



ILLINOIS HOUSING DEVELOPMENT AUTHORITY

REQUEST FOR APPLICATIONS

Permanent Supportive Housing Development Program Round VII

Deadline:
5:00 P.M. on October 30, 2020

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**Request for Applications
Permanent Supportive Housing Development Program**

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Section 1: Definitions

Applicant – shall mean the Sponsor that has applied for funds pursuant to this Request for Applications (RFA). 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 electronic form, as prescribed in this Request for Applications and submitted by an Applicant to the Authority.

Area Median Income (AMI) – shall mean the median income of the county or the metropolitan statistical area in which the project is located, adjusted for family size, as such adjusted income and median income for the area are determined from time to time for purposes of Section 8 of the United States Housing Act of 1937.

Authority – shall mean the Illinois Housing Development Authority (IHDA).

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

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

Geographic Set-Aside – shall mean Projects will be categorized by Set-Asides defined below:

a) The City of Chicago Set-Aside consists of the City of Chicago.

b) The Chicago Metro Set-Aside consists of the areas within the counties of Lake, DuPage, Kane, McHenry, Will, and Cook excluding the City of Chicago.

c) The Other Metro Set-Aside consists of areas identified as Other Metro. For a list of the areas identified as Other Metro, see “Other Metro Set-Aside Places” on the Website.

d) The Non-Metro Set-Aside consists of all other areas of the state not included in the City of Chicago, Chicago Metro, or Other Metro set-asides.

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 Project pursuant to this Request for Applications and which owns or will own the Project. The Owner shall be owned or controlled by the Sponsor.

Participant – shall mean a member of the Project’s development team, including Sponsor, general contractor, architect, and property manager.

Permanent Supportive Housing – shall mean a Project with a preference or restriction for people who need supportive services to access and maintain affordable housing, including households who are experiencing or at risk of homelessness, are living with disabilities, and/or are experiencing or at risk of institutionalization. Supportive services must be appropriate to the needs and preferences of residents and be available either on-site or closely integrated with the housing. The housing should be permanent (not time-limited, not transitional), affordable (typically rent-subsidized or otherwise targeted to extremely-low-income tenants who make 30% of the area’s median income or below), and independent (tenant holds the lease with normal rights and responsibilities). Services should be flexible (responsive to tenants’ needs and desires), voluntary (participation is not a condition of tenancy), and sustainable (focus of services is on maintaining housing stability and good health).

Preliminary Project Assessment (PPA) – shall mean an entire set of required and requested documents for a site, market, financial feasibility, and participant review as more fully described on page 10 and on the Website.

Pre-Screening, Assessment, Intake, and Referral (PAIR) Module – shall mean the online waiting list system that has the SRN and Section 811 unit waiting lists.

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

Regulatory Agreement – shall mean a document that outlines the terms of the thirty (30) year period during which a Project must comply with the occupancy restrictions (both income and rent) and amenities represented in the Project’s Application.

Site – shall mean a parcel of land on which the Project will be developed, described by a unique legal description which will be encumbered by the Regulatory Agreement. A Project may consist of multiple Sites.

Sponsor – shall mean a duly formed, validly existing entity, organized under the laws of the State of Illinois, or any other state, that is applying for funds for a Project pursuant to this Request for Applications. The Sponsor shall own or control the Owner of the Project. Project consultants and other like professionals shall not be considered as Sponsors.

Statewide Referral Network (SRN) – shall mean a statewide referral process that links Supportive Housing Populations with available Statewide Referral Network Units. The Statewide Referral Network is a collaboration between the Authority, the Illinois Department of Human Services, the Illinois Department on Aging, the Illinois Department of Healthcare and Family Services, and local social service providers. Households referred through the Statewide Referral Network process may or may not be in need of long-term social services. It is expected that referrals in-need of on-going social services will have them arranged by the referring service provider.

Statewide Referral Network Units (SRN Units) – shall mean units set aside for households earning at or below 30% AMI, which are headed by Supportive Housing Populations and referred through a statewide referral network. At minimum, every Project funded pursuant to this Request for Applications must set aside 10% of total units as Statewide Referral Network (SRN) Units.

Supportive Housing Populations – shall mean households headed by persons with disabilities and households that are homeless or at-risk of homelessness who need access to supportive services in order to maintain housing.

Website – shall mean <http://www.ihda.org>.

Permanent Supportive Housing Development Program Overview

The Illinois Housing Development Authority (the Authority) has created the Permanent Supportive Housing (PSH) Development Program to increase housing options for Illinoisans who either are in need of Permanent Supportive Housing or need reduced barriers to housing because of ex-offender status or because they are transition aged youth. In addition, the PSH Development Program will provide a minimum number of units in each funded Project that will support the State's efforts to rebalance the long-term care of persons currently living in institutions.

The PSH Development Program will offer flexibility to accommodate a range of development types, including acquisition, new construction, redevelopment of vacant units, or adaptive reuse of non-residential properties. **Unlike past rounds, the Authority is not limiting the number of units per Project to 25. The expectation is that Projects shall be 40 units or less, but the Authority reserves the right to waive the unit limit at its sole discretion based on location, demand for PSH, and Project design.**

A. Eligible Activities

At minimum, every Project funded pursuant to this RFA must encumber at least 10% of total units as SRN Units, defined herein as units set aside for households earning at or below 30% AMI and which are headed by persons with disabilities, are experiencing or at risk of homelessness, or are experiencing or at risk of institutionalization, and referred through a Statewide Referral Network.

Eligible activities under the Permanent Supportive Housing Development Program include but are not limited to:

- Acquisition,
- New Construction,
- Redevelopment of Vacant Units, and
- Adaptive Reuse of Non-Residential Properties

The Authority welcomes creative models that will help meet a diverse array of needs. Projects may offer PSH units in a range of settings, including but not limited to:

- **Scattered-Site PSH Projects** – a collection of scattered-site units within or detached from several sites, in which links to community-based services are coordinated; may include but is not limited to the acquisition of several condominiums within a building or buildings in which the other units in the building(s) are not part of the PSH Project; In the case of scattered-site acquisition of condominiums the sponsor shall be responsible for ensuring that the condominium board rules allow for the units to be rentals.
- **Projects with Integrated PSH units** – affordable or mixed-income buildings that include some Permanent Supportive Housing units, in which links to community-based services are coordinated, and in which some limited supportive services may be offered to tenants on-site.

- **Single Site PSH Projects** – one-site Projects in which the majority of units are filled by Supportive Housing Populations, and which offer both a broad array of on-site services and links to community-based services.

Funding under this RFA may be used to create office space that is specifically used for social services or building management; additional office space must be paid for by a non-Authority source.

Transitional housing and housing with age restrictions are not eligible activities under this RFA.

B. Eligible Applicants

Non-profit, for-profit, and joint-venture developers are eligible to apply for funds under the PSH Development Program. PSH development and operation requires knowledge and skill sets that may not currently exist in full at any one organization. Projects that build on the strengths of several organizations, including development partners, will be accepted. The roles, responsibilities, and capacity (including financial capacity) of each entity will be analyzed. In cases where the source of funding is the national Housing Trust Fund, eligible applicants must meet all Authority Standards including standards set out in 24 CFR 93.2 for the national Housing Trust Fund.

C. Types of Funding

The Authority will evaluate the viability of each Project and then determine which Authority administered funding source or sources are eligible and most appropriate. The amount of funding to be awarded will not exceed the amount necessary to make the Project financially feasible, as determined by the Authority. The Authority may add or remove costs as deemed necessary to support the development and operation of the Project. Awards may be in the form of loans, forgivable loans, or grants.

Potential Authority administered programs that will be evaluated for award by the Authority include, but are not limited to, the Illinois Affordable Housing Trust Fund Program, the HOME Investment Partnerships Program, the national Housing Trust Fund Program, Capital Bond Funds, the Low Income Housing Tax Credit, the Illinois Affordable Housing Tax Credit Program, and the Financing Adjustment Factor Program. In addition, Projects will be evaluated for Authority administered rental assistance in the form of either Section 811 Project Rental Assistance or Long-Term Operating Support (LTOS).

For purposes of compliance with the Comprehensive Planning Act (310 ILCS 110) and the Authority’s Qualified Allocation Plan, this RFA may also be referred to as a “notice of funding availability.” In addition, it will also be considered a “special initiative” as such term is used in the Annual Comprehensive Housing Plan required by the above statute.

The Authority reserves the right to select the funding source(s) for all Projects. One or more of the aforementioned funding sources may not be available or appropriate. All funding awards, including the amount of the award and the funding source, remain subject to the final approval of the Authority's Board.

Applicants should consult with an accountant to explore any potential tax consequences for an award of funds. Applicants should be aware that each funding source has its own set of rules and regulations and should become familiar with those rules and regulations. While the Authority reserves the right to select the funding source, Sponsors may, in their project narrative, outline reasons why they believe certain funding sources may be more appropriate to their Project than others.

D. Income Restrictions

At minimum, every Project funded pursuant to this RFA must encumber at least 10% of total units as SRN Units. A minimum of 50% of the units must be affordable to those at or below 30% of the Area Median Income (AMI), and shall be restricted as such for thirty (30) years. 30% AMI units, if assisted by project based rental assistance, may receive higher rents through their rental assistance contract. No units may exceed a 60% AMI designation unless a non-Authority resource is used to fund such units. Sponsors may propose Projects with less than 50% of the units restricted at 30% AMI at the mandatory Project concept meetings stage of the application process, and the Authority may at its sole discretion waive this requirement. If the requirement is waived the Authority will issue a waiver letter documenting the reasons for the waiver being granted.

Each Project funded under this RFA will be required to execute at initial closing a Regulatory Agreement which outlines the terms of the thirty (30) year compliance period during which a Project must comply with the occupancy restrictions (both income and rent) and amenities represented in the Project's Application. Further, each Project funded through the PSH Development Program must comply with the requirements imposed by its most restrictive funding source. To the extent that specific funding sources are already committed or requested, Applicants must demonstrate the ability to comply with the most restrictive requirements.

E. Target Populations

At minimum, all Projects that receive any amount of funding through the Permanent Supportive Housing Development Program must encumber a minimum of 10% of total units for residents referred through the SRN and restrict a total of 50% of units to households at or below 30% AMI. Exceeding the minimum number of SRN Units, and/or offering additional 30% AMI units not subject to the Statewide Referral Network is encouraged.

All Projects must be disability-neutral unless a committed or anticipated capital or operating subsidy source requires disability-specific targeting. Examples of this include but are not

limited to: Housing Opportunities for Persons with HIV/AIDS (HOPWA) and Illinois Department of Human Services Bridge Subsidy. Unless otherwise dictated by another committed capital or operating subsidy source, units must be open to households headed by persons with any type(s) of disability who otherwise meet Project-specific screening criteria.

F. Priority Activities

As reflected in Section 4: Application Scoring Criteria, priority will be given to Projects that:

- Leverage other capital funding sources;
- Offer operating assistance or project-based rental assistance;
- Are located in a community with high demand based on PAIR module waitlist data;
- Provide units for individuals exiting the criminal justice system;
- Provide units for youth aging out of DCFS care;
- Show a partnership with a health and hospital system, including financing or services provided by the health and hospital system;
- Exceed the minimum level of accessibility that is required by applicable law(s) and inclusion of Universal Design principals;
- Incorporate principles of green design; and
- Offer access to public transit and neighborhood amenities.

G. Project Concept Meeting

The Authority will establish a timeframe between release of this RFA and the Preliminary Project Assessment due date during which all potential applicants will be required to schedule a project concept meeting. This meeting can be viewed as a “pitch” meeting to Authority staff, and applicants should be ready to outline their Project concept including: intended population served, project size, project type, proposed financing structure, and proposed partnerships, if any. Project concept meetings may be virtual meetings.

H. Preliminary Project Assessment

All Projects must complete a Preliminary Project Assessment (“PPA”) process prior to the submission of an Application. Additional information regarding the PPA, as well as the timing for submittals, is available on the Website.

Required PPA documentation includes: Project concept and design, location, proposed tenant population including number of proposed SRN units, preliminary Participants and financing assumptions. The PPA form is available for download from the Website.

PPAs will be reviewed for specific parameters found on the Website under the following categories:

1. Project Site(s);
2. Project Market(s);
3. Preliminary Financial Feasibility;
4. Development Team;
5. Organizational Chart;

After review, the Authority will issue a letter directly to the Sponsor with one of the following statements:

1. Approved – The PPA is approved and a full application will be accepted by the Authority;
2. Conditional Approval – The PPA is approved subject to addressing stated concerns;
3. Denied – The PPA is denied and an Application will not be accepted by the Authority;
4. Unreviewed – Insufficient information was provided and the PPA was not reviewed.

Potential Applicants with Conditional Approvals will be encouraged to meet with Authority representatives to discuss the noted concerns before submitting an Application. Applications that do not adequately address the noted concerns will enter the scoring competition at a deficit of three points.

The Authority may rescind a PPA approval before the Project's Application is submitted based on Authority allocation of resources in the market area which adversely impact the Project's market conditions. Sponsors will be notified in writing if a PPA approval has been rescinded. All PPA outcome letters will include a notification about Authority calculated demand for a Project including market area drawn by the Authority. This letter will include Pre-Screening, Assessment, Intake, and Referral (PAIR) waitlist data for SRN units within the proposed area. If the ratio of people on the waitlist for the area and the number of SRN units is below 4:1, the Authority will request documentation of how the sponsor will work with local service providers to ensure SRN units will be filled. **Projects will be unable to score for additional SRN units if the additional SRN units cause the ratio to fall below the 4:1 ratio.**

Changes between PPA and Application:

The Authority expects the Application for a Project with an approved PPA to be substantially similar to the Project as approved under the PPA. In no case will the Authority approve an Application for a Project which has changes to site(s), population served, or construction type.

The Authority recognizes some Project changes may occur after PPA approval and prior to Application, and may consider the following changes permissible:

- A decrease to the total number of units;
- A maximum 10% increase to the total number of units;
- A maximum 10% increase or decrease to the number of affordable units;
- A maximum 10% increase or decrease to number of units of any bedroom size;

- Modification of income restrictions to increase the number of units for extremely low-income households;
- Increase the amount of rental assistance;
- Increase to the number of Statewide Referral Network Units as long as the additional units do not cause the Project to fall below the 4:1 ratio outlined above;
- Site plan modifications due to local requirements;
- Changes required addressing concerns noted by the Authority;
- Changes specifically requested by the Authority.

If changes are above the maximums or outside the parameters listed above, a formal request for approval should be made in writing to the Authority.

I. Mandatory Application Workshops

Projects with approved PPAs will be required to attend an Application workshop. Workshops may be offered in-person and/or via an online platform.

Section 2: Application Submission and Evaluation Process

A. Application Submission

Applications are accepted online through the Multifamily Portal at <https://mfportal.ihda.org>. The Authority will issue a username and password for access to the on-line portal upon receipt of an approved PPA. Applications will not be accepted in paper form. Please direct any questions to pshrfa@ihda.org. In order to submit your Application, you must first request an account for the Multifamily Portal at <https://ppa.ihda.org/>. Please allow three business days to receive your login information to access the Multifamily Portal. If you have not received your account information within three business days, please reach out to mfportalhelp@ihda.org.

All Application materials will be available on the Website at least 60 days prior to the Application deadline.

B. Public Notice by the Authority

The Authority will send public notice letters to public officials and agencies as notification that an Application for funding has been received by the Authority, and to request comments. The notices will be sent to the following public officials of the area in which the Project is to be located: (1) the County Board Chair, Mayor or chief local elected official; (2) the Illinois General Assembly members; and (3) the US Congressional Representative and US Senators.

The Authority's public notice requires that any written comments be sent to the Authority and the Applicant within 30 days. The Applicant is required to respond in writing to all comments received and to submit copies of all correspondence to the Authority.

C. Evaluation of Applications

Applications will be evaluated in the following manner:

1. **Completeness of Application** – The Application must be received by the designated Application deadline and will be reviewed for completeness. This includes the following:
 - Completed Application forms and supporting documentation;
 - Appropriate signatures on all necessary documents; and
 - Payment of non-refundable Application fee.

If the Authority finds that the Application is not complete 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 it will be reviewed to determine if the Project meets the mandatory requirements set forth in the Mandatory Requirements section below.
3. **Scoring Criteria** – If an Application has met all of the Mandatory Requirements it will be reviewed and assigned a score based on the categories set forth in the Scoring Criteria section below.

Section 3: Mandatory Application Criteria

The Permanent Supportive Housing Development Program Application Checklist that corresponds with the outline below is available on the Website and MUST be completed and submitted with the Application. All Application materials will be available on the Website at least 60 days prior to the Application deadline.

Only Projects that demonstrate readiness to move forward with financing and development will be considered, as evidenced by meeting Mandatory application criteria described in this Section. The Authority reserves the right to rescind any award of funds that is unable to close within 10 months from the date of award.

A. Permanent Supportive Housing Development Application Certification

All Applications must include a signed Permanent Supportive Housing Development Program Application Certification, Organizational Chart, and an Identity of Interest form, found on the Website, which provide a written certification that the Project will:

- Take actions to affirmatively further fair housing;
- Give preferential treatment to persons on the Public Housing Authority (PHA) waiting list(s) and make on-going efforts to request that the PHA make referrals to the Project, or request that the PHA include relevant information about the Project on any listing the PHA makes available to persons on its waiting list(s);
- Have a tenant selection plan preference for veterans;
- Minimize involuntary displacement of low-income households;
- Encumber at least 10% of total units as SRN Units, defined in this RFA as units set-aside for households earning at or below 30% AMI, which are headed by persons with disabilities and referred through a statewide referral network;
- Restrict a total of at least 50% of the units to households at or below 30% AMI;
- Be willing to accept current or future State-administered operating subsidy or project based rental assistance, should it become available, on units that are not already subject to a rental assistance contract. Certification of this willingness will not be required of those with already-committed rental or operating assistance for 100% of units. This assistance would likely be limited to a maximum of 30% of units within a given Project, would likely be reserved for households referred through a statewide referral network, and may be targeted to Projects located in specific areas of the State based on need.

The Authority intends to seek all sources of operating subsidy or rental assistance that are currently available or may become available in the future and may wish to target any assistance identified to Projects that serve priority populations. Such assistance may

include but is not limited to Section 811 Project Rental Assistance Program, the Long-Term Operating Support Program, or the Illinois Division of Mental Health Bridge Subsidy Program.

Such assistance cannot be assumed to be available to support the Project's operating budget at the time of application through the Special Initiatives Development Program. Any referrals made through the Statewide Referral Network would have to meet the same tenant selection criteria applicable to all other prospective tenants of the Project.

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

All Applications must include a completed Multifamily Fee Payment Form and a copy of the check for payment of the non-refundable Application fee. The Multifamily Fee Payment Form can be found on the Website. The Application fee is listed on the form. All fees must be sent to:

Illinois Housing Development Authority Receipts and Fees
26411 Network Place
Chicago, IL 60673-1264

C. The Authority's Common Application

All Applications must include a completed Common Application. This form can be found on the Website.

D. Project Narrative

All Applications must include a Project narrative that includes:

- Amount of funding requested;
- Number of total units in the Project;
- Number of SRN units proposed;
- Number of PSH units proposed;
- Number of non-SRN 30% AMI units proposed;
- If the Application is for an existing Project, applicant must describe all existing use restrictions, restrictive funding sources, and submit a current rent roll that includes the unit size, household size, household income, and current rent.

Applicants are encouraged to provide as much detail and background information about the Project as possible. Detailed information will assist the Authority in determining whether there is adequate market demand for the Project in terms of unit mix and rental structure; the Project is located in an area with a shortage of PSH units; and the Project is located in an environment that will meet the needs of the tenants.

E. *Neighborhood Assets Map*

All Applications must include a neighborhood assets map that clearly delineates the location of the Project along with neighborhood assets within a one (1) mile radius. In addition, the Application must include a table referencing each neighborhood asset identified on the map and stating the asset category and address. Please see Application Scoring Criteria Section J for neighborhood asset categories.

The Authority reserves the right to mandatorily fail Project Applications that include fewer than two (2) neighborhood assets from distinct categories.

F. *Site Control*

All Project Sites must be identified in the Application. Projects consisting of multiple Sites must satisfy site control requirements for all Sites.

The Application must include all of the following:

- A map showing the location(s) of the Site(s). If Site control is for property larger than the Site(s), the Site(s) must be delineated on the map.
- Aerial photograph(s) of the Site(s) with the boundaries of the Site(s) clearly delineated, and surrounding uses clearly visible; and
- Evidence of Site control, which can only be demonstrated with Site control documentation for each Site consisting of one of the following:
 - A fee simple interest in the Site in the name of the Sponsor or Owner; or
 - A fully executed, binding agreement with a term ending no sooner than six (6) months after the Application deadline, signed by both the Sponsor or Owner and the seller for the purchase of the Site; or
 - A fully executed, binding agreement with a term ending no sooner than six (6) months after the Application deadline, signed by both the Sponsor or Owner and the seller for the long-term lease of the Site with a lease term of at least ninety-nine (99) years; or
 - A fully executed, binding agreement with a term ending no sooner than six (6) months after the Application deadline, signed by both the Sponsor or Owner and the seller of the Site evidencing land and/or building donation; or
 - When the Site is owned by a governmental entity, a letter of intent to the Sponsor or Owner from the governmental entity to sell, donate, or enter into a long-term lease of the Site with a term ending no sooner than six (6) months after the Application deadline.

Site control documentation must include all of the following clearly marked/highlighted:

1. Expiration date for purchase option(s), purchase agreement(s), or letter(s) of intent;
2. Legal description pursuant to the site control document. If the site control documentation is for property larger than the Site, a legal description of the Site will be required prior to Tax Credit Allocation;
3. The sale or lease price of the Site(s). The Project budget in the Common Application for the Project may only include the acquisition costs attributable to the Site. If site control documentation is for property larger than the Site, a detailed narrative and calculation of the Site sale or lease price on a per square footage basis must be submitted.
4. Language that complies with the environmental review and voluntary acquisition guideline language outlined in the Site Control Compliance Language example on the Website.

If language is not included in the Site control documentation, evidence of compliance with this section can only be demonstrated by submitting a copy of language notification receipt by seller (e.g., certified mail, return receipt requested) and the date of delivery with countersignature by seller. Without language regarding compliance with environmental review and voluntary acquisition, Sponsors may be precluded from applying to the Authority for federal resources.

G. Zoning

The Application must include evidence that all Sites are either currently zoned for the proposed use, or will be addressed through an already initiated zoning change or Planned Development or Planned Unit Development (“PUD”) process.

1. Zoned Project Sites

Evidence that Sites are currently zoned for the proposed use can only be demonstrated through:

- A valid building permit; or
- A letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:
 - 1) The location of the Site (s) (i.e., address or street crossings); and
 - 2) The current zoning and any special use designations; and

- 3) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
- 4) A statement that the current zoning will permit the proposed Project.

2. Sites with Pending Re-Zoning, Variance, or Special Use Applications

The Authority recognizes that a sponsor may need a re-zoning, a variance to existing zoning that does not require a full re-zoning, or a special use permit and will allow for the above as follows. As evidence of the pending re-zoning, variance, or special use permit application, the application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:

- 1) The location of the Site(s) (i.e., address or street crossings); and
- 2) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
- 3) A written explanation of the re-zoning, variance, or special use permit approval process; and
- 4) Evidence the re-zoning, variance, or special use permit process has been initiated; and
- 5) Evidence of which stage in the re-zoning, variance, or special use permit approval process the Project has reached; and
- 6) Evidence that the re-zoning, variance, or special use permitting will be reviewed in a timely manner, including any available dates.

3. PUD Project Sites

In cases where zoning will be addressed through a PUD process, sponsors must indicate whether the PUD already exists, or whether it is yet to be established.

If the PUD already exists, the application should indicate what, if any, amendments are required.

If the PUD is yet to be established, the application should indicate where the PUD stands in the approval process, the additional steps required to complete the approval process, and an estimated timeline for completion.

As evidence of the PUD status, the application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator) identifying the Project and containing all of the following:

- 1) The location of the Site(s) (i.e., address or street crossings); and
- 2) A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); and
- 3) A written explanation of the PUD approval process; and
- 4) Evidence the PUD process has been initiated; and
- 5) Evidence of which stage in the PUD approval process the Project has reached; and
- 6) Evidence that the PUD will be reviewed in a timely manner, including any available dates.

H. PSH Environmental Checklist

The Application must include a completed PSH Environmental Checklist which can be found on the Website at least 60 days prior to the application deadline. If funded, the Authority will require as a condition of closing a Phase I environmental site assessment covering all Sites completed within one (1) year prior to the Application deadline according to the Authority's Standards for Environmental Reviews and Professionals available on the Website, including all appendices. If a Phase II is available, it may be submitted along with the Phase I. In addition, a narrative explanation of any identified Recognized Environmental Condition (REC) should be submitted. The explanation must include how these conditions will be addressed and a breakdown of any associated costs. Any associated costs must be included in development budget. The Authority reserves the right to require an environmental contingency as well as modify the construction scope based on a review of the explanation.

I. Site Physical Information

1. 1% Floodplain or Floodway

The Application must include a Federal Emergency Management Agency ("FEMA") floodplain map covering the Project area with the boundary of all Sites clearly delineated. FEMA floodplain maps can be obtained from the FEMA website.

If any portion of a Site is located within the 1% floodplain or floodway, the Application must include one or both of the following as applicable:

a. Rehabilitation

Projects proposing the rehabilitation of existing buildings on Sites within the 1% floodplain or floodway must submit a site plan that clearly indicates all of the following:

- Historic frequency of flooding and flood related repairs;
- The FEMA determined elevation of the floodplain or floodway; and
- The elevation of the lowest floor level in the existing buildings; and

- The location of the existing buildings; and
- Evidence that the Site is enrolled or is eligible to enroll in the National Flood Insurance Program.

Note: Projects involving the rehabilitation of existing buildings on Sites located in the 1% floodplain or floodway will ONLY be permitted if the lowest existing floor elevation of each building in the floodplain is at least six (6) inches above the FEMA designated floodplain elevation.

b. New Construction

Projects proposing new construction on Sites within the 1% floodplain or floodway must submit a site plan that clearly indicates all of the following:

- The FEMA determined elevation of the floodplain or floodway; and
- The elevation of the lowest floor level in the proposed buildings; and
- The location of the proposed buildings.

Buildings must be situated outside the floodplain and any Project contemplating additional federal resources will be required to subdivide the Project Site from the affected land or obtain a Conditional Letter of Map Amendment or Revision from FEMA demonstrating the Site is eligible for reclassification out of the floodplain.

2. Wetlands

The Application must include a U.S. Fish and Wildlife Service (“USFWS”) National Wetlands Inventory map for the Project area with the boundary of all Sites clearly delineated.

USFWS wetlands inventory maps can be obtained from the USFWS website.

If any portion of a Site contains wetlands, or if the Project may impact wetlands, the Application must include one of the following:

- A Letter of No Objection from the U.S. Army Corps of Engineers, or
- A wetlands permit from the U.S. Army Corps of Engineers

3. Mining

The Application must include an Illinois State Geological Survey (“ISGS”) mining map for the Project area with the boundaries of all Sites clearly delineated.

ISGS mining maps can be obtained from the ISGS website.

If any Site is in or near an area the ISGS identifies as affected by mining, the Application must include the following:

- The quadrangle study (if available) or the county mine map completed by the ISGS for the area in which the Site is located with the boundary of the Site clearly delineated; and
- Information indicating the depth of the mine, the type of mining that was performed, and the year that mining ceased; and
- An opinion from a qualified geotechnical engineer as to whether or not the Site will be impacted by the mining; and
- If the Site will be impacted by mining, evidence of the Project's ability to obtain mine subsidence insurance.

J. *Architectural Requirements*

All Projects must meet the requirements contained in the Authority's Standards for Architectural Planning and Construction. The Standards for Architectural Planning and Construction are available on the Website.

1. Architectural Standards, Universal Design, and Amenities Certification

The Application must include the Architectural Standards, Universal Design, and Amenities Certification signed by a licensed architect acting as the Project's Architect of Record. The Certification provides written confirmation of accessibility codes and Fair Housing Act requirements (if any) applicable to the Project. The Certification also provides written confirmation and identification of specific Project features which meet minimum code requirements.

a. Architectural Standards

All Projects must comply with the Authority's Standards for Architectural Planning and Construction (available on the Website).

b. Universal Design

Universal Design, as defined by the Center of Universal Design, is "the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialization." The Authority recognizes the need to create housing including Universal Design features while maintaining aesthetics and affordability.

The Authority views Universal Design not as a building code or standard, but rather as a set of features that should integrate seamlessly into the design of a dwelling unit, providing market appeal and possibility for residents to age in place. Whether applied to standard units or units designed under an accessibility code, the challenge of Universal Design is to produce as normal and appealing an outcome as possible.

Universal Design is not a safe harbor for other required accessibility codes, but it should be utilized as a supplement to any code requirements. To truly award Projects willing to provide Universal Design elements above the code, the Authority requires each Application to first identify all code required elements and provide five additional items not required by code in 100% of the units. As such, the Application must identify any and all Universal Design principles to be integrated into the unit design. Any Applications seeking an exception to this requirement must provide a detailed narrative discussing why Universal Design features cannot be provided. The Authority will review the submitted narrative and approve or deny it at its sole discretion.

c. Amenities

The Application must include Project amenities as specified in the Standards for Architectural Planning and Construction Section 7.00 – Design and Planning. In addition, a minimum of five (5) additional amenities selected from the list below must be incorporated in the Project and identified on Architectural Standards, Universal Design and Amenities Certification; a minimum of three (3) of the five (5) shall be from First Priority categories.

The Authority encourages creativity and dual function design and, therefore, it is possible for a single amenity to qualify as more than one option in the following list.

Accessibility	Community Spaces	Sustainability
First Priority	First Priority	First Priority
Additional Universal Design standards – highest priority based off of desired features from PAIR waiting list	Computer room equipped with one (1) computer for every fifteen (15) units	On-site car sharing
Dedicated recycling area within the Project	Secured bicycle parking (minimum of eight (8) slots per twenty five (25) units)	Upgraded landscaping, including one tree planted on-site for every ten units. 100% native and adaptive plantings / landscaping
Smoke-Free Housing	Garden plots / designated community garden area with a minimum of 15 square feet per unit	Green Roof with available seating or other community activity area available on the roof
	Exercise / fitness center with at least one (1) machine per fifteen (15) units	Dedicated recycling area within the Project
	Health and wellness center	Dishwasher (Energy Star required) in every unit
Second Priority	Second Priority	Second Priority
Additional Universal Design standards – secondary priority based off of desired	Two (2) picnic tables and one (1) grill for every twenty-five (25) units	Trash and / or recycling disposal chutes or other refuse collection system

features from PAIR waiting list		
Looped walking paths or connected sidewalks through the entire Project	Outdoor entertainment space such as an outdoor theater and gazebo with available seating	Screen doors on all exterior doors
Walk-in closets available in at least one bedroom of every unit (including studio / efficiency units)	An equipped sports court (volleyball, tennis, basketball, etc.) for every 100 units	
Washer and dryer in every unit	Community room meeting Authority standards	
	At least one additional common room in conjunction with a community room for an identified activity (e.g., community kitchen, library, hair salon, billiards room, arts & crafts room, game room, dining room, etc.)	
	Porch / patio / balcony for each unit	

2. Preliminary Architectural Plans and Specifications

The Application must include preliminary architectural plans and specifications that include all of the following:

- Cover sheet with Project title, development team, drawing index, building areas and code information; and
- Dimensioned floor plans, including square footage, for all unit and building types, with room designations and proposed finishes; and
- Typical wall sections; and
- Exterior elevations for all building types with material notations matching those defined within the scoping document discussed below; and
- A Site plan showing the placement and orientation of buildings, parking areas, sidewalks, easements, setbacks, trash dumpsters, buffers, storm water detention, required site amenities, and significant natural features; and
- Preliminary landscape plan; and
- Certification of Project Scope signed by the Architect and Sponsor.

The Certification of Project Scope must include a written description of the full Project scope. Items to be included, but not limited to, in this document are:

- Outline specifications indicating all materials selected and/or defined performance criteria (e.g., windows, doors, hardware, drywall, exterior materials, floor and wall finishes, etc.);
- Definition of structural systems to be modified/installed as part of the Project;

- Programmatic description of the proposed furniture, fixtures, and equipment items;
- Definition of the Project’s sustainability strategy in the form of a certification checklist, energy model or detailed description of elements provided and their expected impact consistent with the level of points requested in the Application;
- Written description of HVAC system to be installed; and
- Definition of any/all other unique scoping items included in the Project.

3. Projects Involving Rehabilitation

All Projects involving any rehabilitation of existing structures must comply with the following requirements.

a. Physical Needs Assessment

The Application must include a Physical Needs Assessment (“PNA”) completed according to the Authority’s Standards for PNA and based on the existing conditions of the property.

b. Minimum Rehabilitation Standards

At a minimum, the proposed rehabilitation work must address all items identified as “Critical” or “Immediate” in the PNA.

Items identified in the PNA as five (5) to seven (7) year needs in current rehabilitation work may be completed as part of the current construction scope of work, or adequate reserves may be budgeted to ensure these items will be completed within timeframes identified in the PNA.

The Application must include a detailed explanation of any and all construction cost variances existing between the development budget and PNA. The Authority reserves the right to modify the construction scope based on a review the explanation.

K. Historic Preservation Checklist

All Projects must meet the requirements of the National Historic Preservation Act and the Illinois State Historic Resources Protection Act as determined by the Illinois Historic Preservation Agency (“IHPA”). Note that this requirement is required by State Statute and applies to **ALL** Projects regardless of their Project type, location, or historic nature. The Application must include the Historic Preservation Checklist found on the Website and all required attachments OR an IHPA review letter specific to the Project and inclusive of all sites for multisite projects.

L. Construction Cost Breakdown

The Application must include:

- The Construction Cost Breakdown forms completed by a qualified contractor, Architect of Record, or construction cost consultant. Construction Cost Breakdown form is located in the Common Application, available on the Website.
- A detailed explanation of all construction cost variances existing between the Construction Cost Breakdown and Physical Needs Assessment (“PNA”), if applicable.

In cases where there is an Identity of Interest between a Sponsor and Project general contractor; between a Sponsor and the Project architect; or between the Project architect and Project general contractor; the Construction Cost Breakdown must be completed by an independent third-party construction cost estimation firm according to the Authority’s Standards for Construction Cost Estimating available on the Website.

For rehabilitation Projects, Construction Cost Breakdown will be evaluated along with the PNA to ensure that all necessary items are addressed. If the scope of work is deemed insufficient by the Authority, the Application may fail the mandatory review.

M. Market Analysis

Because there are different levels of Site and Market Study / Market Analysis required by the various funding sources that could be used to fund a Permanent Supportive Housing development under this RFA, IHDA recommends that a Market Study that meets all published Site and Market Study Standards (available on the Website) be completed upon application. This method will leave the most funding options open to each applicant. However, in the interest of process simplification, IHDA also will allow the submittal of a Market Analysis Form with application. This form is published on the IHDA website and should be filled out by the applicant or a third party ONLY. This form will satisfy the Market Analysis requirements of HOME, national Housing Trust Fund, and Illinois Affordable Housing Trust Fund sources only and Applicants choosing this path would only be eligible for these funding sources.

N. Development Team Capacity

The Authority will evaluate the Development Team’s capacity to successfully complete and manage the Project.

Applications must include the following for the Authority to evaluate the experience and capacity of the development team:

1. Organizational Chart

The Application must include a full organizational chart reflecting all entities within the proposed Owner down to individuals including percentages of ownership using the PSH Development Program Application Certification, Organizational Chart, and Identity of Interest form on the Authority’s Website.

2. Development Team Certifications

The Application must include certifications for the proposed owner, general contractor, property manager, and architect, inclusive of all pending, under construction, or completed Projects in any state, including their present status and expected completion date. The Development Experience Certification forms may be found on the Website at least 60 days prior to the application deadline.

3. Unacceptable Practices

The Authority may deny any Project in which any Participant in the Development Team has failed to demonstrate ongoing proficiency with affordable and supportive housing programs. The Applicant may include in the Application an explanation of the circumstances surrounding the unacceptable practice and the roles of each of the Participants. Examples of unacceptable practices include but are not limited to:

1. A Participant is affiliated with existing Projects 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 Participant (including any affiliates) 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 Participant (including any affiliates) has declared bankruptcy over the past three (3) years.
4. A Participant (including any affiliates) has a mortgage default or arrearage of three months or more within the last three (3) years.
5. A Participant that has failed to pay any fee or expense due to the Authority, including outstanding compliance monitoring fees in the past three (3) years.
6. Any liens, judgements, or other claims exist against property owned by Owner (including any affiliates) for which the Owner has failed to resolve a public filing.
7. The Owner (including any affiliates) 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 Participant that has materially misrepresented facts on any request for Authority resources.

O. Statewide Referral Network Agreement

All Applications must include a draft Statewide Referral Network Agreement. The agreement form can be found on the Website. The draft Statewide Referral Network Agreement does not need signatures from any parties to the Agreement.

P. Financial Feasibility

All Applications must demonstrate that the Project is financially feasible. The following is a description of the areas, along with expected limits, which will be evaluated in order to determine financial feasibility.

1. Overall Limits

a. General Contractor Fees

The general conditions, overhead, and profit in a general contractor's budget are limited to a combined fourteen percent (14%) of trade payments & Site work as calculated in the Authority's Common Application.

b. Architect and Civil Engineering Fees

Fees for architectural services and civil engineering are subject to the limits contained in the Authority's Standards for Architectural Planning and Construction, as amended and found on the Website.

c. Development Costs

The Authority will evaluate the acquisition and construction costs for reasonableness taking into consideration the project type, location, and scope of work based on the Authority's past experience with similar projects and similar locations. All successful Applicants may be required to submit an appraisal prior to funding consideration by the Members of the Authority's Board.

d. Construction Contingency

Development budgets must include hard cost construction contingencies to cover unforeseen construction cost increases. The contingency **must** be sized as a percentage of the construction contract, as calculated in the Authority's Common Application, according to the following:

- New-Construction: 5%
- Rehabilitation (vacant residential, adaptive reuse, or modifications): 10%

e. Total Award

The amount of PSH Development Program funding to be allocated will not exceed the amount necessary to make the project financially feasible, as determined by the Authority.

f. Developer Fee

A Project's developer fee may not exceed the lesser of one million dollars (\$1,000,000) or twelve percent (12%) of the Project's grand total development cost net of the

following: total developer fee, reserves, syndication costs, and interim costs, as calculated in the Common Application.

Developer fee includes all of the following which shall not appear elsewhere in the Project budget:

- Consultant fees
- Construction management fees
- Architectural and civil engineering fees in excess of the Authority's fee limits
- Developer overhead fees
- Any additional fees related to direct assistance provided to the Sponsor or Owner in conjunction with the completion of the Application or construction of the Project.
- Developer fees are limited to the amount contemplated at the time of a conditional Allocation. Developer fee will be paid by the Authority on the following schedule:
 - 20% at initial closing
 - 20% at 50% at construction completion
 - 40% at Certificate of Occupancy
 - 20% at Final Closing

2. Project Income

a. Unit Rents

The proposed gross residential unit rents for the Project, including any utility allowances, must be reasonable for the market area and must not be in excess of ninety-five percent (95%) of any rent limits imposed by any committed or proposed financing source, program, or other requirement. Rent and income limits for 2020 can be found on the Authority's Website. Units with project based rental assistance may use the full value of the rental assistance for underwriting.

b. Rental Assistance

Any Project that includes residential income generated as a result of a rental or operating assistance contract must clearly identify the portion of the rent paid by the tenant.

All assumptions regarding the funding and renewal of rental assistance contracts must be clearly identified. The Authority will review and determine the suitability of all assumptions regarding the funding and renewal of rental assistance contracts on a case-by-case basis.

In the event a rental assistance contract pays a rent in excess of 95% of the gross unit rent limit, the Application must demonstrate how the Project will remain financially feasible throughout the 30-year compliance period in the event the rental assistance contract is terminated.

c. Additional Residential Income

Additional sources of residential rental income are limited to laundry and vending income. Applications reflecting income from these sources must describe all assumptions regarding the calculation of this income.

d. Commercial Income

Applications that include any sources of commercial income must include a detailed description of any assumptions related to the commercial income and copies of any existing leases or letters of intent to occupy commercial space. The Authority will review and determine the suitability of all assumptions regarding commercial income on a case-by-case basis. Commercial income will be underwritten at a fifty percent (50%) vacancy rate. PSH Development Program funds may not be used to pay for construction or operation of commercial space, so these costs must be broken out separately in the development and operating budgets.

3. Utility Allowances

All Projects that include tenant-paid utilities must submit current documentation fully detailing the average per-unit utility expenses incurred by utility type on a monthly basis. The utility allowance must be appropriate for the unit size, utilities covered, and Project location.

Projects that include gas or electric heat must differentiate heating expenses from other gas and electric expenses. Non-essential utilities including telephone, cable television, internet access, etc., are excluded from the utility allowance.

Current utility allowance information **must** be provided by the governing public housing authority for the county where the Project is located or through the submission of a utility survey covering one (1) full year that is representative of each unit type within the Project.

4. Income to Expense Ratio

Applications must demonstrate the Project can maintain a minimum income to expense ratio (the ratio of a Project's net operating income to its operating expenses), after any contemplated debt service, of 1.15:1.00, excluding cash flow notes, for a minimum of fifteen (15) years.

Projects whose cash flow reflects income to expense ratios of less than 1.15:1.00 must capitalize operating or debt service reserves and detail how payouts from these reserves will

maintain the minimum income to expense ratios through a cash flow statement reflecting annual payouts from the reserve.

5. Cash Flow

All Applications must demonstrate the Project can maintain annual cash flow (if applicable, after debt service) of at least \$100 per unit per year for a minimum of fifteen years.

6. Third Party Studies

Projects must budget \$20,000 to \$30,000 for third party studies. At the Authority's sole discretion, any or all of the following will be required: a construction cost estimate, environmental studies beyond a Phase I, a cost certification, and such other third-party studies as the Authority may require. All Projects will require a Market Study at application, a Phase 1 Environmental Assessment between award and closing, and an appraisal between award and closing.

7. Environmental Remediation

If it is expected that a Project Site(s) will require remediation, the development budget must include both an environmental remediation line item to cover the scope of the remediation, and an environmental remediation contingency line item in the amount of ten percent (10%) of the remediation costs.

8. Reserves

The Authority will review the Project's reserves in order to determine its long-term viability. Project reserves must be reflected in the Application, and a narrative must be provided to explain assumptions regarding the calculation of the following:

a. Replacement Reserves

All Projects must capitalize a per unit replacement reserve of \$1,500 per unit in the development budget and fund ongoing per unit annual replacement reserves of \$450 per unit from operations which shall trend up at three percent (3%) per annum.

b. Real Estate Tax Reserves

All Applications must budget adequate real estate tax reserves to pay real estate taxes during the construction period plus an amount equal to fifty-five percent (55%) of the estimated annual real estate taxes in the first year of Project operations. In addition, the operating budget must have adequate annual cash flow to capitalize an annual real estate tax reserve sufficient to pay the Project's real estate taxes in the following year.

All Applications must include evidence of how construction period real estate taxes and operations period real estate taxes were determined.

All Applications assuming a real estate tax abatement for any period of time, must submit an attorney opinion letter which details any assumptions associated with the

abatement including all of the following: the calculation of real estate taxes before, during, and after the abatement; and the anticipated date the abatement becomes effective; and the length of the abatement.

c. Insurance Reserves

All Applications must budget adequate insurance reserves to pay insurance during the construction period plus an amount equal to (one hundred five percent (105%) of the estimated annual insurance expenses in the first year of Project operations. In addition, the operating budget must have adequate annual cash flow to capitalize an insurance reserve sufficient to pay the Project's insurance in the following year.

d. Operating Reserves

All Applications must include an operating reserve sufficient to cover all Project operational costs including administrative, management, payroll, maintenance, utilities, taxes, insurance, and debt service payment for at least six (6) months.

e. Other Reserves

The Authority will review all other Project reserves including, but not limited to, marketing/leasing, debt service, operating, and furniture, fixtures and equipment, in order to evaluate their sufficiency and reasonableness. Projects including these reserves must also include a description with all of the following:

1. How the Project will benefit from the reserves;
2. Why the reserves are necessary;
3. Who (if anyone) is requiring them;
4. Who will hold them;
5. What is the process for releasing the reserves;
6. Is there a requirement the reserves be replenished; and
7. If there is a requirement that reserves be replenished, what is the source of funds for replenishment.

The Authority will not allow supportive service reserves to be funded through this RFA. Supportive service reserves may be reflected in the development budget if capitalized by another source.

9. Authority Fees

An ongoing asset management fee of \$50 per unit per year must be included in the Project's operating budget.

10. Operating Expenses

Annual per unit operating expenses must be adequate and reasonable for the Project type, location, and population served.

Per unit annual operating expenses, excluding taxes, reserves, resident services, and debt service, as calculated by the Common Application, are expected to fall within the ranges found on the Website by Project type and Set-Aside.

In order to substantiate a deviation from the expected ranges the Application must include supplemental documentation with additional detail about specific expenses. The Authority will review and determine the suitability of operating expenses outside of expected ranges on a case-by-case basis.

Projects under this RFA shall not request a property management fee above 7% of gross income.

11. Trending Factors

The Project must demonstrate it remains financially feasible for a minimum of fifteen (15) years utilizing the following cash flow trending factors:

- Annual Increase in real estate taxes: 4%
- Annual Increase in operating expenses: 3%
- Annual Increase in income: 2%

In order to substantiate a deviation from the listed trending factors, the Application must include supplemental documentation such as an approved real estate tax abatement. The Authority will review and determine the suitability of trending factors outside the expected ranges on a case-by-case basis.

12. Residential Vacancy Rates

The Project must demonstrate it remains financially feasible for a minimum of fifteen (15) years utilizing an annual economic vacancy rate, for the residential portion of the Project, of 10%.

In order to substantiate a deviation from the required vacancy rate, the Application must include supplemental documentation. The Authority will review and determine the suitability of any other vacancy rates on a case-by-case basis.

13. Evidence of Project Financing

All Applications must reflect adequate sources of financing in order to complete the Project, including any contemplated grant or loan financing from the Authority. Any Application that does not reflect adequate sources will fail the mandatory review.

All Applications must evidence all Project financing sources including debt, grants, and Tax Credit equity through executed acknowledgment letter(s) from all lender(s) and/or grantor(s). Each acknowledgment letter must contain evidence that, as of the Application deadline date, the Application is either still under consideration or has been approved.

If, during the Authority's review of the Application, the Applicant is notified that another Project financing source has been denied, the Applicant will be allowed fourteen (14) business days

from the date of the denial notice to provide a revised financing plan. If not provided, the Application will be determined to be financially infeasible and will fail the mandatory review.

All Applications must demonstrate that Project underwriting is in compliance with the requirements associated with all Project financing sources.

a. Debt Sources

For any debt source, the executed acknowledgment letter(s) must contain all of the following terms:

1. The amount of the loan,
2. The length of the loan term, which must be at least fifteen (15) years,
3. The amortization period of the loan,
4. The interest rate (and any terms and conditions regarding adjustments),
5. The expected monthly or annual debt service payment, and
6. Any financing fees associated with the debt source.

If debt financing is to be obtained through a mortgage broker or banker, the executed acknowledgment letter must be from the actual lender.

b. Grant Sources

For any grant source, the executed acknowledgment letter(s) must contain the amount of the grant, when the grant will be available as a source to the Project, and any outstanding requirements to be met prior to grant availability.

c. Tax Credit Equity Sources

For any tax credit equity source, the executed acknowledgment letter(s) must contain the amount of tax credit equity available to the Project, the proposed net cent rate per tax credit dollar, and the proposed equity pay-in schedule.

Section 4: Application Scoring Criteria

Projects that pass all mandatory application requirements 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 reserves the right to 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, at the sole discretion of the Authority, be binding and shall be incorporated into a Regulatory Agreement.

All Applications must include a completed Permanent Supportive Housing Development Program Self Scoring Form which is available on the Website.

A. Leveraging Other Capital Funding Sources

Projects that leverage Authority resources will be awarded up to twenty (20) points based on the amount of leveraged resources as a percentage of total funding sources in the Project's development budget.

Leveraged resources under this category are defined as funds provided by a non-Authority source. Leveraged resources do **NOT** include deferred developer fees; the equity generated from the sale of Authority-allocated Low Income Housing Tax Credits or Illinois Affordable Housing Tax Credits (also known as state donation tax credits); equity bridge loans; or any non-market rate Authority-administered sources, such as HOME funds or Affordable Housing Trust Funds.

Additional points will be awarded when the leverage is in the form of a donation from a health and hospital system for projects which have also identified at least part of their intended population as frequent users of hospital emergency departments. These additional points are dependent on the amount of Health and Hospital System donation as a percentage of the total leverage.

All leveraged resources must be reflected in the Project budget and be available during the Project's construction period to pay for expenses reflected in the development budget. Only sources allocated to uses that fall within the Project's Site boundaries will be considered for financial leveraging.

In Projects where the leveraged resource is a contribution of direct financial assistance from an area employer that is otherwise not participating in the development of the Project, the assistance must be in the form of an unsecured loan giving no foreclosure rights to the employer or a grant giving no recapture rights to the employer.

In Projects where the acquisition is financed in whole or in part through a seller's note, the amount of the seller's financing will not be considered a leveraged resource under this category. At its sole discretion the Authority may allow seller's notes from health and hospital systems to qualify for points under this category.

Projects will be awarded points based on the following criteria:

Leveraged Resources as Percentage of Total Project Costs	Points
30.1% or more	15
20.1-30%	12
10-20%	4
Percentage of total Leverage from Health and Hospital System Donations	
50.1% or more	5
25.1-50%	3
10-25%	1

B. Firm Commitment of Operating or Rental Assistance

Projects that provide project-based rental or operating assistance will be awarded up to twenty (20) points based on the number of units assisted and the length of committed assistance. Rental assistance will be considered project-based if it is tied to the units rather than to the tenants. Points will only be awarded if the rental assistance ensures tenants pay no more than thirty (30%) percent of their income towards rent and utility expenses combined.

Sponsors seeking points in this category must submit documentation evidencing a current rental assistance contract or a commitment to provide rental assistance. Projects with a current rental assistance contract must submit a copy of the fully executed contract in the Application. Projects with a rental assistance commitment must provide a commitment letter in the Application that includes all of the following: a) the maximum household income; b) the total number of units assisted; and c) the length of the rental assistance contract.

When the U.S. Department of Housing and Urban Development (HUD) is providing the rental assistance, the commitment letter must be from HUD. Illinois Division of Mental Health Bridge Subsidy Program commitment letters must be from the Illinois Department of Human Services or the Illinois Division of Mental Health, and Project Based Housing Choice Voucher Conversion and Public Housing Authority Annual Contribution Contracts must be from the executive director of the relevant Public Housing Authority. Developer funded rental assistance is not eligible for points under this category. However, rental assistance from a Health and Hospital System may at the Authority’s sole discretion be eligible under this category, even if the Health and Hospital System is the Sponsor or part of the sponsorship entity.

The Authority understands the Continua of Care (CoC) who are recipients of Hearth Act funding (formerly known as McKinney Vento) are unable to commit rental assistance for periods of five (5) years or greater. In recognition of this, and the Authority having a desire to work more closely with the CoCs of Illinois, points have been added in this RFA for rental assistance funded by CoCs which may not meet the Authority’s traditional requirement that Rental Assistance Contracts be for a minimum of five (5) years.

For Projects with a Rental Assistance Contract points will be awarded as follows:

Percentage of Units Assisted	Points for 10+ Year Commitment	Points for 5 Year to 9 Year and 11 Month Commitment	Points for CoC funded Rental Assistance
75.1% or more units	20	10	7
50.1-75% of units	15	7	5
10.1-50% of units	10	5	3
1-10% of units	5	3	1

C. Additional SRN Units

All Projects must target a minimum of 10% of units to 30% AMI households headed by persons with disabilities which are referred through a State Referral Network, referred to herein as the SRN Units. Up to five (5) points will be awarded to Projects that exceed the minimum number of SRN Units. The Authority reserves the right to reduce the number of SRN units, and thus the scoring if demand for the SRN units based on PAIR data is less than a 4:1 ratio of persons on the PAIR waitlist in the market to number of SRN units. PAIR data will be drawn on both the PPA due date, and the Application due date for the Authority to make this assessment.

SRN Units within Permanent Supportive Housing Projects	Points
20.1% or more of Total Units are SRN Units for 30% AMI Households	5
15.1-20% of Total Units are SRN Units for 30% AMI Households	2

Projects that are awarded points under this category must reflect the total number of SRN Units in their submitted Common Application.

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%-99.99% of units	7
Projects which select ten (10) additional Universal Design items beyond code requirements in 100% of units	10

E. Green Design and Energy Efficiency

Projects whose architectural design and construction meet or exceed energy efficiency and green criteria can achieve a total of ten (10) points in the application by certifying to the following standards:

Two Points (2)	Three Points (3)	Six Points (6)	Eight Points (8)	Ten Points (10)
Net zero energy ready AND	LEED v.4 Certified OR	LEED v.4 Silver or Gold (HERS ~50s)	LEED v.4 Platinum	Living Building Challenge Certification (Living Future Institute)
HERS score 85 or lower	NGBS Bronze OR	NGBS Silver or Gold	NGBS Emerald	Passive Housing Institute US (PHIUS) + 2015 Project Certification (HERS ~30s)
	Meet all mandatory Enterprise criteria OR	Energy Star Certification (HERS 55-75)		Net Zero Energy Certification (Living Future Institute)
	Minimum 10% improvement above ASHRAE 90.1 2010	Enterprise 2015 Community Certification		

F. Access to Transportation

Projects may earn up to ten (10) points for access to transportation. **Points in this category are cumulative.**

Projects will be awarded five (5) points for transit-oriented development if the proposed Project is located in close proximity to fixed-route public transportation, excluding inter-city transportation. “Close proximity” will be defined as being within a half (.5) mile radius. Transportation routes and distance to the Project Site must be identified on a map submitted with the Application along with a current schedule for the routes being considered.

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

1. The Project is located within the service area of the Dial-A-Ride; and
2. The Dial-A-Ride service is, at a minimum, available between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday.

G. Coordination with the Illinois Department of Children and Family Services (DCFS) or a Grantee of the Illinois Department of Children and Family Services to House Youth Aging out of DCFS Care

In Illinois youth generally age out of DCFS systems at age 21, and many are in need of a range of supportive housing interventions. All persons housed under this RFA must be of legal age to rent an apartment, although having co-signers of leases is acceptable, as is a master

lease model, so long as the tenants are all at least 18 years of age. Housing may not be time limited, and there can be no age restrictions on the housing, but a preference for the intended population must be appropriately referenced in the Tenant Selection Plan. Projects may earn points under this category as follows:

Points	Scoring Threshold
5	Letter of support from DCFS funded organization willing to make referrals to the housing
7.5	Letter of support from DCFS funded organization willing to make referrals to the housing -AND- a plan for how services will be delivered once the youth has graduated from DCFS funded services

H. Coordination with Illinois Department of Corrections (IDOC) Re-Entry program

Projects providing housing which is coordinated with IDOC can earn up to seven and one half (7.5) points as follows:

Points	Scoring Threshold
5	Coordination with IDOC
7.5	Coordination IDOC -AND- commitment of social services to further individual post-release plans

Evidenced through submission of all the following:

1. Coordination with IDOC, available on the Website; and
2. Written confirmation from IDOC:
 - a. How coordination will occur with Project; and
 - b. What services are provided; and
 - c. What funding source is used to pay for these services; and
 - d. The capacity of the organization to provide services to any Project tenants.

A preference for the intended population must be appropriately referenced in the Tenant Selection Plan. Applications for Projects that are unable to obtain written confirmation from IDOC but have made efforts to obtain such written confirmation should include a description of the efforts used to obtain referrals for the Project. The Authority will review the documentation and may award points to Projects that have made best efforts.

I. Coordination of Services

Projects that establish a Memorandum of Understanding (MOU) or other legally binding agreement with a community-based service provider, to provide support services on-site in a dedicated space can earn five (5) points. Projects must submit the MOU and a service plan that outlines the services offered to residents, number of proposed staff, and the size and location of the service office. Services at minimum must include case management, tenancy support services, and access to behavioral health services (which includes substance use and mental health services).

J. Neighborhood Assets

A maximum of five (5) points will be awarded in this section based on the proximity of assets to the Project Site. Proximity thresholds are based on Geographic Set-Aside (see Section 1: Definitions).

Points will be awarded for each asset as follows:

Proximity Radius by Set-Aside	
City of Chicago	.25 miles
Chicago Metro	.5 miles
Other Metro	.75 miles
Non-Metro	1 mile

Category	Points
Health Services	2
Food Access	1
Civic/Recreation	1
Education/Job Training	1

Only one establishment will count for each category. For example, a community college and a job training center are each Education / Job Training establishments. The applicant may only take points for one asset. Conversely, a large grocery store with a pharmacy may score under both Health Services and Food Access.

Assets must meet the following threshold criteria:

Health Services

- All sites are located within the proximity radius of a county health clinic, urgent care clinic, federally qualified health center, or hospital system.

Food Access

- All sites are located within proximity radius of a supermarket, supercenter, or large grocery store.

Civic / Recreation

- All sites are located within the proximity radius of a public library, public park / park district territory that is open to the public.

Job Training

- All sites are located within the proximity radius of a workforce investment center or job training center.
- Please review the Economic Development Resource Directory guide on the Authority's Website for a list of approved centers.

Education

- All sites are located within the proximity radius of a public K-12 school, community college, or continuing education facility offering a full set of classes. Tuition based schools and selective enrollment schools do not qualify.

Assets must be evidenced through submission of all of the following:

- 1) Map(s) clearly delineating all Sites and distance to the Neighborhood Asset.
- 2) The applicable proximity radius around the Site.

Section Five: 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 Project. 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, (iii) Recapture Agreement, and in cases where national Housing Trust Fund is the source of funds, (iv) a certification that the Sponsor shall comply with all national Housing Trust Fund Regulations.

Aside from certain costs associated with preparing a successful Application (for example, physical needs assessments), no Project costs may be incurred prior to closing of the award and funding of the Project. 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 Project.

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. Approval of Final Plans and Specifications

The Authority’s Architectural Services Department must approve the complete final architectural plans and specifications for the Project. The complete plans and specifications must incorporate all mandatory requirements, as well as any scoring criteria for which the Project received points. In addition to the Project plans and specifications, the following documents will be required:

- A copy of the Illinois Architectural Registration Certificate for the design firm and/or the sole proprietor; and
- An Architect’s Error and Omissions Certificate of Insurance; and
- The ALTA/ACSM Land Title Survey; and
- If determined by the Authority to be applicable, a soils boring report describing the subsurface exploration, analysis relative to mining hazards and geotechnical recommendations for the Site or a Site-specific certified letter from the architect regarding the suitability of soils.

B. Environmental Assessment

Unless federal funds are present, the Authority will determine in its sole discretion the scope of the environmental studies and, if applicable, the scope of remediation that may be required for one or more of the Projects. If a Project Site(s) will require remediation, the development budget must include both an environmental remediation line item to cover the scope of the remediation, and an environmental remediation contingency line item in the amount of ten percent (10%) of the remediation costs.

If federal funds are awarded, a determination will be made as to whether an environmental clearance from HUD will be required. If such clearance is required, the Applicant may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair or construction prior to receipt of environmental clearance from HUD.

C. 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 Participants against the EPLS found at www.epls.gov. The Authority may rescind a conditional approval of a funding award if a Participant appears on EPLS.

D. Labor Standards

The Authority will implement labor standards on demolition, construction, and rehabilitation Projects. In instances when a Project utilizes only non-federal funds, the Authority must ensure the Project abides by the Illinois Prevailing Wage Act (820 ILCS 130/0/.01). In instances where the Project utilizes federal funds from the Authority, the Authority must ensure the Project complies with Davis Bacon and Related Acts (DBRA). Federal Regulations can be found in part from the Code of Federal Regulations (Title 29 CFR, parts 1,3,5,6 and 7). If a loan or grant from another source requires a Project to comply with the Davis-Bacon Act, 40 USC 276a et seq., the requirements of the other source will prevail.

E. 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.

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. Participants must 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) will 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 project 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. *Olmstead v. L.C.*, 527 U.S. 581 (1999)

Olmstead v. L.C. found that persons with disabilities have a right to receive their services in the most integrated setting according to their needs and desires. The following Guidance on Olmstead and how it relates to housing has been released by HUD and the U.S. Department of Justice:

<http://portal.hud.gov/hudportal/documents/huddoc?id=OlmsteadGuidnc060413.pdf>

http://www.ada.gov/olmstead/q&a_olmstead.htm

5. 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.

F. Section 3 and Minority- and Women-Owned Business Enterprises

Projects will comply with Section 3 of the Housing and Urban Development Act of 1968 if an awarded loan or grant from a funding source triggers such requirement. In addition, hiring practices shall comply with any applicable Illinois or Federal requirements, including but not limited to the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575).

G. Management Documents

All Projects will prepare a 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 Projects may be required to provide a marketing plan and marketing agreement, and, if the Project involves the acquisition of existing condominiums or homes, a plan to engage and gain the support of any existing condominium or homeowner associations.

H. Regulatory Period

Projects 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 minimum 30-year period.

I. Reporting and Monitoring

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