

Public Comments and Responses to IHDA's draft of the 2024-2025 Qualified Allocation Plan ("QAP")

As part of the QAP planning and writing process, the Illinois Housing Development Authority held a public hearing and a respective 30-day public comment period in which the affordable housing development community was able to review a draft of the 2024-2025 QAP and comment accordingly. IHDA appreciates and recognizes the importance of this feedback as it has informed the updates and changes to the final [2024-2025 QAP](#).

Below you will find comments received with IHDA's response. If you have additional questions, feel free to reach out to multifamilyfin@ihda.org. Thank you to all those that submitted a comment!

Requested Consideration to-

1. Increase the tax credit limit

The Authority has made the decision to maintain at the 1.5 million tax credit maximum.

2. Increase the developer fee

The developer fee has increased to a maximum of \$2.5 million when soft funds are included.

3. Remove the third-party cost estimate requirement

In efforts to contain the rising costs in development projects, a third-party cost estimate will be required for every project.

4. Remove the 12-month closing language under "unacceptable practices"

Any deal that fails to meet an Authority guideline, including the 12-month closing language, will be treated on a case-by-case basis.

5. Remove the onsite gardening incentive

Gardening incentive was removed.

Development Team Comments

1. Identify strategies to recruit new developers

In the spirit of recruiting and retaining new developers, participation in the Supportive Housing Institute has been incentivized in the PSH Track. New developer participation will continue to be considered and incentivized through alternate methods moving forward and is supported by IHDA initiatives and programming (such as the Next Gen BIPOC Developer Capacity Program).

2. Why does the Executive Director AND a minimum of 35% of director-level leadership have to be BIPOC to receive points for a BIPOC-led nonprofit developer? Please revert to the previous QAP.

IHDA agrees. This language was changed to reflect that "A minimum of 35% of director-level employee leadership is BIPOC, which can include the Executive Director, with the designated employees reporting directly to the Executive Director."

3. Why are there additional incentives, compared to last QAP, for Illinois based organizations?

The language was strengthened to incentivize team members that are incorporated in Illinois.

Supportive Housing Related Comments

1. What is the reasoning behind the difference in eligible points between the General and PSH Tracks?

To provide proper incentivization to PSH projects and not add additional costs and/or requirements, various scoring categories had to either be reduced in points or fully eliminated from one of the two tracks.

2. Increase the required SRN participation to 10% for all geographic set asides

The SRN requirements by geographic set-aside will remain unchanged.

3. Dedicate more than one staff member to coordinate the SRN because those units are challenging to fill

IHDA supports increasing staff and capacity surrounding SRN coordination and is taking several measures to increase such capacity internally and across the state for overall improvements and function.

4. Strengthen the PSH Track by creating a tax credit set-aside for supportive housing; requiring coordination with the local Coordinated Entry System for PSH projects; and coordinating with Medicaid billable housing supports to inform future pipeline.

Great strides were made with the PSH Scoring Track. We expect success with the Scoring Track and thereafter, these recommendations and other improvements may be considered.

5. Incorporate developer feedback from statewide listening sessions for PSH projects

Much of the feedback sourced from the PSH developer listening sessions that were coordinated in the spring of 2023 by IHDA strongly and directly informed the PSH Development Program's Round X RFA, which was used as the basis for the PSH Track Scoring in this QAP. Detailed feedback which supported these developments in the RFA and QAP can be found within Section 3 of the PSH Round X RFA.

6. Social services should be allowed within the project's operating budget, even if gap funding is requested

IHDA's stance is that resident services must not be included in the project operating expenses, unless a project receives or will receive federal project-based rental assistance or project-based vouchers that contractually require the provision of resident services.

7. Consider not requiring a Veterans Housing Preference in PSH track

The Veterans Housing Preference is codified as a mandatory requirement in the QAP, and therefore, is applicable to all projects seeking an allocation of Tax Credits. There is no differentiation between General Track and PSH Track Mandatory requirements.

Sustainability Comments

1. Incentivize the leveraging of Inflation Reduction Act (IRA) funding

The (IRA) tax credits are stackable with LIHTC and incentives may be considered in the future.

2. Ensure basic Green Building Certification programs achieve the same level of energy efficiency

An "Energy Efficiency Certification" path was created, separate from the "Green Building Certification" path.

General Comments

1. Allow for more flexibility regarding the number of RAD transactions eligible for LIHTC

The QAP states that the Authority reserves the right to limit the number of 9% Tax Credit Reservations for Rental Assistance Demonstration ("RAD") Projects to one per set-aside per year. The language gives us the flexibility to allow more than one RAD deal per set-aside.

2. Upholding and maintaining the Right of First Refusal ("ROFR")

This issue is under consideration with the National Council of State Housing Agencies ("NCSHA") task force on recommended best practices. IHDA is maintaining an open dialogue with stakeholders concerning this issue.

3. *Allow Quality of Life Index (“QOLI”) and Affordability Risk Index (“ARI”) proximate scoring*

IHDA does not have plans to allow for proximate scoring for either market tool.

4. *How are geographic set-asides determined?*

The target allocations are based on the population of residents in those collective set-asides with the exception of the City of Chicago, which is discounted by the amount of credits HUD provides directly to the city.