

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

Expected Formula Grant resources available under the Consolidated Plan for the Community Block Grant Development (CDGB), HOME, Emergency Solutions Grants, Housing Opportunities for Persons with HIV/AIDS, and federal Housing Trust Fund (HTF) Programs.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	14,528,243	0	0	14,528,243	14,000,000	Provides affordable rental housing for households at 30% AMI or below. HUD allocation amounts have not yet been announced.

Table 1 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

For the NHTF, Projects which are able to commit other non-federal funds as part of their project financing will be given additional consideration. There is a State match requirement of 10% for NHTF, but IHDA anticipates most NHTF-funded projects will be highly leveraged.

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**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Individual State Agencies are not authorized to acquire/own real property. The Illinois Department of Central Management Services (CMS) is responsible for ownership and management of State facilities. Uses are statutorily limited and do not currently include affordable housing.

**Discussion**

National Housing Trust Fund State of Illinois Allocation for 2023 is \$14,528,243. Ten percent, or \$1,452,824 will be used for program administration.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Housing Trust Fund Goals	2020	2024	Affordable Housing	Statewide Distribution	Affordable Housing	HTF: \$14,528,243	New Construction Rental Units Added: 17 Rental units rehabilitated: 11

Table 2 – Goals Summary

#### Goal Descriptions

3	Goal Name	Housing Trust Fund Goals
	Goal Description	Provides for the construction and rehabilitation of affordable rental housing for households at 30% AMI or below

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

Housing-Related Allocation Priorities for the State of Illinois are outlined as follows.

### Funding Allocation Priorities

	Multifamily Affordable Housing (%)	Singlefamily Owner Occupied Housing Rehabilitation (%)	Housing Trust Fund Goals (%)	Economic Development (%)	Public Infrastructure Activities (%)	Disaster Response Program (%)	Prevent Homelessness (%)	Rapid Re- Housing of Homeless (%)	Provide Emergency Shelter to Homeless (%)	Street Outreach to Homeless (%)	Housing For Persons with HIV/AIDS (%)	Total (%)
HTF	100	0	0	0	0	0	0	0	0	0	0	100

Table 3 – Funding Allocation Priorities

### Reason for Allocation Priorities

Regarding federal HTF Funds: HTF funding provides rental assistance for families at 30% AMI or below. Federal HTF funding will result in increased affordable rental opportunities for households at/or below 30% AMI across the State.

### How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

HTF funding will result in increased affordable renter opportunities across the State for ELI household at or below 30% AMI.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

The following Methods of Distribution are provided for the five federal formula grant programs administered by the State of Illinois:

13	<b>State Program Name:</b>	National Housing Trust Fund
	<b>Funding Sources:</b>	HTF
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The Illinois Housing Development Authority (IHDA) has been designated by the Governor as the administering State agency for the federal Housing Trust Fund (HTF). Authorizing statute and HUD’s interim rule place specific parameters on the eligible uses of these funds. State federal HTF grantees are allowed to provide direct funding to subgrantee local governments to operate their own local programs/projects, but not required to do so. The State does not intend to use subgrantees in the 2023 funding cycle.</p> <p>Multi-family rental housing development (new construction or acquisition/rehabilitation. IHDA will not allow refinancing of existing debt as an eligible activity in the federal 2023 HTF Allocation Plan.</p> <p>If the national funding level falls below \$1 Billion, 100% of program funds must be used to benefit Extremely Low-Income (ELI) households, defined as 30% of area median income or less.</p> <p>States must use at least 80% of all funds (or 90% of program funds) for rental housing/renters. IHDA is allowed to use up to 10% of remaining program funds for homeownership assistance. IHDA will use 90% of all funds (100% of all program funds) for rental housing.</p> <p>There is also an allowance to use up to 10% of all funds for general administration and planning costs. IHDA will use said funds for this purpose, which also include affirmatively furthering fair housing activities.</p>

## Housing Trust Fund Substantial Amendment to the 2023 Action Plan

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>IHDA will use its Multi-Family “Common Application” as the major application format for HTF rental housing projects, the same one used for the LIHTC and HOME programs, along with supplemental information required by program rules (see below). IHDA’s process will include an initial completeness/eligibility scoring, review of mandatory requirements, underwriting, site and market review, peer review, internal Loan Committee and IHDA Board approval. A separate Request for Applications (RFA) process will be used if needed to expedite obligation of program funds. Under the RFA, IHDA requires that at least 10% of the total project cost be leveraged with non-IHDA resources. IHDA will not allow refinancing of existing debt as an eligible activity in the 2023 Allocation Plan of HTF, and reserves said right in following years</p> <p><u>Geographic Diversity:</u> The State will distribute HTF funds statewide, subject to the Affordable Housing Planning and Appeal Act to the prioritizing applications that are consistent with the 2020-2024 Consolidated Plan, Section AP-50 Geographic Distribution. IHDA will strive to achieve maximum geographic diversity based on statewide applications and where applicable, aligning set-asides associated with other programs providing non-federal, leveraged funding to the HTF, rather than establish geographic set asides under the HTF. In an effort to increase geographic diversity, IHDA provides application workshops in different locations throughout the state.</p> <p><u>Applicant Capacity:</u> As part of IHDA’s application process, each proposed project’s development and management team will be reviewed to ensure that the developer/owner has appropriate experience, capacity, and staffing to own, develop, and manage the project if approved for funding. This will include IHDA’s past experience with team members, and review of HUD previous participation certificates where applicable. IHDA will also strongly encourage first-time developers to partner with an experienced non-profit or for-profit entity.</p> <p><u>Project-Based Rental Assistance:</u> IHDA will prioritize all rental projects which have committed or available federal, State, and local project-based rental assistance so that rents are affordable to ELI families. These may include: Section 8 Project-Based (preservation only); Project-Based Vouchers; Rental Housing Support Program; and Section 811 Project-Based Rental Assistance. It will utilize 30% of household income for rents and utilities as its standard</p>
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Housing Trust Fund Substantial Amendment to the 2023 Action Plan

	<p><u>Duration of Affordability Period:</u> Applicants must document the extent to which proposed rents are affordable, especially to ELI households. All projects will be required to establish a minimum 30-year affordability period. This will work well particularly for LIHTC projects (extended use periods). Applicants are encouraged to establish longer affordability periods but must meet this minimum.</p> <p><u>Priority Housing Needs:</u> These are defined in the State's Comprehensive Planning Act, and include ELI households; low-income seniors; low-income persons with disabilities; homeless and at-risk homeless persons and families; low-income households residing in communities with ongoing community revitalization; preservation; live-near-work projects, and other homeless prevention for special needs individuals such as veterans' and people with criminal records.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	N/A



Housing Trust Fund Substantial Amendment to the 2023 Action Plan

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>If the national funding level falls below \$1 Billion, 100% of program funds must be used to benefit Extremely Low-Income (ELI) households, defined as 30% of area median income or less. The 2023 Illinois HTF allocation is \$14,528,244. There is also allowance to use up to 10% of all funds (\$1,452,824 in 2023) for general administration and planning costs. IHDA will use said funds for this purpose, which also include affirmatively furthering fair housing activities. IHDA will not establish geographic set-asides for Illinois/HTF program funds but will strive to achieve maximum geographic diversity in its final funding decisions.</p>

## Housing Trust Fund Substantial Amendment to the 2023 Action Plan

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Maximum Per Unit Development Subsidy Costs-Grand Total Hard Cost Limits: A Project's grand total hard costs, as calculated in the Common Application, are limited to the sum of the products of the hard cost limit by bedroom type and the number of units, by bedroom type, in the Project. See "Grand Total Hard Costs" on the IHDA website for a complete breakdown of cost per bedroom size regarding the City of Chicago, and Chicago Metropolitan Areas; Other Metro; and Non-metro areas. Maximum allowable for 4+bedroom size in City of Chicago and Chicago Metro Area is \$621,575,000 per unit</p> <p>Maximum HTF Grant Limit is \$10,000,000, not to exceed 90% of total projects cost.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>IHDA will utilize the same performance measurements and outcomes criteria that it has used for the HOME Program (Multi-Family). These are included in the State's Five-Year Consolidated Plan – Strategic Plan and Annual Action Plan goals.</p> <p>The State of Illinois will use the following HUD-determined Objective and Outcome statements for its CPD-HTF formula activities, expressed via the number of affordable housing units provided/preserved:</p> <ul style="list-style-type: none"> <li>• Accessibility for the purpose of creating suitable living environments <ul style="list-style-type: none"> <li>• Accessibility for the purpose of creating economic opportunities</li> <li>• Affordability for the purpose of providing decent affordable housing</li> <li>• Affordability for the purpose of creating economic opportunities</li> <li>• Sustainability for the purpose of creating suitable living environments</li> <li>• Sustainability for the purpose of providing decent affordable housing</li> </ul> </li> </ul>

## **AP-35 Projects – (Optional)**

### **Introduction:**

**Projects will continue to be added as they are approved by the State.**

### **Table 4 – Project Information**

#### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

.Rehabilitation of existing rental housing will help sustain the supply of ELI affordable rental units. New construction of units will provide affordable housing in areas where there exists a demand for new ELI units, and when HTF funding assistance is needed to make units affordable to extremely low-income households.

## **AP-38 Project Summary**

**Project Summary Information** - Projects will continue to be added as they are approved by the State

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The State has identified very and extremely low-income households as one of the priority populations under the Consolidated Plan. The State also places a high value on quality location of projects and availability of resources and access to amenities.

The national HTF will be dispersed statewide. IHDA has not established geographic set-asides, but strives to achieve maximum geographic diversity in its final funding decisions

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Statewide Distribution	

**Table 5 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

The State has not established a policy of targeting its funds within already federally or State-defined eligible areas of the State to more specific jurisdictions or regions. If absolute need numbers were used to determine resource allocations of programs, areas with less densely populated communities (e.g. rural areas, small cities, suburban areas with comparatively lower numbers of low and very low-income households versus total households) would be discriminated against, as most of the assistance would then go to large urban centers exclusively. The State agencies administering federal and State programs will continue to make concerted efforts to provide more outreach and technical assistance (e.g. workshops) to eligible applicants to ensure that information on affordable housing, economic development and public facilities programs is available on an equitable basis.

### **Discussion**

The State of Illinois has established guidelines for all its programs, but has also worked hard to retain the flexibility needed for local governments, non-profits, and developers to apply for projects that meet local market needs. As such, the only major factor governing geographic distribution under each of IHDA's programs is the enabling law or statute for that program. The State does not target its funds by racial or ethnic group. Income is already a major targeting mechanism under almost all of IHDA's as well as HUD's programs. Under its LIHTC Program, however, IHDA does incentivize affordable rental housing applications from local opportunity areas

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction:

One Year Goals for the Number of Households to be Supported	
Homeless	2,000
Non-Homeless	199
Special-Needs	250
Total	2,449

**Table 6 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	2,250
The Production of New Units	55
Rehab of Existing Units	144
Acquisition of Existing Units	0
Total	2,449

**Table 7 - One Year Goals for Affordable Housing by Support Type**

#### Discussion:

Production of 38 new units includes anticipated units through HOME Multifamily

Rehab of 23 existing units includes anticipated units through HOME Multifamily

**Production of 17 new units includes anticipated units through National Housing Trust Fund**

**Rehab of 11 existing units includes anticipated units through National Housing Trust Fund**

Rehab of existing units includes 110 anticipated units through CDBG single-family Housing Rehabilitation

Rental assistance includes the ESG goal of 2,000 households assisted through Rapid Re-Housing.

Rental assistance included the HOPWA goal of 250 households assisted through short-term rent and mortgage assistance (STRMU), Tenant Based Rental Assistance (TBRA), Permanent Housing Facilities and Permanent Housing Placement (PHP).

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter “N/A”.

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

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 circumstances where both (1) IHDA is unable to fully expend its Housing Trust Fund allocation under its PSH funding round(s) and (2) its Housing Trust Fund allocation is nearing or at-risk of expiration, IHDA may also disburse the remainder of its Housing Trust Fund allocation to projects seeking funding outside of its PSH funding round(s) to support ELI units (serving 30% AMI or below) that also meet Housing Trust Fund standards, with a priority for projects that contain ELI units that also meet IHDA’s definition of Supportive Housing Units above required minimums identified in the QAP. 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

- (1) Make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- (2) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- (3) Demonstrate its familiarity with the requirements of other federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- (4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:
  - (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or
  - (ii) Design, construct, or rehabilitate, and market affordable housing for homeownership.
  - (iii) Provide forms of assistance, such as down payments, closing costs, or interest rate buy downs for purchasers

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

IHDA will use its Multifamily Financing "Common Application" as the major application format for national HTF rental housing projects, the same as used for the LIHTC and HOME programs, along with supplemental information required by program rules (see Permanent Supportive Housing Development Program Request for Application). IHDA's process will include a mandatory concept meeting with the Authority, a Preliminary Project Application (as defined in the RFA) an initial completeness/eligibility scoring, review of mandatory requirements, underwriting, site and market review, peer review, internal Loan Committee and IHDA Board approval. Federal HTF funds will only be applied to units restricted to tenants at 30% AMI or below. The balance of the units that are not 30% AMI or below will be paid for with other IHDA or leveraged sources. Under the RFA, requests for funding may not exceed 90% of total project cost. Maximum allowable for 4+ bdrm size in City of Chicago is \$621,575 per unit. Under the RFA, the Maximum Grant Limit is \$10,000,000, not to exceed 90% of total project cost.



c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

If an applicant meets the mandatory thresholds below, IHDA will review eligible recipients in accordance with CFR 91.320 (k)(5)(i), which will include supplemental information required by program rules (see Permanent Supportive Housing Development Program RFA) In addition to the review of mandatory requirements, IHDA’s process will include an initial completeness/eligibility scoring, underwriting, site and market review, peer review, internal Loan Committee and IHDA Board approval.

d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The State will distribute HTF funds statewide, including the City of Chicago, Chicago Metro, Other Metro, Non-Metro and municipalities subject to the prioritizing applications that are consistent with the 2020-2024 Consolidated Plan, Section AP-50 Geographic Distribution. The Authority puts a high value on quality location of projects and availability of resources and access to amenities. IHDA will strive to achieve maximum geographic diversity based on statewide applications and, where applicable, aligning set-asides associated with other programs providing non-federal, leveraged funding to the HTF, rather than establish geographic set asides under the HTF. In an effort to increase geographic diversity, IHDA will provide application workshops based upon approved PPAs, including "virtual" workshops in response to declared public health and/or disaster concerns

e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The Authority will evaluate the Development Team’s capacity to successfully complete and manage the Project. Applicants who fail to meet these mandatory criteria will be disqualified. Applications must

include the following:

Organizational Flow Chart

Identity of Interest Certification

Development Team Certification

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:

- A Participant is affiliated with existing developments which have been cited for material and/or continuing, but curable, noncompliance. Material noncompliance exists when a party exhibits a continual pattern of noncompliance, or when a party demonstrates an inability or an unwillingness to resolve noncompliance in a timely manner
- 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
- A Participant (including any affiliates) has declared bankruptcy over the past three (3) years
- Any Participant (including any affiliates) has a mortgage default or arrearage of three months or more within the last three (3) years
- 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
- Any liens or other claims exist against property owned by Owner (including any affiliates) for which the Owner has failed to resolve a public filing such as a lien or a judgment
- 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
- A Participant that has materially misrepresented facts on any request for Authority resources

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As stated in the PSH RFA Section 8, projects that provide 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. Units can be assisted with available federal, State, and local project-based rental assistance so that rents are affordable to ELI families. These may include: Section 8 Project-Based (preservation only); Project-Based Vouchers; Rental Housing Support Program; and Section 811 Project-Based Rental Assistance. It will utilize 30% of household income for rents and utilities as its standard

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As stated in the Permanent Supportive Housing RFA Section 2, all applicants must restrict at least 50% of the units to households  $\leq 30\%$  AMI. All projects will be required to establish a minimum 30-year affordability period. Applicants who fail to meet these mandatory criteria will be disqualified and will not be scored during the final evaluation phase.

As stated in the RFA Section 2, 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

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As stated in the Permanent Supportive Housing RFA Section 7, all Applications must include a signed Permanent Supportive Housing Development Program Application Certification.

1. **1.** Take actions to affirmatively further fair housing;
2. **2.** 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);
3. **3.** Have a tenant selection plan preference for veterans;
4. **4.** Minimize involuntary displacement of low-income households;

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 the PSH units. This assistance would likely be limited to a maximum of 25% 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.

Projects will also be scored on the following items that meet the housing needs of the State. See Permanent Supportive Housing RFA Section 8 for information on Application Scoring Criteria.

1. Leveraging Other Sources of Funding – Up to fifteen (15) points
2. Firm Commitment of Operating or Rental Assistance - Up to twenty (20) points
3. Universal Design - Up to ten (10) points
4. Green Design and Energy Efficiency - Up to ten (10) points
5. Access to Transportation - Up to ten (10) points
6. Coordination with other State Agencies – Up to ten (10) points
7. Coordination of services – Up to five (5) points
8. Neighborhood Assets - A maximum of ten (10) points
9. Development Team Characteristics - Up to five (5) points
10. Supportive Housing Institute/Predevelopment Certification – Up to eight (8) points
11. Statewide Referral Network Participation – Up to two (2) point

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Projects which are able to commit other non-federal funds as part of their project financing will be awarded up to fifteen (15) points. This would include other State-funded and locally funded programs, but not LIHTC, or State or local CDBG or HOME funding. The latter funds can be part of the project’s financing, but will not be considered as non-federal funding. IHDA will require under the PSH-RFA that federal HTF-funded projects include leveraging of at least 10% of total projects cost with non-IHDA resources

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.**

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The State's policy on maximum per-unit subsidy is to be based on modest housing units with similar amenities and taking into account local market conditions. IHDA will use the same criteria that it uses under its HOME/Qualified Allocation Plan (QAP). These limits will be based on hard construction costs, and are adjusted by bedroom size and location. Location factors in to the variance between the Chicago and metro set asides and separating other metro and non-metro set asides.

These standards were established by an analysis of the current Construction Cost Database for issuance with the 2022-2023 QAP and are valid through 2023. This analysis showed the largest variance between Chicago and metro versus other metro and non-metro. There was a smaller variance between Chicago and metro and a larger variance between Chicago and the remaining regions of the State. IHDA will

provide non-federal funds to areas where needed, to bridge gaps between maximum per-unit costs under the national HTF and actual construction cost within IHDA's Cost Limits.

The total cost per unit takes into considerations soft costs, which are based on the statewide cap, and will not exceed 20% of allowable hard costs for this program. The total cost will be based on geographic location as explained above. Maximum allowable for 4+bedroom size in City of Chicago is \$621,575 per unit

**New Per Unit Subsidy Limits** – Hard Cost Limits plus 25% to account for acquisition / soft costs.

# of Beds	City of Chicago	Chicago Metro	Other Metro	Non Metro
0	\$300,869	\$273,240	\$184,438	\$179,314
1	\$391,791	\$358,628	\$268,273	\$260,820
2	\$525,694	\$478,170	\$352,108	\$342,326
3	\$586,860	\$537,941	\$377,258	\$366,779
4	\$621,575	\$554,875	\$385,641	\$374,929

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

IHDA uses the Architectural Planning and Construction Standards to evaluate all rehabilitation projects. The APCS is a comprehensive reference for owners, developers, architects and contractors in the design and construction of quality affordable housing. IHDA uses the standards to evaluate plans, specifications and other relevant data of the proposed new construction, rehabilitation and adaptive reuse of existing buildings.

1. Applicable State and local code, ordinances and zoning requirements
2. Health and Safety
3. Requirements of useful life of major systems
4. Lead based Paint Requirements
5. Accessibility Stand which must be met
6. Disaster mitigation requirements
7. State and Local Codes, Ordinance, and Zoning Requirements
8. Uniform Physical Condition Standards

*Disaster Mitigation* - The State of Illinois does not maintain a statewide adopted building code. Each local governmental unit (municipality or county) adopts its own individual building or other administrative code. IHDA relies on these local Authorities Having Jurisdiction (AHJ) to provide plan review and issue building permits per their adoptive standards. If there is an area which does not have an adopted standard, our APCS document indicates the building shall be constructed to meet the 2015 version of the International Code Package. The use of standard building codes, by either the AHJ or IHDA referenced standard, ensures facilities are built to handle regional requirements for seismic (earthquake), wind (tornado or straight line winds) or water (rain, snow, flood) based disasters. By the AHJ issuing the building permit it is expected the plans have been reviewed against the local standard outlined in their adopted building codes, and meet these requirements.

*UPCS Protocols* - An IHDA Construction Representative will make a visit to each unit and evaluate the site against the UPCS checklist (Uniform Physical Condition Standards for Multifamily Housing Rehabilitation ( at <https://www.ihda.org/developers/dev-resource-center/>) to ensure they meet with minimum requirements. The checklist will be used in conjunction with the previously completed Property Needs Assessment (see PNA below) to establish the minimum scope to be included with any rehabilitation project approved for funding. This checklist has been created to have separate lists for multi-family dwellings and single family homes.

The UPCS checklist shall identify any repair items that represent an immediate threat to health and safety, and all other significant defects, deficiencies, items of deferred maintenance, and material building code violations that would limit the expected useful life of major components or systems. Deficiencies regarding significant life safety issues must be identified and identified as work to be immediately corrected as part of the scope of work.

Post-occupancy, IHDA's Asset Management Services Department will review the ongoing project needs utilizing HUD's Uniform Physical Condition Standards to ensure HTF-assisted projects and units will be decent, safe, sanitary and in good repair as described in 24 CFR 5.703

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Under IHDA's LIHTC Program, developers/owners are incentivized to set aside 10-15% of their housing units for supportive housing populations under the Statewide Referral Network (SRN). These are defined as persons with disabilities or homeless/at risk of homelessness AND @ 30% of AMI or below. This set-aside may be triggered if an NHTF project is also allocated LIHTCs as part of its project financing

**12. Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Not Applicable: IHDA anticipates funding primarily new affordable housing development, and it will not give priority to such preservation projects which are primarily refinancing existing debt. If refinancing will only be permitted when:

1. New investment is being made to create additional affordable units:



2. refinancing is necessary to reduce the overall housing cost and to make the housing more affordable, and is proportional to the number of HTF-assisted units in the rental project; and
3. the development cost attributable to the HTF units is greater than the amount of debt to be refinanced that is attributable to the HTF units.

The review of the management practices of the applicant must demonstrate that any proposed rehabilitation is not a result of disinvestment in the property

**Discussion:**

For forms and documents relevant to HOME and the national Housing Trust Fund, refer to the IHDA website's "Developer Resource Center" at:

<https://www.ihda.org/developers/dev-resource-center/>

**(NEW COVER PAGE AS PDF)**

# Permanent Supportive Housing Development Program with option for Healthy Housing, Healthy Communities

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## Section 1: IHDA Policy Priorities

### Annual Comprehensive Housing Plan (ACHP) Priority Populations

Executive Order 2003-18 and the Comprehensive Housing Planning Act (P.A. 94-965) established the statewide comprehensive housing initiative, identifying underserved “priority populations”, and calling for the appointment of a Housing Task Force to improve the planning and coordination of the state’s housing resources. IHDA’s Executive Director is appointed Chair of the state’s Housing Task Force and is joined by a panel of 34 representatives from state agencies and the housing community.

The main function of the ACHP is to coordinate priorities for funding sources administered by the State for affordable housing construction, rehabilitation, preservation, down payment assistance, operating or rental housing subsidies, and supportive services. IHDA’s Permanent Supportive Housing Development Program explicitly funds the creation of housing units that directly support a minimum of three of the ACHP’s eight priority populations:

- **Homeless persons and persons at-risk of homelessness**
- **Low-income persons with disabilities**
- **Other special needs populations, including people with criminal records and veterans experiencing, or at risk of, homelessness**

The 2023 ACHP also identified four distinct policy priorities to guide the activities of IHDA and other state agencies for upcoming year. Three of these four priorities directly address the need to support Permanent Supportive Housing units and activities:

- **Policy Priority #1:** Address Inequities in Housing
- **Policy Priority #2:** Advance Access for Priority Populations
- **Policy Priority #4:** Maximize Impact of New Resources and Programming by Building Partnerships and Leadership Capacity

### Illinois Housing Blueprint

The Illinois Housing Blueprint is a 3–5-year statewide planning initiative that aims to create a vision for the future of equitable affordable housing in Illinois and lay out a plan for achieving it. The Illinois Housing Blueprint applies a data-driven approach designed to help housing practitioners better understand our housing stock and the markets. What makes the Blueprint unique from other housing needs assessments is that it is also informed by the diverse voices and experiences of Illinois’ residents, culminating in the creation of a detailed and actionable planning document that serves as a foundation on which to build programs, advocate for legislative and social change, and to seek solutions for Illinoisans’ collective affordable housing future.

The Illinois Housing Blueprint is aligned with the ACHP by nature of its oversight from the Illinois Housing Task Force and alignment of priority populations. The research and insights produced through the Illinois Housing Blueprint’s activities are meant to guide and inform the ACHP’s policy priorities with data-driven and actionable recommendations. One of the three priority areas identified by the inaugural 2021 Illinois Housing Blueprint directly addresses the need to support populations served under the Permanent Supportive Housing Development Program:

- **Priority #3:** Utilizing Affordable Housing Infrastructure to Promote Access
  - Prioritize Extremely Low-Income, Supportive Housing, and other Housing Need

Further research included in the 2022 Illinois Housing Blueprint identified extremely-low-income housing units and Permanent Supportive Housing units as some of those with the highest need across every region in the state. Also included in the 2022 Illinois Housing Blueprint are the findings of a multi-agency and -organizational working group which provided tangible recommendations to address this priority<sup>1</sup>.

### Qualified Allocation Plan

The Qualified Allocation Plan (QAP) sets forth the criteria for evaluating all projects that apply for a tax credit allocation. The QAP sets forth the rules under which IHDA offers affordable housing development funding in the

form of federal Low Income Housing Tax Credits (LIHTC). The QAP describes the selection criteria and application requirements for receiving these federal tax credits and tax-exempt bonds. The QAP takes effect upon the approval of the IHDA board and the governor.

Each QAP, approved on a two-year basis, outlines policy priorities which serve as guidance for its mandatory rules and scoring incentives, and encourage projects that can provide evidence of alignment with these priorities. The 2023-2024 QAP outlined four distinct policy priorities, one of which directly prioritized populations served by the Permanent Supportive Housing Development Program:

- **Priority #3: Special Populations** - IHDA continues its mission to finance housing development for populations with special needs. This includes, but is not limited to, persons living with disabilities, experiencing homeless, at risk of homelessness, and recently incarcerated populations.

The 2024-2025 QAP, currently in draft form as of July 2023, intends to not only continue the use of the **Special Populations** policy priority to guide the mandatory rules and scoring incentives of the Low Income Housing Tax Credit Program, but also plans on significantly expanding avenues to encourage further development of Permanent Supportive Housing units through the LIHTC program.

### Home Illinois

Home Illinois: Illinois' Plan to Prevent and End Homelessness sets the foundational vision to ending homelessness in the state. Through both established and new innovative strategies, Illinois residents, community agencies and state government will work together to prevent entries into shelter. This planning effort is a multi-agency approach led by the Illinois Office to Prevent and End Homelessness (IOPEH) and the Illinois Interagency Task Force on Homelessness, on which IHDA's Executive Director sits.

As a part of its participation on the Illinois Interagency Task Force on Homelessness, IHDA developed an internal guiding document that outlines tangible actions that IHDA can take to support the work and objectives of the Home Illinois plan. The five components outlined in IHDA's Home Illinois strategy all impact and would support populations served under the Permanent Supportive Housing Development Program and other closely related programming. The plan component that is the most directly related to IHDA's Permanent Supportive Housing Development Program and its continued success and expansion is:

- **Component #5: Achieving Function Zero for Illinois/Accelerating Development of PSH Units**

Under this component, IHDA has outlined a goal of increasing its annual production of PSH units by nearly 200% over the coming years, and provided recommended action items and strategies that would support the attainment of this goal.

### USICH Federal Strategic Plan to Prevent and End Homelessness

### Olmstead Consent Decrees

## Section 2: Program Overview and Examples

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. Under this RFA, applicants with healthcare and housing partnerships may also apply for additional funding through the Healthy Homes, Healthy Communities (H3C) initiative. Interested applicants should refer to **Section 4** of this RFA for specific guidance.

The PSH Development Program RFA is intended to provide a clear process primarily for smaller Projects serving Supportive Housing Populations that may not be good candidates for financing under the Low-Income Housing Tax Credits (LIHTC) Program to request funding from IHDA. Projects with an allocation of LIHTC, or contemplating the use of LIHTC, will not be eligible for funding under the PSH Development Program.

Applicants to the PSH Development Program outside the City of Chicago may also apply for the Illinois Affordable Housing Tax Credit (IAHTC). Please note that IHDA administers the IAHTC outside the City of Chicago. Within the City of Chicago, the IAHTC is administered by the City of Chicago's Department of Housing.

The PSH Development Program will offer flexibility to accommodate a range of development types, including acquisition, new construction, redevelopment of vacant or occupied units, or adaptive reuse of non-residential properties. IHDA will accept proposals for single site, integrated, and scattered site projects in which at least 50% of the units are targeted to Permanent Supportive Housing Populations.

Projects with forty (40) or fewer units are eligible to apply under this RFA. Projects larger than 40 units may be proposed based on location, demand, sponsor capacity, and financial feasibility, if at least 25 units, or 50% of the total units, whichever is higher, are set aside for Supportive Housing Populations.

Projects applying under this RFA must have a minimum of 50% of units affordable at or below 30% AMI for Supportive Housing Populations. IHDA will consider proposals that include units affordable between 30% AMI and 60% AMI for Supportive Housing Populations or that include general affordable units restricted to 60% AMI. Projects may not include units above 60% AMI unless a non-Authority source is used to fund such units. All units funded by the National Housing Trust Fund shall be restricted as 30% AMI units.

Projects outside the City of Chicago may request Long-Term Operating Support (LTOS) or Section 811 Project-Based Rental Assistance for a maximum of 5 units in the Project in conjunction with their application. IHDA reserves the right to waive this limitation on the number of units at its sole discretion. Projects within the City of Chicago may contact the Chicago Low-Income Housing Trust Fund (CLIHTF) regarding the availability of LTOS. Applicants should be aware that funding availability for LTOS and Section 811 PRA may be limited.

### ***Eligible Activities***

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

- Acquisition
- New Construction
- Rehabilitation of Existing Occupied Units
- Rehabilitation of Vacant Units, and/or
- 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 single-site, integrated, and scattered-site projects.

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, supportive living facilities, and Community Integrated Living Arrangements (CILAs) are not ineligible activities under this RFA.

Only Projects that demonstrate readiness to move forward with financing and development will be considered, as evidenced by meeting Mandatory application criteria described in Section 3.

### ***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.

### ***Amount and Types of Funding***

Up to \$10,000,000 or 90% of the total Project cost at Application, whichever is less, may be requested per Project. However, the Authority reserves the right to waive this limitation in its sole discretion.

The Authority will evaluate the feasibility of each Project and then determine which Authority administered funding source(s) 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, Illinois Affordable Housing Trust Fund, HOME Investment Partnerships Program (including American Rescue Plan), national Housing Trust Fund, Build Illinois Bond Program (BIBP) funds, Illinois Affordable Housing Tax Credit, American Rescue Plan State and Local Fiscal Recovery Funds (ARP SLFRF) and Financing Adjustment Factor Program. In addition, Projects will be evaluated for Authority administered rental assistance in the form of Long-Term Operating Support (LTOS) and Section 811 Project-Based Rental Assistance, depending on availability. Applicants will have the ability to apply for LTOS as part of the PSH Development Program Application Process as described in this RFA.

Projects receiving Build Illinois Bond Program (BIBP) funds will be subject to the Illinois Works Jobs Program Act (30 ILCS 559/20-1 et seq.): For grants with an estimated total project cost of \$500,000 or more, the grantee will be required to comply with the Illinois Works Apprenticeship Initiative (30 ILCS 559/20-20 to 20-25) and all applicable administrative rules. The “estimated total project cost” is a good faith approximation at the time an applicant submits to the Authority a grant application of the costs of an entire project being paid for in whole or in part by appropriated capital funds to construct a public work. The goal of the Illinois Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. Grantees will be permitted to seek a waiver or reduction of this goal in certain circumstances pursuant to 30 ILCS 559/20-20(b). The grantee must ensure compliance for the life of the entire project and will be required to report on and certify its compliance. Projects receiving HOME-ARP funds will be subject to the requirements established through HUD Notice CDP-21-10.

For purposes of compliance with the Comprehensive Planning Act (310 ILCS 110) 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.

### ***Income Restrictions***

IHDA anticipates the majority of Projects submitted under the PSH Development Program will make 100% of their units in the Project affordable to those  $\leq$  30% AMI. However, flexibility will be allowed for alternative mixed-income and integrated supportive housing models. Projects under the PSH Development Program must include a minimum of 50% of the units for Supportive Housing Populations restricted at 30% of the Area Median Income; this requirement may be fulfilled with units receiving a higher rent level if the units are covered by project based rental assistance for a minimum of 15 years with tenants paying no more than 30% of their income towards rent and utilities, and the Project demonstrates the need for units serving Permanent Supportive Housing Populations above 30% AMI. No units may exceed a 60% AMI designation unless a non-Authority resource is used to fund such units.

Each Project funded under this RFA will be required to execute at initial closing a Regulatory Agreement which outlines the terms of the up to 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.

### ***Target Populations***

All Projects shall serve the Supportive Housing Population, as defined in this RFA, in a minimum of 50% of the total Project units proposed under this RFA.

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 chronic disability who otherwise meet Project-specific screening criteria.

### ***Priority Activities***

Application Scoring Criteria, priority will be given to Projects that:

- Leverage other capital funding sources;
- Offer operating assistance or project-based rental assistance;
- Incorporate universal design, green design, and/or energy efficiencies;
- Provide units for individuals exiting the criminal justice system, youth aging out of Illinois Department of Children and Family Services' care and/or persons living with an intellectual or developmental disability;
- Offer access to public transit and/or be sited in proximity to neighborhood amenities and community services;
- Participate in the Illinois Supportive Housing Institute; and
  - Assemble a diverse and inclusive development team.

## Permanent Supportive Housing (PSH) Overview and Definition

PSH is a combination of affordable housing and supportive services designed to help vulnerable individuals and families attain stable housing and use it as a platform for health, recovery, and personal growth. Federal agencies including the Center for Medicare and Medicaid Services, the U.S. Department of Housing and Urban Development (HUD), and the Substance Abuse and Mental Health Services Administration (SAMSHA) have recognized the importance of PSH to address homelessness and for families and individuals with complex service needs, including people leaving institutional settings. Increasing evidence demonstrates that PSH is a cost-effective intervention. PSH typically aligns with a Housing First approach, meaning that people are not required to address all of their problems, including those related to behavioral health, or progress through various service programs before being housed—or as a condition of retaining housing.

IHDA defines Permanent Supportive Housing as a Project that creates units 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 chronic disabilities, and/or are experiencing or at risk of institutionalization including those exiting the criminal justice system, jail, or prison. 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  $\leq 30\%$  of the area median income), 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).

IHDA's definition of Supportive Housing Populations is meant to allow flexibility in project design so that applicants can develop Permanent Supportive Housing projects to link affordable housing and social services to best meets the needs of diverse individuals and families who may otherwise face significant barriers obtaining and maintaining housing. Applicants should, however, be aware of the definitions used for other funding programs and sources that may impact project design. For example, HUD's definitions of [homelessness](#), [chronic homelessness](#), an [at-risk of homelessness](#) are used for many homeless assistance programs funded through Continuum of Care, and these programs may prioritize only those experiencing chronic or literal homelessness.

## Possible PSH Housing Configuration Examples and Common Terms

Permanent Supportive Housing Models can vary significantly. Below are some common types of supportive housing and related terms. IHDA's PSH Development Program focuses on financing the creation of new PSH units, typically within a single-site although projects with multiple sites may be considered, through new construction or rehabilitation. See the detail on Eligible Activities for more clarification. This section is intended for informational purposes only.

### Single site PSH Projects

Projects that consist of one site 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.

*Recent IHDA-financed Project Example: **Madison Apartments II in Peoria, IL***

*Madison Apartments II is a new construction 24-unit PSH development located in downtown Peoria targeting a diverse population including homeless individuals, including veterans, who are homeless or at-risk of homelessness, individuals transitioning from institutional settings under the Williams Consent Decree, unaccompanied youth experiencing homelessness and/or transitioning from the child welfare system, and justice-involved individuals returning from IDOC or local jails. Services are available through the sponsor, Phoenix Community Development Services, whose offices are immediately adjacent to the development.*

### Integrated PSH Projects

Affordable or mixed-income buildings that include some PSH units, in which links to community-based services are coordinated, and in which some limited supportive services may be offered to tenants on-site;

### *Recent IHDA-financed Project Example: **Torrence Place in Lansing, IL***

*Torrence Place is a mixed-income 48-unit development financed under the Low-Income Housing Tax Credit Program targeted to veterans and individuals with disabilities. Christian Community Health Center, a Federally Qualified Health Center, will operate a health center on the first floor of the building.*

### **Scattered Site PSH Project**

A collection of scattered-site units within or detached from several sites, in which links to community-based services are coordinated. Scattered-site projects may include but are 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 a PSH Project. Scattered-site PSH could also include the acquisition of single-family or small multifamily (2-6 unit) buildings throughout a community, and where services can still be coordinated and provided across all sites. Although not eligible for funding through this RFA, scattered-site PSH can also refer to rental assistance programs where a service provider or organization uses a Housing First model to place clients in private units in the community and provides wrap-around support services.

### *Recent IHDA-financed Project Example: **Access Health and Housing in Maywood, IL***

*Access Health and Housing is a scattered-site, community-integrated new construction housing development located in Maywood, and is part of IFFs Home First Initiative. Access Health and Housing will consist of a total of 20 accessible and affordable units in 6 buildings targeted to individuals with disabilities leaving institutional settings under the Colbert, Williams, and Ligas consent decrees. A portion of units will accept referrals through the Statewide Referral Network. All units are located near the Hines VA Hospital campus and Loyola University Medical Center, and project partner Trinity Health will manage a health care “flex-space” on the first floor of one of the buildings.*

### **Homelessness Prevention and Functional Zero**

Permanent Supportive Housing has been demonstrated to be successful and cost-effective intervention to reduce and prevent homelessness, particularly for those experiencing chronic homelessness. A related concept on a community-level, **Functional Zero** is a term to describe when a community is able to demonstrate that the number of people experiencing homelessness is not greater than the number of people the community is able to house per month. In achieving Functional Zero, homelessness will rare and brief for a specific population and sustained.

### **Individuals with Disabilities**

Permanent Supportive Housing can be an important option for individuals with disabilities to live independently in the community with access to available services. This includes those that are living in institutional settings, but have a desire to move to a community setting, and those that are at-risk of institutionalization aligning with the three Consent Decrees (Williams v. Pritzker, Colbert v. Pritzker, and Ligas v. Hamos) for specific populations related to the federal *Olmstead v. L.C.* supreme court ruling which found that persons with disabilities have a right to receive their services in the most integrated setting according to their needs and desires.

### **Money Follows the Person (MFP)**

A federal rebalancing demonstration program enacted by the Deficit Reduction Act (DRA) of 2005. Part of a comprehensive strategy to assist states in collaboration with stakeholders, to make widespread changes to their long-term care support systems by allowing people who need long-term care to live in their own homes and communities or in a setting of their choice. MFP provides enhanced Medicaid match (for waiver and State Plan services provided in the first year of community residency) to support transitions of seniors and persons with disabilities out of institutions and into eligible community-based settings. In Illinois, MFP is administered by IDHFS.

### **Community Integrated Living Arrangement (CILA)**

A Community Integrated Living Arrangement (CILA) is a living arrangement for adults (age 18 and older) in a group home, family home or apartment where 8 or fewer unrelated adults with developmental disabilities live under supervision of a community developmental services agency. Residents receive complete and individualized residential habilitation, personal support services and supports under the direction of a community support team within the local agency. See more information on the Illinois Department of Human Services website [here](#). A list of CILA providers can be found [here](#). Individuals who do not need 24-hour supervision are able and choose to live

independently are also able to receive Intermittent CILA (ICILA) support services outside of a 24-hour CILA setting, including in a family home or a private apartment.

### ***Housing First***

Housing First is a housing intervention approach that emphasizes consumer choice, community-based service supports, and immediate access to permanent, stable housing. Housing First approaches focus on removing preconditions and barriers in access to housing such as sobriety, treatment completion, or service participation requirements, and instead prioritize access to available, voluntary support services to maintain housing stability. Housing First approaches have proven effective in decreasing homelessness, improving quality of life, and community integration.

### **Healthcare-Supported Housing Overview and Definition (H3C)**

Numerous studies have demonstrated the relationship between stable housing and positive health outcomes. Given the relationship between housing and health, the H3C initiative is building partnerships between the healthcare industry and affordable housing, to address health disparities often experienced by low-income households and their communities. To be eligible for financing under this program, projects must:

- Have investment in their capital stack from a hospital, healthcare organization, insurer or Managed Care Organization (MCO);
- Generate permanent affordable housing units; and
- Promote long-term health and stability for affordable housing residents while addressing community-level health disparities.

Projects eligible for H3C funding must have, at minimum, one of the following financial contributions from a hospital, healthcare entity, insurer or Managed Care Organization in the Project's capital stack:

- |                         |                             |
|-------------------------|-----------------------------|
| • Revolving loan fund   | • Predevelopment financing  |
| • Low-/no-interest loan | • Loan guarantee            |
| • Grant                 | • Rental assistance         |
| • Operational subsidy   | • Facility or land donation |

### **Healthcare-Supported Housing Configuration Examples and Common Terms**

Competitive applications under this pilot program should generate projects that either address a demonstrated community health need, expand neighborhood access to healthcare and wraparound services, grow the supply of housing units for Illinois' most vulnerable residents, or provide housing and wrap-around services for frequent utilizers of emergency room services. Examples of projects that would qualify for H3C financing include:

#### ***Affordable Housing Co-Located with a Healthcare Clinic***

The New Jersey Housing and Mortgage Finance Agency in partnership with University Hospital financed 78 affordable rental units that serve homeless and moderate-income households in Newark, New Jersey. The ground floor features a clinic operated by University Hospital, and a wellness center that provides outpatient medical care to an at-risk population.



#### ***Affordable Housing as Part of a Community Health Master Plan***



Gibbons Apartments is an 80-unit affordable development in Southwest Baltimore, a community that, according to the Baltimore City Health Department, scored in the bottom third of nearly 25 measures of neighborhood conditions that shape residents' health. Bon Secours Health System provided predevelopment financing for architecture and environmental assessments, which were required to submit for a tax credit application.



The apartment serves residents earning 30 to 60 percent of the area median income and is part of a larger community health master plan. Bon Secours' community health education team conducts onsite health screenings and educational events, such as blood pressure checks and presentations on healthy eating and nutrition<sup>2,3</sup>.

### ***Affordable Housing for Frequent Utilizers of Emergency Rooms***

Champlain Housing Trust partnered with University of Vermont Medical Center (UVMC) to acquire and operate two renovated motels in Burlington, Vermont, which provide homes to formerly homeless and housing-insecure individuals with high medical needs. The development consists of two properties, one with 19 units serving individuals with chronic illnesses with on-site services paid in part by the medical center. The second with 8 units, including 5 designated for chronically homeless people, and 3 "respite" units designed for those recovering from illness without a safe place to stay. UVMC paid for the property's purchase and renovation, pays for case management and operations and refers its patients to the property<sup>4</sup>.

### ***Affordable Housing to Serve a Community's Most Vulnerable Residents***

A partnership between Kaiser Permanente and an affordable housing developer purchased a 41-unit building that will serve homeless populations in a rapidly gentrifying Oakland, CA neighborhood. Financing was provided through a fund in partnership with Enterprise Community Partners and the East Bay Asian Local Development Corporation. The investment is part of a longer-term initiative by Kaiser Permanente aimed at improving the health of the Bay Area's homeless populations by preventing displacement.



## Section 3: Developer Engagement and Major Program Changes

### Developer Engagement

Throughout the past year, IHDA has undertaken research activities and engaged developers, agencies, and advocates in the supportive housing community in a variety of forums. The feedback gained from these research and engagement activities has been critical in assessing IHDA's PSH programming and has significantly informed the writing of this RFA. These research and engagement activities are listed below, along with a summary of their resulting feedback and recommendations. A full account of all research and engagement activities can be found on [IHDA's website](#).

<b>The Supportive Housing Institute</b> <i>Facilitated by the Corporation for Supportive Housing (CSH)</i>	March – June 2023
<b>PSH RFA Developer Listening Session</b> <i>Hosted by the Supportive Housing Providers Association (SHPA)</i>	April 18, 2023
<b>PSH Developer Convenings</b> <i>Facilitated by the Corporation for Supportive Housing (CSH)</i>	April 17, 2023 and May 16, 2023
<b>Barriers to IHDA's PSH Program Research</b> <i>Conducted by IHDA's Policy and Research group, Strategic Planning and Reporting Department</i>	March – June 2023

(SUMMARY OF MAJOR FEEDBACK RECEIVED – IF POSSIBLE, SUMMARY PARAGRAPH FOLLOWED BY BULLETED LIST OF COMMENTS)

[To add once finalized]

### Major Changes to Program

[To be updated once edits have been made]

## Section 4: Option for Healthy Housing, Healthy Communities

IHDA recognizes an opportunity for alignment between PSH project models and those supported by and partnered with healthcare providers. Therefore, projects that incorporate both a PSH and healthcare-supported (H3C) model, and that meet all requirements outlined in this RFA for both funding components, can apply for a combination of H3C funding alongside PSH funding. These “combination” PSH-H3C projects must adhere to all program requirements outlined in both the PSH- and H3C-tracks, summarized below and outlined in detail throughout [Sections 7, 8, and 9](#) of this RFA.

Projects that serve target populations fitting **only** a PSH **or** H3C model as outlined in [Section 2](#) do not need to adhere to the combination program requirements, and must follow application guidance solely for their respective project type as outlined below:

	PSH-Only Projects	Combination Projects	H3C-Only Projects
<b>Major Project Characteristics</b>	Serve a target PSH population* <b>but</b> are not supported by a healthcare institution/meet the H3C model guidance*	Serve a target PSH population* <b>and</b> are supported by a healthcare institution/meet the H3C model guidance*	Are supported by a healthcare institution/meet the H3C model guidance* <b>but</b> do not serve a target PSH population*
<b>Subject to Pre-Application Process Requirements outlined in <a href="#">Section 6</a></b>	X	X	X
<b>Subject to Mandatory Requirements outlined in <a href="#">Section 7</a></b>	X	X	X
<b>Scoring Requirements to follow (reference <a href="#">Section 8</a>)</b>	PSH-Only Scoring Track	Combination Scoring Track	H3C-Only Scoring Track
<b>Per Project Total IHDA Funding Eligibility</b>	\$9 million	\$17 million	\$8 million

\*As defined in [Section 2](#) of this RFA

Projects seeking only H3C-funding may also apply for 4% Low Income Housing Tax Credits and other IHDA funding. Projects that meet this criteria must follow the H3C-Only guidance and requirements outlined in this RFA **and** complete all pre-application and application processes, and must also fully follow the application process for [Low Income Housing Tax Credits](#) (PPA and Common Application submittal).

For more information about applying for H3C-only funding **and** 4% Low Income Housing Tax Credits, visit IHDA's [Healthy Housing, Healthy Communities website](#).

## Section 5: RFA Funding Sources

### IHDA Funding Source Availability Under Round X RFA

Funding Source	Total Allocation Available	Per Project Allocation Limit	Availability			Major Requirements/Restrictions
			PSH-Only Projects	Combination Projects	H3C-Only Projects	
CAPITAL DEVELOPMENT SOURCES						
National Housing Trust Fund			X	X		30% AMI units Funds must be committed by BLANK
State and Local Fiscal Recovery Funds	\$40 million		X	X		Funds must be committed by 12/31/24 and spent by 12/31/26.
NCSHA Planning Grant (IHDA Capital Bill Funds)	\$15 million	\$8 million		X	X	Healthcare partnership is required and the healthcare partner must make a financial contribution to the project (land and building donation included)  Funds must be committed by BLANK and spent by BLANK.
HOME-ARP Allocation*	\$15 million		X	X		Funds must be spent by 9/30/30.
Illinois Affordable Housing Trust Fund			X	X	X	
Illinois Affordable Housing Tax Credit						Requires separate application
4% Low Income Housing Tax Credits		Maximum tax credit allocation, 1,500,000			X	Requires separate application
OPERATIONAL AND RENTAL ASSISTANCE SOURCES						
Long Term Operating Support (LTOS)	\$3.5 million		X	X	X	Requires separate application



Section 811			X	X	X	Requires separate application
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\*Expected to be available/held for PSH Round XI (2024), only made available in Round X if necessary

## Other Correlated Funding Sources

### Public Sources for Rental Assistance

A major component of Permanent Supportive Housing is ensuring that rent remains affordable for tenants on an ongoing basis. Supportive Housing Populations include individuals who may still have incomes below the rent threshold for a 30% AMI unit. Generally, this is achieved through the use form of rental subsidy or operating support resource. Rental assistance can ensure both long-term viability of the project and affordability for tenants, as most rental assistance ensures that tenants will pay no more than 30% of their income for housing related expenses. Below are some of the most common sources of rental subsidy utilized in PSH projects.

#### Public Housing Authority (PHA) Project-Based Vouchers (PBVs)

Public Housing Authorities can allocate a portion of their Housing Choice Vouchers (HCV) to be used a Project-Based Vouchers (PBV). Contact your local PHA to determine whether PBVs are available and the process and timing for making these requests.

Find your local PHA here: <https://resources.hud.gov/>

A HUD-managed list of PHA contacts is available here:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/pha/contacts](https://www.hud.gov/program_offices/public_indian_housing/pha/contacts)

#### Continuum of Care Rental Assistance

Local Continua of Care (CoCs) are regional or local planning bodies that coordinate housing and services funding for homeless families and individuals. CoCs manage HUD CoC funding, which can include rental assistance.

A HUD managed list of CoC contacts is available [here: https://www.hudexchange.info/grantees/contacts/](https://www.hudexchange.info/grantees/contacts/)

#### Williams and Colbert Bridge Subsidy

[need to confirm with DHS whether these are available for project-based commitments]

As part of statewide system rebalancing efforts, The Illinois Department of Human Services Division of Mental Health (DMH) Bridge Subsidy Program assists consumers diagnosed with serious mental illness (SMI) or SMI with co-occurring substance abuse disorders who are living in institutional settings secure affordable housing. The Bridge Subsidy Program is restricted to individuals who are current Class Members under one of two active Consent Decrees (Williams or Colbert).

### IHDA-Managed Rental Assistance

IHDA manages a limited amount of project-based rental assistance sources including the Long-Term Operating Support (LTOS) Program and the Section 811 Project-Based Rental Assistance. These resources are described in more detail later in the application.

#### Long-Term Operating Support Program

A minimum of 10% of the funding under the [Rental Housing Support Program \(RHSP\)](#) is available as [the Long-Term Operating Support \(LTOS\) Program](#). LTOS provides up to fifteen years of a long-term, project-based rent subsidy to newly available affordable units. This program works to increase the supply of affordable housing to households earning at or below 30% AMI.

#### Section 811 Project-Based Rental Assistance

The [Section 811 Project Based Rental Assistance Program](#) assists low-income households (at or below 30% AMI) with long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports. IHDA works with affordable housing owners to set aside units for eligible 811 populations in IHDA-financed developments.

### Public Sources for Operational Support

A variety of state agencies provide resources that can support the operational expenses of a PSH project. The following resources listed below are provided by their respective state agencies and are frequently utilized to support the expenses and/or residents of PSH projects and housing units. Please visit each agency's website for more information about upcoming and available funding rounds under each program.

Illinois Department of Human Services (IDHS)

- [Emergency and Transitional Housing Program \(ETH\)](#)
- [Emergency Solutions Grant Program \(ESG\)](#)

Illinois Department of Healthcare and Family Services (IDHFS)

- [Medicaid 1115 Waivers](#)
- [Money Follows the Person](#) – *expected release in January 2024*

DRAFT

## Section 6: RFA Timeline and Deadlines

### PSH Round X with option for H3C Timeline

Date	Action	Project Sponsor Action Required
July 11, 2023	Request for Applications Published on IHDA Website	YES
	Concept Meeting Request Form Available on IHDA Website	YES
	Previous Round Applicants Notified of RFA Release	
July 18, 2023	RFA Informational Webinar	YES
August 21, 2023	<i>First available date to complete both Mandatory Concept Meetings*</i>	
September 8, 2023	Supporting Documents Available on IHDA Website	
October 6, 2023	<i>Last day to submit Mandatory Concept Meeting Request Form to IHDA*</i>	
October 13, 2023	<i>Last available date to complete both Mandatory Concept Meetings*</i>	
	Last date to complete all Pre-Application Process components	YES
November 1 – 15, 2023	Mandatory Application Workshops	YES
December 15, 2023	Application Deadline**	YES
January 13, 2024	IHDA publishes Public Notice	
March 15, 2024	IHDA Board Meeting with PSH/H3C Project Approvals	OPTIONAL

\*Mandatory component of expanded Pre-Application Process with Round X RFA; this is different from IHDA's PPA process (LIHTC and other funding sources), see below

\*\*Project sponsors cannot submit an application until they have fully completed all Pre-Application Process components and attended a Mandatory Application Workshop

### Pre-Application Process

Project sponsors must fully complete the pre-application process outlined below as a mandatory component of submitting an application under the PSH Round X with option for H3C RFA. This pre-application process is not equivalent to or a replace for IHDA's Preliminary Project Application.

If a project sponsor is seeking 4% tax credits as an additional funding component of their application submitted under this RFA, they must comply with IHDA's Preliminary Project Application (PPA) process. Information about the PPA process can be found on [IHDA's website under the Developer Resource Center](#).

The Pre-Application Process has been expanded in this Round X RFA to incorporate more opportunities for project sponsors to access resources and gain feedback from IHDA staff regarding their upcoming application submissions. Project sponsors will meet with members of IHDA's Multifamily Finance, Policy and Research, Market and Research, and Asset Management departments across two meetings to discuss critical project components, opportunities, potential barriers, and application processes. The required Pre-Application Process required for PSH- and/or H3C-only funding sources (non-4% LIHTC) consists of the following components:

- Complete and submit a **Concept Meeting Request Form**
- Attend a Finance and Policy Concept Meeting (*scheduled for one hour*)
- Attend a Market and Asset Management Concept Meeting (*scheduled for 30 minutes*)

### **Project Concept Meetings**

Applicants will need to complete a Project Concept Meeting Form at least five (5) business days before the first scheduled meeting. Between the two required meetings, applicants should be ready to outline their Project concept including: intended population served, Project size, Project type, Project site/location, community amenities, proposed financing structure, service plan details, and proposed partnerships, if any. The discussion with the Authority will also include a basic review from the Authority about preliminary project financial details and the market and its need for PSH based on the Project's location. Project concept meetings may be virtual meetings. The **Project Concept Meeting Form** will be available on IHDA's website and should be emailed back to [PSHRFA@ihda.org](mailto:PSHRFA@ihda.org).

The final date for submission of the mandatory **Concept Meeting Request Form** is October 6, 2023. Both mandatory concept meetings must take place in between August 21 and October 13, 2023. These meetings may be scheduled back-to-back, pending scheduling availability.

### **Mandatory Application Workshop**

Applicants must complete all pre-application components steps before October 13, 2023. Applicants who have completed both mandatory Project Concept Meetings and intend to submit an Application will be required to attend an Application workshop in between November 1 and 15, 2023. Workshops may be offered in-person and/or via an online platform. The exact dates and times of these workshops will be available on the Authority's Website.

### **Application Submission**

Applications are accepted online through IHDAConnect. Applications will not be accepted in paper form. Please direct any questions to [pshrfa@ihda.org](mailto:pshrfa@ihda.org). Specific instructions for submitting application materials will be posted online on the Website.

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

### **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 U.S. Congressional Representative and U.S. 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.

### **Evaluation of Applications**

Applications will be evaluated in the following manner:

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.

**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.

**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.

### **Additional Resources**

#### **IHDA Technical Assistance**

Additional technical assistance and support may be requested from IHDA staff as project sponsors complete the Pre-Application Process and application requirements of this RFA. To request a meeting or ask a question, please email the following:

- For PSH-only and combination project questions: [PSHRFA@ihda.org](mailto:PSHRFA@ihda.org)
- For H3C-only project questions: [H3C\\_Information@ihda.org](mailto:H3C_Information@ihda.org)

#### **External Resources**

The following agencies and organizations offer a variety of informational resources and funding opportunities that may be beneficial to project sponsors as they complete this RFA process. Visit their respective websites for more information:

#### **Illinois State Agencies**

- [Illinois Department of Human Services](#)
- [Illinois Department of Healthcare and Family Services](#)
- [Illinois Department of Housing and Urban Development](#)
  - [Continuum of Care Database](#)
  - [Public Housing Authority Database](#)
- [Illinois Office to Prevent and End Homelessness](#)

#### **Advocacy and Support Organizations**

- [The Corporation for Supportive Housing](#)
- [Supportive Housing Providers Association](#)

## Section 7: 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 proceed 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 ten 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;
- Restrict at least 50% of the units, or at least 25 total units to households  $\leq 30\%$  AMI. For projects that have indicated a need for PSH units between 30% and 60% AMI, and have received written confirmation from IHDA to proceed, this certification will not be required;
- 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 25% 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 the Long-Term Operating Support Program (LTOS), Section 811 Project-Based Rental Assistance or the Illinois Division of Mental Health Bridge Subsidy Program.

Such assistance may be limited and, unless specific elsewhere in this RFA, cannot be assumed to be available to support the Project's operating budget at the time of application through the Permanent Supportive Housing Development Program.

### 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 may 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

## 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 and Supportive Service Plan Narrative

### 1. Project Narrative

All Applications must include a Project narrative that includes:

- Amount of funding requested;
- Number of total units in the Project;
- Number of PSH units proposed;
- Number of SRN units proposed, if any (Note: SRN units **must be** 30% AMI units);
- Number of LTOS units proposed (Note: LTOS units are anticipated to be SRN units);
- Number of Section 811 PRA 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 sited in a community that will meet the needs of the tenants.

### 2. Supportive Service Plan Narrative

Projects must provide a service plan with the Application. The service plan should outline the services that will be offered to residents, the number of proposed service staff, how services will be provided (on-site, community based) and by what organization(s), detail how service referrals will be handled, and how service provision will be funded. The service plan should clarify, at a minimum, how the project will make the following services available to tenants whether directly by a service provider on the project team or through referrals:

- Case management
- tenancy support services
- Access to behavioral health services including substance use and mental health services

The service plan narrative should also include information about any additional supportive services that will be provided including, but not limited to, Independent living skills support, transportation assistance, education/employment supports, etc.

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 are also able to receive up to (5) points under the Scoring Criteria. See Scoring Criteria Section G. below.

## 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 the applicable proximity radius, which varies based on the Geographic Set-Aside. Proximity thresholds are based on Geographic Set-Aside (see Section 1: Definitions). 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 H for neighborhood asset categories.



The Authority reserves the right to mandatorily fail Project Applications that include fewer than two (2) neighborhood assets within the proximity radius for the applicable Geographic Set-Aside. See table below:

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

Please note that the documentation provided for this Mandatory criteria can also be used for the Application Scoring Criteria Section H to demonstrate additional neighborhood assets. Please see that section for further details.

For projects that are unable to demonstrate that at least two (2) neighborhood assets are included within the proximity radius for the applicable Geographic Set-Aside, a narrative may be provided indicating how access to Health Services, Food Access, Civic/Recreation, and Education/Job Training will be made available to residents of the development. IHDA, at its sole discretion, will determine whether any narrative will be sufficient to meet this Mandatory criteria.

## 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;
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 Planned Unit Development (“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 may be found on the Website. 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 at <https://msc.fema.gov/portal/home>.

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 at <https://www.fws.gov/wetlands/data/mapper.html>.

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 at <https://prairie-research.maps.arcgis.com/apps/webappviewer/index.html?id=e38e9769e1c04ec29e41dd5ba1c59bd7>.

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.

### **4. Seismic**

The Application must include a seismic zone map for the Project area with the boundaries of all Sites clearly delineated.

Seismic zone maps may be obtained from the U.S. Geological Survey (“USGS”) website at <https://earthquake.usgs.gov/earthquakes/map>

The map must identify any natural hazards located on, adjacent to, or nearby the site such as steep slopes, geological faults, or hazardous terrain features.

## **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 ten 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.

Health and Safety	Community Spaces	Sustainability
<i>First Priority</i>	<i>First Priority</i>	<i>First Priority</i>
Free internet access per unit	Computer room equipped with one (1) computer for every three (3) units	All appliances in the unit meet the Energy Star rating
Residential studio units are 15% larger than the minimum requirement	Exercise / fitness center with at least one (1) machine per five (5) units	Dedicated recycling area within the Project
The project meets HUD's definition of smoke free housing	Garden plots / designated community garden area with a combined minimum of 200 square feet	Green Roof with available seating or other community activity area available on the roof

Health and Safety	Community Spaces	Sustainability
Washer and dryer in every unit	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
<b>Second Priority</b>	<b>Second Priority</b>	<b>Second Priority</b>
Facility wide security camera system	An equipped sports court (e.g., volleyball, tennis, basketball, etc.)	On-site car sharing
Looped walking paths or connected sidewalks through the entire Project	At least one common room (e.g., community room, community kitchen, library, hair salon, billiards room, arts & crafts room, game room, dining room, etc.)	Screen doors on all exterior unit doors
Microwave oven in every unit	Outdoor entertainment space such as an outdoor theater and gazebo with available seating	Trash and / or recycling disposal chutes or other refuse collection system
Porch, patio, or 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, Illinois Affordable Housing Trust Fund, and American Rescue Plan State and Local Fiscal Recovery Funds 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. 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.

### **2. 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.
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. 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 and 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 comparable 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**

Up to \$10,000,000 or 90% of the total Project cost, whichever is less may be requested per Project; however, 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 two hundred thousand dollars (\$1,200,000) or twelve percent (12%) of the Project's 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 award. Developer fee will be paid by the Authority on the following schedule:

- 20% at initial closing
- 20% at 50% 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 2022 may 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 up to 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. Debt Service Coverage Ratio**

Applications must demonstrate the Project can maintain a 15 year average minimum debt service coverage ratio (the ratio of a Project's net operating income to its total debt service) of 1.15, excluding cash flow notes.

Projects whose 15 year average debt service coverage ratio is less than 1.15 must capitalize operating or debt service reserves and detail how payouts from these reserves will maintain the minimum ratio through a cash flow statement reflecting annual payouts from the reserve.

### **5. Cash Flow**

All Applications must demonstrate the Project can maintain a 15 year average annual cash flow (after debt service, if applicable) 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 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 Applications must capitalize a replacement reserve of \$1,500 per unit in the development budget and fund ongoing annual replacement reserve contributions of \$450 per unit from operations, which shall trend up at three percent (3%) per annum.

**b. Real Estate Tax Reserves**

All Applications must capitalize a real estate tax reserve 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. Additionally, the operating pro forma must include the anticipated annual real estate tax expense.

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 an adequate insurance reserve 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. Additionally, the operating pro forma must include the anticipated annual insurance expense.

**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 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 does 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. 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.

## **10. 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.

## **11. 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.

## **12. 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 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.

## **P. Long Term Operating Support Program and Section 811 PRA Requests (Optional)**

In conjunction with an Application under the Permanent Supportive Housing Development Program, applicants may also request IHDA-managed rental assistance.

### **1. Long Term Operating Support (“LTOS”)**

The Long-Term Operating Support Program was established under the Rental Housing Support Program Act (Public Act 094-0118), to be used exclusively to provide commitments of rental subsidies for units that will be targeted to Extremely Low Income Households ( $\leq 30\%$  AMI). LTOS may be awarded in conjunction with other IHDA multifamily financing programs, and IHDA is making LTOS available in conjunction with the PSH Development Program Round X RFA.

Projects outside the City of Chicago may request Long-Term Operating Support (LTOS) for a maximum of five (5) units in the Project in conjunction with their application. IHDA reserves the right to waive this limitation on the number of units at its sole discretion. Awards of LTOS units will require targeting to those with incomes at or below 30% AMI, with at least 50% of the assistance targeted to benefit households at or below 15% AMI.

IHDA is prohibited from making direct LTOS awards within the City of Chicago. Projects within the City of Chicago may contact the Chicago Low-Income Housing Trust Fund (CLIHTF) regarding the availability of LTOS.

In order to apply for LTOS, applicants must submit the following with their Application:

1. LTOS Grant Calculation Exhibit
2. LTOS Right to Inspect LTOS Units Certification
3. Statewide Referral Network Agreement Certification

Additionally, the Project should identify the LTOS units on the Income tab of the Common Application.

### **2. Section 811 Project-Based Rental Assistance (“Section 811 PRA”)**

The Section 811 PRA provides supportive housing for persons with disabilities and is funded and monitored by HUD. This program assists extremely low-income people (with incomes at or below 30% AMI) with disabilities between the ages of 18-61 to live independently in the community by providing affordable housing linked with voluntary services and supports. IHDA manages the Section 811 PRA for Illinois and makes allocations to eligible projects that have either already received IHDA financing, or that are applying for IHDA financing. No more than 25% of the total units in a building may be restricted to Section 811 to ensure an integrated community. Projects may request a maximum of five (5) Section 811 units in the Project in conjunction with their application.

In order to request Section 811 PRA, Applicants must demonstrate that on the date Project Applications are due, there are at least three (3) persons per one (1) unit on the Section 811 waitlist based on the Project’s municipality or community area in Chicago. Section 811 Demand information is available on IHDA’s website. If the demand for Section 811 units is below the 3:1 ratio for proposed Section 811 units, applicants may provide alternate documentation to demonstrate need related to Section 811. IHDA will review and accept alternative narratives or other documentation at its sole discretion. This could include one or more of the following:



- A narrative to further describe the demand for Section 811 units in the Project's Market area.
- A letter from a service provider/service providers demonstrating ability to make referrals to the property. The letter should include:
  - o Whether the organization has already executed User Agreement to utilize the PAIR module OR intends to sign a User Agreement
  - o Confirmation of the service provider's ability and willingness to provide ongoing services to potential tenants they refer through the Section 811 waitlist at the proposed project site
  - o Certification that the service provider understands the purpose of the Section 811 program and waitlist process and will ensure that relevant staff are trained on the PAIR Module and the referral process

In order to request Section 811 PRA, applicants must submit the following with their Application:

1. Section 811 Interest Form

(Optional) Alternative Section 811 demand information (as described above)

Additionally, the Project should identify the intended Section 811 units on the Income tab of the Common Application.

## Section 8: Application Scoring Criteria

Category	Points	Category Weight
Leveraging Other Sources of Funding	15	15%
Firm Commitment of Operating or Rental Assistance	20	20%
Universal Design Beyond Code Requirements	10	10%
Green Design and Energy Efficiency	5	5%
Access to Transportation	10	10%
Coordination with DCFS, IDOC, or IDHS DDD	10	10%
Coordination of Services (with community-based provider)	5	5%
Neighborhood Assets	10	10%
Development Team Characteristics	5	5%
<b>Participation in Illinois Supportive Housing Institute and CSH Pre-Development Quality Endorsement</b>	8	8%
Statewide Referral Network (SRN) Participation	2	2%
Totals	100	100%

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 fifteen (15) 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 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.

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
20.1% or more	15
15.1-20%	10
12-15%	6

#### ***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 toward 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) that are recipients of Health Act funding (formerly known as McKinney Vento) are unable to commit rental assistance for periods of five (5) years or longer. 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. While not available for scoring under this Section, the Authority does encourage projects to work closely with CoCs and, when feasible for the project and target population, utilize Coordinated Entry for referrals to the property whether or not CoC Rental Assistance has been committed to the project.

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. Universal Design

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

Universal Design Features Beyond Code Requirements	Points
Projects that select ten (10) additional Universal Design items beyond code requirements and beyond Mandatory requirements (for a total of 20 items) in 100% of units	10

### D. Green Design and Energy Efficiency

Projects whose architectural design and construction certify to one of the standards below may earn up to ten (10) points in the application:

Five Points (5)	Seven Points (7)	Eight Points (8)	Ten Points (10)
Enterprise 2020 Community Certification		Enterprise 2020 Community Certification & 5.5b Moving to Zero Carbon: All Electric	Enterprise 2020 Community Certification & 5.5b Moving to Zero Carbon: All Electric & Enterprise Plus
LEED BD+C at the Gold level		LEED BD+C at the Platinum level	LEED BD+C at the Platinum level + LEED Zero
National Green Building Standard (NGBS) at the Emerald Level			
	International Living Future Institute's (ILFI) Core Green Building Certification	Living Building Challenge 4.0 (Petals certification program)	ILFI Zero Energy or Zero Carbon Certification

Five Points (5)	Seven Points (7)	Eight Points (8)	Ten Points (10)
		Passive House Institute United States (PHIUS)' CORE certification	PHIUS Zero certification

### ***E. 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" is defined as being within a half (.5) mile radius of a fixed route transit stop, defined as: a bus and train stop serving local destinations, with scheduled operations beginning no later than 8:00 a.m. and ending no earlier than 6:00 p.m., Monday through Friday. 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.

### ***F. Coordination with DCFS, IDOC, or IDHS DDD***

Projects may earn up to ten (10) points for coordination with either the Illinois Department of Children and Family Services (DCFS), Illinois Department of Corrections (IDOC), or the Illinois Department of Human Services Division of Developmental Disabilities (IDHS DDD). Points in this category **are not cumulative** and are limited to coordination with one of these three state Agencies as detailed below.

#### ***a) 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 need 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
7.5	Letter of support from DCFS regarding referrals to the housing
10	Letter of support from DCFS regarding referrals to the housing -AND- a

plan for how services will be delivered once the youth has graduated from DCFS funded services

**b) Coordination with Illinois Department of Corrections (IDOC) Re-Entry program**

Projects providing housing which is coordinated with IDOC may earn up to ten (10) points as follows:

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

Evidenced through submission of all the following:

1. 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.

**c) Coordination with Illinois Department of Human Services, Division of Developmental Disabilities**

Projects providing housing which have received confirmation of support from an IDHS funded Independent Service Coordination agency and/or other IDHS funded service provider for adults with Intellectual or Development Disabilities may earn up to 10 points as follows:

Points	Scoring Threshold
7.5	At least one letter of support from either: (a) An IDHS-funded Independent Service Coordination agency willing to make referrals to the housing <b>OR</b> (b) One or more IDHS funded service provider(s) willing to make referrals to the housing and/or able to provide services to residents at the property

10

Letters of support from both:

- (a) An IDHS-funded Independent Service Coordination agency willing to make referrals to the housing

**-AND-**

- (b) One or more IDHS funded service provider(s) willing to make referrals to the housing and/or able to provide services to residents at the property

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 Independent Service Coordination agencies or IDHS-funded service providers 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.

### **G. Coordination of Services**

Projects that establish a Memorandum of Understanding (MOU) or other legally binding agreement with a community-based service provider, which may or may not be the Sponsor organization, to provide support services on-site in a dedicated space may 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).

[more detail on requirements of service plan, requirement to demonstrate availability of services - additional document to address services outside of the certification?]

### **H. Neighborhood Assets**

Up to ten (10) points may be awarded in this section based on the proximity of neighborhood assets to the Project Site. Proximity thresholds are based on Geographic Set-Aside (see Section 1: Definitions).

Points will be awarded for each asset in excess of the two (2) mandatory neighborhood assets as follows:

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

Category	Points
Health Services	4
Food Access	2
Civic/Recreation	2
Education/Job Training	2

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.

The two (2) neighborhood assets/establishments used to meet the Mandatory requirement in Section 3 E will be excluded from the scoring under this section. Additional neighborhood assets, above the two (2) utilized to meet the Mandatory requirement, can be considered for scoring under this section.

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, pharmacy, federally qualified health center, or hospital system.

### **Food Access**

- All sites are located within proximity radius of a supermarket, supercenter, full-service grocery store or other food store with fresh produce.

### **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 utilize the [Illinois workNet center](#) and/or the [Illinois Employment First website](#) to determine if these employment resources are located near your development site. The following categories on the Illinois workNet Service Finder Tool can be used to locate relevant job training locations:
  - Disability Services;
  - Education and Training;
  - Job & Career Readiness Services;
  - Mentoring;
  - Workshop and Seminars;
  - Recruitment Services;
  - Resources; and,



- Training Services

## 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. Pre-K or daycare facilities will be considered for family Projects only.

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

- 1) Map(s) clearly delineating all Sites and distance to the neighborhood asset(s).
- 2) The applicable proximity radius around the Site.
- 3) A table referencing each neighborhood asset identified on the map(s).

Documents provided to meet this criteria can also be used to meet the Mandatory requirement in Section 3 E.

### ***I. Development Team Characteristics***

Projects whose Participants include businesses led by Black, Indigenous, or People of Color (BIPOC) are eligible to earn a maximum of eight (8) points in this category. For example, Sponsors can earn up to eight (8) points with teams that include a combination of partnership with BIPOC-led firms or Non-Profits. BIPOC-led firms are defined as follows:

For-profit BIPOC-led firms are defined as those companies who at the time of application can provide documentation of current MBE certification with one of the approved entities below:

- 1) Illinois Department of Central Management Services- Business Enterprise Program for Minorities, Females and Persons with Disabilities; **OR**
- 2) City of Chicago, City of St. Louis, Cook County, Chicago Transit Authority, Illinois Department of Transportation, METRA, PACE, Chicago Minority Supplier Development Council, Mid-States Minority Supplier Development Council or Women's Business Development Center.

BIPOC-led/governed non-profit organizations are defined and certified at time of application one of two ways:

- 1) BIPOC-Led: A minimum of 35 percent of director-level employee leadership is BIPOC, including the Executive Director and a share of those employees reporting directly to the Executive Director. This will be evidenced via self-certification and a completed [Organizational Chart Template](#) at the time of application. **OR**
- 2) BIPOC-Governed: A non-profit whose Board Chair **AND** a minimum 30 percent of all other voting members is BIPOC **OR** whose overall Board composition is 40 percent BIPOC. This will be evidenced via self-certification at time of application. Applicants must also certify that their board composition met the criteria for BIPOC-Governed at least a year (12 months) prior to the application date.

Additionally, projects teams with Participants that include architects, property managers and general contractors holding current MBE/WBE/DBE certificates with the entities as outlined above are also eligible to earn up to (4) four points in this category.

Maximum Points	For-Profit Participant	Non-Profit Participant
8	BIPOC-led For-Profit Sponsor that have at least a 51% stake in all aspects of development control including but not limited to ownership, cash-flow, and voting rights	BIPOC-led or governed Non-Profit Organization Sponsor that has at least a 51% stake in all aspects of development control including but not limited to ownership, cash-flow, and voting rights
<b>OR</b>		
4	BIPOC-led for-profit Co-Sponsor that has at least a 49% stake in all aspects of development control including but not limited to ownership, cash-flow, and voting rights <b>AND/OR</b>	BIPOC-led or governed Non-Profit Organization Co-Sponsor that has at least a 49% stake in all aspects of development control including but not limited to ownership, cash-flow, and voting rights <b>AND/OR</b>
2	BIPOC-led For-Profit Co-Sponsor that has at least a 25% stake in all aspects of the development control including but not limited to ownership, cash-flow, and voting rights <b>AND/OR</b>	BIPOC-led or governed Non-Profit Organization Co-Sponsor that has at least a 25% stake in all aspects of the development control including but not limited to ownership, cash-flow, and voting rights <b>AND/OR</b>
2	MBE/WBE/DBE General Contractor or MBE/WBE/DBE Architect or MBE/WBE/DBE Property Manager (Limit 2 for 4 possible points)	

Examples of possible point scenarios are as follows:

- Project Sponsor is a BIPOC-led For-Profit firm or a Non-Profit Organization that is BIPOC-led and/or governed by a BIPOC majority board (8 points) = **8 points**
- Project Sponsor is a BIPOC-led Co-Sponsor or Non-Profit Organization Co-Sponsor that is BIPOC-led and/or governed by a BIPOC majority board that have at least a 49% stake (4 points) + MBE/WBE/DBE General Contractor (2 points) + MBE/WBE/DBE Architect (2 points) = **8 points**
- Project Sponsor is a BIPOC-led Co-Sponsor or Non-Profit Organization Co-Sponsor that is BIPOC-led and/or governed by a BIPOC majority board that have at least a 25% stake (2 points)

+ MBE/WBE/DBE General Contractor (2 points) + MBE/WBE/DBE Architect (2 points) = **6 points**

- Project includes MBE/WBE/DBE Architect (2 points) + MBE/WBE/DBE Property Manager (2 points) = **4 points**

**J. Participation in Illinois Supportive Housing Institute and CSH Pre-Development Quality Endorsement**

IHDA has sponsored an Illinois Supportive Housing Institute led by the Corporation for Supportive Housing (CSH) to provide targeted training and technical assistance to build the capacity of developers of Permanent Supportive Housing in Illinois. Project teams that have participated in the IHDA-sponsored Illinois Supportive Housing Institute from 2022 – present may receive up to four (4) points.

Additionally, CSH offers a Pre-development Quality Endorsement for supportive housing projects in the planning phase. Projects that have completed and passed the CSH Endorsement process may receive up to four (4) points.

Points	Scoring Threshold
4	(a) Development Team has participated in the Illinois Supportive Housing Institute <b>OR</b> (b) letter of support from CSH demonstrating the project meets CSH Quality Standards
8	Development Team has participated in the Illinois Supportive Housing Institute AND provides a letter of support from CSH demonstrating the project meets CSH Quality Standards

**K. Statewide Referral Network (SRN) Participation**

Projects may include Statewide Referral Network units for up to two (2) points. In order to receive points, Projects must include at least 20% of total units as Statewide Referral Network Units in order to receive 2 points.

Applicants must demonstrate that on the date Project Applications are due, there are at least three (3) persons per one (1) unit on the SRN waitlist based on the Project's municipality or community area in Chicago. SRN Demand information is available on IHDA's website. If the demand for SRN units is below the 3:1 ratio for proposed SRN units, applicants may provide alternate documentation to demonstrate need related to the SRN. IHDA will review and accept alternative narratives or other documentation at its sole discretion. This could include one or more of the following:

- a narrative to further describe the demand for SRN units in their area for review.

- Letter from a service provider/service providers demonstrating ability to make referrals to the property. The letter should include:
  - o Whether the organization has already executed an SRN User Agreement to utilize the PAIR module OR intends to sign an SRN User Agreement
  - o Confirmation of the service provider's ability and willingness to provide ongoing services to potential tenants they refer through the SRN at the proposed project site
  - o Certification that the service provider understands the purpose of the SRN and will ensure that relevant staff are trained on the PAIR Module and the SRN referral process

All Projects including SRN Units should submit a draft SRN Agreement at the time of application.

Note that properties with Long-Term Operating Support (LTOS) Units will be required to use the SRN for referrals for all LTOS units. See Mandatory Criteria Section P.

## Section 9: 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 non-exhaustive summary of certain aspects of the major compliance requirements.

### ***A. Approval of Final Plans and Specifications***

The Authority’s Design, Construction and Regulatory Compliance 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](http://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.

### **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](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, national origin, sex, familial status, disability, pregnancy, marital status, age (40 and over), order of protection status, ancestry, military status, unfavorable military discharge, and sexual orientation (including gender-related identity).

## **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 management documents which may include a tenant selection plan, management plan, management agreement, affirmative fair housing marketing plan, and sample lease, and other documents as required, 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 period of 15 years. Note that some sources may require affordability requirements be in place for up to 30 years.

## ***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.



## Appendix I: 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.

**Continuum of Care (CoC)** – A local planning body that coordinates housing and services planning and funding for homeless families and individuals. The CoC tracks and manages the homeless needs and services in its area.

**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) **City of Chicago Set-Aside** consists of the City of Chicago.

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

c) **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) **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.

**Illinois Supportive Housing Institute** – A four-month training Institute, sponsored by IHDA and led by the Corporation for Supportive Housing (CSH) to provide targeted training and technical assistance to development teams, with the goal of helping teams navigate the development process and increase the supply of quality supportive housing throughout the Illinois.

**Long-Term Operating Support (LTOS)** – shall mean the long-term operating support program established under the Rental Housing Support Program Act (Public Act 094-0118), to be used exclusively to provide commitments of rental subsidies for units that will be targeted to Extremely Low Income Households ( $\leq 30\%$  AMI).

**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/or property manager.

**Permanent Supportive Housing** – shall mean a Project that creates units 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 chronic 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 median income), 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).

**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.

**Project Concept Meeting** – shall mean a mandatory meeting (virtual or in-person) between an Applicant and the Authority to occur prior to Application submission where the Applicant outlines their Project concept including: intended population served, project size, project type, proposed financing structure, and proposed partnerships, if any. The Authority will also provide insight into the market characteristics for PSH in the area as well as any site or amenity concerns based on the project's location.

**Regulatory Agreement** – shall mean a document that outlines the terms of the up to 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.

**Section 811 PRA** – The Section 811 Project Rental Assistance (PRA) Program, authorized by the Frank Melville Supportive Housing Investment Act of 2010, seeks to expand the supply of supportive housing that promotes community integration for low-income people with disabilities.

**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.

**Supportive Housing Populations** – shall mean households headed by persons with chronic disabilities and/or households that are homeless, at-risk of homelessness or unnecessary institutionalization, and other special needs populations who need access to supportive services in order to maintain housing stability, including justice-involved persons and victims of domestic violence, and those that meet the definition of Qualifying Populations under the HOME-ARP Program as described in CPD-21-10.

**Statewide Referral Network** – 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** – shall mean 30% AMI 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. Projects funded pursuant to this Request for Applications may set-aside up to 25% of total units as Statewide Referral Network (SRN) Units.

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

## Appendix II: Sources and References

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<sup>1</sup> Working Group III – Utilizing Affordable Housing Infrastructure to Promote Access

<sup>2</sup> <https://www.huduser.gov/portal/casestudies/study-062518.html>

<sup>3</sup> <https://www.mercurynews.com/2019/01/15/kaiser-permanente-to-spend-5-2-million-to-house-homeless-in-oakland/>

<sup>4</sup> [https://shelterforce.org/wp-content/uploads/2018/08/HCD\\_Supplement\\_v04.pdf](https://shelterforce.org/wp-content/uploads/2018/08/HCD_Supplement_v04.pdf)

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