



ILLINOIS HOUSING DEVELOPMENT AUTHORITY

REQUEST FOR APPLICATIONS

Long Term Operating Support

Application Deadline:

Rolling Applications Accepted

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**Request for Applications
Long Term Operating Support Grant**

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Section 1: Definitions

Allocation – shall mean an award of funds from the LTOS Program to an Applicant.

Applicant – shall mean the Owner that has applied for funds pursuant to this Request for Applications. The Applicant includes all individuals and entities of which the Owner is comprised.

Application – shall mean an entire set of required and requested documents, in paper and electronic form, as prescribed in this Request for Applications and submitted by an Applicant to the Authority.

Appropriation – shall mean the annual appropriation of funds to the Illinois Department of Revenue for the Authority by the Illinois General Assembly for the Rental Housing Support Program.

Area Median Income (AMI) – shall mean the median income of the county or the metropolitan statistical area in which the Development is located, 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.

Authority – shall mean the Illinois Housing Development Authority.

Board – shall mean the Members of the Authority's governing body, appointed by the Governor of Illinois.

Commitment – shall mean a contract executed by the Authority and a Developer under which the Authority agrees to provide an Allocation. Each Commitment shall contain a provision to the effect that the Authority shall not be obligated to provide funds under the Commitment if the Authority has not received adequate funds from an Appropriation, as applicable.

Development – shall mean an existing or proposed qualified Development, which satisfies, or will satisfy, all of the requirements of this Request for Applications and the Authority.

Extremely Low-Income Household – shall mean a household whose annual income is less than or equal to 30% of the Area Median Income.

Funding Agreement – shall mean the document that outlines the terms and conditions of a funding award.

Grant Agreement – shall mean a contract executed by the Authority and an Owner under which the Authority agrees to provide an Allocation. Each Grant Agreement shall contain a provision to the effect that the Authority shall not be obligated to provide funds under the Grant Agreement if the Authority has not received adequate funds from an Appropriation, as applicable.

HUD – shall mean The U.S. Department of Housing and Urban Development.

LTOS Grant – shall mean the long term operating support given to a Development on an ongoing basis equal to the difference between the amount of the contract rent for the LTOS Unit and the estimated amount of the tenant contribution for the defined period of the assistance.

LTOS Program – shall mean the long term operating support program established under the Rental Housing Support Program, to be used exclusively to provide long-term operating support to Owners of Developments that provide LTOS Units.

LTOS Units – shall mean units set aside for assistance under this RFA in existing Regulated Housing which serves Extremely Low Income Households referred through a Statewide Referral Network. The Statewide Referral Network was created to assist the State in its efforts to transition persons with disabilities from long-term care to community-based housing.

Members – shall mean the duly appointed Board members of the Authority.

Owner – shall mean the duly formed, validly existing, single purpose entity, organized under the laws of the State of Illinois, or any other state, that is awarded funds for a Development pursuant to this Request for Applications and which owns or will own the Development.

Pipeline Projects – Shall mean projects that have received an allocation of 4% or 9% Low Income Housing Tax Credits (“LIHTC”) from the Authority, but are not yet placed in service.

Regulated Housing – shall mean multifamily rental housing with existing affordability use-restrictions. For this RFA this means the housing was financed using United States Department of Housing and Urban Development financing programs, the Low Income Housing Tax Credit Programs, United States Department of Agriculture – Rural Development Programs or the Illinois Affordable Housing Trust Fund. This includes projects which have recently received a LIHTC allocation.

Regulatory Agreement – shall mean a document that outlines the terms of the period during which a Development must comply with the occupancy restrictions (both income and rent) and amenities represented in the Development’s Application.

Statewide Referral Network – shall mean the system managed by the Statewide Housing Coordinator in The Office of the Secretary of the Illinois Department of Human Services or any successor network. This system incorporates regional lead referral agencies that are incorporated into the Illinois Department of Human services. Social service agencies refer clients in need of housing to the lead referral agencies, which in turn refer the clients to Developments awarded funds through this RFA.

Section 2: Long Term Operating Support Program Overview

The Rental Housing Support Program (RHS Program) was created under the Rental Housing Support Program Act (Public Act 094-0118, the “Act”) to promote the development of permanent housing through the funding of rent subsidies for households throughout the State of Illinois who pay a disproportionate share of their income for basic housing as well as households that face additional difficulty in finding affordable housing due to disabilities or special needs of family members. The Long Term Operating Support (LTOS) portion of the RHS Program offers commitments of rental subsidies for units that will be targeted to Extremely Low Income Households.

The Act expressly prohibits the Authority from using LTOS funding in the City of Chicago, which receives a direct allocation of LTOS through the Act. Therefore, Developments in the City of Chicago are NOT eligible under this LTOS Grant Request for Applications. The Act also requires the Authority to consider the geographic distribution in determining the Allocation of LTOS Grant funds.

A. LTOS Grant Goals

In the past, the LTOS program has allowed Owners to fill units with LTOS rental subsidies through their general marketing. For this Request for Applications (RFA), Owners must commit to accepting tenants through the Statewide Referral Network for the LTOS Units.

This LTOS Grant Request for Applications RFA seeks to provide long term rental subsidies for units within existing Regulated Housing serving Extremely Low Income Households referred through the Statewide Referral Network or any successor network. The Statewide Referral Network was created to assist the State in its efforts to transition persons with disabilities from long-term care to community-based housing, and to serve extremely low income persons who either have a disability, are homeless, or at risk of homelessness. These are populations with high-needs and that are a priority for the State. It is expected that many of the referred households will be headed by persons receiving Supplemental Security Income (SSI) benefits.

If the Statewide Referral Network is unable to provide adequate referrals to fill the LTOS Units, Developments may offer the units to otherwise income eligible applicants after 90 days from initial occupancy or of notification of unit availability to the Statewide Referral Network and after 30 days on turnover of a LTOS Unit. If a unit is filled outside of the referral process due to insufficient referrals from the Statewide Referral Network, LTOS funds will continue to be available to an otherwise income eligible non-referred tenant. Upon move-out of a non-referred tenant, the LTOS Unit shall return to the State referral process.

B. Eligible Developments

As stated above, under the Act, the Authority is prohibited from allocating LTOS funds in the City of Chicago. Therefore, eligible Developments must be outside the City of Chicago.

Eligible Developments must be Regulated Housing as defined by this RFA. Regulated Housing will include projects that have recently received a Low Income Housing Tax Credit (LIHTC) allocation.

The LTOS Units must not exceed thirty percent (30%) of the total Development units if the building size exceeds 16 units. If the building is less than 16 units in total, all units may become LTOS units. Developments may contain units which already receive rental assistance. However, units which already receive rental assistance are **NOT** eligible to be LTOS Units.

Eligible Developments must meet all accessibility requirements as discussed below; and include a minimum of one (1) fully accessible LTOS Unit.

The Authority reserves the right to balance the distribution of the LTOS to best serve priority populations. This includes, but is not limited to the following:

- The Authority reserves the right to limit the number of LTOS units in age-restricted Developments.
- The Authority reserves the right to limit the number of Developments awarded less than five (5) units of LTOS.

C. Eligible Applicants

Non-profit, for-profit, and joint-venture Owners of Regulated Housing are eligible to apply for funds under this RFA. This includes projects which have recently received a Low Income Housing Tax Credit allocation. Supportive Living Facilities funded by the Medicaid Waiver Program are not eligible applicants under this RFA.

D. Eligible Use

This LTOS Grant Request for Applications seeks to provide long term rental subsidies for units within existing Regulated Housing that will serve Extremely Low Income Households referred through the Statewide Referral Network.

E. LTOS Grant Amount

The LTOS Grant amount that may be applied for under this RFA will be sized as the difference between the amount of the contract rent for the LTOS Unit and the Authority assumed tenant contribution (listed below), projected at an increase of 2% annually for 15 years. Rent increases will not be automatic, the 2% trending is used exclusively to adequately size the Grant amount to avoid shortfalls in later years.

The Authority review process will determine the total LTOS Grant allocated amount based on number of LTOS Units, contract rent and assumed tenant contribution. The Authority reserves the right to revise any Applicant's original funding request amount.

Actual LTOS payments will be the contract rent less the LTOS Program minimum tenant contribution published on the Authority's website and included in compliance documentation.

The tenant contribution schedule currently utilized for purposes of sizing the initial LTOS Grant is as follows:

Studio Apartments	\$49
1 Bedroom Apartments	\$53
2 Bedroom Apartments	\$63
3 Bedroom Apartments	\$72
4 Bedroom Apartments	\$81
5 Bedroom Apartments	\$90

For example: If a Development proposes 4 studio LTOS Units with contract rents of \$400 and 4 one-bedroom LTOS Units with contract rents of \$500; the first year's LTOS Grant amount would be \$38,304 or $(\$400 - \$49) \times 4 \text{ units} \times 12 \text{ months} + (\$500 - \$53) \times 4 \text{ units} \times 12 \text{ months}$. The first year's LTOS Grant amount would then trend at 2% annually for 15 years, for a projected LTOS Grant amount of \$662,407. Rent increases will not be automatic, the 2% trending is used exclusively to adequately size the Grant amount to avoid shortfalls in later years.

The LTOS Grant period of assistance and compliance period will be 15 years. The LTOS Grant may be renewed at the Authority's discretion.

F. Program Goals

1. Add readily available units to the Statewide Referral Network;
2. Create the greatest number of LTOS Units with the funding available;
3. Ensure appropriate unit types are available for Statewide Referral Network;
4. Ensure LTOS Units offer access to public transit and desirable neighborhood amenities;
5. Ensure LTOS Units are in Developments that meet or exceed the minimum level of accessibility that is required by applicable law(s); and
6. Ensure the geographic distribution of LTOS funds throughout the State.

G. Application Submission

In order for an Application to be accepted for review it must contain:

- A electronic copy of all materials on a flash drive of all materials with electronic folders to correspond with the outline in Section 3 Mandatory Application Criteria, and Section 4 Application Scoring Criteria,
- The Multifamily Fee Payment Form,
- And the non-refundable Application fee listed on the Multifamily Fee Payment Form

Applications will be reviewed on a rolling basis. The Authority will establish a minimum score and all projects that pass Mandatory evaluation and meet the minimum score have the potential to be funded on a first come first served basis:

Illinois Housing Development Authority
Attn: Multifamily Intake/ LTOS Grant RFA
111 E. Wacker Drive, Suite 1000
Chicago, Illinois 60601

Applicants must submit the Application on original Authority forms. All Application materials are available on the Authority's website at www.ihda.org. Please see Section 3: Mandatory Application Criteria for complete submission information.

H. Evaluation of Applications

Applications will be evaluated in the following manner:

1. Complete Application – The Application must be received by the designated Application deadline and will be reviewed for completeness. This includes the following:
 - Submission of all required, completed Application forms and supporting documentation;
 - Inclusion of appropriate signatures on all necessary documents; and
 - Payment of non-refundable Application fee.

If the Authority finds that the Application is not complete, then it reserves the right to reject the Application and notify the Applicant with stated reason(s) for denial.

2. Mandatory Criteria – If the Authority determines that the Application is complete, then it will be reviewed to determine if the Development meets the mandatory requirements set forth in the Mandatory Application Criteria section below.
3. Scoring Criteria – If an Application has met all of the Mandatory Requirements, then the Application will be reviewed and assigned a score based on the categories set forth in the Application Scoring Criteria section below.
4. The Authority will establish a minimum score and all projects that pass Mandatory evaluation and meet the minimum score have the potential to be funded on a first come first served basis.

I. Geographic Distribution

The Authority will strive to allocate these funds equitably across the State. The Applications will be ranked and reviewed according to the scoring criteria of this RFA. Developments in the City of Chicago are not eligible for funding under this RFA. Upon evaluating all Applications and determining the most effective use of available LTOS funds, the Authority may choose to modify any of these allocation goals including, but not limited to, limiting the number of Developments or amount of LTOS funds allocated within any county, regardless of the Development's score and how its score relates to all other Developments.

J. Questions regarding this RFA

Questions regarding this RFA can be directed to Matthew Fifer at 312-836-8577 / mfifer@IHDA.org or Sam Mordka at 312-836-7346 / smordka@IHDA.org.

Section 3: Mandatory Application Criteria

In order for an Application to be accepted for review, the following information must be submitted on a flash drive with electronic folders to correspond with the outline below. Applicants must submit the Application on original Authority forms, as noted below. All Application materials are available on the Authority's website at www.ihda.org.

A. LTOS Application Checklist

ALL APPLICATIONS MUST submit a completed LTOS Application Checklist. This form can be found on the Authority's website at www.ihda.org.

B. Multifamily Fee Payment Form and Non-refundable Application Fee

ALL APPLICATIONS MUST submit a completed Multifamily Fee Payment Form and a non-refundable Application fee. The Multifamily Fee Payment Form can be found on the Authority's website at www.ihda.org. The Application fee is listed on the form.

C. LTOS Grant Calculator Exhibit

ALL APPLICATIONS MUST submit a completed LTOS Grant Calculator (Excel file format required). This form can be found on the Authority's website at www.ihda.org. The information calculated on this Exhibit must be used to complete the Common Application. Please review the LTOS Grant Calculator Example carefully.

D. Common Application

ALL APPLICATIONS MUST submit a completed Common Application (Excel file format required). This form can be found on the Authority's website at www.ihda.org. Please ensure that the information on the Common Application reflects the information calculated on the LTOS Grant Calculator.

E. Development Narrative

ALL APPLICATIONS MUST include a Development narrative that details:

1. Number of units Applicant is proposing for LTOS funding
2. Total number of units in Development
3. Rent schedule for the entire Development inclusive of those proposed as LTOS Units. Rent schedule must clearly indicate the current income and rent restriction for each unit. The rent schedule must also clearly indicate the proposed LTOS Units.
4. A description of all of the funding sources which regulate the rents of the Development's units. Narrative must include the number of units regulated and the length of the remaining term of all regulatory agreements.

Applicants are encouraged to provide as much detail and background information about the

Development as possible in order to assist the Authority in assessing the Development.

F. Appropriate Development Team

The Authority will evaluate the Participants in the development team and their capacity to successfully complete the Development.

1. Required Experience

The following are the Authority's minimum mandatory development team experience standards:

- Ownership Experience - An Applicant must have owned the Development for which the Application is being made for at least two (2) years. In the case of Pipeline Projects, the sponsor must have experience in owning a Development that contains at least seventy five percent (75%) of the number of housing units in the proposed Development for a period of no less than two (2) years.
- Management Experience - A property manager must have at least two (2) years of experience including the lease up and stabilization (ninety percent (90%) occupancy within one (1) year of Placed in Service date) of a project with tenant income certifications and ongoing reporting requirements of the Development for which the Application is being made. In the case of Pipeline Projects, the property manager must have experience in owning a Development that contains at least seventy five percent (75%) of the number of housing units in the proposed Development for a period of no less than two (2) years.

2. Required Documentation

ALL APPLICATIONS MUST include the following forms which are available on the Authority's website at www.ihda.org:

- A completed Organizational Chart reflecting the ownership structure of the Development; and
- A completed Development Experience Certification for each of the Development sponsor/owner, and the property manager.

G. Unacceptable Practices

A sponsor or property manager may not be an appropriate member of a development team member if any of the unacceptable practices listed below apply to the either the sponsor or the property manager. In the event any unacceptable practices apply to any sponsor or property manager, the Application must include an explanation of the circumstances surrounding the unacceptable practice.

1. A sponsor or property manager 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.

2. A sponsor or property manager has experienced any events of foreclosure or failed to perform under the terms of a workout agreement over the past three (3) years.
3. A sponsor or property manager has declared bankruptcy over the past three (3) years.
4. A sponsor or property manager has a mortgage default or arrearage of three (3) months or more within the last three (3) years.
5. A sponsor or property manager 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.
6. Any liens or other claims exist against property owned by a sponsor or property manager for which the sponsor or property manager has failed to resolve a public filing such as a lien or a judgment.
7. A sponsor or property manager 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.
8. A sponsor or property manager that has materially misrepresented facts on any request for Authority resources.

H. Exterior and Interior Photos for Developments Proposing to Use Existing Units

ALL APPLICATIONS that propose the use of existing units as LTOS Units MUST include digital color photographs (no smaller than 4"x6" each) of proposed units and the exterior of existing buildings. Unit photographs must include, at a minimum, photographs of: kitchen, bathroom, and bedroom(s).

I. Certification for Accessible Units

ALL APPLICATIONS MUST include a signed and dated certification that the Development

- complies with all applicable Federal and State accessibility laws and/or as specified in the Standards for Architectural Planning and Construction; and
- includes a minimum of one (1) fully accessible LTOS Unit.

The Certification for Accessible Units form is available on The Authority's website at www.ihda.org.

Depending on the Development scope of work and sources of financing, the applicable laws may include but may not be limited to the following: the Fair Housing Amendments Act of 1988; the Illinois Accessibility Code; the Americans with Disabilities Act of 1990, as amended; Section 504 of the 1973 Rehabilitation Act; and the Americans with Disabilities Act of 1990, as amended. A licensed architect should be consulted to determine which Federal and State accessibility laws may apply.

J. Certification of The Authority's Right to Inspect LTOS Units

ALL APPLICATIONS MUST include a signed and dated certification by the Owner

acknowledging and allowing the Authority the right to inspect all LTOS Units prior to the funding of the LTOS Grant. The Certification of the Authority's Right to Inspect LTOS Units form is available on the Authority's website at www.ihda.org.

K. Neighborhood Characteristics and Amenities Map

ALL APPLICATIONS MUST include a neighborhood characteristics and amenities map that clearly delineates the location of the Development along with characteristics and amenities within a one (1) mile radius. 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 see Application Scoring Criteria for examples of desirable activities.

L. Statewide Housing Referral Network Agreement Certification

ALL APPLICATIONS MUST submit a draft Statewide Referral Network Agreement for the LTOS units. The Statewide Referral Network Agreement form can be found on the Authority's website at www.ihda.org.

M. Environmental

The Application must include a completed environmental checklist which can be found on the Authority Website.

All proposed developments that were built before 1978 are be required, at the Authority's discretion to have an EPA Certified Lead Inspection before closing and to mitigate any lead hazards prior to closing.

N. Financial Feasibility

The Authority will evaluate the Development's financial feasibility and underwriting assumptions. In order to demonstrate financial feasibility, Developments must be consistent with the following:

1. Evidence of Development Financing

ALL APPLICATIONS MUST include financing acknowledgment letters for all Development financing sources from all lenders, grantors, and equity providers.

Letters from all existing lenders must contain all the information listed below. In Developments where the Authority is the lender, sponsors must obtain the letter from their assigned asset manager.

- Acceptance of this assistance will not violate the terms of the loan.
- The original terms of the loan including loan amount, interest rate, amortization period and payment.
- The remaining balance, the remaining term and the current lien position of the loan. If

the loan has been modified please include the terms of the modification.

- A statement confirming that the loan payments are current and that the loan is not in default.

Letters from all existing grantors must contain the following information:

- Acceptance of this assistance will not violate the terms of the grant agreement.

All Developments with LIHTCs shall have a letter from their equity investor or the investor's designee (i.e. syndicator) that contains the following information:

- A statement that all members of the partnership agree to accept the LTOS assistance, if awarded.
- A statement that the Development is in compliance with the partnership agreement.

2. Income

a. Residential Income

Gross residential unit rents (inclusive of utility allowances), as calculated in the Common Application, may not exceed ninety-five percent (95%) of the rent limit imposed by any financing source, program, or other requirement unless the unit is assisted through project based rental assistance.

Rent and income limits are available on the Authority website.

b. Project Based Rental Assistance

Units already subject to unit based rental assistance are **NOT** eligible for LTOS assistance. Developments with unit based (rather than tenant based) rental assistance must submit a copy of the fully executed rental assistance contract or a rental assistance commitment letter from the entity providing the rental assistance that includes all of the following:

- The maximum percent of Area Median Income; and
- The total number of units assisted; and
- The contract rent paid through the rental assistance; and
- The length of the rental assistance contract

All underwriting assumptions regarding the funding and renewal of rental assistance contracts must be clearly identified. In the event a Development is assisted by a rental assistance contract, the Application must demonstrate how the Development will remain financially feasible throughout the LTOS compliance period in the event the rental assistance contract is not funded or renewed.

c. Other Residential Income

Other residential income is limited to income from laundry and vending.

Applications reflecting other residential income must document this income based on historic Development operating income and expense audits.

d. Commercial Income

Applications reflecting commercial income must describe all assumptions regarding the calculation of this income and must include all existing leases or letters of intent to occupy commercial space.

3. Reserves

ALL APPLICATIONS MUST meet the following minimum reserve requirements.

a. Replacement Reserve

All Developments must show ability to fund ongoing per unit annual replacement reserves from operations, and Pipeline Projects must capitalize a per unit replacement reserve in the development budget, to the levels outlined below:

	Total Development Units in Pipeline Projects			All Projects
	30 or less	31 to 49	50 or more	
				Ongoing
<u>Project Type</u>	<u>Capitalized</u>	<u>Capitalized</u>	<u>Capitalized</u>	
New Construction Elderly	\$800	\$550	\$350	\$350
New Construction non-Elderly (all units ≤ 2 BR)	\$800	\$550	\$400	\$400
All rehabilitation and other Development types	\$800	\$550	\$450	\$450

b. Real Estate Tax Reserves

For all Developments, the operating budget must have adequate annual cash flow to capitalize an annual real estate tax reserve sufficient to pay the Development’s real estate taxes in the following year.

Pipeline Projects must capitalize real estate tax reserves in the development budget of at least Fifty-five percent (55%) of the estimated annual real estate taxes in the first year of Development operations.

Pipeline Projects must include evidence of how construction period and operational period real estate taxes were estimated.

All Applications showing real estate tax abatement must provide documentation, including a

letter from the county assessor, or the most recent year's tax bill.

Pipeline Projects which assume real estate tax abatements or exemptions for any period of time must include all of the following:

- The calculation of real estate taxes before, during, and after the abatement or exemption; and
- The anticipated date the abatement or exemption becomes effective; and
- The length of the abatement or exemption; and
- A real estate tax attorney's opinion the Development is eligible for the abatement or exemption.

c. Insurance Reserves

All Pipeline Projects must capitalize insurance reserves in the development budget and fund ongoing annual insurance reserves from operations. The development budget must include a reserve in the amount of one-hundred and five percent (105%) of the estimated annual insurance expense in the first year of Development operations.

For all other Development's the operating budget must have adequate annual cash flow to capitalize an annual insurance reserve sufficient to pay the Development's insurance expense in the following year.

d. Other Reserves

The Authority will review all other Development reserves to evaluate their sufficiency and reasonableness.

Developments reflecting additional reserve must describe all of the following for each reserve:

- How the reserve will be used; and
- Who is requiring the reserve; and
- How the reserve will be replenished (if required)

4. Underwriting Standards

Developments must demonstrate compliance with the most restrictive underwriting standards and requirements for all Development financing sources for a minimum of the fifteen (15) year compliance period. The LTOS underwriting standards and requirements are listed below.

a. Debt Service Coverage Ratio

Developments must maintain a Debt Service Coverage Ratio, as calculated by the Common Application, of 1.15.

Development reserves cannot be used to maintain minimum debt service coverage ratios

during the fifteen (15) year compliance period.

If the Development does not have any debt the Development will be required to show an income to expense ratio of 1.15 throughout the fifteen (15) year compliance period.

b. Cash Flow after Debt Service

Developments must maintain Cash Flow after Debt Service, as calculated by the Common Application, of \$100 per unit per year.

Development reserves cannot be used to maintain minimum Cash Flow after Debt Service requirements during the fifteen (15) year compliance period.

c. Trending Factors

Authority cash flow trending factors are as follows:

- Annual Increase in real estate taxes: four percent (4%)
- Annual Increase in operating expenses: three percent (3%)
- Annual Increase in income: two percent (2%)

In order to substantiate a deviation from Authority cash flow trending factors, the Application must include documentation such as historic Development operating income and expense audits.

The Authority will review and consider documentation substantiating a deviation from Authority cash flow trending factors on a case-by-case basis.

d. Vacancy Rates

Authority cash flow vacancy rates are as follows:

- Elderly Developments residential income: six percent (6%)
- Non-Elderly Developments residential income: eight percent (8%)
- Commercial income: fifty percent (50%)

In order to substantiate a deviation from Authority cash flow vacancy rates, the Application must include documentation such as historic Development operating income and expense audits.

The Authority will review and consider documentation substantiating a deviation from Authority cash vacancy rates on a case-by-case basis.

e. Utility Allowances

Developments with any tenant paid utilities must include current documentation detailing the expected monthly per unit tenant utility expenses (the “utility allowance”) incurred by utility and appliance type. Non-essential utilities including telephone, cable television, internet access, etc., are excluded from the utility allowance.

Tenant paid utility expenses must be appropriate for the unit size, utilities and appliances covered, and Development location.

In the event a single utility covers multiple appliances, such as gas heat and cooking gas, or electric heat and electric lighting, the utility allowance must differentiate utility expenses by appliance.

Utility Allowance documentation can only be demonstrated through one of the following:

- A current utility allowance schedule, provided by the governing public housing authority where the Development is located, or
- A utility survey covering one (1) full year that is representative of each unit type within the Development.

In any case where the Development’s expected utility allowances are less than reflected in the utility allowance documentation, the Application must include a detailed description of all differences that will be evaluated on a case by case basis.

Section 4: Application Scoring Criteria

Developments that pass all mandatory Application criteria will be scored on the following items and ranked according to total score. Points will be awarded based solely on the information submitted in the Application. The Authority will verify information submitted in the Application.

The Authority may deny points if the correct forms or required information for each scoring category are not submitted, or if information available to the Authority negates a claim for points. The Applicant’s commitment to various scoring criteria shall be binding and shall be incorporated into a Regulatory Agreement.

ALL APPLICANTS MUST submit a completed LTOS Self Scoring Form which can be found on the Authority’s website at www.ihda.org.

A. Current Occupancy

In order to meet the goals of the Statewide Referral Network and maximize the LTOS resources, Developments will be awarded up to ten (10) points based on their current occupancy. Developments will be awarded points based on the following criteria:

Current Occupancy	Points
Occupancy: Less than or equal to 94.99% without a waitlist.	10
Occupancy: Less than or equal to 94.99% with a waitlist. Please include statement explaining existence of waitlist with lower occupancy.	5
Occupancy: Equal to or greater than 95% occupied with a waitlist	0

B. Rent Limits

In order to maximize the LTOS resources, Developments will be awarded up to thirty (30) points based on the existing rent limits. Developments will be awarded point based on the following criteria:

Existing Rent Limits	Points
Rent Limit: 100% of LTOS Units have existing 30% AMI contract rents.	30
Rent Limit: At least 50% of LTOS Units have existing 30% AMI contract rents and the balance of LTOS Units have existing 40% AMI or 50% AMI contract rents.	20
Rent Limit: At least 25% of LTOS Units have existing 30% AMI contract rents and the balance of units have existing 40% AMI or 50% AMI contract rents.	15
Rent Limit: 100% of LTOS Units have existing 40% AMI or 50% AMI contract rents	10
Rent Limit: At least 50% of LTOS Units have existing 40% AMI or 50% AMI contract rents and the balance of LTOS Units have existing 60% AMI contract rents.	5

C. LTOS Units Requested

Developments will be awarded up to five (5) points for aggregating LTOS units within a Development.

LTOS Units Requested	Points
5 or more units of LTOS requested	5
3 to 4 units of LTOS requested	3
1 to 2 units of LTOS requested	0

D. Universal Design

Projects identifying Universal Design elements to be provided within the architectural design in excess of code required Universal Design features plus five additional items defined in the Mandatory Section, as evidenced through submission of the Architectural Standards, Universal Design and Amenities Certification available on the Website, can earn up to ten (10) points as follows:

Universal Design Features Beyond Code Requirements	Points
Projects which select Ten (10) additional Universal Design items beyond code requirements in 50% of units	5
Projects which select ten (10) additional Universal Design items beyond code requirements in 100% of units	10

E. Access to Transportation

A maximum of ten points (10) will be awarded in this category.

Developments will be awarded five (5) points for transit-oriented development if the proposed Development is located in close proximity to fixed-route public transportation, excluding inter-city transportation. "Close proximity" will be defined as being within a one (1) mile radius.

Transportation routes and distance to the Development site must be identified on a map submitted with the Application along with a current schedule for the routes being considered.

Developments will be awarded five (5) points if served by publicly available Dial-A-Ride modes of transportation that are at a minimum available Monday through Friday from 8:00 a.m. to 6:00 p.m. The Applicant must include a letter from the Dial-A-Ride provider stating all of the following:

- The Dial-A-Ride service is available to the public at large;
- The Development is located within the service area of the Dial-A-Ride; and

- The Dial-A-Ride service is, at a minimum, available between the hours of 8:00 a.m. and 6:00 p.m. Monday through Friday.

F. Geographic Distribution

A maximum of ten (10) points will be awarded in this section to Developments that further the Agencies goal of increasing geographic distribution of Rental Housing Support/LTOS units. A list of Illinois Counties with the number of existing RHS/LTOS units can be found on the Authority Website.

Number of RHS/LTOS Units in County	Points
Zero (0) to four (4) units	10
Five (5) to nine (9) units	5
Ten (10) to fifteen (15) units	2
Greater than fifteen units	0

G. Counties of Greatest Need

A maximum of five (5) points will be awarded in this section to Developments located in Counties of greatest need defined as counties with a higher percentage of Extremely Low Income renters than the statewide average. A table with all of the counties in Illinois with their percentage of Extremely Low Income Renters can be found on the Authority Website along with the statewide percentage. All developments in qualifying Counties will receive five (5) points.

H. Neighborhood Characteristics and Amenities

A maximum of five (5) points will be awarded in this section based on the proximity of desirable activities and characteristics to the Development site.

One (1) point will be awarded for each desirable activity/characteristic in the vicinity of the Development.

A map must be submitted indicating the specific location of all desirable activities or characteristics in the vicinity of the Development. At a minimum, the map must include the Development 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 activity identified on the map and stating the type of activity or characteristic identified and the address.

Please include color photographs of the desirable activities/characteristics. For scattered site Developments, the perimeter of the noncontiguous parcels shall serve as the boundary of the proposed Development site from which the distance for determining the

location of the desirable activities and characteristics shall be measured.

1. Desirable Activities

In order for a Development to receive desirable activity/characteristic points, only activities and/or characteristics which are located within one (1) mile of the proposed site will be considered.

Applications cannot score multiple points in any single category. Each activity/characteristic will be assigned to only one category. 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)
- School(s)
- 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

All Developments that pass mandatory will be subject to a site visit to confirm that there are no adjacent activities that would have a negative impact on the population(s) to be served.

I. Letter of Support from the Statewide Housing Coordinator

Developments will be awarded fifteen (15) points for providing a letter of support from the Statewide Housing Coordinator. The Statewide Housing Coordinator will review the proposed Development and make a determination based on, but not limited to, the following: location, and capacity of local service agencies. The Statewide Housing Coordinator, Lore Baker, can be contacted at:

Lore Baker
Statewide Housing Coordinator for Long Term Care Reform IDHS, Secretary's Office
100 South Grand Avenue East
Third Floor
Springfield, IL 62702
o. 217.782.6865
c. 217.299.4502
Lore.Baker@Illinois.gov

Section 5: Post-Award Requirements

If the Members of the Authority approve the Application, a conditional commitment letter (“Commitment”) will be issued to the applicant specifying the terms and conditions upon which the Authority will award and fund the Development. If the Applicant does not satisfy the terms and conditions of the Commitment in the Authority’s sole and absolute discretion, within the time frame specified therein, the funds will not be awarded and will be withdrawn. If the Applicant satisfies the terms and conditions of the Commitment in the Authority’s sole and absolute discretion within the time frame specified therein, the funds will be awarded as provided in the Commitment.

Among the requirements in the Commitment will be signature and delivery by the Applicant of the following documents to be provided by the Authority, including without limitation:

(i) Funding Agreement, (ii) Regulatory Agreement, and (iii) Recapture Agreement.

No costs may be incurred prior to closing of the award and funding of the Development. Closing shall be at such time as the applicant satisfies the terms and conditions of the Commitment as determined by the Authority in its sole and absolute discretion.

Applicants must agree to comply with all applicable Federal and State of Illinois requirements, such requirements may have significant impact on the costs and complexity of the Development.

Applicants are expected to be familiar with the full range of all legal and statutory compliance requirements applicable to the funds awarded, and to obtain all necessary information and advice so that they can comply with such requirements. The following is a brief, but not complete, summary of certain aspects of the major compliance requirements.

A. Excluded Parties

The Excluded Parties List System (EPLS) includes information regarding entities that have been debarred, suspended, proposed for debarment, excluded or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. The Authority will check all names of all sponsor or property manager against the EPLS found at www.epls.gov. The Authority may rescind a conditional approval of a funding award if an Owner or Manager appears on EPLS.

B. Fair Housing

Fair housing is otherwise known as equal housing opportunity. Federal, state, and various local laws legally define fair housing and identify specific protected classes, based on documentation of past patterns of discrimination. The term protected class is used in U.S. anti-discrimination law to describe groups of people who are protected from discrimination and harassment. The following descriptors characterize members of protected classes, as defined by federal and Illinois State laws.

- Federal: race, color, religion, national origin, sex, handicap or disability, and familial status.
- State of Illinois (includes federal plus the following): marital status, age, ancestry, military status, unfavorable military discharge, sexual orientation, and gender identity. One additional category, citizenship status, is protected for employment opportunity but not for housing.

1. Fair Housing Act of 1968 as amended in 1988 (“Fair Housing Act”)

Title VIII of the Civil Rights Act of 1968, also known as the Fair Housing Act, prohibits discrimination based on race, color, religion, national origin, sex, familial status, or disability and requires landlords to make reasonable accommodations and modifications for tenants with disabilities.

The Fair Housing Act requires the Secretary of HUD to administer housing and development programs and activities that “affirmatively further” (actively support and encourage) fair housing. Applicants will be required to undertake specific activities to affirmatively further equal opportunity and fair housing, and must assure all activities and services are accessible to persons with disabilities.

2. Section 504 of the Rehabilitation Act of 1973 (“Section 504”)

Section 504 prohibits discrimination in federally-funded programs. For a federally-assisted new construction housing project, Section 504 requires five percent (5%) of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional two percent (2%) of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.

For federally-financed housing rehabilitation projects that result in substantial alteration, the new construction provisions of 24 CFR 8.22 (equivalent to that described above) apply. Alterations are considered substantial if they are undertaken to a property that has fifteen (15) or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility.

If the subject property has fewer than fifteen (15) units or the cost of alterations is less than 75% of the replacement cost of the completed facility and the recipient has not made 5% of its units in the development accessible to and usable by individuals with disabilities, then the requirements of 24 CFR 8.23(b) - Other Alterations apply.

3. The Americans with Disabilities Act of 1990 (“ADA”)

The ADA prohibits discrimination on the basis of disability in government-funded programs, including housing programs (Title II), as well as public accommodations (Title III) which means that rental offices, homeless shelters, and other on-site business locations used by the public, including common areas of public/assisted housing, must be accessible to persons with

disabilities.

4. Illinois Human Rights Act

The Illinois Human Rights Act provides equal access to residential housing choices regardless of race, color, religion, sex, age, handicap or disability, familial status, national origin, marital status, ancestry, military status, unfavorable military discharge, sexual orientation, or citizenship status.

C. Management Documents

All Developments will prepare a Statewide Housing Referral Network Agreement, tenant selection plan, management plan, management agreement, affirmative fair housing marketing plan, and sample lease to be reviewed and approved by the Authority. At the Authority's discretion, some Developments may be required to provide a marketing plan and marketing agreement.

D. Regulatory Period

All Developments will be required to execute a Regulatory Agreement with the Authority, whereby the Owner shall agree to maintain unit affordability, and serve the targeted populations, for a period up to 15 years. The Regulatory Agreement shall not shorten the affordability period for other financing sources.

E. Reporting and Monitoring

The Authority will assess property and LTOS Unit condition, compliance with affordability and targeting requirements, and financial stability through submission of audits.

