

## PROJECT-BASED VOUCHER SUBSIDY LAYERING REVIEWS

The Illinois Housing Development Authority (IHDA) serving as the Housing Credit Authority (HCA) received authorization from HUD to conduct Subsidy Layering Reviews (SLRs) for newly constructed and rehabilitated multi-family projects that:

- 1) Received an allocation of LIHTCs financed by IHDA.
- 2) Received an allocation of HOME and/or NHTF financed by IHDA **and**
- 3) Will receive Section 8 Project-Based Voucher (PBV) Housing Assistance.

The purpose is to facilitate a streamlined and accurate approach to conducting a Project-Based Voucher (PBV) Subsidy Layering Review (SLR) for affordable housing projects within the state of Illinois where IHDA has allocated LIHTC, HOME and/or NHTF.

SLRs for PBV assistance are required pursuant to Section 8(o)(13) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(o)(13)); Section 2835(a)(1)(M)(i) of the Housing and Economic Recovery Act of 2008 (HERA); and Section 102 of the Department of Housing and Urban Development Reform Act of 1989.

IHDA is required to review and ensure that the amount of public assistance provided by HUD is not in excess when the project combines the HAP subsidy from the PBV program and all other governmental assistance. The following chart summarizes the types of projects that require a PBV SLR, the entity authorized to perform the PBV SLR, and the required certification. 102(d) Certification is the owner's certification of no additional government funding using form HUD 2880.

Type of Project and Scenarios	SLR Reviewer	102(d) Certification Required?
PBV subsidy without LIHTC. However, project is new construction or rehabilitation, as defined in 24 CFR 983.3, with 2 or more forms of government assistance.	HCA or HUD	If by HCA, certification is not required. Otherwise, HUD certifies.
PBV subsidy with LIHTC, new construction or rehabilitated project.	HCA or HUD	If by HCA, certification is not required. Otherwise, HUD certifies.
PBV existing housing, as defined in 24 CFR 983.3	No SLR required	No
PBV new construction or rehabilitated housing, but PBV is the only form of government assistance.	No SLR required	No
Mixed-finance projects, with or without LIHTC, with or without PBV, with other forms of government assistance.	HUD	Yes

SLRs for Mixed-Financed projects **cannot** be completed by IHDA. All Mixed-Financed SLRs are prepared by HUD.

The process and procedures described pertain to PBV SLRs occurring after completion of project underwriting but before execution of the AHAP contract. The PHA must request the PBV SLR from IHDA. If PBV is the only governmental assistance, an SLR is not required.

IHDA reserves the right to charge a SLR application fee. Please refer to the Multifamily fee chart posted in our website.

At the time of initial submission of the SLR request, evidence that a request for a part 58 review has been submitted to the responsible entity or a part 50 review has been submitted to the Field Office is required.

**Step 1:** The Project owner assembles the necessary information to complete the SLR and submits this information to the primary contact person at the PHA. Refer to PHA Submission Checklist for the required elements of an SLR Application/Submission Package. The primary contact person at the PHA will provide the SLR package to the primary contact person at IHDA for review.

**Step 2:** Upon receipt of the SLR package, IHDA will determine if the SLR information submitted by the PHA is complete or if additional information is required. If the necessary elements of the SLR application are provided, IHDA's primary contact person and/or related staff will proceed to review the information for potential certification. IHDA will advise the PHA of the status of the review within ten business days of determining that the necessary elements have been provided and will provide reasonable direction if additional information or explanation is required to proceed.

**Step 3:** Upon review by IHDA, if the SLR information is complete and correct, and if the SLR information evidences that the relevant project standards are in compliance with the SLR Underwriting Standards, then IHDA will submit (via email) the SLR certification and supporting documentation to HUD with a copy to the PHA. The AHAP/HAP contract may then be executed if the environmental approval is received.

If the SLR evaluation performed by IHDA determines that the public assistance amount is excessive, and the project owner declines to adjust the project budget to bring the project's development costs or operations standards metrics to compliance with the relevant parameters, then IHDA will notify HUD, in writing, with a copy to the PHA. The notification will include either a recommendation to reduce the amount of PBV assistance or the amount of the LIHTC allocation or a determination that PBV assistance cannot be provided. HUD will consult with IHDA and the PHA prior to issuing a final determination to adopt IHDA's recommendation or to revise it. The PHA will notify the project owner in writing of the outcome and work to restructure, as needed. Revised materials may then be resubmitted to IHDA and the HUD Chicago Field Office for review.