫ Racially or Ethnically Concentrated Areas of Poverty or R/ECAP (Page 10)
  ▫ Relocation (Page 10)
  ▫ Tenant Selection Plan (Page 11)

• Removed
  ▫ Abandoned and Foreclosed Single Family Housing (Page 4 of 2018-19 QAP)
  ▫ Elderly services (Page 6 of 2018-19 QAP)
  ▫ TRACS/Tenant Rental Assistance Certification System (Page 10 of 2018-19 QAP)
Definitions

- Revised
  - Community Revitalization Strategy – (Page 5)
    - Adds note that IHDA will consider well-documented efforts taking place outside of formalized plans
    - “Community” changed to “Community Revitalization Strategy Area”
    - CDBG “Entitlement Area” changed to CDBG “Target Area”
    - Added “Tax Increment Finance District (TIF)” to the list of areas designated for development that CRSA can align with

  - Control – Added clarifying language (Page 6)
    - For purposes of definition of “Sponsor”: control must mean a majority ownership interest
    - For purposes of determining that non-profit is not controlled by a for profit: control shall mean either a majority ownership interest or decision making authority as defined in the entity’s legal documents
Definitions

- **Revised**
  - **Elderly** – deleted reference (Page 7)
    - “when such housing also provides elderly services”

  - **Identity of Interest** - added (Page 7)
    - When any Participant advances any funds **or sells or donates property** to the owner

  - **Low Income** – changed (Page 8)
    - Determined by the owner’s minimum set-aside election; owners may elect to make units affordable to households below 60% AMI, 50% AMI or at intervals between 20% and 80% AMI, under the Average Income Test

  - **Owner or Project Owner** (Page 8)
    - Changed “single purpose entity” to “single asset entity”
    - Added: “for the term of the compliance period, and which shall be signatory to the Extended Use Agreement”
• **Revised**
  ▫ **Qualified Non-Profit Corporation (Page 9)**

  • Added clarifying language on definition:
    • Nonprofit must have one of its tax exempt purposes defined as the fostering of Low Income Housing within the meaning of Section 42(h)(5)(C) as evidenced by Form 990
    • Nonprofit must materially participate in the operations of the project on a regular, continuous and substantial basis, throughout the Compliance Period
    • Is determined by the Authority not to be affiliated with, or controlled by, a for profit corporation

  • To score nonprofit points, must have ownership interest of 100% in the general partner or managing member of the Owner throughout the Compliance Period.
Definitions

• Revised
  ▫ Sponsor (Page 10)
    • Added: “The Sponsor shall Control the Owner of the Project for the term of the Compliance Period.”

  ▫ Statewide Referral Network Units (Page 11)
    • Added: “where unit has a 30% AMI designation”

  ▫ Supportive Housing Populations (Page 11)
    • Changes definition to mean people who need and are eligible for permanent supportive housing as defined earlier in the document

  ▫ Waiver of 4% Feasibility (Page 11)
    • Clarifies that all projects that have existing federal project-based rental assistance contract on 50% or more of the units are not eligible to apply for 9% tax credits unless waiver letter is obtained, and this must be requested at PPA.
IV) Tax Credit Information

- **C) Basis Boost (Page 17)**
  - **Added:** Projects may not apply with a Basis Boost. Requests for basis boost will be counted as an Authority resource request.

- **D) Maximum Tax Credit Request (Page 18)**
  - The maximum amount of Tax Credits for which a Project may apply is the lesser of the following:
    - Deletes “28,500 per unit” from the list for 9% projects

- **E) Average Income Test (Page 18-19)**
  - Guidelines about the Average Income Test for the minimum set aside have been added
  - *Please review this section in detail.*
IV) Tax Credit Information

• E) Average Income Test (Page 18-19)
  ▫ Authority will consider:
    • 4%/Bond projects can use income averaging only when it will prevent displacement of existing tenants with incomes over 60% AMI
    • When using income averaging, projects may not contain unrestricted or market rate units
    • Owners must declare each building in a multi-building project to be a part of a multi-building project on line 10b of the 8609
    • Applicants must demonstrate that income restrictions are applied evenly across units by unit size and other features
  
  ▫ Please note the compliance implications listed on page 19
  
  ▫ Supplemental material to be provided: market study, investor acknowledgement, property management preparedness
V) Credit Ceiling and Set-Asides

• A) Credit Ceiling (Page 18)
  ▫ Approximately 35 million in 9% Tax Credits
    ● 27.7 million in per capita Tax Credits allocated to IHDA
    ● 7.4 million in per capita Tax Credits allocated to Chicago

• B) Set-Asides (Page 21)
  ▫ “Statewide Tax Credit Set-Aside” renamed “Strategic Priority Set-Aside”
VI) Preliminary Project Assessment (Pages 22-25)

- The PPA process has been greatly expanded for the 2020-2021 QAP, but this process does not require any additional information to be submitted with a PPA.

- PPAs for 9% tax credits will be accepted once the QAP has been published; PPAs for 4% tax credits are accepted on a rolling basis.

- IHDA has created a separate document to inform applicant’s of the Authority’s review process.

- The PPA process is being updated to consider some criteria earlier in the application process, including:
  - waiver of 4% LIHTC feasibility
  - projects located in floodplains and related cost implications
  - food access
VII) Application Process

• A) Application Submission (Page 26)
  ▫ 4% applications will be accepted on a quarterly basis

• C) Application Materials (page 27)
  ▫ Unless otherwise indicated, all documentation must be signed and dated within nine (9) months of the application deadline (changed from 6 months)

• D) Application Evaluation
  ▫ 1) Completeness Review (Page 27)
    • New clarifying language: 4% applications that are incomplete will be returned to applicant with list of written requirements and will not proceed through Mandatory Review; may be resubmitted
  ▫ Mandatory Review (Page 28)
    • New clarifying language: Applications that fail to meet one or more of the mandatory requirements after any clarification period will not be formally scored
IX) 4% Tax Credits

• Added: “All Mandatory requirements in this QAP apply to 4% Tax Credit Projects unless a waiver is requested or a requirement is otherwise amended or waived by the Authority.” (Page 31)

• A) 4% Tax Credit Allocation (Page 31-32)
  ▫ 1) 42(m) Letter
    • Clarify distinction in 42(m) letters when IHDA is or is not the issuer of the bonds
  ▫ 2) Request for an Extension
    • Added: “The governmental unit that is issuing the bonds is responsible for determining that the credit allocated to the building does not exceed the amount necessary to assure project feasibility as required under Section 42(m)(2)(D)”
A) 4% Tax Credit Allocation (Page 32)

- Adds criteria for volume cap limits and basis calculations for 4% transactions (page 32)
  - IHDA can limit volume cap used to the amount needed to meet the 50% test, or as required for IHDA’s underwriting (currently 54%)
  - Restrict or eliminate the use of bond volume cap for conduit bond transactions
  - IHDA may score applications for tax-exempt bonds and 4% credits
  - IHDA may limit basis calculations on 4% tax-exempt bond projects with tax credits (see additional details – Page 32)
  - A waiver may be requested when additional equity generated is used for actual hard construction costs for the Project or the Project is contemplating the usage of 4% and 9% tax credits.
XI) Extended Use Agreement, Placement in Service, and IRS Form 8609

• A) Extended Use Agreement (Page 35)
  ▫ Provides information for projects that apply with Average Income election that EUA will specify that income averaging will be used, the unit breakdown, but will not designate specific units for specific targets
  ▫ **Adds:** EUA will contain commitments the Sponsor has made to IHDA as a part of the application for scoring purposes, above and beyond the requirements of the LIHTC program. It may also contain commitments made under other programs administered by IHDA.
XII) Project Monitoring

• B) Compliance Monitoring (Page 37)
  ▫ IHDA’s Compliance Monitoring process is outlined in greater detail on pages 37-39. The procedures for reporting noncompliance to the IRS is also outlined.
  ▫ More detailed information is available in IHDA’s *Low Income Housing Tax Credit Manual for Owners and Agents*. 
XIII) Mandatory

- New mandatory criteria for all projects are introduced, including (Page 40):
  - Waiver of right to Qualified Contract
  - 10% of project units must be pledged to the Statewide Referral Network (SRN) at 30% AMI
  - Universal Design (UD) elements are increased from 5 to 10 per project
  - Veteran waitlist preference for at least 10% of units
  - Smoke-free housing for new construction and vacant rehab projects
  - Removes language around projects that rehab abandoned and foreclosed single family housing.
XIII) Mandatory

- **B) Project Narrative (Page 41)**
  - Language is added that outlines the recommended specific information to include.

- **C) Public Outreach (Page 41)**
  - Local support is not a requirement for project funding. However federal code requires IHDA to notify local government executives of projects funded within their district and give them a reasonable opportunity comment on the project. If local officials decline to support project, the application should address any specific concerns raised.

- **E) Zoning (Page 43)**
  - Added: Application must include evidence that all Sites are either currently zoned for the proposed use or will be addressed through a Planned Development or PUD process in a timeframe compatible with the project’s two-year Placed in Service date.
  - Provides additional clarification on zoning requirements for projects in a Planned Unit Development (PUD)

- **F) Site Physical Information (Page 44)**
  - 1) 1% Floodplain or Floodway a) Rehabilitation
    - PPA must include FEMA floodplain map
    - Site plan for rehab projects within the 1% floodplain or floodway must now include the historic frequency of flooding and flood related repairs
XIII) Mandatory

- I) Architectural Requirements (48)
  - B) Universal design
    - Projects must provide **10 additional items** not required by code in 100% of the units (increased from 5 additional items)
  - C) Amenities
    - ii.) Interior
      - Deletes reference to “at least one additional common room in conjunction with a community room for an identified activity” and replaces with “Activity room”
    - iii.) Project Unit Related Amenities
      - Removes: “Entire project contains non-smoking units”
  - J) Construction Cost Breakdown
    - New: “Where the Authority is providing construction financing, the applicant must also provide the upfront construction analysis at the time of initial closing. The Authority will accept the report engaged by the syndicator or construction lender, provided that the Authority must be named on the report.”
XIII) Mandatory

- K) Projects Involving Rehabilitation and Adaptive Reuse (Page 50-51)
  - 2) Minimum Rehabilitation Standards
    - Increased from $25,000/unit to $40,000/unit
  - 3) Hard Costs (NEW)
    - Outlines additional requirements for projects seeking 4% LIHTCs
    - Rehab expenditures must be equal to or exceed 15% of the portion of the costs of acquiring the building financed by tax-exempt bonds
    - Expenditures must be at least $40,000 per unit, and include a minimum project scope (outlines list of requirements)

- L) Relocation (Page 52)
  - Applications must demonstrate that a project will not cause permanent Displacement and include a relocation plan
  - Adds reference to Tenant Notice Letters as required under the Uniform Relocation Act

- M) Site and Market Study (Page 52)
  - Site and market studies may now be no more than 9 months old at the time of submission to IHDA (changed from 6 months)
XIII) Mandatory

• N) Appropriate Development Team (Page 53-56)
  ▫ IHDA will evaluate the development team and their capacity to successfully complete the Project and future compliance requirements.

  ▫ 2) Required Experience
    • Added: “Any Participant with an existing Authority project must demonstrate capacity on the experience certification.”

  ▫ 3) Unacceptable Practices
    • Added: A Participant maintaining an ownership interest in a Project has an uncured default on any loan or grant made by IHDA under any program or for any Project.
    • Added: A Participant maintaining an ownership interest in a Project has a history of delinquent payments on any loan made by IHDA under any program or for any project.
Financial Feasibility (Page 56-57)

1) Sources
   b) Authority Loan Limits
      • Added: “IHDA will consider resource requests that exceed the Authority loan limits for projects that provide additional SRN units greater than 10%. The additional funding will only cover the units greater than the mandatory 10% and up to 20% of total SRN units in the Project. Funding will be determined based on the differential of 60% AMI rents and 30% AMI rents. The Authority will determine the funding source, which may include additional tax credits, a subordinate loan, LTOS (or other rental assistance provided by the Authority).”

   c) Deferred Developer Fee
      • Added: “Applications should reflect the maximum supportable deferred developer fee if Authority resources, such as subordinate, or non-market interest rate loans are being requested.”

   d) Evidence of Project Financing
      • Added: “Sponsor must demonstrate the level of commitment for all sources, including what, if any, approval processes are still pending.”
XIII) Mandatory

- O) Financial Feasibility (Page 57-59)
  - 1) Sources
    - d) Evidence of Project Financing
      - i. Authority Debt Sources with Market Interest Rates
        - Request for IHDA debt sources with market interest rates must be made 60 days prior to the application due date (changed from 45 days)
      - iii. Non-Authority Debt Sources
        - If requesting Authority resources with below market interest rate, permanent loans must be fully amortizing.
        - Rate should be on terms similar to what is offered by IHDA
    - iv. Tax Credit Equity Sources
      - Now requires only 1 (not 2) financing acknowledgement letter from LIHTC equity source
      - New requirements for letter:
        - Per credit net cent raise rate and sensitivity analysis (including disclosure if equity pricing is tied to providing debt for project), type of fund, pricing for debt and assumed debt for first mortgage used in projections, specific dates/timeframes, any negative adjustors, fees paid, anticipated investor losses, year 15 buy-out terms.
      - IHDA reserves the right to reject equity proposals that tie equity with debt.
• O) Financial Feasibility (Page 60-61)
  ▫ 2) Uses
    • b) Grand Total Hard Cost Limits
      • Total Development Costs must not increase more than 10% from Board approval to initial closing. IHDA resources may not be used to fill increases above 10%  
      • Projects with historic tax credits must demonstrate that costs required to complete the historic work do not exceed equity generated by the credits.
  
  • d) Construction Contingency
    • Contingency will be prorated for projects that are a combination of new construction/rehab  
    • The portion of contingency allowed in eligible basis is increased from 25% to 50%
O) Financial Feasibility (Page 61-62)
  2) Uses
   f) Developer Fee
      • Calculation modified:
        ▫ 5% of project’s acquisition (limited to the first $20 mil of total acquisition costs)
        ▫ 15% of first $5 mil of Fee Based Costs; Plus
        ▫ 10% of Fee Based Costs between $5 mil and $15 mil; Plus
        ▫ 5% of Fee Based Costs in excess of $15 mil
   • Increases to Base Developer Fee (new section)
     ▫ An increase to base developer fee may be allowed if the project is able to pay the increase by
       deferring the additional developer fee over and above the minimum required amounts in the QAP
   • Reductions to Base Developer Fee
     ▫ Added: Reductions will be made if the property has been previously acquired by the Sponsor or an
       affiliate of the Sponsor
     ▫ Includes new information that a waiver may be requested when additional equity generated is used
       for actual hard construction costs for the Project, or the Project is contemplating the usage of 4% and 9% Tax Credits.
   • IHDA may cap the total developer fee to $2 million.
O) Financial Feasibility (Page 63-64)

3) Income
   b) Federal Project Based Rental Assistance
   c) Other Residential Income
      Added: Other Income should only include items that are recurring, defensible and voluntary to the tenant. Late fees, pet or security deposits are not allowed.

   d) Commercial income
      Added: Commercial income should not be included financial feasibility calculations
XIII) Mandatory

O) Financial Feasibility (Page 65)

4) Expenses
   a) Per Unit Operating Expenses
      • Removes reference to required operating expense information for application (historical expense information for existing projects & operating expense information from comparable properties for new construction projects)

   b) Compliance Fees
      • Compliance fee chart has been updated to reflect fees per project rather than per unit

   c) Resident Services
      • Provides specific language that resident services must not be included in the project operating budget projections.
      • Added: Budgeted costs to provide services should be sufficient to provide services over the 15 year compliance period.
XIII) Mandatory

0) Financial Feasibility (Page 65-67)
   5) Reserves
      - **Added:** Any balances in Project reserves must stay with the Project at the time of investor exist. IHDA will review partnership agreements to ensure this policy is enforced.

   - a) Replacement Reserve
     - Added language that projects must fund ongoing per unit annual replacement reserves by rates outlined in chart, and **adjusted for inflation at 3% per year.**
     - On-going replacement replacement reserve requirements are reduced

   6) Underwriting Standards
      - a) Debt Service Coverage Ratio
        - The DSCR is reduced to 1.10 if project has no “must pay” hard debt
      - d) Vacancy Rates
        - Removes “Commercial Income: 50%” from list of IHDA cash flow vacancy rates
**XIV) Scoring**

<table>
<thead>
<tr>
<th>QAP Scoring Categories</th>
<th>2018-2019 QAP</th>
<th>2020-2021 QAP</th>
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<tbody>
<tr>
<td><strong>A. Project Design and Construction</strong></td>
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<td>1. Universal Design</td>
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<td>3. Cost Containment</td>
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<td><strong>B. Energy Efficiency and Sustainability</strong></td>
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<td>1. Green Initiative Standards</td>
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<td>2. Rehabilitation</td>
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<td><strong>C. Community Stability</strong></td>
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<td>1. Market Characteristics</td>
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<td>2. Opportunity Area or Community Revitalization Plan</td>
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<td>3. Affordability Risk Index</td>
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<td>5. Neighborhood Assets</td>
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<td>1. Illinois Based Participants</td>
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<td>2. Minorities, Females, Persons w/ Disabi.</td>
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<td>3. Non-profit Corp. participation</td>
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<td><strong>E. Financial Characteristics</strong></td>
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<td>1. Rental Assistance (2020 QAP adds Deeper Income Targeting)</td>
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<td>2. Leveraging Authority Resources</td>
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<td><strong>F. Housing Policy Goals and Objectives</strong></td>
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<td>1. 30% AMI Housing</td>
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<td>2. State Referral Network</td>
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<td>3. Communities with Demand for SRN</td>
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<td>4. Coordination with Veteran’s Services</td>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
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</table>
XIV) Scoring

- **Sections Removed from Scoring**
  - 30% AMI Housing
  - Coordination with Veteran’s Services

- **New Sections Added to Scoring**
  - Communities with Demand for SRN
XIV) Scoring

• A) Project Design and Construction (Page 69)
  ▫ 1) Universal Design
    • Project must identify a minimum of 10 universal design elements above the code required elements
    • A project can earn up to 7 points for providing an additional 10 elements above mandatory requirements, and not required by code, in 100% of the units
A) Project Design and Construction (Page 70)

3) Cost Containment

- Project can earn up to 10 points for containment of costs.
- Only Projects with costs below the grand total hard cost limits as set forth in the Mandatory Section O) are eligible for consideration under the Cost Containment category.

New Construction

- 3 pts - Hard cost is within construction cost limits, and equals 65% or more of TDC
- 6 pts - Hard cost is no more than 90% of limits, and equals 65% or more of TDC
- 10 pts - Hard cost is no more than 90% of limits, and equals 70% or more of TDC

Rehab or Rehab/New

- 3 pts - Hard cost is no more than construction cost limits, and equals 60% or more of TDC
- 6 pts - Hard cost is no more than 90% of limits, and equals 60% or more of TDC
- 10 pts - Hard cost is no more than 90% of limits, and equals 65% or more of TDC
XIV) Scoring

• B) Energy Efficiency and Sustainability (Page 70-71)
  ▫ 1) Green Initiative Standards
    • Achieve up to 3 pts by selecting 10 items from Sustainable Design Checklist (no more tiered points)
  
  ▫ 2) Rehabilitation
    • No longer includes adaptive reuse. Adaptive reuse of non-residential properties for residential use will be treated as new construction for scoring purposes.
    • Rehab budget must contain at least a minimum budget of $40k per unit (increased from $25k)
    • Per Unit Rehab Construction Costs:
      • 3 points - $47,500 - $55,000
      • 5 points - $55,001 - $70,000
      • 7 points - $70,001 or more
XIV) Scoring

- C) Community Characteristics (Page 73)
  - 2) Priority Community Targeting
    - b) Community Revitalization Strategies
      - Provides clarity on projects that many have one or more unit(s) within a scattered site project falling within a census tract or geographic area that requires a Community Revitalization Strategy meeting Thresholds
      - Provides clarity on if a project site is located within both an Opportunity Area and a census tract or geographic area that requires a Community Revitalization Strategy meeting Thresholds
XIV) Scoring

• C) Community Characteristics (Page 76)
  ▫ 5) Neighborhood Assets
    • Scoring depends on the proximity of neighborhood assets to the project

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<th>Distance in Miles by Zone</th>
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<th>B</th>
<th>C</th>
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<table>
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<tr>
<th>Points by Type of Asset and by Zone</th>
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<th>B</th>
<th>C</th>
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<td>Education/Job Training</td>
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<tr>
<td>Health Services</td>
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<tr>
<td>Recreation</td>
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</table>
XIV) Scoring

- D) Development Team Characteristics (Page 77-78)
  - 3) Non-profit Corporation Participation
    - Points will now only be awarded if the Non-Profit holds a 100% ownership interest in the general partner or managing member of the project Owner throughout the Extended use Period.
E) Financial Characteristics (Page 78)

1) Rental Assistance or Deeper Income Targeting
   a) Rental Assistance

   Now only references “federal” rental assistance; removes reference to state and local assistance
   To be eligible for points, term of rental assistance contract must have at least 10 years remaining.

   Projects that are unable to obtain federal rental assistance contracts may score points for deeper income and rent targeting achieved by income averaging or other sources so long as IHDA is satisfied that the applicant has demonstrated the project’s ability to sustain these commitments over 10 years.

<table>
<thead>
<tr>
<th>Points</th>
<th>Federal Rental Assistance units as a % of total Project Units</th>
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<tbody>
<tr>
<td>4</td>
<td>10.00% - 24.99%</td>
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<tr>
<td>8</td>
<td>25.00% or more</td>
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XIV) Scoring

E) Financial Characteristics (Page 79)

1) Rental Assistance or Deeper Income Targeting
   b) Deeper Income Targeting

- Projects that are unable to obtain federal project based rental assistance may score up to 8 points for providing units with rents restricted to 30% AMI limit and occupancy restricted to households with incomes at or below 30% of AMI, evidenced through submission of the Scoring 30 Percent AMI Housing Certification available on the IHDA website.

- Units used to score points for deeper income targeting must be in addition to the mandatory 10% of Project units dedicated to the Statewide Referral Network.

<table>
<thead>
<tr>
<th>Points</th>
<th>30% AMI units as a % of total Project Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>5.00% - 9.99%</td>
</tr>
<tr>
<td>6</td>
<td>10.00% - 19.99%</td>
</tr>
<tr>
<td>8</td>
<td>20.00% or more</td>
</tr>
</tbody>
</table>
XIV) Scoring

• E) Financial Characteristics (Page 79-80)
  ▫ 3) Leveraging Authority Resources
    • a) Projects with no IHDA resource request, other than federal tax credits, can earn 2 points. (same)

    • b) Projects whose budgets leverage non-IHDA resources that are available during the construction period to pay for expenses reflected in the development budget and either remain in the Project after construction, or are swapped out with another non-IHDA source as permanent financing can earn up to 8 points.

• New to Leveraging Resources list: Capital contributions from a project participant (including equity generated by non-IHDA resources, such as historic tax credits)

• Non-leveraging resources: “Funds from a project participant, including deferred developer fees up to 25%” is changed to “Deferred fees”
E) Housing Policy and Objectives (Page 80-81)

- Removes 30 Percent AMI Housing from this section

1) Statewide Referral Network Units

<table>
<thead>
<tr>
<th>Points</th>
<th>SRN Units as a % of the total Project Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>10.01%-15.00%</td>
</tr>
<tr>
<td>10</td>
<td>15.01%-20.00%</td>
</tr>
</tbody>
</table>

- Elderly Projects are not eligible for points nor for any of the other benefits outlined below under this category.

- Projects seeking points in this category should not exceed a 10:1 ratio based on current demand for units in the development’s city, or in Chicago, community area. Refer to SRN Communities of Preference list to determine demand.

- Projects which set-aside between 10-20% of their units for SRN may also be eligible for higher soft funding requests.

2) Communities with Demand for SRN

- A development located in a community with demand for SRN may receive an additional 4 points.
XIV) Scoring

• G) Tiebreaker Criteria (Page 81)
  ▫ 1) First Tiebreaker: Projects that serve the lowest income households.
  ▫ 2) Second Tiebreaker: Projects with the lowest per unit construction costs.
  ▫ 3) Third Tiebreaker: Projects that are intended for eventual tenant ownership.
  ▫ 4) Fourth Tiebreaker: Projects with the longest affordability period.
  ▫ 5) Fifth Tiebreaker: Projects with historic significance.
Final Reminders

• Comments on the 2020-2021 Draft QAP are due to the Illinois Housing Development Authority by **5:00pm on Tuesday, July 30, 2019.**

• A Public Hearing for comments on the Plan will be held at IHDA on Friday, July 19th.

• IHC will compose a response letter to submit to IHDA. IHC Members can submit feedback directly to Allison Clements at aclements@ilhousing.org by **July 19th at 5:00pm** to be considered as a part of IHC’s response.

• IHC members are encouraged to provide feedback for the IHC response **AND** to submit their own individual response to IHDA.