



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**  
WWW.IHDA.ORG

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## REQUEST FOR APPLICATIONS

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# IHDA Preservation Program - Limited Rehabilitation 2.0 (Preservation 2.0)

**Exclusively for affordable housing developments with existing income and  
occupancy restrictions with IHDA**

Applications available  
February 17, 2026

Online submissions accepted  
April 6, 2026

[www.ihda.org](http://www.ihda.org)

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## Request for Applications IHDA Preservation Program - Limited Rehabilitation 2.0

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## Objective

The Illinois Housing Development Authority (“the Authority” or “IHDA”) has created the Preservation Limited Rehabilitation Program 2.0 (“Preservation 2.0”) to provide financing to developments with existing Authority imposed income and occupancy restrictions that have outstanding capital improvement needs that cannot be fully met using existing operating income and/or reserves.

The objective of Preservation 2.0 is to make funds available to impacted developments to ensure the long-term stability of affordable rental housing for the benefit of low and very low-income households throughout the State.

The implementation of Preservation 2.0 will follow the established procedures currently in place at the Illinois Housing Development Authority for application intake, review, approval, and project completion.

IHDA, at its sole discretion, will make the limited funds available to developments that IHDA determines need a capital infusion to continue to provide quality affordable rental units.

## Definitions

**Applicant** – shall mean the Owner that has applied for funds pursuant to this Request for Applications. The Applicant includes all individuals and entities of which the Owner is comprised.

**Application** – shall mean an entire set of required and requested documents, in electronic form, as prescribed in this Request for Applications and submitted by an Applicant to the Authority.

**Area Median Income** – shall mean the median income of the County or the metropolitan statistical area in which the development is located, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by HUD 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.

**Community Based Not for Profit** – shall mean a community-based development organization is a locally rooted, mission-driven nonprofit whose primary purpose is to improve conditions in a specific geographic community—socially, economically, physically, or culturally—and whose governance, programs, and accountability are tied to that community.

**Conditional Commitment** – shall mean a conditional commitment letter (“Commitment”) which will be issued to the Applicant for an approved project specifying the terms and conditions upon which the Authority will award and fund the development.

**Extended Compliance Period** – shall mean a period of ten (10) years beyond the end of the agreement with the latest, use and income restrictions in which the Owner had agreed to maintain unit affordability and serve the targeted populations.

**Grant** – funding award.

**Geographic Set-Aside** – shall mean the allocation goals are calculated based on population and the availability of other affordable housing development resources. The five geographic Set-Asides utilized within this RFA allow for Applications to be evaluated comparatively against others within the same geographic areas and/or distinct market types.

**Members** – shall mean the duly appointed Board members of the Authority.

**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 development pursuant to this Request for Applications, and which owns the development.

**Physical Needs Assessment (PNA)** – A Physical Needs Assessment, also known as a PNA, shall mean an independent, third-party evaluation of the physical condition of a property. The report documents the current state of all major building systems and identifies repairs, replacements, and any necessary upgrades required over a period of time. The PNA must satisfy the requirements of the **ASTM E2018-15 Standard Guide for Property Condition Assessment: Baseline Property Condition Assessment Process**.

**Preservation 2.0** – shall mean the IHDA Preservation Limited Rehabilitation Program 2.0.



## Section 1: Program Overview

### A. Eligible Developments

As part of IHDA's efforts to preserve or maintain affordable housing, up to \$30,000,000 of IHDA Capital Allocation Funds appropriated to the program by IHDA pursuant to the State Housing Act (aka IHDA Act) Section 310 will be used to assist qualified **IHDA** developments to preserve the long-term stability of affordable rental housing for the benefit of very low income or low-income households throughout the State of Illinois. The maximum award is capped at \$475,000 per development.

Developments must have been placed in service or have completed lease-up at least 14 years prior to the application date. Any development that has received Preservation funds through the Capital Bill Preservation Program Limited Rehabilitation Grant Award is ineligible for funding under this program.

IHDA, at its sole discretion, will make the limited funds available to developments that IHDA determines need a capital infusion to continue to provide quality affordable rental units. Successful Applicants must have an active regulatory and use restriction written and jointly executed agreement in place with IHDA that restricts a minimum of 25% of the units to households with incomes at or below 60% of the Area Median Income ("AMI"). In addition, at a minimum, eligible developments for Preservation 2.0 resources must include properties that have at least two of the conditions identified below:

- Existing physical needs that, if not repaired, threaten the sustainability of the development
  - Code violations
  - Low REAC score
  - Dangerous conditions
  - Failed UPCS/NSPIRE physical inspections (or comparable standard)
- Direct financial risk to IHDA
- Loss of affordability due to expiration of use restrictions or loan maturity
- Community Based Not-For-Profit
- Loss of marketability
  - Security issues
  - Physical obsolescence/chronic physical issues
- Inability to sustain operations with existing financing and income/rent restrictions



## **B. Eligible Applicants**

Developments owned by non-profit, for-profit, community-based development corporation, and joint-venture single purpose entities are eligible to apply for funds under the Program. To be eligible, the Applicant must demonstrate the necessary financial and technical expertise to successfully complete the rehabilitation process. **Developments that received funding through the Capital Bill Preservation Program Limited Rehabilitation (CBPP: LR) are prohibited from receiving an award from Preservation 2.0 Program.**

## **C. Funding Source**

Subject to the approval of IHDA's Board, which may reject, approve, or modify the request in its sole and absolute discretion, funds will be available in the form of a grant and awarded based on the eligibility requirements identified in Section A. Eligible Developments.

## **D. Funding Source Restrictions**

The Program will extend existing income and rent restrictions and will include compliance with and reporting requirements that support the objectives of the Program as defined by the funding source. Awarded developments will be subject to a use and occupancy agreement for a period of 10 years after the expiration of the current use/affordability restrictions. Tax credit developments assisted with this program will not be eligible for participation in the Qualified Contract process.

## **E. Total Award**

The amount of funding provided under the Program is limited to a maximum of \$475,000 as determined by the immediate and/or critical needs as identified by the PNA, inclusive of a mandatory 10% contingency and reimbursement for the cost of the PNA, if requested. It is limited to construction and related soft costs, as determined by the Authority. All funds used in conjunction with Program activities will be utilized for property stabilization, rehabilitation, or improvements. Grant disbursement cannot be used to pay the following types of expenses: property management fees, legal fees, property or income taxes, ownership distributions (whether current or overdue), incentive or developer fees, operating expenses, or any other purposes as determined solely by IHDA at its discretion.

The Authority may add or remove costs as deemed necessary to support the development and operation of the development and reserve the right to set a limit on the number of awards per Applicant.

## **F. Title Company**

The Authority plans to procure a title company to facilitate the disbursement of grant funds following

the closing process. Grantees will receive the title company's information and procedures at the time of closing.

#### **G. Repayment of IHDA Preservation Limited Rehabilitation 2.0 Program Funds**

No repayment will be required except in the case of material violation of Preservation 2.0 Program requirements, or default under any documents currently in effect with IHDA or any of the documents executed with IHDA pursuant to this Program, including but not limited to fraud.

#### **H. Mandatory Asset Management Training**

As a condition of award, the Applicant must designate at least one team member with primary responsibility for ongoing Asset Management functions (e.g., Asset Manager, senior management staff, or executive leadership) to participate in IHDA's Asset Management Capacity Building Training and Mentorship Program ("Training Program").

The designated participant must be provided with sufficient time, authority, and organizational support to fully engage in and complete all required components of the Training Program within the timeframe established by IHDA.

To reinforce program readiness and long-term compliance, IHDA will withhold five percent (5%) of the Preservation 2.0 award as retainage. The retainage will be released upon verification of successful completion of the Training Program and satisfaction of all related program requirements.

Failure to complete the Training Program may result in delayed or forfeited release of retained funds, as determined by IHDA.

## **Section 2: Application Submission and Scoring Process**

#### **A. Submission and Fee**

Applications will only be accepted electronically via **IHDA Connect**. Instructions on how to submit your application via IHDA Connect can be found on the IHDA website ([Preservation 2.0 Application Submission](#)) and will be covered during the upcoming **Preservation 2.0 Informational Sessions**. The completed Application, along with the supporting documents, must be received by IHDA in the specified format by **July 13, 2026, at the close of business (5:00 PM CDT)**.

IHDA will host **three** virtual informational sessions to address potential grant applicants' questions. The first session will be held on **March 2nd, 2026, from 12 PM to 1 PM**, the second will be held on **March**



**18, 2026, from 12 PM to 1PM**, and the third will be held on **June 12, 2026, from 10:00 AM to 11:00 AM**. Registration information will be available via the IHDA website ([Preservation 2.0 Information Sessions](#)). Note, two additional information sessions will be scheduled for the grant awardees to be hosted at a time following the grant award announcement.

All application packages must include a completed application (Excel workbook), audited financial/CPA reviewed financial statements from the most recent period, and a Physical Needs Assessment (PNA) completed by a third-party certified provider, such as a licensed professional, including an architect or professional engineer, that addresses all anticipated capital repairs required within the next 10 years. The PNA cannot be older than 12 months from the application date. The PNA must satisfy the requirements of the **ASTM E2018-15 Standard Guide for Property Condition Assessment: Baseline Property Condition Assessment Process**. In addition to the written PNA report, the provider shall submit two PNA data excerpts which include the **PNA Summary Page** and **PNA 10-Yr Assessment** (both documents can be in the PNA Supporting Documents Workbook at ([IHDA Website - Preservation 2.0 Program page](#))).

All Applications must include a copy of the check for the non-refundable application fee (\$250.00 non-profit applications, and \$500.00 other applicants) for the appropriate amount. Please use the application Fee Submission Form included in the Preservation 2.0 application ([Preservation 2.0 Application Link](#))

The check for the **non-refundable** application fee should be sent to the following address:

Illinois Housing Development Authority  
26411 Network Place  
Chicago, Illinois 60673-1264  
Attn: IHDA Preservation 2.0 – Lockbox 26411



**B. Geographic Set-Aside and Scoring Criteria**

Applications will be awarded based solely on the information submitted. The Authority reserves the right to verify information submitted in the Application. The Authority, in its sole and absolute discretion, may reject an application if the correct forms or required information are not submitted, or if information available to the Authority negates an approval of the Application.

In the case of a tie between applicant submissions within a particular set aside the Authority will use the number of units being improved as a tie breaker.

If Applications meet the mandatory eligibility requirements listed above, they will be grouped according to the following Geographic Set-Asides as defined in IHDA’s 2026 QAP, and scored.

<b>Set- Aside</b>	<b>Preservation Allocation Goal</b>
Chicago Metro	35%
City of Chicago	12%
Non-Metro	20%
Other Metro	18%
Statewide	15%
<b>Total Preservation 2.0 Allocation</b>	<b>100%</b>



Geographic Set-Aside Definitions			
Set-Aside	Description	Definition and Boundaries	List of Geographies
Chicago Metro	The metropolitan area comprised of Cook County and its five adjacent counties, but excluding the city of Chicago.	The county boundaries contain DuPage, Kane, Lake, McHenry, Will, and Cook counties, excluding the city of Chicago.	
City of Chicago	Community areas within the city of Chicago.	The municipal boundary contains the City of Chicago.	
Non-Metro	Typically, rural communities are not within the contiguous development area of a larger metropolitan region.	Regions that are located outside of any contiguous development metro areas, including all counties with fewer than 50,000 population.	Refer to <a href="#">IHDA's Set-Aside Look Up tool</a>
Other Metro	Smaller metropolitan areas outside of the Chicago Metro region with contiguous development.	Metropolitan areas such as Springfield, Peoria, Rockford, etc., including smaller municipalities within an area of contiguous development.	
Statewide	The Authority may choose to allocate awards under the Statewide Set-Aside to projects that meet the following requirements:	<p>State of Illinois</p> <ol style="list-style-type: none"> <li>1. Project that would not otherwise be awarded a Preservation Grant based upon their competitive score within their geographic Set-Aside; or</li> <li>2. Project is located in a geographic Set-Aside where the total amount of the Preservation Grant funds available is less than the total amount of Preservation Grant requested.</li> </ol>	



The maximum score possible is 100 points and must be supported by the Application and PNA.

Category	Max Points Per Category
<b>Existing physical needs that, if not repaired, threaten the sustainability of the development</b>	<b>30</b>
PNA identifies Critical Repairs (Immediate)	10
PNA identifies Life/Safety Repairs (Immediate)	10
PNA identifies Code Violations (Short Term)	5
PNA identifies Long Term Capital Repairs	5
<b>Direct financial risk to IHDA</b>	<b>30</b>
1st Position Lien (such as Risk Share/FAF/Bonds)	15
IHDA - All Other Loans	10
IHDA - Grants/S811	5
<b>Loss of affordability due to expiration of use restrictions or loan maturity</b>	<b>20</b>
If EUA $\leq$ 10 years until expiration/or Reg Agreement < 5 years until expiration	15
Affordability Risk Index - score of 4 or 5 (meaning that the development needs help to compete in an appreciating market)	5
<b>Organizational Type</b>	<b>10</b>
Community Based, Not-For-Profit	10
<b>Loss of marketability</b>	<b>5</b>
Security Challenges/Physical obsolescence/chronic physical issues (identified in narrative, financials, PNA)	5
<b>Inability to sustain operations</b>	<b>5</b>
Inability to sustain operations with rent restrictions going forward (identified in narrative, financials, PNA)	5
<b>Total</b>	<b>100</b>



**C. RFA Schedule**

<b>Event / Activity</b>	<b>Date</b>
<b>Communication Plan</b>	
Announcement: Management Bulletin Release - Notification of Preservation 2.0 Program	2/17/2026
RFA Launch: Public Release of RFA and Preservation Application Workbook (All Application Must Be Submitted Via IHDA Connect)	2/17/2026
Virtual Information Sessions:	03/02/2026, 03/18/2026, and 6/10/2026
<b>Program Application Intake</b>	
Application Portal Will Be Open for Submission (IHDA Connect)	4/6/2026
Application Portal Application Deadline & Closing of Application submissions (IHDA Connect)	7/13/2026
<b>Application Review to Decision</b>	
<b>Board Approval Review and Decision</b>	
IHDA Board Request Approval & Announcements (Tentative)	October 2026 to December 2026
<b>Initial Close (Post Board and Grant Funding)</b>	
<b>Pre-Closing Information Sessions</b>	
Two Informational Session(s) for Awardees regarding: 1. Closing process overview (Legal) 2. Title Company: Funds Management Process.	November 2026 and January 2027
<b>Asset Management Capacity Building Training</b>	
Asset Management Specialization Certification Program (refer to page 7 for more information)	Starting May 10, 2027
<b>Closing to Close-out</b>	
<b>Rehabilitation/Construction Work</b>	
Preservation Rehab/Repairs (begins after closing, duration is two years)	December 2026 to June 2029
<b>Title Company -- Funding</b>	
Draw requests	December 2026 to July 2029
<b>Close-out Inspections</b>	
Final inspection to approve before final draw	December 2026 to June 2029



#### **D. Public Notice**

When the Authority accepts an application for financing for the proposed development, the Authority shall give written notice of the proposed development to the following people and agencies:

- The Chairman of the County Board of the county in which the development is located,
- the Mayor or other Chief Executive of the municipality (means cities, villages, and incorporated towns), if any, in which the development is located,
- in municipalities with a population of more than 1,500,000 persons, the Alderman of the ward in which the development is located,
- appropriate Clearinghouses; and
- each member of the General Assembly from the legislative district in which the development is located.

The notice shall set forth the name and address of the development; the name, address, and telephone number of the developer; the estimated amount of the proposed financing; the total number of units; the total number of units for Low-Income and Very Low-Income Tenants; the type of Development (for example, elderly, non-elderly, or mixed income); and any other information the Authority deems relevant.

#### **E. Unacceptable Practices**

The Authority may, in its sole and absolute discretion, deny any Application in which the Applicant has failed to demonstrate ongoing proficiency with affordable and supportive housing programs or for any other reason. The Applicant may include an explanation of the circumstances surrounding the unacceptable practice(s) and the roles of each of the individuals and/or entities of which the Owner is comprised. Unacceptable practices may include but not be limited to:

- An Applicant is affiliated with existing developments 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.
- An Applicant (including any affiliates) has experienced any events of foreclosure or failed to perform under the terms of a workout agreement over the past three (3) years.



- An Applicant (including any affiliates) has declared bankruptcy over the past three (3) years.
- An Applicant (including any affiliates) has a mortgage default or an arrearage of threemonths or more within the last three (3) years.
- An Applicant has failed to pay any fee or expense due to the Authority, including outstanding compliance monitoring fees, in the past three (3) years.
- Any liens, judgements, or other claims exist against property owned by the Applicant (including any affiliates) for which the Applicant has failed to resolve a public filing.
- The Applicant (including any affiliates) has been debarred or received a limited denial of participation in the past three (3) years by any federal or state agency from participating in any development program.
- An Applicant has materially misrepresented facts on any request for Authority resources.
- If the subject development received prior CBPP: LR Grant funding, it will not be eligible to receive the Preservation 2.0 Grant.
- Any other reason as determined by the Authority.



### Section 3: Post-Award Requirements

If the Members of the Authority's Board approve the Application, which the Board may reject, approve, or modify in its sole and absolute discretion, then a Commitment will be issued to the Applicant specifying the terms and conditions upon which the Authority will award and fund the development. If the Applicant does not satisfy the terms and conditions of the Commitment in the Authority's sole and absolute discretion, within the time frame specified therein, the funds will not be awarded and will be withdrawn. If the Applicant satisfies the terms and conditions of the Commitment in the Authority's sole and absolute discretion within the timeframe specified therein, the funds will be awarded as provided in the Commitment.

Among the requirements in the Commitment will be a signature and delivery by the Applicant of the following documents to be provided by the Authority, including without limitation:

- Applicant Certifications
- Grant Agreement
- Regulatory Agreement
- Amendment of Extended Use Agreement regarding a waiver of the Qualified Contract provision (if applicable)

Closing shall be at such a time as the Applicant satisfies the terms and conditions of the Commitment as determined by the Authority in its sole and absolute discretion.

Applicants must agree to comply with all applicable Federal and State of Illinois' requirements, which may have a significant impact on the costs and complexity of related work. Moreover, all Projects must meet the requirements of the National Historic Preservation Act and the Illinois State Historic Resources Protection Act, as determined by the State Historic Preservation Office at the Illinois Department of Natural Resources ("IDNR"). Note that this requirement is required by State statute and applies to all Projects regardless of their Project type, location or historic nature. The Application must include all documentation listed in the [Historic Preservation Checklist](#) found on the [Illinois State Historic Preservation Office \(SHPO\) Website](#). If the Project involves federal funds, 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.



## **A. Rehabilitation Standards**

All Applications involving any rehabilitation of existing structures must comply with the following rehabilitation standards at a minimum:

- The proposed rehabilitation work must address all items identified as “Critical” or “Immediate”, life/safety, and municipal code violations. The grantee must submit a proposed workplan that includes start and completion dates for the proposed project(s).
- The work identified by the Physical Needs Assessment (PNA), that needs to be completed within the next eight to ten years, must be addressed as thoroughly as possible. Moreover, the identified project(s) must be completed by a licensed, bonded, and insured contractor. Please be aware that the maximum grant amount available is \$475,000, regardless of the amount of work specified in the PNA. Grantees are required to utilize the funds to tackle as many "Critical," "Immediate," life/safety, and municipal code violations as they can. If additional work is necessary beyond the \$475,000 limit, grantor assumes sole responsibility for any compliance and reporting requirements which may arise from the additional work and/or from any other funding sources.
- The IHDA Physical Inspection Team will schedule an inspection of the items listed in the scope of work prior to the contract being signed during the work process, and/or after the work is completed. The Physical Inspector(s) will perform an inspection of work completed associated with the grant award prior to the final disbursement of the grant funds. Note, additional inspections may be required based on existing IHDA protocols and procedures.
- A single bid for the scope of the work is acceptable at the time of the award under a general contractor. Generally, 2 or more trades require use of a general contractor showing vendor and scope of work.

## **B. Labor Standards**

The Authority will implement labor standards on demolition, construction, and rehabilitation projects in accordance with the Illinois Prevailing Wage Act (820 ILCS 130/0/.01) ([Click Here](#)). While the Award is not subject to Illinois Works Apprenticeship Initiative, however if a loan or grant from another source requires the Owner to comply with Initiative, the requirements of the other source shall prevail, and Owner will be solely responsible to comply with the other sources requirements.

## **C. Regulatory Period**



The Applicant will be required to execute a Regulatory Agreement with the Authority, whereby the Owner shall agree to the Extended Compliance Period for a period of **10 years beyond** the end of the agreement with the latest use and income restrictions. Developments previously financed with Federal Low Income Housing Tax Credits (LIHTC) issued by the Authority will not be eligible for participation in the Qualified Contract process and such rights will be waived by the Applicant.

#### **D. Compliance Requirements**

Applicant's Developments are expected to be in compliance with IHDA's compliance guidelines and requirements.

Applicants are expected to be familiar with the full range of all legal and statutory compliance and reporting requirements applicable to the funds awarded and obtain all necessary information and advice so that they can comply with the requirements. The required monitoring and reporting will begin at final closing and will consist, at a minimum, of:

- An initial physical inspection at the completion of the work,
- Annual certification of compliance with all income and use restrictions,
- Annual financial statements, either audited or CPA-certified, or as required by the grant documents
- Copies of the current Tenant Selection Plan (TSP) and Management Plan,
- Copies of the current Affirmative Fair Housing Marketing Plan (AFHMP) and updates as applicable, and
- Physical inspections in the first, fifth and final years of the Extended Compliance Period.

### **Section 4: Questions**

Any questions about this Request for Applications or its requirements should be directed to the following email address: [PreservationProgramLimitedRehab@ihda.org](mailto:PreservationProgramLimitedRehab@ihda.org).