ILLINOIS HOUSING DEVELOPMENT AUTHORITY
STANDARDS FOR
SITE AND MARKET STUDIES
2018-2019 QAP

As part of the Application for Multifamily Financing, the Illinois Housing Development Authority (IHDA) requires applicants to secure a "Site and Market Study" from professional services firms experienced in providing market analyses and capable of producing the desired services in a professional, timely and cost-conscious manner. All applicants must submit a Site and Market Study that conforms, at a minimum, to the standards presented in the "Site and Market Study Required Inclusions" document on IHDA's website (www.ihda.org). Additionally, all applicants must submit a completed "Site and Market Study Summary Form" also found on IHDA's website.

The market analyst firm selected by the applicant must meet the Standards for Site and Market Studies listed below along with the Supplemental Consultant standards, attached.

The information below is intended as a guide to applicants in the selection of market analysts to be used on IHDA funded projects. It is the responsibility of the applicant to make his/her own determination regarding the capability, competence and/or limitations of a consultant. IHDA reserves the right to change or waive any of the requirements below and reject any submitted Site and Market Studies.

I. Scope of Services

Market analyst firms shall assist applicants with the evaluation of the market conditions for their specific loan application. Studies shall evaluate: the proposed subject site in terms of general accessibility, and its location in terms of the availability of needed services and amenities; the demographic and economic trends in the defined market area; the specific proposed unit mix, unit sizes, rents and amenities in terms of their marketability in the area; the strength of the existing rental market; the demand/need shown in the area for the project; and, how the proposed project will impact other IHDA developments, other affordable projects and the general rental market. Finally, the study will provide conclusions as to the overall marketability of the proposed project.

The applicant must supply the selected market analyst firm with the necessary information to perform the tasks, such as the subject location, the proposed unit mix, rent structure, unit and development amenities, as well as a set of plans and specifications (where available). The market firm is required to visit the project site and the surrounding market area to evaluate the sites location, and the existing rental market conditions.

II. Format

All submitted Market Studies MUST conform, at a minimum, to the standards presented in the "Site and Market Study Required Inclusions" document on the Authority's website (www.ihda.org). **Site and Market Studies that do not conform to these minimum standards will not be reviewed.**

All submitted Market Studies must be accompanied by a "Site and Market Study Summary Form" (found on IHDA's website (www.ihda.org)). **Site and Market Studies submitted without a completed Summary**

Form will not be reviewed.

Please also note that Penetration Rates and Capture Rates Presented in Site and Market Studies MUST conform to the parameters presented in the "Site and Market Study Required Inclusions" document. IHDA will take the results of the Site and Market Study into consideration in evaluating the strength of the market for the Project. While IHDA will consider the conclusions of the analyst in evaluating the Project's marketability, IHDA will not be bound by the opinion or conclusions reached by the market analyst. Additionally, IHDA reserves the right to require additional information and/or reject the study.

The study will be submitted as part of a full application through the Multifamily portal at https://mfportal.ihda.org. Applications will not be accepted in paper form. Please direct any questions to multifamilyfin@ihda.org.

III. Study Age Perimeters

The original Site and Market Study should be no more than 6 months old at the time it is submitted to IHDA, and must reflect the most current parameters for the project being proposed. After the 6-month timeframe, a study update can be performed and may be submitted up to 12 months beyond the date of the original study. The update must be attached to, and submitted with, the original study.

Updates should include any relevant changes in demographic data, and include updated comparable property (including rents, occupancy levels and waiting list) information. Any changes to planned activities in the area should also be included in an update to the study.

Any substantive project changes (to unit count, mix, income restrictions, targeting, etc) may nullify the permission to update a pre-existing study.

IV. Certification

Any firm performing site and market study services must meet the requirements of the Global Professional Services Firm Requirements as outlined on the IHDA website (www.ihda.org).

The third-party Site and Market Study must be prepared by professional Site and Market Study Firms who are members of the National Council of Housing Market Analysts (NCHMA). NCHMA offers a Site and Market certification that documents the firm's standing within the organization as well as the study's consistency with NCHMA's *Model Content Standards for the Content of Market Studies*. While this certification is certainly accepted, it is not a requirement.

V. Ethics

The standards of practice in the *Code of Ethics and Standards of Professional Practice published* by the NCHMA. The Canons of Ethics are available on the NCHMA website (http://www.housingonline.com/NationalCouncilofAffordableHousingMarketAnalysis.aspx).

VI. Fee Basis

Fees for all costs and expenses related to the performance of the scope of services shall be determined between the professional services firm and the applicant. The applicant is responsible for payment of fees and entering into a written agreement with the selected professional services firm. Kickbacks or incentives for procuring a positive market evaluation will not be permitted.

IHDA shall review the fees associated with obtaining a Site and Market Study to insure they are proper, fair and reasonable. IHDA has evaluated the estimated fees and has determined that most studies (inclusive of travel expenses and copying fees) should be priced under $15,000. It is understood, that on occasion, the cost of a Site and Market Study could exceed this amount, due to the size or complexity of the project, and the corresponding evaluation.

VII. Questions

Any questions or request for clarification regarding this service must be submitted to Alan Quick, Director of Strategic Planning and Reporting at (312) 836-5338 or aquick@ihda.org or Lisa Somers, Assistant Director of Market and Reporting at (312) 836-5374 or lsomers@ihda.org

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SUPPLEMENTAL
PROFESSIONAL SERVICES FIRM REQUIRMENTS

November 2013

As part of the Application for Multifamily Financing, the Illinois Housing Development Authority (IHDA) requires applicants to secure studies from professional services firms experienced in providing cost estimating services, market studies, Phase I Environmental studies, Rent Comparability Studies, and Property Needs Assessments.

The professional services firms selected by the applicant must meet the Supplemental Consultant standards listed below along with the standards for each discipline as found on the IHDA website.

The information below is intended as a guide to applicants in the selection of consultants to be used on IHDA funded projects. It is the responsibility of the applicant to make his/her own determination regarding the capability, competence and/or limitations of a consultant. IHDA reserves the right to change or waive any of the requirements below and reject any studies.

I. Minimum Qualifications

Professional services firms selected and retained by applicants must be registered with the Illinois Department of Revenue to conduct business in Illinois and not be debarred, suspended or otherwise prohibited from professional practice by any Federal, State or Local Agency.

The selected firm is required to have been in business for a minimum of five (5) years and must demonstrate knowledge and related experiences with regard to preparation of studies for affordable housing projects using federal, state and city funds.

The professional services firm must supply the applicant with documentation of the firm's professional qualifications, including: Illinois Department of Revenue registration, resumes of key members assigned to the project demonstrating a minimum of ten (10) years' experience in the design, development and/or construction of affordable housing.

II. Minority Procurement Efforts

The applicant is required to make a proactive effort in selecting and retaining qualified firms certified as Minority Business Enterprise (MBE), Disadvantaged Business Enterprise (DBEs) and Women Business Enterprise (WBEs) whenever possible. The applicant is required to verify any selected MBEs, MBEs and WBEs are registered and have a valid certification number.

III. References

The selected firm must supply the applicant at least three (3) professional references pertaining to the firm's experience in performing consultant services for projects of a similar type, scale, and complexity.

IV. Fee Basis

Fees for all cost and expenses related to the performance of the scope of services shall be determined

between the professional services firm and the applicant. The applicant is responsible for payment of fees and entering into a written agreement with the selected professional services firm. Kickbacks or incentives for procuring inflated values will not be permitted.

IHDA shall review the fees associated with the development to insure they are proper, fair and reasonable. IHDA has evaluated the fees from past IHDA financed projects. As such, the fees listed in each specific consultant standard reflect the maximum percentage IHDA will accept as a reasonable fee for services. Higher fee are acceptable but the owner/developer will be responsible to pay the difference between the higher fees and the fees indicated in the individual consultant standards.

V. Insurance

The selected firm must supply the applicant with proof of General Liability, Auto, and Workers Compensation insurance. Selected firms must not allow their liability insurance to expire or cancel for any reason during the contract period. Each Market Study should be submitted with an insurance certificate attached. Photo copies are acceptable.

VI. Conflict of Interests

Professional firms selected to perform services shall not have any direct or indirect interest in any property to be evaluated. IHDA reserves the right to determine necessary actions to eliminate or neutralize any conflict discovered after an applicant secured a professional firm to provide this service.

The professional services firm shall certify that no undue pressure or collusion with the client or their representatives exists in the determination of the study. The study certification shall also state that all information and procedures used to establish the study were from factual data and prepared in a professional manor.

The study must include a statement from the individual signing the study that there is no identity of interest between the signatory and any member of the development team. If any member of the development team or ownership has an identity of interest with the entity providing the study, the identity of interest relationship must be disclosed.

Failure to disclose any organizational conflict of interest may result in rejection of the application and/or the study by the professional firm with the conflict and request of a study from a different firm at applicant's expense.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
Standards for Site and Market Study Reviews and Professionals
(2018/2019 QAP)

All Market Study Submissions must be accompanied by a completed ***Site and Market Study Summary Form****. This form is included below as Exhibit 1 for reference. A download of this form is available at www.ihda.org.*

Please note that the following format includes amended requirements for those projects that meet the definition of an Abandoned and Foreclosed Single Family Housing project provided in the QAP. These amended requirements are outlined in Section IX of the format. Projects that do not qualify as Abandoned and Foreclosed Single Family Housing projects should ignore Section IX of the format.

Site and Market Studies for Abandoned and Foreclosed Single Family Housing projects must meet all standards discussed within this document, Section IX amends specific standards so they can be met by this particular kind of Site and Market Study, and is NOT intended to replace the other unchanged standard requirements.

I. PROJECT SUMMARY INFORMATION

A. Developer Information - Provide the name and address of developer or sponsor.

B. Project Description - Describe the proposed project in terms of project type (*e.g. moderate rehabilitation or new construction, congregate, elderly, family*) and source of IHDA financing sought (*Low-Income Housing Tax Credit, Risk share, HOME, Affordable Housing Trust Fund*).

C. Location - Provide the name of city or community in which the site is located, street address (*if available*), nearest major intersection, distance from downtown Chicago (*if site is located in the Chicago metropolitan area*) or distance from downtown of closest major city (*if other than Chicago*).

D. Site Description - Describe the site in terms of size (*square feet or number of acres*), topography and vegetation covering the site. Evaluate the proposed project's layout in relation to the site's physical attributes and the appropriateness of the site's location for the intended tenant base

E. Buildings: Describe the number of buildings, stories and type (*high-rise with elevator, walk-up, townhome, etc.*). Evaluate the appropriateness of the building design for the market and the intended tenant base.

F. Apartment Details / Rent Schedule - Describe the proposed project at the unit level including: number of bedrooms, number of units, square footage and proposed rents for both

market rate and income restricted/affordable units. It must be noted if the proposed rents do or do not include tenant paid heating, cooling, cooking expenses.

G. In-Unit Amenities - Evaluate and explain how the proposed unit amenities are equal to, superior, or inferior to comparables in the market. Evaluate the appropriateness of the proposed unit mix, unit size, and rents for the market and the targeted tenant population.

H. Development Amenities - Describe the development amenities proposed for the property. Determine whether or not the amenities are appropriate and sufficient for the market and the intended tenant base. Evaluate and explain how the proposed development amenities are equal to, superior, or inferior to comparables in the market.

I. Construction / Rehab - Describe the construction type of the buildings, or in the case of Acquisition / Rehab projects list the rehabilitation to be performed (*e.g. brick, vinyl sided, concrete*). Note any problems the proposed construction type or façade may have with market acceptance.

J. Parking - Provide the number and type of parking spaces proposed. Evaluate the parking-to-unit ratio and indicate whether the proposed parking will be sufficient for the property. If there is an additional fee to be charged to the tenants for parking, evaluate the charge in regards to the market.

K. Density - Provide the number of units per acre. Indicate whether the proposed density is appropriate for the market.

L. Tenant Displacement (**for Acquisition / Rehab projects only**) – Evaluate the current tenant households to determine the extent to which any or all may be displaced due to the planned acquisition / rehab. Discuss any plans the developer may have for temporary or permanent relocation. Formal tenant relocation plans are not required to be included with the Site and Market Study, but if a formalized plan is in place, please indicate this and feel free to include it with the Site and Market Study.

M. Other - Describe any other separate structures located at the development (*e.g. maintenance shed, clubhouse, etc.*).

II. FIELD OBSERVATIONS

A. Access to Site - Note the street(s) which will provide access to the site and evaluate the accessibility of the site in terms of local public transportation, parking and major thoroughfares.

B. Site Marketability - Describe and evaluate the location of the site in terms of its visibility and marketability. If measures will be taken to overcome visibility/marketing issues, explain what those measures will be and how they will aid marketing efforts.

C. Adjacent Land Use - Detail the use of land located directly north, south, west and east of the site. Possible environmental problems and objectionable adjacent land use should be noted.

D. Neighborhood Description - Describe the neighborhood in which the development will be located, and evaluate the appropriateness of the proposed project within that setting.

E. Public Safety Issues – Provide an analysis of public safety issues including information or statistics on crime in the PMA. Address any local perceptions of crime or safety issues in the PMA.

III. MARKET AREA CHARACTERISTICS:

A. Market Area - Define the primary market area for the property. Include a detailed description of the methodology used to determine the market area (*ex. geographic boundaries, population surveys, etc.).* In addition, provide a list of all census tracts (FIPS codes) wholly and/or partially within the boundaries of the PMA

B. Comparable Properties - Present a narrative description of each comparable in the rental market. Include information regarding the unit and development amenities offered, the condition of the property and occupancy information. A detailed summary of these developments in table format (*as shown in Exhibit 2*) must also be included.

C. Affordable Properties within the Primary Market Area – List all affordable (with rent restriction or subsidy) properties within the PMA that target a similar tenant type as the proposed. In the event that a property targets more than one population, present existing properties organized by population served (Senior, Family, Supportive Housing, etc.). Site and Market studies are not required to include existing affordable properties serving different populations than the proposed. For properties included as a comparable property (see III, B above), the details included in the summary table is sufficient. For other affordable properties serving the same population but not considered a comparable, please provide details pursuant to the information requested in the table shown in *Exhibit 3.*

D. Area Services - Describe and evaluate the availability of area services as related to the intended tenant base. Listed below are general categories that should be addressed. This list is not intended to be all-inclusive. Additional services may be applicable, while some of those listed may not.

1) Shopping and Related Services: Location and distance from the proposed subject site to the nearest grocery, drugstore, convenience store, pharmacy, bank and other essential services and retail shopping (*including neighborhood shopping malls and regional shopping centers*).
2) Transportation: Discuss the access, frequency and specific distance to major roads and highways, bus service (with mention to specific routes), transit centers, commuter rail stations and any other fixed-route forms of public transportation in relation to the proposed development site. Indicate which of these provide transportation to areas of employment and/or services.
3) Educational Facilities: (*For properties serving families with children*) Name, location and distance from the site to licensed day care facilities and schools in the local school

district. Also address the availability of bus service provided by the school district.

Using IllinoisReportCard.com indicate the performance of the school district serving the proposed, and compare its performance to the State, as well as all surrounding districts (Chicago Metro) or all other districts within the countywide (all other areas).

4) Recreation: A list showing location and distance from the proposed site of outdoor and indoor recreational facilities such as parks, forest preserves, golf courses, restaurants and movie theaters in the area.
5) Health Care: Location and distance from the site to the nearest hospital(s), health clinic(s) and/or doctor's office.

E. Population/Demographic Characteristics (**Not Required of projects with 12 units or less**) - The following data should be included in this demographic analysis: general population, number of households (as well as relevant age groups and trending for age restricted projects), population and households by age, households by size, frailty estimates (***for SLF developments only***) and distribution of households by income. *Indicate the source of demographic data**.
*Include the most current demographic data (make sure source is referenced, *typically from the U.S. Census)* for the defined primary market area. Provide available trending estimates and projections from your choice of data vendors. Trending estimates should go at least five years into the future. Calculate the percentage increase or decrease for each data sector.

For those projects that will include SRN units, the study should include statistics and counts of homelessness (i.e. HMIS and PIT Count data), as well as data on other special needs populations (i.e. group homes, nursing homes). The study must provide a statement indicating whether the proposed SRN unit types match the local need shown by this data.

F. Employment **(Required of ALL projects with the exception of SLF projects targeted to frail elderly. Other age restricted projects that target persons under 65 years of age should include this information. Other "special needs" projects may or may not require this information. A representative from the firm performing the Site and Market Study firm should contact either Alan Quick at (312)836-5338 or Lisa Somers at (312)836-5374 to verify the need for this requirement.)** - List the major employers in the area and the number of jobs they provide. Note any local employment declines or losses of major area employers. Discuss new employment that may be moving to the area. Indicate the source of the above information.

Additionally, provide information concerning the smaller local employers in the immediate vicinity of the proposed site. This evaluation should include not only the current status of these employers, but also a comparison of their current situation to that of the past few years.

IV. HOUSING MARKET CHARACTERISTICS

A. General Housing Characteristics - Provide the tenure (*owner vs. renter)* of the area housing stock. Include the age of the housing stock, the total number of year-round housing units, and the number and percentage of occupied units. Indicate the source of this information.

B. Comparison of Market Area Rental Market - Provide a comparison summary of the proposed development and the competing market-area rental developments detailed above. The summary must include rent, square footage and unit composition comparisons. If no comparable developments exist within the market area, the mean gross rent for the area and the census tract in which the site is located should be examined. A statement of the proposed property's variance from the "market rate" rental market must be made. This should be provided by both bedroom type and AMI level basis. All comparison statements should also indicate whether the projects' position is acceptable and give reasons for the proposed developments acceptability.

For Acquisition/Rehab projects that are occupied and have project-based rental assistance, determine what unsubsidized rents the property could achieve after rehabilitation should the project-based rental assistance be discontinued.

C. Foreclosed, Vacant, and Abandoned Properties – Provide a summary description of the number of foreclosures, vacant and abandoned properties in the primary market area. Include both single-family and multi-family properties in summary. Information should be provided in a concise table format and be aggregated by each municipality / community area included in the primary market area. Include information and analysis regarding any effect these types of properties may have on the market for the proposed rental development. Identify specific properties that may directly impact the proposed.

V. AFFORDABILITY/DEMAND

A. Affordable Rent Analysis – Provide a comparison of the proposed gross rent for all applicable unit types, size and income levels to the applicable program gross rent limits and denote how far under the limit the rents are positioned.

B. Overall Market Demand – Discuss the additional number of units needed within the market area to meet demand from targeted populations. The overall demand estimate should consider the market area's existing vacancy levels, anticipated household growth rates, unit replacement needs, and projects that are planned and/or under construction. The analysis should determine if there is sufficient demand to support the proposed project.

C. Capture Rate - Calculate the capture rate for each income strata (*market rate, 80%, 60%, 50%, etc.*) proposed, as well as an overall capture rate.

IHDA's methodology for calculating a capture rate **MUST** be included in the study and is as follows: Capture Rate must be derived assuming that 100% of the units will be filled by households within the Primary Market Area. Divide the **TOTAL** number of the proposed units, within each income strata, by the total number of income/age eligible households (NOT only the renter households) within the PMA ONLY. The number of households are determined by the range between the minimum annual income that a household must earn in order for the proposed rents to be considered "affordable", up to the maximum income level for a given income strata. For the purpose of this calculation, IHDA considers 35% of income for family developments and 45% for elderly projects to be a reasonable threshold for

affordability. Indicate if the capture rates are at acceptable percentages and why. Note: historically the Authority has considered a 5% for family projects and 7% for elderly projects acceptable.

In the event that a capture rate exceeds these "acceptable" levels, include an explanation of the high capture rate, noting specific reasons why the market should be considered viable.

D. Penetration Rate - Provide an overall affordable unit penetration rate analysis of the market area.

IHDA's methodology for calculating a penetration rate **MUST** be included in the study and is as follows: divide the total number of affordable units (including the proposed and **all** other income/rent restricted properties – for age restricted housing, use ALL affordable units (as seniors can rent at both age restricted and non-age restricted affordable properties). For family properties, exclude age-restricted affordable properties) by the total number of income and/or age qualifying households. Please note: An acceptable overall penetration rate of affordable units in a market area should generally by under 25%. In the event that a penetration rate exceeds these "acceptable" levels, include an explanation of the high penetration rate, noting specific reasons why the market should be considered viable.

E. Absorption Rate - Project the amount of time expected to achieve stabilized occupancy (95%) at the proposed development. Explain the process you utilized to make this estimate.

F. Housing Need (**Required only for projects that will serve a supportive housing population**) – Discuss the demand / need for a project targeting supportive housing populations. This should include, but not be limited to, information garnered from area service providers, which assist the proposed project's target population(s).

VI. IMPACT ON OTHER AFFORDABLE HOUSING AND MARKET RATE HOUSING

A. Impact on Other IHDA Properties – Evaluate the impact the proposed property will have on the occupancy of existing IHDA properties in the market area. Discuss whether or not the proposed property will significantly reduce the tenancy of established IHDA properties and provide attributing factors for your conclusion. Evaluations must consider tenant type and compare IHDA properties serving the same specific population in addition to a general consideration of all IHDA properties.

A list of all IHDA properties is available on the IHDA web page @ ***www.ihda.org****. To access this information choose Multifamily Developer on the home page and then Developer Resource Center. From the list, pick General Reference Documents and finally IHDA's Multifamily Properties. The list is downloadable in Excel format. If you have problems finding this document, please contact Lisa Somers at (312)836-5374.*

B. Impact on Other Assisted/Affordable Housing (non-IHDA properties) - Evaluate the impact the proposed property will have on the occupancy of other affordable housing properties in the market area. Discuss whether or not the proposed property will significantly reduce the tenancy of established affordable housing properties and provide the attributing factors for

your conclusion.

C. Impact on Market Rate Housing - If the rents of the proposed property are comparable to market rate units, evaluate the impact the proposed property will have on the occupancy level of existing market rate properties in the area. Discuss whether or not the proposed property will significantly reduce the tenancy of established market rate properties and provide attributing factors for your conclusion.

VII. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions – Describe the strengths and weaknesses of the proposed property in terms of the area's rental market and the income restricted population to be served. Assess the demand for housing based on the current occupancy figures of existing developments, as well as the existence or non-existence of waiting lists. In addition, provide an evaluation of how the proposed property is positioned in the marketplace taking into consideration unit mix, bedroom size, square footage and rents to the market average and to the most comparable existing development(s).

B. Recommendations - Based on the findings summarized in the conclusion, provide a recommendation regarding whether to accept the property as proposed, accept the property with changes or to decline the property. If a change is recommended,* state the reason for the change and provide an alternative that would fit the market. If the recommendation is to decline a property, provide justification for this conclusion.

**Generally, recommended changes involve a reconfiguration of the proposed amenities, unit mix, unit type, square footage or rents. Most recommendations to decline a property occur when the recommended changes are too numerous or the market conditions do not support the property.*

VIII. REQUIRED ENCLOSURES

A. Project Location Map – Include a Map denoting the specific project location or the specific boundaries (later deviations from these boundaries are not permitted) of the project area (for Scattered Site Rehabilitation Projects Only).

B. Market Area Map - Include a map of the primary market area denoting the subject property and comps, a site map, color photographs of the site and comparable developments, the market area comparable survey (*see Exhibit 2)*, population and housing characteristics (*if not provided in the body of the study)*, and the affordable housing data as described below (*illustrated in Exhibit 3)*.

C. Comparable Property Survey – See exhibit 2.

D. Affordable Property Survey – See exhibit 3. Properties already listed in exhibit 2 do not need to be repeated, and properties serving a different population type are not required to be included.

E. Affordable Housing Totals - Provide data on affordable housing developments matching the targeted tenant type of the proposed project within the Primary Market Area. At a minimum, this data is to include:

1. Total units - of non-IHDA affordable housing within the PMA that serves the same basic tenant type (family, elderly, supportive housing, etc)
2. The type of affordable housing / funding used - public housing, HOME (PJ only), Tax Credits (non-IHDA), HUD, USDA-RD etc.
3. Total Units by Tenant type

It is not required, but market study firm may elect to present this information as a list of all affordable properties, using the table format shown in Exhibit 3.

IX. AMENDED REQUIREMENTS FOR ABANDONED AND FORECLOSED SINGLE FAMILY HOUSING PROJECTS

These amended requirements ONLY pertain to those projects defined in the QAP as Abandoned and Foreclosed Single Family Housing projects and only include areas where IHDA felt additional direction was needed in terms of Site and Market requirements. All other areas of the Site and Market Format, not delineated below, are still required for Abandoned and Foreclosed Single Family Housing projects, but are not amended in anyway.

PLEASE NOTE: For Abandoned and Foreclosed Single Family Housing proposals, a large area will need to be identified as the project location. Clear, reasonable, and defensible project boundaries must be identified and adhered to. Final properties chosen for this type of project should not be outside the boundaries identified. The boundaries identified should be all inclusive of all possible iteration of the development and will here-to-for be referred to as "The Project Area".

Site and Market Studies for Abandoned and Foreclosed Single Family Housing projects MUST meet all standards discussed within this document, Section IX amends specific standards so they can be met by this articular kind of Site and Market Study, and is NOT intended to replace the other unchanged standard requirements.

A. Project Description (Amending I – B) - The Project Description must make it clear that it is considered an Abandoned and Foreclosed Single Family Housing project proposal if it is seeking point consideration under this category.

B. Location (Amending I – C) - Boundaries of the Project Area should be provided, along with a distance from the center point of the project area to all the locations listed in I-C. The boundaries identified should be all inclusive of all possible iteration of the development and will here-to-for be referred to as "The Project Area".

C. Site Description (Amending I – D) - The general attributes of the project area should be discussed.

D. Buildings (Amending I – E) - The general building design of the project area should be discussed, and where appropriate, the Market Study should speak to plans made to fit project within this general design.

E. Apartment Details / Rent Schedule (Amending I – F) – Not all units / sites are likely to have been selected at the time of application. However, the site and market study MUST commit to a total number of units that will not be exceeded and a bedroom and rent-level mix/ratio that will not be altered as the deal moves forward. For these types of developments only, the square footage requirement has been waived.

F. Development Amenities (Amending I-H) – Describe the amenities proposed for and already found within the project area.

G. Construction / Rehab (Amending I-I) - Generally consider the type of work needed on the properties that may be identified. A potential scope of work will be considered acceptable.

H. Parking (Amending I-J) – A statement of the minimum number of parking spaces per unit per site will be accepted.

I. Access to Site (Amending II-A) – All access to the Project Area as a whole must be considered. Transportation, parking and thoroughfares within the Project Area must be identified.

J. Site Marketability (Amending II-B) - The general visibility and marketability of the identified Project Area must be considered. Additionally, Site and Market Study should include a discussion of signage that might be needed to help market the properties. Other marketing consideration, including (if applicable) the location and role of a rental office for the development, should also be discussed. Transportation, parking and thoroughfares within the Project Area must be identified.

K. Adjacent Land Use (Amending II-C) – Detail the use of land to the north, south, west and east of the Project Area. Possible environmental problems and objectionable land uses within the project area should be noted.

L. Market Area (Amending III - A) – Define the primary market area for the project area. Include a detailed description of the methodology used to determine the market area.

M. Area Services (Amending III-D) – Since exact locations and distances of services may be difficult to provide, IHDA will accept input on services located near the identified Project Area and requires specific distances to these services from a center point within the project area.

N. Project Area Location Map (Amends III-B) – Include a Map denoting the boundaries of the project area.

X. MARKET STUDY REVIEW

The Site and Market Review consists of six (6) main Review Categories with Criteria specific to each category. Exhibit 4 contains additional explanation.

EXHIBIT 1

2018-2019 Site and Market Study Summary Form *(Please complete all highlighted (in yellow) sections of this form. Failure to do so will be grounds for automatic denial of your application)*			
Required Information:	**Information Requested on this form:**	**Mark appropriate box / Include required information:**	**Other information / Page Number Where information can be found in Site and Market Study:**
Name of Development:			
Location of the Proposed (City/County):			
Targeted Tenant Type:	**Family** **Elderly** **Other**		If Other please indicate targeted population:
Other affordable units that target the same tenant type in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	**Number of Units**		Page number:
Total Number of other affordable units in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	**Number of Units**		Page number:
Rent Schedule (including unit sizes) for Proposed Development:	**Included** **Not Included**		Page number:
Occupancy levels for existing affordable properties in PMA:	Included Not Included		Page number:
Rent Schedule for Comparable Properties:	Included Not Included		Page number:
Evaluation of the proposed rents to comparable properties in the PMA:	Lower Comparable Higher		Evaluation and Explanation found on page:
Demographic (population) trending for PMA and for targeted tenant population:	Increase Stable Decrease		Evaluation and Explanation found on page:
Demographic (households) trending for PMA and for targeted tenant population:	Increase Stable Decrease		Evaluation and Explanation found on page:

Evaluation of the proposed unit mix to the PMA standard:	Superior		Evaluation found on page:
	Meets		
	Inferior		
Evaluation of the proposed unit sizes (sq. ft.) to the PMA standard:	Superior		Evaluation found on page:
	Meets		
	Inferior		
List of Proposed Development Amenities:	Included		Page number:
	Not Included		
Evaluation of proposed amenities to PMA standard:	Superior		Evaluation and Explanation found on page:
	Equal		
	Inferior		
Estimated absorption period:	Units per month		Explanation of absorption estimate found on page:
	Number of months		
Marketability/Visibility of the Site:	Good		Explanation found on page:
	Average		
	Poor		
Affordable units market penetration including the proposed in the PMA (use ALL income qualified households for PMA ONLY)**:**	Rate		Page number:
Proposed projects' required rate of capture within the PMA (use ALL income qualified households for PMA ONLY)**:**	Rate		Page number:
Overall Market Demand (the additional number of units needed within the market area to meet demand from targeted populations. The analysis should determine if there is sufficient demand to support the proposed project)**:**	Units needed		Page number:
	Sufficent Demand (y/n)?		
Public Safety Issues (Provide an analysis of public safety issues including information or statistics on crime in the PMA. Address any local perceptions of crime or safety issues in the PMA)**:**	Included		Page number:
	Not Included		
List of major employers in PMA (not required of some projects, see requirements)**:**	Included		Page number:
	Not Included		
Economic Stability Analysis / Evaluation of PMA employment (not required of some projects, see requirements)**:**	Growth		Analysis found on page:
	Stability		
	Decline		

EXHIBIT 2
Comparable Properties

Development Name/Address	Year Built	Total Units	Unit Type	Units By Type	Income Level (% of AMI) Served	Rent Range	Sq. Ft. Range	Rent/Sq. Ft. Range
Main Street Apts.	1999	99	1 BR	33	60%	$693	650	$1.06
123 Main Street			2 BR	33	60%	$836	857	$0.97
Your Town, IL			3 BR	33	30%	$970	1,026	$0.95

Phone Number:	123-1234
Occupancy:	100%
Utilities:	Incl.
Amenities:	Pool
Development Condition:	Good Cond.
Weighted Average Rent/Sq. Ft.:	

EXHIBIT 3

Sample format for the Summary of Market Area Affordable Housing

(required only for housing serving the same tenant base as the proposed project)

Development Name/Address City/Zip Code	County	Phone Number	Tenant Base	Bedroom Types	Affordable Housing Program	Total Number of Units	Low Income Units	Development Condition	Overall Occupancy	Income Level Served	Comments (distance from subject)
City Apartments	McLean	123-1234	Elderly	1	Section 8	100	100	Adequate	100%	50% of median	none

EXHIBIT 4

2018-2019 Qualified Allocation Plan - Site and Market Review - Review and Scoring Criteria

Development Name / Location:		Development Type (NC/Rehab, Population(s) Served):		Reviewed By:	
				Score:	

SITE AND MARKET STUDY MANDATORY STANDARDS - IHDA's Strategic Planning and Research Department (SPAR) will review every Site and Market Study submitted in conjunction with an application for funding through IHDA's Multifamily Finance Department. All Site and Market Studies must meet mandatory standards discussed in detail in IHDA's STANDARDS FOR SITE AND MARKET STUDIES (available on www.ihda.org). If the following mandatory standards are not met, SPAR will reach out to the applicant and request the missing information. The applicant will be provided 72 hours to provide the missing information. Failure to provide missing information may result in denial without additional review.

- Site and Market Study is no more than 6 months old at the time of submittal or, if the Study is more than 6 months old, the study includes an update that brings all critical demographics and occupancies up to date (updates may be submitted up to 18 months beyond the date of the original study only).	Compliance achieved (before or after outreach)?	
- All inclusions required by the IHDA "2018-2019 Standards for Site and Market Study" are provided.		
- Proper insurance forms and documentation showing NCHMA membership for the Site and Market Study firm are provided.		
- Completed Site and Market Study Summary Form is included (current form available on www.ihda.org).		
- Site and Market Study substantiates all data and assertions presented on the Site and Market Study Summary Form.		

CHANGES IMPACTING MARKET REVIEW - The following changes within a Primary Market Area (PMA) from the time of Preliminary Project Assessment (PPA) approval to the time of application may impact the review of the submitted Site and Market Study.

- Occupancy at existing affordable properties in the PMA have drastically changed since the time of the PPA to indicate that the market is no longer viable.	
- IHDA funded projects within the PMA have been identified as problematic since the time of PPA approval indicating a possible problematic approval of application.	
- Changes to the unit mix from the time of PPA approval change the project in such a way that it is no longer viable within the PMA.	

Full Application Scoring Review Criteria - The Site and Market Review will yield a score range of -3 to +3 points to be applied to the application's overall score (0 points is intended to be a standard score). The Site and Market Review consists of three (3) main Review Categories with Criteria specific to each category. Each Criteria will be reviewed to determine if the proposed site and/or market Meets Expectations (0), Exceeds Expectations (+), or Does Not Meet Expectations (-). Each Review Category will be assigned a score of +1, 0, or -1 based on an average of the Criteria scores. The Review Category scores will be added together to determine the Site and Market Review score for the application.

Review Category #1 - Project Targeting & Marketability:

Criteria	Information to be Considered in Review	Scoring Key		Criteria Score (+, 0, -) (Notes To Be Included When Necessary)	Review Category Score (-1, 0, +1)
Targeted Population (As related to the Primary Market Area (PMA)**)**	Distribution (as percentages) of affordable housing units by primary population served (Senior, Family, Supportive Housing, SLF)	Meets Expectations (0):	Proposed targeted population is currently targeted in 16% and 74% of the affordable units in PMA		
		Exceeds Expectations (+):	Proposed targeted population is currently targeted in between 0% and 15% of the affordable units in PMA		
		Does Not Meet Expectations (-):	Proposed targeted population is currently targeted in between 75% and 100% of the affordable units in PMA		
Targeted Income Levels (As related to the PMA**)**	Distribution (as percentages) of affordable housing units by primary income level served (30%, 60%, 80%, etc.) ARUS DATA	Meets Expectations (0):	Proposed targeted income level(s) is/are served by the affordable / rent-restricted units in PMA, but there is still demonstrated demand for additional units at this income level.		
		Exceeds Expectations (+):	Proposed targeted income level(s) is/are not well represented by the affordable / rent-restricted units in the PMA		
		Does Not Meet Expectations (-):	Most / all of the affordable / rent-restricted units in the PMA serve this income level		
Marketability / Visibility of Site	Statement of how visible the site is with an explanation or a developed marketing plan	Meets Expectations (0):	Development will not require any special considerations (such as off-site signage informing public of existence of property) for marketing		
		Exceeds Expectations (+):	Development is located on a major thoroughfare and is easily seen from drive-by and foot traffic, or has developed an alternative marketing plan that should enhance the marketability of the project.		
		Does Not Meet Expectations (-):	Development is not easily seen from roadways and would require special signage to locate		
	PLEASE NOTE: *If visibility is not a viable measurement of marketability, IHDA will consider objective examples of marketability that are specifically provided and discussed within the Site and Market Study only. Subjective criteria (i.e. appeal of site, beauty of location, etc.) will NOT be considered.*				

Review Category #2 - Comparison to Market and to Comparable Properties:

Criteria	Information to be Considered in Review	Scoring Key		Criteria Score (+, 0, -) (Notes To Be Included When Necessary)	Review Category Score (-1, 0, +1)
Unit Mix	Statement of unit mix (# of bedrooms)	Meets Expectations (0):	Unit mix is appropriate for population served and matches the standard for the PMA (as determined by comparable properties). Project offers more than one bedroom type		
		Exceeds Expectations (+):	Proposed development would add needed unit types to the community and offer multiple bedroom types		
	Review of unit mix from comparable properties	Does Not Meet Expectations (-):	Proposed development adds unit types for which there is no demonstrated demand and only one bedroom type		
Unit sizes	Statement of unit size (square footage) for all units in the development	Meets Expectations (0):	Unit size is appropriate for population served and matches the standard for the PMA (as determined by comparable properties)		
		Exceeds Expectations (+):	Proposed units on average are larger than comparable properties		
	Review of unit size from comparable properties	Does Not Meet Expectations (-):	Proposed units on average are smaller than comparable properties		
Proposed Rent Structure	Complete rent schedule for proposed development	Meets Expectations (0):	Rents are within range of average rents at comparable properties		
		Exceeds Expectations (+):	Units will provide a lower-than-average rent level that is not prevalent in the		
	Rent schedules from comparable properties	Does Not Meet Expectations (-):	Units are proposed to be rented at a higher level than comparable units in the PMA		
Development Amenities (As related to the comparable**)**	Statement of development amenities for the proposed site	Meets Expectations (0):	Proposed development includes amenities equal to the standard on-site amenities in PMA		
		Exceeds Expectations (+):	Proposed development includes amenities that are superior to the standard on-site amenities in PMA		
	Evaluation of the proposed development amenities including an explanation of how they are equal to, superior, or inferior to comparable in the market	Does Not Meet Expectations (-):	Proposed development includes amenities that are inferior to the standard on-site amenities in PMA		
		PLEASE NOTE: *Developments that would be marketed to seniors must have a senior center or alternative resources offered for seniors.*			
Unit Amenities (As related to other units in the comparable**)**	Statement of the general amenities for the proposed units	Meets Expectations (0):	Proposed development includes in unit amenities equal to the standard on-site amenities in PMA		
	Evaluation of the proposed unit amenities including an explanation of how they are equal to, superior, or inferior to comparable in the market	Exceeds Expectations (+):	Proposed development includes in-unit amenities that are superior to the standard on-site amenities in PMA		
		Does Not Meet Expectations (-):	Proposed development includes in-unit amenities that are inferior to the standard on-site amenities in PMA		

Review Category #3 - Demand and Rent-Up:

Criteria	Information to be Considered in Review	Scoring Key		Criteria Score (+, 0, -) (Notes To Be Included When Necessary)	Review Category Score (-1, 0, +1)
Demographic Projections - Households (for ages served by project and for all age groups in PMA)	Household trending estimates and projections at least 5 years into the future	Meets Expectations (0):	0% to 5% projected household growth for ages to be served		
		Exceeds Expectations (+):	Greater than 5% growth in households projected for ages to be served		
		Does Not Meet Expectations (-):	Unexplained decline in households projected for ages to be served		
	PLEASE NOTE: *Explanations of Demographic Projections that are outside the expected ranges will be reviewed on a case-by-case basis. Explanations must be supported by additional data and/or documentation and weigh factors that clearly demonstrate that the declining projection is not a warning factor about a market or the demand for the proposed housing activity.*				
Demographic Projections - Population (for ages served by project and for all age groups in PMA)	Population trending estimates and projections at least 5 years into the future	Meets Expectations (0):	0% to 5% projected population growth		
		Exceeds Expectations (+):	Greater than 5% growth in population projected		
		Does Not Meet Expectations (-):	Decline in population projected		
	PLEASE NOTE *: Explanations of Demographic Projections that are outside the expected ranges will be reviewed on a case-by-case basis. Explanations must be supported by additional data and/or documentation and weigh factors that clearly demonstrate that the declining projection is not a warning factor about a market or the demand for the proposed housing activity.*				
Job growth (will not be considered for developments marketed to Frail Elderly (such as SLFs), or Elderly projects (aged 65+) or in some cases, "special needs" projects**)**	List of major employers in PMA	Meets Expectations (0):	There are employment centers in the PMA, but no growth is anticipated		
	Economic stability analysis	Exceeds Expectations (+):	Employment centers are in the PMA, and growth is anticipated		
		Does Not Meet Expectations (-):	Major employers are anticipated to be leaving the PMA		
	PLEASE NOTE: *Explanations demonstrating why the loss of major employers will not impact the market for the proposed development will be considered only if the explanations are reasonable and are supported by data and/or documentation.*				
Penetration Rate	Statement of penetration rate that uses **all** income qualified households and all income restricted units (not just IHDA units) **for PMA onl**y (do not include SMAs)	Meets Expectations (0):	Penetration Rate is between 10% and 25%		
		Exceeds Expectations (+):	Penetration rate is less than 10%		
		Does Not Meet Expectations (-):	Penetration Rate is more than 25%		
Capture Rate	Statement of capture rate that uses **all** income qualified households for **PMA only** (do not include SMAs)	Meets Expectations (0):	Capture rate is between: 2% and 5% for family deals, 5% and 7% for elderly deals, and 10% and 15% for SLFs		
		Exceeds Expectations (+):	Capture rate is **less than**: 2% for family deals, 5% for elderly deals, and 10% for SLFs		
		Does Not Meet Expectations (-):	Capture rate is **more than**: 5% for family deals, 7% for elderly deals, and 15% for SLFs		