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# COMMUNITY REVITALIZATION:

# FREQUENTLY ASKED QUESTIONS (FAQ)

Note: This document provides answers to frequently asked questions about IHDA's Community Revitalization Strategy Process including technical assistance, and Low Income Housing Tax Credit (LIHTC) Application and Scoring. This FAQ sheet is meant to serve as a general guide and may be updated from time to time. Please reach out to IHDA's Community Revitalization Planning Specialists (CRPSs) at <a href="mailto:ABashiti@ihda.org">ABashiti@ihda.org</a> and <a href="mailto:EMueller@ihda.org">EMueller@ihda.org</a> with additional questions.

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#### PROGRAM OVERVIEW

#### Q1. WHAT IS COMMUNITY REVITALIZATION?

Community Revitalization is the implementation of intentional efforts that are likely to lead to measurable increases in access to employment, living wage jobs, healthcare, supportive services, community amenities, transportation, quality and affordable housing stock.

#### Q2. WHAT ARE THE DIFFERENT AREAS OF COMMUNITY REVITALIZATION?

- i. Economic Development
  - Downtown or target-area revitalization
  - Business development
  - Economic development growing employers and jobs
  - Improvements in infrastructure
  - Improvement in services and amenities (health, education, shopping, etc.)
- ii. Housing Development
  - Improvement in housing stock
  - Infill housing/reduction in vacant lots
  - Rehabilitation of dilapidated properties
- iii. Community Development
  - Increase in community meetings/neighborhood organization
  - Increase in public safety
  - Increase in transportation options and access
  - Increase in walkability
  - Improvement in recreational opportunities
  - Natural resource protection
  - Community gardens
  - Environmental planning and initiatives
  - Improvement in stormwater management

#### Q3. WHAT IS A COMMUNITY REVITALIZATION STRATEGY?

A Community Revitalization Strategy is a deliberate, concerted, and locally approved plan or documented interconnected series of local efforts with local stakeholder support intended to improve and enhance specific aspects of a community or neighborhood. While community revitalization can look very different between communities, these strategies often target an area that is larger than a parcel, Planned Unit Development (PUD), or subdivision, but small enough that one municipality or county (or a small conglomerate of municipalities or counties) can have jurisdiction over it.

#### Q4. HOW CAN A COMMUNITY REVITALIZATION STRATEGY BENEFIT AN APPLICATION FOR LIHTC FUNDING?

Preserving the balance of affordable housing in Opportunity Areas as well as in distressed community areas, allowing the greatest amount of choice for low-income households to access quality housing, is an important goal of the QAP. Community Revitalization Strategies that are likely to lead to measureable increases in the following are eligible for up to ten (10) points.

- Access to employment and living wage jobs;
- Access to healthcare and supportive services;
- Access to a range of community amenities, including (but not limited to) parks, schools, groceries, businesses, and retail locations;
- Access to transportation;
- Improvement in the quality of housing stock; and
- Affordable housing opportunities

To be eligible for up to ten (10) points in this category, projects cannot receive points in the Opportunity Area Section, and must meet the Community Revitalization Strategy component thresholds.



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#### Q5. WHO CAN/SHOULD BE INVOLVED IN THE COMMUNITY REVITALIZATION STRATEGY PROCESS?

A strong Community Revitalization Strategy will provide guidance for the community to follow, to bring about its vision over the long term, and should include input from local residents, neighborhood boards and groups, nonprofit agencies, local businesses, educational institutions, service agencies, and other local stakeholders.

#### Q6. WHAT IS THE ANTICIPATED OUTCOME OF COMMUNITY REVITALIZATION STRATEGIES?

IHDA's intended outcome is to help communities throughout the state of Illinois create a Community Revitalization Strategy that can accomplish the following:

- Initiate proactive community planning
- Strategize future planning and investment
- Establish linkages to ongoing initiatives
- Identify realistic housing needs and goals for the community
- Identify potential funding sources for plan implementation
- Identify financially feasible models for meeting housing needs
- Attract investors to community
- Form a working advisory group
- Strategically plan for future tax credit development sites

#### IHDA'S ROLE AND TECHNICAL ASSISTANCE

#### Q7. WHY IS IHDA INVOLVED IN COMMUNITY REVITALIZATION?

Community revitalization plays a prominent role in ensuring the health and success of Illinois communities, and therefore, IHDA is a strong proponent of these processes.

# Q8. WHAT ROLE DOES COMMUNITY REVITALIZATION PLAY AT IHDA?

IHDA is committed to expanding the capacity of underserved communities in Illinois to identify local housing needs and to empower those communities to take steps to meet those needs. By providing Community Revitalization strategies and technical assistance to communities, IHDA believes that it will be increasing capacity on multiple fronts. Primarily, it will be contributing to the expansion of local leaders' capacity to see Affordable Housing as part of their community's growth, and to include a variety of such opportunities in their plans. Housing developers will also benefit from this activity, as the plans developed by or in conjunction with IHDA's Community Revitalization Strategies technical assistance will help to provide a clearer path through the Low Income Housing Tax Credit process. Investors will be able to connect to and potentially utilize the market analysis tools and funding sources identified by the strategy.

IHDA also implements a range of grants and programs designed to meet communities' revitalization needs that are available to nonprofits and units of local government. For more information on this, please see questions 14-17 below.

#### Q9. WHAT DOES IHDA COMMIT TO?

- Strategize future planning and investment
- Establish linkages to ongoing initiatives for Economic Development, Education, Health Care, Food Access, etc.
- Identify realistic housing needs and goals for the community
- Coordinate with state, regional, and federal agencies, as well as local organizations, to help meet the planning and implementation needs of the community
- Identify potential funding sources for plan implementation
- Identify financially feasible models for meeting housing needs (to be enacted locally)
- Become a calling card for the community to attract investors
- Form a working advisory group to supervise ongoing implementation of planning strategies
- Strategically plan for future tax credit development sites (if housing needs analysis and financial feasibility planning indicate this as a viable outcome)



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#### Q10. WHO CAN RECEIVE TECHNICAL ASSISTANCE?

Technical assistance is given to local governments/communities and housing developers interested in promoting revitalization and development in their community. Any community located in Illinois is eligible for this service.

### Q11. WHAT IS A COMMUNITY REVITALIZATION PLANNING SPECIALIST (CRPS)?

IHDA's Community Revitalization Planning Specialists (CRPSs) work with communities and housing developers to discuss current or desired plans for promoting revitalization and development in their communities. Regardless of where you are in the process of community revitalization, IHDA's CRPSs can provide technical assistance to you.

# Q12. HOW IS TECHNICAL ASSISTANCE REQUESTED?

Technical assistance is requested by reaching out to IHDA's CRPSs:

- Amy Bashiti at ABashiti@ihda.org or 312-836-7438
- Emily Mueller at EMueller@ihda.org or 312-836-7460

#### Q13. HOW LONG WILL TECHNICAL ASSISTANCE BE GIVEN?

Technical assistance may be given as long as the community and IHDA deem necessary to fulfill the goals and objectives agreed upon as part of the scope of work.

#### FAQ FOR LOCAL GOVERNMENTS

#### 014. WHAT ARE OTHER GRANTS AND PROGRAMS THAT IHDA OFFERS TO HELP REVITALIZE COMMUNITIES?

IHDA implements a range of grants and programs designed to meet communities' revitalization needs that are available to non-profits and units of local government:

- Abandoned Property Program
- Blight Reduction Program
- Single Family Rehabilitation Program
- Land Bank Capacity Program and Technical Assistance Network
- Home Accessibility Program
- Foreclosure Prevention Program
- Housing Tax Credits
- Homeownership programs
- Downpayment assistance programs

#### Q15. IS FUNDING FOR OTHER IHDA GRANTS AND PROGRAMS GUARANTEED IF TECHNICAL ASSISTANCE IS GIVEN?

Although IHDA is committed to helping communities identify potential funding sources for strategy implementation, there is no commitment of funding.

# Q16. WHAT TYPE OF TECHNICAL ASSISTANCE IS GIVEN TO LOCAL GOVERNMENTS?

IHDA's CRPSs can provide technical assistance to you in the following ways:

- Coordinate with other state, regional, and federal agencies who may be able to meet your community's needs
- Gain expertise regarding housing development, planning processes, and utilizing governmental resources
- Connect to market analysis tools that help communities understand and predict trends in their areas, particularly related to housing
- Begin the process of intergovernmental/multi-jurisdictional coordination and planning
- Strategize future planning and investment in your community
- Generate a toolbox for the community to initiate a community revitalization strategy locally



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Conduct a housing needs assessment for the community

#### Q17. WHAT IS THE RESPONSIBILITY OF LOCAL GOVERNMENTS/COMMUNITIES RECEIVING TECHNICAL ASSISTANCE?

- Identify a local point-person who will be responsible for collecting input from stakeholders, organizing meetings, assigning tasks to working group, and overseeing work plan
- Provide identification of and outreach to critical local stakeholders and local "champions"
- Provide identification of and outreach to critical regional stakeholders
- Publicize and facilitate community meetings with local and regional stakeholders
- Provide all available planning materials that include the community for review by IHDA community revitalization staff
- Provide all private, local, state, and federal funding sources that the community has accessed, applied for, or received in the previous 10 years
- Establish and oversee a work plan for this initiative

#### FAQ FOR HOUSING DEVELOPERS

#### Q18. WHAT TYPE OF TECHNICAL ASSISTANCE IS GIVEN TO HOUSING DEVELOPERS?

IHDA's CRPSs can provide technical assistance to you in the following ways:

- Understand the guidelines for preparing Community Revitalization Strategies on your Low Income Housing Tax
  Credit application
- Strategically plan for future tax credit development sites
- Gain expertise regarding housing development, planning processes, and utilizing governmental resources
- Connect to market analysis tools that help communities understand and predict trends in their areas, particularly related to housing

# Q19. WHEN SHOULD DEVELOPERS CONTACT IHDA IF THEIR SUBJECT PROPERTY FALLS WITHIN A QCT OR R/ECAP?

Developers should contact IHDA Community Revitalization Planning Specialists (CRPSs) immediately if their subject property falls within a QCT or R/ECAP. If a developer is planning on applying and is unsure if their subject property is in a QCT or R/ECAP they should visit <a href="https://www.policymap.com">www.policymap.com</a> to locate their subject property and understand its classification under "Federal Guidelines." Developers may also contact IHDA's CRPSs for assistance in identifying such designations.

#### Q20. HOW SHOULD DEVELOPERS PREPARE TO SUBMIT A COMMUNITY REVITALIZATION STRATEGY TO IHDA?

Developers should use the <u>Community Revitalization Strategies Thresholds and Scoring Criteria</u> as a guide to outline what documentation is needed. In addition, it is suggested to promptly begin researching planning documents that may exist in the area of the subject property. Likewise, connecting with local agencies and government entities can contribute to the search of such documentation.

#### Q21. HOW SHOULD DEVELOPERS SUBMIT THEIR COMMUNITY REVITALIZATION STRATEGY TO IHDA?

Producing a cover letter that highlights the location (i.e. using PDF bookmarks) and summary of documentation and scoring requirements is highly encouraged and helpful. The cover letter should be attached with all other documentation and requirements, and uploaded to the Multifamily Portal as a part of a project's application materials.

#### Q22. \*WHAT ARE THE BASIC PLAN COMPONENTS?

- 1. Community Participation (residents, stakeholders, assets) in the creation and/or guidance of the CRS. Adequate community-level participation must be demonstrated.
- 2. Adoption, approval, or local champion. Submitted documentation must have local governmental approval and/or an existing local champion in order to qualify for review.
- 3. A concerted effort has been undertaken for a specific community/neighborhood.
- 4. The community revitalization strategy must consider affordable housing.
- 5. Evidence of economic development integration.



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#### Q23. \*WHAT ARE THE SCORING COMPONENTS?

- 1. Building opportunity [4pts]
- 2. Access to employment and living wage jobs [2pts]
- 3. Community Revitalization strategy considers multiple revitalization efforts and addresses mix of land uses [2 pts]
- 4. Plan implementation and funding [2pts]
  - \*Based on the Community Revitalization Strategies Thresholds and Scoring Criteria

#### LIHTC APPLICATION DEFINITIONS

# Q24. FOR THE PURPOSE OF COMMUNITY REVITALIZATION STRATEGIES, WHAT IS DEFINED AS A "COMMUNITY/ NEIGHBORHOOD"?

For the purposes of Community Revitalization Strategy, the term "Community/Neighborhood" is defined as the project area for a Community Revitalization Strategy. An area of a pre-designated size that is larger than a parcel, PUD, or subdivision, but small enough that one municipality or county (or a small conglomerate of municipalities or counties) can have jurisdiction over it. A Community or Neighborhood can also align with an existing Community Development Block Grant (CDBG) Target Area, Neighborhood Strategy Area (NSA), or Community Revitalization Strategy Area (CRSA).

# Q25. FOR THE PURPOSE OF COMMUNITY REVITALIZATION STRATEGIES, WHAT IS "AFFORDABLE HOUSING"?

For the purposes of Community Revitalization Strategy, the term "Affordable Housing" is defined by one of the following criteria:

- Rent-Restricted rental units (legally restricted via use of programs such as Low Income Housing Tax Credits, HOME, Housing Trust Funds, etc.) where rent is restricted to levels affordable to households earning under 30%, 50%, 60%, or 80% of the Area Median Income;
- Rent-Subsidized rental units (examples of rental subsidies are Project Based Rental Assistance, Project Based Vouchers, Housing Choice Vouchers, Section 811, Rental Housing Support Program, etc.);
- Affordable Homeownership Programs Use of subsidized mortgage credit certificates, mortgage revenue bonds, or down payment assistance that are limited to households earning less than 120% of Area Median Income.

#### Q26. FOR THE PURPOSE OF COMMUNITY REVITALIZATION STRATEGIES, WHAT IS DEFINED AS A "PLAN"?

For the purposes of Community Revitalization Strategy, the term "Plan" is defined as any documentation (i.e. corridor plans, newspaper articles, marketing plans, etc.) that successfully qualifies a neighborhood revitalization strategy for review.

#### Q27. FOR THE PURPOSE OF COMMUNITY REVITALIZATION STRATEGIES, WHAT IS DEFINED AS A "SUBJECT PROPERTY(IES)"?

For the purposes of Community Revitalization Strategy, the term "subject Property(ies)" is defined as the property or properties where Affordable Housing activity proposed by the LIHTC application will be located.

# Q28. WHO NEEDS TO MEET THE MINIMUM THRESHOLDS FOR COMMUNITY REVITALIZATION STRATEGIES?

Subject Property(ies) that fall under a Qualified Census Tract (QCT) or racially/ethnically concentrated areas of poverty (R/ECAP) must meet the minimum thresholds for community revitalization strategies.

#### Q29. WHAT IS A QUALIFIED CENSUS TRACT (QCT)?

LIHTC Qualified Census Tracts, as defined under the section 42(d)(5)(C) of the of the Internal Revenue Code of 1986, include any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of the Area Median Gross Income (AMGI), or which has a poverty rate of at least 25 percent. You may find a list of 2018 Illinois Qualified Census Tracts here.

#### Q30. WHAT IS A RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY (R/ECAP)?

According to U.S. Department of Housing and Urban Development (HUD), a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. HUD designates census tracts with this extreme poverty that satisfy the racial/ethnic concentration threshold as R/ECAPs.