



2026 LIHTC Application Round FAQs

General Questions (updated 2/4/2026)

Below you will find Frequently Asked Questions (FAQs) for the Authority's 2026 9% LIHTC round. Questions are categorized by sections of the 2026 Qualified Allocation Plan (QAP). The FAQs will be updated periodically with new questions on an ongoing basis. **Please note that the Authority has published additional FAQ documents specifically for Development Team Characteristics and Energy Efficiency and Sustainability.**

Review the below carefully to see if any of your questions may be answered. Please submit any additional questions to multifamilyfin@ihda.org. For questions relating to technical issues with the IHDA Connect Application Portal, please email ihdaconnecthelp@ihda.org.

GENERAL:

What steps do I need to take if I received a PPA that is approved with conditions?

- Approved with Conditions means that you are eligible to submit a full application, subject to an automatic 3-point deduction unless concerns are addressed to the satisfaction of the Authority.
- Potential applicants with conditional approvals are encouraged to meet with Authority representatives to discuss noted concerns prior to submitting a full application. Applications that do not adequately address the noted concerns will enter the scoring competition at a deficit of 3 points. If you wish to discuss your conditional approval with IHDA staff, please email multifamilyfin@ihda.org.

When will recommendations for the 2026 9% LIHTC round be presented to the IHDA Board?

How long will my Project have to close if I receive funding?

- Recommendations are expected to be presented at the June Board meeting, which will be June 26, 2026. Note that **in addition to tax credits**, IHDA expects to approve subordinate resources and Illinois Affordable Housing Tax Credit (IAHTC) allocations at the same time. IHDA first mortgages and tax-exempt bond issuances will be approved separately at a later time.
- The Project's initial financial closing is expected to occur within 12 months of the LIHTC reservation. Sponsors with Projects that do not close within this time period may be unable to apply in the next LIHTC Application round.

May I elect to use the Average Income Test in my application?

- The intent to use the Average Income Test must be made at the time of PPA submission. If you would like to include this election post-PPA submission, please email multifamilyfin@ihda.org requesting this change. Please refer to IHDA's Underwriting Guide for further guidance and requirements.

How should I calculate hard construction costs?

- Hard construction costs should include all costs related to the construction of the Project, including site payments, trade work, overhead, profit, and general conditions, other general contractor costs, including but not limited to, Builder's Risk, payment and performance bond, contingency, permits, and FF&E.



- Please see the updated Underwriting Standards for the current Construction Cost Limits, which are dependent on set-aside and level of green building certification.

Does IHDA have an approved list of 3rd Party Vendors for my PNA, Market Study, Phase I, or Appraisal?

- IHDA does not have an approved list of vendors for 3rd party reports. It is the Sponsor's responsibility to select a vendor and have the report done prior to Application in accordance with the QAP guidelines.
- All vendors should follow IHDA's Standards that are listed on the Website. Reports that do not follow the posted Standards may be rejected by IHDA and result in a mandatory fail of the Application.

How old can these 3rd party reports be at the time of application submission?

- Phase I and II: 12 months. Update letter acceptable for 12 months thereafter.
- Market Studies and Physical Needs Assessments: 9 months. Update letter acceptable for 12 months thereafter.
- Appraisals: 9 months. Update letter acceptable for 12 months thereafter.

If my project has subordinate resources from IHDA, how will IHDA treat cost savings or sources that come into the project after initial closing?

- IHDA's first preference is to have Soft Funds repaid before deferred developer fee so that the Soft Funds can be used in other affordable housing projects. All projects requesting Soft Funds will have provisions in their regulatory documents that require Soft Fund repayment if there are cost savings or additional sources after initial closing.

Can I include a request for Illinois Affordable Housing Tax Credits (IAHTC) (State Donation Tax Credits) in the Common Application?

- Please limit the request based on current guidance from Multifamily Finance.
- If the Project is eligible for more credits, please note the maximum amount and how it was determined in the description section of the "B_Details" tab of the Common Application.
- If requesting IAHTC's with your LIHTC application, please submit the following:
 - Application fees as listed in the Multifamily Fee Payment Form as found on the Authority Website.
 - IAHTC Expanded Donation Form as found on the Authority Website.
 - Evidence of commitment of Donation from Donor.
 - Flow Chart Process showing how Donation will be placed into the Project.
 - An appraisal that supports the donation amount, with the Authority listed as an "intended user."

Should my budget assume any particular wage standard, such as Illinois Prevailing Wage or Davis Bacon?

- Sponsors requesting Subordinate Resources from the Authority should consider the impacts of both Illinois Prevailing Wage and Davis Bacon Wages, as the Authority may use State or Federal resources to fill these requests. Sponsors should identify the wage standard expected to be used for the Project, and should address how different sources might affect project costs.



Is there an updated Food Access Locator link?

- Yes, please use the following [Food Access Map](#).

Should my project assume impact from Build America, Buy America (BABA)?

- At this time, all applications with Federal resources (HOME, NHTF) should assume it will be subject to the Build America, Buy America (BABA) Act. The general contractor and all subcontractors must comply with the requirements of the BABA Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the general contractor's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

XIII) MANDATORY FAQs:

Supportive Housing

Is my project required to commit 10% of the units to the Statewide Referral Network (SRN)?

- All Projects pursuing 9% Tax Credits in the Chicago, Chicago Metro, or Other Metro geographic set-asides must dedicate ten percent (10%) of total units to the Statewide Referral Network (SRN) at thirty percent (30%) area median income level.
- All Projects pursuing 9% Tax Credits in Non-Metro geographic set-aside must dedicate five percent (5%) of total units to the Statewide Referral Network at thirty percent (30%) AMI.

Can SRN units be covered by a rental assistance contract?

- Yes, it is IHDA's preference that SRN units be covered by project-based rental assistance. Please keep in mind that all SRN units must be filled with SRN referrals from the PAIR module. Please verify with your subsidy administrator whether those voucher-assisted units can be filled with SRN referrals. The rental assistance commitment letter should acknowledge any assisted SRN units. **Note that SRN units should be made affordable to households at or below 30% AMI.**

Does IHDA have a preference for unit configuration for SRN units?

- While IHDA prefers one-bedroom units, studios and two-bedroom units are also acceptable. Please limit three- and four-bedroom units due to lack of demand among the target population.

Clarification for O) Financial Feasibility:

What are the 2025 Application limits for Authority Debt Sources with below Market Interest Rates?

- Projects in the Non-Metro set-aside may apply for up to 20% of total development cost. Projects in the Chicago Metro, and Other Metro set asides may apply for up to 15% of the total development cost. Projects in the City of Chicago set aside may apply for up to 10% of total development costs.
- Priority will be given to the top scoring projects in each of the geographic set-asides and those projects that score the highest number of points in the 2026 Qualified Allocation Plan.



- Applications are subject to the maximum Authority subordinate loan limits above. Failure to adhere to these limits will result in a Project that is not financially feasible as defined in the Underwriting Standards Guide.

Can I apply for the Authority's Section 811 Rental Assistance as part of the 9% LIHTC application?

- Yes. Projects that show interest for this resource will earn up to 2 points. However, 811 Rental Assistance may not be used to meet financial feasibility requirements. The Project must demonstrate financial feasibility in the event we are unable to award the 811 to the Project.

What repayment terms should I reflect in the Common Application for Authority Debt Sources with Below Market Interest Rates (soft debt)?

- All IHDA soft debt should be listed in the "Financial Gap" field of the Sources tab in the Common Application. Standard repayment terms for soft debt is the lesser of 25% of cash flow or \$1,200 annually.

Will you accept local utility new construction energy efficiency grants as a Non-Authority Grant Source Common Application?

- Unless the Project has received a grant agreement, the source cannot be included in scoring for Leverage of Authority Resources. If the Sponsor commits in writing to contribute the same amount of funds that would otherwise be provided by the utility grant (in the event the grant is not received), the Sponsor contribution can be included as points for leveraging.
- Please note the intent to apply in the description section of the "B_Details" tab of the Common Application.
- Sponsors who commit to filling said gaps caused by failure to receive the financing but ultimately fail to do so may be subject to revocation of their LIHTC award.

Will you accept Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) funds as a Non-Authority Grant Source in my Common Application?

- Due to the extreme shortage of subordinate funding sources, Sponsors are encouraged to apply for AHP funds; however, unless a Project has received an AHP grant, the source cannot be included in scoring for Leverage of Authority Resources. If the Sponsor commits in writing to contribute the same amount of funds that would otherwise be provided by the AHP grant (in the event the grant is not received), the Sponsor contribution can be included as points for leveraging. Please note the intent to apply for AHP grant funds in the description section of the "B_Details" tab of the Common Application.
- Sponsors who commit to filling said gaps caused by failure to receive the AHP award but ultimately fail to do so may be subject to revocation of their LIHTC award.

SCORING FAQs:

Clarification for C) Community Characteristics

How do I measure the distance of community assets from the site(s)?

- Distance should be measured with walking distance proximity, not geographic radius or direct "as the crow flies" distance.



Clarification for G) Tie Breaker Criteria

How do you define Projects that serve the lowest income households (1st tiebreaker)?

- Projects with the lowest average AMI will be favored in the event of a tie.

What if I have additional questions?

- Please submit any additional questions to multifamilyfin@ihda.org

What if I have questions about the portal and how to access and submit documents?

- Please submit any technical questions about the portal to IHDAConnecthelp@ihda.org.