

REQUEST FOR APPLICATIONS

HOME-ARP Non-Congregate Shelter Development Program

Deadline: 5:00 P.M. on February 20, 2025

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Section 1: Authority Policy Priorities

The Illinois Housing Development Authority ("IHDA" or the "Authority") identifies policy priorities through a variety of both proactive planning and legislatively mandated processes. Policy priorities are tools that are utilized to inform and guide the Authority's funding mechanisms, and provide a framework for tracking and understanding the impact of Authority resources across the state. Many of the Authority's policy priorities directly support the HOME-ARP Non-Congregate Shelter Development Program and construction of Non-Congregate Shelter ("NCS") units. Current priorities and their correlated plans include:

A. Annual Comprehensive Housing Plan 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." The Authority's HOME-ARP Non-Congregate Shelter Development Program explicitly funds the creation of shelter units that directly support a minimum of three of the 2024 Annual Comprehensive Housing Plan's ("ACHP") eight priority populations:

- A. Persons experiencing homelessness and persons at-risk of homelessness
- B. Low-income persons residing in existing affordable housing that is in danger of being lost or becoming unaffordable
- C. Other special needs populations, including justice-involved persons and veterans experiencing, or at risk of, homelessness

The 2024 ACHP also identified four distinct policy priorities to guide the activities of the Authority and other state agencies for upcoming year. Two of these four priorities directly address the need to support NCS units and activities:

- Policy Priority #2: Advance Access for Priority Populations
- Policy Priority #4: Maximize Impact of New Resources and Programming by Building Partnerships and Leadership Capacity

B. Illinois Housing Blueprint

The Illinois Housing Blueprint is a statewide planning initiative that aims to create a vison for the future of equitable affordable housing in Illinois and lay out a plan for achieving it. 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: Aligning Infrastructure & Housing 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 households as having the highest need for housing resources across the state. As part of the 2022 Illinois Housing Blueprint, community feedback sessions were conducted and residents noted the need for emergency housing and other shelter resources in their community.

C. 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 build a strong safety net and permanent housing for Illinoisans facing homelessness and housing insecurity. 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 the Authority's Executive Director sits.

Research presented in the HOME Illinois plan shows that on any given night in Illinois, more than 10,000 people

experience literal homelessness, and tens of thousands of Illinois families live temporarily and unstably with family and friends. Home Illinois is a plan primarily focused on increasing permanent housing solutions, bolstering safety net resources to prevent housing instability, and preventing entries into temporary shelter. However, the Plan recognizes that emergency shelter is a key resource in the landscape of housing insecurity crisis interventions, and that rightsizing emergency shelters is critical infrastructure in a homeless crisis response system.

Section 2: HOME-ARP Overview

A. HOME-ARP Background

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARP funds to be administered through the HOME Investment Partnerships Program ("HOME") to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations.

As the administrator of the State of Illinois' non-entitlement HOME funding, the Authority is responsible for the distribution of Illinois' statewide non-entitlement allocation of ARP (or "HOME-ARP") funds.

Requirements for HOME-ARP funds are established via the **U.S. Department of Housing and Urban Development** ("HUD") Notice CPD 21-10: Requirements for the Use of Funds in the HOME-American Rescue Plan Program. Sponsors should review carefully and refer back to CPD-21-10 and other HUD HOME-ARP resources for detailed descriptions and definitions of the requirements around the HOME-ARP Program, in particular the definitions of eligible activities, Qualifying Populations ("QPs"), and referral methods, which are outlined below¹.

B. HOME-ARP Eligible Activities

HOME-ARP funds can be used for four eligible activities²:

- 1. Production or preservation of affordable housing;
- 2. Tenant-based rental assistance ("TBRA");
- 3. Supportive services, including services defined at 24 CFR 578.53(e), homeless prevention services, and housing counseling; and
- 4. Purchase and development of Non-Congregate Shelter. These structures can remain in use as Non-Congregate Shelter or can be converted to:
 - 1) Emergency shelter under the Emergency Solutions Grant ("ESG") Program;
 - 2) Permanent housing under the Continuum of Care ("CoC"); or
 - 3) Affordable housing under the HOME Program.

C. HOME-ARP Qualifying Populations

HOME-ARP funds must be used to primarily benefit individuals or families from the following QPs:

- 1. "Homeless," as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a));
- 2. "At-risk of homelessness," as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(1));
- 3. "Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking," as defined by the Secretary; and/or
- "Other populations" where providing supportive services or assistance under section 212(a) of the Act (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability.

Veterans and families that include a veteran family member that meet the criteria for one of the QPs described above are eligible to receive HOME-ARP assistance. Veterans and families that include a veteran family member

¹ HUD Notice CPD 21-10 is available at https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-10cpdn.pdf; additional HUD guidance on HOME-ARP is available at https://www.hudexchange.info/programs/home-arp/topics

² Each PJ determines which of the four eligible uses it will fund with its HOME-ARP allocation, based on that PJ's outreach and research efforts for its Allocation Plan. See **Section 2.E**.

that meet the criteria for one of the QPs described above are eligible to receive HOME-ARP assistance.

100% of HOME-ARP funds used by a PJ must benefit individuals and families that meet one of the QPs. Individuals and families in QPs may be assisted by one or more of the HOME-ARP eligible activities. Up to 30% of HOME-ARP rental housing units may be occupied by low-income households as defined in 24 CFR 92.2. For more detailed descriptions of each QP with statutory references, see HUD document **HOME-ARP Qualifying Populations (QP) At-A-Glance** and the HUD QPs **resource page**³.

D. HOME-ARP Referral Methods

PJs are required to provide access to HOME-ARP projects and activities to all four HOME-ARP QPs through one or more of the referral methods listed below and described in HUD Notice CPD 21-10. A referral identifies the next individual or household to receive assistance after an initial assessment process that determines the individual or household is an eligible QP. The three referral methods for HOME-ARP projects and activities are:

- Use of HOME-ARP Expanded Coordinated Entry⁴;
- 2. Use of Standard Coordinated Entry with Other Referral Methods; and
- 3. Use of a Project/Activity Waiting List.

E. The Authority's HOME-ARP Allocation Plan

The 651 State and local PJs eligible to receive HOME-ARP grants were required to submit a HOME-ARP allocation plan to HUD for review and approval before funding could be released. The HOME-ARP allocation plan describes how the PJ intends to distribute its HOME-ARP funds, including how it will use these funds to address the needs of HOME-ARP QPs. The Authority submitted its HOME-ARP Allocation Plan in August 2022, and HUD approved the Plan on September 15, 2022.

Before developing its HOME-ARP Allocation Plan, the Authority was required to conduct outreach to local Continua of Care, homeless service providers, and other agencies, providers, and groups working in areas that address the needs of the QPs to identify unmet needs and gaps in housing or service delivery systems. The Authority conducted statewide outreach to a wide range of entities to determine the varied and unique housing needs of the residents of Illinois. This outreach included:

- · Continua of Care in Illinois
- · Housing and housing-related service providers
- Public Housing Authorities
- Fair housing, policy, and advocacy organizations
- Regional economic development organizations
- Illinois county and municipal HOME-ARP PJs
- · State agencies

Altogether, the Authority received feedback from 71 different entities on needs and recommendations for statewide HOME-ARP funding. Feedback from these entities and data from a required statewide needs assessment conducted for the Allocation Plan illustrated a great need for emergency shelter resources and affordable housing units across the state.

³ HOME-ARP Qualifying Populations At-A-Glance: https://files.hudexchange.info/resources/documents/HOME-ARP-Qualifying-Populations-At-A-Glance.pdf; HUD Qualifying Populations resource page: https://www.hudexchange.info/programs/home-arp/topics/#qualifying-populations

⁴ In accordance with the Authority's current Allocation Plan, Referral Method 1: Use of HOME-ARP Expanded Coordinated Entry, as outlined in HUD Notice CPD 21-10, will not be considered an allowable referral method under this RFA except at the Authority's sole discretion.

Section 3: RFA Overview and Allowable Project Types

A. RFA Overview and Common Terms

The purpose of this Request for Applications ("RFA") is to solicit applications for the development of Non-Congregate Shelter through the federal HOME-ARP Program. HOME-ARP defines NCS as one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement. The Authority seeks to expand the availability statewide of quality emergency shelter space, the desperate need for which is outlined in the Authority's HOME-ARP Allocation Plan, in order to better serve Illinois' residents at the greatest need for emergency housing resources.

B. Eligible Activities

HOME-ARP funds may be used to acquire and/or rehabilitate HOME-ARP NCS units to serve QPs. Demolition of existing structures may be undertaken only as part of a HOME-ARP NCS Project.

For the purposes of this RFA, only the acquisition and/or rehabilitation of existing structures will be allowed. New construction and the acquisition of vacant land for the purpose of new construction will not be allowable Project types.

HOME-ARP funds allocated under this RFA may be used for actual costs of acquiring or developing HOME-ARP NCS as follows:

- a. Acquisition costs: costs to acquire improved or unimproved real property.
- b. Development hard costs: costs identified in 24 CFR 92.206(a) to rehabilitate HOME-ARP NCS units, except costs must be for meeting the physical standards established in Section VI.E.7 of HUD Notice CPD 21-10.
- c. Site improvements: costs to make improvements to the Project site, including installation of utilities or utility connections, and the construction or rehabilitation of laundry, community facilities, on-site management, or supportive service offices.
- d. Related soft costs: reasonable and necessary costs incurred by the PJ and owner associated with the financing, acquisition, and development of HOME-ARP NCS Projects, including costs identified in 24 CFR 92.206(d) with the following exceptions:
 - i. Costs to provide information services such as affirmative marketing to prospective homeowners and tenants are not eligible;
 - ii. Costs of funding an initial operating deficit reserve are not eligible; and
 - iii. Costs of Project-specific assistance to community housing development organizations, including technical assistance and site control loans or seed money loans as specified in 24 CFR 92.301, are not eligible.
- e. Replacement reserve: costs to capitalize a replacement reserve to pay the reasonable and necessary costs of replacing major systems and their components whose useful life will end during the Restricted Use Period. Major systems include structural support, roofing, cladding, and weatherproofing, plumbing, electrical and HVAC. The costs of replacing major systems must be determined through a Capital Needs Assessment or documented in writing after an inspection by the PJ or PJ-selected contractor to assess the remaining useful life of major systems expected upon completion of the HOME-ARP NCS Project.

C. Ineligible Activities

HOME-ARP funds may not be used to pay the operating costs of HOME-ARP NCS. Consequently, PJs must consider the availability of ongoing operating funds for the HOME-ARP NCS so that the Project can remain viable through the Restricted Use Period of 10 years.

Additionally, HOME-ARP funds may not be used to for the following purposes:

a. Providing additional HOME-ARP investment in a HOME-ARP NCS Project during the Restricted Use Period,

except that additional HOME-ARP funds can be invested in the Project up to one year after Project completion in HUD's Integrated Disbursement and Information System ("IDIS") for eligible costs;

- b. Paying costs of a conversion of HOME-ARP NCS to another use;
- c. Providing non-Federal matching contributions required under any other Federal program;
- d. Providing assistance for uses authorized under Section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (Public Housing Capital and Operating Funds);
- e. Providing assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low-Income Housing Mortgages);
- f. Paying for the acquisition of property owned by the PJ, except for property acquired by the PJ with HOME-ARP NCS funds, or property acquired in anticipation of carrying out a HOME-ARP NCS Project;
- g. Paying delinquent taxes, fees, or charges on properties to be assisted with HOME-ARP NCS funds; or
- h. Paying for any cost that is not eligible under HUD Notice CPD 21-10.

D. Eligible Applicants

Eligible applicants under this RFA must be social service organizations that currently serve one or more of the HOME-ARP QPs through emergency shelter, housing placement, case management, or similar activities. One or more Sponsors must have a minimum of three to five years of experience providing such services, and must be a current recipient of an ESG Program grant, an Emergency and Transitional Housing ("ETH") Program grant from the Illinois Department of Human Services ("DHS"), or other verifiable operating funding sources which may include philanthropic contributions. Management of additional funding sources will be considered eligible at the Authority's sole discretion.

One or more Sponsors must additionally have a minimum of three to five years experiencing successfully developing and operating real estate, such as fixed-site shelters, single-room occupancies ("SROs"), permanent supportive housing, and/or affordable housing. Service provider Sponsors that do not have three to five years of real estate development experience must partner with an experienced affordable housing developer or technical assistance provider for the duration of HOME-ARP NCS development activities.

E. Eligible Project Size

The minimum unit count allowable for HOME-ARP NCS Projects is 20 units. There is no maximum project size or unit count, and the Authority reserves the right to consider smaller Projects upon request. Project proposals' unit count will be analyzed based on financial feasibility and proven community need. Sponsors should consider their communities' needs and characteristics to ensure that a Project will be sized so as to provide a substantial impact on the needs of the area's QPs.

F. Restricted Use Period

HOME-ARP NCS Projects must comply with HOME-ARP requirements during the Restricted Use Period established in HUD Notice CPD 21-10. For both acquisition-only Projects and for rehabilitation Projects, the Restricted Use Period is 10 years. The NCS may remain as HOME-ARP NCS for the Restricted Use Period or may be used as NCS under the ESG Program. The Authority will not allow for conversion of the NCS units into permanent housing during the Restricted Use Period.

G. Target Populations

HOME-ARP NCS units may only be occupied by individuals or families that meet the criteria for one or more of the QPs – see **Section 2.C** of this RFA. The Authority's Allocation Plan does not include any preferences, methods of prioritization, or limitations for NCS, and Projects must create a referral method plan that provides access to all QPs via a Project waiting list. Preferences for specific populations can be developed upon request. Access to HOME-ARP NCS units must be made to qualifying individuals without restrictions based on gender, age, or other factors, and no individual or family may be denied admission to or removed from a HOME-ARP NCS unit on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the individual or family meets the criteria of one of the QPs. HOME-ARP QPs are not subject to income restrictions. See HUD Notice CPD 21-10 Section IV: Qualifying Populations, Targeting and Preferences for further details on QPs.

H. Eligible Referral Methods

The Authority has elected to not include preferences, methods of prioritization, or limitations for its HOME-ARP Non-Congregate Shelter activities. HOME-ARP-funded Non-Congregate Shelters must admit all QP applicants for HOME-ARP Project or activities in chronological order of their application (without any preference or prioritization). Therefore, all NCS Projects funded under this RFA must use one of the following referral methods:

• Referral Method 2: Use of Standard Coordinated Entry with Other Referral Methods:

A standard coordinated entry ("CE") system may only be used for intake and assessment to determine QP eligibility; from there, which households would need to be referred to a Project/activity-specific waiting list in chronological order. A PJ cannot use a standard CE system as the sole intake and assessment method because standard CE systems do not serve all four HOME-ARP QPs.

Referral Method 3: Use of a Project/Activity Waiting List:

Eligible QPs will be placed on the waiting lists in chronological order of application. All qualifying individuals or families must have access to apply for placement on the waiting list for the Project.

Referral Method 1: Use of HOME-ARP Expanded Coordinated Entry, as outlined in HUD Notice CPD 21-10, is not considered an allowable referral method under the Authority's current Allocation Plan, and will only be considered an allowable referral method under this RFA at the Authority's sole discretion.

I. RFA Funding Source

The Authority's HOME-ARP allocation will serve as the sole funding source of this RFA. No additional Authority funding sources are eligible for HOME-ARP NCS Projects.

Under this RFA, up to 90% of the total Project cost at Application may be requested. However, the Authority reserves the right to waive this allowance at its sole discretion. While there is no total dollar amount request maximum for HOME-ARP NCS Projects, Sponsors must ensure that Projects meet the RFA financial feasibility standards as outlined in **Section 5.0**.

The Authority will evaluate the financial feasibility of each Project. 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 grants or forgivable loans. All funding awards, including the amount of the award, remain subject to the final approval of the Authority's Board.

Sponsors should consult with an accountant to explore any potential tax consequences for an award of funds, and should be aware that HOME-ARP has its own set of rules and regulations and should become familiar with those rules and regulations.

Section 4: RFA Timeline and Application Procedures

A. HOME-ARP Non-Congregate Shelter Timeline

Date	Action	Project Sponsor Action Required
August 7, 2024	RFA published on the Website	YES
August 14, 2024	RFA informational webinar Recording will be made available for later review	YES
	Preliminary Project Assessment Workbook available on the Website	YES
August 16, 2024	First day to submit Preliminary Project Assessment	
	Optional technical assistance meeting period begins	OPTIONAL
October 7, 2024	Preliminary Project Assessment deadline	YES
December 13, 2024	The Authority sends PPA notifications	
January 45, 2025	Last day to request optional technical assistance meeting	OPTIONAL
January 15, 2025	Last day to indicate Application program intent see Section 4.B.ii.a and Section 4.G.i	YES
January 20, 2025	First day to submit Application*	
February 20, 2025	Application deadline*	YES
March 21, 2025	The Authority publishes public notice	
March-April 2025	Clarification period	
May 16, 2025 (expected)	Expected Board meeting with NCS Project approvals	YES

^{*}Project sponsors cannot submit an Application until they have received an Approval or Conditional Approval on a corresponding Preliminary Project Assessment. Applications will not be accepted for Projects that either did not submit or received a Denial on a corresponding Preliminary Project Assessment.

B. Preliminary Project Assessment

When applying for Authority resources, the first required step for all Projects is completing a Preliminary Project Assessment ("PPA"). All Projects seeking funding under this RFA must complete the PPA process before submitting an Application. Required PPA documentation includes information related to Project concept, location, financing assumptions, and development team. PPAs will be evaluated based on the five components outlined in **Section 4.B.iv** below. **The Website**'s PPA section contains all required submission forms and additional information.

i. Timing

PPAs submitted for HOME-ARP funding under the Non-Congregate Shelter RFA will be accepted between August 16 and October 7, 2024. Sponsors will receive a determination of their PPA's evaluation by December 13, 2024.

ii. PPA Submission

All Sponsors who intend to submit a PPA under this RFA will be required to attend an RFA informational webinar on August 14, 2024. The webinar will be recorded and made available on the Website for sponsors who are unable to attend the virtual event. Attendance at the webinar or review of the recording is mandatory.

PPAs are submitted electronically through IHDA Connect using the Preliminary Project Assessment Workbook ("PPA Workbook"). Sponsors must request a Project ID ("PID") and an account for IHDA Connect in order to submit a PPA. Once assigned a PID and granted access to IHDA Connect, the PPA Workbook and all additional documents must be uploaded electronically into IHDA Connect.

Sponsors can visit https://ppa.ihda.org to request an account for IHDA Connect and a PID. If a request for an account and/or PID is not fulfilled within three business days, Sponsors can reach out to IHDAconnecthelp@ihda.org for assistance.

PPA documentation will not be accepted in paper form.

a. Multiple Program Consideration at PPA and Application Program Intent

PPAs submitted under this HOME-ARP Non-Congregate Shelter RFA must utilize the Preliminary Project Assessment Workbook. This PPA Workbook allows for a combined option that Projects may utilize to be considered for a simultaneous PPA evaluation under the various Authority programs and funding rounds⁵. However, except at the Authority's sole discretion⁶, Projects submitting a PPA for consideration under this RFA will not be considered for any other Authority program or resource.

Sponsors must clearly indicate within the PPA Workbook which program(s) they would like the Project to be considered for, and PPA submissions must include all information required in correlation with the respective program(s) as indicated in the PPA Workbook.

Regardless of how many programs a Project was considered for at PPA submission, Sponsors must indicate solely one program⁴ that they intend to pursue with an Application. To indicate their application program intent, Sponsors must notify the Authority of which program they intend to pursue at Application by emailing the Authority no later than January 15, 2025.

Sponsors may not pursue an Application in more than one program for the same Project⁴.

iii. Fees

The Authority will not collect a fee for submission of the PPA in correspondence with this RFA.

iv. PPA Evaluation

The Authority will provide a PPA evaluation regarding Project characteristics in the following five categories:

- 1. Project Concept
- 2. Site
- 3. Area Need/Demand
- 4. Sponsor and Project Financial Feasibility
- 5. Development Team

⁵ HOME-ARP Non-Congregate Shelter Development Program, Permanent Supportive Housing Development Program: Round XI, and 9% Low Income Housing Tax Credits.

⁶ Projects pursuing funding under the HOME-ARP Non-Congregate Shelter RFA will only be considered for simultaneous funding under the Permanent Supportive Housing Development Program: Round XI at the Authority's sole discretion.

PPA requirements and evaluation criteria for each of these categories will be determined as described in the sub-sections below. Sponsors must submit documentation to satisfy each category's criteria at time of PPA submission.

PPAs will receive an evaluation in each of the five categories, as well as an overall PPA evaluation determination from the Authority. There are three possible outcomes for the five categories and overall PPA evaluation determination:

Possible PPA Evaluation Outcomes and Implications			
PPA Evaluation Outcome	PPA Category	Overall PPA Outcome	
Approval	The PPA category is approved, criteria are satisfied	The PPA is approved, and a full Application will be accepted by the Authority	
Conditional Approval	The PPA category is conditionally approved, criteria(on) are not fully satisfied and are subject to conditions*	The PPA is approved subject to conditions being met within any of the four categories	
Denial	The PPA category is denied, criteria are not satisfied	The PPA is denied, and an Application will not be accepted by the Authority	

^{*}Should a Project receive a "Conditional Approval" in any of the five PPA categories, its overall PPA outcome will be "Conditional Approval" or "Denial" pending evaluations received in the remaining categories. Applications are accepted under the assumption that conditions will be met.

a. Project Concept Criteria

PPAs will be reviewed and evaluated for a Project's general concept including: intended population served, Project size, shelter operations and service plan details, and proposed partnerships, if any.

All PPA submissions should include detailed responses within the PPA to clarify the Project's overall approach to shelter and alignment with best practices and statewide policy priorities. Responses and all relevant details must be included in the designated text box narrative fields within the PPA Workbook. The Authority will evaluate the Project concept on the following criteria:

- 1. Project size and type
 - The proposed number of units.
- 2. Target populations
 - A description of the intended population(s) to be served by the project, and;
 - A listing of the specific QP(s) to be served by the Project (see Section 2.C and Section 3.G).
- 3. Housing referral coordination
 - A description of the Project's proposed approach to housing referral coordination;
 - Indication of which eligible referral method will be used to serve the Project's QP(s) (see Section 3.H.).
- 4. Preliminary shelter operations and service plan details
 - A description of the Project's proposed approach to providing equitable access to the shelter and homeless services, including:
 - How the Project will connect with the local homeless services/crisis response system, particularly with the area CoC;
 - An outline of the services that will be offered to residents, the number of proposed service staff, how service provision will be funded, and how services will be provided and by what organization(s);

- Confirmation that no occupancy fees will be charged to shelter occupants as described in Section VI.E.1. of HUD Notice CPD-21-10;
- How the intended policies and procedures of the proposed shelter align with Housing First principles and best practices, including:
 - Low-barrier approach to shelter admission;
 - Shelter diversion:
 - Service participation is voluntary and not a requirement for admission or to remain in the shelter;
 - Availability of housing navigation connected to the shelter.

While not required at PPA, Projects may include draft versions of service plans, agreements or MOUs, or other relevant documentation to support the Project concept.

b. Site Criteria

PPAs will be reviewed and evaluated based on the location and fit of their Project Site(s) within the surrounding market area, and will include an evaluation of existing housing and demographic market characteristics.

Sponsors will determine and identify a Primary Market Area ("PMA") that is appropriate for their Project for the purpose of PPA review only. The identified PMA must be included within the PPA Workbook. This PMA does not need to be the same PMA used in the Site and Market Study referenced in Section 5.M. Sponsors can determine an appropriate PMA by:

- 1. Identifying a logical assemblage of the census tract(s) containing the Project Site(s) and adjacent census tracts for data aggregation purposes; and
- 2. Identifying natural market area boundaries (i.e., highways, roads, train tracks, waterways).

Sponsors proposing Projects with more than one Site should utilize one of the following methodologies when determining the PMA:

- 1. Determining a single but expanded PMA that encompasses the full range of all Project Sites; or
- 2. Determining more than one PMA to account for multiple Project Sites serving multiple markets.

The Authority also conducts an on-the-ground visual review of each Project Site, which may inform the assessment of the PMA.

1. Enterprise Green Communities ("EGC") At time of PPA submission Projects must certify that they will adhere to EGC's 40 mandatory criteria at time of Application. A Project's compliance with EGC's 40 mandatory criteria will be evaluated solely at time of Application.

c. Area Need/Demand Criteria

1. Economic and Market Indicators

Economic and market conditions are reviewed and evaluated at PPA as components of a Project's Area Need and Demand. Market factors included in this review are sourced from publicly available data. In some cases, these market factors have been combined into "indicators" designed to measure markets trends and/or changes. These indicators may include the following data sources which are published on the Authority's Market Research website and Developer Resource Center:

- The **Affordable Rental Unit Survey** ("ARUS"):
- The IHDA Market Analysis Application ("IMAA"); and/or
- Authority portfolio and/or rent-restricted concentrations.

2. Food Access

Projects must demonstrate that their Site(s) has appropriate food access by evidencing proximity to one or more qualifying food access businesses. Projects with more than one Site need to demonstrate appropriate food access for each Project Site. A Project's food access will be reviewed and evaluated at PPA as a component of its market. The Authority publishes an **online Food Access Locator** to help Sponsors gauge food access availability near a Site.

The Authority utilizes the North American Industry Classification System ("NAICS") to determine qualifying food access businesses. Sponsors can refer to the **NAICS Association website** for NAICS code definitions. Qualifying food access businesses and proximity radii are determined based upon a Project's Geographic Set-Aside (see **Appendix I: Definitions**), and are defined as follows:

Food Access Requirements			
Set-Aside	Qualifying Food Access Business(es)	Minimum Proximity Radius (miles)	
Chicago Metro	 Full-service grocery store (NAICS 445110) Fruit & vegetable market/produce market (NAICS 445230) 		
City of Chicago		1 mile	
Other Metro	, σε το σ		
Non-Metro	 Supermarket/Grocery (NAICS 445110) Fruit & vegetable market/produce market (NAICS 445230) 	5 miles	

Convenience stores do not fulfill food access requirements in any Set-Aside. To document appropriate food access, Sponsors must provide a map and the name(s) and address(es) of the qualifying food access business(es). The Authority will use ESRI Business Analyst to confirm identified businesses meet the outlined criteria.

Projects that cannot meet the food access requirements defined above will receive a Conditional Approval on the PPA market evaluation requiring that additional documentation is provided that demonstrates how appropriate access to food access will be provided to the Project.

d. Sponsor and Project Financial Feasibility Criteria

Key capacity and financial aspects of the Sponsor and Project will be reviewed at time of PPA submission. This review is a part of the PPA Sponsor and Project Financial Feasibility category, which will be used to determine that the Sponsor has sufficient capacity to develop, own, and manage the Project and that there are sufficient funds to cover all costs during construction and the Restricted Use Period. This review will include an analysis of the Sponsor's net worth, portfolio risk, litigation, pending judgments and bankruptcies, pre-development funding, and liquidity and administrative capacity.

1. Capital and Operating Budget Analysis

As a part of PPA submission, Sponsors must complete the budget section in PPA Workbook. Sponsors must substantiate the capital and operating budgets, providing a list of all funding sources both under consideration and approved. Sponsors must explain how these sources contribute to the Project's financial viability. All funding sources must be listed within the PPA Workbook. Sponsors must indicate the current status of each funding source (i.e., under consideration or approved).

2. Construction Overage Analysis

Proposals for Projects that exceed hard cost construction limits must provide a detailed explanation of specific and incremental expenses that result in costs in excess of the limits, as described in **Section 5.0.**

3. Sponsor-Related Financial Documents

Sponsors will be evaluated on their organization(s)' demonstrated financial approach towards providing services and the proposed Project. Sponsors must provide financial documentation to meet the minimum requirements outlined in **Section 5.0** at time of PPA submission.

e. Development Team Criteria

Proposed Project participants will undergo an initial screening for congruence with Authority requirements for development team experience, as detailed in Section 5.N. This screening will constitute the PPA development team category. Sponsors will be required to complete a Development Experience Certification for each anticipated Sponsor (as identified on the organizational chart submitted with the PPA Workbook), general contractor, property manager and Architect of Record.

If a Sponsor does not meet stated ownership experience criteria as described in Section 5.N, the Authority may, at its sole discretion, accept alternative evidence of the development team's appropriateness. Sponsors are encouraged to be in contact with the Authority prior to submittal of PPA regarding potential exceptions to the experience requirements for any of the Participants.

C. PPA Evaluation and Notification Letters

The Authority will electronically issue an evaluation and notification letter directly to the Sponsor with the review outcome for a submitted PPA. The PPA evaluation notification letter will contain an outcome for each of the five categories, as well as an overall PPA outcome. The PPA evaluation and notification letter will also contain any conditions assigned via category Conditional Approvals received, if applicable, and potential penalties associated with non-compliance.

Overall PPA outcomes for Projects seeking HOME-ARP funds through the Non-Congregate Shelter RFA are valid through February 20, 2025 and will only be considered valid in conjunction with an Application under this Non-Congregate Shelter RFA.

Sponsors who submitted a PPA and received a PPA evaluation and notification letter under another Authority program or for a resource request other than HOME-ARP funds through this RFA must resubmit a new PPA subject to the requirements of this RFA.

D. Conditional Approvals

It is the Sponsor's responsibility to understand and address all conditions assigned through a PPA Conditional Approval no later than at time of Application submission or otherwise requested. Sponsors whose PPA(s) has received one or more Conditional Approvals are encouraged to meet with Authority representatives to discuss the noted concerns before submitting an Application.

Applications seeking HOME-ARP funds through the Non-Congregate Shelter RFA that do not adequately address conditions received via the PPA evaluation and notification letter will receive a deficit of three points on their Application's assigned score. Failure to address the conditions received by the time of Application submittal may result in a condition(s) being added to the closing process, should the Application in question receive an award in conjunction with this RFA.

E. Changes Between PPA and Application

The Authority expects that an Application corresponding with an approved PPA be substantially similar to the Project as approved under the PPA. The Authority will not approve an Application for a Project which has changes to Site(s), population served or construction type.

Nonetheless, the Authority recognizes some Project changes may occur after PPA approval and prior to Application. Any changes in Project structure must be disclosed via a formal written request to the Authority prior to the submission of the Application. Any deviations from the PPA that are included in the Application and have not been formally approved by the Authority may result in disqualification of the Project from consideration for Authority resources or a deduction of points from the Project's overall score, if applicable. In its sole discretion, the Authority may consider the following changes permissible:

- A maximum 10% increase to the total number of units;
- A maximum 10% increase or decrease to number of units of any bedroom size;
- Changes required to address concerns noted by the Authority; and
- Changes specifically requested by the Authority.

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

F. Optional Technical Assistance Meeting

Sponsors are encouraged to request additional technical assistance surrounding the requirements of this RFA from Authority staff. Sponsors may request optional technical assistance meetings between August 16, 2024 and January 15, 2025. These discussions with the Authority may include a basic review from the Authority about preliminary project financial details and the market and its need for NCS based on the Project's location. Optional technical assistance meetings may be held virtually. Sponsors may request optional technical assistance meetings by emailing **HOMEARP@ihda.org**.

G. Application Submission

Applications are accepted online through **IHDA Connect**. Applications will not be accepted in paper form. Specific instructions for submitting application materials will be posted on the Website. All Application materials will be available on the Website at least 60 days prior to the Application deadline.

An instructional video will be available on the Website containing guidance for submitting an Application under this RFA. Sponsors can request additional assistance regarding PPA and/or Application submission by contacting Authority staff at **HOMEARP@ihda.org**.

i. Application Program Intent

Before being allowed to access the IHDA Connect Application portal and submit an Application, Sponsors must indicate their Application program intent. Sponsors must indicate solely one program that they intend to pursue with an Application regardless of how many programs their Project was evaluated for at PPA submission. To indicate Application program intent, Sponsors must notify the Authority of which program they intend to pursue at Application by emailing the Authority at **IHDAConnectHelp@ihda.org** no later than January 15, 2025.

Sponsors may not pursue an Application in more than one program for the same Project⁷.

H. Additional Resources

Authority Technical Assistance

Additional technical assistance and support may be requested from Authority staff as Sponsors complete the Preliminary Project Assessment and Application requirements of this RFA. To request a meeting or ask a question, please email the following:

PPA, Application, and general Project questions: HOMEARP@ihda.org

ii. External Resources

The following agencies and organizations offer a variety of informational resources and funding opportunities that may be beneficial to 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

⁷ Projects pursuing funding under the HOME-ARP Non-Congregate Shelter RFA will not qualify for funding under the Permanent Supportive Housing Development Program: Round XI or 9% Low-Income Housing Tax Credits except at the Authority's sole discretion.

- U.S. Department of Housing and Urban Development
 - Continuum of Care Database
- Illinois Office to Prevent and End Homelessness

I. 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 Sponsor within 30 days. The Sponsor is required to respond in writing to all comments received and to submit copies of all correspondence to the Authority.

J. Evaluation of Applications

Applications will be evaluated in the following manner:

i. 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 Sponsor with stated reason(s) for denial.

ii. Mandatory Application Criteria

If the Authority determines that the Application is complete it will be reviewed to determine if the Project meets the requirements set forth in the **Mandatory Application Criteria** section.

iii. Application Scoring Criteria

If an Application has met all of the mandatory Application criteria it will be reviewed and assigned a score based on the categories set forth in the **Application Scoring Criteria** section.

K. Application Clarification Period

The Authority may issue a written request (sent via email) for clarification ("Clarification Letter") of any Application submissions or their components. The Authority will allow a five-business day clarification period. Any response to a Clarification Letter must be in writing and will be allowed only during the five-business day period after the date of the Clarification Letter. Sponsor responses may not include any new information or any additional submissions outside of the items noted in the Clarification Letter.

Should a Sponsor fail to respond to the Clarification Letter in writing to the satisfaction of the Authority during the five-business day clarification period, the Authority will review the Application using only the information previously submitted.

Section 5: Mandatory Application Criteria

HOME-ARP Non-Congregate Shelter Development Program and construction of Non-Congregate Shelter units 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. Application Certification

All Applications must include a signed **Non-Congregate Shelter Development Program Application Certification**, **Organizational Chart and Identity of Interest form**, found on the Website, which provides a written certification that the Project will:

- Take actions to affirmatively further fair housing;
- Minimize involuntary displacement of low-income households;

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 26411 Network Place Chicago, IL 60673-1264

C. The Authority's Non-Congregate Shelter Common Application

All Applications must include a completed **Non-Congregate Shelter Common Application**. This form can be downloaded from the Website.

D. Project Narrative and Shelter Operations and Service Plan Narrative

i. Project Narrative

All Applications must include narrative that provides a complete overview of Project scope, building and unit features, population served and overview of project financing, including terms of non-Authority sources. Sponsors should provide as much detail and background information about the Project as possible.

ii. Shelter Operations and Service Plan Narrative

Projects must also provide a shelter operations and service plan narrative describing their approach to providing equitable access to the shelter and homeless services. At a minimum, Projects must:

- Describe how the Project will connect with the local homeless services/crisis response system, particularly with the area CoC;
- Outline the services that will be offered to residents, the number of proposed service staff, how service provision will be funded, and how services will be provided and by what organization(s);
- Confirm that no occupancy fees will be charged to shelter occupants as described in Section VI.E.1. of HUD Notice CPD-21-10;
- Describe how the intended policies and procedures of the proposed shelter align with Housing First principles and shelter best practices, including:
 - o Low-barrier approach to shelter admission;
 - Shelter diversion;

- Service participation is voluntary and not a requirement for admission or to remain in the shelter;
- Availability of housing navigation connected to the shelter.

All Sponsors must provide one or more Memorandums of Understanding ("MOUs") or other legal agreements with organization(s) regarding the availability of services that are referenced in the Application.

Projects that confirm the ability to provide certain support services may be eligible to receive points under the scoring criteria outlined in **Section 6.G**.

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 (see **Appendix I: Definitions**). Proximity thresholds are listed in the table below:

Proximity Radius by Set-Aside		
Chicago Metro	0.5 miles	
City of Chicago	0.5 miles	
Non-Metro	1 mile	
Other Metro	0.75 miles	

The Application must include a table referencing each neighborhood asset identified on the map and stating the asset category and address. Only one establishment may will be considered per category. The following table lists the eligible neighborhood asset categories:

Neighborhood Assets Categories
Health Services
Civic/Recreation
Education/Job Training

The Authority reserves the right to mandatorily fail Project Applications that include fewer than two neighborhood assets within the proximity radius for the applicable Geographic Set-Aside. For Projects that are unable to demonstrate that at least two 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, Civic/Recreation, and Education/Job Training will be made available to residents of the development. The Authority, 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 a 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 that prohibits preemptive termination language and consists of one of the following:

- o 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 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 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 99 years; or
- A fully executed, binding agreement with a term ending no sooner than six 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 months after the Application deadline.

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

- Expiration date for purchase option(s), purchase agreement(s), or letter(s) of intent;
- Legal description of the site(s);
- The sale or lease price of the Site(s), which must align with acquisition costs in the Project budget in the Non-Congregate Shelter Common Application and 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; and
- Language that complies with the environmental review and voluntary acquisition guideline language outlined in the Site Control Compliance Language example on the Website OR a copy of this language that contains a dated, counter signature from the seller.

i. Sponsor or Third-Party Related Entity Purchase and Subsequent Conveyance

If a Sponsor or related third-party entity will purchase the Site(s), and subsequently convey it to the Project Owner, the following information must be provided:

- 1. A narrative outlining the expected sale or lease price;
- 2. The proposed dates of conveyance; and
- 3. The reason for the conveyance.

The seller cannot terminate the agreement prior to the mandatory six-month term.

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 a Planned Development or Planned Unit Development ("PUD") process in a timeframe compatible with the project's two-year Placed in Service date.

i. 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:

- The location of the Site (s) (i.e., address or street crossings);
- The current zoning and any special use designations;
- o A description of the Project (including number of units, and proposed use; and
- o A statement that the current zoning will permit the proposed Project.

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

The Authority recognizes that a Site may need a re-zoning, a variance to existing zoning, or a special use permit. In these circumstances, the Application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator). The letter must identify the Project and contain the following information:

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

iii. PUD Project Sites

In cases where zoning will be addressed through a PD/PUD process, the Application must include evidence that indicates whether the PD/PUD already exists or whether it is yet to be established. As evidence of the PD/PUD status, the Application must include a letter from the local zoning administrator (or chief elected official in the localities without a zoning administrator) identifying the Project and containing all of the following:

- The location of the Site(s) (i.e., address or street crossings);
- A description of the Project (including number of units, and proposed use);
- A written explanation of the PD/PUD approval process;
- Evidence the PD/PUD process has been initiated;
- Evidence of which stage in the PD/PUD approval process the Project has reached; and
- Evidence that the PD/PUD will be reviewed in a timely manner, including any available dates.

Additionally, if the PD/PUD already exists, the Application should indicate what, if any, amendments or additional planning processes are required.

H. Environmental Site Assessment

The Application must include a Phase I Environmental Site Assessment ("Phase I") covering all Sites. The Phase I must be completed within one year prior to the Application deadline according to the Authority's Design, Construction and Regulatory Compliance Requirements, including all appendices.

If a Phase II Environmental Site Assessment ("Phase II") is available, it should 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.

As part of HUD's HOME ARP funding, the Authority, as the responsible entity, will complete a Part 58 Environmental

Review. Sponsors may review **HUD's Part 58 Environmental Review Checklist for HOME-ARP Projects** as an additional resource.

I. Site Physical Information

i. 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 IL Mines website at: https://ilmineswiki.web.illinois.edu/wiki/ILMINES.

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;

Information indicating the depth of the mine, the type of mining that was performed, and the year that mining ceased;

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.

ii. 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. Design, Construction and Regulatory Compliance Requirements

All Projects must meet the requirements contained in the Authority's **Design, Construction and Regulatory Compliance ("DCRC") Requirements**, which are available on the Website, excepting the exclusions that are outlined in **Section 5.J.i** below.

i. DCRC Exclusions for Non-Congregate Shelter Projects

The following requirements, identified per section within the Authority's DCRC, have been excluded or amended Projects seeking funding this RFA as follows:

- Section 3.3.2 Playground: Not required.
- **Section 4.7.1 Unit Size:** The minimum unit size shall be 250sf. Units must include a bathroom. Waiver requests for unit sizes less than 250sf will be considered.
- Section 4.7.2 Unit Storage: Not required.

ii. Project Scope Certification

The Application must include the **Project Scope 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. Requirements

All Projects must comply with the Authority's DCRC Requirements, including the following:

1. 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.

2. Amenities

The Application must include Project amenities as specified in the DCRC Requirements. In addition, a minimum of five additional amenities selected from the list below must be incorporated in the Project and identified on Architectural Standards, Universal Design, and Amenities Certification.

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
Free internet access per unit	Computer room equipped with one computer for every three units	All appliances in the unit meet the Energy Star rating
Units are 15% larger than the minimum requirement	Exercise/fitness center with at least one machine per five 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
Microwave oven and refrigerator in every unit	Secured bicycle parking (minimum of eight slots per 25 units)	Upgraded landscaping, including one tree planted on-site for every ten units. 100% native and adaptive plantings/landscaping
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.)	Trash and/or recycling disposal chutes or other refuse collection system
Porch, patio, or balcony for each unit	Outdoor entertainment space such as an outdoor theater and gazebo with available seating	

iii. Preliminary Plans and Specifications

The Application must include preliminary drawing 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;
- Color rendering;
- Typical wall sections;
- Exterior elevations for all building types with material notations matching those defined within the scoping document discussed below;
- 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;
- Preliminary landscape plan; and
 - Project Scope Certification, signed by the Architect and Sponsor. The Project Scope Certification
 must include a written description of the full Project scope. Items to be included, but not limited to, in
 this document are:
 - Specifications indicating all materials selected and/or defined performance criteria (e.g., windows, doors, hardware, drywall, exterior materials, floor and wall finishes);
 - 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 items included in the Project.

Projects Involving Rehabilitation

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

Physical Needs Assessment

The Application must include a Physical Needs Assessment ("PNA") completed according to the Authority's Standards for PNA, which are available on the Website 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- to seven-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. 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. The Authority must submit a review request to IDNR after the Authority receives the checklist. There is a mandatory 30-day review period required for obtaining an approval letter from IDNR.

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 Non-Congregate Shelter Common Application, available on the Website.
- A detailed explanation of all construction cost variances existing between the Construction Cost Breakdown and PNA, if applicable. The 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 to meet the mandatory criteria.

The Construction Cost Breakdown will need to be completed by an independent third-party construction cost estimation firm if an Identity of Interest exists among development team members, including:

- Between the Sponsor and the Project general contractor;
- Between the Sponsor and the Project Architect; or
- Between the Project Architect and the Project general contractor.

For required qualifications of the cost estimator and requirements of the cost estimate, see the Authority's DCRC Requirements, which is available on the Website.

M. Site and Market Study

Applications must submit a NCS Market Analysis Form at the time of Application. This form is published on the Website and should be filled out by the Sponsor or a relevant third party only.

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:

i. **Development Team Certifications & Required Experience**

The Application must include certifications for each Project Sponsor, general contractor, architect, property manager, and service provider (if applicable) 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 can be found on the Website. The Authority will exercise its discretion when accepting alternative verification of acceptable experience.

Development team members must demonstrate a history of similar work and type as required for the proposed Project. Sponsors should discuss potential exceptions to experience requirements with the Authority as part of the pre-application process. The Authority will request additional information as necessary to approve Project Participants before full application.

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 Sponsor 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 years.
- 3. A Participant (including any affiliates) has declared bankruptcy over the past three years.
- 4. A Participant (including any affiliates) has a mortgage default or arrearage of three months or more within the last three 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 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.

The Authority will evaluate the Project's financial feasibility and underwriting assumptions. To demonstrate financial feasibility, Projects must be consistent with requirements detailed in this section of the RFA. Compliance with the Authority's financial feasibility standards will be substantiated by submission of the Non-Congregate Shelter Common Application form and due diligence items specified within this RFA.

Sources

Maximum Request

Under this RFA, up to 90% of the total Project costs may be requested per Project; however, the amount of HOME-ARP funding to be allocated will not exceed the amount necessary to make the Project financially feasible, as determined by the Authority.

b. Evidence of Project Financing

All Applications must reflect adequate sources of financing 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 criteria.

All Applications must evidence all Project financing sources including debt and grants 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 Sponsor is notified that another Project financing source has been denied, the Sponsor will be allowed 14 business days from the date of the denial notice to provide a revised financing plan. If not provided, the Authority may determine, at its sole discretion, that the Project is financially infeasible and may fail the mandatory criteria.

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

1. Non-Authority Debt Sources

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

- The entity providing the loan:
- The amount of the loan;
- The length of the loan term, which must be at least 10 years;
- The amortization period of the loan;
- The estimated interest rate (and any terms and conditions regarding adjustments);
- The expected monthly or annual debt service payment; and
- 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.

2. Non-Authority Grant Sources

For any grant source, the executed acknowledgment letter(s) must contain the following:

- The name of the grant Source;
- The amount of the grant;
- A pay-in schedule detailing when the grant will be available as a source to the Project; and
- Any outstanding requirements to be met prior to grant availability.

Uses ii.

All Non-Congregate Shelter Common Applications submitted as part of a Project Application for Authority Resources should reflect Project development costs ("Uses") in the Uses tab of the Non-Congregate Shelter Common Application document. When completing the development budget in the Uses tab, be sure to include all relevant fees. Project Uses are subject to the following requirements:

a. Acquisition

The Project budget in the Non-Congregate Shelter Common Application may only include the acquisition costs attributable to the Project Site. The required site control documentation (Section 5.F) must evidence the cost of acquisition. If site control documentation is for a 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. Site acquisition costs indicated in the Uses tab of the Non-Congregate Shelter Common Application must match the site control documentation and/or provided supplemental narrative.

In the case of the acquisition of existing buildings from an unrelated third-party entity, the Project Sponsor must submit an appraisal to substantiate the acquisition price prior to initial closing. In the case of a related-party acquisition of land and/or existing buildings, in which one entity will be purchasing or has purchased the property from a related entity, the Project Sponsor must submit an appraisal to substantiate the acquisition price at time of Project Application; the Authority will review the submitted appraisal and permit the use of the requested acquisition price in the Project budget at its sole discretion. For a Project that includes the rehabilitation of existing buildings, the Authority will defer to the "As-Is" property value indicated in the appraisal to determine the allowable amount of Low-Income Housing Tax Credit eligible basis. The Authority will consider exceptions to this policy at its sole discretion.

b. Grand Total Construction Costs

At time of Project Application, the Project Sponsor should enter the projected construction costs (the "Hard Costs") in the Non-Congregate Shelter Common Application. All costs expected to be reflected in the contract between the Sponsor and the general contractor (the "Construction Contract") should be included in this estimate. Note that, per the Non-Congregate Shelter Common Application, the Grand Total Construction Costs does not include budgeted construction contingency costs.

At time of financial closing, the construction cost budget reflected in the Non-Congregate Shelter Common Application must match the final Construction Contract figures.

1. Hard Cost Maximum Thresholds

During the review of an Application, the Grand Total Construction Costs figure will be divided by the Project's Gross Square Footage and compared to the Authority's per square foot limits detailed below:

Set-Aside	Rehab	Adaptive Reuse
Chicago Metro	\$250	\$335
City of Chicago	\$260	\$405
Non-Metro	\$160	\$315
Other Metro	\$215	\$320

The Non-Congregate Shelter Common Application includes a comparison of the Project's Grand Total Construction Costs and the Construction Cost Limits in the "Project Narrative" tab. Projects that exceed the calculated Construction Cost Limits must provide a detailed explanation of the specific expenses that result in costs in excess of the limits. The explanation should include a breakdown of specific items with attributable dollar amounts.

The Authority will review and determine the suitability of grand total hard costs in excess of the limits on a case-by-case basis. The following are examples of acceptable waiver items. This list is not meant to be exhaustive and shall not limit the Authority's discretion on hard cost waiver determinations in any way:

- Unusually high municipal impact fees as compared to other municipalities within the same setaside.
- Municipal building codes that are significantly more stringent than those of other municipalities in the same set aside.
- Excessive cost impacts from property soil conditions, environmental and geotechnical.

 Historical rehabilitation (when a non-Authority Source such as Historic Tax Credits is evidenced in the financing).

Likewise, the following are examples of items that will not be considered acceptable reasons to request a waiver for exceeding the Construction Cost Limits:

- Wage standards
- Accessibility standards that are mandatory or for which the project has scored points.
- Green building standards that are mandatory or for which the project has scored points.
- Municipal architectural, aesthetic, or material standards.
- Costs associated with design decisions impacting the physical configuration of the building (e.g., height, area, material choice).
- Stormwater management requirements.

Regardless of whether the Project's Grand Total Construction Cost exceeds Authority limits, the Authority may, at its discretion, verify construction costs through a third-party cost database to evaluate cost reasonableness.

2. General Contractor Fees

The general conditions, overhead, and profit in a general contractor's budget are limited to 14% of trade payments and site work costs, as calculated in the "Construction" tab of the Non-Congregate Shelter Common Application. As further described in the Authority's Standards for Architectural Planning and Construction found on the Website, the Project general contractor is allowed up to six percent profit of trade payments and site work and up to two percent overhead trade payments and site work, and up to six percent for general conditions (also known as "general requirements") of trade payments and site work.

When an Identity of Interest exists between the Project general contractor and the Owner, the base developer fee (discussed in Section 5.O.ii.e) shall be reduced by the amount of the general contractor's overhead. This reduction will be automatically populated in the developer fee calculation of the Uses tab of the Non-Congregate Shelter Common Application.

c. Construction Contingency

The Application must include a construction contingency ("Construction Contingency") in the development budget of 10% of trade payments, site work, general conditions, general contractor overhead, and profit as calculated in the Non-Congregate Shelter Common Application.

During construction, the Construction Contingency line item may be drawn on, subject to Authority approval in line with the Change Order process as described in the Authority's Standards for Architectural Planning and Construction.

d. Architect and Civil Engineering Fees

Fees for architectural services and civil engineering are limited according to this RFA.

1. Authority Architectural Fee Limits

Total Construction Costs (\$)	Adaptive Reuse and Rehabilitation Architect Fee (%)
0 – 1,000,000	8.4
1,000,001 – 5,000,000	7.3
5,000,001 - 10,000,000	6.7
10,000,001 – 15,000,00	5.9
15,000,001 – 25,000,000	5.1
Over 25,000,000	4.4

2. Authority Civil Engineering Fee Limits

Set-Aside	Civil Engineering Fee (\$) / Gross Site Area
Chicago Metro	\$1.00
City of Chicago	\$2.00
Non-Metro	\$0.35
Other Metro	\$0.35

e. Developer Fee

A Project's developer fee may not exceed the lesser of \$1,000,000 or 10% of the Project's total development costs. Developer fee includes all of the following which shall not appear elsewhere in the Project budget:

- Development consultant fees;
- Construction management fees;
- Architectural and civil engineering fees in excess of the Authority's fee limits;
- · Developer overhead fees; and
- Any additional fees related to direct assistance provided to the Sponsor or Owner in conjunction with the completion of the Application or construction or management 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; and
- 20% at Final Closing.

f. Third-Party Reports

Projects must budget \$20,000 to \$30,000 for third-party studies. All Projects will require a **NCS Market Analysis Form** at Application, a Phase I between award and closing, and an appraisal between award and closing.

g. 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 10% of the remediation costs.

h. Furniture, Fixtures, and Equipment

Any items included in the development budget as furniture, fixtures, and equipment ("FF&E") must meet the following qualifications. The examples below are a representative list rather than a complete list, and payment of these items will be at the Authority's discretion. All items considered FF&E shall be new or will require Authority approval if refurbished.

- **Furniture** includes items which are generally used by the residents, guests, and staff for living and operating the project, including but not limited to: beds, desks, chairs, couches, and office file cabinets.
- **Fixtures** include items which could be considered personal property but due to permanent attachment are now considered as being part of the real estate, such as window blinds and built-in cabinetry.
- **Equipment** is considered as having a contributory association with the operation of the Project and is usually considered personal property as it is not readily attached to the real estate, such as computers, laundry equipment, appliances, and snow blowers.

The Non-Congregate Shelter Common Application includes a Furniture, Fixtures, and Equipment line for any costs associated with these items.

Supplies are considered general purpose items and as such are not FF&E items. Examples of supplies are hand and power tools including items that could be removed from the designated shop or location, mops, cleaning solutions, trash cans, garden utensils, portable sports equipment, and computer ink and paper.

i. Capitalized Compliance Monitoring Fees

All Applications must capitalize in the development budget (Uses tab) an IHDA Compliance Monitoring Fee, to be sized as \$25 per unit per year, for the initial 10-year period. These will be collected at the Project's Final Closing.

iii. Income

All Project Applications submitted under this RFA should reflect Project income expectations ("Income") in the Non-Congregate Shelter Common Application. Project Income assumptions should be sufficient to cover expenses throughout the Restricted Use Period and are subject to the following requirements outlaid within this section (Section 5.0.iii).

Revenue will be sufficient to cover expenses throughout the Restricted Use Period. The operating budget must demonstrate the Project operates at least at breakeven in each year during the Restricted Use Period, unless there is:

- A capitalized operating reserve maintained outside the control of the Project owner or shelter operator and sufficient to fully fund all operating deficits;
- 2. Evidence of commitment of secured sources for operating; or
- 3. An appropriate and acceptable plan for securing additional sources of funds for any operating gap during the Restricted Use Period.

a. Residential Income

The Project's number of units and expected income sources should be entered into the Non-Congregate Shelter Common Application. A narrative should be included that explains how income has been calculated.

b. Operating Subsidy

Applications contemplating operating grants, donations, or subsidy must submit documentation to

substantiate assumptions. Documentation should include the length of the grant or subsidy contract, any amounts paid by the contract, and any requirements for renewal.

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 should not include commercial income in any financial feasibility calculations. Commercial income is assumed to be underwritten at a 100% vacancy rate. All funds requested and/or awarded through this RFA cannot be used for the construction or operation of commercial space. As a result, these costs must be broken out separately in the development and operating budgets.

iv. Expenses/Operations

Annual operating expenses must be adequate and reasonable, customary, and necessary when compared to similar Projects, location, and population served. In order to substantiate operating expenses, Projects under this RFA shall present a plan to cover anticipated annual operating costs for the Project. If the Project is replacing existing shelter capacity, the Project will include evidence of committed funding such as ESG or ETH funding through DHS, or other verifiable operating funding sources which may include philanthropic contributions which will be considered at the Authority's sole discretion. If the Project is proposing expanded capacity, the plan will include evidence of the organization's ability to cover operational expenses including a plan to secure additional sources of funds for any operating gap during the Restricted Use Period.

v. Reserves

The Authority will review the Project's reserves to determine its long-term viability. Projects must meet the following minimum reserve requirements. Any deviations from the below must be requested at time of Application.

a. Replacement Reserves

All Applications must capitalize a replacement reserve of \$1,000 per unit in the development budget (Uses tab) and fund ongoing annual replacement reserve contributions of \$350 per unit from operations, which shall trend up at three percent 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 55% of the estimated annual real estate taxes in the first year of Project operations in the development budget (Uses tab). Additionally, the operating pro forma must include the anticipated annual real estate tax expense if applicable.

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, 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 105% of the estimated annual insurance expenses in the first year of Project operations in the development budget (Uses tab). Additionally, the operating pro forma must include the anticipated annual insurance expense.

vi. Sponsor Financial Capacity

Sponsors must demonstrate financial capacity to support the proposed Project during construction and through the Restricted Use Period. The Sponsor's net or liquid assets must exceed the cash needs of the Project. Financial capacity risks will be assessed by requiring the Sponsor submit, as available:

- 1. The Sponsor's three most recent independent audits, including Single Audits and Management Letters;
- 2. Current fiscal year-to-date income and expense statement;
- 3. Current balance sheet showing all assets and liabilities, including contingent liabilities (e.g., construction loans or operating deficit guarantees);
- A list of any litigation, pending judgments, and/or bankruptcies within the past seven years that apply to the Sponsor, any principals or officers, or any affiliated entities (any litigation and pending judgments must be described);
- A list of any funding contracts that were terminated or not renewed based on performance and/or compliance issues; and
- 6. A list of any unresolved monitoring findings from any Sponsor funding source.

Submitted documentation will be reviewed to determine the following:

- 1. If the financial management system complies with Generally Accepted Accounting Principles;
- 2. If there are any material weaknesses in the entity's financial management system or internal controls;
- If the developer or owner is a nonprofit organization, its audit evidences that it meets the financial accountability standards of 2 CFR 200.302 regarding financial management and 2 CFR 200.303 regarding internal controls;
- 4. That sufficient financial resources are available to cover any shortfalls during the Project's construction and Restricted Use Period, which will include an analysis of the Sponsor's net worth, portfolio risk, litigation, pending judgments and bankruptcies, pre-development funding, and liquidity; and
- 5. That the Sponsor has recent, ongoing, and successful experience with development of similarly sized and regulated shelter or facilities, sufficient staff with specific skills and experience appropriate to their roles in the project, and financial capacity to meet its current financial obligations and risks of the Project through the Restricted Use Period.

Section 6: Application Scoring Criteria

Scoring Category	Maximum Points	Category Weight
Leveraging Other Capital Funding Sources	5	5%
Service Provider Experience	10	10%
Shelter Operator Experience	15	15%
Demonstrated Ability to Provide Positive Shelter Outcomes	10	10%
Proven Need in Community	10	10%
People with Lived Experience Included in Project Design	5	5%
Services Offered	25	25%
Food Prep or Kitchen Space Available to Residents	10	10%
Access to Public Transit	10	10%
Total	100	100%

Projects that pass all mandatory application criteria as outlined in **Section 5** will be scored on the scoring criteria detailed in this section 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 Sponsor'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 **HOME-ARP Non-Congregate Shelter Self Scoring Form** which is available on the Website.

A. Leveraging Other Capital Funding Sources

Projects may earn five points for leveraging Authority resources amounting to more than 10% of the Project's development budget (or "Total Development Cost").

Leveraged resources under this category are defined as funds provided by a non-Authority source. All leveraged resources must be reflected in the Project 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.

B. Service Provider Experience

Projects whose development teams include one or more service provider(s) that demonstrate significant experience beyond the mandatory experience requirements as outlined in **Section 3.D** may earn up to 10 points in this category. To qualify for points in this category, service providers must demonstrate their experience working with and providing services to the QP(s) that will be served through the Project. The service provider(s)' **Development Experience Certification Form** submitted with the Application must substantiate their applicable experience. In addition, a narrative clearly detailing the service provider(s)' experience serving at least one of the QPs that the proposed Project will be serving is required at time of Application.

Projects that demonstrate between six and 10 years of applicable experience will be awarded five points, and Projects that demonstrate over 10 years of experience will be awarded 10 points.

C. Shelter Operator Experience

Projects whose development teams include one or more Sponsor(s) that demonstrate significant experience operating a fixed site shelter beyond the mandatory experience requirements as outlined in **Section 3.D** may earn up to 15 points in this category. The Sponsor(s)' **Development Experience Certification Form** submitted with the Application must substantiate their applicable experience. In addition, a narrative clearly detailing the Sponsor(s)' experience is required at time of Application.

Projects that demonstrate applicable experience in this category will be awarded points as follows:

Shelter Operator Experience Requirements		
Demonstrated Years Experience	Points	
6-9 years	5	
10-20 years	10	
Over 20 years	15	

D. Demonstrated Ability to Provide Positive Shelter Outcomes

Projects whose development teams include one or more Sponsor(s) who can demonstrate past performance of achieving positive shelter outcomes may earn up to 10 points.

To provide evidence in this category, Sponsors must provide a narrative detailing the positive outcomes achieved in the shelters which they have operated, and must substantiate this narrative using data from HUD's Homeless Management Information System ("HMIS") or comparable databases for the one-year period ending June 30, 2024. The narrative and/or data must specify the number of people and/or households serve through the Sponsor(s)' shelter(s), as well as the number of people and/or households who exited to positive permanent destinations. The data definitions in provided in the data reporting should be consistent with the responding specifications for the ESG or ETH Programs.

Points will be awarded based upon the percentage of demonstrable positive shelter outcomes achieved for residents of Sponsor(s)' shelters as follows:

Positive Shelter Outcome Requirements	Points
Between 26% and 50%	4
Between 51% and 75%	8
76% and over	10

E. Proven Need in Community

Projects may earn up to 10 points for demonstrating a proven need for Non-Congregate Shelter in the community which it intends to serve. The community should correlate with the PMA identified by the Sponsor as a part of the PPA submission, unless otherwise stated and substantiated in the narrative.

Sponsors must provide a written narrative that cites objective data supporting the need for the Project. Narratives will be evaluated on the extensiveness of their responses, as well as inclusion of the following data sources:

- Comparison of the community's 2024 Point-in-Time ("PIT") Count of people experiencing homelessness compared to the Housing Inventory Chart ("HIC") count of shelter beds;
- Data on the number of people turned away from shelter, as reported to DHS In ETH reporting; and/or
- Data and/or recommendations from a community needs assessment provided by an independent consultant.

F. People with Lived Experience Included in Project Design

Projects may earn five points for including persons with lived experience of homelessness in the design of the project.

Sponsors that provide a written narrative that addresses all of the following components will be awarded five points:

- 1. How persons with lived experience of homelessness were or will be included in the design of the project, including in the design of the physical space and any services to be offered by the shelter provider;
- 2. How many persons with lived experience of homelessness were or will be involved in the project design process;
- 3. How the engagement and feedback provided by persons with lived experience of homelessness was or will be meaningfully incorporated into the project design; and
- 4. Whether and how persons with lived experience of homelessness were or will be compensated for their time and participation in the project design process.

G. Services Offered

Projects may earn up to 25 points for providing various types of services or service coordination that will be made available to the Project's shelter residents beyond the mandatory requirements as outlined in **Section 5.D.ii**.

As a part of this RFA's mandatory requirements, Sponsors must provide a written shelter operations and service plan narrative outlining the Project's approach to shelter. To earn points in this category, Sponsors must confirm if and how the following services will be made available to the Project's residents through one of the following:

- A Sponsor that is a member of the Project's development team;
- A service provider that is a member of the Project's development team; and/or
- Coordination with other community-based providers.

Points in this category will be awarded cumulatively. To be awarded points for each of the eligible service categories defined in the table below, the written shelter operations and service plan narrative must address the following components for each service:

- How coordination for the service will occur; and
- What organization will be responsible for the service referenced and service staffing as evidenced through a MOU or other binding agreement.

The Authority expects all Projects to employ low-barrier policies and procedures, and participation in any services must not be a requirement for shelter admission or occupancy.

Points in this category will be awarded as follows:

Services Offered ¹	
One or more service provided per category	Points
Case management	5
 Mental health services Substance abuse treatment services/substance use services Outpatient health services 	5
Housing search and placement servicesAssistance with moving costs	5
Life skills trainingChildcare	5
Education servicesEmployment assistance and job training	5
Maximum Points	25

H. Food Prep or Kitchen Space Available to Residents

Projects may earn up to 10 points for providing access to food preparation or kitchen spaces to the Project's residents. Points in this category will not be awarded cumulatively.

Projects will be awarded five points for providing communal kitchen space that residents can access and use to store, prepare, and serve food in a safe and sanitary manner in a "limited" capacity. Kitchen space will be considered "limited" if clients do not have 24-hour access to the kitchen space.

Projects will be awarded 10 points for providing 24-hour access to a communal kitchen space that clients can access and use to store, prepare, and serve food in a safe and sanitary manner, or for providing kitchen/kitchenette space within each unit.

To qualify for points in this category kitchen spaces, whether communal or in individual units, must comply with the Authority's DCRC Requirements². Authority guidelines state that kitchens in community spaces must, at a minimum, have the following:

- A sink;
- A range/oven (a microwave may not substitute a range/oven);

¹ Effective shelter operations include strong connections to available services and systems to help stabilize those residing in the shelter, and aid in the process of securing permanent housing after a shelter stay. The Authority anticipates that Projects will integrate into their local homeless CoC, and so the services listed below are intended to align with service types commonly employed in the homeless service environment. Sponsors may refer to **24 CFR § 576.102** for the ESG program for general definitions of these service components.

² Sponsors should refer to the DCRC for additional specifications for fixtures and flooring.

- A refrigerator; and
- Base and overhead storage.

In municipalities requiring a commercial range hood above a range, the range/oven may be omitted, but a letter confirming this requirement as part of the municipal code must be provided to the Authority for review.

Food Prep or Kitchen Space Requirements	Points
Limited kitchen/prep space available to residents	5
24-hour access to common kitchen available to residents	10
Kitchen/kitchenette space provided in each unit	
Maximum Points	10

I. Access to Public Transit

Projects may earn up to 10 points for access to transportation. Points in this category will not be awarded cumulatively.

Projects may be awarded 10 points for transit-oriented development if the proposed Project can demonstrate that it is located in close proximity to fixed-route public transportation, excluding inter-city transportation. "Close proximity" is defined as being within a half-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 should be identified on a map submitted with the Application along with a current schedule for the routes being considered.

Alternatively, Projects may be awarded 10 points if served by publicly available Dial-A-Ride modes of transportation that are, at a minimum, available Monday through Friday between 8:00 a.m. and 5:00 p.m. Sponsors must include a letter from the Dial-A-Ride provider that demonstrates 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.

Section 7: Post-Award Requirements

If the Members of the Authority approve the Application, a term sheet (the "Term Sheet") will be issued to the Sponsor specifying the terms, conditions, documentation, and timelines under which the Authority will fund the Project. If the Sponsor fails to meet all the Term Sheet requirements within the specified deadline, as determined solely by the Authority, the funds will be withdrawn and not awarded.

As stipulated in the Term Sheet, the Sponsor shall execute and submit a grant agreement, a Regulatory Agreement, and any other additional documentation deemed necessary by the Authority, in its sole discretion, for the Project.

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 Sponsor satisfies the terms and conditions of the Term Sheet as determined by the Authority in its sole and absolute discretion.

Sponsors 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.

Sponsors are expected to be familiar with the full range of all legal and statutory compliance requirements applicable to the grant 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 team must approve the complete final architectural plans and specifications for the Project. The complete plans and specifications must incorporate all mandatory criteria as well as any scoring criteria for which the Project received points. In addition to the Project plans and specifications, the following documents may be required, as determined by the Authority in its sole discretion:

- A copy of the Illinois Architectural Registration Certificate for the design firm and/or the sole proprietor;
- An Architect's Error and Omissions Certificate of Insurance;
- 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.

B. Environmental Assessment

The Authority will determine the scope of the environmental studies and, if applicable, the scope of remediation that may be required for the Project. 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 10% of the remediation costs.

If grant 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 Sponsor 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 on the federal System for Award Management website at **www.sam.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 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). In instances when DBRA is not applicable to a Project, the Authority must ensure the Project abides by the Illinois Prevailing Wage Act (820 ILCS 130/0/.01). If a loan or grant from another source requires a Project to comply with the Davis-Bacon Act, 40 USC 276a et seq., the requirements of the other source will prevail.

E. Fair Housing

Fair housing is otherwise known as equal housing opportunity. Federal, state, and various local laws legally define fair housing and identify specific protected classes based on documentation of past patterns of discrimination. The following is a non-exhaustive list of state and federal fair housing laws:

i. 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.

ii. Section 504 of the Rehabilitation Act of 1973 ("Section 504")

Section 504 prohibits discrimination in federally funded programs. For federally financed housing rehabilitation Projects that result in substantial alteration, Section 504 requires five percent 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 of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. Alterations are considered substantial if they are undertaken to a property that has 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 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.

iii. 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.

iv. 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

The State of Illinois is currently under three Consent Decrees (Williams v. Pritzker, Colbert v. Pritzker, and Ligas v. Eagleson) for specific populations related to the federal Olmstead v. L.C. Supreme Court ruling.

v. 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, physical or mental disability, pregnancy, marital status, age (40 and over), order of protection status, ancestry, military status, unfavorable military discharge, source of income, and sexual orientation (including gender-related identity).

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

If a Project is awarded a grant of \$200,000 or more, the Project must comply with Section 3 of the Housing and Urban Development Act of 1968. 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 Project Owners must prepare management documents which may include, but are not limited to, a tenant selection plan, management plan, management agreement, affirmative fair housing marketing plan, 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.

H. Regulatory Period

Project Owners 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 10 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. The Authority will inspect the Project from time to time; the Owner must cooperate with such physical inspections.

Appendix I: Definitions

- "Allocation Plan" shall mean the Authority's submitted and HUD-approved HOME-ARP Allocation Plan, which shall dictate and guide its distribution of HOME-ARP funds under this RFA. HUD required an Allocation Plan to describe how each Participating Jurisdiction intends to distribute its HOME-ARP funds and how they will use these funds to address the needs of HOME-ARP qualifying populations.
- "Application" shall mean an entire set of required and requested documents, in electronic form, as prescribed in this Request for Applications and submitted by a Sponsor 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.
- "Capital Needs Assessment" shall mean a property inspection report that estimates the future cost of property maintenance and critical repairs for a property.
- "Clarification Letter" shall mean a written request (sent via email) sent by the Authority in response to an Application requesting further information or clarification of any Application submissions or their components. The sending of the Clarification Letter will signify the beginning of this RFA's five-business day clarification period, during which Sponsors may respond to the requests laid out in the Clarification Letter. Sponsor responses may not include any new information or any additional submissions outside of the items noted in the Clarification Letter.
- "Compliance Period" shall mean the period of time under which any and all Authority resources utilized to finance a Project are applicable and monitored, according to their respective funding source's specific rules and guidance.
- "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.
- "Coordinated Entry" ("CE") shall mean a centralized or coordinated process required for the CoC and ESG program to coordinate program participant intake, assessment, and referrals within the CoC area. Under 24 CFR 578.3, HUD requires each CoC to establish and operate a standard CE system with the goals of increasing the efficiency of local crisis response and improving fairness and ease of access to resources for eligible homeless and at-risk populations.
- "Emergency Solutions Grants Program" ("ESG Program") shall mean the federal grant program designed to assist people with quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness. The ESG Program authorizes HUD to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid rehousing assistance.
- "Emergency and Transitional Housing Program" ("ETH Program") shall mean a State of Illinois program that gives immediate and comprehensive shelter services to homeless persons and persons at risk of becoming homeless. The ETH Program provides funding for meals, shelter and supportive services to non-profit organizations and local governments.
- "Funding Agreement" shall mean the document that outlines the terms and conditions of a funding award.

"Geographic Set-Aside" ("Set-Aside") – shall mean Projects will be categorized by Set-Asides defined below and as published on the Authority's Set-Aside Look Up tool:

- "Chicago Metro Set-Aside" shall mean the county boundaries containing DuPage, Kane, Lake, McHenry, Will, and Cook counties, excluding the city of Chicago.
- "City of Chicago Set-Aside" shall mean the municipal boundary containing the City of Chicago.
- "Non-Metro Set-Aside" shall mean regions that are located outside of any contiguous development metro areas, including all counties with a population less than 50,000 people.
- "Other Metro Set-Aside" shall mean metropolitan areas outside of the Chicago Metro region, including smaller municipalities, with contiguous development.

"HOME Investment Partnership Program" ("HOME") – shall mean a federal block grant program created by the National Affordable Housing Act of 1990. Block grants are made to state and local governments, known as Participating Jurisdictions, who distribute the funds through local affordable housing programs, including loans or grants for rental housing. Participating Jurisdictions such as the Authority make project awards and monitor project compliance throughout the affordability period.

"HOME-ARP" – shall mean the HOME Investment Partnerships American Rescue Plan Program, which provides funding to HOME Participating Jurisdictions to reduce homelessness and increase housing stability across the country.

"Identity of Interest" – shall mean the existence of any of the following conditions: (i) when one or more of the officers, directors, stockholders, members, or partners of the Owner is also an officer, director, stockholder, member, or partner of any other Participant; (ii) when any officer, director, stockholder, member or partner of the Owner has any financial interest whatsoever in any other Participant; (iii) when any Participant advances any funds or sells or donates property to the Owner; (iv) when any Participant provides and pays, on behalf of the Owner, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by any other Participant in connection with its obligations under its contract with the Owner; or (v) when any Participant takes stock or any interest in the Owner entity, as part of the consideration to be paid.

"Members" - shall mean the duly appointed Board members of the Authority.

"Non-Congregate Shelter" ("NCS") – shall mean one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement.

"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.

"Participating Jurisdiction" ("PJ") – shall mean the term given to any state, local government, or consortium that has been designated by HUD to administer a HOME Program.

"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.

"Qualifying Populations" ("QPs") – shall mean the individuals or families which HOME-ARP funds must be used to primarily benefit, which are as follows:

- Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a));
- At-risk of homelessness, as defined in section 401(1) of the McKinney-Vento Homeless Assistance Act (42

- U.S.C. 11360(1));
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by the Secretary;
- In other populations where providing supportive services or assistance under section 212(a) of the Act (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability;
- Veterans and families that include a veteran family member that meet one of the preceding criteria.

"Referral Methods" – shall mean the method used to identify the next individual or household to receive assistance after an initial assessment process that determines the individual or household is an eligible HOME-ARP Qualifying Population. Participating Jurisdictions are required to provide access to HOME-ARP projects and activities to all four HOME-ARP QPs through one or more of the referral methods described in HUD Notice CPD 21-10. All NCS Projects funded under this RFA must use one of the following referral methods:

- Referral Method 2: Use of Standard Coordinated Entry with Other Referral Methods; or
- Referral Method 3: Use of a Project/Activity Waiting List.

Referral Method 1: Use of HOME-ARP Expanded Coordinated Entry, as outlined in HUD Notice CPD 21-10, is not considered an allowable referral method under the Authority's current Allocation Plan, and will only be considered an allowable referral method under this RFA at the Authority's sole discretion.

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

"Restricted Use Period" – shall mean the period of time HOME-ARP NCS Projects must comply with HOME-ARP requirements. For both acquisition-only Projects and for rehabilitation Projects, the Restricted Use Period is 10 years. The NCS may remain as HOME-ARP NCS for the Restricted Use Period or may be used as NCS under the ESG Program. The Authority will not allow for conversion of the NCS units into permanent housing during the Restricted Use Period.

"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.

"State and Local Fiscal Recovery Funds" ("SLFRF") – shall mean the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program authorized by the American Rescue Plan Act ("ARPA"), which delivered \$350 billion to state, territorial, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

"Website" - shall mean http://www.ihda.org.