

Permanent Supportive Housing (PSH) Development Program Round X with option for Healthy Housing, Healthy Communities (H3C) Frequently Asked Questions

Updated 12.15.2023

FINANCIAL FEASIBILITY

Can a Project request Section 811 PRA and LTOS from IHDA?

- Yes, projects may request both sources, but only up to five total units (5 units total of either Section 811, LTOS or a combination of LTOS/Section 811).

If a project is requesting IHDA 811 and/or LTOS, is there a contract rent that can be used for underwriting?

- Given the Authority's limited rental assistance, underwriting with subsidy on units with IHDA rental assistance is **not** permitted.

If a project has less than a ten-year commitment of rental assistance, can assisted rents be used for underwriting?

- If a project has a commitment of rental assistance from a Housing Authority, LAA, or CoC the project will only be able to underwrite with assisted rents (higher than 95% of the rent limit) when the units have a 10+ year rental assistance commitment. For rental assistance sources with terms shorter than 10 years IHDA will consider applicants should provide a narrative addressing how the project will maintain financial feasibility should the rental subsidy no longer be available.

What evidence is required to include commercial income?

- The Authority's standard policy is to underwrite with no commercial income. For projects attempting to underwrite with commercial income, a reduced Commercial vacancy rate may be considered. With full application, please provide copies of any existing leases and/or letters of interest to lease the commercial space, as well as a narrative justifying underwriting at the proposed vacancy rate.

Can existing debt be used for leveraging points? Can the existing debt be used to meet the 10% equity requirement?

- No, existing debt cannot be used in leveraging or to meet the 10% equity requirement.

For projects pursuing Illinois Affordable Housing Tax Credits (IAHTC), what additional documents will be required at the time of application?

- Please refer to the [IAHTC Application checklist](#). All documents will be required for projects pursuing state donation tax credits. Of particular note, if the credits are being generated by an eligible land donation, an appraisal **will be** required.

How should projects reflect FHLB Affordable Housing Program funds, if these may not be secured by the PSH Development Program Application deadline?

- For FHLB AHP or other similar uncommitted sources, applicants are able to include the source in the capital stack, but a letter must be included committing to fill any subsequent gap, which cannot include an additional IHDA fund request.

For 4% LIHTC and PSH Requests, where there are differences in requirements between the PSH RFA and the QAP, what will apply?

For project specific questions, please reach out to PSHRFA@ihda.org. In general, the following will apply in regard to these general topics.

- *Statewide Referral Network (SRN)*: The requirements in the PSH RFA will apply. Specifically, there is no requirement that a project set aside units for the SRN.
- *Neighborhood Assets Requirements*: The requirements and scoring incentives in the PSH RFA will apply. However, all projects that include a 4% request will still need to complete the Enterprise Green Communities Workbook, as detailed in the QAP, and indicate any requests for a waiver from EGC criteria.
- *Developer Fee Requirements*: Applicants will be held to the standards outlined in IHDA's *Underwriting Standards Guide* regarding Developer Fee calculations.
- *Project Amenities Requirements*: The requirements and scoring incentives in the PSH RFA will apply. Applicants should utilize the *Architectural Standards, Universal Design, and Amenities Certification* specific to the PSH RFA for submission with an application.
- *Development Team Requirements*: The requirements outlined in the QAP will apply. For scoring, the PSH RFA scoring criteria and documents should be used.
- *Vacancy Rates*: The standards in the PSH RFA will apply. Residential vacancy rates should be set at 10%. Alternative residential vacancy rates will be considered for projects where 100% of the units are covered by project-based rental assistance.
- *Third Party Reports*: The requirements in the PSH RFA will apply.
- *Fee Payment*: The PSH Multifamily Fee Payment form should be used.

DESIGN, CONSTRUCTION, AND REGULATORY COMPLIANCE REQUIREMENTS

Are PSH Round X applications required to submit a third-party cost estimate?

- No, as of December 12, 2023, IHDA has waived the requirement that a Project Estimate of Probable Construction Cost (aka third-party cost estimate) be completed and submitted at time of application. All other requirements will remain the same, and Applicants should review the

Design, Construction & Regulatory Compliance Requirements that have been updated as of October 30, 2023. An estimate by the General Contractor is still required at application.

Does IHDA have a list of third-party cost estimators?

- IHDA does not maintain a list of third-party cost estimators. Sponsors should find a consultant, having an office in the State of Illinois, that is certified by one of the following organizations:
 - as a cost engineer by the Association for the Advancement of Cost Engineering (AACE)
 - as a certified professional estimator by the American Society of Professional Estimators (ASPE)
 - as a certified cost estimator/analyst by the International Cost Estimating and Analysis Association (ICEAA)
 - having a chartered status issued by the Royal Institution of Chartered Surveyors (RICS)
- Sponsors should be able to search the website for each of the organizations above to find a cost estimator working in Illinois.

How will IHDA determine the construction cost limit for projects?

- As of October 20, 2023, the Authority has moved to using a per square foot (psf) calculation for evaluating construction costs. The limits are established based on geographic set aside and level of green certification the project is pursuing. The limits for PSH projects are as follows:

New construction/Adaptive reuse

Set aside:

City of Chicago

Chicago Metro

Other Metro

Non Metro

Base	Advanced	Net Zero
\$405	\$430	\$455
\$335	\$360	\$385
\$320	\$345	\$370
\$315	\$340	\$365

Rehabilitation

Set aside:

City of Chicago

Chicago Metro

Other Metro

Base	Advanced	Net Zero
\$260	\$300	\$340
\$250	\$290	\$330
\$215	\$255	\$295

Non Metro	\$160	\$200	\$240
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Green certification level can be determined as follows:

Base level certifications	Advanced level certifications	Net Zero level certifications
Enterprise 202 Community Certification	Enterprise 2020 Community Certification <u>&</u> 5.5b Moving to Zero Carbon: All Electric	Enterprise 2020 Community Certification <u>&</u> 5.5b Moving to Zero Carbon: All Electric <u>&</u> Enterprise Plus
LEED BD+C at the Gold level	LEED BD+C at the Platinum level	LEED BD+C at the Platinum level <u>&</u> 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
	Passive House Institute United States (PHIUS) CORE certification	PHIUS Zero certification

HEALTHY HOUSING, HEALTHY HOMES (H3C) REQUIREMENTS

Is donated land or a facility for reuse by the healthcare partner considered leveraging?

- No, to be considered for leveraging points, only sources that are included as capital sources on in the Common Application will be considered leveraging for the scoring criteria.

For H3C applicants, do services provided by the healthcare partner count towards the healthcare partner's required financial contribution?

- No, however, IHDA encourages project teams to quantify the value of these services over the lifetime of the partnership which will be a qualitative factor when evaluating projects for awards.

Would annual rent payments for lease of the Health Care space count for the Health Care provider's contribution?

- No, commercial income is not considered an operational subsidy.

SCORING CRITERIA

For PSH-only projects, the maximum score for rental subsidies is 20 points, which is achievable if the project has 75%+ of the units under the 10+ year PBRA. Would it be possible to combine points for a portion of the units under PBRA and another portion of the under a CoC PBRA?

- Yes, but the total score cannot exceed 20 points. IHDA is willing to award points based on creative leveraging of rental assistance, please include all necessary documentation to substantiate the rental assistance has been secured.

Are rental assistance sources other than CoC Rental Assistance with a term of less than 5 years eligible for scoring?

- Yes, other rental assistance sources (such as CLIHTF, HOPWA, etc.) with commitment terms of less than 5 years can be considered for the rental assistance scoring criteria under the still count CoC Rental Assistance category.

OTHER QUESTIONS

What if your project did not identify a site at the Concept Meeting or has a change in site between the Concept Meeting and Application?

- For any site changes between Concept Meeting and Application, please confirm the site by email to PSHRFA@ihda.org on or before January 1, 2024.