

## Illinois Affordable Housing Tax Credit (IAHTC)

### **Program Overview**

The Illinois Affordable Housing Tax Credit Program has been extended until 2011. The Program encourages private investment in affordable housing by providing donors to qualified non-profit affordable housing sponsors with a tax credit on their Illinois income tax equal to 50% of the donation.

The Illinois Housing Development Authority administers the IAHTC program statewide. The City of Chicago's Department of Housing administers the program in the City of Chicago. Each agency will review applications submitted by sponsors and provide a reservation of IAHTCs to successful applicants.

Once an applicant has received a reservation for IAHTCs, a donation must be procured within 12 months. Non-Employer Assisted Housing projects have a possibility of a 12-month extension upon written request to the administering agency. During this time, any financing needed for the development must also be procured. The credit will be issued once the administering agency receives evidence of the donation and other project information, such as final cost, unit mix, and financing on Authority prescribed forms. Transfer of the credit is encouraged; however, all transferees must make a donation to the project sponsor upon transfer.

### **Amount Available**

<u>Fiscal Year 2010 (ending June 30, 2010)</u>	<u>State</u>	<u>IHDA</u>	<u>DCD</u>
Total Allocation	\$19,206,920	\$14,501,225	\$4,705,695
Employer Assisted Housing Set-Aside	\$2,000,000	\$1,510,000	\$490,000
T/A and Operating Set-Aside	\$1,000,000	\$755,000	\$245,000
General Pool	\$16,206,920	\$12,236,225	\$3,970,695

The Illinois Housing Development Authority (IHDA) receives 75.5% of the IAHTC annually, while the City of Chicago Department of Community Development (DCD) receives 24.5%. Each administrative entity has its own application process.

### **Program Fees**

There is a \$500 application fee payable at the time of submission. When a project receives a Reservation of IAHTC, the applicant must pay a Reservation fee of 3% of the Reservation amount.

### **Application Review**

Applications are accepted on at any time of the year. IHDA will review applications for financial feasibility, impact on the local housing market, and conformity with program preferences.

## **Illinois Affordable Housing Tax Credit (IAHTC)**

### **Program Preferences**

- ▶ Sponsor's ability to proceed (project readiness)
- ▶ Evidence of site control
- ▶ Preservation of an existing affordable housing project
- ▶ Serving special needs populations
- ▶ Serving lower income households

### **Eligible Donations**

Eligible donations include money, securities, or real or personal property provided without consideration to a Sponsor for an Affordable Housing Project. The donations may be aggregated if more than one donation is received for a development, but the total donation may never be less than \$10,000.

### **Eligible Costs**

Costs associated with purchasing, rehabilitating, constructing, or providing financing for a development are eligible; technical assistance for the project, or general operating support of the Sponsor in connection with the project are also eligible costs, but will only be available until the set-aside for these costs is expended.

### **Credit Transfers**

Donors may transfer some or all of their IAHTCs to another individual or entity. The individual or entity receiving the transfer of credits must make a donation to the affordable housing project at the time of transfer. If the amount transferred is less than \$100,000 the donation must be 10% of the amount transferred. If the amount transferred is greater than \$100,000 the donation must be \$10,000. The administrating agency must be informed, in writing, of all IAHTC transfers.

### **Income Levels Served**

For all but employer-assisted housing developments, 25% of the units in each development must serve persons with incomes of 60% of the area median income or less. Rents or mortgage payments may not exceed 30% of the household income.

### **Employer-Assisted Housing**

For employer-assisted housing developments, 100% of units must serve eligible employees whose adjusted income is equal to 120% or less of the area median income. Eligible activities for employer-assisted housing include: down payment and closing cost assistance, reduced-interest mortgages, mortgage guarantee programs, rental subsidies, and individual development account savings plans.

### **More Information**

Application materials and program updates may be found on the website at [www.ihda.org](http://www.ihda.org). To request a copy of the official Rules or for programmatic questions, please contact Shelly Tucciarelli at [stucciar@ihda.org](mailto:stucciar@ihda.org) or 312 836-5333 or Mary Ellen Poole at 312-836-5394 or [mpoole@ihda.org](mailto:mpoole@ihda.org). Staff is available to meet with interested applicants upon request.